

★ Start-up angst ★ Female founders

* Facebook takes on the state ★ Al: machine v man ★ 25 to watch





Veekend

Life&Arts Simon Schama recalls Oscar de la Renta

House & Home FT writers pick buildings to demolish

UK £3.00; Channel Islands £3.30; Republic of Ireland €3.50

Virgin Galactic crash fatality

A test flight for Virgin Galactic's Space Ship Two ended in the first fatal accident involving a privately operated spacecraft, when the aircraft exploded and crashed in the Mojave Desert, US, killing the co-pilot and seriously injuring the pilot. The company said that there had been "a serious anomaly resulting in the loss of the vehicle". The incident throws into disarray Sir Richard Branson's plants to carry paying passengers into space. It also comes only three days after an unmanned rocket operated by another commercial space operator, Orbital Sciences, crashed in Virginia.

www.ft.com/world



BoJ stuns markets with fresh QE

The Bank of Japan stunned global mar-kets yesterday and sent the dollar soarkets yesterday and sent the dollar soaring as it unexpectedly expanded its
stimulus programme just days after the
US Federal Reserve ended its own historic experiment with easy money.
The dollar jumped as much as 3 per
cent against the yen, while the price of
gold fell sharply. Equity markets around
the world surged, led by a nearly 5 per
cent rise in the Nikkei 225 index.
Aggressive moves by central banks to
bring down borrowing costs have propelled equities, bonds and real estate
sharply higher since the global financial
crisis. While the Fed has steadily with-

drawn its stimulus this year, and ended it on Wednesday, the move by the BoJ and expectations of a more aggressive approach from the European Central Bank are boosting markets that were

Bank are boosting markets that were briefly rattled last month. Haruhiko Kuroda, BoJ governor, defied objections from four fellow board members, arguing that a tax-thit economy and a lower oil price have led to "a critical moment" in the effort by the world's third largest economy to escape 15 years of deflation. "There was a risk that despite having made steady progress, we could face a delay in eradicating the public's deflation mindset."

The BoJ plants to expand the monetar base by some Y8011 (\$712.bn) a year, mainly by stepping up purchases of

pace of about YoOth-YOCh.
"It shows how other central banks are
being forced into the breach left by
reduced Fed stimulus," said Alan
Ruskin, strategist at Deutsche Bank.
While the Boj cannot replace the
heavy lifting done by the Fed, Nr Ruskin
said the move was likely to propel a
"mel-up" for risk assets into the end of
the year, led by the S&P 500, and now
the Nikkel 225 index.

the Nikkei 225 index.

Market reaction was dramatic, with
the dollar hitting a seven-year high
against the yen and a trade-weighted
measure of the US currency up 0.8 per
cent to its highest point since June 2010.

But the dollar's strength weighed on a

a risk we could face a delay in

eradicating the public's deflation mindset

range of commodities, pushing the price of everything, from gold to oil, lower. Gold tumbled to \$1,161 an ounce, its lowest level since August 2010. Analysts have long argued that the

Analysts have long argued that the dollar is set to embark on a long period of appreciation as the US economy continues to recover from the financial criss and the Fed shifts its focus to raising interest rates. The improvement in the US contrasts with the ongoing economic weakness of Europe and Japan. Analysts expect that the ECB may eventually be forced to start its own quantitative saine programme.

Markets pages 21&22 Lex and The Long View page 26

Threat of watery grave rises sharply As more limited EU-funded maritime border patrols begin today, the Mediterranean trip that has claimed the lives of at least 3,000 migrants in the first nine months of this year is set to become even more perilous.— PAGE & COMMENT, PAGE 14

SATURDAY 1 NOVEMBER / SUNDAY 2 NOVEMBER 2014

- Strong profits counter oil price fall

 ExxonMobil and Chevron bucked the trend in ExxonMobil and Chevron bucked the trend in the oil sector by reporting increased profits.— PAGE 15
- Dissenter warns on US inflation target The US Fed risks repeating the mistakes Japan in the 1990s by letting inflation run below target, warned Narayana Kocherlakota, president of the Minneapolis Fed.—PAGE 8; EDITORIAL
- ▶ Signals point to Christmas cheer
- Movie nut who transformed Marvel The studio's comics heritage has helped shy showman Kevin Feige to create box-office gold.

of Space Ship Two.

Largest vs second-largest cities

UK to repay tranche of perpetual war loans

The Treasury says it will redeem bo issued in 1927 by Winston Churchill, then chancellor, marking the repayment of one of Britain's oldest and most unusual national debis. It is seeking to take advantage of falling borrowing costs to refinance the debt, known as the 4% Consolidated Loan. The '4% Consols' are held by about 11,200 investors.

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Google looks far beyond search to drive its engines for the next generation

RICHARD WATERS - SAN FRANCISCO

Google is in danger of hitting the invisi-ble ceiling that limits growth at all big companies as it attacks giant new markets far beyond search, according to Larry Page, chief executive.

Speaking to the Financial Times, the co-founder of the world's biggest internet company suggested that the latest tar-get for Google's innovation is its own corporate organisation as it tries to adapt to take on new fields from biotech to drivanless costs.

adapt to take on new fields from biotech to driverless cars.

"We're in uncharted territory," Mr Page said. "How do we use all these resources we have and have a much more positive impact on the world?"

He added that Google is looking to take on "more things of significant impact to people" and that it would be "amazing if we can do that at a bigger

scale than we're doing". Mr Page also said that a rethink of Google's famous mission statement – to "organise the world's information and make it universally accessible and useful" – was probably in order as it moves beyond search. The Google chief executive has freed bijned fur to focus more on the com-

himself up to focus more on the company's new growth initiatives through a management reorganisation, handing day-to-day management of much of the company's core internet business to one of his top licutenants, Sundar Pichai.

In a memo to staff, he said the shake-up was parthy'to ensure Google could get its "hest generation obligates off the ground", and "armed that the normal incremental pack of technological improvement at big to the chonogal incremental pack of technological improvement at big to the companies "leads to irrelevance over time".

Mr Page's attempt to himjet a new urgency into Google's organisation

comes as it faces intensifying pressure comes as it faces intensifying pressure over its growing power online, particu-larly in Europe. Earlier this week, Günther Oettinger, the EU's incoming digital commissioner, suggested that the company pay a levy for carrying links to copyrighted material.

comprighted material.

In the FT interview, conducted before the comments, Mr Page said that governments needed to do more to invest in big technology projects that have the potential to benefit their citizens.

"Why can't we get more of these

potential to benefit their citizens.

"Why can't we get more of these
things going in Europe?" he said. "Like
celebrating technology, having
more investment in science and a basic
understanding and entrepreneuralism
and making money and moving quickly
and kind of the things that are good
about Silton Valley."

Full interview FT Weekend Magazine

World Markets

STOCK MARKETS				CURRENCIES						INTEREST RATES			
	Oct 31	prev	%chg	-	Oct 31	prev	0400	Oct 31	prev	Comments Specimen	price	yield	chg
S&P 500	2013.85	1994.65	0.96	\$ per €	1.262	1.262	€ per \$	0.792	0.792	US Gov 10 yr	100.47	2.32	0.02
Nasdac Composite	4626.66	4566.14	1.33	\$ per £	1.602	1.802	£ per \$	0.624	0.624	UK Gov 10 yr	104.56	2.24	0.01
Dow Jones Ind	17367.85	17195.42	1.00	£ per €	0.788	0.788	€ per £	1.270	1.270	Ger Gov 10 yr	101.48	0.85	0.00
FTSEurofirst 300	1351.96	1327.58	1.84	¥per\$	108,955	108.955	¥ per €		137.517	Jpn Gov 10 yr	100.44	0.46	-0.02
Euro Stoxx 50	3109.15	3035.90	2.41	¥ per £	174.574	174.574	£ index	87.350	B7.463	US Gov 30 yr	101:27	3.06	0.02
FTSE 100	6546.47	6463.55	1.28	€ index	93,030	93.494	Sindex	91.998	91.237	Ger Gov 2 yr	100.46	-0.03	0.00
FTSE All-Share	3503.46	3458.91	1.29	SFr per €	1.206	1,206	SFr per £	1.531	1.531	- Makter a salar	price	prev	cho
CAC 40	4233.09	4141.24	2.22	соммог	DITIES		The Vall			Fed Funds Eff	0.09	0.09	J. Dec
Xetra Dax	9326.87	9114.84	2.33			0	lct 31	prev	%chg	US 3m Bills	0.03	0.02	0.0
Nikkei	16413.76	15658.20	4.83	Oil WTI \$. 1	80.07	81.12	-1.29	Euro Libor 3m	0.06	0.06	0.00
Hang Seng	23998.06	23702.04	1.25	Oil Brent	irent \$		85.11		-1.31	UK 3m	0.55	0.55	0.0
FTSE All World \$	276.07	273.40	_	Gold \$		1202.00		1223.50	-1.76	Prices are latest for edition	Data provided by Mornin		orningsta

Travel

wide as the sea. Lake Peipsi swide as the sea, Lake Peipsi touches the imagination of all who see it. Straddling Russia to the east and Estonone of the largest lakes in Europe. At dusk, viewed across its white sand beaches, the lake is a picture of Baltic enchantment; fishermen trawl the waters for pike-percha she suns sinks. Tourists come to swim in the lake's tideless waters to nick raspherries in

Tourists come to swim in the lake's tideless waters, to pick raspberries in the forests and to loll in wood-burning saunas - but night and day, Lake Peipsi is patrolled by border guards. During the summer, the boundary line between Russia and Estonia is marked out by buoys; during the winter, by fir trees delibelines they are the summer. drilled into the ice.

East-west border tensions have long

drilled into the ice.

East-west border tensions have long shadowed this part of the Baltics. With control of Lake Pleips, Stallin was able to block enemy access to Leningrad during the second world war. In the 13th century, Prince Alexander Nevsky defeated the invading Teutonic knights on the lake's frozen immensity. The famous "battle on ice" (thrillingly recreated by Elsenstein in his pro-Stalin film Alexander Nevsky) established a frontier between east and west that has remained ever since.

Any visitor to the lake is bound to encounter the Russian Old Believers who settled on Estonian shores in the 17th century. Devout adherents to ritual and belief, they had rejected the Russian Church's reforms of the 1660s, which sought to bring Orthodox ritual in line with Greek. As the Old Believers saw it, the reforms were the work of the Anti-christs old Russian ritual was sacrosanct.

christ: old Russian ritual was sacrosanct Hounded by Muscovite state authority. some dissenters shut themselves up in

some dissenters shut themselves up in their wooden prayer houses and, rather than submit to the new-style Orthodoxy, burnt themselves to death.

Thousands of others escaped to the forests of Lake Peipsi, where they set up utopian communities and refused to shave their beards or wear western clothes. Some 15,000 Old Believers are recknowled to live in Estonia today. Like coones, Some 15,000 Old Believers are reckoned to live in Estonia today. Like the Amish in America, they remain inward-looking and enclosed; they are mostly old, however, as the young have long ago abandoned the old ways for city

Houses are required to have an 'impure' side and a 'clean' side that houses the icon.

Baptisms are performed in the lake; television is held to be the work of the devil

Peipsi are likely to become museums.
Eager to explore a vanishing community, I set out for the Old Believer village
of Nina. Here a border guard post has
been converted into a hotel run by
Dutch-born antiques dealer Hans
Koster, who said he loved Nina for its
picturesque remoteness. When I arrived
in spring, the lake was still forzen over
with ice and the meadows around Nina
were carpeted in snow. I contacted a were carpeted in snow. I contacted a local guide called Irina Orekhova, who

local guide called Irina Orekhova, who lold me she regarded the Old Believers as among the last "authentic Slavs", unspoilt by European ways. After breakfast, I set off with Irina by bicycle for the settlement of Kolkja, four miles away. Skirting the lakeside, we passed wooden-framed houses and caught the occasional glimpse of a church's golden dome. Everywhere we looked, small garden plots had been cul-tivated for noins.

In Soviet times the Old Believers In Soviet times the Old Believers made good money from selling onions at market in Leningrad. On Friday nights, the roads heading from Lake Peipsi to Leningrad would be busy with Old Believer trucks crammed full of onions. However, Chinese competition has since undermined the local onion trade, and today the Old Believers crane by earning a nitrance by selling service by the South of the Old Believers. scrape by, earning a pittance by selling fish in Estonian markets. Many of the men have taken to drink as they lament a lost idyll of the "good old Soviet times".

At Kolkja, we stopped at the Old Believer museum. Within, an elderly curator in a poppy-red kerchief and black skirts rose from her chair and gave a little bob of greeting. "Dobro pozhalovat," she said. ("You are welcome.")



Where time stands still

Estonia | Like the Amish in the US, the Old Believers live in rural communities cut off from the

modern world. Ian Thomson visits them on the shores of the 'severely beautiful' Lake Peipsi



Clockwise from main picture: on the shores of Lake Peipsi, Estonia, home to a community of Old Believers; a traditional frozen lake in a local church

awaiting use; their fishermen owners were nowhere to be seen. "The villages are dying off," Irina said. "Fewer and fewer people live in them."

Yet the air was infused with the reek of boiling tar; boats were being caulked somewhere. Sometimes, said Irina, Varina's shoreline is littered with beer cans let by holidaying fishermen from neightoning at the properties of the properties. The properties of the p

Further on, shack-like dwellings stood on marshy ground beside willows, bul-rushes and outlandish swampy trees. Much of the dilapidation was the work of sun and rain, but man had done the rest.





In 1944, this part of Estonia was a battle In 1944, this part of Estonia was a battle-field as Hitler fought Stalin for suprem-acy of the east. These days, the main danger is fire: wooden houses frequently burn down in accidents involving alco-hol and cigarettes. Many of them, I noticed, had been hung with fishing nets and rows of gutted fish left out to dry. "Oh look!" Irina pointed to a flock of geess swirling away across the lake. The wetlands are alive with birdlife, and Irina likes to cycle here in spring to watch the marsh birds fly in from the White Sea and skim the lake's surface.

watch the marsh birds fly in from the White Sea and skim the lake's surface. By now it was getting dark and the air, turning cold, had a tired, end-of-the-day smell of damp sand and reads. We were about to leave when an extraordinary hooting noise reached us. Silence - there it was again. "That II be the Eurasian bit-tern," Irina said. "It sounds like a wine bottle bring blown into." The bird fell bottle being blown into." The bird fell silent as we approached. Then a wild duck flew up with a quack from the rushes and, all at once, a cloud of birds



hung screaming and circling in the air Outbursts of shiny red cranberry bushes brightened the swamplands; not for the first time, Lake Peipsi struck me as severely beautiful.

The next evening, with a full moon glowing in the clouds, I attended a church service in Mustvee at the north-ern end of the lake. Inside the church, ern end of the lake. Inside the church, broadfaced women bundled in layers of clothing crossed themselves elaborately before candle-lit icons. They stood on the left-hand side of the church, some distance from the men. As local male priests have now all died out, the prayers were intoned by women elders, who swayed slightly from side to side with both arms outstretched. Beeswax candles flickered aromatically as a frail-voiced women's choir chanted songs. No electricity was used for lightling, only candles. The liftused for lighting, only candles. The lit urgy, amazingly, was recited from old church Slavonic, which few Russians today, can understand As Old Belisvera

church Slavonic, which few Russians todge; acumafrateal; Azold Bællevers, very old to sit on even though it is customary to stand during an Old Bellever service. The concession was a not to changing times, supposed. As incense wafted my way I looked up. The church's vaguely Byzantine interior, with its gilt capitals and heavy brass chandeller suspended from the roof, testified to a hard-working farming community of immense piety. Afterwards, a young local named Veronika Kookmaa drove me back to Nina along a one-street village made up of clapboard dwellings and Quaker-like prayer houses, known as the "Onion Route". The shtetls of eastern Europe must have looked a bit like this, I thought, before Hiller destroyed them. The street-village continued for six miles. While looking out for foxes on the dimly lit way, Veronika told me: "The biggest problem the Old Believers have is that they just don't know what a wealth of culturer ther've sitting on. is that they just don't know what a wealth of culture they're sitting on.

wealth of culture they re sitting on. They live in their own little worlds, and time has stood still." Nevertheless I felt privileged to have been in their company. Back at the vil-lage of Nina, a rejuvenating midnight sauna helped me to sleep in my room above the frozen lake; I dreamt of severe and weather or severe and weather or when the strength of the severe and weather or when the severe severe severe and weather or when the severe severe severe and weather or when the severe severe and weather or severe and we severe severe and we severe severe and we severe severe and we severe s onions and onion soup.

The nearest city is Tartu, where the tourist office (visittartu.com) has details of hotels and guides. Ian Thomson stayed at the Nina Kordon questhouse (ninakordon.ee, doubles from 600); his guide, Irina Orekhova, can be booked through her company Peipsi Tee (peipsine@emtelee, For more general information, go to visitestonia.com



The rooms were hung with sepia photographs of Rasputin-like elders in beards, and icons of the fisherman's protector, St Nicholas. The curator began by explaining how old Believer practice by explaining how Old Believer practice differed from Orthodox practice. Old Believers make the sign of the cross with two fingers while Orthodox tradition uses three. Women must not wear any "distracting" perfume outdoors and it is forbidden for them to enter a place of worship in high heels or bare-headed. Scarves must be pinned under the chin, moreover, rather than knotted. Why? Because the knot is symbolic of Judas's uicide by hanging," the curator xplained.

explained.

In the Old Belief, ritual is inseparable from doctrinal truth. The "Great Schism" that followed the 17th-century church reforms was inflamed by violent argument over ritual. Under cover of argument over ritual. Under cover of darkness, Orthodox priests would take Old Believer children away from their parents and have them baptised in the parents and have them baptised in the reformed church. Old Believers were derisively called raskolniki – schismatics – or Onion-Russians.
Old Believer prohibitions are stricter than anything to be found in the Orthodox Church. Old Believer men who happen to die without a beard are buried anonymously, as the beard is held to be sarred. Houses are required to have a

anonymously, as the beard is held to be sacred. Houses are required to have a "clean" side and an "impure" side. (The "clean" side incorporates the icon station and must face east towards "ferusalem and the rising sun"). Baptisms are still performed in the waters of Lake Peipsi; television is shunned as the work of the devil.

After a lunch of onion soup and After a lunch of onion soup and braised pike-perch, Irina and I cycled on to the lakeshore village of Varnja. The sun shone brightly but everywhere the absence of human activity was striking. Peipsi boats - wooden, medieval-looking craft - had been upended on the sands

Short cuts

FLIGHTS

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London The launch of the film Paddington later this month his sparked a slew of bear-related tourist bear-related tourist experiences around the world. They range from the obvious (a Paddington tea at the Athenaeum Hotel in Mayfair, complete with marmalade sandwiches) to the spurious (a new trip to 'darkest Peru' with Wexas). Tuesday sees the launch of the official Paddington Bear trail, in which SO statues of the bear have been bilden around the same properties.

have been hidden around

London at sites featured in the original in at sites featured in the origin ks by Michael Bond. The statue ave been designed by an illustrious group of artists, and celebrities including David Beckham, Darcey Bussell and Nicole Kidman, and are designed to draw followers to some of London's key tourist ictioned for charity or

recently, tourism in Djibouti, the small

country on the Horn of Africa, has been country on the Horn of Africa, has been low-scale and aimed mainly at budget travellers. However, its attractions - which include world-class snorkelling along the Red Sea coast and dramatic lunar landscapes around the Ardoukoba volcano - may be about to gain wider awareness, helped by more upmarket providers. Qatar Airways has introduced a direct flight to the country from Doha, a thrice-weekly service taking around three hours while LiK-based adventure three hours, while UK-based adventure three nours, while Uk-based adventure tour operator Explore is offering the destination for the first time as part of a 12-day tour combined with neighbouring Ethiopia (from £2,676), qatarairways.com explore.co.uk; visitdjibouti.dj

Cambodia Luxury boat operators are Cambodia Luxury boat operators are rushing to offer ever more exclusive experiences on the Mekong, Aqua Expeditions, a company that made its name with high-end cruises down the Peruvian Amazon, made its inaugural ovyage last week with a trip taking in the Tonlé Sap lake and Phonom Penh. Its new boat has staff in designer uniford food by the celebrated chef David Thompson and just 20 cabins (from £16,88 per person for three nights). Meanwhile Pandaw, an existing operator, has just alunched trips to the operator, has just launched trips to the river's remote Kratie region, home of the rare Irrawaddy dolphin. The 11-day cruise (£1,550 per person) also stops at remote floating villages and Koh Trong island where guests can a spot Mekong mud turtles. aquaexpeditions.com; pandaw.com

Tanzania For Africaphiles wanting a Tanzania For Africaphiles wanting a different kind of insight into the safari experience, Gane and Marshall is offering the opportunity to learn how to become a guide. Its "Pyramids of Life" itinerary will take place over three weeks in the Serengerl and the Masal Mara. From £6.495 per person for presented. All Institutions. ganeandmarshall.com

Emily Mathieson