

THE WALL STREET JOURNAL.

The Right Time To Book That Flight

THE MIDDLE SEAT | DI

Matt A. Mayer
It's Too Easy
For Terrorists

OPINION | A15

DOW JONES | News Corp *****

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What's News

Business & Finance

Dow Chemical's CEO had long pushed for a deal with DuPont. News that the chemical giants are in merger talks sent both companies' stocks up 12%. **A1**

◆ **A deal would prompt** what would likely be a lengthy and detailed antitrust review. **B1**

◆ **Yahoo signaled** that its Internet business is up for sale as it shelved a plan to spin off its Alibaba stake, dealing a blow to CEO Mayer. **B1**

◆ **Terrorist attacks** are complicating Fed efforts to resume shipments of dollars to the U.A.E. central bank. **C1**

◆ **DTCC is seeking** \$50 billion in credit commitments from banks and trading partners to bolster a unit that facilitates trades in the repo market. **C1**

◆ **China guided** the yuan to the currency's weakest level in more than four years. **C1**

◆ **U.S. stocks dropped** as the price of oil struggled to stabilize. The Dow lost 75.70 points to end at 17492.30. **C4**

◆ **Oil prices fell** as traders focused on growing inventories of refined products. **C4**

◆ **U.S. safety regulators** are weighing a fine and other penalties against Fiat Chrysler for reporting lapses. **B2**

◆ **VW no longer expects** to have to set aside about \$2.18 billion for a CO₂ emissions issue it recently disclosed. **B2**

◆ **Bond insurers' talks** with Puerto Rico's power authority have stalled. **C3**

World-Wide

◆ **Federal investigators** are probing whether one of the shooters in the San Bernardino, Calif., assault had planned an attack in 2012. Meanwhile, the FBI said the assailants had been radicalized even before they met. **A1**

◆ **Lawmakers introduced** a bill that would require social-media firms to report online terrorist activity. **A6**

◆ **The Senate voted** to replace the No Child Left Behind law, returning power to the states to improve school performance. **A3**

◆ **Iraqi forces** backed by U.S.-led airstrikes repelled Islamic State counterattacks in Ramadi, a day after the army gained a foothold. **A8**

◆ **The Supreme Court** again took up the issue of race in admissions at the University of Texas at Austin. **A7**

◆ **The suspect** in an attack at a Planned Parenthood clinic declared in court that he is "a warrior for the babies." **A7**

◆ **Police identified** a French national who had traveled to Syria as the third attacker at a Paris concert hall. **A9**

◆ **Saudi Arabia hosted** a meeting of Syrian opposition groups in a bid to unite anti-Assad forces. **A8**

◆ **Afghan and Pakistani** leaders said they would work to restart talks between Kabul and the Taliban. **A11**

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U.S. Airstrikes Help Iraqis Beat Back Islamic State in Key City



FRONT LINES: An Iraqi soldier drives a Humvee through embattled Ramadi, where the Iraqis held off an ISIS attack on Wednesday. **A8**

Dow Long Pursued DuPont

After many tries, rivals reached deal when CEO changed at Delaware chemical giant

By DAVID BENOIT AND JACOB BUNGE

Shortly after Edward Breen stepped in to run DuPont Co. in October, Andrew Liveris, long-time head of Dow Chemical Co., called with a proposal.

Mr. Liveris saw an opportu-

nity to strike the merger he had long wanted, marrying the two giants of American industry with a combined market capitalization of more than \$130 billion, and he was eager to talk to the noted deal maker now leading his rival.

Mr. Breen asked for some time. He later joked with bankers that he hadn't even had a chance to find the bathrooms at DuPont when Mr. Liveris came calling, according to people familiar with the matter.

Nine weeks later, Dow and

DuPont are on the verge of consummating a deal. The two are in advanced talks on a merger that would reshape the chemical and agricultural industries by creating a new massive company, which would quickly be spun into three entities, The Wall Street Journal reported Tuesday. A deal could be announced as soon as this week.

It comes at a time of sinking commodity prices and a strengthening U.S. dollar, which have hurt revenues across the companies' business lines. Both

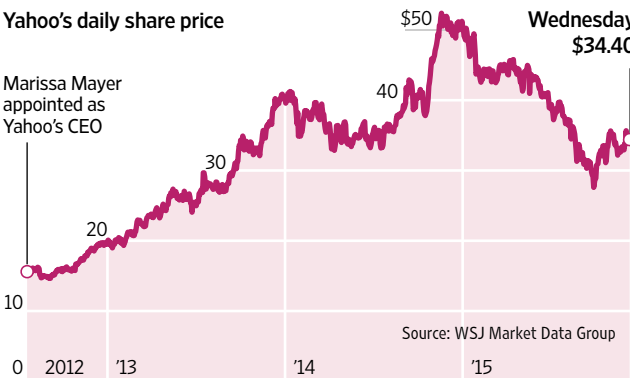
companies have shed some of their hallmark businesses that generated lower profits and left them exposed to price swings, while focusing on proprietary products in faster-growing sectors such as food, electronics and packaging.

Dow and DuPont also have cut costs and streamlined opera-

Please see *DEAL* page A10

◆ Proposed merger faces detailed antitrust review..... **B1**
◆ Heard on the Street: Bonding over adversity..... **C10**

Yahoo Drops Alibaba Spinoff Plan



NEW PATH: Yahoo's board said it could spin off or sell its core Internet business, in a deal that could save investors on taxes but that also might take more than a year to execute. **B1**

MERKEL'S OPEN DOOR BECOMES A HARDER SELL

German chancellor's political skills tested amid refugee-policy backlash

By MARCUS WALKER AND ANTON TROIANOVSKI

BERLIN—Angela Merkel had just returned to her apartment here after meeting critics of her policy of welcoming Middle East refugees, when aides phoned her with news of terrorist attacks in Paris.

The German chancellor's open door for people fleeing war in Syria, Iraq and elsewhere had already weakened her once-unassailable popularity. She knew, says a person familiar with her thinking, that immigration opponents in

Germany and Europe would want to link the Islamist terrorist threat with refugees trekking to Europe and would demand a clampdown on the mainly Muslim migrants.

Ms. Merkel's response: to double down on her migrant policy. She emphatically reiterated her refugee-friendly stance, amping up the moral rhetoric that is infuriating many supporters and politicians of her conservative

Please see *MERKEL* page A12

◆ Germany plans to issue migrant ID cards..... **A9**

As Cruz Rises In Polls, He Is Banking On the South

By JANET HOOK

NASHVILLE—Sen. Ted Cruz of Texas, who is rising to the top tier of the Republican presidential primary field in Iowa, is plotting a protracted nomination fight through Southern states that are playing bigger roles than in prior elections.

It is a region where his antigovernment, evangelical conservative message plays well, and he has quietly been building a far-reaching political organization to take advantage of that.

If it works, Mr. Cruz could become one of the biggest beneficiaries of the party's decision to hold primaries in 12 states—half in the South—on March 1. A strong showing by one candidate could provide a burst of momentum at a key

Please see *CRUZ* page A4

In Irish Countryside, a Tiny Town Is Transformed by Love

Six-week matchmaking festival draws thousands of hopefuls; 'good craic'

By SHIRLEY S. WANG

LISDOONVARNA, Ireland—Singles weary of dating websites and apps find themselves rejuvenated each fall in this tiny former spa town.

Online dating "is a lot of time wasted," said Mary Cokelly, sitting in a packed pub, waiting to meet with a matchmaker. Ms. Cokelly, a 58-year-old who says she "embraces life," uses websites, but prefers meeting people in person.

This year, an estimated 60,000 singles descended on Lisdoonvarna for some part of the town's matchmaking fes-

tival, a six-week-long extravaganza of music and dance for hopeful romantics. Matchmaking has become a cottage industry for the town of some 700 residents, which gets an annual

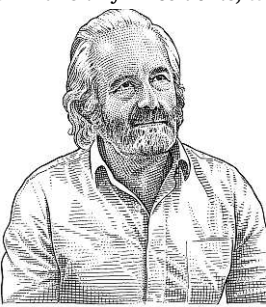
boost from those looking for love.

Some turn to Willie Daly, who many call Ireland's last traditional matchmaker. His motto: You may be an old shoe but there's a stocking to fit you.

That means no laptops and no Internet, only the bearded, 70-year-old Mr. Daly, clutching a book full of papers in a room at the Matchmaker Pub.

From his experience in over

Please see *LOVE* page A12



Willie Daly

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FROM PAGE ONE

MERKEL

Continued from Page One party.

“We live based on shared humanity, on charity,” she told Germans the next morning. “We believe in...every individual’s right to pursue happiness,” she said, “and in tolerance.” Catching the terrorists is Europe’s duty “also to the innocent refugees who are fleeing from war and terror,” she said at a world leaders’ summit in Turkey that weekend.

Ms. Merkel’s insistence that Europe can absorb potentially millions of new residents is vexing her country and continent. Germans are questioning her judgment and her grip on power. Some other European countries bridle at Germany’s leadership, raising fears the crisis could cripple the European Union.

Germany seeks to impose “moral imperialism,” says a senior official from Hungary, one of the EU countries critical of Ms. Merkel’s course. “The Germans think they’re the Americans of Europe.”

The backlash against Ms. Merkel’s pro-refugee policy has become the biggest-yet test of her political skills and of Germany’s leadership in Europe.

Interviews with more than 20 senior officials in Germany and around Europe give an inside look at how Ms. Merkel arrived at this conundrum, pressing other leaders during recent months to buy into her approach in closed-door meetings, tense phone calls and diplomatic arm-twisting—only to be blindsided by the Nov. 13 Paris attacks that have made her policy an even harder sell. She declined to be interviewed for this article.

At home, Ms. Merkel’s defenders say she has shown mettle in insisting on a common European solution. “This is real leadership—to have the confidence to say, ‘We can do this,’”

Her open-door policy has won U.S. praise. Secretary of State John Kerry said in Berlin this fall: “Germany has set a remarkable example for its willingness to step up and deal with this challenge.”

EU countries such as France, Spain and the Netherlands have gone along with Germany’s proposals. But they’ve done so with little enthusiasm. Other European governments are fighting to halt her strategy of spreading the refugees around Europe through national quotas.

At a European summit on Dec. 17, Ms. Merkel is set to press again for at least some other European countries to help Germany take in Syrian refugees from Turkish camps, a proposal aimed at replacing migrants’ dangerous trek to Europe with controlled, legal transit. So far, she has little support.

In Germany, her approval ratings have dropped in recent months, although the latest polls suggest she may have halted the decline. “She has decided for personal reasons that she wants a different Germany,” Bavarian state premier Horst Seehofer said on a call this fall with senior conservatives in his state, according to a participant.

The backlash is forcing Ms. Merkel to offer concessions. She is trying to slow the immigrant



Migrants from Syria and Iraq took selfies with German Chancellor Angela Merkel outside a refugee camp in Germany in September.

flow into Europe without reversing her openness message, which polls show has divided German opinion. She is determined to prevent closure of Europe’s borders by barbed-wire fences and the danger, she believes, of violent conflict.

“Either we get this under control,” says a German official close to her, “or Europe explodes.”

Summer’s surge

Ms. Merkel, a 61-year-old former physicist who became chancellor 10 years ago, owes much of her political success to a hard-learned lesson: Don’t challenge Germans with radical change.

Yet she has also long believed Germany can’t cocoon itself. Crises abroad, from the eurozone’s near-collapse to the Ukraine-Russia conflict, have led her to embrace greater German leadership in Europe despite compatriots’ misgivings. Now the formerly calming figure nicknamed “Mutti,” or “Mom,” is exhorting her reluctant nation to absorb much of the greatest migration wave in Europe since World War II.

Her aides say reality is dictating her steps. This summer, the sheer numbers crossing into Europe were undermining a rule that refugees must seek asylum in the first EU country they reach. Italy and Greece, where most landed, couldn’t absorb the numbers. The rest of Europe offered little help. Encouraged by Ms. Merkel, the EU Commission, the bloc’s executive arm, proposed spreading 40,000 refugees around the region.

But EU leaders could only agree to collect voluntary offers to take people from Italy and Greece. Generosity proved limited.

Ms. Merkel’s stance was evolving when she took questions at a televised July forum. A 14-year-old Palestinian from Lebanon, living in Germany, told the chancellor of her dream of finishing her German education and of the fear of deportation while her family’s asylum claim was processed. Ms. Merkel replied that she was working to speed up the bureaucracy but that sometimes the decision would be “no.”

“You know, there are thousands and thousands in the Palestinian refugee camps in Lebanon,” Ms. Merkel said. “And if we say ‘you can all come,’ and ‘you can all come from Africa,’” she said, “we cannot handle that.” The girl began crying. The chancellor froze midsentence. Her awkward attempt to comfort the girl went viral.

Her tone would soon change. In the chancellery, worries were growing about Germany’s media image. Ordinary Germans were helping refugees, but extremists were setting fire to housing for asylum-seekers.

At a news conference, she expressed pride that Syrians and others wanted into Germany. “The world sees Germany as a land of hope and of opportunities,” she said, and the numbers shouldn’t frighten Germans: “We can handle this.”

Her handling of an emergency days later became a watershed.

In early September, thousands of migrants were stuck in Hungary, whose government had stopped them from boarding trains to Austria. Hungary’s premier, Viktor Orban, saw them as illegal immigrants and their odyssey as a national-security problem, aides say.

Austrian Chancellor Werner Faymann was upset by Hungary’s rough police treatment of

Backlash against Ms. Merkel’s refugee policy is a big test of her political skill.

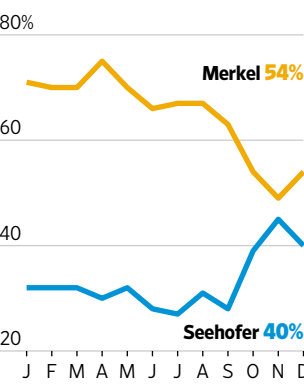
the refugees, Austrian officials say, and appalled when Hungary misled refugees onto a train to a detention camp. Such tactics “awaken memories of the darkest times of our continent,” Mr. Faymann told a German magazine. Mr. Orban protested publicly at being compared with the Austrian-born Hitler. Both leaders declined to be interviewed.

When refugees marched from Budapest Sept. 4, paralyzing Hungary’s main highway to Austria, Mr. Orban phoned Vienna. Mr. Faymann wouldn’t take his calls, aides to each say. Mr. Orban convened his national-security cabinet and decided to bus

Sea Change

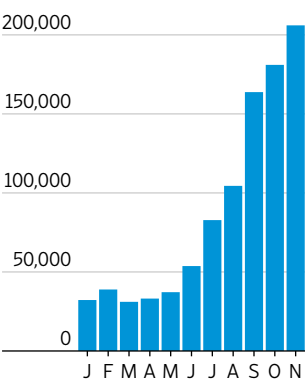
Chancellor Angela Merkel swiftly lost popularity as the tide of migrants rose while her more conservative ally Bavarian Premier Horst Seehofer gained ground.

Monthly approval rating, 2015



Sources: Infratest Dimap (polls); German Interior Ministry

Migrant arrivals in Germany



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the migrants to the border. “If Austria wants them, they can have them,” Mr. Orban said, according to a person present.

Hungary’s foreign minister told his shocked Austrian counterpart the news at an EU meeting that day. Austrian officials, unprepared for mass arrivals, urgently sought German help.

The emergency caught Ms. Merkel on a day of party events in Essen and Cologne. In a volley of phone calls, she and Mr. Faymann shared a calculus, say aides to each: Only force could halt the migrants at the border; inaction could result in exhausted refugees dying on the highway.

Ms. Merkel made a snap decision that sent shock waves around Europe: Throw Germany’s doors open. Bypassing Europe’s asylum rules and skeptical members of her government, she ordered trains to carry the migrants to Munich.

Her aides couldn’t reach her coalition partner, Bavaria’s premier Mr. Seehofer. He, like Mr. Orban, wanted to stop the migrants; the two men became Ms. Merkel’s most outspoken adversaries. Mr. Seehofer declined to be interviewed.

As Germans greeted refugees in Munich with sweets, toys and hugs, Mr. Orban told Ms. Merkel by phone her decision undermined the fight against illegal immigration and lured migrants to Europe, aides to each say.

He told her Hungary was fencing off its southern border.

If all EU countries did the same, he said, the crisis would end. “The Hungarian solution,” he said, “is the only solution.”

Ms. Merkel replied that if Europe wanted a wall, it would have to be high and defended with violence against civilians, and Greece could hardly wall the Aegean Sea. A fence might work for Hungary, she told Mr. Orban, but she sought answers for all Europe.

Following lobbying by Ms. Merkel, the EU Commission announced it wanted 160,000 refugees distributed around Europe by mandatory quotas. Hungary and other eastern countries were opposed. Hungarian, Slovakian and Romanian officials publicly or privately said they had failed to integrate Roma minorities for centuries and that Muslim immigrants would be comparably hard to absorb. Slovakia said it would accept only Christians.

EU authorities further angered eastern countries by switching the quota debate from leaders’ summits, where decisions require unanimity, to a meeting of interior ministers who imposed quotas by majority vote. On paper, Germany had won, but other countries are doing little to implement the unpopular agreement.

Backlash at home

Backlash built against Ms. Merkel at home, where pro-refugee euphoria faded while as

many as 10,000 arrived daily. Local governments struggled to house and feed them. In overstretched Bavaria, Mr. Seehofer threatened to sue the federal government unless Ms. Merkel set a cap on arrivals.

She dismissed the demand. “If we have to start apologizing now for showing a friendly face in emergencies,” she told reporters, “then this is not my country.”

She knew she had to convince voters the situation wasn’t out of control. Immersing herself in the logistics of accommodating migrants, she learned details about heated tents and housing containers. She tightened rules on asylum-seekers’ benefits. She pushed for EU migrant-processing centers in Greece and Italy to block bogus asylum claimants.

She courted Turkish President Recep Tayyip Erdogan, whom she had long mistrusted but whose help she needed to reduce the migrant flow. Mr. Erdogan’s demands, EU officials say, included money for refugee camps, visa-free European travel for Turks, revitalizing stalled talks on EU membership and summits with EU leaders.

Visiting Istanbul in October, Ms. Merkel told him she was willing to talk about everything. One problem: Her party opposes Turkey’s joining the EU.

A spokesman for Mr. Erdogan didn’t respond to inquiries. “We evaluated burden-sharing,” Mr. Erdogan said after meeting the chancellor.

Meanwhile, Balkan countries struggled with the buildup of migrants south of Hungary, whose anti-migrant fence created bottlenecks elsewhere. And many governments criticized Greece for waving migrants through.

At a summit of countries along the Balkan migration trail, called at Ms. Merkel’s behest, leaders warned they would build fences if Germany closed its border. Ms. Merkel said that, having grown up in communist East Germany, she opposed walling off countries but that there might be no alternative unless Greece and others helped manage the flow.

Under German pressure, the Balkan countries agreed to put up 100,000 people until the EU could find long-term homes. By November, far more were entering Europe. Germany alone expects to receive a million asylum-seekers this year.

The Paris attacks have made Ms. Merkel’s remedies harder to sell. Eastern European leaders are still balking at taking Muslim refugees, although the EU quota decision is binding. Mr. Orban blames Germany’s open-door policy for admitting terrorists. “We are monitoring every Muslim in our territory,” Slovakian Prime Minister Robert Fico said publicly after visiting the French embassy there following the Paris attacks. He declined to comment.

In Germany, pressure on the chancellor is mounting inside her coalition. At their Nov. 19 party congress, Mr. Seehofer’s Bavarian conservatives voted to cap migration. Ms. Merkel told the congress turning refugees away was unworkable. “Isolation is not a solution in the 21st century.” Applause was sparse.

“You know we’re unrelenting,” Mr. Seehofer replied. “You haven’t heard the last of this.” He earned a thunderous ovation.

—Valentina Pop in Brussels and Margit Feher in Budapest contributed to this article.

LOVE

Continued from page A1

50 years as a matchmaker, Mr. Daly estimates thousands will pair up after meeting in Lisdoonvarna this season, and more than a hundred couples will eventually marry.

“For me it’s a feeling,” says Mr. Daly, the most famous matchmaker working at the festival, who describes his matchmaking as largely based on instinct and whether he thinks physically the two people will be attracted to one another. “There’s a little bit of magic in it,” he says.

During festival time, he meets with singles at the pub primarily during the day about their criteria and keeps his eyes sharp for possible matches while walking around town.

So do many attendees. Catherine Holmes, 37, and Paul Duggan, 41, met two years ago in Lisdoonvarna at a pub. “I lied, I told her I played rugby,” says Mr. Duggan, who has attended annually since 2007. Ms. Holmes, who was a first-timer the year she met Mr. Duggan,

had come simply because she heard it was a “good craic,” a good time. They came back to the festival together this year.

Visitors originally were drawn to this town in the 1800s because of its mineral-rich springs, and lore is that the popularity of “taking the waters,” particularly after the fall harvest, led to the matchmaking tradition. The festival is over 150 years old and has grown substantially. This year, the festival brought in nearly €3 million to the area, says Julie Carr, head of marketing for the festival.

One weekend, a tall blond man in a bright blue sweater pushed his way through the crowd and into Mr. Daly’s matchmaking den, a small room at the pub, festooned with paper streamers and Cupids.

“He found me my wife,” said the man, John Ambrose, making his way to the table where Mr. Daly sat with prospective candidates.

Mr. Ambrose, a farmer in Limerick, said he had dated a lot of nice girls before but with his wife, he knew within one hour. “We only lived 15 miles from each other but had to meet through Willie,” he said.



Thousands come to Lisdoonvarna, Ireland, for a matchmaking festival.

Despite the list of qualities people often say they want in a partner, in Mr. Daly’s experience, a match can come with just a “transfixed” look. People also become bolder during the festival: It is common for men to spot a beautiful woman in town, cross the road, and ask for her

hand in marriage, he says.

People meet at the many, many dances throughout the festival, starting at noon and often ending only at three in the morning. “Most people don’t get romantic until 12 in the night; they need a drink first,” Mr. Daly says.

And though he doesn’t have a problem with online dating, when he meets a couple who met over the Internet, he often thinks, “I never would have matched them together.”

Mr. Daly has helpers, including some of his daughters, to help shy people emerge from their shell. One evening, several women who looked to be between 40 and 50 came into the room, looking around uncertainly, asking how the process works.

For €10, they filled out a photocopied sheet asking for basic information, including their name and age, and what qualities they’re looking for in a mate. Mr. Daly jots down notes as he talks to the candidates.

If two people he thinks are a match are both in town, he will bring them together. But he sorts through all of the 1,000-odd sheets after the festival and connects people by phone even after they have gone home.

Ms. Cokelly, who lives in England, came to the festival for the first time last year. She dated a man she met there, but they ultimately decided to just be friends, since he lived in Wales, a several-hour drive away.

This year, she filled out Mr. Daly’s matchmaking sheet. She said she received several calls from men after the festival. Unfortunately, they all live in Ireland and she isn’t sure she wants to try dating long-distance again.

But she already has plans to return to Lisdoonvarna next year. “I’m thinking third time lucky, I’m an optimist,” she says with a laugh.

Most attendees are Irish, but more English and Americans have been flocking to Lisdoonvarna in recent years, says Mr. Daly. While American women are considered attractive, “sometimes they don’t get the romance factor,” he says.

On the other hand, Irish men are very romantic, sometimes regaling dates with horse rides and making them feel special and cared for, he says. “It is like the sea; it’s part of their nature.”

Perhaps Mr. Daly’s biggest challenge is personal: The father of seven, who divorced about four years ago, wants to get married within a year. But he has a conundrum: “I think it’s unethical to look for myself” during the festival when he’s trying to help others, he says.