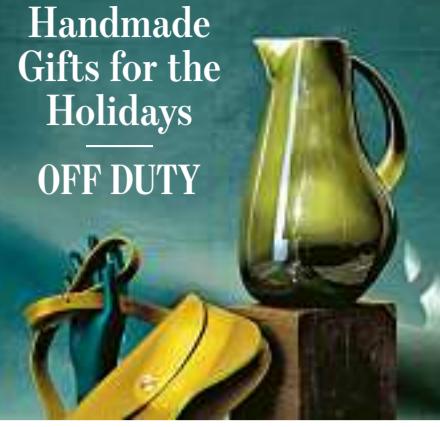


# WSJ

When the Trump Whale  
Swallowed the Pollsters



REVIEW



THE WALL STREET JOURNAL WEEKEND

DOW JONES | News Corp \*\*\*\*\* SATURDAY/SUNDAY, NOVEMBER 16 - 17, 2024 ~ VOL. CCLXXXIV NO. 118

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## What's News

### Business & Finance

◆ U.S. stocks fell following a solid retail-sales report that could bolster the case that the economy is strong and may not need lower borrowing costs. The Dow, S&P 500 and Nasdaq slid 0.7%, 1.3% and 2.2%, respectively. A1

◆ T-Mobile's network was among the systems hacked in a damaging Chinese cyber-espionage operation that successfully gained entry into multiple U.S. and international telecom companies, according to people familiar with the matter. A2

◆ Musk escalated his legal feud with OpenAI and Microsoft, claiming they colluded to eliminate competition. B10

◆ GM has cut 1,000 jobs, according to a person familiar with the reductions, marking the latest effort by the automaker to trim costs as it ramps up sales in unprofitable electric vehicles. B10

◆ Alibaba posted lower-than-expected quarterly revenue as it contended with a weaker Chinese economy and growing competition from newer rivals. B10

◆ One of the most prolific activist investors in Japanese companies is targeting Nissan Motor, setting up a corporate standoff that investors hope will translate into a higher stock price. B10

### World-Wide

◆ Trump's unconventional nominees to federal departments were part of a push to realign the balance of power among Washington's major institutions so that more authority flows from the White House. A1

◆ The nomination of Matt Gaetz to lead the Justice Department appears to show Trump favoring loyalists who have talked about tearing down the institutions they are now tasked with leading. A1

◆ Trump appeared to be nearing a decision on his pick to lead the Treasury. A4

◆ Pete Hegseth, Trump's defense secretary pick, was flagged as a potential "insider threat" due to a tattoo and barred from working with the National Guard at Biden's inauguration. A5

◆ Iran offered written assurances to the Biden administration last month that it wouldn't seek to kill Trump, U.S. officials said. A3

◆ The Texas Supreme Court ruled that the execution of Robert Roberson, convicted in his daughter's "shaken baby" death, can't be stopped by a legislative subpoena. A2

◆ German Chancellor Olaf Scholz spoke with Russian President Vladimir Putin, the Kremlin leader's first publicly announced conversation with the sitting head of a major Western power in nearly two years. A8

### NOONAN

Trump keeps trolling as the 'resistance' fades A13

**CONTENTS**  
Market Digest..... B6  
Biggest Stocks..... B8  
Books..... C7-12  
Off Duty..... D2-13  
Business & Finance B10-12  
Opinion..... A11-13  
Crossword..... C13  
Sports..... A10  
From Page One.... A9  
U.S. News..... A2-5  
Head on Street.... B13  
World News..... A6,8



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## New House Members Get Ready for Their Close-Up



WAIT FOR ME: Rep-elect Maggie Goodlander (D., N.H.) rushes to join other incoming freshmen of the 119th Congress for a photo Friday at the Capitol Complex in Washington. New members of the House of Representatives were in town for orientation.

## Trump's Top Team Sets Stage For White House Power Play

BY AARON ZITNER  
AND SIOBHAN HUGHES

WASHINGTON—In naming a set of unconventional nominees to run federal departments, Donald Trump this past week took steps to push for a broader goal: realigning the balance of power among Washington's major institutions so that more authority flows from the White House.

Trump has demanded or threatened to take steps that would undermine the Senate's confirmation powers and Congress's role in budgeting—the most essential powers of the two chambers. He has insisted that senators allow him to

place some nominees directly in their jobs, bypassing the Senate's public hearings and confirmation process. He has said he would move to impound—or decline to spend—money appropriated by Congress for programs he dislikes, a step likely requiring him to overturn current law in court.

Trump's transition team is considering a plan to bypass the Pentagon's regular promotion system, with a draft executive order that would create a panel to evaluate three- and four-star officers for potential removal. If signed by the new president, the order would allow Trump to fire what he has called "woke generals," those

seen as promoting diversity in the ranks at the expense of military readiness.

Federal Reserve leaders have braced for a potential effort to fire Chairman Jerome Powell, while officials elsewhere are waiting to see whether Trump follows through on a campaign promise to rein in other independent agencies, such as the Federal Trade Commission and Federal Communications Commission, and subject them to greater presidential authority. "These agencies do not get to become a fourth branch of government," he said as a candidate.

Trump has also suggested he would take steps to disem-

power legacy media companies, calling for the government to revoke some broadcasters' licenses.

For an American public that voted for change in Washington, Trump and his team have shown they are pushing not just for adjustments but for a substantial reshaping of the government and its power structures.

"Clearly, he wants power

Please turn to page A4

◆ Trump nears decision on Treasury pick..... A4

◆ Pharma eyes ways to work with RFK Jr..... A5

◆ Iran wrote to assure U.S. it wouldn't target Trump.... A5

## Banks Are Dropping The Box Business

BY BEN EISEN  
AND SHARA TIBKEN

Good luck getting a safe-deposit box.

Longtime deposit-box renters are getting kicked out of their boxes by banks that are shutting down or scaling back the service. Customers say they have been struggling to find the small boxes traditionally kept inside vaults to store family heirlooms and other valuables.

Kris Wall called 13 branches around the San Francisco Bay Area over the past 18 months, and visited another six or seven, in her unsuccessful search for new boxes. The 49-year-old gemologist and jeweler uses them to store her work, but was told to vacate her extra-large box at a First Republic branch last year.

A decade ago, she got on a wait list at one bank that said it expected an opening in nine years. It never called. She recently learned the bank got rid of deposit boxes completely.

"It's literally going the way of landlines," Wall said.

To some banks, the boxes are becoming more trouble than they are worth. Banks say the service is an anachronism in a time when people

## Gaetz, Once a Target, Is Now Targeting the DOJ

As attorney general, former lawmaker would be in charge of agency that probed sex-trafficking case; criticizes 'lawfare'

In the first Trump administration, Matt Gaetz was investigated by the Justice Department for allegedly sex trafficking a minor.

In the second, he's been picked to lead it.

By Sadie Gurman, Aruna Viswanatha and Kristina Peterson

The elevation of the former congressman as Donald Trump's choice for attorney general underscores a dramatic shift in the works for the second Trump term. The once and future president appears to be favoring loyalists who have talked about tearing down the institutions they are now tasked with leading.

Prosecutors in the first Trump administra-

tion also examined whether Gaetz obstructed justice by talking to a witness after the probe had started, according to people familiar with the matter. Officials at the time believed prosecutors were building a strong case against the congressman, the people said. The Biden Justice Department ultimately closed it without bringing charges, in part over concerns about whether potential witnesses would appear credible at trial, The Wall Street Journal and others previously reported.

"Matt will have to answer a lot of questions with respect to the investigations," said Rep. Mike Lawler, a New York Republican.

Gaetz, 42, resigned from his seat this week

Please turn to page A4

## Rate-Cut Doubts Nettle Nervous Investors

Major indexes move lower after solid retail-sales report, Fed official's remark

BY NICK TIMIRAO

Stocks fell Friday, following a solid retail-sales report that could bolster the case that the economy is strong and may not need support in the form of lower borrowing costs.

Separately, a Federal Reserve official said it was too soon to say whether the central bank should cut interest rates at its meeting next month.

Another rate cut in December is "certainly on the table, but it's not a done deal," said Boston Fed President Susan Collins in an interview late Thursday. "There's more data that we will see between now and December, and we'll have to continue to weigh what makes sense."

All three major U.S. stock indexes finished the day in the red. The Nasdaq Composite fell 2.2% on Friday and was down more than 3% for the week. The S&P 500 lost more than 2% on the week, and the Dow Jones Industrial Average lost more than 1% for the week, including Friday's drop of nearly 306 points, or 0.7%.

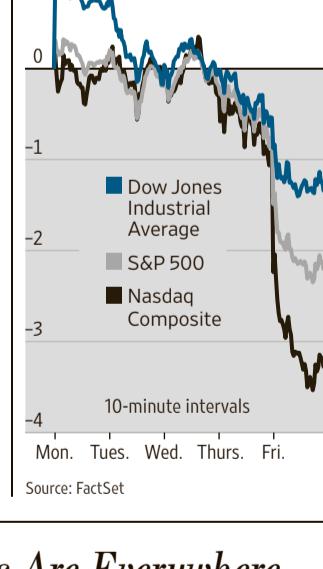
The week marked a sharp reversal from the red-hot performance at the start of the month. In the previous week, stocks rose to new highs after Donald Trump won the presidential election and the Federal Reserve cut rates by a quarter point.

The latest moves highlighted investor uncertainty about whether the Fed is in a position to continue cutting rates as much as markets have come to expect—in part because the economy continues to hold up well.

Also weighing on U.S. and global markets: Shares of ma-

Please turn to page A2

### Index performance this week



## EXCHANGE



UNIVERSAL PICTURES

**BIG BET**  
Inside Hollywood's 'Wicked' machine B1

## Why Celebrity Look-Alike Contests Are Everywhere

\* \* \*

Fans hope to spot a celebrity or find a date who looks like him

BY ASHLEY WONG

In September, fliers advertising a "Timothée Chalamet look-alike contest" popped up around New York City. The event called for people resembling the 28-year-old movie star to gather at the arch in Washington Square Park, promising a \$50 prize for the closest resemblance.

Hundreds came to see who would take home the prize, but contestants were all upstaged when Chalamet himself

showed up and sent the crowd into a frenzy.

Within days, there was a contest announced for actor Paul Mescal. Then pop star Harry Styles. Then actor Dev Patel. Then musician Zayn Malik. Events were scheduled in New York, San Francisco, London and Dublin.

We may be living in a golden age of celebrity look-alike contests.

The competitions tend to be hastily organized, pay out almost nothing to the winner

and probably will no longer be a thing in a month. But the boisterous gatherings are big

parties that double as a way to find a date who looks like your celebrity crush. And unlike going to see an Elvis impersonator, there's always a chance the real guy shows up.

The best look-alike subjects, organizers and attendees said, are internet darlings with somewhat achievable physical appearances and the influence to pull a large

Please turn to page A9

# U.S. NEWS

## T-Mobile Hacked In Chinese Breach

By SARAH KROUSE  
AND DUSTIN VOLZ

**T-Mobile's** network was among the systems hacked in a damaging Chinese cyber-espionage operation that successfully gained entry into multiple U.S. and international telecommunications companies, according to people familiar with the matter.

Hackers linked to a Chinese intelligence agency were able to breach T-Mobile as part of a monthslong campaign to spy on the cellphone communications of high-value intelligence targets. It is unclear what information, if any, was taken about T-Mobile customers' calls and communications records.

"T-Mobile is closely monitoring this industry-wide attack, and at this time, T-Mobile systems and data have not been impacted in any significant way, and we have no evidence of impacts to customer information," a company spokeswoman said. "We will continue to monitor this closely, working with industry peers and the relevant authorities."

## Stocks Fall After Fed Comments

*Continued from Page One*  
Major drugmakers, including Moderna, Pfizer and AstraZeneca, dropped Friday after Trump nominated Robert F. Kennedy Jr., a vaccine skeptic, to be health and human services secretary.

On Friday, the Commerce Department said that retail sales gained 0.4% in October from September, better than economists' forecasts for a 0.3% increase. Officials also revised their figures for September sales growth sharply upward to 0.8%, from an initial estimate of 0.4% growth.

"Various speeches by Fed officials show growing concern that disinflation is hitting a wall," Jefferies analyst Thomas Simons wrote to clients after the data Friday. "But we do not think there will be enough evidence to confirm these hypotheses before the next meeting."

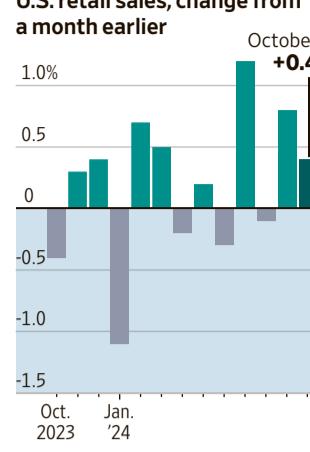
The Fed's next meeting is Dec. 17-18. Officials will see data on inflation and employment for November before that meeting.



Boston Fed President Susan Collins, shown last year

Collins said Thursday she didn't see any evidence that inflation was picking up due to new sources of strength in the economy, aligning herself with a view Fed Chair Jerome Powell expressed last week. Both of them suggested recent inflation stickiness has instead been an echo or "catch-up" effect of large price increases from the past few years, such as car insurance costs rising to reflect past increases in car prices that have since subsided.

"As far as I can tell, I do not see evidence of new price pressures," said Collins. Firm inflation in recent months instead reflects "the effects of the longer-term dynamics of



Note: Seasonally adjusted  
Source: Commerce Department

past shocks," she said.

The Fed cut interest rates at its two most recent meetings, beginning with a half-percentage-point reduction in September amid signs the labor market might be weakening. Officials lowered their benchmark rate by a quarter point, to a range between 4.5% and 4.75%, at their meeting last week.

Collins, who will take a turn next year as a voting member of the Fed's rate-setting committee, said she supported both of those cuts. "We will get to a place where it will be appropriate to feel our way more slowly and more cautiously," said Collins. Expectations in futures

markets for a December rate cut have bounced around in recent days. They jumped to around 80% on Wednesday, from 60%, after the October consumer-price index wasn't as bad as feared. But then they fell back to 60% after Powell said Thursday that "stout" economic performance recently would allow the Fed to proceed carefully with rate cuts.

Collins said she thought it would be appropriate to continue lowering interest rates to a so-called "neutral" stance that neither spurs nor slows economic activity after more than a year in which the Fed held interest rates at a restrictive setting. Collins said she thinks policy is still restrictive.

"I don't see an argument for maintaining restrictive policy when there is not evidence of new price pressures, and the old dynamics are perhaps unevenly and gradually resolving over time," she said.

Chip stocks led the technology sector lower. Applied Materials shares plunged more than 9% after the semiconductor equipment company gave a weaker-than-expected sales outlook. Nvidia and KLA also retreated about 3% and 5%, respectively.

—Jack Pitcher  
and Paul Kiernan  
contributed to this article.

## U.S. WATCH



ON DECK: A 91-year-old Babe Ruth card, which could fetch \$3 million in an auction, is shown at the Major League Baseball flagship store in New York. A jersey worn by the Yankees icon when he called his home run in the 1932 World Series sold for \$24 million in August.

## CORRECTIONS & AMPLIFICATIONS

**GrowSF** poured nearly \$300,000 into unseating Dean Preston in a board of supervisors race in San Francisco. A U.S. News article on Thursday about elections in San Francisco incorrectly said GrowSF spent the money opposing Aaron Peskin in the race for mayor.

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

## More Banks Are Cutting Box Service

*Continued from Page One*  
increasingly manage their checking accounts and investments on apps and websites.

There are more convenient options to store valuables: A search for home safes on Amazon.com yields hundreds of results. Home security has gotten more advanced, and burglaries have trended down over the past two decades.

Yet safe-deposit box customers—who tend to be affluent and middle-aged or older—see them as a bread-and-butter bank service. They stash important paper documents in them, such as the title to a house or car, as well as family heirlooms like jewelry and coin collections.

### Vanishing service

JPMorgan Chase, the nation's largest bank, said in late 2021 that it would stop offering new boxes to customers—and existing renters would lose theirs if their branch closed. JPMorgan became the owner of First Republic last year after it was seized by regulators. It eventually closed all the deposit boxes when it

began renovating and rebranding the branches.

Some 48% of Chase branches have safe-deposit boxes. But there are no boxes in the new branches opening, so that share is likely to shrink.

"When we talk to our clients and ask them why they are visiting the branch, it's generally because they want to speak with someone, or apply for a mortgage or car loan or get investment advice," said Jerry Dubrowski, a JPMorgan spokesman.

Santander Bank stopped selling boxes altogether early last year, saying they were underutilized. Capital One stopped renting new boxes in 2017. PNC Bank said last week that it would open 100 new branches, but none would have safe-deposit boxes.

Even banks that are committed to this service are closing branches, and have fewer boxes to offer. Wells Fargo, which has closed roughly 1,200 branches over the past five years, said it offers boxes in the "vast majority" of its branches.

There is no official tally of boxes, and estimates vary. Jerry Pluard, co-founder of Safe Deposit Box Insurance Coverage, said there are about 20% fewer than the 40 million safe-deposit boxes that existed six years ago.

The boxes are essentially tiny gym lockers in a heavily secure location. They usually

require a key held by the owner and a key held by the bank to open. The contents, unlike bank deposits, get no special protections from the bank or federal government. Customers must buy their own insurance.

Banks don't make much profit on them. The 3-inch tall by 5-inch wide boxes can rent for as little as \$15 a year. Ten-by-10-inch boxes might go for more than \$250 a year, said Dave McGuinn, president of Safe Deposit Specialists, which trains and consults with banks and credit unions about proper box operations.

The boxes can make customers more likely to keep their money at the bank, and sign up for other banking services. "A safe-deposit box is the hardest account you can close," McGuinn said.

He said that a credit union where he banked recently told him he had to close his deposit box. When he did, he closed out his other accounts there, too.

### Gold bars, deer legs

Some banks say a smaller share of their deposit boxes are rented out these days. But many people still want boxes, Pluard said. He has noticed more people looking for boxes to store precious metals, which have become popular during this year's surge in gold prices. The customers buying gold bars at stores



Kris Wall, below, failed to find new safe-deposit boxes after calling 13 bank branches around the San Francisco Bay Area over the past 18 months.



Kris Wall

such as Costco need somewhere to keep them.

All sorts of unusual items end up in boxes, and banks never know what to expect

when they have to get into them. Among the things McGuinn said have been found are baby teeth, false teeth, an umbilical cord, drugs, a stack of Playboy magazines, deer legs wrapped in butcher paper, antique firearms and three sticks of explosives that required a bomb squad to be called.

As banks get out of this business, some independent companies sense an opportunity. BlueVault operates two private vaults in California with safe-deposit boxes. It is planning to open locations in Texas and Arizona. Jon Sandhaus, who runs the company, said that about a quarter of the people who open boxes do it because their banks don't have any available. "We get calls daily: 'They're shutting down my branch,'" he said.

Zeehan Aziz said that when a Chase branch notified his family that it was closing their deposit box last year, he went on a hunt for a new one. He called five big banks, then started visiting local credit unions and banks near his home on New York's Long Island. No one had an available box, and no one knew who did. He has since given up the search.

"Not that I'm expecting Jamie Dimon to give us a call," said Aziz, referring to JPMorgan Chase's chief executive. "You would have thought some arm of the bank would have helped us."

## U.S. NEWS



FROM LEFT: MATIAS DELICRON/ASSOCIATED PRESS; DANIEL BECERRIL/REUTERS

# Smugglers Urge Migrants to Get Ahead of Trump

By SANTIAGO PÉREZ

MEXICO CITY—From the dense jungle connecting Panama and Colombia to the banks of the Rio Grande, human smugglers are spreading a message to U.S.-bound migrants: Hurry up and sneak in before President-elect Donald Trump takes office.

Trump's second term is creating an incentive for migrants to try to reach U.S. soil before the Jan. 20 inauguration, because many anticipate the president-elect will dismantle legal pathways to entry.

Beatriz Fuentes, who manages the Casa Fuente shelter for women and children in Mexico City, said her shelter began emptying out even before the election. "They were told to hurry up in case of a possible change," she said.

While there is no evidence that a migration surge is materializing, people smugglers—known as "coyotes" or "polleros"—are using WhatsApp and social-media groups to tell immigrants it is now or never. Smuggling becomes more lucrative during migrant surges, and business slows down right after policy changes are implemented.

In southern Mexico near the Guatemala border, some 4,000 migrants formed three caravans last week and set out for the U.S., volunteers and Mexican officials said. But many dispersed after being quickly "hooked," or lured, by human smugglers, said Luis Villagrán, a Mexican migrant advocate who organizes caravans in the city of Tapachula. Caravans offer migrants safety in numbers, but are easy targets for authorities, while smugglers offer faster routes.

"There were four WhatsApp groups in which hundreds

of migrants coordinated their departure on U.S. election day. As soon as Trump's victory became clear, messages spreading fear began to appear," he said.

Near the Darién Gap, a strip of wilderness connecting Panama and Colombia, one smuggler told migrants in a WhatsApp group message seen by The Wall Street Journal that he expects more deportations under Trump.

Gilbert Álvarez, a 19-year-old student from Venezuela, said he recently arrived in southern Mexico and wants to apply for asylum to settle in Texas where he has relatives. He said he would wait a couple of weeks to see if he gets a legal appointment to enter.

"If there's no progress, I will just go to the northern border," he said, adding that he wanted to get in before Trump takes office.

Migration to the U.S. surged after Trump left office amid strong demand for unskilled labor as a result of the Covid pandemic. Border apprehensions have fallen significantly this year, but the immigration issue contributed to Kamala Harris's loss to Trump, political analysts have said. Trump promised to crack down on illegal border crossings and conduct the largest mass-deportation operation in U.S. history.

The risk of an imminent shutdown of the U.S. border now seems significantly higher to thousands of northbound migrants stranded in southern Mexico waiting for an appointment to apply for

Above left, Venezuelan migrant Alvaro Calderini carried his niece across a river in Panama on Nov. 9; above, migrants along a highway in the southern Mexican town of Villa Comaltitlán on Nov. 7—heading toward the U.S., more than 1,000 miles away.

## U.S. officials say there is no evidence that a migration surge is materializing.

asylum in the U.S. "Human smugglers are sowing doubts, especially among those migrants aiming to legally apply for asylum," said José Luis Pérez Canchola, head of the migrant-support unit in the border city of Tijuana.

A surge in immigration could take weeks to emerge. Recent storms have closed the paths and rivers in the Darién Gap, foreign observers say. Authorities in border cities such as Tijuana and Ciudad Juárez aren't reporting significant increases in migrant arrivals. A senior U.S. government official said that authorities haven't detected any indication that an increase is coming.

Mexican authorities have disbanded caravans in recent years. Asylum seekers caught heading north are sent back to southern Mexico.

Mexican President Claudia Sheinbaum said the measures have helped reduce illegal crossings at the U.S.-Mexico border by 74% since December. Still, more than 50,000 migrants were apprehended at the U.S. southwest border monthly from July to September, U.S. government statistics show. That is more than during the same months in 2016 before Trump was elected.

"Eight years ago, smugglers anticipated Trump's border closure," said Carlos Ramiro Martínez, Guatemala's foreign minister, in an interview. "There's a risk that this will happen again."

Immigration experts say smugglers tend to wait for a few months before adapting to border policy changes, as they did during the first Trump administration. In the spring of 2019, migrants overwhelmed U.S. border facilities. Trump threatened tariffs on Mexican exports if the government

didn't do more to deter migrants. Then-President Andrés Manuel López Obrador deployed the National Guard, and migrant detentions across Mexico increased 40%.

Since then, migrant-trafficking networks have further expanded, with links to Mexico's powerful drug gangs.

Thousands of migrants arrive in Mexico daily, said Villagrán, the caravan organizer. Most are Venezuelans who can't be deported because the authoritarian government of President Nicolás Maduro refuses to take them. Many Venezuelan migrants in Mexico say they fear a shutdown of the CBP One mobile phone app, the main portal to claim asylum in the U.S. Although CBP One provides asylum access for migrants once they enter Mexican territory, the waiting lists are long.

Thousands of Venezuelans with children must spend months in Tuxtla Gutiérrez and Tapachula, near Guatemala, for an appointment at a U.S. port of entry to file for asylum. That also allows migrants to travel legally across Mexico.

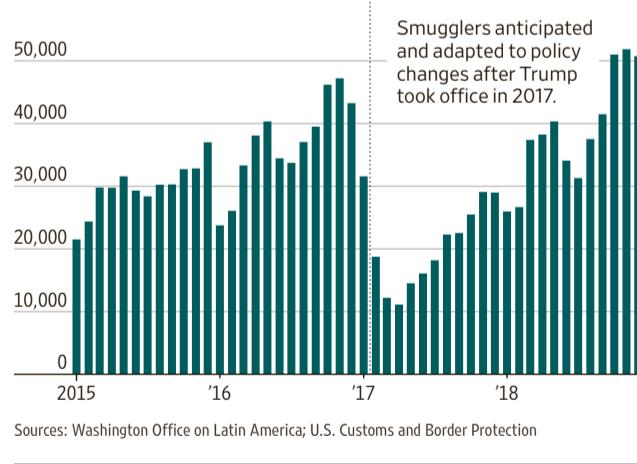
Trump has promised to reinstate some first-term border policies, such as Remain in Mexico, in which migrants claiming asylum were sent back to Mexico while their cases were pending. While in Mexico, they were preyed on by organized-crime groups, human-rights activists said.

"More than 20 friends decided not to wait for an appointment and joined the caravan," said Alfonso Meléndez, a 24-year-old Venezuelan student who arrived in Tuxtla Gutiérrez with four other adults and five children in late September.

"I'm very worried that they will throw us out when Trump takes office," he said. "I would love to head to the border now, but I don't have enough money."

—Paul Kiernan,  
Angeles Mariscal  
and Michelle Hackman  
contributed to this article.

## Southwestern U.S. border apprehensions, monthly



Sources: Washington Office on Latin America; U.S. Customs and Border Protection

# Iran Assured U.S. It Wouldn't Target Trump

By LAURENCE NORMAN  
AND ALEXANDER WARD

Iran offered written assurances to the Biden administration last month that it wouldn't try to kill Donald Trump, U.S. officials said, a secret exchange meant to cool tensions between Tehran and Washington.

The previously unreported exchange surfaced as Trump prepares to return to the White House. The Iranian message, delivered on Oct. 14, came in response to a private written U.S. warning sent to Tehran in September. U.S. officials said it reflected the administration's public message that it considers the threats against Trump a top-tier national security issue and that any attempt on his life would be treated as an act of war.

The Justice Department recently outlined allegations that Iranian agents plotted to assassinate Trump before he was re-elected as president, in what officials have described

as continuing attempts by Iran to target him.

Federal prosecutors in August charged a Pakistani man with ties to Iran with plotting to kill Trump, prompting officials to bolster his security while on the campaign trail.

Iran has long vowed revenge against Trump for ordering the January 2020 U.S. drone strike that killed Qassem Soleimani, leader of the Quds Force, the group responsible for Iran's covert military operations abroad. U.S. officials say Iran also has sought to harm other Trump administration officials involved in the Soleimani operation and the wider maximum-pressure policy on Iran.

The Tehran message came after an Oct. 1 Iranian missile attack against Israel and before Israel retaliated with airstrikes against Iranian air-defense sites and missile-production facilities on Oct. 26. The Pentagon said it played no role in the Israeli attack, but the Biden administration

increased forces in the region ahead of the Israeli airstrikes.

Three officials involved in Iran policy in Trump's first term—Secretary of State Mike Pompeo, Iran envoy Brian Hook and national security adviser John Bolton—still have Secret Service protection since leaving those roles because of threats on their lives from Tehran. The Biden administration increased Trump's Secret Service protection in July after obtaining intelligence about the alleged Iranian assassination plot.

Iran dismissed claims in recent days that it was trying to assassinate Trump.

U.S. officials say their September message to Iran echoed previous warnings against harming Trump, but was sent in light of the new information.

The Iranian reply, which wasn't signed by a specific official, repeated Tehran's accusation that Trump committed a crime by ordering the killing of Soleimani, the officials said.

U.S. officials say they are

confident Washington's message reached Iran's leadership.

Neither U.S. officials nor the Trump team commented on whether Iran's reply was conveyed to the president-elect.

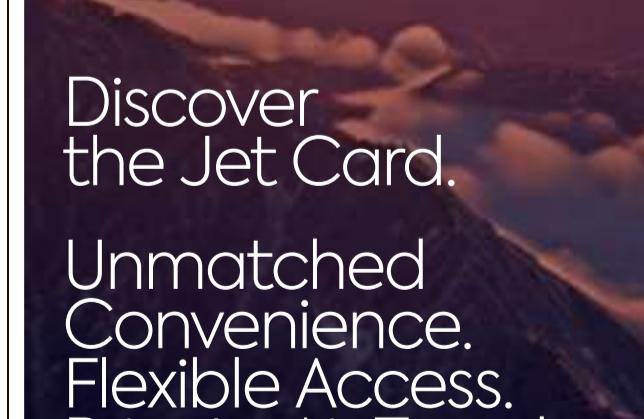
Iran's mission to the United Nations in New York said it wouldn't comment on the details of official messages exchanged with the U.S. However, the mission said Tehran has long sought justice for the killing of Soleimani "through legal and judicial avenues."

The Iranian assurances came at a critical time in the lead-up to the U.S. presidential election. In the final days of the campaign, Trump several times addressed his planned second-term approach to Iran, sending a conciliatory message. He said that while Iran must not develop a nuclear weapon, he wasn't seeking regime change or conflict with Iran.

People close to Iranian officials say Tehran wants to avoid confrontation with the Trump administration.

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## U.S. NEWS

# Trump Turns Attention to Economic Posts

President-elect meets with Bessent; Kudlow doesn't seek government role

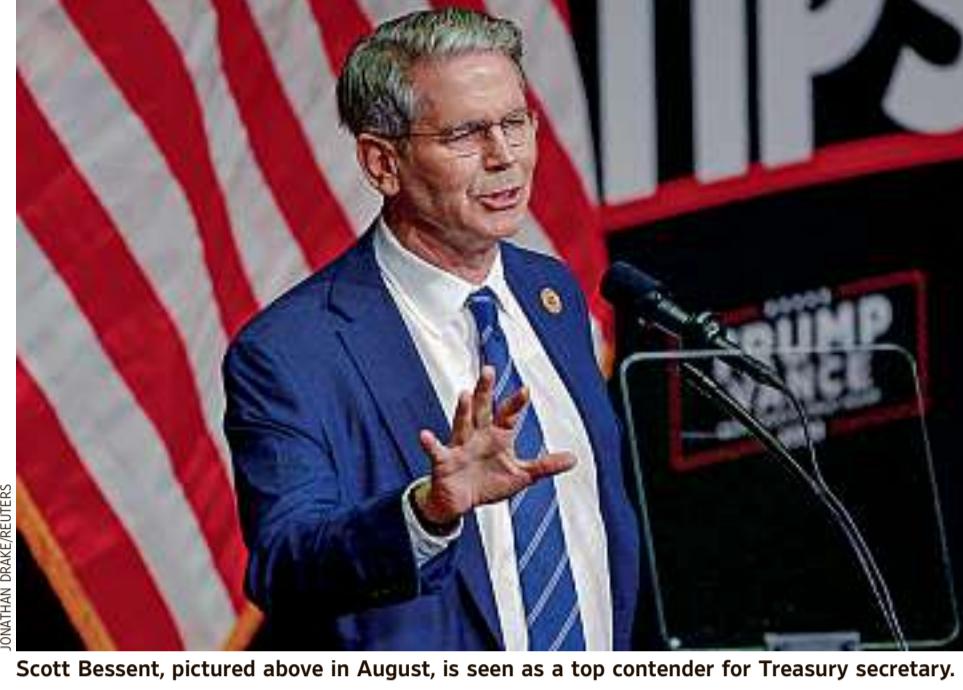
Donald Trump's transition team spent months curating shortlists of candidates for plum political appointments across the government. Now after a frenetic week and a half since his election victory,

By Andrew Restuccia,  
Vivian Salama,  
Brian Schwartz  
and Rebecca Ballhaus

during which the president-elect has picked his cabinet and other top advisers at unusual speed, there is one big gap: the top economic jobs remain unfilled.

Trump on Friday appeared to be nearing a decision on his nominee to lead the Treasury Department. He met with investor Scott Bessent, seen as a top contender for the job, at his Mar-a-Lago estate in Florida. At the same time, Fox Business Network host Larry Kudlow, who Trump had considered naming to a senior economic policy role, informed the president-elect's team that he doesn't want to return to government, according to a person familiar with the discussions.

The lesson from the people who have been picked so far



Scott Bessent, pictured above in August, is seen as a top contender for Treasury secretary.

may be that the best way to land a job in Trump's second term is hopping on a plane to Palm Beach.

Trump has held court at Mar-a-Lago, his private Florida club, as a cavalcade of admirers, loyalists and politicians make their pitch to serve in his administration. The meetings—some impromptu, others more formal—have scrambled transition officials' plans, as Trump allies have talked their way onto his radar.

"The people that are around

are in the mix," one Trump adviser said. "If you're sitting around waiting for it to happen, it's unlikely he's going to pick you off the roster."

Many of the major personnel picks so far have made pilgrimages to Florida since the election. Robert F. Kennedy Jr., who Trump tapped as Health and Human Services Secretary, is renting a Palm Beach house owned by Mehmet Oz, the celebrity doctor, near the Trump estate, people familiar with the matter said.

The freewheeling transition operation has left even some senior Trump aides in the dark until the last minute about who the soon-to-be 47th president might choose to serve in crucial cabinet positions—and when he might announce them.

Some on Trump's team were caught by surprise, for example, when he announced at a black-tie gala on Thursday night that North Dakota Gov. Doug Burgum, who attended the gala, would be his interior secretary. While many of his

choices in office.

It's not clear whether such a maneuver would be legally sound. But in a federal government with total Republican control, the only barrier could be resistance from enough Republicans such as Rep. Mike Simpson of Idaho, who said he wouldn't go along. "The Senate has a job to do," Simpson said Thursday.

Concern also stirred on Capitol Hill that Trump might follow through on a promise to try to undermine the Im-

poundment Control Act of 1974, which Congress passed after then-President Richard Nixon failed to spend money as lawmakers had appropriated.

Trump has called the law unconstitutional and promised to overturn it. "For 200 years under our system of government, it was undisputed that the president had the constitutional power to stop unnecessary spending through what is known as impoundment," he said.

Such a move "would be a major turnaround," said Bill Hoagland, a former staff director for the Republican chairman of the Senate Budget

aides knew it was coming, they thought it would be made public on Friday.

A spokeswoman for the transition didn't respond to a request for comment.

With more than two dozen appointments under his belt, Trump is turning his attention to the positions that will shape his economic agenda.

Trump met with Kudlow this past week at Mar-a-Lago, people familiar with the matter said. Trump's advisers saw Kudlow as a contender to lead the National Economic Council, a post that he previously held during Trump's first term, and possibly the Treasury Department.

Bessent, the founder of investment firm Key Square Capital Management, is a leading candidate for Treasury secretary alongside billionaire Cantor Fitzgerald Chief Executive Howard Lutnick. Kudlow declined to comment. Bessent and a spokeswoman for Lutnick didn't respond to requests for comment.

On Friday, Trump announced that Karoline Leavitt will serve as White House press secretary. Leavitt was the campaign's press secretary and was assistant White House press secretary during Trump's first term. Trump also announced that his chief campaign spokesman Steven Cheung will serve as his White House communications director.

Committee. "It would clearly shift the power of the purse back to the executive."

Some fear Trump will act even without court approval, in order to put in place the recommendations to come from entrepreneur Elon Musk and former GOP presidential candidate Vivek Ramaswamy, Trump's choices to lead a search for ways to cut federal bureaucracy and regulations. Trump has also said that on Day One of his presidency he would ask federal agencies to identify spending that merited impoundment.

Judd Gregg, a Republican who represented New Hampshire in both the House and Senate, said Trump is right to try to trim the federal bureaucracy. But he thought Trump had misstepped with some of his nominees, who he said don't have the proper experience to avoid getting "chopped up" by the agencies they would be trying to change.

Gregg said that Hegseth, for example, Trump's nominee for defense secretary, "will spend a couple of years trying to figure out where his desk is. The Pentagon is an institution unto itself. If you don't know the games that are played over there and are peppered throughout the military, you're going to have a very difficult time changing them."

## Senators Seek Probe Of Musk's Russia Relations

By GORDON LUBOLD

WASHINGTON—Two Democratic senators are demanding an investigation into conversations between Elon Musk and Russian President Vladimir Putin, calling for the Departments of Justice and Defense to determine whether national security is at risk over contracts his company SpaceX has with the Pentagon and the intelligence community.

The Wall Street Journal reported last month that Musk, who has become a close adviser to President-elect Donald Trump, has been in routine contact with Putin and other Russian government officials. Specifics of the conversations aren't known, but include several topics, from personal to business to geopolitical tensions.

Sens. Jeanne Shaheen (D, N.H.) and Jack Reed (D, R.I.) are asking the Biden administration to investigate if the conversations constitute a security risk in two letters sent Friday—one to Attorney General Merrick Garland and to the Inspector General of the Department of Defense, Robert Storch. A separate letter was sent to Secretary of the Air Force Frank Kendall.

"These relationships between a well-known U.S. adversary and Mr. Musk, a beneficiary of billions of dollars in U.S. government funding, pose serious questions regarding Mr. Musk's reliability as a government contractor and a clearance holder," the senators wrote to Garland and Storch.

The senators also called Musk's contact with Putin's first deputy chief of staff, Sergei Kiriyenko, "deeply concerning." Kiriyenko has been accused by Justice Department prosecutors of using X and other platforms to "covertly spread Russian government propaganda with the aim of...influencing voters in U.S. and foreign elections, including the U.S. 2024 Presidential Election," said a Justice Department statement. Musk owns X, formerly Twitter.

Musk has a security clearance that gives him access to certain classified information. The senators called for an immediate review to determine whether SpaceX, which is the main rocket launcher for the Pentagon and the National Aeronautics and Space Administration, should potentially be barred from government business.

Musk didn't immediately respond to a request for comment.

## Picks Set Stage for Power Play

*Continued from Page One*  
for the purpose of overthrowing the established practices of government," said former Sen. John Danforth, a Republican who represented Missouri in the Senate for nearly two decades. Circumventing the Senate on appointments, he said, likely "would be a violation of the Constitution—the glue that keeps us together as a country."

Adam Jentleson, a Democrat and former senior Senate aide, said, "It's impossible to look at the big picture here and not see a president who is intent on seizing an unprecedented level of control."

Some Republicans were delighted by Trump's assertive posture toward trimming the federal government. "Our government's way too big, and our government needs to be a lot smaller," said Sen. Rand Paul (R, Ky.).

A Trump transition spokeswoman didn't respond to a request for comment.

There are mixed signs on whether Trump's sweeping

victory in the presidential election and dominating control of his party would push lawmakers to agree to his demands and acquiesce to promises he made as a candidate to try to shift more authority to the Oval Office.

Senate Republicans signaled that Matt Gaetz, the president-elect's pick to lead the Justice Department—one of the most sensitive jobs in Washington—would likely fail to win confirmation due to sexual-misconduct allegations and his antagonistic tactics that alienated colleagues. But there were few signals on whether GOP senators would block other controversial nominees, who alarmed many in Washington but were cheered by others for their potential to disrupt federal bureaucracies and policies. Those include Trump's choices of vaccine skeptic Robert F. Kennedy Jr. for health and human services secretary, Fox News personality Pete Hegseth for defense secretary and former Rep. Tulsi Gabbard, who has questioned U.S. intelligence assessments, as director of the nation's spy agencies.

Sen. John Thune of South Dakota, the incoming Senate Republican leader, provided little clarity on whether GOP senators would object to an end-run by Trump around the confirmation process, should

his choices fail to muster enough support in the chamber. Trump could do this by appointing people to vacant jobs while the Senate stands in recess, though they could serve only for a maximum of two years. Thune said on Thursday that he wanted to use the "regular process" for confirmations, but also told Fox News that "all options are on the table."

On Capitol Hill, concern grew among those defending House and Senate authority that Trump might try a novel maneuver to force the Senate into adjournment, the precondition for the president to make a recess appointment. The Constitution says

that if the House and Senate disagree on when to go into recess, the president has the power to force them to adjourn. Under one scenario, House Speaker Mike Johnson (R, La.) could speed to the floor a measure to adjourn both the House and the Senate. If the Senate disagreed out of fear of the president making appointments in its absence, Trump could adjourn both chambers, anyway, and proceed with placing his

unconstitutional and promised to overturn it. "For 200 years under our system of government, it was undisputed that the president had the constitutional power to stop unnecessary spending through what is known as impoundment," he said.

Such a move "would be a major turnaround," said Bill Hoagland, a former staff director for the Republican chairman of the Senate Budget

Some Republicans are delighted by Trump's assertiveness.



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# Hegseth's Tattoo Raised Alarm in '21

Trump nominee was pulled from Biden inauguration duty over images

BY LARA SELIGMAN  
AND VERA BERGEGRUEN

WASHINGTON—Days ahead of Joe Biden's 2021 presidential inauguration, National Guard Master Sgt. DeRicko Gaither received what he describes as a disturbing email about then-Maj. Pete Hegseth, who was about to help provide security at the event.

The email, dated Jan. 14 and sent from a former Washington, D.C., Guard member, included an attachment showing a shirtless Hegseth with a tattoo on his bicep inscribed, "Deus Vult." A quick Google search told Gaither the Latin phrase means "God wills it," which served as a battle cry for Christians during the Crusades and has become associated with white extremist groups, he told The Wall Street Journal.

The pictures also showed that Hegseth has a large Jerusalem cross tattoo. Gaither said he wasn't concerned about the cross—it was the "Deus Vult" that worried him.

The same phrase had been brandished on banners by the Jan. 6 rioters a few days earlier.

Hegseth, a former National Guardsman and Fox News commentator who was nominated Tuesday by President-elect Donald Trump to be defense secretary, was pulled from inauguration service. Hegseth later wrote that he saw the incident as a rejection by the military.

"The feeling was mutual—I didn't want this Army anymore either," Hegseth said, recounting the episode in his book "The War on Warriors,"

published earlier this year. "Twenty years, and the military I loved, I fought for, I revered spit me out."

In a post on X on Friday night, Hegseth called the reporting on his dismissal from inauguration duty "Anti-Christian bigotry," echoing an earlier post by Vice President-elect JD Vance, who described the tattoo as a "Christian motto."

"They can target me—I don't give a damn—but this type of targeting of Christians, conservatives, patriots and everyday Americans will stop on DAY ONE at DJT's DoD," Hegseth wrote, referring to Trump and the Department of Defense.

For critics of his nomination, this incident, as well as Hegseth's strident dismissal of the U.S. military's efforts to screen service members for ties to extremist or white supremacist groups or ideologies, highlights questions about Trump's unconventional Pentagon pick.

Over a 10-year career at Fox, he scoffed at accusations of racism in the ranks, called for firing of generals involved in programs to increase diversity in the military, declared that women shouldn't serve in combat roles, criticized military vaccine mandates and lobbied for pardons of soldiers accused of war crimes.

Hegseth is "somebody who appears to be more interested in going to war with the Pentagon and with our servicemen and women than preparing them for potential war with our adversaries," said Rep. Jason Crow (D., Colo.).

Many of Hegseth's controversial views endeared him to Trump. But in the days after the announcement, new alle-

gations have surfaced that call into doubt how thoroughly he was vetted by Trump's transition team.

Hegseth was investigated by local police for alleged sexual assault at a hotel in Monterey, Calif., in 2017. The incident was reported four days later, and the victim presented "contusions to the right thigh," according to a statement by city authorities.

A spokesperson for the Trump campaign said Hegseth has denied the allegations and no charges were filed.

Some advisers have been dismayed by Trump's choice of Hegseth to head the Pentagon, and have privately expressed skepticism that he will ultimately end up in the role, according to people familiar with the transition.

After Gaither received the pre-inauguration warning about Hegseth, he sent a note to Maj. Gen. William Walker, at the time the commander of the D.C. National

Guard.

In that email, which was reviewed by the Journal, he attached the images of Hegseth's tattoo, flagging them as "disturbing" and describing Hegseth as a potential "insider threat."

Walker couldn't be reached for comment.

"MG Walker, Sir with the information provided this falls along the line of Insider Threat and this is what we as members of the U.S. Army, District of Columbia National Guard and the Anti-Terrorism/Force Protection Team strive to prevent," Gaither wrote in the email to Walker, which was also sent to a number of

other officers in leadership roles.

Gaither quickly got a response from his leadership, relaying that they had spoken to Hegseth and "told Pete to just stay away," he recalled.



Pete Hegseth has been nominated for defense secretary by President-elect Donald Trump.

JAMES Devaney/GC IMAGES/GETTY IMAGES

ministration navigates the ongoing conflicts in Ukraine and the Middle East as well as long-term competition with China.

He has never previously led a large-scale military or civilian organization. The veteran of Iraq and Afghanistan has no government experience and a long history of contentious statements likely to figure prominently in his Senate confirmation.

But his loyalty to the MAGA movement and fierce advocacy of Trump's pet issues on his show helped him beat out several better known contenders, according to people familiar with his selection.

"I said, 'What? That f\*\*\*\*\* guy?'" he told the Journal.

"Was this really about a cross?" Hegseth wrote in his book, lambasting Army leaders for branding him as an extremist for what he said were religious symbols. "What can one Christian man do to dismantle their agenda? Maybe a lot...I guess we'll find out."

The pick of Hegseth to be Pentagon chief, announced Tuesday, shocked many in the national security establishment.

If confirmed, Hegseth, 44 years old, would be put in charge of almost three million military service members and civilian employees, and lead the Pentagon as the new ad-

cussion [that] should be had" and that young white men felt they had become "second-class citizens."

He also opposed the removal of Confederate statues in the aftermath of the rally, calling it "an attempt to erase our history." The U.S. Army recently renamed nine military bases that honored Confederate generals.

In his book, Hegseth also described "diverse recruits—pumped full of vaccines and even more poisonous ideologies" as signs of the Pentagon's weak leadership.

"Take it to the racist bank: black troops, at all levels, will be promoted simply based on their race," he wrote.

He also said that ads promoting diversity in the military to "trannies and lesbians" were putting off the "young, patriotic, Christian men who have traditionally filled our ranks."

In his 2020 book, he wrote admiringly about the "Christian crusaders who pushed back the Muslim hordes" and raised alarm about Muslim birthrates.

*—Gordon Lubold,  
Nancy A. Youssef,  
Alexander Ward  
and Rebecca Ballhaus  
contributed to this article.*

## Drugmakers Consider How Best to Work With RFK Jr.

BY JONATHAN D. ROCKOFF  
AND JARED S. HOPKINS

President-elect Donald Trump's selection of Robert F. Kennedy Jr. to be Health and Human Services secretary was a worst-case scenario for drugmakers. Now, they will try to make the best of it.

Kennedy has supported discredited theories that link vaccines to autism and antidepressants to school shootings. If confirmed as HHS secretary, he could push to end drug advertising on television and liability protections for vaccine makers. He could also target company user fees that subsidize drug-approval reviews. Health stocks, including Pfizer, GSK and Novo Nordisk, dropped on Friday. Moderna and BioNTech fell more than 3%.

The nomination "could have broad-reaching implications for the entire biopharma sector and many individual" companies, RBC analyst Brian Abrahams wrote to investors.

Industry officials say there is little they can do to stop Kennedy's ascension, though some hold out hope the Senate will reject the nomination. Lobbying against him, they say, would probably be unsuccessful and counterproductive.

Instead, they hope to find places to work with Kennedy and others who might fill the ranks of the new Trump administration. Among potential areas of cooperation are ultra-processed foods, which Kennedy, like many food and nutrition experts, says contribute to obesity and chronic disease. Common cause against the products could pit pharma against the food industry.

The Pharmaceutical Research and Manufacturers of America, a trade group, struck a constructive tone, saying it wanted to "work with the Trump administration to further strengthen our innovation ecosystem and improve healthcare for patients."

The Biotechnology Innovation Organization said it looks "forward to working closely" with the Trump administration.



Trump and Kennedy joined a rally in Georgia last month.

"The public health, economic security and our national security are best served by strong leadership that respects and advances science, nutrition and medicine and ensures that the United States and our allies continue to lead the world in biotechnology," it added.

Industry officials wouldn't talk on the record, but they expect to have to work with Kennedy and the new administration.

As HHS secretary, Kennedy would oversee an agency that pays for the healthcare of many seniors and people with low incomes or disabilities, investigates foodborne illnesses and prepares for infectious-disease outbreaks and funds scientific research. The Food and Drug Administration rules on which drugs and vaccines can be sold. The Centers for Disease Control and Prevention recommends the vaccines that people should receive.

In a post on X announcing he had chosen Kennedy, Trump said drugmakers, among other companies, "have engaged in deception, misinformation, and disinformation." Kennedy said on X that Trump asked him to "clean up the corruption in government health agencies," make sure they follow evidence-based science and end the "chronic disease epidemic."

He has been striking a more moderate tone on some issues

in recent weeks. The day after the election, Kennedy said he wouldn't "take away anybody's vaccines" but wanted people informed about their safety and effectiveness.

Yet public-health experts and scientists have expressed concern Kennedy would, as HHS secretary, give credence to unfounded health claims and could weaken public-health policies credited with keeping Americans healthy and extending their lives.

Now industry officials say they are monitoring who might be nominated to run the FDA and are worried that agency rank-and-file could leave. Staff departures could slow drug-approval decisions, which could cost drugmakers heavily in lost sales.

The courts and laws could help protect industry interests. Congress would have to pass a law if the administration wanted to end the legal immunity of vaccine makers. Courts could block, on First Amendment grounds, any effort to end drug advertising.

States, not Washington, set which vaccines children must get to attend school.

Yet HHS plays significant roles. Kennedy "can shape the agenda and shape the funding and the resources and how that money is spent," said Marc Scheineson, an attorney at Alston & Bird and former associate FDA commissioner.

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## WORLD NEWS

## Climate-Talks Host Sparks Dissent

Azerbaijani leader praises fossil fuels, takes shots at rivals at COP29 summit

BY MATTHEW DALTON

Each year, the rotating host of the annual United Nations climate-change conference rallies countries to confront global warming—and usually avoids airing grievances against geopolitical rivals or praising fossil fuels.

Not Ilham Aliyev, the Azerbaijani leader who is hosting this year's U.N. climate meeting in Baku.

To kick off the conference, known as COP29, the 62-year-old president said oil, gas and other natural resources are "gifts from the god." He celebrated Azerbaijan's victory in its long-running conflict with Armenia over the contested Nagorno-Karabakh region.

He accused France and the Netherlands of oppressing the indigenous peoples of their overseas territories, rattling off a list that included the French Mediterranean island of Corsica, the birthplace of Napoleon.

"They are still suffering today in the 21st century from colonial rule," he said, citing protests that swept the French territories of New Caledonia and Martinique this year.

The early atmospherics don't bode well for the main task of the conference: Setting a new goal for rich countries



Azerbaijani leader Ilham Aliyev told COP29 attendees oil and gas are 'gifts from the god.'

to channel finance to developing countries for clean energy and climate projects. The sums being discussed—more than \$1 trillion annually—are so large and the politics so difficult that negotiators can ill afford additional negotiating hurdles.

"Azerbaijan is exploiting the fight against climate change for an unworthy personal agenda," said Agnes Pannier-Runacher, the French climate minister, who canceled plans to go to Baku for the home stretch of the talks next week.

Aliyev is in his 21st year of authoritarian rule of Azerbaijan, a petrostate on the shores of the Caspian Sea that relies on oil and gas for nearly 30%

of its economic activity and more than 90% of its exports—among the highest percentages of any country in the world.

When Azerbaijan was chosen last year to host COP29, environmental groups worried its authoritarian bent and oil-soaked history made it a less-than-ideal place to hold the next conference. The host of U.N. climate talks faces the challenge of uniting more than 190 governments, any of which have a veto under the U.N. rules. That typically requires geopolitical rivals leave behind disagreements in other areas when they begin climate talks.

The U.S. and China, for example, have agreed to push for-

ward climate deals—most notably the Paris accord of 2015—despite major conflicts in other areas such as international trade and the status of Taiwan.

Aliyev hasn't followed the normal playbook. On the second day of the conference, he lit into France and the Netherlands at a meeting with the leaders of small island nations, saying the people in their overseas territories "were often brutally suppressed."

"The regime of President Macron killed 13 and injured 169 people during this year's legitimate protests of Kanaks in New Caledonia," Aliyev said, referring to French President Emmanuel Macron and

the French territory's indigenous Kanak ethnic group.

The comments drew outrage from France. "These attacks constitute a flagrant violation of the [United Nations Framework Convention on Climate Change] code of conduct," said Pannier-Runacher, the climate minister.

Aliyev took over the presidency in 2003 from his father, a former KGB official who seized power in a military coup in 1993, ending a brief attempt at democracy after the collapse of the Soviet Union.

Aliyev has since ruled Azerbaijan with an iron grip. Freedom House, a U.S. nonprofit group, ranks the country as one of the least free in the world.

In recent years, he has moved Azerbaijan closer to Russia after the Kremlin appeared to side with the country in its conflict with Armenia. The head of Russia's foreign intelligence service, the SVR, and Azerbaijani intelligence chiefs met in Baku last month. The SVR later issued a statement saying the countries would cooperate "to identify the hostile intentions of Western intelligence services aimed at undermining internal political stability in our states."

His government's relations with France in particular have soured sharply. French officials say Azerbaijan has helped foment unrest in overseas territories. They believe it is a response to France's support for Armenia in its conflict with Azerbaijan.

## Germany's Likely Next Leader Prepares For Trump

BY BERTRAND BENOIT

BERLIN—There is one thing Friedrich Merz's friends and foes agree on: The man is impatient. So impatient that he occasionally flies himself to private meetings in his own plane, according to an aide.

Despite that, he has waited nearly 20 years for his chance to lead Germany. Now, the stars appear to be finally aligning. The center-right Christian Democratic Union, which Merz has chaired for two years, is far ahead of its rivals in polls. Barring a big upset, the 69-year-old is on track to become chancellor after February's general election.

A win would give Merz the task of rebuilding an economy that hasn't grown since 2019. And it would establish him as Europe's main counterpart to President-elect Donald Trump.

"When a president and a chancellor begin their terms at about the same time, it's a clean slate and a good opportunity to improve the relationship," said Jens Spahn, a senior CDU lawmaker and member of Merz's leadership team.

A Roman Catholic from Germany's industrial rust belt, Merz became a German lawmaker three decades ago. He left politics in 2009 for a business career that made him a multimillionaire. A jurist by training, he was a partner at a law firm and later chairman of BlackRock Germany. He served on the boards of Germany's largest companies—Commerzbank, chemicals giant BASF, Deutsche Börse and others.



Friedrich Merz

This private-sector experience and his wealth would make him an unusual chancellor. Germany's previous leaders mostly were career politicians or hailed from modest backgrounds.

As chancellor, Merz's priority would be to establish a good rapport with Trump. Chancellor Olaf Scholz hosted President Biden in Berlin days before the election and trumpeted their friendship. Merz doesn't carry such baggage.

A former chairman of Atlantik-Brücke, an organization that promotes U.S.-German relations, Merz even met Trump many years ago when he was still a property developer, according to his spokesman.

Merz didn't speak publicly then about his impression of Trump. But in a radio interview days before the 2016 U.S. election, Merz called Trump's debate performance against Hillary Clinton "completely out of control." He has been circumspect about Trump since. In a recent interview, he said he would aim to strike mutually advantageous trade and defense deals with Trump.

"I have a long business experience with the U.S. I think I can understand how Americans work," he told Stern magazine. "I observe Trump. I speak with many people who know him very well."

Germany has much to lose from a Trump plan to impose 10-20% tariffs on most U.S. imports. The embattled economy is highly dependent on exports.

Merz would approach the U.S. administration immediately after his election with offers for deals on tariffs and defense, said Spahn. Trump's team "are open to deals and they respect economic strength," he said.

In the German system, parties, not people, compete in general elections. Given the government's unpopularity, the CDU should be more popular, said Manfred Güssner, president of Forsa. Should the SPD dethrone Scholz and field Defense Minister Boris Pistorius as their candidate, Merz might not sail into the job.

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## North Korea Shows Off Drones

BY DASL YOON

SEOUL—Kim Jong Un oversaw a fiery exhibition of North Korea's latest suicide drones, highlighting the military capabilities that could be honed by his country's recent troop deployment to the Russian front lines with Ukraine where such

aerial attacks are commonplace.

Kim, clad in a black leather jacket, rose from a beige-colored suede chair to watch the drones, Pyongyang's state media reported Friday. One nosedived into a BMW sedan, and an X-wing drone, similar in build to a Russian model, catapulted into an armored tank.

Attack drones have played a crucial role in the wars in Ukraine and the Middle East, with the unmanned vehicles conducting deadly attacks. They represent a relatively cheap and effective option for a cash-strapped nation like North Korea, given its technological gap with South Korea and the U.S.

Improving the regime's limited drone capabilities has been high on Kim's weapons wish list. But concerns persist about Moscow's ability to turn Pyongyang into another drone supplier or help the Kim regime advance its own lineup.

At the event Thursday, Kim demanded mass production of unmanned aerial vehicles. Drones have become an "es-

sential requirement" for militaries worldwide, he said. "It is easy to use them as a component of striking power."

Kim and Russian President Vladimir Putin have fortified military bonds in the past year or so. Moscow can offer weapons know-how that Pyongyang lacks. North Korea is sending munitions, missiles and troops to aid Putin's war with Ukraine.

The tighter relationship has extended to drones. In August, South Korea's military said it was analyzing whether North Korea may have modified attack drones that Putin gifted last year to Kim after their summit in Russia's Far East. The State Department said the roughly 10,000 North Korean soldiers deployed to Russia have been engaged in combat, and drew attention to the training offered on drone operations on the front lines.

At the event Thursday, North Korea showcased at least three different drone models, according to military experts who reviewed the state-media photos.

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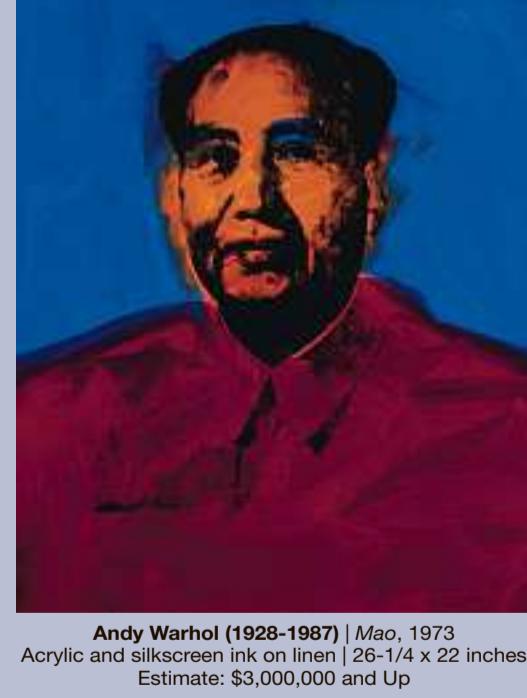
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## WORLD NEWS

**After Warning, Israel Hits Beirut Building It Says Belongs to Hezbollah**

**PATH OF DESTRUCTION:** Images taken by an Associated Press photographer show a rocket dropped from an Israeli jet about to strike an 11-story residential building in Beirut's Tayounah neighborhood—then a blast of flame erupting from the side of the building. Much of a lower level of the building was smashed to rubble in the Friday strike. There were no immediate reports of casualties. The Israeli military had issued a warning before the attack, saying the building was a facility that belonged to Hezbollah. Lebanon's caretaker prime minister on Friday asked Iran to help secure a cease-fire in the war between Israel and Hezbollah, and appeared to urge Tehran to try to persuade the militant group to agree to a deal that could require it to pull back from the Israel-Lebanon border. Since late September, Israel has escalated its bombardment of Lebanon dramatically, vowing to cripple Hezbollah.

(3)

**South Africa Cracks Down On Illegal Mining**

By ALEXANDRA WEXLER

STILFONTEIN, South Africa—Tlotlisang Makoanyane last saw her boyfriend about four months ago. She had just given birth to their daughter, and he, with no job and a growing family to feed, risked arrest by descending thousands of feet into an abandoned gold mine, hoping to scrape enough of the precious metal out of the rock to buy food and diapers.

He's still down there.

Makoanyane says she believes her boyfriend is one of more than 1,000 informal prospectors whom South Africa's government has been trying to starve out of the Buffelsfontein mine, which extends some 8,000 feet below ground.

"I'm just stressing," said Makoanyane, a 27-year-old from neighboring Lesotho, who was one of hundreds of relatives and other locals gathered near the shaft entrance Friday. "I don't know whether he's alive or dead. If he's alive, I want him back."

For months, police have been sealing most entrances to the tunnels, blocking food and water deliveries and stationing guards at remaining exits to arrest miners who make their way to the surface. In recent days, nearly 1,200 have surrendered. Police estimate that hundreds of men remain below, but it isn't clear if they are unwilling or unable to reach the surface.

The operation is part of what police call their "Close the Hole" plan to combat illegal mining, an acute problem in what was once the gold-mining capital of the world. The South African government estimates that illegal gold mining costs the country the equivalent of more than \$3.8 billion a year in lost revenue, and often is associated with a rise in violent crime in nearby communities and an influx of migrants from neighboring countries.

Many gold mines that once financed the apartheid government are no longer commercially viable and have shut down, dropping South Africa from the world's top gold producer in 2007 to No. 9 today. But trace amounts of gold remain in the shafts, and, facing a 42% unemployment rate, impoverished South Africans and migrants pry open sealed entrances and venture thousands of feet underground to try their luck. Locals call the men *zama zamas*, a Zulu phrase meaning "take a chance."

Whole ecosystems exist below ground, with entrepreneurs selling goods and services from soda to toothpaste to sex.

Makoanyane's boyfriend is typical: She says he routinely spends two months at a stretch underground, then travels home with money for his family.

The miners in Stilfontein, 100 miles southwest of Johannesburg, are suffering from hunger and dehydration, according to police. Officers stood guard recently outside a shaft, ready to arrest miners who resurfaced. Authorities sent fliers into the shaft to explain the situation to the holdouts, said Athlenda Mathe, a police spokeswoman.

"You want us to send help to criminals? Honestly? We are not sending help to criminals," Khumbudzo Ntshavheni, minister in the South African presidency, said this past week. "We are going to smoke them out. They will come out."

One body has been recovered from the mine so far.

Buffelsfontein opened dur-



**Hundreds of illegal miners are believed to be hiding underground in the abandoned Buffelsfontein gold mine in Stilfontein, South Africa. In a bid to force them out, police cut off their food and water. Below, family and friends gather outside the mine.**

ing the heyday of South Africa's gold-mining industry. South Africa has provided the raw material for nearly half the gold bullion and gold jewelry ever produced, but its mining industry is buckling under the pressure of violent crime, growing costs and regulatory uncertainty, as well as tapped-out reserves.

The country's mines are also the world's deepest, making them increasingly dangerous for workers. It is safer and cheaper for companies to mine elsewhere, from the U.S. to Australia to Peru.

Many of the informal miners are immigrants from Lesotho, Zimbabwe and Mozambique who are in South Africa illegally, said Senzo Mchunu, South Africa's police minister. The miners here face local manifestations of the anti-immigrant sentiment that is sweeping Europe and the U.S.

President-elect Donald Trump has promised to deport millions of immigrants who are in the U.S. illegally when he takes



office next year. Governments across Europe are raising new barriers to immigrants, aiming to curb near-record inflows of people from poor countries in Africa and elsewhere.

Industry experts say the *zama zamas* are often the lowest-level workers for larger criminal gangs that ultimately

sell the gold abroad. Those who have migrated from elsewhere are sometimes victims of abuse, forced to work underground to pay off debts. Police said most miners who emerge will be charged with crimes and imprisoned or deported.

Since being launched in December, police said, the crack-

down has resulted in more than 13,000 arrests and the seizure of more than 300 firearms, 10,000 rounds of ammunition and 5 million rand in cash, equivalent to about \$274,000. The authorities' treatment of informal miners has sparked criticism, and is a turnaround from the borderless global village envisaged by Nelson Mandela, South Africa's first Black president.

"They're sacrificing for the ones they love," said Mphefane, a 28-year-old student from Lesotho, whose brother has been underground for more than a year straight. She last received a letter from him six months ago. "He's never been down this long."

Priscilla Chauke's partner resurfaced midday Friday after four months in the shaft, and was taken to the police station. She said three cousins remain underground.

"If we were working, most of us wouldn't be here," said Chauke, a 30-year-old South African. "They are breadwinners."

## WORLD WATCH



GREGOIRE CAMPONE/AGENCE FRANCE PRESSE/GETTY IMAGES

**WATCHFUL EYES:** A woman waits outside the Church of Saint-Germain l'Auxerrois in Paris before heading to Notre-Dame Cathedral for the return of the Madonna and Child, a 14th-century statue rescued from a fire that ravaged the cathedral in 2019.

**GERMANY**  
**Chancellor Makes Rare Call to Putin**

German Chancellor Olaf Scholz spoke Friday with Russian President Vladimir Putin, the Kremlin leader's first publicly announced conversation with the sitting head of a major Western power in nearly two years.

A German government spokesman said Scholz urged Putin to withdraw his troops from Ukraine, and stressed Germany's determination to support Kyiv for as long as necessary. Putin responded that any peace deal should acknowledge Russia's territorial gains and security demands, including that Kyiv renounce joining NATO.

Scholz's call comes at a time of speculation about what the new administration of President-elect Donald Trump will mean for Ukraine. Ukrainian President Volodymyr Zelensky criticized the call, saying it merely makes Russia less isolated.

—Associated Press

**PERU**  
**Pacific Rim Leaders Gather for Summit**

Leaders of countries including the U.S. and China gathered Friday for an annual Asia-Pacific Economic Cooperation meeting that organizers say brings together 21 economies that jointly account for nearly two-thirds of global GDP and half the world's trade, amid questions about how a new U.S. government might upend global dynamics.

White House officials say President Biden will use the summit and Group of 20 meeting next week in part to press allies to keep up support for Ukraine and persist in seeking an end to Israel's wars in Lebanon and Gaza.

Discontent has been brewing in the middle-class Lima neighborhood outside the meeting venue. Protesters angry about gang-fueled violence have shouted slogans demanding action against the crime wave. The rallies have devolved into scuffles with police.

—Associated Press

**ITALY**  
**Protesters Mark 'No Meloni Day'**

At least 15 police officers were hospitalized Friday after clashes in Turin with students protesting the government of Giorgia Meloni—one of several demonstrations across the country, including in Rome and Milan, on what the organizers dubbed "No Meloni Day."

The officers were treated for exposure to fumes from a rudimentary explosive device used during the scuffles, local authorities reported. Some of the antigovernment protests, particularly targeting education policy, were coupled with demonstrations against arms sales to Israel and in support of the people of Gaza.

Clashes broke out in Turin when police blocked students trying to break through a security cordon. Responding to the scenes there, Meloni said: "Today too we witnessed unacceptable scenes of violence and chaos in some squares by the usual troublemakers."

—Associated Press

## FROM PAGE ONE

## Gaetz Now Targets The DOJ

*Continued from Page One*  
ahead of the expected release of a House Ethics Committee report that examined whether he engaged in sexual misconduct and illicit drug use, saying in a brief resignation letter that he was stepping down "effective immediately" to pursue the position of attorney general.

He has denied wrongdoing and has said: "every investigation into me ends the same way: my exoneration."

House Speaker Mike Johnson (R., La.) said Friday the panel shouldn't release its report, citing past precedent, hours after he returned from Trump's Mar-a-Lago resort. A bipartisan cadre of lawmakers, however, have said senators should be able to review it as part of Gaetz's confirmation process.

### Visiting Barr

Gaetz's attitude toward the Justice Department appears to have soured over time. As a member of the House Judiciary panel in 2019, he paid a visit to Attorney General William Barr in his office and exchanged pleasantries with him, some of the people familiar with the matter said. Gaetz asked if there was anything he could do to help the department advance its agenda, one person said. At the time, he wasn't aware of the already-unfolding investigation that would soon envelop him, the people said.

More recently, Gaetz has introduced legislation to eliminate the Justice Department's Bureau of Alcohol, Tobacco, Firearms and Explosives, and tried to block funding for a new Federal Bureau of Investigation headquarters, saying its officials deserved to sit in their "rat-infested" building until they changed their approach.

At congressional hearing earlier this year, he criticized what he and others have called the weaponization of the justice system against conservatives. "I think that the lawfare we've seen against President Trump will do great damage well beyond our time in public service."

A playboy reputation has long dogged Gaetz, who bragged to other lawmakers about the women he slept with, sharing videos of them on the floor of the U.S. House. One party in particular has continued to cast a shadow: In July 2017, when he was a freshman U.S. lawmaker, he attended a gathering at a home north of



Matt Gaetz at an event Thursday at Mar-a-Lago in Palm Beach, Fla.

trial, and told the former President that he was "standing back and standing by."

Gaetz watched from the Manhattan courtroom gallery as Trump's defense attorney, Todd Blanche, cross examined Michael Cohen, Trump's former personal attorney. "We watched Michael Cohen get dog-walked through the series of lies he has told," Gaetz later said outside the courthouse, flanked by members of the House Freedom Caucus. Blanche is now Trump's pick for deputy attorney general.

### Podcast host

Gaetz hosts his own podcast, "Firebrand with Matt Gaetz," and frequently appears on other conservative shows, making him one of the most prominent figures in right-wing media.

He has long known and worked with Susie Wiles, whom Trump has picked to serve as his chief of staff next year. The two helped lead Florida Gov. Ron DeSantis' transition in 2018 and would spend time watching birds in her backyard, Gaetz said in an interview before the election.

In February 2023, Gaetz and his lawyer, Isabelle Kirshner, learned from news reports that the department had ended its probe without charges. She called the prosecutor on it, Todd Gee, to see if that was accurate, and later put out a statement confirming it was.

"What seemed like a thorough investigation into these allegations had been undertaken, and obviously were not satisfactorily credited," said Kirshner, of the New York firm Clayman, Rosenberg, Kirshner and Linder.

Some Republicans said they would be happy to move on. A Republican representative who at one point called Gaetz "tubby" in a screaming match on the House floor, Derrick Van Orden of Wisconsin, said he was ready to bury the hatchet. "I'm sick of being angry. I'm sick of not being productive," he said.

In the Senate, Republicans have said they have concerns and questions over Gaetz's nomination. Sen. John Cornyn (R., Texas), a member of the Judiciary Committee, said he wanted to see the findings of the House Ethics Committee. The panel had completed its report and had been expected to release it Friday, but was halted by Gaetz's resignation.

"If I was in the Senate and I was doing a confirmation hearing, I would want to see the report," Rep. Mike Simpson (R., Idaho) said Thursday. The timing of Gaetz's resignation, he said, seemed designed to "prevent the report from going out. Must not be a very pretty report."

### Case doubts

Prosecutors examined whether Gaetz was one of those men. The Wall Street Journal and others have reported. But as the broader criminal investigation progressed, doubts were growing about whether the prosecutors had a solid case against Gaetz, people familiar with the matter said. Witnesses who testified before the grand jury were unable to corroborate the central allegation, that Gaetz, too, had sex with the girl when she was 17, a lawyer for Gaetz said, some suggesting Gaetz had slept with her, but around her 18th birthday, leaving confusion about whether she was a minor at the time, the lawyer said.

Inside the Justice Department, prosecutors debated whether they should bring charges, people familiar with the investigation said. Some

pointed to credibility issues with Greenberg, their potential star witness. A high-profile defendant always poses challenges for prosecutors, but some said they should forge ahead. Prosecutors recommended against charging Gaetz in September 2022.

Gaetz, who wasn't named in Greenberg's plea, has denied ever having sex with a minor as an adult or paying for sex, and said any accusations against him were part of an extortion scheme to get his family to pay \$25 million to put an end to the investigation.

At the end of Trump's first term, Gaetz asked several of Trump's senior advisers to help him secure a pre-emptive pardon. "He wanted a pardon, as I recall it, from the beginning of time up until that day for anything," White House lawyer Eric Herschmann later told a Congressional inquiry.

No pardon was forthcoming, and eventually Gaetz found himself under scrutiny by his peers in the House, some of whom he had alienated with his confrontational style.

Gaetz grew up in Seaside, Fla., a planned community west of Tallahassee, in the house where the movie "The Truman Show" was filmed. His father, Don Gaetz, was the onetime president of the Florida state Senate, and retook his old seat in November after being forced

out by term limits in 2016.

Nicknamed "Baby Gaetz," the younger Gaetz worked as an attorney and later in the state House. He won a crowded primary for an open seat in a Republican district and was sworn into the U.S. House in January 2017.

During his years in the minority, Gaetz studied the tactics of the left-wing Squad—the name coined by New York Rep. Alexandria Ocasio-Cortez for the informal group of younger, progressive House Democrats—viewing them as role models in asymmetric power.

His increasingly antagonistic style of politics came with a makeover aimed at television. He donned slim-tailored suits, slicked his hair into swoops and learned how to contour his face with makeup.

In the House, Gaetz stood out as one of Trump's most sharp-elbowed defenders, arriving in Washington right as Trump took office. Gaetz quickly became known for his aggressive questioning of witnesses and his willingness to champion Trump's positions on television.

In 2019, he led a protest aimed at disrupting a hearing during Trump's first impeachment, storming into a secure meeting room and delaying a Pentagon witness' testimony by several hours.

Gaetz had an increasingly antagonistic relationship with

### Gaetz's attitude toward the DOJ appears to have soured over time.

## Contests Spawn Imitators

*Continued from Page One*  
crowd. Being an A-lister is not a must. Thanks to social media, even niche or relatively new stars can command a fervent following.

"I've seen more pictures of Paul (Mescal) in his shorts walking around New York or Dublin than I have my own family in the past week," said Jack Wall O'Reilly, winner of a Mescal look-alike contest in Dublin last week.

Part of the thrill is the possibility, however slight, that the celebrity could make an appearance. At his look-alike contest, Chalamet was whisked away by security after only a few minutes and some photos with fans.

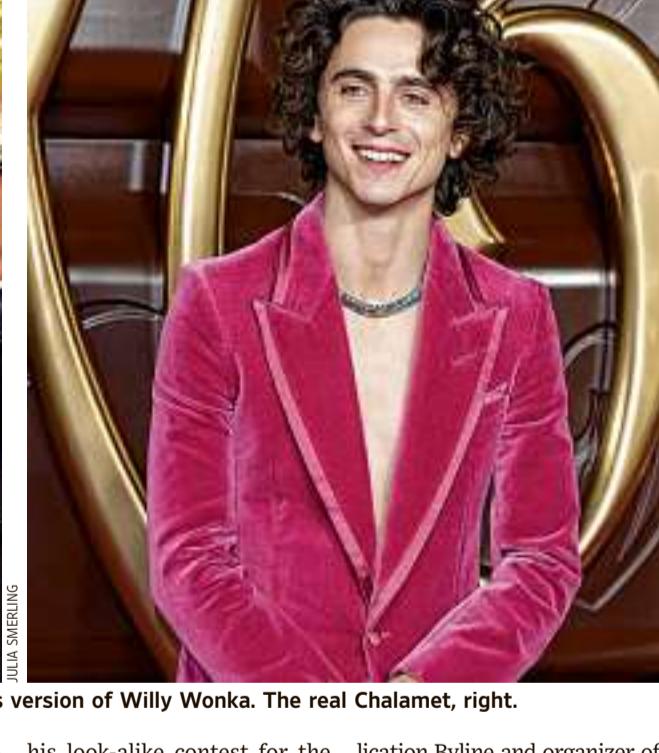
"I would have bet \$10,000 he wouldn't show up," said YouTube creator Anthony Po, who organized the event. "I was talking about it a few days before with a couple of my friends. I was like, 'There literally is not a more unsafe place for Timothée Chalamet to be on Sunday at 1 p.m.'"

That appearance put attendees at other contests on high alert. During the Dev Patel contest in San Francisco on Sunday, the crowd began to shriek after someone thought they had spotted the actual Patel.

"Everybody was screaming, because he stepped out from behind the tent and started waving like a prince," said Sarah Sheldon, a 28-year-old teacher who was there.



Miles Mitchell, winner of the Timothée Chalamet contest, left, went in costume as the actor's version of Willy Wonka. The real Chalamet, right.



a small parade to allow attendees to exchange numbers and social-media info.

Sommer Mae Campbell, a 24-year-old actor and movie theater employee, brought business cards to the Chalamet contest, hoping to find a long and lanky date. She succeeded in getting two phone numbers, though the contests have shown her that perhaps there's just no substitution for the real thing.

Timothée Chalamet is not hot because he's skinny and has curly hair," Campbell said. "He's hot because of the specific balance of his features and his charisma."

Some attendees were also drawn by the possibility of a repeat of Chalamet's appearance. With Mescal scheduled to be in Dublin on the day of

his look-alike contest for the premiere of "Gladiator II," organizers said they had been hopeful the actor would join. Other hosts said they were less optimistic.

"I can guarantee 100% he's not going to be there," said Jaz Arnold, 26, co-organizer of the Malik contest. Similarly, Katrina Mirpuri, a 29-year-old London Standard journalist and organizer of the Styles contest, said she wasn't hoping to "summon Harry Styles to this park in London."

Some contests have shown there may be a limit to their popularity. One calling for look-alikes of the musician Jack Donoghue—well-known to New York City's downtown scene—never happened. In an email, Michelle "Gutes" Guterman, co-founder of digital pub-

lication Byline and organizer of the event, said: "This was mostly just a ploy for me to find a boyfriend, but then I got too busy to pull it off lol."

It's tempting to see these contests as the final frontier of obsessive fan culture: Prove your dedication to a celebrity by copying everything they do, say and wear. But the appeal lies less in imitation and celebrity idolatry, attendees said, and more in the novelty of finding community in large, free in-person gatherings built on a funny concept.

"Yes, people are on their phones taking pictures, but ultimately, people got out of bed, they got dressed, and they went to meet a bunch of strangers in a park to have fun," Mirpuri said. "It almost felt quite medieval."

# SPORTS



UFC chief executive Dana White speaks at an event for Donald Trump. As 2024 rumbles toward the finish, even casual fans can see: White is now firmly part of the establishment.

JASON GAY

## Dana White Is Still Fighting

Ahead of UFC 309 in New York, a talk with the pugnacious promoter and loyal friend to President-elect Donald Trump



**Is this Dana White's world now—and we're just living in it?**

"That's the craziest thing I've ever heard," White says when I suggest the above. "No, that's not the case."

The bald-headed combat sports Svengali spent years elbowing the mainstream as a pro-fane underdog, his UFC cage-fighting league the bane of politicians eager to ban it and a media establishment shunning it as an unsavory blood sport.

For a long time, White viewed his life as if it was Dana vs. Everybody. He still chases that sensation.

"What do you think I got into 'Power Slap' for?" White says of his recent, much-condemned foray into, well, uh, professional slap fighting. "It's that same feeling, that same desire to win."

As 2024 rumbles toward the finish, even casual fans can see: Dana White is firmly part of the establishment. He's wealthy and worldly, a confidante to sheikhs, billionaires and fight fanboys like Elon and Zuck. It was hard to miss White on election night, in his customary suit with no tie, huddled

with his pal, the newly President-elect Donald Trump. Trump even summoned White to the podium during his victory speech. ("This is what happens when the machine comes after you!" White bellowed in his promoter's voice.)

"I didn't expect any of that," White says. "But I've been very invested in this election for the last several years. I was really happy for him as a friend, and he deserves it."

White says his choice to get in on the ground floor of the former "Apprentice" host's 2016 White House bid—Trump was an early UFC advocate—was met with the same reaction as his decision to kick-start a struggling mixed-martial arts league. He was repeatedly warned: This is a stupid idea that will never work.

Over time, the culture has jabbed in White's direction. In January, Trump will return to the White House for a second term. The UFC is now a major global brand, traded publicly as part of the TKO conglomerate, hyped and covered by partner ESPN like football and basketball. On Saturday night, the promotion will host UFC 309 at a sold out Madison Square Garden—another smash event in a

state that until the middle of last decade barred the sport altogether.

Such moments—and White's stubborn certainty that they would happen—have given the 55-year-old former boxer an image as a Zeitgeist harnesser, particularly when it comes to young men, the backbone of the UFC's audience, and a core part of the president-elect's base.

### Over time, the culture has jabbed in Dana White's direction.

"Well, I don't know it's young men as much as it is young people," White says. "It's always happened throughout time—the older generation doesn't get the younger generation. I'm the older generation that absolutely, positively gets the younger generation."

He continues: "I saw this coming five, six years ago. I said the two most hated people in this world right now are the media and politicians, and the media doesn't

have the real influence that it had back in the day, because nobody trusts them."

That influence has shifted, White believes, to a scattered landscape of social media influencers and podcasters—none bigger than the UFC's longtime analyst, Joe Rogan. Rogan has been the UFC's cageside John Madden far longer than he's been a podcaster credited with the clout to move an election needle.

Since Nov. 5, political forensiologists have obsessed: Should Kamala Harris have appeared on Rogan's show, like her opponent?

"I think the Rogan thing didn't win or lose the election, but it was definitely the cherry on top with Trump," says White.

As Trump assembles his cabinet, White is ruling out any formal role in the coming administration. "I'm really happy for him—and I have no interest in politics," he says. "It's a dirty business. I love what I do. I love my life."

Like every promoter from the first fight in human history, White gleefully tries to have it both ways. He rages about media irrelevance, but also tries to bend it to his will. He's an attack dog capable of a charm offensive, like he

delivers for Saturday's card headlined by a fight between Stipe Miocic and Jon Jones.

Jones is a saga unto himself: despite a chaotic career marked by repeated legal issues, the 37-year-old remains widely viewed as the best mixed martial arts fighter ever. Now Jones will finally enter the octagon against Miocic, the 42-year-old telephone pole whom White calls the UFC's "greatest heavyweight."

Miocic already feels disrespected by all the fuss over Jones.

"I guarantee you, Stipe is pissed," White says.

As for Saturday's UFC event at Madison Square Garden, White wouldn't say if the president-elect planned to attend. Trump memorably turned up to UFC 244 at the Garden in late 2019, entering the packed arena to Black Sabbath with White and Secret Service agents at his side.

I was there that night. It felt surreal at the time, the President of the United States at a rowdy cage fight, blood on the canvas as the crowd roared.

Now it feels like Dana White's America.

"He's a big fan," White says. "I think anything is possible."



Jarrett Allen was traded by the Brooklyn Nets to the Cleveland Cavaliers as part of the James Harden deal.

superstar, James Harden. "There's always a little something extra when you've been with a team before," Atkinson said after the Cavaliers beat the Nets on Saturday. "A little more awareness, a little more tension."

The Nets' decisions, famously, ended in disaster. Irving was a controversial part-time player for the duration of his time in Brooklyn, Harden battled injuries and Durant couldn't drag the team to even a conference finals appearance. None of those players remain with the franchise today.

But the Nets' bad luck has turned into the Cavaliers' good fortune. Allen now serves as the bedrock of one of the league's stingiest defenses. And Atkinson, who spent four seasons apprenticing as an assistant and won a championship with Golden State in 2022, has transformed the Cavs' hodgepodge of players into the single most effective offense in the entire NBA.

Atkinson installed a fast-paced style of play that minimizes the need for one superstar to carry the scoring burden, revving the entire roster into advantageous positions. The plan has worked;

the Cavs are averaging a mind-boggling 121.8 points per game. Combine that with the 110.1 points per game they give up, and Cleveland isn't only the league's last undefeated team but the one wallop its opponents most soundly.

After the Cavaliers beat the Golden State Warriors by 19 points this month, Draymond Green

seemed utterly shellshocked by Cleveland's barrage. "My head was spinning," Green said, "they were moving that ball so fast."

To the player who, along with Atkinson, survived the Nets' ousting to come back better than ever, the Cavs' success is about more than strategy. It shows that, in the NBA, building something carefully

can work as well as—or better than—throwing your plans out the window to cater to superstars.

"Everybody's buying into the system, even though it's different," Allen said. "Props to Kenny, he's done an excellent job finding out a way to mesh this team together and just try to bring the best out of everybody."

## OPINION

## How Inflation Ended Neoliberalism

By Jennifer Burns

**I**nflation is remaking America—again. It looms above all competing explanations for Donald Trump's comeback. Despite the widespread belief that the worst economic cost of curing inflation—a steep recession—had been avoided, it turned out the political price had yet to be paid.

The power of inflation to destroy a political establishment emerged clearly in the 1970s, when a decade of rising prices transformed American society and politics. High rates of inflation ushered in an age of neoliberal economic policies focused on free markets, free trade and globalization. Mr. Trump's election, to be sure, marks a repudiation of this consensus. But ironically, this final break from neoliberalism came because both left and right ignored its signal achievement: decades of stable prices that insulated our fractious democracy from the pressures and strains that today threaten to tear it apart.

**In the 1970s, skyrocketing prices spurred free-market reforms that promoted economic stability. In the 2020s, they fueled Donald Trump's comeback.**

John Maynard Keynes said the best way to overturn “the existing basis of society” was to debauch the currency—wisdom he attributed to Vladimir Lenin. The 1970s illustrate his point. While the rest of us think of disco, wifeties and Richard Nixon, economists know this decade as “the Great Inflation”—a steady and sustained rise in prices for nearly a decade, at a rate that in some years exceeded 10%. Not coincidentally, the decade also saw the dawning of globalization, financialization, accelerating inequality and a powerful new taxpayer politics, all of which can be traced directly to the rise in prices.

It was America’s inability to control inflation that shattered Bretton Woods, the postwar currency system that bound the major trading nations together, ushering in a new era of globalization. Central to Bretton Woods were fixed exchange rates and capital controls, both of which gave governments considerable leeway over foreign investment and trade. The system couldn’t hold as the U.S. dollar inflated and lost value. Under Bretton Woods, other governments could trade their dollars for gold, and they did so with increasing frequency. Fearing the Treasury would run out of the precious metal, Nixon slammed the gold



A trucker's protest against fuel prices in 1979; California homeowners support Proposition 13 in 1978.

window shut, killing Bretton Woods in the process.

Instead of a managed, regulated currency system, the U.S. and the rest of the world moved to a regime of floating exchange rates, in which currencies traded against one another in global capital markets. Emerging alongside new computing technologies, this new system of fluid currencies accelerated globalization and underwrote the first serious challenges to U.S. manufacturing from abroad.

At the same time, pervasive inflation meant skyrocketing interest rates, which pushed the economy toward financialization and simultaneously deepened inequality. Because it was easier to earn interest from accumulated capital than reinvest in factories and infrastructure, major corporations turned away from manufacturing and toward financial markets. The CEO of U.S. Steel, once a linchpin of American industry, announced that it “was no longer in the business of making steel” but “in the business of making profits.”

In 1980 Congress hastened this process, along with sweeping deregulation of the financial system, by passing the Depository Institutions Deregulation and Monetary Control Act. This wasn’t the brainchild of free-market economists or the Reagan administration. Rather, the legislation was signed by Jimmy Carter and drafted in response to complaints from consumer advocates and commercial banks, which chafed against interest-rate caps. They pointed out, and rightly so, that the wealthy were able to benefit from high interest rates by using private banks and sophisticated investment vehicles.

Financial deregulation in this context was a move toward equality. Yet in the end, financialization mainly benefited financiers. Along with globalization, it pushed the U.S. economy toward the FIRE industries dominated by educated professionals—finance, insurance and real estate—and away from the stable manufacturing jobs that predated inflation’s rise.

In turn, this rising inequality ignited a populist reaction: the tax revolt of the late 1970s, epitomized by California’s Proposition 13 in 1978. This was a fierce new homeowner politics that, like the push for financial deregulation, stemmed from a mismatch between existing policy and the new era of inflation.

Property taxes in many states tracked assessed value, calculated annually. When prices were steady, these taxes were predictable and manageable. When this tax rose by 7%, 8% or 11% because inflation had driven up home values, the result was rage. Pensioners and retirees, among others, feared the government would tax them out of hearth and home. Shaped into ballot initiatives by conservative political entrepreneurs, this rage fueled a durable political uprising that capped property taxes at a percentage of purchase price. The resulting fall in state revenue would hit education hard, again driving inequality.

Subtly but surely, the ways Americans made living, managed their economic institutions, traded with other nations, and understood the role of government transformed. The existing basis of society, for many, was overturned.

**B**ut what happened next? After the Great Inflation came what economists call the Great Moderation—roughly 25 years of global price stability, with no major recessions, stretching from the mid-1980s to 2007. The new economic orthodoxy that emerged, which critics called neoliberalism, took inflation as a core concern. To varying degrees, both political parties embraced a standard menu of lower taxes and reduced spending and regulation, while monetary policy took priority over fiscal policy in managing the economy. At the heart of the neoliberal order lay a commitment to low inflation and rules-based monetary policy. Unlike previous eras of American history, financial shocks and crises—of



GETTY IMAGES (2)

which there were plenty—didn’t cause high inflation or deflation.

This isn’t how we remember the 1980s, 1990s and early 2000s, because we often focus on the unfolding of the stories that started in the 1970s. We see the rich getting richer and the poor getting poorer, the decline of manufacturing, the birth of a new global economic order. But in the sweep of American economic history, it is a remarkably long period of stability. The disorder and divisions of the late ’60s and the Watergate era subsided, the political system functioned at a level that seems enviable today, and while some economic losses persisted, others were repaired.

Yet in recent years, a new elite consensus has emerged that blames neoliberalism for all our social, economic and political problems. Since the 1970s, the story goes, Americans have traded a stable, regulated mixed economy for the Wild West of unfettered capitalism. The essence of this story is true: The 1970s did inaugurate a new economic era that rewired the existing basis of society through globalization, financialization and the rise of conservative economic populism. Yet rarely does this story grapple with inflation, the fundamental cause of neoliberalism’s rise and many of the changes it wrought.

It’s tempting to leave inflation out of this story because the lessons it offers often aren’t ones we want to hear. For one thing, inflation can be ignited by government spending, as the Covid-19 era demonstrates. When we like the reasons we’re spending or regard it as necessary, we don’t want to hear about the negative consequences. Moreover, fighting inflation is painful. What broke the back of the Great Inflation was the Volcker shock—the 1982 recession caused by Federal Reserve Chairman Paul Volcker’s deliberate policy of setting interest rates high enough to reset the price level and end the cycle of inflationary expectations. Along the way, unemployment reached De-

pression-era levels in key industries, and many never recovered.

This is the worst-case scenario today’s Fed sought to avoid at all costs.

Yet in the early years of the pandemic, policymakers brushed aside concerns about emerging inflation as a relic of the past, perhaps believing they were in a new world where the old lessons didn’t apply. Because neoliberalism is so often framed as a failure by both left and right, few stop to consider why new ideas and approaches to the economy emerged after the 1970s, why they lasted so long, and what they may still have to offer. With Milton Friedman vilified as an arch-neoliberal, few noticed that pandemic relief programs approximated what he called a “helicopter drop”—a policy intended to create inflation. That isn’t to say relief payments were unjustified, and Friedman would likely have supported some of them. But they were undertaken with little sense of their potential downside, economically or politically.

**T**hat inflation came down without a recession is a triumph for economic policy; that it emerged at all is a failure of both economics and politics. Although he has inflation to thank for his victory, Mr. Trump shows little understanding of its dynamics. Many of his proposed policies may reignite the price rises he promised to cure, and the rise in year-over-year consumer-price inflation to 2.6% in October is a warning sign. Yet whether inflation sparks again or recedes, leaving Mr. Trump’s election as its only legacy, one thing is sure: We are standing at the precipice of another great social and political transformation—because money matters, even when we wish it didn’t.

*Ms. Burns is an associate professor of history at Stanford, a research fellow at the Hoover Institution and author of “Milton Friedman: The Last Conservative.”*

## How Trump Turned America’s Most Hispanic County Red



Rio Grande City, Texas

Aniceto Garza, an elementary-school teacher, had an inkling that Starr County, Texas, would make history on Election Day. The eighth-graders at his daughter’s school had held a mock election. She called him to say that Donald Trump had won by 146 votes to 54—a landslide by any reckoning. His daughter, he says, was “just very happy.” So was Mr. Garza, 43, secure in the belief that in small, close-knit communities, the young embrace the values of their elders.

Starr County is the most Hispanic county in the U.S.—97% of its 66,000 residents are Hispanic, primarily of Mexican descent. On Nov. 5, voters in Starr County backed Mr. Trump over Kamala Harris by 57.7% to 41.8%, an emphatic reversal of the result in 2020, when Joe Biden won with 52%. In 2016 Hillary Clinton romped home with 79% of the county’s vote to Mr. Trump’s 19%.

For 132 years, the county had been an impregnable Democratic bastion. The last time it voted for a Republican presidential candidate was in 1892, when Benjamin Harrison unsuccessfully sought re-election. “The result this year was a shock for some, but not for me,” says Toni Treviño, chairwoman of the Starr County GOP. “We had all the conditions in place for a Republican win. I’ve been telling people for the last six months that I believe that Donald Trump was going to win in our county.”

In taking back the White House, Mr. Trump became only the second candidate to win a nonconsecutive

presidential term (the first, Grover Cleveland, beat Harrison in 1892). Mr. Trump swept the Rio Grande Valley, which, in addition to Starr, includes Cameron, Hidalgo, and Willacy counties. They all voted Republican. Calixtro Villareal, 57, a criminal-defense attorney, suggests the result reflects the natural political order. “In 1980, a governor out of California, running for president, said, ‘Latinos are Republicans. They just don’t know it yet.’” On Nov. 6, Mr. Villareal says, “I woke up thinking, ‘Now I know what Reagan meant.’”

Why did the long-blue Rio Grande Valley turn red? I put the question to Rep. Monica De La Cruz, the Republican representing Texas’ 15th Congressional District. Last week she retained the seat she first won in 2022. She offers three reasons why Republicans flipped the valley. The first is the border. Hispanics, she says, want “national security” and “safe neighborhoods,” and they believe Mr. Trump will give them that.

The second reason is the economy. The inflation since 2020 has had “devastating effects” on her community. The third reason is cultural. While the Republican Party was “speaking about prosperity,” she says, “Democrats were talking about pronouns.” The GOP, in her view, has become the home of the “hardworking blue-collar American, and that’s why we saw such a significant shift, especially in the Rio Grande Valley.”

I tested Ms. De La Cruz’s hypotheses in Rio Grande City, the Starr County seat. I found that voters’ paychecks, without doubt, were the main explanation for Mr. Trump’s sweep of this impoverished region. “The reason why Starr County and

the Rio Grande Valley more broadly voted for Trump is the economy, and President Trump himself,” says Ms. Treviño, the county GOP head. “It’s just been real hard in a place where so many people live on fixed incomes.” Mr. Garza, the schoolteacher, says there’s more to that. He speaks of a “Trump effect. Once you start messing with people’s pocketbooks, the people won’t forget.” But Mr. Trump also “took a bullet for us. That is not something to be taken lightly. Anybody else would’ve backed out.”

**R**epublicans since Reagan have said Latinos were conservative at heart. Now they are at the ballot box.

The loss of oil-sector jobs, the result of the Biden administration’s curbs on drilling and exploration, has also hit Starr County hard. Maria Yvette Hernandez, 47, a Republican accountant who nearly upset a 24-year incumbent in the 2022 local election for Starr County judge (an executive position in Texas), says that the loss of oil-sector jobs “is killing Starr County.” The sector has been a boon to the region’s blue-collar man, who “migrates to Pecos, Midland, Odessa and New Mexico” for work: “You’re either transporting, digging up the wells, or testing blowback wells. And you’re making more than teachers with degrees.” A teacher makes “about \$50,000 to \$60,000 on average. An oilfield worker, a laborer, is going to be making \$80,000.” And that’s with “no education, straight out of high school.” Those jobs have been “hit

by the Biden administration energy curbs.” Ms. Hernandez reports that oil workers were told by their managers that the jobs would “bounce back” if Mr. Trump won.

The border is a big deal to Starr County. Any sympathy the valley may have had toward migrants has dissipated because “most of them are not from Mexico now, but from 150 other countries in the world,” as Ms. Treviño puts it. Her husband, Benito, 77—who was Starr County Republican chairman from 1986-2004—says it “really bothers” him that “people outside Texas, up north, expect that Hispanics along the border will turn a blind eye to all these illegals because they’re ‘the same people’ as we are. It really bothers me that they’re insinuating that we’re complicit in law-breaking.”

I heard this sentiment from a few people. Claudia Alcazar, 56—Ms. Treviño’s predecessor as GOP county chairwoman—drove me to her house so I could see a straight line of trampled grass running through her property. It’s the result, she says, of migrants crossing her lot the night before. She keeps guns at home for self-protection and doesn’t permit her teenage daughter in the yard at night.

Dionicio Garza, 56, an evangelical pastor, confirms that “values” played a part in Mr. Trump’s local victory. He exhorted his congregation of roughly 250 to vote for the presidential candidate who better reflects the church’s values, “but never taking the candidate or party by name. We just ask them to watch the rallies on TV and see which candidate reflects our values.” But the way he tells it—in his repudiation of unrestricted abortion, for instance, and of “no-gender bathrooms, while

I have three young granddaughters”—there can be little doubt that his flock voted Republican. His congregation includes the mother of the Democratic mayor of Rio Grande City. “Everybody is happy with the election results,” he tells me. “Even the mayor’s mom.”

In truth, Jorge Martinez says, there’s been nothing short of a “psychological revolution” among Rio Grande Valley Hispanics. Mr. Martinez, 35, is the strategic director for Texas of the Libre Initiative, a nonprofit group that advocates conservative values among Hispanics. “The Democrats no longer have a grip on Latinos because they’ve patronized us for too long,” he says. Hispanics nationwide—not only in Starr County—are “a swing voting bloc that both sides need to reach out to.”

Mr. Martinez says that the Democrats are guilty of arrogance, and of treating Texas Hispanics like “indentured servants.” The Democrats were “for the poor, but to keep you poor. But what we want is equal opportunity.” Hispanics are now acutely aware of being taken for granted by the Democrats, he says, and offers me the example of his own mother. Noelia Martinez, 72, has cleaned houses for three decades. Before that she was a farmworker. A lifelong Democrat, she says she voted Republican for the first time on Nov. 5.

Why? “Because Trump will make this country work again,” Mrs. Martinez says. “This is very important for me.”

*Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at New York University Law School’s Classical Liberal Institute.*

## OPINION

## REVIEW &amp; OUTLOOK

## How RFK Jr. Sees the World

**D**onald Trump II is a brave new world, and look no further than his strange choice of Robert F. Kennedy Jr. to lead the Health and Human Services Department. Only months ago Mr. Trump was calling the Kennedy family scion a "liberal lunatic," yet now he wants to hand RFK Jr. the power to "make America healthy again." Good luck making sense of this nomination.

"For too long, Americans have been crushed by the industrial food complex and drug companies who have engaged in deception, misinformation, and disinformation," Mr. Trump said in his nomination statement. HHS "will play a big role in helping ensure that everybody will be protected from harmful chemicals, pollutants, pesticides, pharmaceutical products, and food additives."

Save what? That riff could have been written by leftist activists who view corporate America as the root of every public-health ill. Mr. Kennedy comes out of that movement, whose goal is to ruin the U.S. drug, agriculture and grocery industries—not improve or reform public-health agencies.

\* \* \*

That Mr. Kennedy has risen to this political position owes much to the Covid pandemic. America's health institutions forfeited public trust by invoking dubious science to shut down businesses and close schools. They then overreached by mandating Covid vaccines while overstating their ability to prevent infections and obfuscating potential adverse effects, such as myocarditis in young men.

Government health agencies certainly need a shake-up. The National Institutes of Health has become too focused on diversity, equity and inclusion, and it funds much dubious social-science research. The Centers for Disease Control and Prevention has failed at its core mission while extending its mandate into other areas like gun violence.

The Food and Drug Administration is too slow to approve novel therapies but has also been too slow to pull some medicines from the market when evidence shows they aren't safe or effective. Bureaucrats apply inconsistent standards for drug approvals that generate suspicion about political favoritism.

Alas, Mr. Kennedy isn't the person to fix all this, and he could make things worse if he puts government power behind his views. Start with his longtime campaign against vaccines. "There is no vaccine that is, you know, safe and effective," he told CNN last December. None? Has polio nearly vanished on its own?

"A mountain of scientific study links autism to early vaccination with certain vaccines," he told NBC News in March. No, it doesn't. The Wakefield study that was the basis for this claim was the result of fraudulent research.

Mr. Kennedy has toned down his anti-vaccine evangelism of late, and he now says he merely

wants parents to have a choice of vaccinating their children. But places in the U.S. where parents have sought exemptions from school vaccine mandates have experienced more community outbreaks of measles.

He has suggested that "wifirradiation" is increasing autism, food allergies, asthma and chronic illnesses. "I think it degrades your mitochondria and it opens your blood-brain barrier," he told podcaster Joe Rogan last year. There's no evidence for that either. Nor for his claims that chemicals in sunscreens are hazardous.

Mr. Kennedy has blamed chemicals in water and consumer products for every health ill from cancer to gender dysphoria among young people. Genetically modified foods are another RFK Jr. villain. He has proposed that the government create organic-farming communes to treat drug addictions. The American diet could certainly improve, and processed foods have contributed to obesity and chronic diseases. But Americans don't want to know how high food prices would be if we were all produced "organically."

Like vaccines, genetically modified crops have been one of the modern age's greatest inventions. They have increased crop yields, reduced spoilage and pesticide use, and enabled farmers to end starvation. Perhaps Mr. Trump is unaware of Mr. Kennedy's animus against U.S. farmers, who have been among his most loyal supporters.

"Large-scale hog producers are a greater threat to the United States and U.S. democracy than Osama bin Laden and his terrorist network," Mr. Kennedy declared in 2002. He spearheaded the trial-lawyer assault on the Roundup herbicide despite little evidence of cancer-causing risk. Ballooning litigation costs have spurred Bayer to consider pulling Roundup from the U.S. market, which would benefit competing Chinese manufacturers.

The same is true of Mr. Kennedy's anti-business agenda. Beijing would like nothing more than for Mr. Kennedy to use his clout at HHS to hobble U.S. biotech innovation and American drug makers. By the way, where does Mr. Kennedy think most of the "natural supplements" that he touts as alternatives to medicines are produced? The answer is China.

\* \* \*

Some Republicans have rallied in support of Mr. Kennedy because they think he will make public-health agencies more transparent and weed out alleged collusion between Big Pharma and government. But he lacks the experience and temperament to manage, let alone reform, HHS's unwieldy bureaucracy. Mr. Kennedy's expertise is as gadfly.

Mr. Trump's desire to focus on America's health agencies is welcome, but RFK Jr. won't make America healthier. He's more likely to harm public health by spreading confusion and attacking the American companies that are saving lives and feeding the world.

## The Musk-Ramaswamy Project

**L**ost amid Donald Trump's nomination blitz this week was what might turn out to be his best idea: He has handed Vivek Ramaswamy and Elon Musk the job of running a new Department of Government Efficiency (DOGE) to reform and shrink the federal government.

This has been tried before, not least by businessmen appalled by government waste and delay. But Mr. Trump and the two entrepreneurs seem to be serious. They're promising a reform "Manhattan Project," after the effort that produced the atomic bomb. They may need at least a neutron bomb to do the job.

The DOGE will be a non-government operation working with allies inside the White House. The policy "vector," as one source puts it, will be the regulatory shop in the Office of Management and Budget. The goal is the rapid repeal of regulations and a "massive" reduction in the size of the federal bureaucracy, with or without the help of Congress.

The duo are convinced they have enough legal authority to pull this off in the executive branch. The legal theory of the case is that the Supreme Court's *West Virginia v. EPA* and *Loper Bright* rulings reining in the administrative state mean that much of what the federal government now does is illegal.

Mr. Trump has set a laudable goal of eliminating 10 regulations for every new one, and there is no shortage of targets. The Competitive Enterprise Institute's Wayne Crews says 217,565 rules have been issued since the Federal Register first began itemizing them in 1976, with 89,368 pages added last year.

DOGE's first order will be to pause enforcement of overreaching rules while starting the process to roll them back. Mr. Trump and DOGE could direct agencies to settle legal challenges to Biden rules by vacating them. This could ease the laborious process of undoing them by rule-making through the Administrative Procedure Act. A source tells us they'll do whatever they think they legally can without the APA.

The DOGE duo believe this will provide the legal justification for reducing the federal workforce. As we recently noted, the federal head count has ballooned by 120,800 during the Biden years. Civil service and union protections make it hard to fire workers.

But Mr. Trump will quickly resurrect the Schedule F reform that he sought to implement

Skeptics sneer, but the duo are serious about shrinking government.

at the end of his first term but was scrapped by Mr. Biden. These would eliminate job protections for high-level federal employees so they can be removed like political appointees.

DOGE could also streamline permitting with "categorical exclusions" from environmental reviews under the National Environmental Policy Act. The Biden Administration provided such exclusions for green-energy projects. Trump appointees could do so for more projects that are likely to have minimal environmental impact like oil and gas pipelines in developed rights-of-way.

The DOGEs also promise to attack redundant, unnecessary and ineffective programs. Take the plethora of government work-training programs and funding for medical research that the private industry is already doing. Some but not all of this might require legislation.

Mr. Musk says he wants to slash \$2 trillion from a \$6.5 trillion budget, which is fanciful without touching Social Security and Medicare, which Mr. Trump won't do. But there are other ripe targets, such as fraud in Affordable Care Act subsidies. The Paragon Health Institute estimates such fraud at \$15 billion to \$20 billion this year. Agencies could also move to fixed-price contracts so taxpayers aren't on the hook for contractor cost overruns.

The Health and Human Services Department could bar states from exploiting a Medicaid loophole to squeeze more money out of Washington to balance their budgets. HHS could let states impose work requirements on able-bodied, working-age Medicaid enrollees, and bar states from using Medicaid funds for other social spending. The Trump team could also roll back the Biden climate and wage mandates on federal contractors, which make it harder for smaller companies to compete.

\* \* \*

None of this will be easy. Lawsuits will proliferate. Mr. Trump's own cabinet officers will resist cuts in their budget and regulatory sway. The iron triangle of the bureaucracy, interest groups and Congress will conspire to portray every decision as a threat to public health and safety. The press will pile on.

But the attempt to tame and shrink Leviathan is worth the toil, and it's essential to liberating Americans from the tyranny of the expanding administrative state.

## LETTERS TO THE EDITOR

## You Can't Write About His Mother Like That

Peggy Noonan's "A Triumph for Trump's Republicans" (Declarations, Nov. 9) misses the mark. The real winners weren't "Trump's Republicans" but the center of America—center-right, center-left and independent. These voters probably didn't like either candidate that well, but in the end they voted for the policies that most Americans wanted.

They wanted, in no particular order: secure borders; a more orderly world, in which the bad people had at least some trepidation in challenging the U.S. and the West; less inflation, especially as it affected so many on fixed incomes or who don't participate in the markets; fewer pronouns; and no males in women's sports or locker rooms.

It was that simple. It is all about the center.

FRED MOORE  
White Stone, Va.

Santis, in the primaries. Both candidates offered a promising alternative path to a leftist White House. Yet Mr. Trump dominated. This early success raised the question as to whether his personal popularity had already begun to grow beyond his base.

In the home stretch of the election, 50 million people streamed Joe Rogan's podcast in which Mr. Trump began the conversation with reverence for Abraham Lincoln and the office of the presidency. He went on for three hours with candor, his personality as open as a book and with hardly any careful political obfuscation. For all of his antics and bravado, voters beyond the MAGA base have apparently made the bet that Mr. Trump's anti-establishment style and wrecking ball of a personality is precisely what may be capable of bringing meaningful improvement to their lives.

NADINE SHATZKES  
Great Neck, N.Y.

Ms. Noonan opines correctly that this was a "path election, not a person election." It's also understandable that she doesn't "like the SOB"; many who voted for Mr. Trump feel the same way. I would challenge her, however, to make the case that the path Mr. Trump took during his previous term as president supports her opinion that he will govern as "a bad man" or that "he will bungle crises almost from day one."

LAWRENCE RUSSO III  
Shreveport, La.

America did have a peaceful transition, as Ms. Noonan writes, "with complete public acceptance of the outcome." That was because Ms. Harris lost. It wasn't Democrats who refused to accept the outcome of the previous election. It wasn't Democrats who incited a mob to invade the Capitol. It wasn't Democrats who shrugged when the mob yelled for the hanging of the sitting vice president.

FRED ANDREWS  
Bluffton, S.C.

There are many voters who voted against Vice President Kamala Harris, or chose the alternate path, not the person, which Ms. Noonan says President-elect Trump offered. But Ms. Noonan underestimates the electorate that voted for Mr. Trump in a surprising landslide victory.

Mr. Trump faced formidable political veterans, Nikki Haley and Ron DeSantis.

CHRIS CARDIFF  
Alexandria, Va.

## The Chamber Takes an Unearned Victory Lap

Suzanne Clark, president and CEO of the U.S. Chamber of Commerce, is effusive in her praise for Donald Trump and his promised rollback of the regulatory state ("Let the Trump Deregulation Begin," op-ed, Nov. 12). A refresher on why a regulatory U-turn is needed can be found in Kimberley Strassel's "The Chamber's Bill Comes Due" (Potomac Watch, April 30, 2021).

In 2021 Ms. Strassel chided the chamber for endorsing re-election bids of 23 freshman Democrats. Fifteen of those candidates won and enabled passage of the Biden administration's spending and regulatory bills. Ms. Clark was president, but not yet

## U.S. Foreign Policy Requires Wisdom, Not More Ideology

Let me understand this ("Behind Trump's Ban of Mike Pompeo," Review & Outlook, Nov. 11). It's now the practice when crafting foreign policy to give unfettered access and special consideration to one's family members, and to those who are adoring acolytes, without the benefit of the views of those—even on one's own side—who are deeply experienced in foreign affairs? This "strategy" must, it seems, be heavily reflective of partisan rhetoric and thin, prejudicial labels like "neocon," "warhawk" and "RINO," which mean little to allies or adversaries other than exposing our domestic political posturing.

This stance lacks wisdom. But, then, it is exceedingly rare to find politicians these days who can be accused of possessing that rare commodity. The Biden administration was run by a coterie of same-thinking, progressive political operatives. Look at what that narrow and ideological approach brought us.

JOHN R. NEWCOMB  
Franklin, Tenn.

DANA DAVIS  
St. Augustine, Fla.

## Even Economists Need to Eat

A letter writer (Nov. 13) asks how the exclusion of food and energy from the core inflation rate can be explained. The reason isn't an imperviousness to hunger or freezing but the volatility of those particular prices. Unless people want economic policy to make them poorer, decisions should be based on the fundamentals of the economy, not erratic spikes that will dissipate quickly. Such spikes are far more common in food and energy markets than elsewhere—hence their exclusion from the core rate.

PATRICK CONRAD  
Jupiter, Fla.

## Pepper ... And Salt

THE WALL STREET JOURNAL



You can have a room with a partial view or a full view of a parking lot.

## OPINION

# Trump Keeps Trolling as the 'Resistance' Fades

**DECLARATIONS**

By Peggy Noonan

**T**he first wave of nominees to the Trump administration announced this week included normal Republicans—Susie Wiles as chief of staff, Elise Stefanik as ambassador to the United Nations, Lee Zeldin at the Environmental Protection Agency, Marco Rubio as secretary of state. All are grown-up players who have political histories that preceded Donald Trump and became fully MAGA.

But the second wave—it is impossible to tell if Mr. Trump is announcing appointments or trolling his enemies. Pete Hegseth as defense secretary? This is unserious and deeply alarming. He is a decorated military veteran with Ivy League degrees, but he has no serious governmental or managerial experience, no

groundedness and wisdom, and dogged by ethics allegations. He seems to see politics as an offshoot of showbiz and has entertained his followers with successive attempts to take down GOP leaders in the House, on behalf of—well, it's never quite clear. This we need in America's top law-enforcement official?

The choice obviously isn't meant to reassure anyone outside the MAGA base—or even those within it who are intelligent. It is an insolent appointment, guaranteed to cause trouble and meant to cause friction.

We are back to the Island of Misfit Toys. What a mistake. Mr. Trump often confuses his own antic malice for daring, his own unscrupulousness for boldness. How amazing that in the rosy glow of election, he will

spend so much political capital and goodwill on confirmation fights he may well, and certainly deserves to, lose.

I turn now to the Democrats. Here is some advice to the party that I consider to be all wrong. It is from Elizabeth Warren in Time magazine and was published two days after the election. Her advice to her party: Back to the Future. Go back to "mass mobilization"—peaceful protests—to recharge "the resistance." Step up oversight of Mr. Trump's "corruption and abuses of power." "Slow down confirmation and expose Republican extremism." Searching for the middle ground is foolish. "Uniting against Trump's legislative agenda is good politics because it is good policy."

It is also a recipe for unending clash and political theater—Resistance Part II, take it to the streets. In the shock of 2016 it made sense that his opposition make itself heard, encourage itself, see itself. But a repeat isn't in line with the mood of the country, which now isn't electrified by politics but exhausted by it. And in some funny way demonstrations especially would make the Democ-

ALISON ROBERT / POOL VIA CNP/ZUMA PRESS



President-elect Trump on Wednesday.

ratic Party look weaker. As if it has no other moves. As if it's trying to avoid something, a sober look inward, and trying to cover it up by chanting.

It looks to me as if the rising argument in the party is for a left-wing populism, but it's not certain what that would look like. Ms. Warren said the system is "rigged," giant corporations get tax breaks and billionaires pay nothing. The job of the Democratic Party is to "unrig the economy."

A few days later, in a Twitter thread, Sen. Chris Murphy of Connecticut said, "Time to rebuild the left." "We are beyond small fixes." The economic policies of the past 50 years have left places hollowed out. "Rapacious profit seeking" destroyed "the common good." Unchecked new technologies were allowed to "separate and isolate us." In response, the left has offered only "uninspiring solutions." "The right regularly picks fights with elites—Hollywood, higher ed, etc." Why doesn't the left fight with billionaires and corporations? "Real economic populism" should be the Democrats' purpose. But it must change its ways: "Our tent is too

small." Don't keep out those who don't agree on every social issue. "Build a big tent. Be less judgmental." It tells you a lot about the party's problems that that last part had to be said.

As to the resistance, Conor Friedersdorf in the Atlantic offered what seemed to me wisdom. After 2016, "a large faction of Americans declined to treat Trump as a president with democratic legitimacy." He'd lost the popular vote, invited foreign actors to interfere in the election. "So they fancied themselves members of the 'resistance,' or waged lawfare, or urged the invocation of the Twenty-Fifth Amendment. Immediately after Trump's inauguration, liberal groups started to push for his impeachment and removal from office."

Now Mr. Trump returns under different circumstances. He received some three million more votes than Kamala Harris. "No one believes that a foreign nation was responsible for his victory. . . . No one alleges illegality in this campaign." A 2016-style resistance to Trump is " untenable."

"As a Never Trump voter who thought January 6 was disqualifying but who respects the results of this

election," Mr. Friedersdorf writes, "I urge this from fellow Trump skeptics: Stop indulging the fantasy that outrage, social stigma, language policing, a special counsel, the Twenty-Fifth Amendment, or impeachment will disappear him. And stop talking as if normal political opposition is capitulation."

"Unaligned" Americans who don't even like Trump are tired of being browbeaten for not hating him enough." If voters have made a terrible mistake, "that's a risk of democracy, so we must live with it." Mr. Friedersdorf himself doubts Mr. Trump's character, judgment and respect for the Constitution. He fears recklessness in some areas and cruelty in others. What he urges toward Mr. Trump is in line with our past: "normal political opposition," which is "more likely to yield good civic results." "Our constitutional and civic checks on executive power are formidable, frustrating every administration."

"Until 2028, normal checks can constrain Trump."

These are wise words.

I close with this. People say they fear authoritarianism from Mr. Trump, latent or overt fascism, a reign of intolerance. My fears are in the area of foreign policy. Mr. Trump no doubt believes he's ready for a major foreign crisis, but he's never had one. I mean not something like the pandemic, a crisis with foreign-affairs aspects that rolled out over a matter of months and years, but a sharp and immediate crisis, a big and crucial one. He tends to think foreign affairs comes down to personal relationships, but it doesn't. Xi Jinping, "Little Rocket Man"—he had them all wary in his first term. *Who is this guy? Better not push him.* But now they know him—how he operates, what he wants.

He isn't a mystery to them anymore. He isn't a mystery to anyone. That will have some impact on things going forward.

**Pete Hegseth? Matt Gaetz? He can't be serious, can he? Meanwhile, Democrats look for new ways to cope.**

history of international accomplishment. The Pentagon is a mammoth bureaucracy overseeing almost three million employees, including those in the military services. The defense secretary is a world leader: If North Korea launched a nuclear missile, he would be in the room with the president, advising and counseling. In the past 10 years Mr. Hegseth has made his living as a breakfast TV host and culture warrior. This isn't the right fit. At this point in his life Mr. Hegseth, 44, lacks the stature and depth required of the role.

As for Matt Gaetz being nominated as attorney general—well, this is just straight-out trolling, right? The four-term Florida congressman has won a reputation as disruptive, divisive, aggressive, lacking in

it is also a recipe for unending clash and political theater—Resistance Part II, take it to the streets. In the shock of 2016 it made sense that his opposition make itself heard, encourage itself, see itself. But a repeat isn't in line with the mood of the country, which now isn't electrified by politics but exhausted by it. And in some funny way demonstrations especially would make the Demo-

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By Jack Ryan

**O**ne of the biggest issues confronting young Americans is the decline in homeownership due to escalating mortgage costs. Lyndon Johnson's Great Society program created the Department of Housing and Urban Development to reduce housing costs and increase homeownership. In the signing ceremony for the HUD Act of 1965, Johnson promised that it would "become known as the single most valuable housing legislation in our history."

What are the results? In 1967 the U.S. homeownership rate was 64%. Nearly six decades and \$3 trillion of spending (in 2024 dollars) later, according to the U.S. Census Bureau, the home ownership rate is nearly . . . 64%.

Homeownership rates in Europe average 69%, according to the European Union. Yet most EU members have nothing like HUD's mortgage companies—Ginnie Mae, Fannie Mae and Freddie Mac—and the Federal Housing Administration and the Federal Housing Finance Agency, all of which are meant to boost homeownership. With scores of federal housing guarantees and incentives, the U.S. probably meddles in its housing market more than any country this side of China.

It would be easy to say that American taxpayers have gotten nothing in return for our \$3 trillion, but it's worse than that. U.S. rental and home prices have increased faster than inflation. According to the Census Bureau, the average price of a home was \$22,000 in 1967 and is now \$500,000. Home prices have increased at a 5.5% annual rate since the establishment of HUD, while overall inflation has averaged only 4%. In 1967 the average home cost about three times an average family's income; today, it's seven times.

Prices are also volatile, which

threatens the banking system. When people buy homes with smaller down payments and government-guaranteed debt, home prices move artificially higher. These prices, supported by unrealistic capital structures, stress the financial system. When homeowners can no longer cover their payments, home prices crash, followed by financial crises and severe unemployment, as occurred in 1989 and 2008.

Meanwhile, otherwise prudent home buyers feel they have no choice but to lever up to compete with other buyers. Combine Americans' increased personal stress from having to manage highly levered balance sheets with the increased stress to the financial system and we get a rare double whammy of a program that harms both the health and wealth of the nation.

The \$3 trillion in HUD spending is only part of the price tag for tax-

payers. A 2019 MIT/Sloan study puts the cost of bailing out government-backed mortgage companies such as Ginnie Mae, Fannie Mae and Freddie Mac after the 2008 financial crisis at \$500 billion. The housing crisis of

**The U.S. homeownership rate was 64% in 1967, two years after the department opened. Now it's . . . 64%.**

1989 cost about \$300 billion in 2007 dollars. The FHFA writes off about \$25 billion a year in bad mortgages, according to its May report.

Add it all up, and the U.S. has spent about \$4 trillion since 1965 without increasing homeownership, making homes more affordable or reducing rents. And we're at risk of

another financial crisis brought on by overly levered personal balance sheets.

What can the government do? Get out of the way. Bipartisan deregulation from 1976 to 2000 dramatically reduced the cost and increased the supply of stock-brokerage and telecommunications services as well as air, rail and trucking transportation. In addition to lower costs and better service, deregulation led to innovations such as cellphones, discount airlines and exchange-traded funds.

The government can also break up a politically powerful trade group, the National Association of Realtors, whose anticompetitive rules cause U.S. realty fees to be two or three times as much as those of other developed countries. Should realty services run according to free market principles, my firm estimates that rents and home prices

would drop by 5%—without affecting homeowners' net proceeds in fully-built areas—and 10% in areas where new homes could be built and sold without excessive realty fees. (I have been a party to litigation against the NAR in pursuit of this goal.)

Elon Musk, President-elect Trump's government-efficiency adviser, has called for Washington to adopt zero-based budgeting, by which agencies would have to justify their spending every year. A good place to start would be at HUD, which has spent trillions of dollars, made housing more expensive, and greatly increased stress to America's banking system and Americans' nervous systems.

*Mr. Ryan is a co-founder of REX, a home brokerage firm, and a co-Author of "Bringing Adam Smith Into the American Home."*

## What Does HUD Have to Show for the Trillions It's Spent?

By Jack Ryan

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## Elon's Real Trump Mission: Protect Growth

**BUSINESS WORLD**

By Holman W. Jenkins, Jr.

When it comes to stellar masses the so-called three-body problem predicts unpredictable motion. Yet it's easy to predict very little motion as a result of Donald Trump, Elon Musk and Vivek Ramaswamy joining forces to make the federal government more efficient.

Their Department of Government Efficiency, nicknamed DOGE for a long-running Elon gag involving a cryptocurrency known as dogecoin, will have no official status. It won't be part of the government. It will advise Mr. Trump.

The first thing it might advise him is that government programs

aren't merely inefficiently run. The big problem is an accretion of programs that are perversely designed and frequently serve no good purpose at all.

Joe Biden's green energy scheme is a bet on an economic misunderstanding: subsidizing energy consumption, even when "green," doesn't reduce carbon emissions; it increases energy consumption.

This follows 50 years of fuel-economy regulation so nonsensical even the government admits it achieves no cost-effective purpose.

FDR, the author of the Social Security program, was perfectly aware of its long-term flaw: Its payroll tax structure simultaneously discourages saving and working.

ObamaCare started as a plausible scheme for universal, cost-effective health insurance with subsidies for the needy. Only the subsidies survive because the resulting ObamaCare policies are so overpriced nobody would buy them without a subsidy.

I could go on. This story is found in sociological books like Joseph Tainter's "The Collapse of Complex Societies," Jonathan Rauch's "Democracy's Decline," and Mancur Olson's "The Rise and Decline of Nations."

The government already has agencies devoted to criticizing other agencies for their inefficiency, from inspectors general in every department to the Government Accountability Office. I doubt nickels and dimes from making Washington operate better is what interests Messrs. Musk and Ramaswamy.

The real fight is to protect entre-

preneurialism and its unappreciated concomitant, free speech, in those parts of the economy where they still survive.

After all, the offsetting factor to bureaucratic accretion in our time and hopefully generations to come is economic growth. Even the consequences of endless deficit spending can be outrun indefinitely if the economy is growing fast enough. The old joke about two hunters and a bear also applies: The U.S. only needs to stay ahead of global rivals, with their own compounding structural rigidities.

The next president is sowing a narrative with his cabinet picks. The world situation requires more.

Mr. Musk's best asset in this regard is his Twitter following, to rally young people to his general view of why more government isn't the solution to every problem.

Mr. Trump in his first term imposed a crude and blunderbuss mandate: no new regulations without first getting rid of two old ones. This is probably the best we can expect in the absence of a congressional appetite for root-and-branch reform, which is nowhere to be seen. (Mr. Trump himself says entitlements are untouchable.)

Which suggests a way to think about Trump nominations that make you gag. He isn't architecting an edifice. He isn't assembling a machine.

It's dynamic staffing (some call it trolling) to move the ball that Mr. Trump wants to move right now, today.

Matt Gaetz may never get through as attorney general but he's a signal to those inside the FBI and Justice Department bureaucracy who sought to thwart Mr. Trump's first term that there won't be a sequel.

Robert F. Kennedy Jr. in the health bureaucracy? If there's any logic at all, Mr. Trump may be disbanding up some payback to big pharma for withholding news of the successful Covid vaccine trials until after Election Day 2020.

Mr. Trump picked Tulsi Gabbard for director of national intelligence, who blames the Ukraine war on NATO expansion.

He picked for secretary of state Marco Rubio, who, in televised hearings with Mr. Trump's pick for the same job in his first term, broke a longstanding global diplomatic taboo: He mentioned the strong evidence that Vladimir Putin was propelled to power in Russia by "terrorist" bombings engineered by his own intelligence agents.

The message to Mr. Putin then and now: "Vlad, there are two ways our relations can go . . ."

Mr. Trump, in his life, has both built buildings and spun narratives. His approach to politics has been almost entirely the latter (think "stop the steal").

This time, some building is going to be needed too, especially of alliances, to meet the key challenge of his watch—the unraveling structure of international security. Stay tuned.

## THE WALL STREET JOURNAL.

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8

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**Job Cuts**  
1,000 layoffs at GM amid electric-vehicle push **B10**

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DJI 43444.99 ▼ 305.87 0.70%

NASDAQ 18680.12 ▼ 2.2%

STOXX 600 503.12 ▼ 0.8%

10-YR. TREAS. yield 4.426%

OIL \$67.02 ▼ \$1.68

GOLD \$2,565.70 ▼ \$2.50

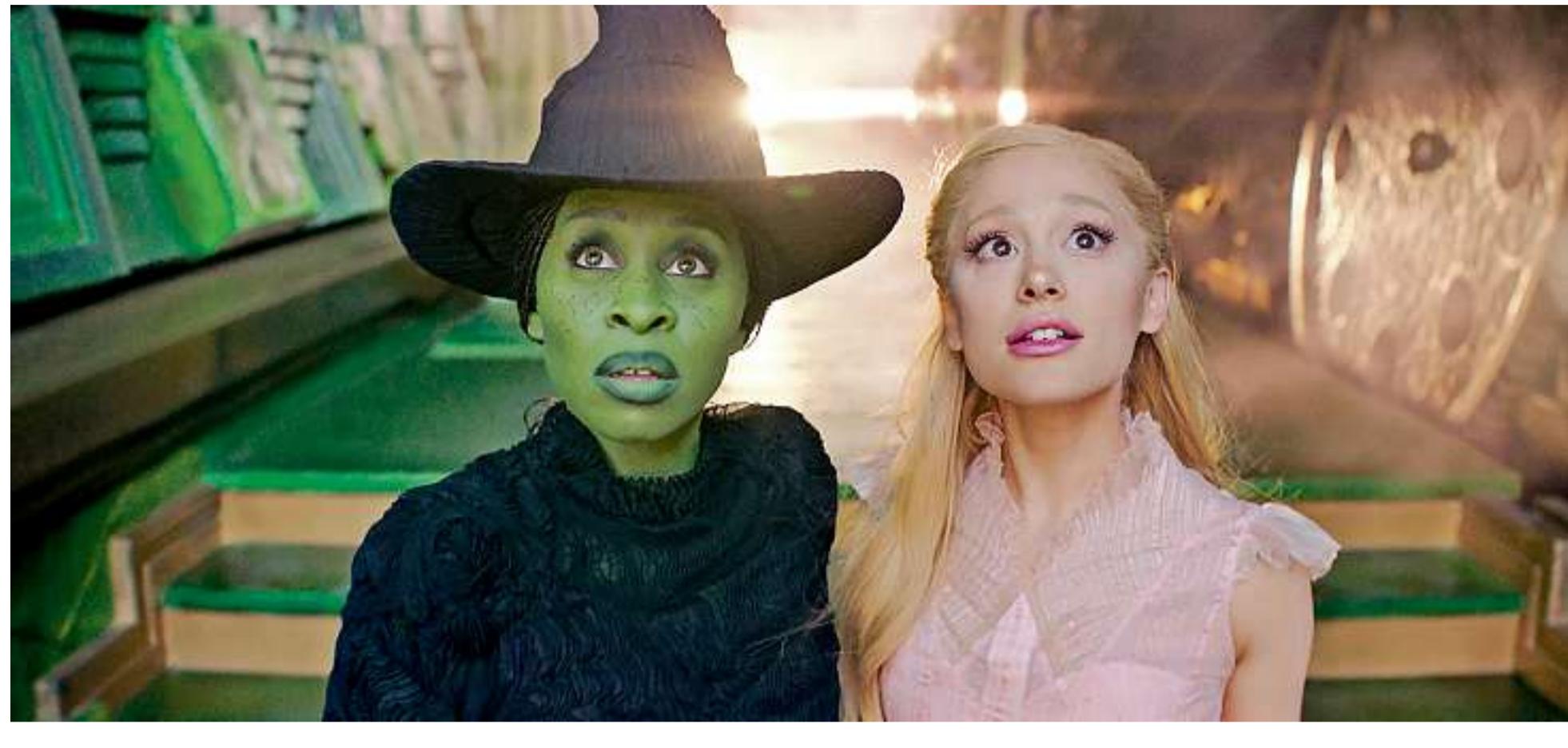
EURO \$1.0541

YEN 154.34

# EXCHANGE

THE WALL STREET JOURNAL.

**Customers Flee**  
A \$55 billion exodus rocks Franklin Templeton **B12**

\*\*\*\*\* Saturday/Sunday, November 16 - 17, 2024 | **B1**

## Inside Hollywood's Big WICKED Gamble



Cynthia Erivo and Ariana Grande star as Elphaba and Glinda in the movie 'Wicked,' top. A Bloomingdale's display, above.

Universal's strategy for launching a blockbuster franchise is about to be 'just short of obnoxious.'

It's the new industry playbook.

BY ERICH SCHWARTZEL

**I**N THE NEW movie-musical adaptation of the Broadway show "Wicked," Glinda the Good ponders a question in the mythical land of Oz. "Are people born wicked," Glinda asks, "or do they have wickedness thrust upon them?" In the case of the new film, it is the latter.

"Wicked" drinks at Starbucks. "Wicked" at the Summer Olympics and on "Saturday Night Live" and, soon, at the Thanksgiving Day Parade. "Wicked" on your Amazon box and at the Santaland at Bloomingdale's. "Wicked" in Lego form and "Wicked" stars as singing dolls. "Wicked" nail polish ("Oz-Mazing") at CVS and "Wicked" sweaters at Target.

In today's Hollywood, it isn't enough to debut a film in theaters. As seen with last year's blockbuster "Barbie," getting audiences to the theater in droves requires sucking up more pop-culture oxygen than ever—and turning a movie into an event, a movement and perhaps even a lifestyle.

"We're going to be just short of obnoxious," Universal Pictures' chief marketing officer, Michael Moses, assured theater owners at a screening of the film in September.

The Broadway adaptation of Gregory Maguire's novel has collected over \$5 billion over 21 years by telling a version of "The Wizard of Oz" in which the Wicked Witch isn't so bad—she's the hero. The Witch, then known as the green-

skinned Elphaba, and Glinda (not yet Glinda the Good) form an unexpected bond as they uncover a conspiracy involving the beloved Wizard. There is Broadway belting and an Act 1 closer, "Defying Gravity," that ends with Elphaba aloft high above the stage.

After a rough start with rocky reviews and a ballooning budget, the stage show of "Wicked" has grown into an economy unto itself, one that has reaped major profits for Universal since it invested in the show more than 20 years ago. Now, the two-part, \$320 million film adaptation has conscripted everyone at Comcast, from Jimmy Fallon to Jenna Bush Hager, into a campaign that combines the razzmatazz of Judy Garland's MGM days with the global reach of the modern entertainment conglomerate.

"'Wicked' is the holy grail," said Donna Langley, chief content officer and chairman of the NBCUniversal Studio Group. "When you have one, you grab hold of it. And you maximize it."

Langley has staked more than just a hefty budget on the movie, which features pop star Ariana Grande as Glinda and Cynthia Erivo as Elphaba. The studio head lob-

Please turn to page B4

CLOCKWISE FROM TOP: UNIVERSAL PICTURES; JACKIE MOLLOY FOR WSJ (3)



Green walls and shelves at the Wicked Good Gift Shop at Bloomingdale's flagship Manhattan store. 'Wicked' ads in the Times Square subway station ahead of the film's Nov. 22 opening.

SCIENCE OF SUCCESS | BEN COHEN

## Suddenly, We're All Watching Long Videos of People Talking

One of the most powerful forces in entertainment has become so pervasive in so many ways that you probably don't even realize the full extent of its reach.

But the latest way that YouTube is taking over the world might just be the unlikeliest one yet.

This site best known as a place to watch videos is now the biggest platform for podcasts.

Yes, podcasts. Not Spotify. Not Apple. YouTube! Because these days, we don't just listen to podcasts. Now we watch podcasts.

It's a profound shift that suddenly has the world's audio giants battling for supremacy in the increasingly valuable world of video podcasts.

"It's becoming all about video," Daniel Ek, Spotify's chief executive, told my colleague Anne Steele.

The most improbable thing about how YouTube made the podcast market all about video is how swiftly it happened.



Only four years ago, when it was less popular for podcasts than both Spotify and Apple, YouTube becoming a podcasting colossus sounded about as realistic as Martin Scorsese releasing his next movie on TikTok.

But this year, YouTube passed the competition and became the most popular service for podcasts in the U.S., with 31% of weekly podcast listeners saying it's now the platform they use the most, according to Edison Research.

And the rise of YouTube comes at a time when Americans have become completely obsessed with

Please turn to page B5

STREETWISE | JAMES MACKINTOSH

## Is Trump Really So Great for Bitcoin?

The election sent the cryptocurrency soaring. The reasons for the rally deserve a closer look.

 Bitcoin is now worth more than any U.S.-listed company other than the six biggest. Dogecoin, created as a joke and the first cryptocurrency to have a government department named after it, would make it to the top 200 stocks by value, larger than Johnson Controls International.

The election lit the rocket that crypto enthusiasts hope will take prices to the moon. They are anticipating that President-elect Donald Trump will follow through on his pledge to defenestrate the anti-crypto chief of the Securities and Exchange Commission, Gary Gensler, ease regulations on crypto-company

Bitcoin price, year to date



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EMILY ENDOW/WSJ STOCK

## EXCHANGE

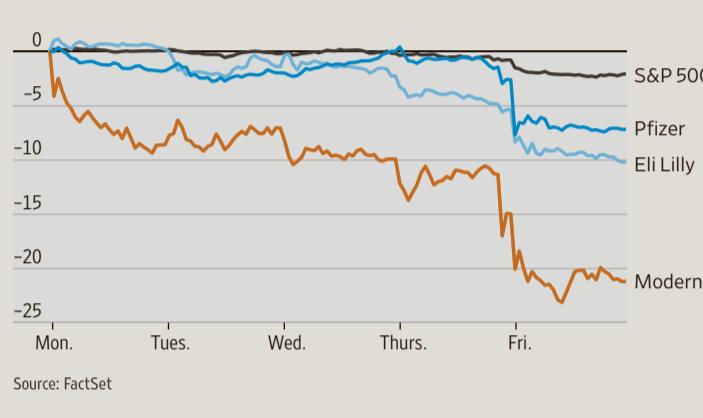
THE SCORE | THE BUSINESS WEEK IN 6 STOCKS

## Tesla, Moderna Slide, Disney Adds in Streaming

**MODERNA**

**DIS** Big pharmaceutical stocks needed a shot in the arm after Donald Trump chose vaccine skeptic Robert F. Kennedy Jr. as health secretary. The 5.6% President-elect's nomination of Kennedy prompted a selloff of the world's top vaccine makers, including Moderna and Pfizer. RFK Jr., who has become best known for his vocal criticism around vaccines, has promised sweeping changes to food-and-drug regulation and government-funded scientific research. Scientists and public-health leaders have expressed concern over a Kennedy appointment in Trump's administration. Pfizer shares fell 2.6% on Thursday—erasing roughly \$4 billion from its market value—while Moderna shares **dropped 5.6%**.

## Performance of pharma stocks this past week



Source: FactSet

**SPOTIFY TECHNOLOGY**

**SPOT** Spotify's third quarter financial results were music to investors' ears. The streaming-audio giant posted its third consecutive quarterly profit and said it is on track to be in the black for the full year for the first time, as its efforts to control costs and prioritize profits pay off. Spotify's €1.45 in earnings per share was below analysts' estimates of €1.69 a share, according to FactSet. Still, its gross margin of 31.1% topped the company's expectations. Spotify shares **soared 11% Wednesday**.

**WALT DISNEY**

**DIS** The entertainment behemoth reported a jump in quarterly net income and higher revenue, and offered a bullish earnings outlook. After years of investing in its streaming business—home to Disney+, ESPN+ and Hulu—the company's direct-to-consumer unit notched its second consecutive quarterly profit. Disney added 4.4 million new core Disney+ subscribers, beating the 900,000 new customers that Wall Street predicted, according to FactSet. Disney shares **rallied 6.2% Thursday**.

**31.1%**

Spotify's gross margin for the third quarter

**4.4 million**

Disney's fourth-quarter increase in new core Disney+ subscribers



Spirit is preparing to file for bankruptcy in the coming weeks.

**SPIRIT AIRLINES**

**SAVE** The Wall Street Journal reported Tuesday that Spirit was preparing to file for bankruptcy in the coming weeks, as it struggles with mounting losses and looming debt maturities. The company's discussions with bondholders follow the breakdown of merger talks with rival Frontier Airlines. Spirit said it was in constructive discussions to restructure debt. Frontier declined to comment. Spirit shares **fell 59% Wednesday**.

## Performance of airlines stocks this past week

**TESLA**

President-elect Trump on Tuesday said that Elon Musk will co-lead what he called the Department of Government Efficiency, or DOGE—also led by former Republican presidential candidate Vivek Ramaswamy—which would operate outside of the federal government and aim to cut spending and streamline bureaucracy. Traders are also weighing the Trump presidency's possible impact on the electric-vehicle industry, including higher tariffs. Tesla shares jumped 9% Monday and **fell 6.1% Tuesday**.

**HONEYWELL INTERNATIONAL**

**HON** Activist investor Elliott Management disclosed a roughly \$5 billion stake in Honeywell and said in a letter to its board that "uneven execution, inconsistent financial results and an underperforming share price" have reduced the company's ability to create value for shareholders. The activist recommended it split up its aerospace and automation businesses. Honeywell shares **ended 3.8% higher Tuesday**, after paring earlier gains.

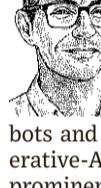
—Francesca Fontana



KEYWORDS | CHRISTOPHER MIMMS

## A Powerful AI Breakthrough Is About to Transform the World

The technology driving ChatGPT is capable of so much more



The AI revolution is about to spread way beyond chatbots.

From new plastic-eating bacteria and cancer cures to autonomous helper robots and self-driving cars, the generative-AI technology that gained prominence as the engine of ChatGPT is poised to change our lives in ways that make talking bots look like mere distractions.

While we tend to equate the current artificial-intelligence boom with computers that can write, talk, code and make pictures, most of those forms of expression are built on an underlying technology called a "transformer" that has far broader applications.

First announced in a 2017 paper from Google researchers, transformers are a kind of AI algorithm that lets computers understand the underlying structure of any heap of data—be it words, driving data, or the amino acids in a protein—so that it can generate its own similar output.

The transformer paved the way for OpenAI to launch ChatGPT two years ago, and a range of companies are now working on how to use the innovation in new ways, from Waymo and its robot taxis to a biology startup called EvolutionaryScale, whose AI systems are designing new protein molecules.

The applications of this breakthrough are so broad that in the seven years since the Google research was published, it has been cited in other scientific papers more than 140,000 times.

Modern AI has long been good at recognizing patterns in information. But previous approaches put serious limits on what more it could do. With language, for example, most AI systems could only process words one at a time, and evaluate them only in the sequence they were read, which limited their ability to understand what those words meant.

The Google researchers who wrote that seminal 2017 paper were focused on the process of translating languages. They realized that an AI system that could digest all the words in a piece of writing, and put more weight on the meanings of some words than others—in other words, read in context—could make much better translations.

For example, in the sentence "I arrived at the bank after crossing the river," a transformer-based AI that knows the sentence ends in "river" instead of "road" can translate "bank" as a stretch of land, not a place to put your money.

That level of contextual understanding enables transformer-based AI systems to not only recognize patterns, but predict what could plausibly come next—and thus generate their own new information. And that ability can extend to data other than words.

"In a sense, the models are discovering the latent structure of the data," says Alexander Rives, chief scientist of EvolutionaryScale, which he co-founded last year after working on AI for Meta Platforms, the parent company of Facebook.

EvolutionaryScale is training its AI on the published sequences of every protein the company's re-

searchers can get their hands on. Using that data, and with no assistance from human engineers, his AI is able to determine the relationship between a given sequence of molecular building blocks, and how the protein that it creates functions in the world.

Earlier research related to this topic, which was more focused on the structure of proteins rather than their function, is the reason that Google AI chief Demis Hassabis shared the 2024 Nobel Prize in chemistry. The system he and his team developed, called AlphaFold, is also based on transformers.

Already, EvolutionaryScale has created one proof-of-concept molecule. It's a protein that functions like the one that makes some jellyfish light up, but its AI-invented sequence is radically different than anything nature has yet to invent.

The company's eventual goal is to enable all sorts of companies—from pharmaceutical makers producing new drugs to synthetic chemistry companies working on new enzymes—to come up with substances that would be impossible without their technology. That could include bacteria equipped with novel enzymes that could digest plastic, or new drugs tailored to individuals' particular cancers.

Meanwhile, Karol Hausman's goal is to create a universal AI that can power any robot. Hausman's San Francisco-based startup, Physical Intelligence, is less than a year old, and Hausman himself used to work at Google's AI wing, DeepMind. His company starts with a variant of the same large language model you use when you access

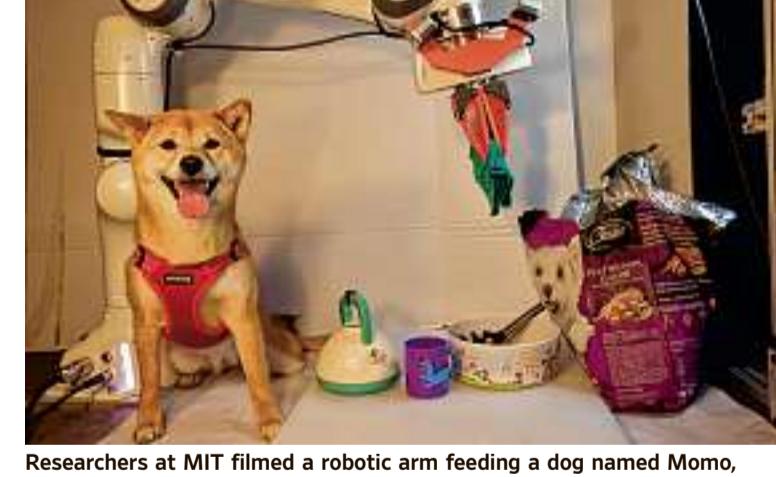
tain of data for it to digest. That demonstration, and others like it, was impressive enough that earlier this month the company raised \$400 million from investors including Jeff Bezos and OpenAI.

In October, researchers at the Massachusetts Institute of Technology announced they're pursuing a similar transformer-based strategy to create robot brains that can take in vast amounts of data from a variety of sources, and then operate flexibly in a wide range of environments. In one instance, they made several films of a regular robotic arm putting dog food into a bowl, then used the videos to train a separate AI-powered robot to do the same.

As in robotics, researchers and companies working on self-driving cars are figuring out how to use transformer-based "visual language models" that can take in and connect not just language but images too. California-based Nuro and London-based Wayve, as well as Waymo, owned by Google's parent company, are among the companies working with these models.

This is a departure from pre-transformer approaches to self-driving, which used a mix of human-written instructions and older types of AI to process sensor data to identify objects on the road. The new transformer-based models are essentially a shortcut to giving self-driving systems the kind of general knowledge about the world that was previously very difficult to grant them.

Powerful as they can be, these systems still have limits and unpredictability that mean they



Researchers at MIT filmed a robotic arm feeding a dog named Momo, then used the videos to train a separate AI-powered robot to do the same.

ChatGPT. The newest of these language models also incorporate and can work with images. They are key to how Hausman's robots operate.

In a recent demonstration, a Physical Intelligence-powered pair of robot arms does what is, believe it or not, one of the hardest tasks in all of robotics: folding laundry. Clothes can take on any shape, and require surprising flexibility and dexterity to handle, so roboticists can't script the sequence of actions that will tell a robot exactly how to move its limbs to retrieve and fold laundry.

Physical Intelligence's system can remove clothes from a dryer and neatly fold them using a system that learned how to do this task on its own, with no input from humans other than a moun-

won't be able to completely automate people's jobs, says Dettmer.

The AI at the heart of EvolutionaryScale, for example, can suggest new molecules for humans to try in the lab, but humans still have to synthesize and test them. And transformer-based models are far from reliable enough to take over driving completely.

Physical Intelligence's system that taught itself to fold laundry would have to relearn that process in a way that's specific to your home before it can take over the job from you. That would require a huge amount of engineers' time, as well as money to train the model.

"I want to make sure I set expectations," says Hausman, the CEO. "As proud as we are of our accomplishment, we are still at the beginning."

## EXCHANGE

# The 'Drill, Baby, Drill' Mining Magnate Cozying Up to Trump and Musk

Billionaire Gina Rinehart is investing in U.S. mining assets and wants to bring MAGA ideals to Australia

BY RHIANNON HOYLE AND JULIE STEINBERG

In rooms of sequins, blond hair and red MAGA hats, Gina Rinehart still manages to stand out at Donald Trump's Mar-a-Lago parties.

On Halloween, the mining magnate was photographed at the Palm Beach, Fla., club in a wide-brimmed red hat with a "Drill, Baby, Drill" sign draped around her neck, posing with Trump's youngest daughter, Tiffany Trump. Five nights later, Rinehart was back at Mar-a-Lago—this time in a white ball gown and Trump brooch—to watch the U.S. presidential election results and eventually celebrate her host's victory.

The next day, Australia's richest person got a coveted sit-down with Elon Musk, a newly influential figure in Trump's orbit—and one of just several dozen people on the planet with more money than her. Rinehart said in a statement that they discussed issues pertinent to the U.S. and Australia: free speech and the need to cut both government waste and national debts.

Rinehart's enthusiastic embrace of Trump, and her efforts to export many of the MAGA ideals to Australia, is the latest twist in a life marked by pugnaciousness and generosity.

At home in Australia, where Rinehart primarily lives on the west coast in Perth, she is a polarizing figure. The executive chairman of Hancock Prospecting is seen as an icon by many in mining, especially women. She rarely gives interviews, often has bodyguards and is known for being skeptical of outsiders. But she's also game for a fight.

Now 70, Rinehart tangled in court for a decade with her father's third wife and former maid over his estate. Rinehart accused her stepmother of somehow being responsible for her father's death, a claim rejected by the findings of an inquest. She is in a long-running legal dispute with two of her four children over rights to valuable mining assets.

Calculations of Rinehart's wealth vary. The Bloomberg Billionaires Index estimates her net worth is around \$18 billion, while Forbes pegs it at roughly \$30 billion.

A spokesman for Rinehart said she wasn't available for an interview.

Rinehart's father, Lang Hancock, is widely credited with discovering a bounty of iron ore in the Pilbara—a thinly populated region of Western Australia—in the 1950s. Today, half the world's iron-ore exports come from that region.

A legendary and contro-

versial figure, Hancock once considered using nuclear bombs as a cheap way to blast open mines in the Outback. His reputation was tarnished by remarks that drugs should be used to sterilize some mixed-race indigenous people.

Tensions between Rinehart and her father spiraled for a time. In letters between the two that later became public in court, she told him he had become a laughingstock. He called her slothful and vindictive.

Rinehart, who spent part of her childhood on a cattle and sheep station in the Australian Outback, took over Hancock Prospecting after his death in 1992 and built it into Australia's top closely held company by revenue. Her interests now span mining, energy, retail, agriculture and real estate.

Rinehart—or Mrs. R, as many of those closest to her say—typically shuns bankers and is closely involved in every deal or investment her company makes, say people who have done business with her. In a rare attempt to draw attention, several years ago she had many of her company's locomotives and dump trucks painted pink, a tribute to breast-cancer patients and research.

She is currently pouring billions into a broad suite of bets on energy and critical minerals including lithium and rare earths, staking a claim to commodities expected to be in demand as the world decarbonizes and

## Gina Rinehart

- Full name: Georgina Hope Rinehart
- Children: Four
- Education: Briefly studied economics at the University of Sydney, before leaving to work with her father
- Became a billionaire: 2006
- Hat at Halloween party: 'Reliable electricity lovers for Trump'
- Leadership inspiration: Ronald Reagan, Margaret Thatcher, Narendra Modi
- Hancock Prospecting's biggest moneymaker: Roy Hill, one of Australia's largest iron-ore mines

► Gina Rinehart, Australia's richest person, pictured at Mar-a-Lago the night of this year's U.S. election.

Hancock built a nearly 20% stake in Australian lithium company Liontown Resources, spoiling a plan by Charlotte, N.C.-based Albemarle to buy that business.

Now she appears to be establishing more of a beachhead in the U.S. She took a stake this year in MP Materials, a Nevada-based mining company that develops rare earths from an operation in California, and recently boosted it to more than 8%.

Rinehart's U.S. ties go back even further. Her second husband, the late Frank Rinehart, was an American lawyer 37 years her senior. They married in Las Vegas and she lived with him and her children in the U.S. for a time in the 1980s. Last year, companies linked to Rinehart's family were behind two property purchases in Florida.

When she does speak publicly, Rinehart tends to advocate pro-business policies and inherited her father's knack for stoking outrage.

In 2012, she questioned how miners in Australia could compete with those in Africa, where people, she said, were willing to work for less than two Australian dollars a day. Labor unions called her "out-of-touch and coldhearted."

Rinehart has also encouraged Australians to spend less time drinking and socializing, and more time working.

This year, she received a lifetime achievement award from the Atlas Society, which promotes the philosophies of Ayn Rand. In a recorded interview for the award ceremony, Rinehart said she first read Rand's "Atlas Shrugged" when she was 13. "The values that were in that book—I haven't shied from," she said.

Those close to her say she's magnanimous. She is known to randomly hand out gifts of 100,000 Australian dollars, roughly \$61,300, to employees at Christmas or on her birthday.

She is a key benefactor for Australia's Olympic athletes, most notably its storied swimming program, and hosted some of the country's medalists on a luxury glass-topped riverboat on the River Seine during the Paris Games this year. One Australian swimmer called her an almost "godmother figure."

Rinehart emerged as a supporter of Trump during his first run, toasting his ambition to cut taxes and reduce what he sees as over-regulation—policies she has long campaigned for Down Under.

On election night this year, Rinehart was seated with Toni Holt Kramer, a founder of Trumpettes USA. Together they watched the returns roll in. Nigel Farage,



Rinehart and Elon Musk talked at Mar-a-Lago the day after the U.S. election.

electrifies and as the West seeks to diversify supply chains away from China.

Rinehart began investing in Brazilian Rare Earths, a company developing a very high-grade deposit, before it went public in Australia last year. Her holding has been an invaluable stamp of approval, says Chief Executive Bernardo da Veiga. Investors "look at it and say 'Well, you know, she's in there. There must be something to it.'"

She has also single-handedly thwarted deals in the mining industry. Last year,



the U.K.'s Brexit cheerleader, and Australia's former Liberal Party vice president, Teena McQueen, also sat with Rinehart.

Rinehart and Holt Kramer met around 2018, during Trump's first term in the White House. Rinehart flew in for her husband's birthday party a few years ago, and they have seen each other in Palm Beach. "She is a unique woman who sees things, not the way they

are—the way they should be," Holt Kramer said.

In remarks sent after the election to various media outlets, Rinehart congratulated Trump, saying: "I do hope Australia watches you and learns as they see that cutting government tape, cutting taxes and cutting government wastage lifts people up, and lifts living standards."

Where the two disagree are tariffs. Rinehart has stressed her own longstanding opposition to tariffs, while Trump has proposed to aggressively raise them.

She has long warned of dark days ahead for Australia unless it lowers taxes and reduces red tape to make it easier for companies to operate. Australia, where it is compulsory to vote, is due for its own national elections next year.

—Katherine Clarke contributed to this article.

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We recognize his service to our firm, including his outsized contribution to building our presence in Japan.

## Henry James

1940 – 2024



Rinehart posed with Donald Trump's youngest daughter, Tiffany Trump, at a Halloween party at Mar-a-Lago this year.

## EXCHANGE

# Hollywood's Big Wicked Strategy

*Continued from page B1*  
bied the musical's producers for years to find the right time and team. She convinced her bosses at Comcast, the parent of Universal and NBC, that it should be a companywide priority. And she is asking audiences to see the adaptation in two installments, the second of which will be released next November.

Since the Covid-19 pandemic, the moviegoer who saw four to five releases in theaters each year is now more likely to catch two or three. Universal wants "Wicked" to be one of those movies that must be seen in a theater, either because no TV screen will suffice, or because everyone else is seeing it.

Early signs are auspicious, since fans are treating "Wicked" as a social event. Purchases of three or more tickets account for 46% of orders so far, according to the sales site Fandango. That's a significantly higher share than most movies, including "Barbie," which had a 36% share of group tickets at the same point in its sales cycle.

"Wicked," which opens on Nov. 22, is expected to have a debut weekend gross approaching \$90 million, and Universal hopes the movie can fend off "Gladiator II" and Disney's "Moana 2" to become the all-audiences option through the end of the year.

On one hand, the math seems simple. If a fraction of the 65 million people who have seen "Wicked" on stage see it in a theater, Universal has a hit.

But Hollywood has a graveyard full of misbegotten movie musicals—two of which, "Dear Evan Hansen" and "Cats," were released by Universal in the past five years and played more as midnight-screening cult comedies than earnest adaptations.

Musicals overall struggle to sell themselves to audiences who profess to swear off the genre. If "Wicked" collects \$1 billion at the worldwide box office, it would be the first movie based on a musical to ever do so. (The most successful Broadway show-to-screen adaptation is "Mamma Mia!" which made \$610 million worldwide in 2008.)

## We're gonna make you popular

The "Wicked" rollout mirrors last year's "Barbie," which amassed a global box-office haul of \$1.4 billion on the strength of ecstatic reviews, countless pink-hued products and cultural ubiquity. "Top Gun: Maverick" and "Oppenheimer" rode similar cultural waves.

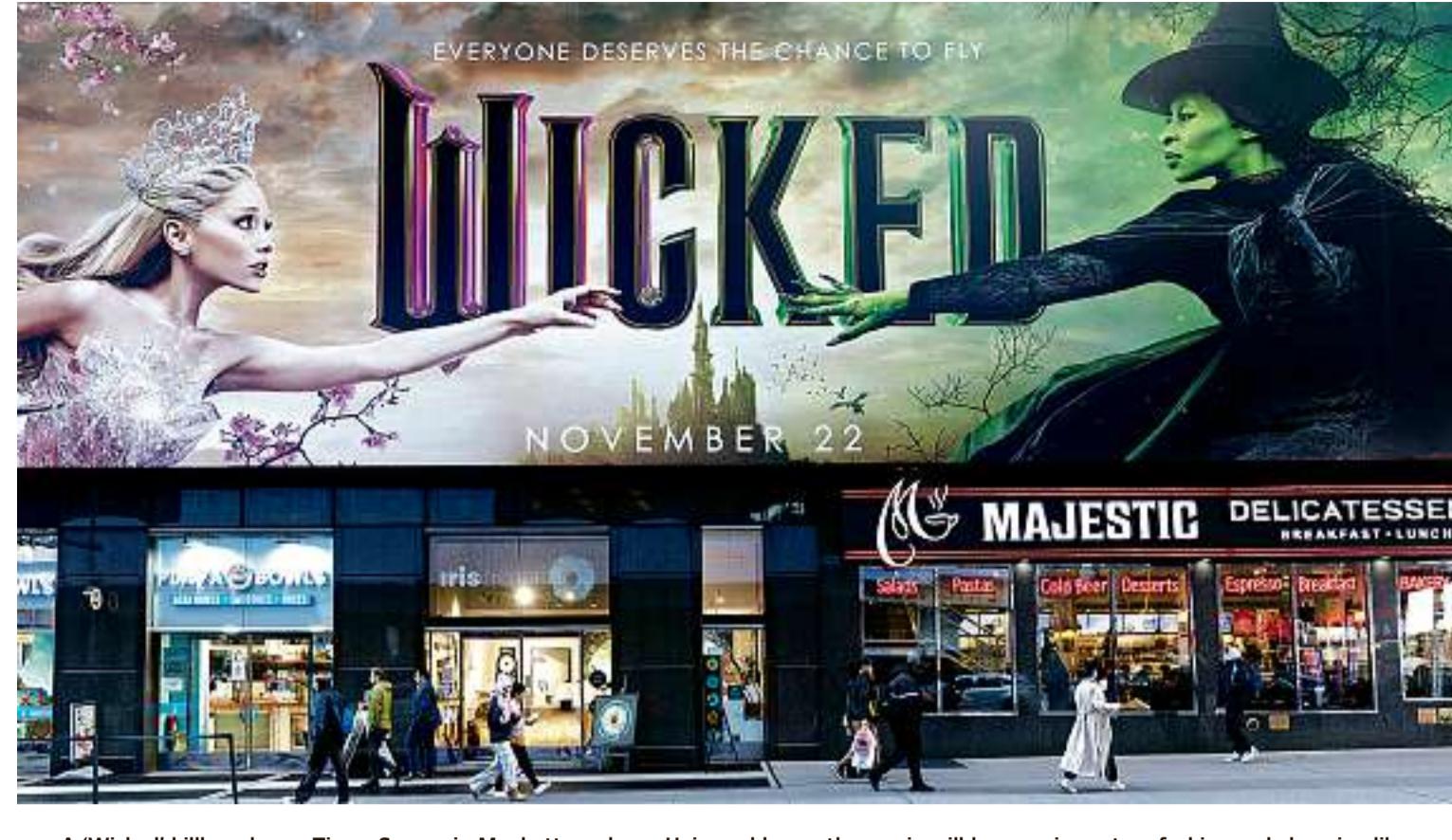
To flood the zone with "Wicked," Comcast has given the movie its so-called "Symphony" treatment, an internal elevation that promotes it across every feasible channel of the empire.

That includes the upcoming Thanksgiving Day Parade in that NBC broadcasts, and explains the frequent reminders during NBC's broadcast of the Summer Olympics of gymnast Simone Biles's ability to "defy gravity." An NBC Sports package on Biles, narrated by Erivo and Grande, drew a parallel between Elphaba's ascent atop a broom to the gymnast's comeback after an aborted performance at the 2020 Olympics.

"Flying is not for the faint of heart," Erivo says, and the clip ends with her "Defying Gravity" riff from the film played over an image of Biles and the women's team staring into the camera with their arms crossed.

The Universal theme parks have erected "Wicked" stores that will stay open through the release of part two next year. Grande recently hosted "Saturday Night Live," while NBC is broadcasting a behind-the-scenes special. The "Today" Show is celebrating "Wicked Week" with cast interviews and, on Wednesday, a look at the movie's costumes hosted by Hoda Kotb (in pink) and Bush Hager (in green, and wearing a witch's hat).

Universal invited hundreds of would-be promotional partners to the



A 'Wicked' billboard near Times Square in Manhattan, above. Universal hopes the movie will have an impact on fashion and shopping like 'Barbie,' below right, did last summer. Bloomingdale's flagship store in Manhattan gave its holiday windows, below left, a 'Wicked' theme.



set near London while it was still in production, showing off the life-size Oz buildings and a field of nine million tulips planted for the film. A licensing bonanza followed their "Wicked Fair," with brands ranging from Lexus to Conair to Gap joining the campaign.

Soon it will be impossible for anyone to escape. Amazon is programming its Alexa devices to answer queries in the voice of Elphaba or Glinda. The film's costume designer created a line of cardigans, skirts and other apparel for Target, which has already seen increased foot traffic in stores since some merchandise hit shelves. The Green Elixir, a combination of cold brew, peppermint syrup, matcha cream cold foam and candy sprinkles, is one of two new Starbucks drinks themed to the movie's release—a first for the chain.

At the flagship Bloomingdale's on 59th Street in Manhattan, the Christmas window display will be themed to "Wicked," and Santa Claus will preside over an "Oz-ified" enchanted forest in an emerald—and not red—suit.

"Kids might have some questions for their parents," joked David O'Connor, Universal's president of franchise management and brand strategy. The studio estimates the global campaign will reach some two billion consumers, or a quarter of the world's population.

Having so many eyes on the rollout also led to a well-publicized gaffe. Earlier this month, fans noticed that the website URL listed on packaging for "Wicked" toys produced by Mattel sent visitors not to the movie's home page, but to a site for a pornographic studio called Wicked Pictures, best known for films directed by Stormy Daniels and award-winning features like "Octomom Home Alone." Mattel has since apologized and said it would remedy the error.

## The chance to fly

"Wicked," published in 1995, was initially envisioned as a movie to be produced by Demi Moore's produc-

**171 million**

streams of the original 'Defying Gravity'

Source: Luminate Data

**25**

actors have played the role of Elphaba full time on Broadway

**65 million**

people have seen the Broadway show 'Wicked' over the last two decades, in more than 100 cities in 16 countries

tion company. Plans for the film languished, though, until composer Stephen Schwartz ("Pippin," "Godspell") suggested the book might make a good musical.

Schwartz worked on the show with producer Marc Platt, who secured the rights to adapt the book to the stage, and Winnie Holzman, the creator of the 1990s teen drama "My So-Called Life" and a reliable expert on adolescent angst. Universal was the musical's primary investor, at around \$10 million.

When it opened on Broadway in October 2003, "Wicked" had a big budget and mixed reviews. The cost had gone up to \$14 million, and some critics didn't see much depth beyond the expensive pyrotechnics ("shows more than a few symptoms of multiple personality disorder," said one reviewer).

But by February, word-of-mouth had made "Wicked" the show to see. Nominated for 10 Tony Awards, it won three—and notably lost best musical to "Avenue Q."

When "Wicked" went on tour and traveled to St. Louis, more than \$1.5 million worth of tickets were purchased in the first two days. The run at Washington, D.C.'s Kennedy Center sold out in seven hours. High-school choirs across the country performed Act II's ode to friendship, "For Good." Musical-theater fans quoted lyrics to each other in yearbooks.

To date, the show's gross of more than \$5 billion—from stints in 100 cities in 16 countries—makes it one of Universal's sneakiest moneymakers.

"Extremely profitable—when it works, it becomes this annuity," said Jimmy Horowitz, the NBCUniversal chairman of business affairs and operations who oversees the studio's growing theater division.

"I read the book before she was born," said Christy Nann, motioning to her daughter Dakota, at a recent matinee of the Broadway show. Tickets were a birthday present for the 14-year-old, who wore a green skirt for the occasion.

## A celebration throughout Oz

The ardent fandom made any film adaptation a high-stakes undertaking.

"I've been at the company for 23 years, and as long as I have been here, we have been thinking about 'Wicked,'" said Langley. Actresses lobbied Universal executives to play Elphaba or Glinda on screen, worried that they would soon age out of the roles.

Langley knew producers wouldn't want to undermine the robust sales on stage. A few years ago, a script passed muster with the musical team. "Crazy Rich Asians" director Jon M. Chu signed on to direct.

Casting was particularly sensitive since fans have dissected many takes on Elphaba and Glinda over the years. YouTube overflows with bootleg recordings of the rotating stage casts and montages that delineate the notes hit in each "Defying Gravity" (Eb5...C#5...F5!) The film-making team wanted actors who could sing—Erivo, who won a Tony Award for "The Color Purple," and Grande, who trills like an opera diva, hit the notes.

Fans acquainted themselves with the lore of the project months before its release: Grande had called Glinda a dream role in 2013. When the stage show had an out-of-town tryout run in San Francisco in early 2003 before opening on Broadway, Chu caught a performance while he was home on a break from college.

Early test audiences said the movie, with its doses of magic and boarding-school setting, reminded them of another cultural landmark: "Harry Potter."

Universal executives hope other elements feel preordained. By waiting 21 years to adapt the musical, they expect enough time has passed for multiple generations to show up, as "Top Gun: Maverick" (2022) and "Twisters" (2024) appealed to fans of the original films (1986 and 1996) and drew in younger moviegoers coming to the material for the first time.

They have also noted how other recent hit movies have been fresh takes on well-known properties ("Dune," "The Super Mario Bros. Movie") and capitalize on the spending power of the female moviegoer ("It Ends With Us," "Taylor Swift: The Eras Tour").

"I need Cynthia's 'Defying Gravity' right now," said Alexa Pascucci, a 24-year-old from New York who attended a Broadway "Wicked" matinee in September with her friend Bridget Walsh, a 19-year-old who grew up singing the Elphaba-Glinda fiery duet "What Is This Feeling?" with her older sister.

The two were ready for a winter full of "Wicked." Pascucci had been browsing "Wicked" sweatshirts sold at Aeropostale stores on her phone as she walked toward the theater.

Walsh gasped when she learned of the "Wicked" Starbucks drinks.

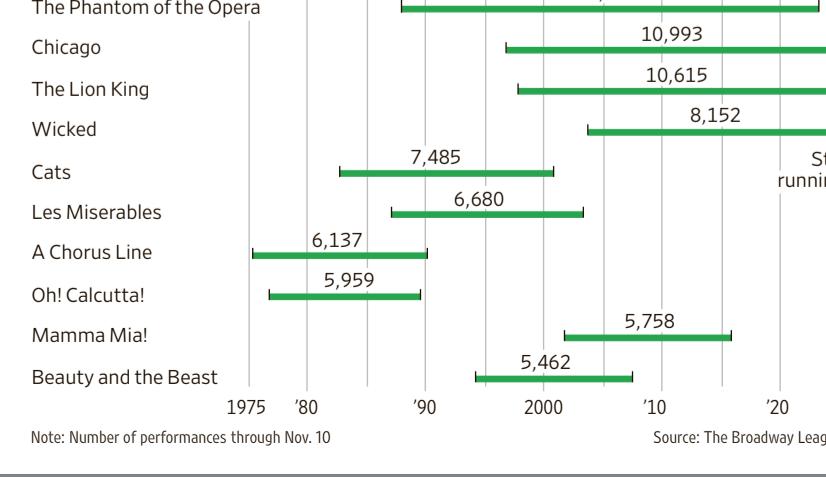
"That's going to ruin my bank account," she said.

### Top-grossing live-action movie musicals in the past 20 years

	\$
Beauty and the Beast*	504.0
Wonka	218.4
A Star Is Born	215.4
Pitch Perfect 2	184.3
The Greatest Showman*	174.3
Mary Poppins Returns	172.0
Elvis	151.4
La La Land	151.1
Les Misérables*	149.3
Mamma Mia!	144.5

\*2017 release †2012 release  
Note: Domestic grosses for films released in the last 20 years and tagged by Comscore with the keyword 'musical'  
Source: Comscore

### Longest-running Broadway shows



## EXCHANGE

# Why We're Watching Podcasts

*Continued from page B1*

In the final stretch of his campaign, President-elect Donald Trump appeared on more than a dozen shows that collectively drew more than 100 million views on YouTube, including a sit-down with Joe Rogan that was the biggest podcaster's single biggest podcast in years. They were not the reason he won. But when many of those podasters and YouTubers got a shout out



**When it comes to podcasts, 'it's becoming all about video,' said Spotify CEO Daniel Ek.**

from his victory party at Mar-a-Lago, it became clear that they were the other winners of this election.

It also became clear that a site whose core product used to be cat videos might just be the most influential company in all of media right now.

With billions of users around the world, YouTube has the kind of scale that other platforms can only dream about. In fact, it recently passed Netflix as the streamer with the most TV viewership in America, according to Nielsen data, and the company says 150 million people in the U.S. now watch YouTube on their TVs every month—which means it has conquered the living rooms of nearly half the country.

And many of those people are watching podcasts. Lots and lots of podcasts.

"If you said five years ago that people would want to watch people talking and sitting in front of a microphone," said Ek, the Spotify CEO, "I'd say probably not."

As it happens, five years ago is when YouTube began to detect that video podcasts were catching on. They really took off during the pandemic, when podcasters started recording their Zoom conversations and there was so much demand for human interaction that listeners actually watched them. Once it had several years of data about the stickiness of video podcasts, the company owned by Google decided to pour resources into this peculiar new format.

"We saw this trend organically emerging," said Tim Katz, YouTube's vice president of partnerships, "and then we wanted to invest in it."

For users, that meant making podcasts more prominent and much easier to discover on the platform. For creators, that meant

rolling out podcast-specific tools and showing how they could make real money turning their audio podcasts into videos, since YouTube pays them a share of the advertising revenue from their content.

We're also consuming more podcasts through YouTube because we're consuming more of everything through YouTube.

Once you start, it's hard to stop, since the algorithm is serving you highly personalized recommendations meant to keep you hooked. It would be like going to a store before Halloween to buy a pack of Nerds Gummy Clusters—and the store rearranging itself and sticking Nerds Gummy Clusters in every aisle every time you come back.

So you watch one episode of a new podcast. Then the next one gets pushed into your feed. You watch that one, too. Before you know it, you're watching another episode of two guys talking for three hours—and there's always another episode.

The sheer power of YouTube has altered the way those podcast hosts are thinking about their own shows.

It's no longer enough to record themselves with microphones. They also need cameras. Some built their own sets. Others just bought ring lights. Either way, many of them are now optimizing podcasts for YouTube because that's where their audience is.

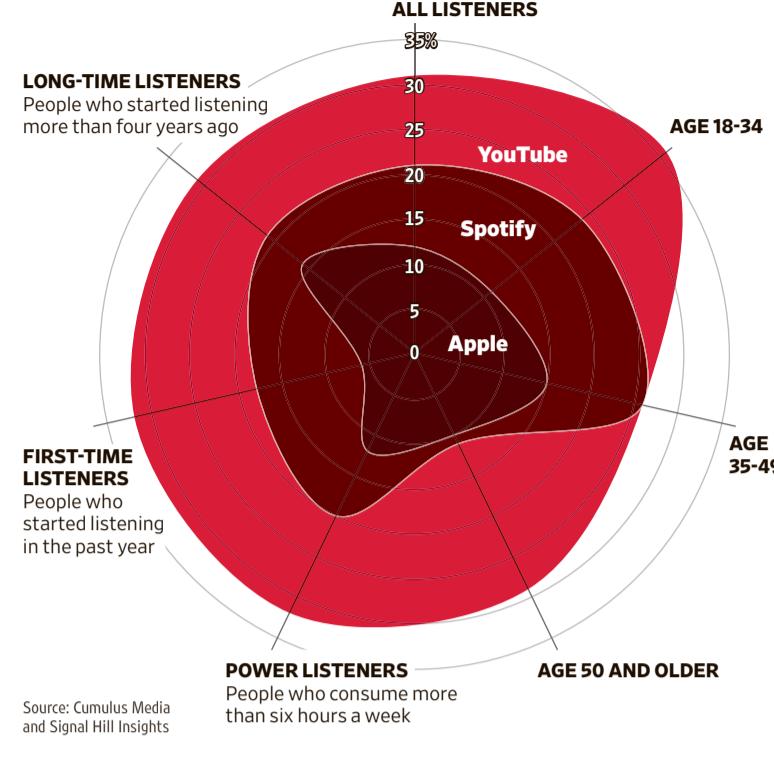
It's also where the money is. They have a financial incentive to upload their shows to the platform, since YouTube's unmatched scale makes its revenue-sharing program especially generous to creators. The economics are so favorable that podcasters with hit shows are leaving money on the table if they're not putting video versions on YouTube.

All of this is beginning to change the entire medium in a fundamental way. For a decade, podcasts were something you listened to while you were doing something else: driving, working out, unloading the dishwasher. That was a passive experience. Now an entire generation has been conditioned to think of podcasts as something they can actively watch any time on any kind of screen—a phone, a computer, a TV.

Which might sound nuts to

YouTube has become bigger than Spotify and Apple in podcasts. It's now the most-used platform for many different types of podcast consumers.

**Percentage of podcast listeners who say this is their top platform, April 2024**



Source: Cumulus Media and Signal Hill Insights

you. But to young people, it just sounds normal.

"When they turn on the TV, they're turning on YouTube," Neal Mohan, the company's CEO, said last year.

They find watching podcasters more engaging than having those podcasters in their ears. Edison's survey of listeners between the ages of 13 and 24 found that 84% have consumed video podcasts,

**Podcasts really took off on YouTube during the pandemic, thanks in part to Zoom's ubiquity.**

and they report feeling more connected to their favorite hosts because they can see them. And the entire industry is paying attention to their behavior.

"The preferences of the Gen Z demographic are redefining the podcasting landscape," the Edison report concluded, "and You-

Tube is uniquely positioned to cater to their habits."

But it's not the only company thinking about those habits.

Spotify had been the king of podcasts ever since taking the crown from Apple in 2021, but it was dethroned this year as video podcasts exploded in popularity. It didn't need to study the competition to see the definition of a podcast evolving. Even on Spotify, the number of users watching podcasts almost doubled over the past year, and nearly two-thirds of listeners say they now prefer podcasts with video.

So this past week, the company took aim at YouTube and revealed its plans to host video podcasts and let premium subscribers watch them without ads, calling these changes nothing less than "the biggest update to podcasts on Spotify ever."

It's also a strategic bet that the way people consumed podcasts in the past won't be the way we consume podcasts in the future—because that's not even the way that we're consuming podcasts right now.

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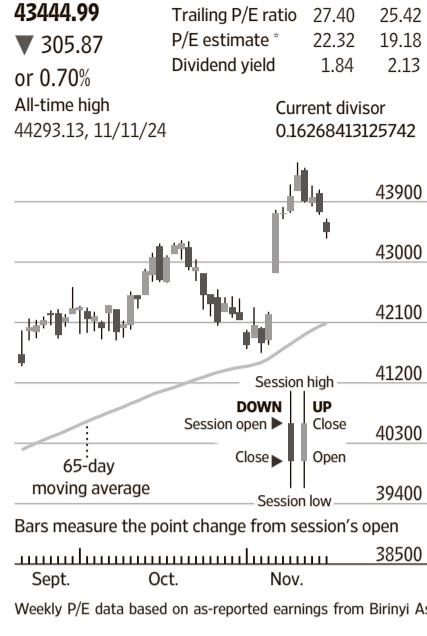
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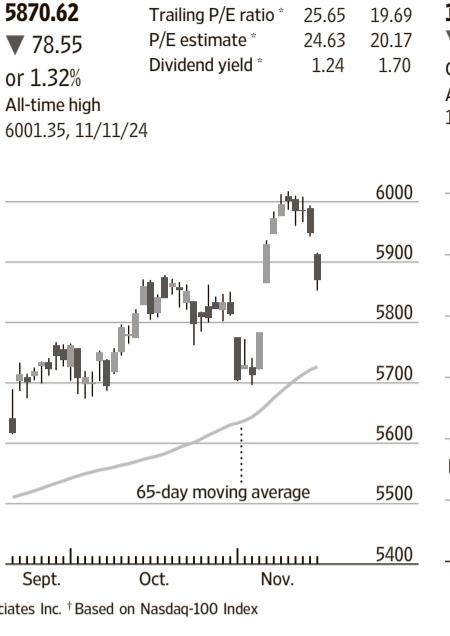
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## MARKETS DIGEST

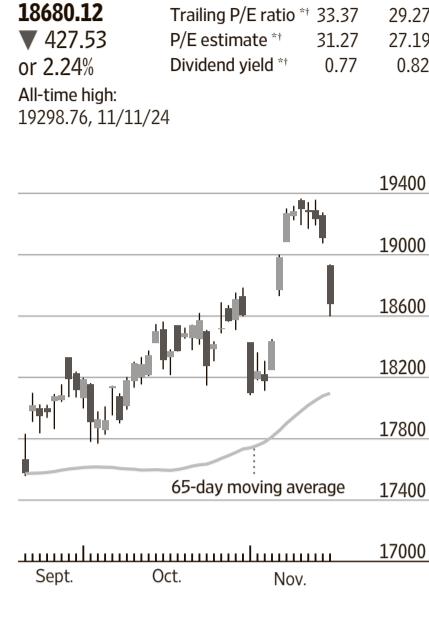
## Dow Jones Industrial Average



## S&amp;P 500 Index



## Nasdaq Composite Index



## Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Index	Currency, vs. U.S. dollar	Commodity, traded in U.S.*	Exchange-traded fund
Nymex natural gas	5.77%		
S&P 500 Financials	1.42		
WSJ Dollar Index	1.38		
FTSE MIB	1.11		
IBEX 35	0.73		
S&P 500 Energy	0.58		
S&P/TSX Comp	0.53		
South Korean won	0.20		
VangdTotalBd	0.14		
-0.004	S&P 500 Utilities		
-0.02	iShNatlMuniBd		
-0.02	DAX		
-0.03	Bovespa Index		
-0.06	iSh 1-3 Treasury		
-0.10	Indian rupee		
-0.11	FTSE 100		
-0.12	S&P/ASX 200		
-0.24	Euro STOXX		
-0.69	STOXX Europe 600		
-0.70	Chinese yuan		
-0.71	iShBoxx\$HYCp		
-0.73	Dow Jones Transportation Average		
-0.76	Norwegian krone		
-0.83	VangdTotalBd		
-0.87	Mexican peso		
-0.93	iSh 7-10 Treasury		
-0.94	CAC-40		
-1.03	iSh TIPS Bond		
-1.11	Japanese yen		
-1.14	S&P 500 Consumer Discr		
-1.15	Lean hogs		
-1.21	S&P 500 Consumer Staples		
-1.24	Dow Jones Industrial Average		
-1.26	Canadian dollar		
-1.36	Swiss franc		
-1.45	iShBoxx\$InvGrdCp		
-1.51	iShPMUSEmgBd		
-1.58	Indonesian rupiah		
-1.62	Corn		
-1.67	Euro area euro		
-1.79	Soybeans		
-1.87	Australian dollar		
-2.07	Bloomberg Commodity Index		
-2.08	S&P 500		
-2.11	S&P 500 Communication Svcs		
-2.13	S&P 500 Real Estate		
-2.14	S&P 500 Industrials		
-2.17	NIKKEI 225		
-2.35	U.K. pound		
-2.40	BSE Sensex		
-2.61	iSh 20+ Treasury		
-2.65	S&P/BMV IPC		
-2.72	S&P MidCap 400		
-3.01	S&P SmallCap 600		
-3.04	Nymex ULSD		
-3.14	Nymex RBOB gasoline		
-3.15	Nasdaq Composite		
-3.15	Comex silver		
-3.18	S&P 500 Information Tech		
-3.33	S&P 500 Materials		
-3.37	South African rand		
-3.42	Nasdaq-100		
-3.52	Shanghai Composite		
-3.99	Russell 2000		
-4.53	Comex gold		
-4.77	Nymex crude		
-5.49	Comex copper		
-5.54	S&P 500 Health Care		
-5.63	KOSPI Composite		
-6.28	Hang Seng		
-6.29	Wheat		

## Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD % chg	3-yr ann.
<b>Dow Jones</b>										
Industrial Average	43647.53	43350.43	43444.99	-305.87	-0.70	44293.13	34947.28	24.3	15.3	6.4
Transportation Avg	17476.65	17197.92	17227.87	-195.25	-1.12	17566.34	14781.56	15.4	8.4	0.9
Utility Average	1034.48	1014.33	1033.82	17.34	1.71	1071.27	829.38	19.7	17.3	4.0
Total Stock Market	58883.10	58238.82	58415.14	-781.00	-1.32	59878.01	44829.90	30.3	22.2	6.3
Barron's 400	1305.95	1289.89	1292.79	-13.83	-1.06	1338.19	978.24	31.3	20.6	4.9

## Nasdaq Stock Market

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD % chg	3-yr ann.
<b>Nasdaq Composite</b>										
Nasdaq Composite	18936.75	18598.87	18680.12	-427.53	-2.24	19298.76	14125.48	32.2	24.4	5.6
Nasdaq-100	20684.57	20315.08	20394.13	-502.54	-2.40	21117.18	15788.05	28.8	21.2	8.0

## S&amp;P

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD % chg	3-yr ann.
<b>500 Index</b>										
500 Index	5915.32	5853.01	5870.62	-78.55	-1.32	6001.35	4514.02	30.1	23.1	7.8
MidCap 400	3239.84	3201.23	3207.52	-35.60	-1.10	3325.88	2534.25	26.4	15.3	3.3
SmallCap 600	1482.64	1458.34	1462.97	-13.65	-0.92	1531.42	1161.64	24.9	11.0	0.2

## Other Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD % chg	3-yr ann.
<b>Russell 2000</b>										
Russell 2000	2346.45	2297.52	2303.84	-33.10	-1.42	2434.98	1783.26	28.1	13.7	-1.4
NYSE Composite	19733.58	19609.45	19645.77	-87.81	-0.44	20015.87	15813.46	24.2	16.6	4.4
Value Line	631.80	624.04	624.95	-6.71	-1.06	647.11	539.03	15.6	5.2	-3.4
NYSE Arca Biotech	5851.75	5568.89	5576.16	-275.60	-4.71	6154.34	4767.72	16.5	2.9	0.9
NYSE Arca Pharma	962.80	936.56	938.71	-24.09	-2.50	1140.17	875.38	7.2	3.1	6.0
KBW Bank	134.99	133.71	134.79	1.14	0.85	134.94	82.23	61.7	40.4	-1.4
PHLX® Gold/Silver	145.96	142.73	143.16	-1.49	-1.03	175.7				

## MARKET DATA

## Futures Contracts

## Metal &amp; Petroleum Futures

Contract Open High hilo Low Settle Chg interest

Copper-High (CMX)-25,000 lbs:\$ per lb.

Nov 4,1240 4,1255 4,0485 4,0510 -0.0220 672

March'25 4,1315 4,2240 4,1055 4,1090 -0.0315 92,623

Gold (CMX)-100 troy oz:\$ per troy oz.

Nov 2555,10 2576,20 ▼ 2554,20 2565,70 -2,50 822

Dec 2570,40 2580,80 2558,00 2570,10 -2,80 252,381

Jan'25 2583,80 2592,00 2573,00 2582,10 -2,80 434

Feb 2594,00 2604,00 2583,70 2593,60 -2,80 205,705

April 2615,50 2624,50 2604,60 2613,40 -2,90 35,208

June 2636,30 2644,20 2625,00 2633,90 -2,90 26,409

Palladium (NYM)-50 troy oz:\$ per troy oz.

Nov 1151,50 1154,50 1151,50 941,30 17,90 6

Dec 940,00 965,00 934,00 943,30 17,60 12,058

Platinum (NYM)-50 troy oz:\$ per troy oz.

Nov 979,80 979,80 979,80 939,80 1,10 7

Jan'25 944,40 956,90 938,40 945,10 1,10 77,865

Silver (CMX)-5,000 troy oz:\$ per troy oz.

Nov 30,320 30,695 30,245 30,371 -0,137 34

Dec 30,530 30,900 30,260 30,432 -0,137 66,390

Crude Oil, Light Sweet (NYM)-1,000 bbls:\$ per bbl.

Dec 68,62 68,69 66,82 67,02 -1,68 116,040

Jan'25 68,45 68,51 66,71 66,92 -1,61 330,611

Feb 68,14 68,26 66,52 66,72 -1,54 154,195

March 67,92 68,04 66,37 66,55 -1,48 142,986

June 67,42 67,57 66,05 66,21 -1,35 158,335

Dec 66,32 66,46 65,13 65,22 -1,22 163,513

NY Harbor ULSD (NYM)-42,000 gal:\$ per gal.

Dec 2,2104 2,2192 2,1692 2,1709 -0,044 93,948

Jan'25 2,2192 2,2287 2,1799 2,1818 -0,042 94,430

Gasoline-NY RBOB (NYM)-42,000 gal:\$ per gal.

Dec 1,9778 1,9935 1,9460 1,9493 -0,0324 81,492

Jan'25 1,9471 1,9641 1,9179 1,9214 -0,0309 121,191

Natural Gas (NYM)-1,000 MMbtu:\$ per MMbtu

Dec 2,765 2,843 2,688 2,823 ,038 129,076

Jan'25 3,037 3,113 2,975 3,094 ,024 347,310

Feb 2,930 2,984 2,866 2,966 ,031 135,668

March 2,706 2,732 2,643 2,718 ,021 261,059

April 2,688 2,710 2,627 2,699 ,015 106,385

Oct 3,201 3,227 3,161 3,220 ,018 107,219

Agriculture Futures

Corn (CBT)-5,000 cents per bu.

Dec 418,75 425,00 417,00 424,00 5,00 455,774

March'25 430,00 436,75 429,00 435,25 4,50 592,033

Oats (CBT)-5,000 cents per bu.

Dec 352,25 359,25 348,50 356,75 8,25 1,141

March'25 363,25 371,75 360,00 368,75 7,75 2,373

Soybeans (CBT)-5,000 cents per bu.

Jan 988,00 1005,25 987,25 998,50 11,00 349,854

Contract Open High hilo Low Settle Chg interest

March 999,50 1015,50 999,25 1008,75 9,50 239,228

Soybean Meal (CBT)-100 tons:\$ per ton.

Dec 287,50 290,10 ▼ 285,30 289,60 2,60 141,150

Jan'25 290,00 292,40 ▼ 287,00 290,80 1,70 161,917

Soybean Oil (CBT)-60,000 lbs:\$ per lb.

Dec 44,63 46,30 44,47 45,35 ,91 114,429

Jan'25 44,66 46,40 44,58 45,49 ,93 166,179

Rough Rice (CBT)-2,000 cwt:\$ per cwt.

Jan 14,61 15,11 14,61 15,05 ,38 10,516

March 14,89 15,30 14,86 15,25 ,37 1,162

Wheat (CBT)-5,000 bu:\$ per bu.

Dec 532,00 541,25 530,50 536,50 6,25 117,860

March'25 550,00 559,00 549,00 554,00 5,75 199,655

Wheat (KC)-5,000 bu:\$ per bu.

Dec 533,25 544,50 532,50 540,00 7,00 65,368

March'25 547,75 556,75 545,00 552,25 5,50 166,175

Cattle-Feeder (CME)-50,000 lbs:\$ per lb.

Nov 248,125 251,850 249,50 251,100 3,475 4,207

Jan'25 243,250 248,225 243,125 247,225 4,025 24,465

Cattle-Live (CME)-40,000 lbs:\$ per lb.

Dec 182,675 184,100 182,600 182,950 ... 70,199

Feb 184,800 186,500 184,650 185,250 ,150 129,279

Hogs-Lean (CME)-40,000 lbs:\$ per lb.

Dec 80,000 80,600 79,100 79,500 -600 7,250

Feb 25,875 84,025 82,400 82,900 -875 120,139

Lumber (CME)-27,500 bd ft:\$ per 1,000 bd ft.

Nov 545,50 570,00 545,50 570,00 -20,00 3

Jan'25 615,50 618,00 605,50 606,50 -10,50 6,266

Milk (CME)-200,000 lbs:\$ per bu.

Dec 198,50 201,50 198,50 201,50 2,00 3,568

March'25 205,00 207,50 204,50 205,50 ,02 6,061

Cocoa (ICE-US)-10 metric tons:\$ per ton.

Dec 8,796 8,890 8,550 8,607 -79 5,607

March'25 8,687 8,783 8,431 8,504 -2 61,743

Coffee (ICE-US)-37,500 lbs:\$ per lb.

Dec 274,95 283,90 274,95 281,80 2,85 14,460

March'25 275,40 285,60 ▲ 275,40 283,30 3,90 103,519

Sugar-World (ICE-US)-12,000 lbs:\$ per lb.

Dec 21,56 21,92 21,42 21,58 ,02 349,555

March 21,56 21,92 21,42 21,58 ,02 349,555

Orange Juice (ICE-US)-15,000 lbs:\$ per lb.

Jan 38,69 38,69 38,69 38,69 ... 1,685

March 38,45 38,45 38,45 38,45 ... 2,657

Cotton (ICE-US)-50,000 lbs:\$ per lb.

Dec 68,35 68,37 66,65 66,80 -152 33,126

March'25 70,57 70,65 68,83 68,91 -1,65 122,897

Interest Rate Futures

Ultra Treasury Bonds (CBT)-\$100,000:pts 32nds of 100%

Dec 123,010 123,040 121,190 122,210 -13,0 1,752,702

Contract Open High hilo Low Settle Chg interest

March'25 122,310 123,060 121,220 122,240 -12,0 50,355

Treasury Bonds (CBT)-\$100,000:pts 32nds of 100%

Dec 116,120 116,210 115-110 116-100 -8,0 1,857,838

March'25 116-170 116-250 115-160 116-150 -8,0 141,763

Treasury Notes (CBT)-\$100,000:pts 32nds of 100%

Dec 109-115 109-235 108-300 109-207 -5 4,541,660

May 5 Yr. Treasury Notes (CBT)-\$100,000:pts 32nds of 100%

Dec 106-142 106-230 106-122 106-247 -5 195,673

2 Yr. Treasury Notes (CBT)-\$200,000:pts 32nds of 100%

Dec 102-185 102-227 102-165 102-209 -7,4 5,439,792

March'25 102-251 102-299 102-227 102-276 -5 92,949

5 Yr. Treasury Notes (CBT)-\$100,000:pts 32nds of 100%

Dec 106-142 106-230 106-122 106-247 -5 1,636,895

March'25 106-200 106-290 106-122 106-247 -5 195,673

Index Futures

Mini DJ Industrial Average (CBT)-\$5 index

Dec 43901 43911 43478 43568 -333 84,633

March'25 44299 44346 43934 44021 -329 2,204

Mini S&amp;P 500 (CME)-\$50 index

Dec 5972,00 5974,25 5876,50 5896,00 -815 2,212,308

March'25 6039,75 6041,25 5943,00 5963,00 -82,75 46,127

Mini S&amp;P Midcap 400 (CME)-\$100 index





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## BUSINESS &amp; FINANCE

## Musk Steps Up Feud With OpenAI, Microsoft

Billionaire accuses ChatGPT maker of anticompetitive behavior in new filing

BY GARETH VIPERS AND SAM SCHECHNER

Elon Musk escalated his legal feud with OpenAI and Microsoft, claiming the companies colluded to eliminate competition in an attempt to dominate the development of artificial intelligence.

In an amended lawsuit filed in a San Francisco court late Thursday, Musk made fresh antitrust claims against OpenAI, the ChatGPT creator he helped found, and added Microsoft and venture capitalist

Reid Hoffman as defendants. Musk also accused OpenAI Chief Executive Sam Altman of "rampant self-dealing" between OpenAI and other companies in which Altman is involved, and of pushing OpenAI into "a de facto merger" with Microsoft—a phrase the suit repeats seven times.

The new complaint is the latest in a series of legal salvos that Musk has launched against OpenAI this year. An earlier complaint, filed in February, alleges OpenAI and Altman broke the artificial-intelligence company's founding agreement by giving priority to profit over benefits to humanity. In that 46-page complaint, Musk claimed that OpenAI's close relationship with tech giant Microsoft goes against the

company's original commitment to public, open-source AI.

After withdrawing that original suit without explanation in June, Musk revived it in August adding new claims of unfair business practices and allegations that he was manipulated into believing that the AI company he was helping launch would be a nonprofit.

He argued that OpenAI effectively defrauded him out of more than \$44 million he says he donated to the company between 2016 and 2020 by relying on his "well-known concerns about the existential harms" posed by advanced artificial general intelligence, or AGI, often defined as AI that broadly exceeds human-level.

"Elon's third attempt in less than a year to reframe his

claims is even more baseless and overreaching than the previous ones," an OpenAI spokesman said Friday.

Microsoft, which first invested in OpenAI in 2019, ramped up the partnership last year. It invested \$13 billion in exchange for what is effectively a 49% stake in the earnings of OpenAI's for-profit arm. Hoffman serves as a member of Microsoft's board and was previously on the board of OpenAI.

Musk founded his own AI company called xAI last year. The company has released an AI chatbot and is pushing to train more AI models, building a massive new data center in Tennessee that it has dubbed Colossus.

In the newly amended suit,

Musk accuses Altman and the other defendants of lying to donors, markets, regulators and the public.

He also accuses OpenAI and Microsoft of engaging in anticompetitive behavior by discouraging investors in its latest \$6.6 billion funding round from investing in competitors, including xAI.

"Microsoft and OpenAI, apparently unsatisfied with their monopoly, or near so, in generative artificial intelligence are now actively trying to eliminate competitors, such as xAI, by extracting promises from investors not to fund them," the complaint says.

Microsoft and Hoffman didn't immediately respond to requests for comment.

In response to the original

suit in March, Altman and OpenAI Chief Strategy Officer Jason Kwon sent emails to staff saying the company's success made it a target for lawsuits and regulatory inquiries.

"We believe the claims in this suit may stem from Elon's regrets about not being involved with the company today," Kwon wrote in a memo reviewed by The Wall Street Journal at the time.

OpenAI is governed by a nonprofit board, which controls the for-profit entity, but it has started the process of converting to a for-profit company.

News Corp, owner of The Wall Street Journal and Dow Jones Newswires, has a content-licensing partnership with OpenAI.



General Motors has targeted \$2 billion in cost cuts by the end of the year as it ramps up sales of EVs like the Cadillac Optiq.

## GM Cuts 1,000 Jobs in Latest Effort To Reduce Expenses Amid EV Push

BY BEN GLICKMAN

**General Motors** has cut 1,000 jobs, according to a person familiar with the reductions, marking the latest effort by the automaker to trim costs as it ramps up sales in unprofitable electric vehicles.

The Detroit-based owner of Chevrolet and Cadillac confirmed Friday in a statement that the company had made a small number of team reductions.

The cuts come months after a previous round of layoffs, focused on the company's software and services division, affected more than a thousand employees. Last year, about 5,000 salaried workers and ex-

ecutives accepted voluntary buyout offers.

Globally, automakers have been cutting jobs as part of broader efforts to shed costs. Volkswagen, GM, Ford Motor and other car companies are under pressure from an uncertain economic and trade outlook, competition from China and the need to invest billions of dollars on a transition to electric cars.

VW, BMW and Ford each posted a drop in third-quarter profits, pointing to factors such as weakness in China and higher warranty costs. Each cited the need to cut expenses, and the union representing VW said the German auto giant intends to close three factories

and lay off tens of thousands of workers.

GM has largely bucked the downward trend, bolstered by continued strength from its lucrative truck and SUV sales in the North American market, by far its largest. Company executives have said previous cost-cutting efforts have helped sustain profitability.

The American automaker has largely stuck with a rollout of new battery-powered models, even as some other U.S. manufacturers have delayed or scrapped certain plans.

Sales of the company's EVs are picking up, the company said with third-quarter results last month, but those vehicles are still expected to lose money

in 2025.

The company has targeted \$2 billion worth of cost cuts by the end of the year, which it has said is on track to meet.

"In order to win in this competitive market, we need to optimize for speed and excellence," GM said in a statement. "This includes operating with efficiency, ensuring we have the right team structure, and focusing on our top priorities as a business."

The cuts confirmed Friday were previously reported by CNBC. GM's latest results were boosted by sales of its profitable gas-powered trucks and sport-utility vehicles, leading the company's profits to surge past Wall Street's expectations.

## Nissan Becomes Activist Investor's Next Japan Target

BY KOSAKU NARIOKA

One of the most prolific activist investors in Japanese companies is targeting **Nissan Motor**, setting up a corporate standoff that investors hope will translate into a higher stock price.

Singapore-based Effissimo Capital Management this past week said it has built a stake in Nissan, days after the carmaker unveiled sweeping restructuring and cost-cutting efforts and in the wake of months of share-price declines.

Shares in Nissan soared on news of the stake, rising more than 20% at one point on Tuesday. They rose again on Friday when Japanese magazine Diamond reported that another activist investor, Oasis Management, has also bought Nissan stock. Oasis didn't immediately return a request for a response, while Nissan declined to comment.

Still, Nissan's stock is down more than 20% for the year, lagging behind Toyota Motor and Honda Motor.

Effissimo is known for often taking large stakes in prestigious Japanese companies—which are seen as insulated from public criticism—and shaking things up. An investigation proposed by the firm at a Toshiba shareholders' meeting in 2021 led to a board overhaul before the industrial giant was taken private last year.

Nissan last week revealed a restructuring plan that includes cutting 9,000 jobs worldwide and reducing its global production capacity by a fifth. It lowered vehicle-sales forecasts for all major markets, particularly in China and North America, two of its biggest. The company has been struggling with weak sales in recent months, especially in China, where a price war and a surge of local electric-vehicle offerings have hurt foreign brands.

The carmaker's stock also fell in July after disappointing first-quarter results.

Even before the earnings-related drop, the company's shares had been under pressure amid worry about a consumer shift away from fully electric vehicles, a product the company had bet big on. After a global boom in EV sales, fired up in part by the popularity of Elon Musk's Tesla and others, consumers in Europe and the U.S. have pulled back over their generally high price tags and the still-uncertain build-out of charging infrastructure.

Nissan is also navigating a partial weakening of its once-powerful alliance with French peer Renault and Japan's Mitsubishi Motors. The bond between Nissan and Renault has frayed in recent years following the legal fallout from the arrest in Japan in 2018 of Carlos Ghosn, the alliance's former chairman and chief executive.

Renault last year reduced its ownership stake in Nissan. The Japanese carmaker in recent weeks said it would sell down its shareholding in Mitsubishi

Motors and has said it is studying potential collaboration with Honda Motor on electric cars, core components and software.

Amid those headwinds, Effissimo made its move.

Nissan on Monday said a trustee of ECM Master Fund was its fifth-biggest shareholder with a 2.5% stake as of the end of September. ECM Master Fund is managed by Effissimo. A representative for Effissimo has confirmed that it invested in Nissan but has declined to comment further.

Effissimo already held a 30% stake in Nissan Shatai, Nissan's specialty-and-commercial-vehicle unit.

Effissimo is one of the most prominent activist investors in the Japanese market and is led by Japanese executives who have adopted Western practices, such as seeking operational changes or board representation. The firm's moves are followed closely by other investors and news that it has taken stakes in companies often triggers buying by others in hopes that the companies will carry out changes that are favorable to shareholders.

Some analysts say the market may be overly pessimistic about Nissan, potentially giving Effissimo an easy win. Fumio Matsumoto, chief strategist at Okasan Securities, said Nissan's earnings may improve going forward and introduces new models.

**Nissan's stock is down more than 20% for the year, trailing Toyota and Honda.**

## Alibaba's Revenue Misses Expectations Amid Weaker China Economy, Competition

BY DENNY JACOB

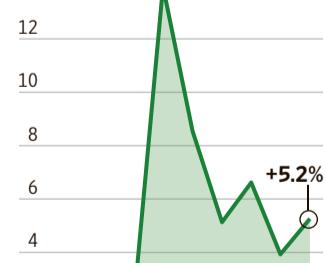
**Alibaba** Group posted lower-than-expected quarterly revenue as the e-commerce giant contended with a weaker Chinese economy and growing competition from newer rivals, even as international sales boomed.

The Hangzhou, China, company Friday said its closely watched adjusted earnings before interest, taxes, depreciation and amortization declined about 4% to 47.33 billion yuan in its fiscal second quarter. Adjusted earnings per U.S.-listed share were 15.06 yuan, or about \$2.15.

Analysts polled by Factset had forecast adjusted earnings of 14.82 yuan per American depositary share for the quarter. Revenue in the three months ended Sept. 30 rose 5.2% to 236.5 billion yuan, below market expectations for 239.45 billion yuan.

Once a darling of Wall Street and the dominant player in China's e-commerce industry, Alibaba has faced challenges boosting revenue growth amid a slowing Chinese economy and intensifying competition. Homegrown upstarts, such as **PDD Holdings**

Alibaba's quarterly revenue, change from a year earlier



Note: Latest fiscal quarter ended Sept. 30. Source: S&P Capital IQ



Alibaba has faced challenges boosting revenue growth.

growth in gross merchandise volume and a record number of active buyers during this year's Singles Day, China's biggest online shopping festival. The company hasn't disclosed the overall GMV figure, a measure of total online sales, for the monthlong event in recent years.

The company has invested heavily in its domestic and international units in recent quarters to regain its past market dominance.

Sales at Alibaba's core do-

mestic e-commerce business, Taobao and Tmall Group, rose 1.4% to 98.99 billion yuan from 97.65 billion yuan a year earlier.

Revenue from international retail shot up 35% to 25.62 billion yuan, while the company's cloud-computing unit posted a 7.1% increase in sales to 29.61 billion yuan.

On Thursday, JD.com, its closest rival, posted higher-than-expected quarterly profit and higher revenue on improved consumer sentiment.

Nissan is also navigating a partial weakening of its once-powerful alliance with French peer Renault and Japan's Mitsubishi Motors. The bond between Nissan and Renault has frayed in recent years following the legal fallout from the arrest in Japan in 2018 of Carlos Ghosn, the alliance's former chairman and chief executive.

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suit in March, Altman and OpenAI Chief Strategy Officer Jason Kwon sent emails to staff saying the company's success made it a target for lawsuits and regulatory inquiries.

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News Corp, owner of The Wall Street Journal and Dow Jones Newswires, has a content-licensing partnership with OpenAI.

# SpaceX Aims to Boost Launches

Company foresees 100 flights a year for massive Starship; still hurdles to clear

By MICAH MAIDENBERG

The executive who has long steered operations at SpaceX wants to dramatically increase the number of flights of its huge new rocket during President-elect Trump's second term.

Gwynne Shotwell, president of SpaceX and Elon Musk's longtime second-in-command, said Friday at an investor event she wouldn't be surprised if the company conducts 400 launches of Starship, as the vehicle is called, over the next four years.

SpaceX has conducted five Starship test launches since April 2023. Another is planned for early next week. The powerful rocket, which Musk wants to use for future missions to Mars, is still in development, and engineers have numerous hurdles to clear before it becomes operational.

Getting to roughly 100 flights a year with Starship would put pressure on SpaceX's ability to pump out and refurbish hardware, and likely require significant changes to how the Federal Aviation Administration oversees launch licensing.

This fall, SpaceX and Musk criticized the agency for how it handled a Starship launch application, and other space companies have called for improved launch reviews. The company expects to conduct more than 130 flights with its fleet of Falcon rockets this year, Shotwell said.

SpaceX has launched Starship tests from its Starbase complex near Brownsville, Texas, and Falcon flights from government sites in Florida and California. The company has faced some pushback in all three areas, and garnered significant support from local



SpaceX has conducted five Starship test launches since April 2023. Below, Gwynne Shotwell is president of SpaceX.

leaders too.

During her remarks Friday, Shotwell said she hopes the Trump administration and the government-efficiency commission that Musk is helping to lead will reinvent and improve regulations across industries. She said she spends more than half of her time on regulatory matters.

"Technology is easy. Physics is easy. People are hard," Shotwell said. "And regulator people are the hardest."

On Thursday, the FAA said it is moving forward with a plan to analyze and update a launch-licensing rule that has frustrated space companies.

FAA officials said the agency works to ensure launches proceed safely and meet environmental rules.

How Shotwell navigates relationships across the government promises to change as the president-elect gears up



for his term by working closely with Musk.

SpaceX does big business with the federal government. NASA's go-to contractor and the Pentagon's primary national-security launcher, it often works with telecom regulators, air-safety officials and environmental services.

Musk is expected to have a significant role guiding space policy during Trump's term, people familiar with the mat-

ter said. SpaceX has advocated jettisoning one forum for hashing out those issues, the White House National Space Council.

While Musk went all in supporting Trump's campaign, spending \$200 million of his own money, Shotwell didn't make public comments about the election.

During the past two years, she has donated to Democrats and Republicans, and to a SpaceX political-action committee that gives to both parties, federal data shows.

Shotwell, one of SpaceX's first hires more than two decades ago, has been president since 2008, overseeing day-to-day operations and serving as a key point of contact for customers. An engineer by training, she commands deep respect in government and aerospace-industry circles, with her leadership often cited as one reason SpaceX has de-

veloped into a powerhouse.

Trump talked about SpaceX rockets during the campaign, and the Republican platform he endorsed called for the government to work with commercial-space companies to "revolutionize our ability to access, live in, and develop assets in space." The president-elect has also said he wants Musk to launch a Mars mission.

Shotwell said she is most interested in visiting the moon, leaving Mars to Musk. "I don't like camping," she said, "and I think it will be a long time until Mars is nice enough."

—Becky Peterson  
contributed to this article.

## Watch a Video



Scan this code for a video on Starship's next launch and SpaceX's plans.

## Pizza Hut Owner Tests AI To Personalize Its Marketing

By MEGAN GRAHAM

**Yum Brands**, the owner of fast-food giants Taco Bell, Pizza Hut and KFC, says new pilots of AI-driven marketing campaigns are increasing purchases and reducing customer churn.

The company this past week said geopolitical turmoil and consumers' pessimism about the economy had hurt sales in the quarter ended Sept. 30 but added that it is optimistic about personalized marketing campaigns that use artificial intelligence.

The efforts have the potential to "greatly improve" the company's return on its investment in marketing, executives said.

The chief digital and technology officer at Yum, Joe Park, spoke with The Wall Street Journal about the AI marketing trials. The interview has been edited for length and clarity.

**WSJ:** Yum has been using AI across its business. When did AI start to come to play in its marketing specifically?

**Joe Park:** Our vision is really to make sure that our franchisees have the best technologies to run their restaurants. Marketing is certainly used to drive top-line growth, so it's always been something that we've planned for. The personalized AI-driven marketing is something that's more recent.

**WSJ:** What does that look like exactly?

**Park:** In the pilot, we delivered emails that were customized at an individual level. When we look at factors like the time of day, the day of the week, the subject line in the email, the content, and more, you can optimize that for marketing use cases like upselling, retention, referrals and even win-back strategies.

For example, we know our Pizza Hut consumers have different frequency and timing of orders. Some consumers will order every few weeks and love exploring our menus, while others wait for special occasions like the Super Bowl and typically have large orders. With AI-driven marketing, instead of



Yum Brands says AI has increased purchases at its chains.

sending the same offer to everyone as a one-size-fits-all, we can engage each of them with the relevant offers at the right time. Our goal is to give our consumers better-timed offers, personalized content and tailored interactions so they feel understood and don't receive generic clutter.

**WSJ:** Is AI also being used to actually make these messages?

**Park:** It is. We have prewritten messages, and we are using AI to select from them and decide when to deliver them and how. We use a mix of both internally developed and third-party AI tools, and we're finding potential audiences and customizing their respective offers, and really using automation to do that.

If you're a marketer, traditional AB testing methods are used—the consumer wants something in red, or is it in blue, and which one wins? That can be slow and limited in how we test. What's different with this pilot is we can move to AI testing, called reinforcement learning. Instead of waiting weeks for test results, we're seeing real-time results that we're continuously fine-tuning.

**WSJ:** What kinds of results are you seeing so far?

**Park:** Compared to traditional digital marketing campaigns, they generate double-digit increases for us in consumer engagement, leading to more increased purchases.

And mind you, it was within

a limited channel. We see so much opportunity as this could go into other areas for customers, whether the app or the drive-through kiosk, and so on.

**WSJ:** How will that work for customers at kiosks?

**Park:** We can personalize offers that can be unique to the location. Take into consideration things like the weather, the time of day, and with those use cases, you can kind of market to the individual or total area.

On your Taco Bell mobile app today, you can check into the drive-through with a unique four digit code, and that connects you to our systems to know who you are, to know your purchase history.

As we collect more data, we see AI playing a role in personalizing the menu board that you see or the kiosk that you're at, to know what you would more likely purchase at that moment, what kind of promos attract you.

**WSJ:** How do these AI efforts fit into the brand's larger marketing strategy?

**Park:** Traditional marketing methods are here to stay. I also do think that we're going to be testing and exploring what's possible—like with gen AI, like looking at marketing assets and being able to give tools for our marketers and our agencies to see what we can create from AI-generated creative assets that can supplement or help some of the traditional campaigns.

## McDonald's Looks to Move Past Its E. Coli Outbreak

By HEATHER HADDON

McDonald's is spending tens of millions of dollars to help its U.S. restaurants recover from last month's E. coli outbreak tied to Quarter Pounders.

The burger company is investing about \$35 million in marketing for its U.S. business, including new advertising spots focused on its food, it said in an internal message. "We will continue to provide our customers with safe, high-quality dining experiences," McDonald's said in an email viewed by The Wall Street Journal.

Federal health officials said this past week that the outbreak, linked to slivered onions on Quarter Pounders, was no longer a safety concern.

At least 104 people were infected, the U.S. Food and Drug Administration said Wednesday, up from the 90 cases the agency reported on Oct. 30.

The episode stymied U.S. sales momentum. McDonald's U.S. traffic is recovering but remains down from last year, according to analyst reports.

The company's stock also remains pressured. As of Friday, McDonald's shares were down around 7% since federal authorities announced the food-safety investigation.

The company said it would invest a total of \$65 million into supporting franchisees who have lost business, targeting those in the states that were most affected.

Cases linked to the outbreak have spanned 14 states and were most concentrated in Colorado and Montana. McDonald's said some of the restaurants were located in transportation hubs, like airports, which accounted for cases in additional states.



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## BUSINESS &amp; FINANCE

# A \$55 Billion Customer Exodus Rocks Franklin Templeton

By JACK PITCHER  
AND JUSTIN BAER

The problems at storied bond manager Western Asset Management keep growing.

Clients have pulled about \$55 billion from Wamco, as the division is known, since mid-August, representing about 15% of its assets. Franklin Templeton, its 77-year-old parent company and one of the largest asset managers in the U.S., recently reported its steepest quarterly outflows on record.

The exodus was set in motion when Franklin announced that the Justice Department and Securities and Exchange Commission were investigating trades by Wamco's star fund manager.

Ken Leech, formerly Wamco's co-chief investment officer and the longtime face of the firm, was informed by U.S. securities regulators that they may bring an enforcement case against him. A parallel criminal investigation is examining whether Leech improperly favored certain client accounts when allocating gains and losses from Treas-

sury derivative trades. Last week on its earnings call, Franklin revealed that a third investigation, by the Commodity Futures Trading Commission, is also open.

The revelations have left rivals and clients stunned. They have called into question whether Wamco can survive as a stand-alone manager—and if Franklin can keep the scandal from weighing on its other investment teams. Franklin shares have declined 28% this year, badly underperforming the broader market and most of its rivals.

"The long-term viability of Western remains to be seen," said Bill Katz, an analyst at TD Cowen.

Recent client defections from Wamco include the Ohio Bureau of Workers' Compensation, which is pulling \$750 million in assets, and the Chicago Teachers' Pension Fund, which said it would yank \$568.5 million.

Pacific Investment Management, which lost some key clients to Wamco a decade earlier, is among the rivals actively competing for the business, said a person familiar with the matter.



Ken Leech is Wamco's former co-chief investment officer.

ier with the matter. The commotion at Wamco is a major blow to Franklin's efforts to modernize the firm and stem the bleeding of assets from its legacy mutual fund businesses. Wamco, which was the crown jewel of Franklin's 2020 acquisition of Legg Mason, made up about a quarter of its \$1.6 trillion in assets earlier this year.

Although Leech never outshined Pimco's Bill Gross in either the amount of money he managed or in his celebrity, he was a tenured presence in the community of bond investors, traders and salespeople that set up shop in southern California decades ago.

Hundreds of billions of dollars in client money fled Pimco after it ousted Gross in 2014 following a series of disputes with his colleagues. But the manager eventually stemmed and then reversed those outflows, in part because another star portfolio manager emerged.

Franklin has told analysts that the investigation spans 38 client accounts at Wamco across multiple strategies, a person familiar with the matter said. About 17,000 trades made by Leech between spring 2021 and fall 2023 are in question. Neither Franklin nor Wamco have received Wells notices from the SEC indicating they would face similar actions, another person said.

Franklin said it had already begun an internal investigation of Leech over allegations of cherry picking, or illegally favoring certain client accounts when assigning gains and losses from trades. Leech was placed on leave and is still an employee.

The investigation has prompted scrutiny over the unusually high degree of autonomy that Wamco has under Franklin's ownership. In agreeing to buy Legg Mason, Franklin said it would "preserve the autonomy of Legg Mason's affiliates" and granted Wamco a five-year independence agreement from the date of the acquisition.

A spokesman for Franklin highlighted Wamco's independence when news of the investigation broke, and Franklin Chief Executive Jennifer Johnson stressed "the relationship with Franklin is pretty unique" on the company's earnings call last week. Johnson said Wamco's trading policies are being enhanced and have been reviewed by third-party experts.

Franklin reported a quarterly loss, its first since 2017, after taking a write-down of almost \$400 million related to lower projected future earnings from Wamco.

"Whether or not outflows spill into other units that are independent from Wamco is the point to watch for sure," TD Cowen's Katz said.

## Samsung Electronics Plans Share Buyback

By KWANWOO JUN

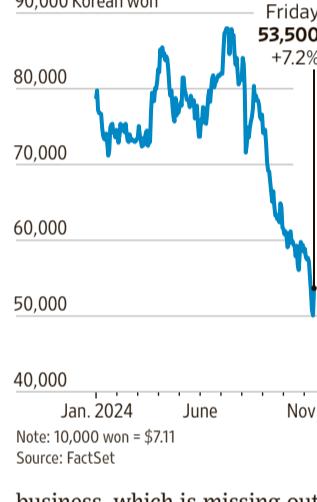
Samsung Electronics plans to buy back shares worth more than \$7 billion during the next year in one of its largest shareholder return programs.

The South Korean technology giant said after the market closed Friday that it decided to repurchase 10 trillion won, equivalent to \$7.11 billion, of shares in stages in the next 12 months to help enhance shareholder value.

Of the total, three trillion won of shares—in the form of 50.14 million common stocks and 6.91 million preferred stocks—will be bought back from the market starting Nov. 18 and canceled Feb. 17 next year, Samsung said.

The company's board will decide later when and how to use the remaining seven trillion won of shares to support shareholder value, it added.

The stock repurchase plan comes amid investor concern for its flagship memory-chip



business, which is missing out on the artificial intelligence boom.

Samsung's stock has plunged this year while shares in AI chip-making rivals have gained strongly. Shares rose 7.2% Friday partly on bargain hunting, but they were still down 32% year to date.

## Investor Builds Stakes in Newspaper Publishers

By COLIN KELLAHER

A Florida billionaire with a fondness for local news is looking to build a newspaper giant by potentially scooping up publishers Lee Enterprises and DallasNews.

David Hoffmann, who last month disclosed a 5.2% stake in Lee Enterprises, has raised that interest to 8.7%, making him the Davenport, Iowa, company's second-largest shareholder.

Hoffmann also disclosed a new 5% stake in DallasNews, making him one of the Dallas Morning News publisher's biggest investors.

In an interview Friday, Hoffmann said he aims to create the second-largest newspaper group in America behind Gannett and that a combination of his Hoffmann Media Group, Lee Enterprises and DallasNews would do just that.

Hoffmann said he has held friendly talks with Lee's management, but he hasn't yet made contact with DallasNews, which is controlled by Robert Decherd, the great-grandson of a Dallas Morning

News co-founder.

Once highly profitable, local news has seen venerable brands wither. But Hoffmann said he believes

local newspapers "remain an integral part of the American fabric" and are undervalued, and he thinks the industry can operate profitably in both print and digital.

In September sold California's Napa Valley Publishing, including the Napa Valley Register, to Hoffmann Media

for an undisclosed amount.

Hoffmann said he plans to continue to build his stake in Lee, which publishes dozens of daily newspapers, including the St. Louis Post-Dispatch,

but that he has no intention of any hostile action.

Lee earlier this year adopted a poison-pill plan with a 15% trigger af-

ter India's Quint Digital said it had built a stake of more than 12% in the publisher.

Hoffmann said he sees a

significant value proposition in both Lee and DallasNews, adding that he also is looking at the acquisition of several privately owned newspapers.

Shares of Lee, which were changing hands at around \$14 before Hoffmann initially disclosed his interest last month, hit a 52-week high of \$19.63 on Oct. 24 but have since pulled back and closed at \$16.30 Friday. The publisher sports a market capitalization of around \$100 million and had long-term debt topping \$450 million as of Sept. 30.

Shares of DallasNews, with a market value of roughly \$27 million, were down less than 1% at \$5.16.



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This notice is being provided on behalf of New Perspective Asset Management, LLC, the court appointed receiver over the real property commonly known as 521 & 529 Sawyer Blvd., Columbus, Ohio 43203 and formerly known as Sawyer Towers and now known as Latitude Five25 (the "Property").

The Property was placed into receivership for the benefit of creditors by the Franklin County, Ohio, Court of Common Pleas in Case No. 22 CV 7387, the Honorable Judge Michael Holbrook presiding.

The Receiver filed a motion with the Court seeking a final decree terminating the leasehold interest of former tenants and occupants of the Property that has either been destroyed by asbestos contamination, is not practicable to remove, or otherwise is discarded, and therefore is abandoned. As a result, the Receiver asked the Court to terminate any rights former tenants and occupants may have in the personal property and assets remaining on the Property and to determine that no claim can be made in the future against a potential purchaser of the Property related to any remaining personal property items, and that any claims related thereto would attach solely to the proceeds of the sale of the Property to be disbursed through the established proof of claim process. The Receiver also asked the Court for authority to seek releases and acknowledgement of abandonment from former tenants with respect to personal property remaining at the Property in exchange for payment of \$1,000. The Court has approved the proposed relief subject to potential objections. If no objections are filed, the relief will become final automatically.

The rights of former tenants or occupants who still have personal property at the Property may be affected. The Court has set a deadline of December 9, 2024, for objections to the requested relief to be filed, and, if you do not timely state your position with respect to the requested relief, it will be deemed by the Receiver will automatically be final. You may obtain a copy of the motion from the Franklin County Common Pleas Clerk of Court or by emailing [admin@npamreceiver.com](mailto:admin@npamreceiver.com) or mailing P.O. Box 3032, Dublin, Ohio 43013. Inquiries concerning providing a release in exchange for monetary compensation may be made by emailing [admin@npamreceiver.com](mailto:admin@npamreceiver.com).

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# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## No One Can Afford To Sell Their Home

It's mostly older homeowners who are in a position to take advantage of the historic rise in house prices

Here's one of the most striking trends in the U.S. right now: Homeowners are sitting on a record \$35 trillion of equity, more than double what had built up on the eve of the 2008 housing crash.

Skyrocketing property values are dividing Americans into three broad camps: those who are now locked out of homeownership, those who are effectively stuck in their current homes, and a lucky minority who have the flexibility to cash out at a historic high.

Things are bleak at the base of the U.S. housing ladder. After a run-up in home prices during the pandemic, property values continued to increase even as interest-rate hikes made mortgages less affordable.

This has changed who walks through real-estate agents' doors. The share of sales to first-time buyers has dropped to a record low 24%, according to a recent report by the National Association of Realtors, or NAR.

And first-time buyers who do show up have aged almost a decade. Traditionally, Americans got a foothold on the property ladder during

their late 20s. Today, the median age of first-time buyers is 38. By the time many Americans can afford a home now, they have missed out on 10 years of wealth creation that older generations enjoyed.

There is a gender element, too. Single women buying their first home are six years older than single men. Lower median incomes mean they need more time to save a down payment. However, they are giving priority to getting on the housing ladder. At 20%, single women's share of first-time home purchases has jumped to more than double that of single men.

Homeownership is a luxury that many young families can no longer afford. Nearly three-quarters of people who bought homes between July 2023 and June 2024 had no children under 18 living with them—another all-time low in the NAR's records. True, falling birthrates and the fact that couples are starting their families later play a role here. But it is also a sign that more American parents are stuck renting. Unable to lock in their housing costs with a 30-year, fixed-rate mortgage, they are exposed to future rent inflation.

Millions of households lucky enough to be on the property ladder face a different set of issues. Existing homeowners are becoming much wealthier on paper as house prices rise. They are sitting on \$315,000 of equity on average, up from about \$186,000 at the start of the pandemic, data from CoreLogic shows.

But tapping that bounty isn't easy: If owners decide to move, they would have to take on a much more expensive mortgage. Almost seven in 10 existing borrowers have a rate below 4.5%, based on an analysis by Jim Egan, Morgan Stanley's U.S. housing strategist.

A smaller group representing about a quarter of all mortgage holders were savvy enough to buy or refinance their homes when



borrowing costs hit all-time lows during the pandemic and now enjoy a sub-3% rate.

This group has the least incentive of all to sell and sacrifice their historically low housing costs. However, the trade-off is no freedom of movement.

It isn't cheap for owners to tap their equity in other ways either. The average rate on a home-equity loan is 8.41%, according to Bankrate data. A home-equity line of credit is even more expensive.

But today's housing market is a gold mine for anyone who owns outright. This group represents almost 40% of American homeowners and includes anyone wealthy enough to not need home financing at all, as well as people who have lived in their property long enough to have paid down most of their mortgage or cleared it entirely.

Unsurprisingly, older people are very active in the current housing market. The typical age of sellers has reached an all-time high of 63.

Many among this generation had to stretch to buy their first home in the 1980s, when affordability was also poor. They are now able to fund a comfortable retirement using the wealth stored in their homes. However, owners in some parts of the country might have a short window to cash out at the top of the market. Home prices are starting to fall in certain states, notably in areas of Texas and Florida.

House hunters have been stuck on the sidelines hoping that mortgages will become more affordable as the Federal Reserve cuts interest rates. But the opposite is happening. The weekly average rate on a 30-year fixed-rate loan is now back at 6.78%, up from 6.09% the week the Fed began loosening in mid-September, Freddie Mac's latest data shows.

Mortgage rates are more closely tied to what is happening with the 10-year Treasury yield than short-term interest rates set by the Fed.

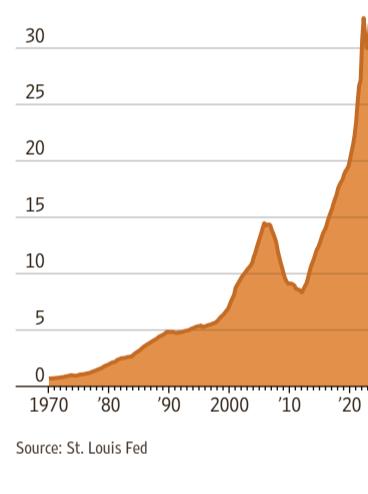
Investors' concerns about the size of the U.S. fiscal deficit and the possibility of more inflationary policies under a second Trump administration have pushed the 10-year yield back to 4.43%. Historically, 30-year mortgages have been priced at a roughly 2-percentage-point spread to the Treasury yield.

So what if today's mortgage rates are the new normal? At 6.78%, the monthly repayment on a median-priced home eats up over a quarter of the median U.S. household income. That is more than even the peak of the 2008 housing bubble.

Without lower home prices, the difficult situation that younger home hunters and families find themselves in could crystallize. Older Americans are enjoying a golden era to cash out, but the wider benefits of this strange housing boom are hard to see for anyone else.

—Carol Ryan

### U.S. homes, value of owners' equity



Source: St. Louis Fed

## Bitcoin's Big Trump Bump

*Continued from page B1*  
listings, exchanges, finance and mining, and create a national stash of bitcoin.

Easier regulations should in principle push up prices by making it easier to attract buyers. Because cryptocurrencies aren't backed by income or an economy, in the absence of any fundamentals they are driven entirely by supply and sentiment-driven demand. More buyers means a higher price.

Yet, dig deeper into the argument, and it is hard to see why bitcoin should benefit so much. The mother of cryptocurrencies is different than most coins. Along with the No. 2 coin, ethereum, it has little in the way of regulatory pressure. It is treated as a commodity, so it avoids direct SEC oversight, and has both futures and—thanks to lawsuits against the SEC—ETFs.

Other crypto-coins could benefit a lot if they also were exempted from SEC rules on prospectuses, while ether could benefit from a more relaxed approach to decentralized finance, but neither change would help bitcoin. Indeed, more demand for other coins might, at the margin, take buyers and their money away from bitcoin, which is by far the largest.

"Any regulatory easing that happens for crypto is net more beneficial for altcoins [non-bitcoin crypto] than bitcoin because there's no regulatory business for bitcoin," says Alex Thorn, head of research at Galaxy Digital, a crypto financial-services firm.

So why is bitcoin up a third since its election-night low, adding almost \$500 billion to its total value in less than two weeks,



Since last week's election, bitcoin has added billions to its total value.

while altcoins and ether have lagged behind? There are three common arguments.

The first amounts to "Duh." The next president is, after a change of heart, avowedly pro-crypto and surrounded by advisers who like crypto. Bitcoin is the biggest crypto. *Ipsa facto*, buy bitcoin.

Given that the value depends purely on sentiment—remember, no fundamentals—this is plausible, if deeply unsatisfying; it amounts to saying that because "bitcoin" and "crypto" are currently interchangeable terms for most people, anything good for crypto is good for bitcoin, even when it isn't.

The second is Trump's campaign promise to create a "strategic national bitcoin stockpile," starting by blocking the sale of bitcoin previously seized by law-enforcement agencies. What has got bitcoin bros excited is the idea that this could morph into a strategic bitcoin reserve to back the dollar, something proposed by Sen. Cynthia Lummis (R., Wyo.).

Rumors have been flying that other countries could rush purchases of bitcoin to, in effect, front-run a Trump bitcoin buying program. Yet, the idea makes zero sense. Strategic currency reserves are for countries that have wobbly foreign exchange because of a lack of trust in their currency, or for those that need to recycle trade surpluses into overseas assets.

Neither applies to the U.S. Even if they did, would Trump really want to divert American resources away from spending or tax cuts to buy bitcoin?

"If the Treasury or the Fed were to say they're going to buy bitcoin to help back the dollar, it would be very bad for the dollar in the same way that if they said they were going to buy lollipops or toothpaste to back the dollar," Thorn says. And he likes bitcoin. "The dollar is backed by the full faith and credit of the U.S."

Still, it is hard to predict what the new administration will do.

For sure, any sign that the government was buying bitcoin absolutely would push up the price, crazy as the idea is.

The third argument centers around the threat of inflation, for which some bitcoin buyers continue to think the cryptocurrency offers a hedge. The bond market has been betting that Trump's policies will lead to higher inflation, thanks to tariffs and tax cuts. Yet, bitcoin has never been a good hedge for inflation, and moves much more closely with speculative stocks than it does with inflation hedges such as gold (now down since the election) or inflation-linked bonds.

Put another way: Bitcoin is about animal spirits, not plodding economic analysis. No wonder it likes Trump.

## Lower Rates Are No Longer a Sure Thing

Could the Federal Reserve be nearly done easing already? Market moves on Friday suggest it's possible.

Following remarks by Fed Chair Jerome Powell on Thursday that threw cold water on rate-cut expectations, and a fairly hot retail-sales reading on Friday, investors are abruptly shifting their bets. That is bad news for stock and bond prices.

"The economy is not sending any signals that we need to be in a hurry to lower rates," Powell said Thursday. As if to back him up, retail-sales data on Friday morning came in strong, rising 0.4% in October compared with economists' expectations for a 0.3% rise. Perhaps even more significant, September's retail-sales growth was revised upward sharply to 0.8% from 0.4%.

Some other details of the report suggested economic strength as well. As BMO Capital Markets pointed out in a note,

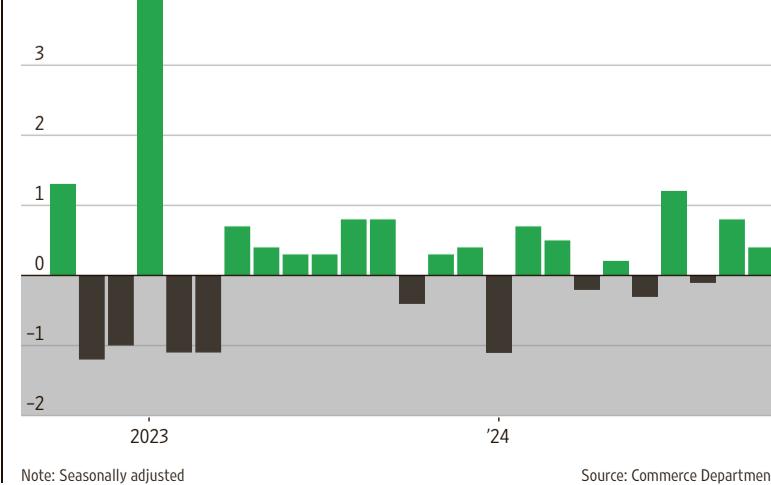
car purchases climbed at the fastest pace in three months, and restaurant sales have now risen for seven straight months, "suggesting that households are not holding back on discretionary spending."

The likelihood of a December rate cut as implied by futures markets fell to about 58% on Friday, according to the CME Group's FedWatch tool, down from 72% one day earlier and 86% one month ago. Even more ominously, the chance that there could be just one or zero rate reductions between now and June 2025 have risen to 26%, from just 1% a month ago.

If that turns out to be the case, it could mean that a lot of relief already baked into share prices needs to be unwound. Since the Fed kicked off this easing cycle with a jumbo half-point cut in September, the S&P 500 is up around 4% and the Nasdaq Composite has risen around 6%.

—Aaron Back

### U.S. retail and food-services sales, change from previous month



Note: Seasonally adjusted

Source: Commerce Department

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DEMI  
MOORE

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# REVIEW

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JOHN CUNEO

The Trump 'whale,' a trader known only as Théo, proved more accurate in his forecast than pollsters like Nate Silver.

## WHEN THE TRUMP WHALE SWALLOWED THE POLLSTERS

The success of Polymarket and other prediction markets in calling the 2024 election will bring an end to the era of political forecasting as we know it.

By Niall Ferguson and Manny Rincon-Cruz

**THE 2024 ELECTION** was a resounding victory not only for Donald J. Trump but also for prediction markets like the crypto-based Polymarket, which allow users to trade contracts that pay out based on the outcome of future events.

By the morning of the election, Polymarket showed \$1.8 billion in trading volume on who would win the presidency (Trump at 62%) and an additional half billion on who would win the popular vote (Harris at 73%). The biggest bet on a Trump victory was placed by an enigmatic "whale" known only as Théo.

Trump's victory was even more decisive than the prediction markets foresaw. Even on Polymarket, few shared Théo's conviction that Trump would win the popular vote. But the prediction markets were still a lot closer than most opinion polls and political pundits, nearly all of which clustered around a neck-and-neck result.

The Wall Street Journal reported on Election Day that "Prediction Markets Point to Likely Trump Victory," giving the former president a chance of success between 57% and 62%. But most polls showed the election as headed for a tie. Renowned election forecaster Nate Silver wrote on election morning: "We ran 80,000 simulations tonight. Harris won in 40,012," thereby giving the sitting vice president a 50.015% chance of winning the election.

Nope.

Pundits heaped scorn on the prediction markets—until Nov. 5.

Prediction markets, like all markets, mobilize knowledge that otherwise "never exists in concentrated or integrated form, but solely as the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess," as Friedrich Hayek argued in 1945.

The 2024 election may go down in history as the last election when we paid more attention to self-anointed election experts

than to prediction markets.

The news that the FBI raided the home of Polymarket CEO Shayne Coplan early Wednesday and seized his phone and other electronic devices has added another dramatic turn to the story. The basis of the investigation remains unclear. Calling an election result certainly isn't an offense.

### A "crypto-powered gambling website"

Incumbent pollsters and pundits spent the months before Nov. 5 heaping scorn on prediction markets. The better Trump's odds became

Please turn to the next page

Niall Ferguson is a senior fellow at the Hoover Institution at Stanford University and founder of the advisory firm Greenmantle. Manny Rincon-Cruz is the founder of Buttonwood, a decentralized finance project, and co-founder with Ferguson of FourWinds Research.

## Inside

### ANIMALS

Millions of Americans raise 'backyard poultry' at home, but they're not always prepared for a showdown with an angry rooster. **C5**



### MY MONDAY MORNING

Martha Stewart on being a perfectionist, her favorite brand of vodka and what she's learned from Snoop Dogg. **C14**



### ANTISEMITISM

As tensions rise with Muslim communities in Western Europe, Jews feel safer in the East. **C4**



## REVIEW

## Bettors Beat Pollsters on 2024 Vote

*Continued from the prior page* on Polymarket and Kalshi, the more negative were the reactions. The New York Times dismissed Polymarket as a “crypto-powered gambling website” and Trump’s lead as “an illusion.” The Times quoted Barnard Professor Rajiv Sethi’s suggestion that the platform was vulnerable to manipulation because traders would “take the losses in order to change public perceptions” and “possibly have an effect on things like donations and morale and volunteer support and turnout.”

Similarly, one “BlueAnon” account with over 500,000 followers alleged that Peter Thiel’s investment in Polymarket was the reason Trump led on the platform, as Thiel was “JD Vance’s mentor.” Crypto commentator Adam Cochran told The Wall Street Journal that “if Trump loses, his favorable odds in the betting markets could bolster arguments that the election was stolen from him.”

A different critique was that prediction market participants were not representative of the general population. Scott Kominers of Harvard Business School wrote that, although polls had failed to predict Trump’s victory in 2016, prediction markets didn’t do much better because “even the best-functioning markets don’t do a good job of pricing when key players aren’t represented.”

On that basis, the ban on U.S. citizens using Polymarket, which dates to a 2022 settlement with the Commodity Futures Trading Commission (CFTC), should have rendered it useless—after all, it was precisely U.S. citizens who got to vote in the election. But Americans don’t have a monopoly on political knowledge and judgment.

Trying to explain away Trump’s surge on Polymarket, Nate Silver offered a laundry list of explanations: “bored and angsty” traders, crypto bros who had “become more Trumpy lately,” retail investors letting “their imaginations run wild,” Musk’s tweets and a lack of “sharp money” in the markets.

What makes all of this so unconvincing is the chronic unreliability of traditional pundits’ preferred source of insight into election outcomes: polls.

### A science of prognostication?

The opinion poll was born in 1936, when George Gallup and Elmo Roper predicted Franklin D. Roosevelt’s victory on the basis of sample surveys—that is, responses from groups of people deemed representative of the larger population. Since then, polls have saturated election coverage. The sheer quantity of polls in the recent past has given the illusion that something like a science of political prognostication is evolving. But quantity of data is not necessarily correlated with quality.

Silver got his big break in 2008 after correctly calling 49 of 50 states and Barack Obama’s victory. His core innovation was to use other polls as inputs into a model of his own, weighing and adjusting each poll to

### The odds in prediction markets changed right after President Biden’s dismal debate performance.

produce one aggregate success probability for each candidate.

Yet in 2016 almost all the pollsters were proved wrong when Donald Trump won the presidency. On the eve of the election, Silver gave Hillary Clinton a 66.9% chance of beating Trump and projected that she would win 294 Electoral College votes. It was not for a lack of polling data. It was just that the polls nearly all had Clinton ahead.

What had gone wrong? The first problem with polls is representation. In 2016, surveys overrepresented college graduates, creating a bias in favor of Hillary Clinton. Second is the “observer effect,” when merely being asked a question in a survey influences how people respond to the question. Third is the tendency for polls themselves to become the news. The fact that news organizations became the biggest customers for pollsters created a perverse incentive. A race that goes down to the wire is more likely to sell papers than a fore-



gone conclusion.

These are similar to the critiques of prediction markets. From Kominers’s idea that prediction markets are unrepresentative of the general population, to Shen’s concern that monetary incentives distort how users bet on Polymarket, to Sethi’s claim that users are betting primarily as a means to create momentum for candidates, we are dealing here with projection. These are in reality the sins of polling, not of markets.

### Outperforming pollsters and pundits

Surprisingly, the history of prediction markets goes back further than the history of polling. Paul W. Rhode and Coleman S. Strumpf of UNC Chapel Hill have recovered data for “large and often well-organized markets for betting on presidential elections that operated between 1868 and 1940.”

But these early political betting markets waned following a series of setbacks, beginning with New York City Mayor Fiorello La Guardia’s crackdown during World War II. Betting was also hindered by federal bans on the interstate transmission of wagers, laws designed to fight organized crime and racketeering.

Political prediction markets took years to re-emerge under the wary supervision of the CFTC. It was not until 1988 that economists at the University of Iowa set up the Iowa Political Stock Market, today known as the Iowa Electronic Markets (IEM), which operates as a strictly educational project, with wagers capped at \$500 and participation limited to students. Each market is furthermore capped at 1,000 or 2,000 participants, depending on the market question.

Twenty-six years later, in 2014, Victoria University of Wellington, New Zealand, established the second-most-cited prediction market, PredictIt. The platform obtained similar CFTC exemptions to those granted to IEM by following similar rules.

As this suggests, prediction markets continue to be severely hobbled by regulation. Liquidity is shallow—a drop in the bucket compared with any financial market. And transaction fees are so high it’s hardly worth betting.

Nevertheless, even with these disadvantages, prediction markets consistently outperform pollsters and pundits. A retrospective analysis of the IEM from 1988 through 2008 found that “predictions from markets dominate those from polls about 75% of the time, whether the prediction is made on election eve or several months in advance of the election.”

That result is astounding given that the total amount of bets made over all IEM markets for the last 25 years was just \$4.1 million—less than the amount Théo, the Polymarket “whale,” wagered in a single day.

### Enter the Trump whale

As the maestro of value investors, Benjamin Graham, once said, “In the short run, the market is a voting machine, but in the long run, it is a weighing machine.” Graham argued that prices are volatile in the short term, reflecting market sentiment, but in the longer term they tend to reflect a company’s true value. But Graham ignored two crucial variables—liquidity and size.

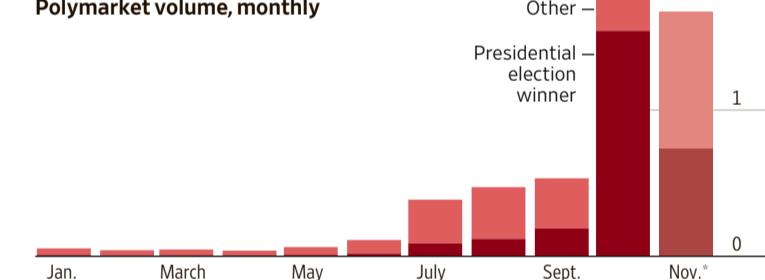
A better heuristic for understanding the past and future of prediction markets is that a shallow market is a voting machine, a deep market is a weighing machine. And crypto has



### Placing Bets

Gambling on political results has helped boost prediction markets

Polymarket volume, monthly



\*As of Nov. 13

Source: Dune.com

began to make prediction markets deeper than anyone thought possible.

In 2015 Joey Krug, now a partner at Founders Fund, did a Kickstarter for what would be the first major application built on the Ethereum blockchain: Augur. Augur was designed to be a universal prediction market. As a decentralized protocol—that is, without intermediaries—the platform sought to get around the ban on prediction markets imposed by the CFTC. Three years later, the Augur team launched their app, but it suffered from the same issues that plagued IEM—namely, low numbers of users and volume.

Polymarket has succeeded where Augur failed. Shayne Coplan founded the platform in 2020 not as a gambling app but as “something that is a beacon of truth.” Coplan’s aspiration, much like Krug’s before him, was to build a platform that could create markets to settle a broad array of matters of fact.

Cumulative Polymarket volume has surged from \$73 million in 2023 to over \$5 billion so far in 2024. Had Americans been allowed to participate, as they now are in Kalshi, the surge would have been even bigger.

And of course success attracts competition. Interactive Brokers is the most recent firm to add election betting markets, following a September ruling by the District Court for the District of Columbia to overrule the CFTC and allow the prediction-market startup Kalshi to offer election betting. Robinhood added election betting just a week before the election. Silver himself joined Polymarket as an adviser earlier this year.

As these new markets have broadened and deepened, so has their abil-

ity to attract and process high-quality information. Very few Americans find it worth their time to wager on the IEM or PredictIt, given that at most one can net a few thousand dollars for being right. But with several billions in volume, Polymarket has proven attractive to international traders more akin to Wall Street wolves than undergraduates.

Polymarket’s remarkable liquidity explains Théo, the Polymarket whale. Théo behaved as one would expect of a smart trader: Once he had conviction, he sized the trade aggressively. He built his positions discreetly, with a variety of wallets and with small-sized buys, to avoid causing a run-up in price. This is exactly the opposite of what one would expect if, as much of the media and BlueAnon claimed, he was throwing away dozens of millions to influence the election.

More important, Théo did his own research. Rather than rely on polls, he theorized that there was a strong “shy Trumper” effect. That is, he believed that Trump supporters were both less likely to talk to pollsters and less likely to tell pollsters that they would vote for the former president.

As he told The Wall Street Journal in an email, he commissioned his own surveys in which respondents were asked who they thought their neighbors would vote for. The results “were mind blowing to the favor of Trump.”

Not only did Théo bet that Trump would win the Electoral College. He also bet that Trump would win the popular vote—an outcome that was the minority position even on Polymarket—and that Trump would sweep six of seven swing states, including the “blue wall” of Michigan,

Clockwise from top: Polymarket advertises its electoral betting market in Brooklyn in July; Polymarket CEO Shayne Coplan during the Democratic National Convention in Chicago in August; pollster Nate Silver, who gave Harris a slight Election Day edge, in September.

Pennsylvania and Wisconsin.

The Wall Street Journal reports that Théo realized an \$85 million windfall from his bet. Where the whale led, others will surely follow.

### Pollsters as entertainers

What does all of this signify? The rise of prediction markets is inseparable from the broader decline of experts across many fields. In the same way that Elon Musk has declared to the users of X that “You are the media now,” Polymarket tells its users that they know better than the pollsters.

Though prediction markets have their shortcomings, the public will likely adjust to them in the same way they have internalized the limits of polling. One such limit is that markets tend to attract few traders early in a contest. While polling begins at the outset of an election year, before the candidates have been nominated, skilled traders like Théo will act only when there is enough reliable information for them to make a profitable wager. On the other hand, markets incorporate new information more quickly than polls. The odds in prediction markets changed immediately after President Biden’s dismal debate performance.

Polymarket’s big breakthrough this year also signals a coming explosion in liquidity for prediction markets, barring any adverse turn in the regulatory environment. This promises an exponential increase in the accuracy and therefore importance of betting markets.

In this new world, forecasters like Nate Silver will come to be seen more for what they are—entertainers in the same line of business as CNBC “Mad Money” host Jim Cramer. It’s no accident that on Monday, Nov. 4, Cramer told viewers that rising stock prices for home builders and importers might reflect growing investor confidence...in a victory for Vice President Harris.

## REVIEW

# Tough Love From My Stepmother, Barbra Streisand

Actor **Josh Brolin** on the show-business legend who told him to quit drinking and tie his shoes.



hug. Then I hugged my father.

"Why don't you tie your shoelaces?" Barbra asked. I looked down through my long, uncombed hair. I didn't tie my shoelaces because I was still in the frame of mind that I wasn't going to do anything that was expected of me. It started with no bulls—with her, and it'll end with no bulls—it's what I've always appreciated most in anyone, no matter how much my own enemy I was.

I'd gotten sober at 29 when a bunch of friends walked into the apartment I was living in on Vineland Avenue in Hollywood. The El Royale. I'd lived there for a while, and sometimes my kids were down there, sometimes they were up north, at the ranch; mostly they were with their mom. I'd tried to keep my drinking away from what meant something to me: my children. But,

inevitably, those designs break because they are based on whimsy and reaction. They don't have any real foundation. So, the whole thing topples when the need is the need and the great puppet master that alcohol was for me took over.

"It's fine. It's just a glass of wine," I tried to justify.

"I don't think you're supposed to drink anything, right?"



Top: Author Josh Brolin (right) and Barbra Streisand at a movie premiere in Hollywood, June 2010. Above: Brolin (center) in 'Goonies' (1985).

"Aren't you supposed to be not drinking?" Man, there it is again. She always had a way of washing her tongue with a bulls—cleaner before she talked with me. My own mom was like that, so it didn't paralyze me, but my own mom was dead, so this was going to have to do.

"It's fine. It's just a glass of wine," I tried to justify.

"I don't think you're supposed to drink anything, right?"

A couple of years ago she had come all the way to Prescott, Ariz., to visit me. I was landscaping at that point. I'd quit acting; I had sworn off TV anyway (I hated the pace), and I was trading stocks for income, so I didn't, in any case, need the acting. I was raising two kids, dealing with a ranch, and I was drinking.

"Hi!" She had given me a hug. I walked out of the Prescott house into the parking area and walked into the

situation ultimately worse.

"I'll get it myself."

"No, you shouldn't drink."

As with all in-laws, the relationship started great, soured, then grew in value. My mom was dead, and nobody was going to replace her, no matter how poisonous she might have been. She signed a card for me once: Love Mom. You see,

there it is. Mom. You're not my mom. You're my stepmother.

Who wants to be a stepmother though? Nobody. It connotes evil intentions: drastic compensations for cosmetic insecurities; misery loves company; me me me syndrome. Barbra wasn't that. She wanted a family. She was being kind.

"I'm an alcoholic, but I like red wine."

"You shouldn't drink."

I know.

"You know that, right?"

Yeah.

Barbra never saw that guy I was. She was never privy to those things that landed me in jail or in fights or figuring out why I was waking up on sidewalks with my T-shirt wrapped around my otherwise naked waist. She just wanted to give me some plain old-fashioned mothering. I had to get used to it.

**Josh Brolin** is a producer, director, writer and Academy Award-nominated actor. This article is adapted from his new memoir, "From Under the Truck," published Nov. 19 by Harper (which, like The Wall Street Journal, is owned by News Corp.).

FROM TOP: LESTER OHEN/WIREIMAGE; WARNER BROTHERS/GETTY IMAGE



Rich Cohen, left, and Andrew McQuaid in their freshman dorm at Tulane.

stories are from those years, when he escaped his socio-economic bubble. He says that he learned more about America in

those 24 months than during the rest of his life combined.

I was hoping to get my abbreviated version of this experience at college. I did not want to leave my town just to establish myself in a different version of the same community.

Lone Wolf was asleep when I arrived. He'd already been at school for a month, consumed by two-a-day football practices. Because he knew people from the team, I inserted myself into his social group, five or six guys, defensive linemen—some Black, some white—from Florida, Louisiana, Texas.

I came to know their slang, habits and lies. I disappeared among them, a sapling amid oaks. I lost myself. Because of

them, I did and saw things I never would have done or seen had I been able to choose my own roommate.

I never would have made that trip to Mississippi in the middle of the night, nor seen the nearly mystical sight of the sun rising over the oil derricks in Gulf Port at dawn. I never would have been in that fight with the bikers at the Dungeon on Toulouse Street in the French Quarter, meaning I never would have known that getting punched in the face is not that bad. I never would have been carried like a baby across campus by 6-foot-5 inch Mike Milich from Houston, Texas, when I hurt my leg, meaning I never would've realized that that big goof actually loved me.

Strange scenes from another life—that's college. I can't believe some of it actually happened.

I don't worry that Nate will not have those kinds of experiences, but I do feel sort of sorry for him. Almost everything of interest in my life came as a surprise. That's the thing about the uncurated existence: It's messy, and it can astonish you.



## Luck of the Draw: Why I'm Glad I Didn't Choose My Freshman Roommate

BACK WHEN

RICH COHEN

A key part of my college education was my unexpected friendship with a football player nicknamed 'Lone Wolf.'

**IN THE SUMMER** before my freshman year of college in 1986, I waited for the letter that would bring news of my roommate, anxious to learn who fate had chosen to be possibly my new best friend, or my new worst enemy.

But that's not what my son Nate did. Last spring, as a second-semester high-school senior, he was unwilling to test his luck. He used social media to identify, track, contact, court and bag an ideal roommate, a kid with proclivities that would fit his own like a fancy leather driving glove. An increasing number of incoming freshmen are curating that once unpredictable initiation into college life. The traditional method of simply spinning the wheel has become

less common.

Much is gained as a result. For Nate, it's meant a clean, harmonious living space—no Metallica poster to shout down his art print. A sensible wake-up time—early but not too early. Nate shares a major with his roommate and a sensibility. They come from the same kind of town in the same part of America. They don't fight about music or politics.

But much is lost, too. In return for the doppelgänger in the other bed, Nate has forfeited nearly everything I associate with freshman dorm life in the 1980s: alliances, enmities, lockouts, buffoonery, noise complaints and brawls that ended with one roommate sleeping on the common room floor.

When the letter arrived from Tulane in New Orleans with the name and town of my soon-to-be freshman roommate, I thought there'd been a mistake. Here I was, a 5-foot-9 inch Jewish kid from the North Shore of Chicago matched, computer-dating style, with a 6-foot-5 inch kid from Tampa, Fla., who had been recruited to play football.

My name was Richard. His name was Andrew McQuaid. People called me Rich. People called him Lone Wolf. I drove a Celica. He drove a red van that in my memory has flames painted on the side.

I was freaked out, but excited too. My father had joined the army at 18. Nearly all of his

RICH COHEN

## REVIEW



## As Jews Feel Threatened in Western Europe, the East Offers More Safety

Tensions with immigrant Muslim communities are making cities like London, Amsterdam and Paris more dangerous for Jews, while Budapest and Prague are more secure than in the past.

BY BOJAN PANCEVSKI

**N**ext year, the writer Adam LeBor will publish "The Last Days of Budapest," a book about the city during the Holocaust. LeBor, who divides his time between Budapest and London, notes that "within living memory" Eastern European cities like Budapest and Prague were "a graveyard for Jews." Today, he says, they are "two of the safest places in Europe for Jewish people."

Antisemitic prejudice still endures in Eastern Europe, but the region has not seen the kind of violence against Jews visible today in Amsterdam, Paris, Berlin and other Western European cities. The main reason for the difference: Britain, France, the Netherlands and Germany are all home to large Muslim communities that identify with the Palestinian cause, while Hungary and the Czech Republic have largely closed their borders to Muslim immigrants.

Last month, the European Commission reported that "the conflicts in the Middle East have led to levels of antisemitism unprecedented since the founding of the European Union." In Berlin, Paris and Brussels, Jewish sites are guarded around the clock by armed police. Government officials and community leaders often warn Jews to hide their identity in public to avoid being assaulted on the street.

In Amsterdam last week, visiting Israeli soccer fans were chased and beaten by crowds. Days later, Belgian police arrested six people on suspicion of conspiring to attack Jews in Antwerp, home to a large Orthodox Jewish community. In Berlin, the teenage team of the Jewish soccer club Maccabi Berlin was assaulted during a match by unknown perpetrators wielding knives and clubs; there were no reported injuries.

On Thursday, French authorities deployed over 5,500 police and security guards in Paris for a soccer match between Israel and France, allowing only around 20,000 spectators. Despite the unprecedented security measures, a small scuffle broke out during the game and some visitors smuggled in smoke bombs, which they triggered while the Israeli national anthem was played.

Statistics show that anti-Jewish violence has been on the rise in Western Europe for a decade, but it has surged since Hamas's attack on Israel on Oct. 7, 2023, and Israel's retaliatory invasion of Gaza. In France, the number of antisemitic incidents increased from 436 in 2022 to 1,676 in 2023, while physical assaults, including stabbings, nearly doubled from 43 to 85. Anti-



Demonstrators in London demand police action against antisemitism, Oct. 25, 2023.

semitic incidents in the U.K. rose from 1,662 to 4,103, with physical attacks increasing from 136 to 266. Only a fraction of such incidents are reported to the police or community agencies, according to the Institute for Jewish Policy Research, a British nonprofit.

"This is what a globalized intifada looks like," said Jonathan Greenblatt, chief executive of the Anti-Defamation League, a U.S. anti-semitism watchdog. Last week, Greenblatt traveled to the Netherlands and Germany to discuss the attacks with senior politicians. "Antisemitism starts with the Jews, but it never ends with the Jews," he said, warning that violent upheaval could engulf these societies.

After the attacks in Amsterdam, a delegation of imams from France and Belgium came to the city to condemn the violence and lay flowers at the house where Anne Frank hid during the Nazi occupation before being found and deported to a death camp. Some local Islamic organizations criticized the media and some politicians for using the attacks to stigmatize Muslims.

Public opinion surveys by the Anti-Defamation League have found that antisemitic attitudes are actually more common in Eastern European countries like Hungary, Poland and Ukraine than in France, Germany and the Netherlands. Yet Eastern Europe, home to the killing fields of the Holocaust in World War II, has reported few violent antisemitic incidents since Oct. 7. Hungary and Poland, home to around 45,000 and 17,000 Jews respectively, each registered a single violent incident. In the Czech Republic, home to around 5,000 Jews, two incidents were recorded.

"There is now a huge, huge difference between the West, and Central and Eastern Europe, which is now definitely a safer place for Jews today," said Agnieszka Markiewicz, director of the Warsaw-based central Europe office of the American Jewish Committee, an advocacy group. While Jews in Central and Eastern European countries are subject to online hate, they are not in physical danger, she said.

Most European Jews aren't immediately recognizable in public.

The ones who are most likely to be targets of violence are Orthodox believers dressed in traditional Jewish garb or people speaking Hebrew. The Israeli government now deems the U.K., France and Germany to be "very high risk" for Israelis traveling abroad. In London in January,

a group of two men and two women from Israel who spoke Hebrew to each other were assaulted by three men of Arab or North African origin who threw glass bottles at them before punching one of the women in the neck.

Josef Schuster, head of the Central Council of Jews, Germany's largest Jewish organization, said Western Europe was suffering an eruption of anti-Israeli and purely antisemitic violence. While in the past antisemitic violence came from the far right, he said, it now comes much more from left-wing extremists and Islamists: "Israel's conflicts with Hamas, Hezbollah or Iran seem to rile up the migrant communities."

According to an official EU survey conducted in 2023 before the Hamas attacks, 50% of the victims of antisemitic physical attacks in the EU reported that the perpetrators had Islamist extremist views, up from 30% in 2018. Another 22% had left-wing extremist views, while 17% had right-wing extremist views.

About 10% of France's 68 million people are Muslim; the Jewish population totals 400,000, the largest in Europe. According to a December

2023 survey, 45% of French Muslims saw Hamas's Oct. 7 attack on Israel as an "act of resistance against colonization" and nearly one in five expressed sympathy for it. In the same poll, 90% of the French population described the Hamas attack as "war crimes" and "terrorist acts."

More than a third of Germans hold antisemitic views, according to a 2022 poll, but the proportion is twice as high among Muslims in the country. In 2023, Germany saw 148 violent antisemitic crimes, up from 88 the year before. Over half of German Jews have considered emigrating in the past five years for reasons related to being Jewish, according to a recent EU survey. France and Belgium have seen tens of thousands of Jews emigrate to Israel in recent years.

By contrast, Poland's Jewish community has doubled in the last five years. In the Czech Republic, which the EU study deems one of the least antisemitic countries in

Europe, only 18% of Jews have considered emigrating.

"There is no antisemitic violence in Hungary, Slovakia, the Czech Republic...Here, antisemitism limits itself to language, and the language is getting more violent in online discourse, but it doesn't translate into action," said Ania Zielinska of Poland's Czulent Jewish Association, which collects data on antisemitism.

"The Czech Republic is certainly much safer for Jews in terms of antisemitic violence than Western Europe," said Petr Papoušek, president of the country's Federation of Jewish Communities. The perpetrators of anti-Jewish violence in Western Europe are mostly from migrant communities, he said. "The Czech Republic, however, is only a transit country in terms of migration; the Arab and/or Muslim community here is very small."

Foreign exchange students, mainly from Western Europe and the U.S., and far-left activists in academia are the main driver of anti-Jewish and anti-Israel activities, according to Papoušek.

Yvonne Penkavova, co-founder of Jewish Prague Tours, a travel agency that guides tourists through the capital's Jewish districts, says it's surreal to see how Jewish life thrives there while it's under attack in neighboring countries.

"It's absolutely horrifying to see the videos of actual physical violence from Amsterdam and elsewhere," she said. "As a woman and as a Jew, I don't feel safe on the streets of Paris and Berlin, and I no longer want to go to places where my Star of David pendant could land me in trouble. It was a big mistake not to focus on integration of different immigrant communities in the West."

Binyomin Jacobs, the chief rabbi of the Netherlands, says he stopped using public transport 15 years ago after police warned him about security threats from Muslim youths. His house is equipped with special security, including CCTV installed by the police.

The security situation in Western Europe is dramatically worse than in the east, Jacobs said. On a recent trip to Budapest, he relished the opportunity to move around without police protection, which he needs in the Netherlands. "Back home, I've had my windows smashed and Muslim kids shout 'Jehud,' Arabic for Jew, at me on the street. In Budapest, there is nothing like that, no danger at all."

In the week after the recent violence in Amsterdam, Jacobs says, he received 10 requests for the rabbinical proof of Jewishness that Jews require to move to Israel. "I normally get 10 requests in a year," he said. "Jews have packed their suitcases and are ready to go."

"Watching reports from the horrible violence in Amsterdam and elsewhere, we now feel luckier than Jews in Western Europe," said Tamas Vero, who has been a rabbi in Budapest for 25 years. "You can hear Hebrew on the streets of Budapest, you can see Orthodox Jews living their life in peace," says Vero, who belongs to the moderate Neolog branch of Judaism. The reason, he believes, is that "our government closed the borders for mass immigration, and in retrospect that seems to have saved us Jews."

## REVIEW

Millions of Americans now keep chickens, but they're not always prepared to deal with their coop's ferocious guardian.

By SY MONTGOMERY

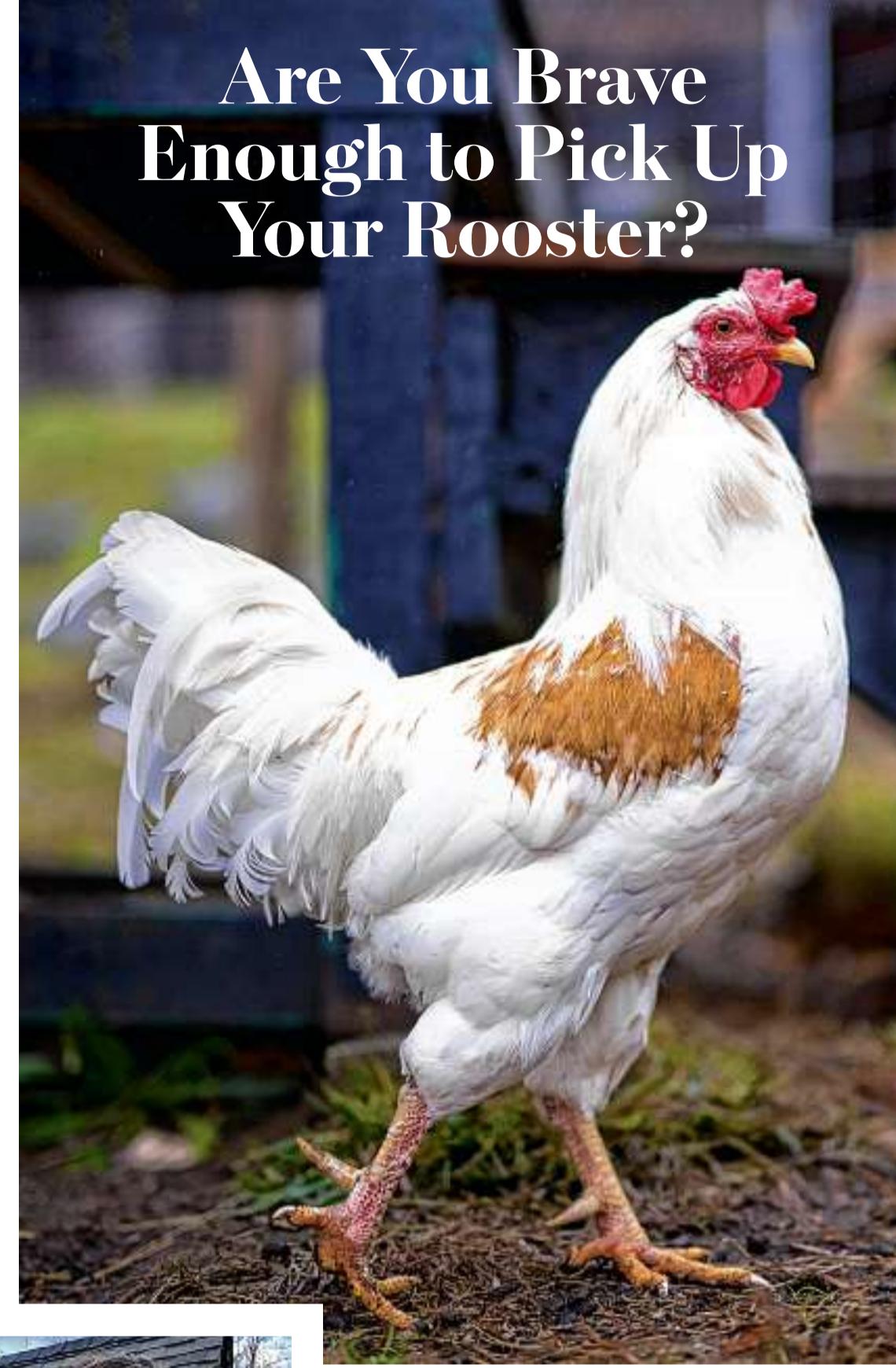
**L**imagine: You are lying on the ground, once again attempting to fix the ancient riding lawn mower you inherited from your home's previous owner. Just beyond the narrow space between the grass and the machine's metal undercarriage, movement catches your eye. Scaly, reptilian, yellow feet, heavily armed with long, pointed claws—and, just above the toes, curved, knife-sharp spurs—are purposefully striding toward you at face level. It feels like that scene from *Jurassic Park*, where the humans are hiding from the hunting velociraptor—an animal from which, in fact, your avian assailant is descended.

You have been detected. The ominous feet hurry now, pounding the ground in a frenzy. There is no mistaking it: this is a rooster on a rampage—the bane of many an otherwise peaceful barnyard. A rooster watches for danger. With his loud voice, he alerts his hens to any coming threat. And while they take cover, he will often courageously attack the intruder. Because of his spurs and his spunk, a brave rooster may in fact successfully drive away a much larger predator—or even a human.

According to a study published in January in the scientific journal *Animals*, an estimated 13% of U.S. households keep chickens, including many city-dwellers who began to raise their own "backyard poultry" when the price of eggs spiked after the Covid pandemic. But for many people who think it would be fun to raise chickens at home, getting attacked by a rooster is often the moment when they start to change their minds. In 2023, *Modern Farmer* magazine reported, farm rescue groups and sanctuaries around the country saw huge influxes of chickens and roosters.

Years ago, my husband joined the ranks of the backyard chicken farmers who have been unexpectedly confronted with a hostile rooster. His quite reasonable reaction was to spring to his feet and hastily get out of the way. Unless you're on the receiving end of those spurs, it may look, at least to others, hilarious: a two-foot-tall bird, mostly made of air, weighing only 6 pounds, can easily scare a six-foot-tall human into running away.

But our New Hampshire neighbor Ashley Naglie, who runs a farm for rescue animals, suggests a different course of action. In this situation, she insists, "It's best to pick them up. Cuddle them. Talk to them in a soft voice." If possible, wrap the rooster's feet in a towel or a blanket to protect yourself from his spurs. And watch



Above: Pigeon the rooster at Amazing Grace Animal Sanctuary in Sullivan, N.H. Left: Ashley Naglie holds a rooster at her farm for rescue animals in New Hampshire, Nov. 12.



out for the beak, because he might bite.

Ashley began to train roosters when she was given an Easter chick who turned out to be a male—a large and stately golden Buff Orpington whom she named Cooter. Cooter charmed the family, both

avian and human. He was curious and unusually observant. "He loved to watch me work on the car," says Ashley's son Brian. "He'd watch me for five or six hours at a time!" Then, when he was finished, Cooter would come and intently inspect the shiny tools, as if trying to figure out how to replicate what the mechanic had just accomplished.

With his flock, Cooter "was very proactive, but also kind and gentle," Ashley tells me. "He'd show the hens where the food was—but wouldn't eat it himself, letting them have first dibs. And he always had his eye on the sky, watching for a hawk. If he saw one, he'd scream and I'd come running."

Cooter's affectionate attention to his flock soon had another effect as well: fertile eggs, resulting in more roosters. Soon neighbors started bringing their unwanted roosters to

Ashley's doorstep. "People would say, 'I have this rooster, and he's so mean I don't want him,'" she says. The family always took them in. There was Hey Hey and his brother, Toe-Gone, who lost a toe fighting with another rooster. Neighbors down the street brought in a beautiful red-and-black cockerel they found one evening on a walk in the woods. Apparently the owner had just dumped the bird on the side of the road and driven off.

Why do people consider roosters in particular such a problem? Not all of them attack. But almost all of them crow, and for this reason, some towns have ordinances against them. Too many amorous roosters prove a bother to their hens: Some ladies develop bald patches from too many guys trying to jump on their backs all the time.

Most people who adopt chicks

don't realize they won't all grow up to be hens. For most chicks, males and females look alike. There are hatcheries where experts examine the sex organs of the birds they ship—no job for an amateur, as they're hidden inside the chicken's body—to guarantee males or females. But "nobody educates people before they take chicks home," laments Donna Wattersen, the founder of Amazing Grace Animal Sanctuary in Sullivan, N.H.

Another problem: if there are too many roosters in a flock, they may fight each other over access to the hens. For this reason, the Naglies have built five separate enclosures. Abraham rules his own flock of five hens inside the Fluffy Butt Hutt, a

'Sometimes a rooster who seems to be about to attack is actually showing he likes you.'

three-story affair surrounded by a fenced twelve-foot-by-eight-foot run. Charlie sleeps with a turkey lady-friend in a former playhouse. Some roosters are housed in bachelor-only quarters—if they can't see any hens, they usually won't fight. Toe-Gone and Hey Hey lived together happily, until Hey Hey was eaten by a bear.

After an article about the Naglies' rescue farm appeared in the local paper, Ashley started fielding rooster-related calls every day. Her advice:

- "Sometimes a rooster who seems to be about to attack is actually showing you he likes you. If a rooster seems to be dancing around you, he is trying to see if you belong to him. Pick him up."
- "If your rooster brings you rocks and shiny objects, as they sometimes do, pick him up. I always pick up my rooster after accepting these gifts."
- "Never kick a rooster." (Even raising your foot toward him, without actually kicking him, counts.) "Pick him up instead."

At one point the Naglies were caring for 10 rescue roosters. Combined with caring for their hens, a flock of ducks, and beehives, plus managing the Airbnb they now run and Ashley's job as a substitute teacher, it proved a bit overwhelming. Today Ashley can't accept any more roosters, but she is happy to help educate people. Her calling reflects the words on a plaque that hangs over the door to my own chicken coop, attributed to St. Francis of Assisi: "Not to hurt our humble brethren is our first duty to them, but to stop there is not enough. We have a higher mission—to be of service to them whenever they require it."

*Sy Montgomery is a naturalist and the author of more than 30 books for adults and children. This essay is adapted from her new book, "What the Chicken Knows: A New Appreciation of the World's Most Familiar Bird," published by Atria Books.*

FROM TOP: BEN CONANT FOR WSJ; BRIAN NAGLIE

## ABOUT FACE

## My Hair Was Everything. Then I Shaved It All Off.

BY ARIANNA SHOLES-DOUGLAS

It was a private experiment, a quiet 'let's see if I look like Sinead O'Connor or Gollum' moment. It paid off.

"About Face" is a column about how someone changed their mind.

**FOR DECADES MY HAIR** was the way I expressed my Blackness, my boldness, my defiance—or whatever mood I found myself in. I've gone from Grace Jones-inspired razor cuts to braids, weaves, locs and everything in between. This was exhausting. I've spent more hours in salons and braiding chairs than I can count.

I tried to save some of that time by turning to wigs, which gave the illusion of a beautiful head of hair. But this came with its own costs. Windy days were stressful. I learned to gently bat away massage therapists who reached for my head. Exercise, or anything high-impact, had me holding on, praying I wouldn't end up on a blooper video on some-

one's phone.

In 2021, after 11 months in lockdown, my patience with everything—including my hair—was thin. I needed something new, probably something radical. I stared into the mirror one night and thought, "Just shave it off." It was a private experiment, a quiet "let's see if I look like Sinead O'Connor or Gollum" moment. None of it would matter because I had my wig ready to slap back on—no one would ever know.

I shaved it all off. Staring at my bald head, I'd decided that no one would ever see me this way. Then my brutally honest 17-year-old walked in and shot me an approving smile. I was shocked. Also buoyed.

The next day, I decided to take my bare head to an out-



Responses ranged from 'Are you OK?' to 'You're so brave; I could never pull that off!'

door Zumba class. It was exhilarating. I danced, jumped and sweated with the most incredible sense of liberation. No hair adjustments, no fear of a runaway hairpiece, just me and my bald head, living our best life.

I braved other places, wigs-free. Responses ranged from "Are you OK?" to "You're so brave; I could never pull that off!" After months of reassur-

ing folks that I was not battling cancer, I realized that women were genuinely taken aback by the courage it takes for a woman to voluntarily remove her "crown of glory."

For the first time in my life, the focal point in the mirror was my face—just me. No hair framing my features, nothing to hide behind. Every morning felt like I was meeting myself for the first time.

The truth is, it took weeks before I felt comfortable. Some days, showing up without hair felt like showing up naked. It took months before I embodied the courage and confidence everyone assumed I'd had all along. But I got there. After years of using my hair to express myself, I found I could just express myself, with no wigs, weaves or apologies.

*Dr. Arianna Sholes-Douglas is an obstetrician-gynecologist and author of "The Menopause Myth: What Your Mother, Doctor and Friends Haven't Shared About Life After 35," published by Advantage Media Group.*

ARIANNA SHOLES-DOUGLAS

## REVIEW

## OBITUARIES

## THEODORE B. OLSON | 1940-2024



## A Conservative Legal Giant For Four Decades

Olson played a pivotal role in striking down affirmative action and securing George W. Bush's 2000 victory, but called fighting for same-sex marriage 'the highlight of my life.'

By JESS BRAVIN AND JAN WOLFE

**T**heodore B. Olson wasn't easily pigeonholed. The genteel litigator's Supreme Court victories—dozens of them—ranged from the 2000 case that put George W. Bush in the White House to a constitutional challenge that paved the way for same-sex marriage, a decision his conservative brethren reviled but he considered "the highlight of my life."

Lanky, bespectacled and mop-topped, Olson, who died on Wednesday at age 84, was a towering figure of the conservative legal movement. As an early leader of the Federalist Society he helped move American law to the right; as a Justice Department official in the 1980s he was pivotal in advancing the Reagan administration's deregulatory and social policy agenda. In 1996, he won a federal appeals court decision striking down affirmative action in college admissions, a position the U.S. Supreme Court ultimately adopted in 2023.

Persuaded that barring same-sex marriage was an infringement of individual rights, he reached out for help from his onetime opponent, David Boies, who had represented Democratic presidential nominee Al Gore in Bush v. Gore in 2000. They joined to fight Proposition 8, a California voter initiative that limited marriage to opposite sex couples.

At the Supreme Court in 2013, Olson argued that the California measure was unconstitutional. He won a decision that left intact a lower-court ruling striking down the ban. Two years later, the high court went further and ruled that the Constitution provided marriage rights to same-sex couples nation-

wide. In 2012, the actor Martin Sheen portrayed Olson in a play based on lower court arguments in the case, alongside George Clooney as Boies.

On his 61st birthday—Sept. 11, 2001—he received a call from his wife, conservative commentator Barbara Olson, who was a passenger aboard the hijacked American Airlines flight that al Qaeda terrorists would soon crash into the Pentagon. The Nortel office phone on which he spoke with his wife now sits in the Smithsonian Institution.

Then serving as Bush's solicitor general, Olson defended in court many of the administration's counterterrorism policies responding to 9/11, even as he privately warned that some could exceed legal bounds. In 2023, he acknowledged that the Bush ad-

Olson (far right) with clients and other attorneys challenging California's ban on same-sex marriage, 2013.



## BEN BALDANZA | 1961-2024

## A Pioneer of Bargain Air Travel in the U.S.

By CHRIS KORNELIS

The Spirit Airlines CEO was proud of his stripped-down version of what his competitors offered.

**BEN BALDANZA DIDN'T WANT** anything on his cheeseburger—just meat and cheese held together with a bun. "And he didn't want to pay for pickles," his wife, Marcia Baldanza, said in a recent interview. "He didn't want to have to pay for the stuff that he didn't want."

As chief executive, he turned Spirit Airlines into a carrier that sold airline tickets the way he wanted to be sold his burgers: plain and cheap, with extras sold separately. Your "bare fare" got you a seat on the plane, but if you wanted to check a suitcase, carry on a bag or sip ginger ale, you had to open your wallet.

Critics howled. Complaints rolled in. Baldanza grinned.

You couldn't disparage his airline by calling it a bus with wings or a dollar store in the sky because he would make that point himself. His airline was different, cheaper than the others, and he was

proud of it.

"If you've eaten at Ruth's Chris [Steak House] your whole life and you say, 'Well, there's this new restaurant. Let's try it,' and it's McDonald's, you're going to be really disappointed," he told The Wall Street Journal in 2012. "People who bash us have a different expectation of what they want out of their airline experience."

There were plenty of customers willing to endure the Spirit experience.

When Baldanza joined Spirit in 2005, it was a regional airline on the brink of bankruptcy. By 2012, it had popularized the ultralow-carrier model for American passengers, and the Journal reported that it was "pound for pound, the most profitable airline in the U.S."

Spirit's methods were often considered outrageous, but they were also contagious. A no-frills "basic economy" fare that often includes neither checked lug-



Baldanza during an interview in New York in 2011.

Born in Rome, N.Y., in 1961, he grew up building rockets with his brother and became fascinated by space and air travel. After stints at Continental, Northwest and American, he became chief operating officer at Spirit in 2005. By 2006, he was its chief executive.

Baldanza and Indigo Partners—the private-equity firm that took control of Spirit and brought him in—found inspiration in Ireland's Ryanair, which was offering cheap flights and no-frills service in Europe. They reasoned that plenty of airlines catered to affluent business travelers like themselves. They were going after customers who would otherwise be taking the bus.

Their goal was cheap fares for safe flights. They put more seats on their planes, flew them for more hours and utilized inconvenient but cost-effective takeoff times. Customer-service scores were low, but that was acceptable. They weren't trying to offer the best service. They were going for the lowest prices.

Baldanza apologized for none of it and was an enthusiastic spokesperson for all of it. In one video, he climbed into an overhead bin to announce the company would be charging for carry-ons. On Reddit, a user asked: "Will there be a fee for me asking this question?"

"This answer," Baldanza typed back, "is on me :)"

ministration miscalculated by setting up a military trial system for suspected terrorists without affording them constitutional rights. Instead of providing rapid verdicts, the system has been mired for decades by legal uncertainties and misconduct allegations. "We tried to pursue justice expeditiously in a new, untested legal system," Olson wrote in a Wall Street Journal op-ed. "It didn't work."

Born in Chicago and raised in California, Olson attended the University of the Pacific in Stockton, Calif., where he was editor of the college paper and hosted a radio show. In a 2020 talk at the university, he credited his coach on the speech and debate team, Prof. Paul Winters, as a formative influence.

"He taught us the art of persuasion," Olson said. "But most importantly, he emphasized the idea of listening to other people, which is something I still utilize today."

Olson went on to law school at UC Berkeley, where he served as an editor of the California Law Review and led a Republican coterie on the liberal campus. "I think there were five of us during the Goldwater-Johnson election of 1964," Olson told the Los Angeles Times in 2009. "I think the people in Berkeley thought of us as a sort of quirky novelty."

Graduating in 1965, Olson joined the firm Gibson Dunn & Crutcher, which became his professional home in private practice for the rest of his life. "Ted has been the heart and soul of Gibson Dunn for six decades and made us who we are today," said Theodore J. Boutros, Jr., a partner at the firm who worked closely with Olson. "He was not just an incomparable lawyer, mentor, role model and friend, but he has made immeasurable contributions to the rule of law, our Constitution and our country."

Olson's clients over his career included tobacco and coal companies, the American Bar Association, former Vice President Dick Cheney and the convicted Israeli spy Jonathan Pollard. In 2018, he registered as a foreign agent after agreeing to lobby on behalf of Saudi Arabia against proposed legislation affecting oil-producing countries. Gibson Dunn stopped the lobbying amid the international outcry after Saudi agents assassinated Jamal Khashoggi, a dissident Saudi journalist and legal U.S. resident, in 2018.

One client Olson turned down was Donald Trump. Olson declined to represent the first-term president in connection with special counsel Robert Mueller's investigation of Russian interference in the 2016 election, a person familiar with the case said. After the House impeached Trump for inciting an insurrection on Jan. 6, 2021, when the outgoing president's supporters attacked the Capitol, Olson said Trump should be convicted and barred from future office.

What, he asked in the National Law Journal, would qualify for conviction "if it isn't encouraging, condoning and inciting an attempt at a violent overthrow of the government of the United States in the Capitol Building at a time when Congress is performing one of the most important constitutional responsibilities?"

Olson's first two marriages ended in divorce, and his third with Barbara Olson's death. He married his fourth wife, Lady Booth, a Democrat and a lawyer, in 2006. "Ted was rightly known as a legal warrior for the Reagan revolution, but following the death of his wife Barbara on 9/11 in one of the hijacked planes, his wedding to Lady Booth in 2006 was a joyous affair among his friends across the political spectrum," recalled Olson's best man, former Wall Street Journal publisher Gordon Crovitz.

Olson suffered a stroke on Sunday, Lady Olson said, and died Wednesday at Inova Fairfax Hospital in Fairfax, Va. In addition to his wife, he leaves a son, a daughter, three grandchildren and five great-grandchildren.

In an interview with the Journal shortly before his death, Olson said he had begun work on a memoir recounting his legal exploits. He was modest about its popular appeal. "It might not come off as scintillating as John Grisham," he said. "But what the heck, if people want it, they can read it."



**Dream State**  
Haruki Murakami's  
latest novel blurs fact  
and fantasy C10

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# BOOKS

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## A Race for the Right Idea

Economic growth is often driven by breakthroughs, but also requires slow and steady progress

**Boom**

By Byrne Hobart and Tobias Huber  
*Stripe*, 304 pages, \$35

By JAMES GRANT

**G**OOL LUCK to the new world citizens," wrote Karl Marx to a private correspondent in 1852. "There is no more splendid time to enter the world than the present. Australia and California and the Pacific Ocean! The new world citizens won't be able to comprehend how small our world was."

The optimism! The sense of possibility! How Byrne Hobart and Tobias Huber—the authors of "Boom: Bubbles and the End of Stagnation"—would have reveled in that long-ago heyday. As for us, today, our lamentable lot is stagnation, they contend. The age of heroes, they hold, spanned the hundred years approximately culminating in Neil Armstrong's 1969 moon walk.

At first, you wonder if they read the papers. It's Mars or bust for Elon Musk, while uncounted entrepreneurs vie to make artificial intelligence a reality and the yet-uncompleted revolution in cloud computing continues to yield up its treasures.

No doubt the knowledgeable Messrs. Hobart and Huber are well aware of these prodigies of enterprise. Surely, too, they understand the risks to the reputation of anyone who would prematurely declare the age of invention to be over and done. "There will be no further industrial revolution in the cycles of our Western civilization," wrote Jean Gimpel in "The Medieval Machine," his well-received 1976 history of the industrial revolution spanning the years 900 to 1300. A later edition acknowledged that he had failed to see what Bill Gates saw.

But Messrs. Hobart and Huber are undeterred. Such progress as our safety-obsessed, risk-intolerant, bureaucratized culture allows is mainly the kind we see on our phones, they say. What we need instead are the big, all-hands-on-deck breakthroughs like the one that built the atom bomb. Or such transformative individual insights as Gordon Moore's 1965 conjecture that computing power would double about every two years—and at plunging costs, too. They devote separate chapters to case studies in heroic invention.

And they reciprocally sigh at all that we 21st-century shirkers are not inventing, conquering or imagining. Popular culture is a wasteland of "sequels, prequels, and reboots." Science itself is suffocated by hyperspe-



cialization, bureaucratization and the busy work of writing grant proposals. For all intents and purposes we live our lives in bed with the covers pulled over our head: "Romantic conquests are substituted with virtual-reality porn, and the drive for greatness is passively sublimated into the latest Marvel movie."

### Americans can seem self-satisfied and risk-intolerant. But at times we create great things.

There's nothing very new in the charge that we Americans are conformist, self-satisfied and risk-intolerant. Sinclair Lewis's "Babbitt" appeared in 1922, Sloan Wilson's "The Man in the Gray Flannel Suit" in 1955. "Boom" veers from convention in the way it apportions blame for these detected national character flaws. The central bank is one culprit. Oddly for a book that celebrates bubbles, the authors condemn the Federal Reserve for money-printing and interest-rate sup-

pression. The trouble with artificially low rates, they correctly argue, is that they misdirect investment. That the same ultra-low rates check society's ability to conceive and execute such goose-pimple-raising feats as the moon landing, as the authors also maintain, is a little less clear.

When heroes walked the earth, the collaborators point out, a government couldn't just whittle up spending power, because money was defined as a weight of gold or silver. But that happy phase of monetary history ended in 1971, when President Richard Nixon refused to honor America's commitment to exchange dollar bills for gold at the fixed rate of \$35 an ounce.

Ever since, a profusion of paper dollars has created a gulf between economic growth, on the one hand, and bounding stock prices (and bond prices and house prices and crypto prices), on the other. It's what has brought us to this time of "artificial wealth and value fueled by exploding debt and leverage." In short, to what some of us would call a big fat bubble.

The paradox of "Boom" is the authors' prescription for what ails us. They deplore the consequences of overissued paper money and ably

describe how artificial interest rates befuddle financial analysis. Yet they argue that "only innovation-accelerating bubbles can prevent the apocalypse." And for emphasis: "We literally mean the apocalypse."

Many of us will recall the internet bubble of the late 1990s, the mortgage-cum-debt delusion leading up to the 2008 collapse of Lehman Brothers, and the decadelong experiment with near 0% interest rates and so-called quantitative easing. Today's monstrous public debt would surely be less frightening in the absence of that monetary enablement.

The authors insist that they have a different kind of bubble in mind. They yearn for the derring-do of the Edisons and Fords and even the optimism—for as long as it lasted—of Marx. They would throw safetyism to the wind for the sake of restoring a world that produces "new and transformative technologies at breakneck speed." They want "inflection" bubbles—for instance, the Apollo moon project—not the kind of paper prosperity that lawn-level interest rates foster.

What is a bubble? The authors never exactly define it. I say a bubble is a collective delusion, often instigated

by excessive credit creation, which expresses itself in euphoric valuations and, finally, a crash. They contend that a bubble is what opens the national imagination to the possibilities of sudden, radical improvement, the product of some "transcendent vision."

Do today's record-high stock prices express society's abiding risk-aversion, as the authors paradoxically insist? Only if texting with your broker while seated on the lip of a rumbling volcano is somehow another form of safetyism. It actually sounds a little bit dangerous.

Greatness is the product of no central planning committee, the book affirms, yet the authors make no secret of their longing for some grand new collective effort. They tip their political hand with a parenthetical swipe at the short-lived, allegedly visionless administrations of Warren G. Harding and Calvin Coolidge in the 1920s. You may rather remember the pair as balancers of budgets, payers-down of debt and advocates of world peace. Would that we find more just like them.

*Mr. Grant, the founder and editor of Grant's Interest Rate Observer, is the author, most recently, of "Bagehot."*



**APRÈS MAO** At the time of Mao Zedong's death, he was the only leader a significant portion of China's population had ever known.

the Cultural Revolution. Launched by Mao in 1966 to purge the CCP of those whom he considered revisionists, the Cultural Revolution also furthered Mao's desire for "the complete transformation of all modes of thinking among China's youth." Students organized into bands of Red Guards and turned against their teachers, destroyed works of art and culture, and terrorized anyone with interests they considered old or feudal. Although Mao brought an end to the most violent period of the Cultural Revolution by 1968, chaos lingered and society remained in disarray into the 1970s.

Messrs. Westad and Chen focus on what they term "the long 1970s" in China, which extends from approximately 1968 to 1984. The first part of their book covers Mao's final decline, as younger cadres began jockeying for position, though they had to do so with caution. "Aspire to too much power," the authors write, "and Mao would turn against you, even from his sickbed, sometimes with fatal results." The second half of the narrative details the power politics that followed Mao's death, as China faced perhaps its greatest pivot point of the 20th century. Would the country continue to follow the pattern that Mao had established, of continuous revolution and politics above all? Or would the next generation of CCP leaders seek a balance, one that emphasized the importance of politics but also pursued economic growth and improved standards of living for China's people?

By choosing to begin with Mao's final years, Messrs. Westad and Chen build a strong case for their account of how and why events played out after the leader's death. As he aged,

in the Cultural Revolution, but at times also refused to see her. Lin Biao, the minister of national defense and Mao's chosen successor in the late 1960s, exhibited signs of what might have been bipolar disorder, and by 1971 was mired in depression and conflict with those around him, including Mao. In September of that year Lin made an apparent attempt to defect to the Soviet Union. His plane crashed in Mongolia, causing "a shock to the Chinese political system even beyond the purges and killings of the Cultural Revolution."

**Mao left behind a nation desperate for stability, which his successors pursued at terrible cost.**

Lin's betrayal of the chairman, who had publicly supported him, invited questions about Mao's ability to identify a proper successor who could lead the CCP and the country after his death. A political seesaw ensued and continued for the five years between Lin's death and Mao's. Cadres on the left, including Jiang, fought for influence against the aging Premier Zhou Enlai and other moderates. Deng Xiaoping, a Mao loyalist who had been purged but not expelled from the party earlier in the Cultural Revolution, enjoyed a brief elevation to the inner circle before once again finding himself on the outside in the final months of Mao's life. Palace politics were constantly in flux, with an increasingly feeble Mao at the center of it all.

*Please turn to page C9*

## China After Mao

**The Great Transformation**  
By Odd Arne Westad  
and Chen Jian  
*Yale*, 424 pages, \$38

By MAURA ELIZABETH CUNNINGHAM

**M**AO ZEDONG died in the early hours of Sept. 9, 1976. He had led the Chinese Communist Party (CCP) for more than four decades and served as head of state since the establishment of the People's Republic of China on Oct. 1, 1949; he was the only leader a significant portion of China's population had ever known. Heralded as "the people's great savior" and "the reddest red sun in our heart," Mao occupied a godlike status that had been fostered for years through propaganda and political campaigns. His death, at the age of 82, was no surprise to Mao's inner circle, who had witnessed his long physical and mental decline, but left a void at the center of China's government. Replacing the legendary founder of the country would be a daunting task.

As Odd Arne Westad and Chen Jian detail in "The Great Transformation: China's Road From Revolution to Reform," Mao's passing posed even greater difficulty because it followed the decade of political upheaval, party infighting and social conflict known as

the authors explain, Mao appeared to take pleasure in toying with the loyalties of those who surrounded him, "setting one group against another,

noting his displeasure with someone only to laud the very same person to the skies the next day." He elevated his wife, Jiang Qing, to a leading role

## BOOKS

'A man must now swallow more belief than he can digest.' —HENRY ADAMS

# The Storied Stomach

**Rumbles**By Elsa Richardson  
*Pegasus*, 336 pages, \$28.95

By EUGENIA BONE

**W**HENEVER my family paid a visit to our Italian relatives in Offida or Monsampolo, small hill towns in central Italy, my dad would warn us: "Count the plates first," he'd say, pointing to a stack of four or five dishes piled at each setting, "because that's how many courses there will be." Cured meats and cheeses would be served on the top plate, as high as my siblings' and my noses, and when our aunts and cousins could get us to eat no more, they would remove that plate and fill the next with something else. These were subsistence farmers, yet ideas about hospitality and pride in manufacture led them to prepare for us multiple delicious courses, including two different pasta dishes and two different meats. You couldn't say you were full. You had to prove how good the meal was by eating to the point of being sick. In my relatives' culture, indigestion was a compliment that said this food is so good I would rather hurt myself than stop eating.

I was reminded of this anecdote after reading Elsa Richardson's "Rumbles: A Curious History of the Gut," a mouthful of a book that explores the cultural history of eating and digestion. It isn't about the workings of the gut microbiome and its many symbionts—a truly remarkable story, but not the author's mandate. (For that, check out Rob DeSalle and Susan Perkins's "Welcome to the Microbiome," from 2015.) Ms. Richardson, a lecturer on the history of medicine at the University of Strathclyde, Glasgow, is interested in the meaning of the gut and how it "came to shape how we see ourselves and the world around us."

Now that's a big subject. Anyone who has witnessed the uninhibited slurping and burping that goes on in a soup joint in Chinatown knows some Chinese attitudes about the gut are very different from, say, those of the whippetlike ladies who lunch on lettuce and air on the Upper East Side. And that could be said



TUMMY TROUBLES 'The Nightmare' (1781) by Henry Fuseli, above, and a 1950s magazine ad.

for any culture. Which is why, probably wisely, Ms. Richardson narrows her focus to the history of the Western belly, mainly from the Victorian era onward.

"Rumbles" starts out with a dive into the network of nerves connecting the

their own. Our own guts are loaded with neurons, too. When someone says "follow your gut," that "rests on the assumption," Ms. Richardson says "that the stomach might know something the brain does not."

The author explores the role of the gut in our lives from a range of perspectives, not only anatomical and medical but also moral. We learn about the dark side of the gut, including the antiquated idea that the stomach is an organ especially vulnerable to "demonic intervention," mainly in the form of indigestion or food-induced nightmares. We're also shown some of the ways people have regulated the demands of their tummies: with table manners that emphasize dining over feeding, for example, and modest diets that were once believed to lead to temperate behavior. Today, diets are often recommended to mitigate depression. Elsewhere,

author investigates the connection between the gut and the jobs people do, from agriculture to office work, "where the rhythms of the gut meet the structures imposed by capitalism."

Chapters on politics and the gut examine, among other topics, some of the historical assumptions about obesity (what Ms. Richardson calls the "muddying of corpulence with character") that have been around since at least the 1800s, and the social assumptions underlying such modern measures as the body-mass index (BMI), which is based on the bodies of white European men.

I especially enjoyed Ms. Richardson's vigorous writing about gender-related gut nonsense and its economic ramifications, which any woman who has bought a diet pill will be familiar with. Still, there is comfort in knowing that the conspiracy has been going on for a long



time. Constipation, for instance, was considered well into the early 20th century to be a "distinctly female ailment" associated with haggard looks and flagging sexiness. But the condition could be remedied, it was suggested, by a "whole-some breakfast cereal." Enter cornflakes, originally conceived by the Kellogg brothers as a laxative.

All this (and more) is well illustrated with black-and-white vintage cartoons, ads and documentary photos to illuminate the text. "We have inherited a richly storied gut," Ms. Richardson writes. "If you listen carefully to its rumbles, you might find that the gut has more to say about the world than you thought."

"Rumbles" is a little like those meals in Monsampolo. Delicious, but just too much food. The book is absolutely stuffed with references, conclusions and deductions, and overcooked quotes from old English tomes with odd capitalizations. It is dense and wordy, with paragraphs consistently a page long, which make for fatiguing reading. Where Mary Roach's approach to the subject in "Gulp" (2013) was an irreverent romp, this is more like a dissertation. But while I did find "Rumbles" a bit dry and hard to swallow, the material itself, in scope and erudition, is absolutely delicious.

Ms. Bone is the author of "Have a Good Trip: Exploring the Magic Mushroom Experience."

**FIVE BEST ON MENTORS**

## Amy Reading

The author, most recently, of 'The World She Edited: Katharine S. White at the New Yorker'

**The Picture of Dorian Gray**

By Oscar Wilde (1890)

**1** Lord Henry Wotton meets young Dorian Gray in Basil Hallward's studio on the very day Basil finishes Dorian's portrait. Basil has become so enchanted by Dorian that he worries the portrait contains too much of himself. Lord Henry, too, sees Dorian's appeal, but for him the "influence"—one of Wilde's most oft-repeated word in this novel, followed by "fascination"—runs the other way. It is Dorian who is bewitched by the aristocrat and his hedonistic, libertine way of life. Lord Henry discovers that talking to Dorian is like "playing upon an exquisite violin" and conceives of a project "to convey one's temperament into another as though it were a subtle fluid or strange perfume." He decides to make Dorian his "elaborate masterpiece" and gives the younger man a book that "poisons" him. Lord Henry will learn just how splendidly his project is going when Dorian exerts his newfound power over a young woman; her tragedy demonstrates Lord Henry's influence, attenuated but no less forceful. Wilde's own masterpiece is an extended, disquieting meditation on the efficacy of words conveyed along the dynamism of personality. Can art corrupt? In Victorian England, the artist certainly could.

**Come Back in September**

By Darryl Pinckney (2022)

**2** Darryl Pinckney met Elizabeth Hardwick in 1973. He was a gay black college student enrolled in her creative-writing class at Barnard, and she was a 57-year-old writer, part of the New York Review of Books intellectual circle, not yet the author of the novel "Sleepless Nights" (1979). She invited him to dinner to counsel him to never write poetry again, and soon they were having dinner every Sunday. She told him, "write criticism as carefully as you would poetry," and he would indeed write carefully one day about Hardwick's own books. This discursive memoir, cut through with asides and flashbacks and flash-forwards, depicts a world in which reading was intensely social. Hardwick's apartment became "school and refuge,"



FRIENDS 'Réunion à la campagne (Apollinaire et ses amis)' (1909) by Marie Laurencin, featuring Gertrude Stein on the far left.

full of poets and students in a time when "friends used to read to friends." Mr. Pinckney gives ample voice to Hardwick through her one-liners: "It's immoral to be indifferent to what you put on the page." For Mr. Pinckney, reading well was his calling card to Hardwick, who taught him how reading could lead to living well.

**Max Perkins: Editor of Genius**

By A. Scott Berg (1978)

**3** This biography of the Scribner's editor who published F. Scott Fitzgerald, Ernest Hemingway and Thomas Wolfe has been almost singlehandedly responsible for the legend of the editor as an invisible genius. Max Perkins wore plain gray suits and worked at a messy desk; he believed an editor should remain anonymous and was the most influential man in publishing whom no one knew. He gave copies of "War and Peace" to all his writers, but his approach to their own manuscripts varied. To Fitzgerald,

he was a sympathetic reader, telling him, "the reader's eyes can never quite focus upon [Gatsby], his outlines are dim"—which led Fitzgerald to invent Gatsby's smile. To Wolfe, Perkins was a heroic sculptor of prose, sitting with him twice a week to cut 90,000 words from "Look Homeward, Angel" (1929) and carving "Of Time and the River" (1935) out of 3,000 manuscript pages. They fell out when Wolfe found his confidence faltering, believing that his books were only successful because of Perkins. The virtuoso writer, who both promoted the editor's legend and suffered from it, had not yet transcended his mentor.

**The Magus**

By John Fowles (1965)

**4** Of all the novels built upon the urtext of "The Sorcerer's Apprentice," including the genres of fantasy and dark academia, "The Magus" reigns supreme as the most diabolically darkly seductive. The book enacts upon the reader what it

depicts: the ensnarement into a disorienting narrative under the sway of an auteur whose designs upon the reader remain enigmatic. The mystery begins when Nicholas Urfe, a young Oxford graduate, discovers a book on an empty beach on a Greek island, which leads him to the magus, Maurice Conchis, an elderly man living in monied seclusion. Nicholas throbs with presentiments and *déjà vu*. Maurice recounts his life story, until one night an incredulous Nicholas spots the still-young girl whom Maurice loved when he was 14. Maurice has given him a view of "reality breaking through the thin net of science." He hypnotizes Nicholas, seeds doubt, undermines his sense of self. He proffers experiences that, as he says, "so possess you that the one thing you cannot tolerate is the thought of their not being in some way for ever present." Nicholas hesitates, then turns the page.

**Charmed Circle: Gertrude Stein & Company**

By James R. Mellow (1974)

**5** "If there had been such a thing as an international conspiracy to promote modern art in the early years of this century, 27, rue de Fleurus would have been close to the heart of it." So writes James Mellow in his richly detailed portrait of Gertrude Stein and her Parisian salon, frequented by bohemian students and European royalty alike and stocked each Saturday evening with the modernist painters and poets everyone longed to meet. A biography of Stein necessarily strains against the form to become almost a group biography. "Except for several durable relationships, her friendships were like her collection of bric-a-brac: delicate objects, curiosities that took her fancy, souvenirs from her travels or the gifts of her fame." She would break with many people. But she and her brother Leo gave crucial early support to Matisse and Picasso, and she advised Hemingway to trade journalism for writing novels. Along the way, Mellow portrays the men and women who mentored Stein, including William James at Radcliffe, the Baltimore art collectors and sisters Dr. Claribel and Etta Cone, and the American expatriate Mildred Aldrich.

## BOOKS

'I have so many ideas that may perhaps be of some use in time if others more penetrating than I go deeply into them.' —LEIBNIZ

# Conceiving a Perfect Creation

## The Best of All Possible Worlds

By Michael Kempe  
Norton, 304 pages, \$32.50

By JEFFREY COLLINS

**O**N THE MORNING of Nov. 1, 1755, an earthquake of 8.5 magnitude was felt across the Atlantic—from Scotland to Brazil—but Portugal bore the worst of it. For six catastrophic minutes Lisbon shook. The water in the harbor receded ominously, and an hour later a 20-foot tsunami descended. A massive inferno followed. It was All Saints' Day, so scores of churches were full when they collapsed. Perhaps 50,000 perished.

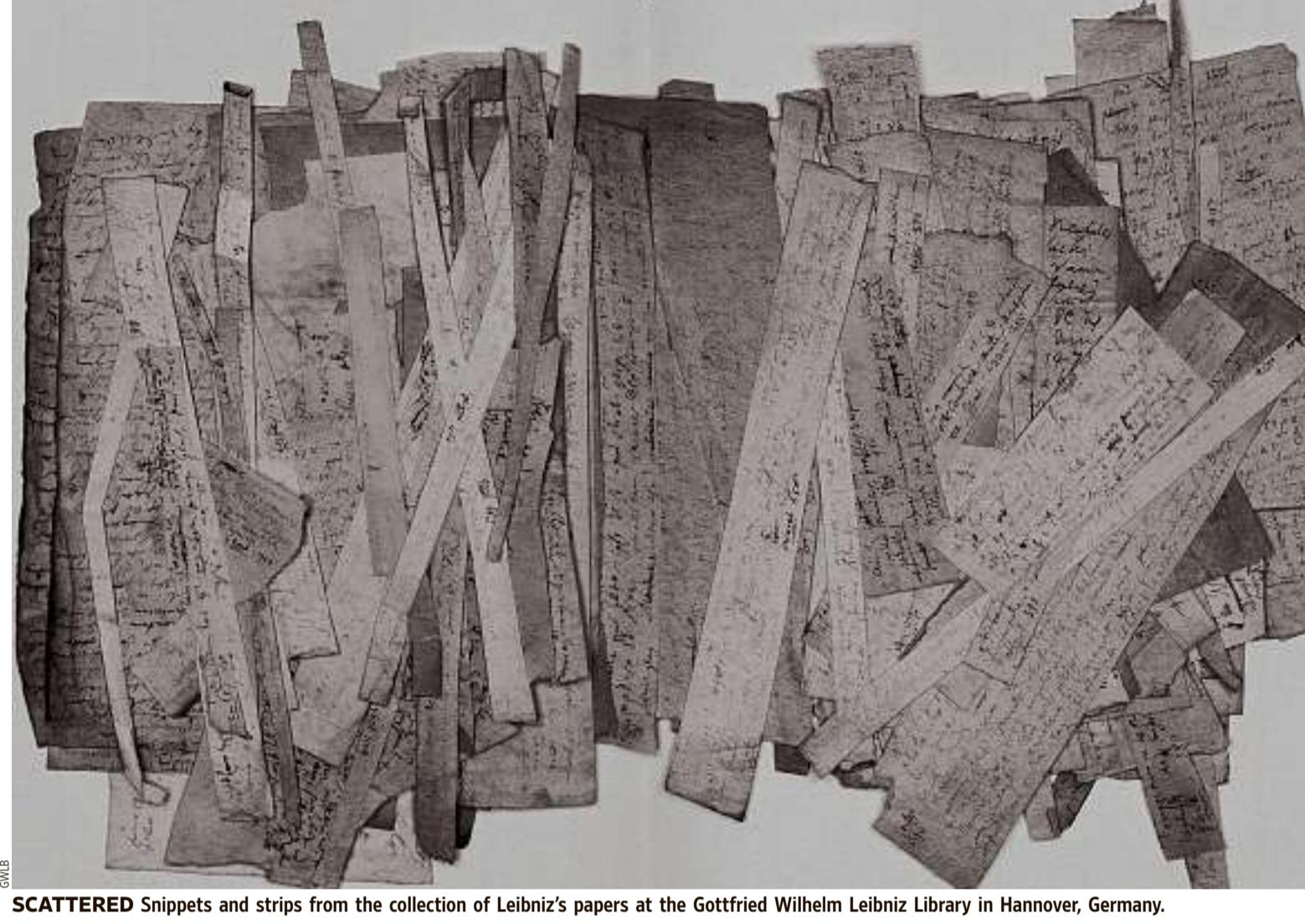
The great philosopher Gottfried Wilhelm Leibniz—born in Leipzig in 1646—died nearly 40 years before the Lisbon earthquake, but the event would shape his legacy. Voltaire mordantly responded to the earthquake with the satiric novel “Candide, or the Optimist” (1759). He used the absurd character of Dr. Pangloss to ridicule metaphysical optimism and theologies of divine benevolence. The Lisbon earthquake was among the tragedies that appeared to rebuke the Panglossian mantra, “all is best in the best of all possible worlds.” Behind Pangloss was Voltaire’s real foil: Leibniz.

Today Leibniz is little read and less understood. He was a prodigious polymath—composing monographs, essays, letters and a vast unpublished archive—but wrote no single masterpiece. Diderot said that if Leibniz’s ideas “had been expressed with the flair of Plato, the philosopher of Leipzig would cede nothing to the philosopher of Athens.”

Michael Kempe, a noted intellectual historian, writes with similar admiration in “The Best of All Possible Worlds: A Life of Leibniz in Seven Pivotal Days.” Translated from the German by Marshall Yarbrough, the book offers a first-rate presentation of Leibniz’s complex system of ideas and breathes life into a figure of august remoteness.

Though Leibniz would eventually learn the new scientific philosophy of figures such as Descartes and Hobbes, his early training was scholastic and dominated by study of the ancients. He would thereafter reject the opposition of “ancient” and “modern” philosophy and seek to reconcile the two. After university he joined the court of the Elector of Mainz. There he produced work in logic, mathematics and physics. Four years in Paris exposed him to Cartesian philosophy and Pascal’s mathematics. He met Malebranche and Spinoza. He moved among the brightest stars in the early Enlightenment firmament.

In 1673, the Elector died and Leibniz entered into the employment of the Elector of Hannover, where he would spend most of the rest of his life. The philosopher was now also a state counselor and court historian. His workload was simply staggering. He corresponded with more than 1,000 associates and wrote on religion (“Theodicy,” 1710), epistemology (“New Essays on Human Understanding,” written in 1704) and ontology (“Monadology,” written in 1714). His final years were dogged by a ferocious controversy over whether he or New-



**SCATTERED** Snippets and strips from the collection of Leibniz's papers at the Gottfried Wilhelm Leibniz Library in Hannover, Germany.

ton had invented calculus. Leibniz died, at age 70, in 1716.

Mr. Kempe doesn’t offer a comprehensive biography but instead explores a series of seminal days in the philosopher’s intellectual life. On Oct. 29, 1675, from his Parisian apartment, Leibniz invents the integral symbol central to modern infinitesimal mathematics. On Aug. 13, 1696, from the Herrenhausen Palace in Hannover, he debates his understanding of God with the smart-

## The philosophy of Leibniz is known to many of us through ‘Candide,’ a simplistic distortion.

witted Electress Sophia. And so forth. The conceit is slightly awkward and produces an intermittent narrative, but it captures the kaleidoscopic quality of Leibniz’s thought.

Leibniz was a system builder, ransacking different philosophical traditions and adding innovations of his own. He accepted aspects of the “mechanized” universe of the new science and mastered the mathematics that was understood to be its language. But unlike Hobbes and Spinoza, he rejected pure materialism and determinism.

Leibniz wished to preserve something of the discreet “substances” (or unified, coherent “essences”) that made up individual things in the world, rather than allowing them to dissolve into a swirl of atoms. Real substances, however, were not material but were mindlike, capable of perception and appetite. These Leibniz called monads, the atoms of reality, ideal but somehow

attached to organic machines that could be immeasurably small. Any complex body was a composite of smaller monads, each possessed of a perceiving substance.

The empiricist Bertrand Russell would later describe monadology as a “fantastic fairy tale, coherent perhaps, but wholly arbitrary.” The system emerged from Leibniz’s idealism, his belief that reality was not to be found in matter perceived but in the minds of perceivers. But perhaps paradoxically, the protean Leibniz was also a futurist and technologist. He proposed a canal that anticipated Suez and imagined submarines and street-navigating robots. He was susceptible, Mr. Kempe says, to the “euphoria of progress.” He planned and projected relentlessly, writing “while sitting cross-legged in bed” or in his kitchen consuming endless cups of sugary tea.

Mr. Kempe skillfully presents Leibniz’s development of the methods and symbols of infinitesimal calculus, the basis of our engineered and quantified modern world. (Newton devised his own version independently.) The capacity to “carry out operations with infinitely small values”—and to convey in formulas what had previously required geometrical diagrams—was a dazzling breakthrough that stimulated Leibniz’s optimism and faith in human reason.

Leibniz aspired to express human knowledge with symbols and then deploy “combinatorial analysis” to all the sciences. “Let us not argue anymore,” writes Mr. Kempe of Leibniz, “let us calculate instead: *Calculemus!*” The philosopher eventually married his combinatorial analysis with a binary arithmetic using 0 and 1. He then conceptualized the “use of this method to program a machine.” In this, Mr.

Kempe writes, our “modern digital culture” was prefigured.

But mathematics, for Leibniz, didn’t reduce the world to matter in motion or the human mind to a mere material brain. The “language of mathematics,” Mr. Kempe says, revealed the “divine laws of creation.” Binary arithmetic itself had a spiritual dimension, with the number “1” representing the “absolute unity” of God and “0” the “void” from which creation arose. We tend to think of the mathematized cosmos as disenchanted, drained of divinity and spirit. But for Leibniz mathematics provides a key to the human soul and the mind of God.

It was this optimistic anthropology and theology that Voltaire could not abide. Behind Leibniz’s confidence in human rationality and capacity for progress was the belief that God had created the “best of all possible worlds.” Voltaire caricatured this view as a blinkered refusal to acknowledge pain and death. Mr. Kempe recovers the full subtlety of Leibniz’s claim.

In “Theodicy” (a coinage combining the Greek for “God” and “justice”), Leibniz confronted the problem of evil. He held that God’s creation was not arbitrary but rational. God could not violate the “inner compatibility” of creation’s innumerable laws and components. Because the world is the creation of a perfect being, it can achieve only the “best possible” state short of divine perfection.

A key to Leibniz’s view is symmetry of creation. The best only emerges against the worst, the beautiful against the ugly, the harmonious against the dissonant. In its vulgar form these doctrines produce a repulsive indifference to suffering. Leibniz, Mr. Kempe argues, intended something less “narrow-minded” and more “pragmatic.”

He wished to strengthen human optimism but also our resolve to strive toward human betterment. The best of all worlds required effortful realization rather than a bovine acceptance of things as they are. Leibniz challenged “humanity to participate in the work of striving toward perfection,” Mr. Kempe writes.

In such a way, Leibniz, to cite Milton, dared to “justify the ways of God to men.” Voltaire responded with a snarky misreading that exploited the undeniable empirical fact that evil was not balanced by good in the lives of every discreet individual. But Leibniz made no such claim. The best world was optimized as a whole, containing just as much good and evil as was required for the totality of creation.

Others, from the Christian tradition little regarded by the skeptical Voltaire, have condemned Leibniz’s theodicy for lacking any notion of providence or redemption. He said little of human fallenness or the need for a world “made new.” Leibniz’s God was strangely limited by the laws of its own creation. But he was not Panglossian.

Mr. Kempe’s appreciative portrait is no hagiography. Leibniz emerges as a cracked genius, prone to inscrutable philosophical speculations but capable of almost prophetic insights into the future. In the end Leibniz was “unable to fit everything on his mind under the all-encompassing roof of a consistent metaphysics,” Mr. Kempe writes. But his hope was to reconcile reason, divinity, spirit and freedom with a universe of cold physical laws. That, surely, is a hope worth recovering.

Mr. Collins is a professor at the Hamilton Center for Classical and Civic Education at the University of Florida.

## The Race To Take Mao’s Place

Continued from page C7

Into this high-stakes game of musical chairs entered Hua Guofeng, whom the authors describe as “taciturn but amiable,” and who seemed to bridge the two camps by expressing support for Maoist ideology while also laying out plans for the economic growth that China badly needed. Upon Mao’s passing, Hua assumed the role of chairman and quickly moved against the most far-left members of the leadership, including Jiang and her Gang of Four colleagues. Like so many others throughout the country, Hua wanted to see the chaos and confusion of the preceding decade brought to an end. It was time to get China back on track.

Hua, however, would not be the person to do so. He had not sufficiently distanced himself from Mao and the disasters of the Cultural Revolution; meanwhile, Deng had generated enough support to enjoy another political resurrection. Bit by bit, he maneuvered himself back into a position of

power and by late 1978 had sidelined Hua, bringing the long tail of the Mao era to a conclusion.

After decades of state control and relative isolation under Mao, China was now headed for an era of “reform and opening,” the key refrains of Deng’s time at the top. While Mao had received U.S. President Richard Nixon in 1972, Deng pressed for formal relations with the United States and, in 1979, embarked on a well-received visit to the country. Chinese officials fanned out on inspection tours around the world, intent on identifying and bringing back ideas that might facilitate China’s economic modernization. At home, economic experiments came from below, with ambitious farmers seizing the opportunity to sell excess yields and budding entrepreneurs founding companies that built the private sector at a remarkable rate.

Within five years, the pace and scale of China’s “great transformation” had reached a level that must have stunned anyone thinking back on what the country looked like at the end of Mao’s rule. Messrs. Westad and Chen credit these changes to “a combination of leadership compromises, security needs, and pressure from below for faster economic growth,” as well as the skill of Deng in guiding the CCP back to a position of legitimacy after

the chaos and privations of the late Mao years. “By the end of 1984,” the authors note, “China had reached a phase in which it would remain for the next generation. It had left the period of revolutionary dislocation and open terror behind and moved into a stage of authoritarianism combined with high economic growth driven by market mechanisms.”

Yet looming over the later chapters of “The Great Transformation” is the shadow of what would come in 1989, when Beijing and other cities saw mass protests that provoked a violent crackdown ordered by Deng. Messrs. Westad and Chen mention the protests only briefly, a thorough treatment of those months beyond the scope of their work. Thinking ahead, however, casts the events of this book in a different light. China changed in remarkable ways during the long 1970s, but the upheaval of the late Mao years left a desire for strength and stability that Deng and other party leaders then pursued at a terrible cost. What might be the greatest transformation—a true reckoning with the past and a thorough re-evaluation of CCP ideology—is one that has yet to take place.

Ms. Cunningham is a writer and historian of modern China in Ann Arbor, Mich.



**POSTMORTEM** Leaders of the Chinese Communist Party in 1977, following the death of Mao Zedong and the fall of the Gang of Four.

## BOOKS

'Almost any man may, like the spider, spin from his own inwards his own airy citadel.' —JOHN KEATS

# Dream Weaver

## The City and Its Uncertain Walls

By Haruki Murakami  
Knopf, 464 pages, \$35

By BOYD TONKIN

**I**N APRIL 1978, the debt-laden young proprietor of a Tokyo jazz cafe went to a baseball game: Yakult Swallows against Hiroshima Carp. There, in Jingu Stadium, he decided he could write a novel. The birth of Haruki Murakami's career as a beloved giant of global fiction sounds as improbable as any outlandish event in his books. Over 15 novels and a half-dozen story collections, the Japanese literary superstar has hopped back and forth across the line between inner and outer worlds. His international bestsellers, such as "Norwegian Wood" (1987) and "Kafka on the Shore" (2002), addictively juggle fantasy and realism, the magical and the mundane. That stadium epiphany saw him shift from one world to another. A mysterious switch flipped; everyday reality yielded to the realm of imagination.

Published last year in Japan, and translated by Mr. Murakami's regular collaborator Philip Gabriel, "The City and Its Uncertain Walls" bears witness to his enduring vision of a world in which "the real and the unreal coexist" on equal terms. It shows, too, how his style and method have evolved. The book began, his afterword explains, as a novella published in 1980 in a Tokyo literary magazine, at a time when Mr. Murakami still ran his "Peter Cat" jazz joint. Its tale of a lonely misfit teenager—one of many in the author's body of work—who strays into the storybook-walled town of his dreams would later feed one strand of his 1985 breakthrough novel, "Hard-Boiled Wonderland and the End of the World." In this new work, fans of that book will find themselves back in the "eternal present" of that timeless town.

During the Covid-19 pandemic, Mr. Murakami revisited the 1980 novella. In that "weird and tension-inducing situation," he explains, he expanded a narrative around the dream-enclave of his early story. This more realistic—though still uncanny—frame makes up the bulk of the new novel. So the apprentice and the master Murakami, age 31 and 71 respectively, now meet in these pages: a rendezvous as spooky as any in his plots.

Here the unnamed 17-year-old narrator falls chastely in love with a girl one year his junior. Angelic but fragile, cast from the limited mold of Mr. Murakami's early heroines, she tells him of the lovely but static town where she dwells in her imagination. In Murakami-land, dreams—which the heroine imagines as a "crucial water source nurturing your heart"—may become truth. The narrator travels to the town, depicted like some illustration from a medieval manuscript or the



FINDING THE WAY 'Houses Along a Road' (ca. 1881) by Paul Cézanne.

bejeweled backdrop to an anime film from Japan's Studio Ghibli. Unicorns graze outside impenetrable walls guarded by a gruff Gatekeeper. A wil-

clocks in this "theme park" of adolescent bliss have no hands. At one point, the narrator encounters a magic pool that serves as an "interstice between this world and the other world." The novelist loves picturesque portals between dimensions of reality; here the pool permits the narrator's separated, and rebellious, shadow to escape.

Back in a more familiar domain, the angelic girl has vanished without trace. The narrator, like many of this author's protagonists, trudges into a humdrum, solitary middle age. Romantic obsession means that "time had actually come to a halt" for him. At least, by toiling for a book-distribution firm, he keeps in touch with the kingdom of imagination. In his mid-40s he quits this role as a "tiny, fixed cog" in Tokyo's corporate machine to work as a low-paid librarian in the mountainous backwoods of Fukushima prefecture.

This eerie landscape of snows, forests and torrents is beautifully evoked as Mr. Murakami the seasoned storyteller of loss, loneliness and passing time takes charge. The action dawdles, then leaps, with a trademark blend of

soap opera and sublimity. In deadpan, slow-burn, quietly hypnotic prose, delicately conveyed in Mr. Gabriel's translation, our narrator settles into a becalmed life as guardian of the small-town library stacks. But in a Murakami novel, normality won't persist for long. Fragments from the dream-town (a blue beret, a wood-burning stove) turn up in this library, funded by the eccentric, enigmatic widower Mr. Koyasu. The narrator senses that a "boundary had collapsed" and that "the tips of two different worlds were overlapping."

As often with this author, a ghost enters the scene: friendly, regretful, eager to inform us that "the soul is a transitory state." Even spirits soon fade away. Murakami mavens will want to know if cats (which often make their way into the author's novels) feature. They do. As do nods to classic jazz: In this case, the sax legend Paul Desmond stars. Amid this signature decor, our lonely librarian meets a voracious teenage book-browser in a jacket adorned with a Beatles motif. "Yellow Submarine Boy," an isolated, fast-reading kid, comes to share the narra-

tor's dreamscape. The boy longs to "transition to that other town." Mr. Murakami understands these parallel territories of the mind not simply as escapism but as a precious refuge for those who "had never put down roots in this world." He conjures the charm, and also the harm, of all-consuming obsessions. In the perfect walled town, no cats prowl, because "nothing unneeded" can exist there.

Yet as this often droll, occasionally dull, but oddly irresistible fable suggests, living in our ideal cities of fantasy may prohibit growth and change. And, via some awkward dates with a divorcée who runs a coffee shop, the narrator will begin a new chapter. Throughout this journey, borders between internal and external reality, the conscious mind and its dream-dwelling "shadow," waver and blur. "Believe in the existence of your other self," counsels the precociously wise Yellow Submarine Boy. As, no doubt, would Mr. Murakami—at every stage of his spellbinding career.

Mr. Tonkin is the author of "The 100 Best Novels in Translation."

**The Japanese writer**  
**Haruki Murakami writes stories in which 'the real and the unreal coexist.'**

low-shaded river winds among tumble-down buildings. New arrivals must check in their shadows at the gate. Supervised by his beloved, or an imaginary avatar of her, the narrator works in a bookless library as a "Dream Reader," absorbing the stored "joy, sadness, or anger" of strangers.

The walled town is both idyll and jail. As in "Hard-Boiled Wonderland and the End of the World," Mr. Murakami presents the romantic fantasies of youth as not only glorious but also oppressive. Threadbare citizens live confined existences without curiosity or change: The

# Setting Sail for Glorious Nowhere



**FICTION**

SAM SACKS

As war engulfs Europe, a ship captain and his crew set out to imitate the great voyages of ages past.

**"THERE'S NOTHING** unknown in this world anymore. Every new generation is forced to fabricate the exceptional and the unfamiliar for itself, through wars and big, militaristic institutions." So laments the captain of the sailing ship L'Indien in Jean Giono's "**Fragments of a Paradise**" (*Archipelago*, 202 pages, \$18).

The captain's response to wartime Europe is to take to sea in search of unmapped regions where marvels still exist. "I set out to travel around the very places that must once have been a prodigious paradise. I want us to be witnesses who can confirm we still have the right to a delirium that can enrich the longest lives and make us love even the onset of death."

Giono (1895-1970), a native of Provence, wrote this seafaring yarn in 1944, in Nazi-occupied southern France, though it was not published until 1948. A committed pacifist, he had been briefly imprisoned at the start of the war in 1939 by the French government on charges of "defeatism." His books during the war were works of principled escapism. "Melville," published in 1940, is a biographical fantasia that imagines the author of "Moby-Dick" transformed by a love affair with a beautiful political activist. "Fragments of a Paradise" is an adventure whose aim is to achieve not a particular destination but, as the captain

expresses it, "a new way of life." Central to that renewal is the rediscovery of astonishment. The ship's crew, many of them war veterans, are mesmerized throughout the voyage by a fantastical menagerie of birds and sea creatures. These include a more than 150-meter-wide ray and a micro-jellyfish that reflects "colors that had no name in any language." The most marvelous chapter describes a phosphorescent giant squid that surfaces from the depths to feast on flocks of albatross.

The writing, even in the midst of carnage, is tenderly poetic, given a fine sheen of beauty by the translator Paul Eprile. This novel calls back not only to an ancient era when miracles were still routine but to classics of literary invention by Ariosto, Jules Verne, Herman Melville and others. If we can't sail into the unknown, we can at least turn to these works of evergreen imagination to help us to, as one sailor puts it, "store up images of all the things that could transform your life into a sort of earthly paradise."

If Giono's pursuit of wonder anticipated the postwar flourishing of fantasy and science fiction, his Melville book presaged a contemporary literary fascination with the author who wrote the great American novel and died in obscurity. Recent fiction concerned with Melville's life and

mythology include "Dayswork" (2023) by Chris Bachelder and Jennifer Habel and "Spadework for a Palace" (2022) by László Krasznahorkai. Now joining them is "**Melville**" (*Open Letter*, 312 pages, \$17.95), by the Spanish-language writer Rodrigo Fresán, which explores the influence of Herman's hard-luck father, Allan Melville, on his writing.

## THIS WEEK

### Fragments of a Paradise

By Jean Giono

### Melville

By Rodrigo Fresán

### Comrade Papa

By GauZ'

Allan Melville (his wife added the "e" to the surname after his death) was the scion of a well-to-do family. After racking up business debts, he moved with his wife and children to Albany, N.Y., and died there of fever at the age of 49, when Herman was 12. Mr. Fresán's novel imagines Allan's febrile deathbed confession, which is recorded by Herman many years later accompanied by a mass of biographical back story, itself supplemented by Herman's additional commentary in lengthy footnotes.

The idea is to forge a connection between Allan's career fail-

ures and final madness and Herman's chaotically apocalyptic writing. Mr. Fresán returns repeatedly to a story Allan told of walking across the frozen Hudson River shortly before his death—a brave, foolhardy passage that seems to symbolize his departure from the banks of health and sanity. In a final section that encompasses Herman's biography, we find him making similarly dangerous literary excursions, producing books that are both profound and unsalable.

Mr. Fresán creates an appealingly heroic picture of Herman Melville, and Will Vanderhyden's translation is never less than excellent. But I wonder if Mr. Fresán has made unsalability an end in itself. The proliferation of footnoted text, sometimes interrupting every sentence, makes the process of reading the book almost physically unpleasant. When the novel turns to Herman's life, it recaps Wikipedia-level details, exacerbating the overall sense of haste and prolixity. Fine moments are lost to a lack of editing. Of course, Melville wasn't much edited either. But simply being hard to read doesn't make a book Melvillean.

Ideology collides with reality in "**Comrade Papa**" (*Biblioasis*, 240 pages, \$18.95), by Armand Patrick Gbaka-Bredé, a Franco-phone Ivorian author who writes under the pen name GauZ'. This is a novel of alternating time-

lines. The first, set in the 1890s, follows Maxime Dabilly, the son of a farmer who leaves his backwater French town for opportunity in the colonial outpost of what is today the Ivory Coast. A story set in the 1970s is narrated by Anouman, a black child in Amsterdam raised by his militantly communist father. Preoccupied by party work, Comrade Papa sends the boy to his ancestral village in the Ivory Coast, and the novel begins to interrogate the lessons of the region's history.

GauZ' avoids moralizing and is always alive to the humor and peculiarity of his stories. There are very funny scenes of the young Marxist speechifying to his unimpressed elders about the class struggle and the "retching of the earth." (Frank Wynne's translation from the French shows a deft touch with Anouman's malapropisms.) The bulk of the novel belongs to Dabilly, who travels to the African interior, supplicating tribal chiefs, in an effort to help the French lay claim to the territory before the British can get there. The mercenary aspect of this competition for possession of Africa is related without sentiment, but there's a personal story as well, as Dabilly becomes romantically drawn to a villager. In the end we learn, with the force of an epiphany, how Dabilly and Anouman's lives turn out to be connected.

## BOOKS

'A portrait is a painting with something wrong with the mouth.' —JOHN SINGER SARGENT

# The Painter and His Patrons

## Family Romance

By Jean Strouse  
FSG, 336 pages, \$32

By BENJAMIN BALINT

**T**HE ARRANGEMENT between an artist and a patron can be a delicate one, filigreed with implicit understandings and potential hazards. Patrons often provide financial help in return for the chance to varnish their prestige. Artists, in turn, can find themselves working within constraints set by a patron's tastes, though they are ever eager to find room for some degree of creative freedom. In "Family Romance," Jean Strouse conjures the singular relations between the portrait artist John Singer Sargent (1856-1925) and the Wertheimers, a prominent Jewish family whose commissions helped shape his oeuvre.

The setting for this intimate association is the gilded world of Edwardian England. It was a world, Ms. Strouse says, "precariously balanced between centuries, between tradition and modernity, between a past dominated by Europe and an indistinct American future, between long-standing social hierarchies and disruptive forces of new power and wealth." Echoing Max Beerbohm, she casts Sargent as the "supreme interpreter" of this transitional age.

Even so, Sargent—an American expatriate trained in France who settled in London in the 1880s—never fully belonged to the surrounding society, no matter how many fashionable people converged on his Chelsea studio. "To Americans he seemed British," Ms. Strouse writes, "to Britons, American." To Sargent's critics on both sides of the Atlantic, he could seem a flatterer of moneyed clients and a squanderer of his talents. He gave too much attention, it was said, to overpowdered socialites and sybarites in décolleté gowns. (Think of "Madame X," his 1884 portrait of a New Orleans-born belle dressed in daring black velvet.)

Yet to be immortalized by Sargent was the *ne plus ultra* of social status and confirmed affluence. The writer Osbert Sitwell said that those who sat for portraits by Sargent (members of his own family included) looked at the results and "understood, at last, how rich they were." In their association with Sargent, the Wertheimers—navigating a social realm that welcomed them while also holding them at a remove—sought a visual assertion of their ascent.

The Wertheimer clan, by the late 19th century, had achieved an enviable level of commercial success and social prominence. The self-made art-and-antiques merchant Samson Wertheimer, who traced his ancestry to court Jews of 17th-century Vienna, had emigrated to England from Bavaria in 1839. Although he came to London "with virtually nothing except his intelligence and skill," writes Ms. Strouse, he had built a thriving business.

Within a couple of decades Samson was selling decorative objects and 18th-century French furniture to the Roth-



AT THE HIP 'Ena and Betty, Daughters of Asher and Mrs. Wertheimer' (1901) by John Singer Sargent.

schilds and the Vanderbilts. Samson's son Asher enlarged the business by trading in works by the Dutch masters—Rembrandt, Vermeer, Rubens—and made himself one of the most respected dealers in England. His success placed him in a position to commission Sargent's largest private project: a series of 12 family portraits.

Sargent began painting Asher, his wife Flora, and each of their 10 children in 1897, the year he was elected a member of the Royal Academy. As he worked on the series over the next decade, Sargent was heard to jest of "chronic Wertheimerism," though the project clearly engaged both his creative sensibility and his personal affection.

Ms. Strouse, whose previous books include biographies of Alice James and

J. Pierpont Morgan, offers vivid social portraiture of her own in "Family Romance." Drawing on letters, memoirs and diary entries, she shows that the collaboration between the artist from New England Puritan stock and his prosperous Jewish patron was more than transactional. It grew into feelings of rapport and sustained friendship. The dining room of the Wertheimers' home—where eight of the pieces would eventually be displayed and where Sargent came to dine nearly every week—became known as "Sargent's mess."

Among much else, the portraits catch a duality in the members of the family: their aspirations and anxieties, their pride and vulnerability. It is this tension—between belonging and exclu-

sion, between public success and private doubt—that lends the works their depth and, in Ms. Strouse's telling, allows them to be seen as evidence of an intricate cultural negotiation.

The portrait of Asher shows the poised art dealer with a hand gripping a cigar and a gaze tinted by insecurity. Sargent's larger-than-life-size portrait of Asher's daughter Ena depicts her in the plumed hat and billowing cloak worn by members of the Order of the Garter. The image both alludes to the highest reaches of the British aristocracy and challenges conventions of femininity. The same sort of challenge assumes different form in the portrait of Ena's sister Almina, rendered as a courtesan in languid elegance, exotically costumed in a Turkish robe and

silk turban. "In his Wertheimer portraits," writes Ms. Strouse, "Sargent took striking liberties with social types, structures, the history of art."

More controversially, Sargent took care that Jewishness was never far from the surface of the canvases—expressing the self-perception of the sitters or the fascination of the portraitist or both. William Rothenstein, a friend and fellow artist, records in his memoirs that Sargent "thoroughly enjoyed painting the energetic features of the men and the exotic beauty of the women of Semitic race" and that Sargent called Jews "at once the most interesting models and the most reliable patrons."

At a time when nativists resented Jewish immigrants from Eastern Europe flocking to London's East End (Parliament passed the Aliens Act in 1905 to stem the tide), the Wertheimer pictures served as a "cultural Rorschach test," Ms. Strouse suggests. Charles Aitken, appointed director of the Tate Gal-

**Sargent was an outsider among his English patrons. So were some of his subjects.**

lery in 1911, regarded Sargent's portrait of Asher as "perhaps Sargent's masterpiece . . . a consummate synthesis of character in another race." The American architect I.N. Phelps Stokes (who saw the same painting when he came to Sargent's studio to pose with his wife) remarked that the subject seemed to be "pleasantly engaged in counting golden shekels."

Henry James once wrote that "there is no greater work of art than a great portrait—a truth to be constantly taken to heart by a painter holding in his hands the weapon that Mr. Sargent wields." As he completed the Wertheimer series in 1908, Sargent laid down this weapon and renounced portrait-painting altogether. "I abhor and abjure them," he wrote to a friend, "and hope never to do another, especially of the Upper Classes."

During World War I, Asher announced his intention to bequeath to the nation nine of the Sargent portraits, effectively making these visual chronicles of a family's inner life part of the public tableau. When they went on display at the Tate a decade later, as the art historian Kathleen Adler has observed, the portraits were seen as "an attempt by a Jewish family to infiltrate a British institution." When Asher died in 1918, however, the Saturday Review lauded his "generous patriotism" and noted that "while Sargent's fame endures the name of Wertheimer will inextricably be bound up with it."

"Family Romance," a book as finely crafted as the portraits it describes, tells a story that is both specific and universal—about the yearnings for recognition and the tenuous rewards of achieving it.

*Mr. Balint is the author of "Bruno Schulz: An Artist, a Murder, and the Hijacking of History."*

# The Case of the Wandering Poet



**JUDGE DEE RENJIE**, a historical personage from seventh-century China, returns in Qiu Xiaolong's *"The Conspiracies of the Empire"* (Severn House, 192 pages, \$29.99). Dee, a high-ranking court official as well as a magistrate, is commanded by his empress to find Luo Binwang, a poet and activist who disappeared after a failed uprising he supported. Why does the empress want Luo brought to her palace? To praise and enjoy his work, she claims. "What a great talent Luo really is!"

To serve his empress, a court official must at times take on the role of sleuth. The bamboo-hatted, Confucian-trained Dee sets out on his quest accompanied by his assistant, Yang, who questions the necessity of his boss's task ("It's not your job to search all over the country for a nobody") but proves a loyal right-hand man. Before he went missing, the poet implied that the empress had her predecessor poisoned; Dee interviews the former ruler's personal maid. He then invites several of Luo's acquaintances to dinner to glean whatever he can. An uninvited guest arrives: the empress's agriculture minister. Dee suspects he and Yang are being spied upon. The next day, Dee learns of the death by hanging of the maid he interviewed.

Mr. Qiu brings his admirable protagonist and his milieu into clear relief. With Dee and Yang further along in their journey, word comes of the grisly murder of another person the judge questioned. "I did not kill you," says Dee, addressing the memories of each victim, "but you died because of me." He has no doubt now he is being manipulated by forces beyond his control: "He had become a string-controlled shadow puppet, gesticulating on the cloth screen." How can he conclude his mandatory assignment and also redeem himself? A beleaguered Dee comes to believe that this case could be his last. Here's hoping he's wrong.

Renée Ballard, the head of the Los Angeles Police Department's Open-Unsolved Unit (and an avid surfer), is the chief investigator in Michael Connelly's riveting novel *"The Waiting"* (Little, Brown, 416 pages, \$30). In the first chapter, the officer's phone, gun, wallet and badge are stolen from her car while she's riding a few early-morning waves. Already on shaky ground with department higher-ups, she dares not report the crime and instead resolves to retrieve her gear on her own. Meanwhile, her unit (made up of

tech-savvy ex-law-enforcement and civilian volunteers) gets a DNA hit from a familial search regarding the uncaught Pillowcase Rapist, whose last-known attack was two decades ago.

For help with these simultaneous investigations, Renée turns to the retired LAPD veteran

## THIS WEEK

### The Conspiracies of the Empire

By Qiu Xiaolong

### The Waiting

By Michael Connelly

### Fatal Gambit

By David Lagercrantz

Harry Bosch, Mr. Connelly's best-known series protagonist. The cold-case inquiry becomes unexpectedly sensitive, with physical evidence indicating connections to prominent figures in the justice system. Renée's rogue hunt for her car burglar leads her into the sort of extralegal shenanigans Harry (now battling cancer) was notorious for in his heyday. With the threat of official censure hanging over her, she can't waste a single minute.

The tension and suspense in *"The Waiting"* are relentless, especially once Harry's 26-year-old patrol-officer daughter, Maddie, joins Renée's investigative team. Mr. Connelly has, once again, crafted a terrifically exciting and subtly moving book, one that leaves enough threads untied so that readers can look forward to the next foray into the Open-Unsolved Unit's "library of lost souls."

David Lagercrantz's *"Fatal Gambit"* (Knopf, 352 pages, \$30), translated from the Swedish by Ian Giles, brings back the odd-couple crime-solving duo of Hans Rekke and Micaela Vargas. The former is a concert pianist turned criminologist, gifted with uncanny powers of deductive perception. He can detect anxiety in a suspect he's questioning from "an entire cascade of micro-expressions on his face: a hint of shame in the eyes that he wanted to suppress." Alas, Hans is prone to self-doubt, crippling apathy and the recurrent use of opioids.

Fed up with Hans's drug use and listlessness, Micaela, a Stockholm police officer, severs their unofficial partnership. But she still wants to solve the puzzle they've been working on: the apparent sighting in Venice of a Swedish bank analyst declared dead 14 years ago. Micaela is also intent on gathering enough evidence against her drug-dealing brother, Lucas, to bring him to justice. Hans supports this endeavor, having discerned "something cold and bottomless" in Lucas from one gaze into his eyes: "the complete dark triad—psychopathy, narcissism, Machiavellianism."

The cast of *"Fatal Gambit"* includes Gabor Morovia, a Hungarian businessman whose name sends chills throughout Europe. Gabor and Hans's rivalry goes back to their childhoods as math prodigies, when Hans sensed "something threatening" about this green-eyed boy. Gabor's tentacles now seem to reach into all current matters vexing Hans and Micaela.

We also meet Hans's brother, a government minister with a lifelong envy of his sibling, and Gabor's right-hand woman, forced to suppress her better nature to serve her vengeful master. Mr. Lagercrantz has produced a shocking and spectacular work whose serpentine plot stretches from Stockholm's meaner streets to the upper reaches of global politics.

## BOOKS

'It is difficult for a woman to define her feelings in language which is chiefly made by men to express theirs.' —THOMAS HARDY

# Before There Was Tess

## Hardy Women

By Paula Byrne

*William Collins, 656 pages, \$38.99*

By HELLER MCALPIN

**P**AULA BYRNE'S hefty biography, "Hardy Women," considers the British poet and novelist Thomas Hardy (1840-1928) from the standpoint of the strong women who influenced him. The book's subtitle specifies its subjects as "Mother, Sisters, Wives, Muses," but even if you were to add "Infatuations," that wouldn't cover the half of it. A big chunk of the book is devoted to the female characters Hardy created (and loved dearly), about whom his first wife commented bitterly: "He understands only the women he invents—the others not at all."

"Hardy Women" joins a growing subgenre of female-centric biographies of canonic male writers that aim to give the women in their lives overdue credit. Other examples include Arthur and Barbara Gelb's life of Eugene O'Neill, "By Women Possessed" (2016), and Lyndall Gordon's "Henry James: His Women and His Art" (2012). Ms. Byrne's book goes well beyond Hardy's immediate family, casting such a wide net that she picks up quite a few small fry along with the big fish.

Like the author's previous popular biographies, which include "Mad World: Evelyn Waugh and the Secrets of Brideshead" (2009) and "The Adventures of Miss Barbara Pym" (2021), "Hardy Women" is engagingly written, if unbridled. Its 71 chapters are somewhat forcibly divided into three "phases," a structure borrowed from "Tess of the d'Urbervilles" (1891), widely considered Hardy's masterpiece.

Ms. Byrne puts her focus on Hardy as a "class-torn man," heavily influenced both by relatives and by his many romantic crushes. It's a decision that comes at the cost of relatively scant attention paid to the importance of place in his work, despite the fact that his love for his native Dorset—the heart of the Wessex of his novels—was more enduring than all of his dalliances.

Hardy was the oldest of four children of a stonemason and builder, also named Thomas Hardy, and a former domestic servant, Jemima Hand. Conceived out of wedlock, he was born prematurely in 1840 in Bockhampton, near Dorchester in southwest England. Although frail, he showed intellectual and musical prowess from an early age.

The elder Hardy was a gentle, steady man, but Jemima had a jaundiced view of men and matrimony because of her early exposure to the violent abuse inflicted on her mother by her alcoholic father. At the age of 13, Jemima entered domestic service at a local manor, where she remained for more than a decade, until she married Hardy's father. Her contact with a higher social class—and her love of reading—led to greater ambitions for her four children, though a university education was beyond the family's means.

Hardy, who began writing after years of working as an architect, was often loath to admit his mother's background as a servant. Yet, Ms. Byrne notes, he was better attuned to depicting milkmaids and housemaids than the "upstairs" world of society ladies to which his success eventually gave him access.



STARTING OVER Thomas Hardy and Florence Dugdale before their marriage in 1914.

Interest in the hard lives of working-class women was rare in Victorian literature. Hardy's mother, who became a skilled glove-maker, was a model for the matriarch in his early autobiographical novel, "Under the Greenwood Tree" (1872), while the arduous teacher training that his sisters Mary and Kate and cousin Tryphena suffered through informed Sue Bridehead's character in "Jude the Obscure" (1895).

## The novelist Thomas Hardy shocked readers with his portraits of unconventional women, some drawn from life.

Despite Hardy's efforts to control his legacy by destroying letters and penning a heavily selective life story, his many romances—three of which resulted in proposals before he balked—later became rich material for biographers. Ms. Byrne writes that his engagements presaged a pattern throughout his life: obsession followed by a cooling-off and sense of loss, all of which he later channeled into fiction and poetry written from the female point of view.

Hardy met his first wife, Emma Gifford, in Cornwall while working on the restoration of a local church. He was taken with her fearless free spirit. Her father deemed Hardy "a low-born churl," but Emma was untroubled by his modest origins—until she ran afoul of Hardy's mother and sisters, with whom he was unusually close.

They found Emma off-putting and came to believe that she had inherited her family's propensity toward mental illness.

Early in their disappointingly childless marriage, Emma worked hard to foster Hardy's literary career. She served as his amanuensis on "A Pair of Blue Eyes" (1873), which uncomfortably channeled their courtship, and two popular books, "Far From the Madding Crowd" (1874) and "The Return of the Native" (1878). But as his star rose, Emma felt unappreciated and pushed aside. The rift between them deepened after the publication of "Jude the Obscure," which critics dubbed "Jude the Obscene" and vilified as an attack on marriage. The harsh condemnations contributed to Hardy's renunciation of fiction in favor of poetry.

Hardy's relationship with his much younger second wife, a teacher and children's book author named Florence Dugdale, began in 1905. By then, his marriage with Emma had been moribund for years. In 1914, just over a year after Emma's sudden death, he and Florence finally married. But their relationship was marred in part by Hardy's bizarre, excessive veneration of the memory of his long-neglected first wife, which he poured into elegiac love poems that pained Florence and triggered jealousy.

Ms. Byrne devotes much attention to the mental states of both wives and points out that guilt and remorse were potent fuel for Hardy's creative juices. She also returns to what Florence called the lasting "tinge of bitterness and gloom" left on Hardy after having witnessed, in his teens, the public hanging of a woman named Martha Brown, who had killed her husband.

While Ms. Byrne doesn't mention the influence of Arthur Schopenhauer's pessimistic philosophy on the writer, she finds the basis for Tess Durbeyfield's story in the execution of Martha Brown, who provided Hardy's "inspiration to look inside the mind and the soul of the murderer [and] see the extenuating circumstances."

Uncomfortably "pulled between his wives and his family" and awkwardly straddling social classes for much of his life, Hardy was also literally torn asunder after his death in 1928, at age 87. To his siblings' horror, while his heart was buried next to Emma near his home in the Dorset village of Stinsford, his remaining ashes were interred in Westminster Abbey's Poets' Corner.

Ms. Byrne runs into trouble in the chapters concerning Hardy's prolific literary output. Her synopses of the novels are confusing even to someone familiar with them, and her analyses are frequently redundant, while excerpts and exegeses of poem after poem feel relentless, like a trip with too many stopovers. A timeline of Hardy's life including his novels and major characters would be helpful in a book that is so much about the links between fiction and inspiration.

"Hardy Women" makes a strong case that the writer, who was ahead of his time in taking on sexual hypocrisy, class prejudices and the heavy load borne by 19th-century working-class women, is still relevant today. But a word of warning: It takes a hardy Hardy reader to make it through this overly long biography from cover to cover.

*Ms. McAlpin regularly reviews fiction for the Journal.*

## The Raid To Get The Radar

### Operation Biting

By Max Hastings

*Harper, 384 pages, \$35*

IT WAS THE end of 1941, and any major British assault against the Axis powers was still "beyond the compass of our stride," Winston Churchill surmised. But smaller, clandestine operations were well within their capabilities. Among them: a commando raid to find out about German radar installations on the Normandy coast of France. In "Operation Biting: The 1942 Parachute Assault to Capture Hitler's Radar," the military historian and author Max Hastings introduces us to the people who planned and executed the mission. They're all fascinating characters.

Reg Jones, formerly known as the Air Ministry's assistant director of intelligence (science), was a precocious young astronomer who by the mid-1930s was "increasingly engaged in the study of radar—and of intelligence." Jones sifted through British-intercepted German message traffic and determined there was something worth investigating outside Bruneval, France, north of Le Havre.

Claude Wavell, a squadron leader, used spherical trigonometry to determine the height of objects photographed from above

"by multiplying shadow length by the tangent of the sun's altitude."

Tony Hill, an RAF photographic reconnaissance unit pilot, flew at treetop level over Bruneval twice—at 350 miles an hour—to get the photos the spooks needed. "You were right," he told Wavell. "It must be a parabolic whatnot, and the Jerries were round it like flies."

Most of the men of C Company Second Parachute Battalion were Scots, Mr. Hastings writes, including "a commercial artist, Glasgow shipyard and factory workers, together with a furniture upholsterer." As the author makes clear, volunteers for these special operations "were instinctively violent products of the roughest, harshest of upbringings." But they were also men "who wanted to fight, and Britain in those days badly needed such eager warriors."

As with most missions, all did not go according to plan. Some of the 120 parachutists were dropped miles from the target. But those who were on target immediately engaged the enemy. Despite overwhelming German forces, the commandos accomplished their mission, coming away with "a Luftwaffe technician as their prisoner, and most of the innards of the radar set."

After an intense firefight on the beach, they escaped by landing craft. Two Brits were killed and seven were wounded—but now the British knew how the Germans had been detecting their bombers, and could set about devising countermeasures. Mr. Hastings rightly calls the mission "a thrilling, indisputable success for British arms, of which the tale reverberated around the world."

### SHORTCUTS: MILITARY HISTORY

BY MARK YOST



TRAINING An RAF Whitley bomber dropping paratroopers during World War II.

## Retaking Italy, Stone By Stone

### Cassino '44

By James Holland

*Atlantic Monthly, 672 pages, \$35*

THE HARD-FOUGHT campaign to retake Italy from the Germans during World War II has long been overshadowed by Guadalcanal, Iwo Jima and Normandy. James Holland changed that with three books on the bloody battles that took place in the hills and valleys south of Rome. Now comes the author's fourth book on the subject, "Cassino '44," focused mostly on the fighting in the region surrounding the abbey at Monte Cassino from January to May 1944.

Mr. Holland makes clear that the biggest challenge—for both sides—was the landscape. The narrow roads that cut into the mountain valleys "favored the defender," allowing the Germans to "watch the Allies coming."

During the fighting around nearby Monte Porchia in January 1944, Mr. Holland writes, one U.S. soldier "was horrified by the number of dead GIs littering the slopes." The Allies got their licks in, too. As the Germans attempted a retreat in mid-January, "American artillery had every crossing point zeroed" with devastating accuracy.

Allied high command was focused on the coming invasion of France. And so their troops in Italy had to make do with a limited number of ships, planes and assault craft. The Germans outnumbered them 23 divisions to 18.

Then there was the weather. "Freezing, with bitter winds whipping across the exposed slopes and dark," Mr. Holland writes of an assault on neighboring Monte Maio. "These were not sensible conditions in which to fight."

Four months of hard-fought gains led the Allies to the taking of Monte Cassino. "From a number of miles away it appeared to be long, low and white," the author tells us of the abbey. "Now, as the Allies drew closer, it appeared like an all-seeing eye, looking down upon them, watching their every move."

Gen. Mark Clark, the U.S. Fifth Army's commander, made sure his troops understood what they were required to do. They must be "so violent and terrible as to provide a permanent lesson of the folly of provoking a war with the United States," he wrote in an Army-wide message, fighting "with such relentless and smashing force as to implant for all time in the minds and memories of the German Army and people an indelible respect for our military ability and power."

The Allies did that, but at great cost. They ultimately captured Rome on June 4, 1944, two days before D-Day, but failed to trap the German Tenth Army. The war in Europe would drag on for another year.

*Mr. Yost writes about military history for the Journal.*

## PLAY

## NEWS QUIZ DANIEL AKST

From this week's  
Wall Street Journal

1. Former Rep. Tulsi Gabbard was named to which post in the upcoming Trump administration?



5. Facebook's Mark Zuckerberg released a slow cover of the rap song "Get Low." Who joined him?

- A. T-Pain
- B. Lil Jon
- C. Jay-Z
- D. Zusha

○ A. Attorney General  
○ B. Secretary of State  
○ C. U.N. Ambassador  
○ D. Director of National Intelligence

2. Who is buying the right-wing conspiracy website Infowars, founded by Alex Jones?

○ A. Elon Musk  
○ B. The American Conservative  
○ C. The New York Times  
○ D. The Onion

3. Neom is proving a headache for Saudi Arabia. What is it?

○ A. A Houthi stealth drone  
○ B. A futuristic planned city  
○ C. A pan-Arab open immigration policy  
○ D. A local lighting standard linked to migraines

4. A drug gang has commandeered a massive, Chinese-operated mine in Columbia. What does it produce?

○ A. Gold  
○ B. Silver  
○ C. Lithium  
○ D. Diamonds



ALEX BRANDON/APASSOCIATED PRESS CHARLIE SHOEMAKER FOR WSJ

Answers are listed below the crossword solutions at right.

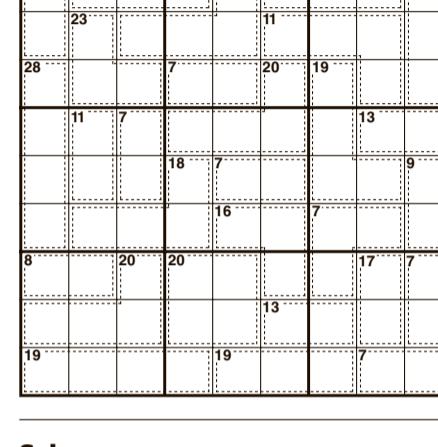
## NUMBER PUZZLES

## Cell Blocks



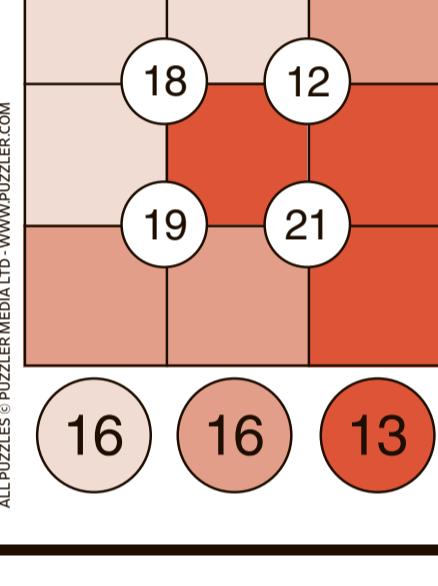
Divide the grid into square or rectangular blocks, each containing one digit only. Every block must contain the number of cells indicated by the digit inside it.

## Killer Sudoku Level 3



As with standard Sudoku, fill the grid so that every column, every row and every 3x3 box contains the digits 1 to 9. Each set of cells joined by dotted lines must add up to the target number in its top-left corner. Within each set of cells joined by dotted lines, a digit cannot be repeated.

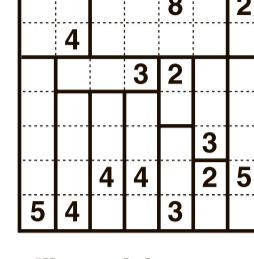
## Suko



Place the numbers 1 to 9 in the spaces so that the number in each circle is equal to the sum of the four surrounding spaces, and each color total is correct.

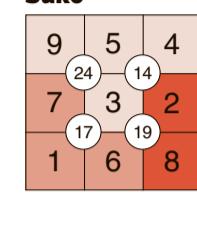
## SOLUTIONS TO LAST WEEK'S PUZZLES

## Cell Blocks

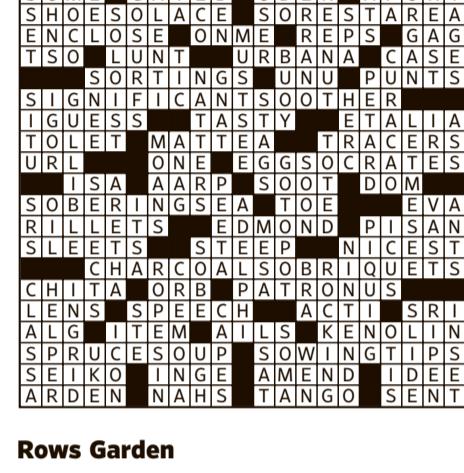


For previous weeks' puzzles, and to discuss strategies with other solvers, go to [WSJ.com/puzzles](#).

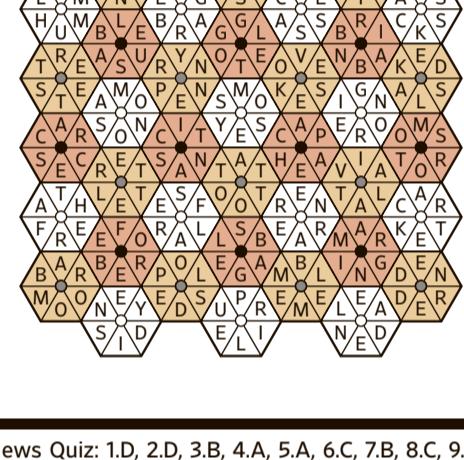
## Killer Sudoku Level 2



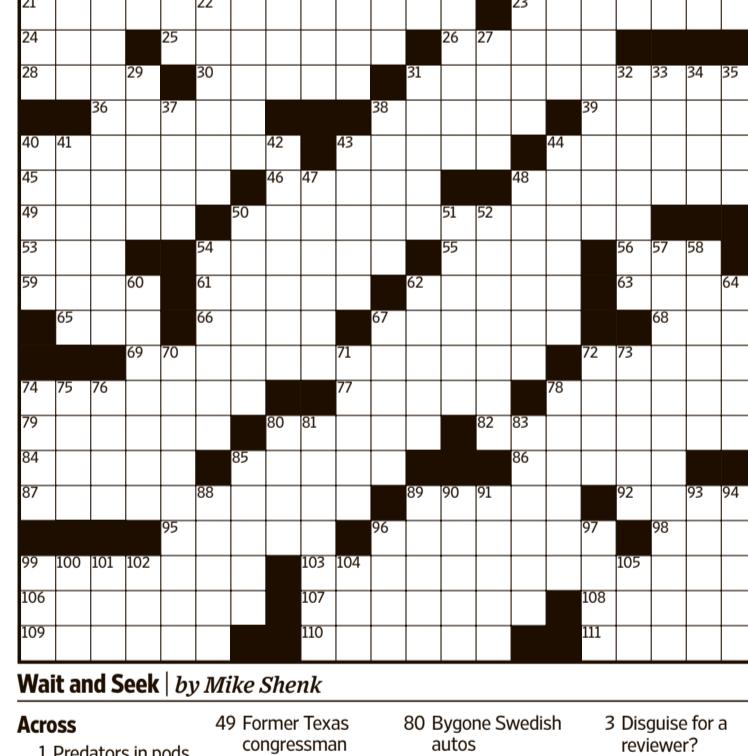
## So There!



## Rows Garden



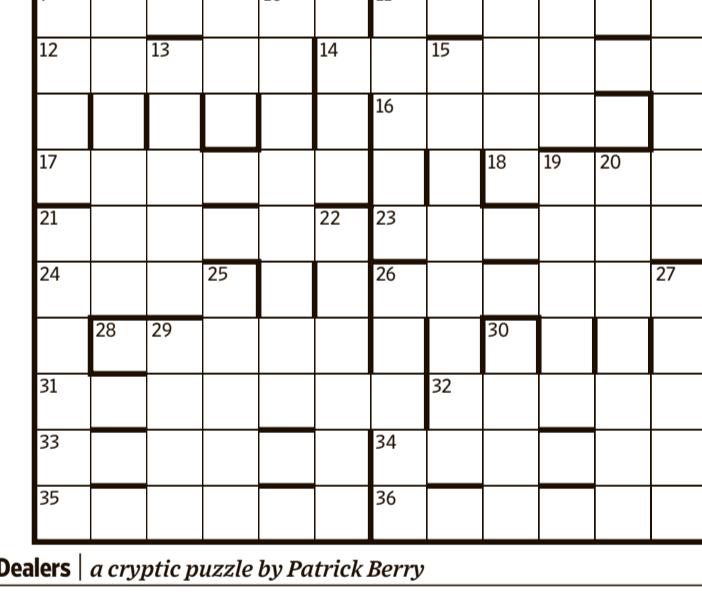
## THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



## Wait and Seek | by Mike Shenk

- Across**
- Predators in pods
  - Maker of Citation Longitude planes
  - Palacio de la Revolución setting
  - Swing site, sometimes
  - Sunday sales proscription
  - King of Maine, e.g.
  - Stretch when the paper contains only opinion pieces?
  - Redken rival
  - Small criticism
  - Officially ordered
  - Sign away
  - Fit of pique
  - Found out, in a way
  - Ostentatious oddball?
  - Sound from the trees
  - Present time, in a way
  - Asset for a Broadway performer
  - Smug sort
  - Singing poets
  - Allison of "Mom"
  - Most washed-out
  - Severe
  - Reflects on
- Down**
- Former Texas congressman Dick
  - Stroke of luck in Seville?
  - Snoop group, briefly
  - Worship of divine beings called "kami"
  - Carrier based at Ben Gurion International
  - Braggart's problem
  - Jet stream heading
  - Neighborhoods
  - Champagne container
  - Pepper
  - Downhill, in a way
  - "The Swedish Nightingale"
  - Their helmets feature a fleur-de-lis
  - Don't-talk-about-this contract: Abbr.
  - Peer in the Pyrenees, perhaps?
  - Calls from the flock
  - Regardless of
  - "So I was wrong, live with it!" (quaint oath)
  - Starts the bidding
  - "The Burghers of Calais" artist
  - Was in
  - Oppressed
  - Oppression
  - Fix leftovers, perhaps
  - Minute marchers
  - Orbitz listings
  - Was ingrained
  - Suffix akin to -ess or -trix
  - Stress, so they say
  - Custodian's collection

- 37 Crafty site  
38 Alfresco seating at a restaurant  
40 Sun spot?  
41 Black \_\_\_\_\_ (bygone police vans)  
42 Wise  
43 Some sacrifices  
44 There are 3,600 in a watt-hour  
47 Home of seven of the 32 NHL teams  
48 Nebraska river  
50 Sacred spot  
51 Its boiling point is close to absolute zero  
52 Didn't make the grade?  
54 Major reaction, maybe  
57 Commander in the baby-delivering forces?  
58 Track has-been  
60 Percussion section instruments  
62 Goes dim  
64 Gofer's workload  
67 Surprises on Oscar nomination morning  
70 Fossil fuel twosome  
71 "Wicked Game" singer Chris  
72 Cost for a hand  
73 "And \_\_\_\_\_ friend than e'er an enemy": "Coriolanus"  
74 Circ. measure  
75 Austen classic  
76 Boom, e.g.  
78 Toward the wake  
80 Gin flavoring  
81 iPhone-to-iPhone sharing protocol  
83 Email address, often  
85 Base balancers  
88 Reduce over time  
89 Win by \_\_\_\_\_  
90 Lazybones  
91 Affects greatly  
93 58-down, e.g.  
94 Symbols of oppression  
96 Broad sts.  
97 Sales dept. staff  
99 Accomplished  
100 Opposite of WSW  
101 Down setting  
102 King of Québec  
104 Ambient music's Brian  
105 "Breaking Bad" org.



## Wheeler-Dealers | a cryptic puzzle by Patrick Berry

Nine answers in this puzzle will be preyed upon by wheeler-dealers who steal two or more consecutive letters, offering only a single letter in exchange. In each case the resulting entry will be a new word. For example, the answer EXAMPLE might have AMP replaced with an I to become EXILE. When the grid is completely filled in, the single letters offered by the wheeler-dealers will reveal a likely place to wheel and deal. Enumerations have been withheld to disguise which answers were victimized.

## Across

- In hospital, I champion bold alternative
- Prohibition holds up chemical company
- Ape carrying an umbrella
- Love unexciting and empty these days (2 wds.)
- Current Chicago team burdened by unsatisfactory spirit at night?
- Symbol of oppression
- Fix leftovers, perhaps
- Minute marchers
- Orbitz listings
- Was ingrained
- Suffix akin to -ess or -trix
- Stress, so they say
- Custodian's collection

- 23 Couple from decrepit bar returned, hastily married  
24 Corruption beginning to hinder retirement plan  
26 Wanting food adverts playing  
28 Moving around ruckus, tot didn't get hit? (2 wds.)  
31 Connects diaper fastener, entertaining blockheads (2 wds.)  
32 1960s folk musician not quite done hosting astronomical event  
33 Half-turn by narrow street leads to New Orleans campus  
34 Ground fogs to become less harsh (2 wds.)  
35 Largely preserve Ms. Pavlova's grasslands  
36 Retrograde sci-fi and my bad parodies

- 22 Current Chicago team burdened by unsatisfactory spirit at night?

- 25 Monopolize an earthen hut  
26 Family members penning family-friendly tunes  
27 Indoor game's defense skills  
29 TV content provider who Mr. Reed auditioned  
30 After emergency call, operator's fine (Hyph.)

- 5 Wire put around unopened wood lot  
6 Police department disrupted by Carla shaking protester's sign  
7 Ignoring leader, takes flight crew members  
8 Knight's last steed newly examined  
10 Loved claiming a registered trademark's insecure  
13 Thoroughly search us before finale of "Halt and Catch Fire"  
15 Rich doctor owed toll (Hyph.)  
19 Author Sinclair raised 2,000 pounds  
20 Avoid blending pekoe on Fridays (2 wds.)  
21 Break into tears passing Eliot's burial chambers  
22 Population centers I included in references  
25 Smug sort

► Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at [WSJ.com/Puzzles](#).

## REVIEW

**M**artha Stewart didn't want to talk about "Martha," the new documentary about her life that was supposed to be the focus of this interview. "We're having a controversy," said the lifestyle entrepreneur, 83, who participated in the Netflix film. "Way, way too much did not make it in." Netflix declined to comment.

But she was happy to discuss the autobiography that she recently announced—"this big, fat book," she said, with no set publication date. Her publishers "think they're going to get it in two years," she said. "So keep your fingers crossed."

For now, fans have the documentary, which chronicles Stewart's many chapters: growing up in New Jersey; working as a model as a teenager and a stockbroker after college; the catering business that led to her first cookbook and eventual media empire; her conviction and imprisonment for conspiracy and obstruction of justice; and her performance in Comedy Central's "Roast of Justin Bieber" that kicked off her comeback.

Speaking from her car, Stewart, who moves between her homes in Westchester County, N.Y., Maine and New York City, talked about flying private, the proliferation of "trad wives" and her vodka of choice for Martha-tinis.

**What time do you get up on Mondays, and what's the first thing you do after waking up?**  
I have a very strict calendar, and I get up very early. I usually have Pilates at 6:30 at a studio about 12 minutes from my house. I get up at 5:30 to get showered and perform my ablutions. I take my trainer a double cappuccino in an insulated cup.

**Do you drink coffee yourself?**  
I make three cappuccinos: for me, my driver and my trainer. I have a huge La San Marco machine in my kitchen, and I have good milk and delicious coffee.

**What happens when you get back from Pilates?**

I take a quick drive around the farm. If I have a job that day, I have to go to the hairdresser. Then I come home and have phone calls and [eat] a scrambled or a soft-boiled egg. I raise my own chickens, so I have my own eggs.

**I've heard you need only three or four hours of sleep a night. Is that true?**

Yeah, but I sometimes nap now a little bit. I finally have a very comfortable car where I can actually recline my seat and sleep a little. We listen to the BBC, and I hear everything that's going on in my sleep.



MY MONDAY MORNING | BY LANE FLORSHEIM

## Martha Stewart Still Doesn't Feel Understood

America's most famous homemaker talks about her Netflix documentary, lessons from Snoop Dogg and what she thinks of the 'trad wife' trend.

**What's your beauty and skin care routine like?**

I take care of my face before I go to Pilates, washing it and toning it and putting on about six different things, including my very favorite kind of sub-foundation. I use Alastin—it's like a tinted moisturizer-sunscreen, and I mix that with a Clé de Peau cream. It looks like you have makeup on, and you really don't have makeup on.

**You've worked since your modeling days as a teenager. Is retirement something you can see for yourself?**

It's not at all appealing in any way.

**You're releasing your 100th book, "Martha: The Cookbook." Why is a "Martha-tini" different from a regular martini?**

Because that vodka is so good. It's Żubrówka Vodka, a Polish vodka. The vermouth is Dolin. I like it with a very large lemon twist. I drink it with ice so one martini lasts the entire dinner.

**I read an interview with you from the '90s where you said, "I wish people understood me better." Do you feel understood now?**

No, not really. But I think the documentary will make people think they understand me better. The

other night, Alec Baldwin was at the showing in East Hampton. I know Alec, I was on a game show he hosted, but we're not friends. He came up to me after the movie and said he wishes he had known me more. That's a very nice comment to hear from somebody. He missed out.

**One of the big themes in the documentary is the role of perfection and control in your life. What have you done to quiet your inner critic?**

Nothing. I'm worse than ever.

I was at [my publicist and friend] Susan Magrino's house,

and she's been doing a whole lot of construction. I noticed that the crystal in her dining room was a little dusty, and I said to the housekeeper, "I think maybe you should wash all that crystal and make it sparkle again." She looked at me, she said, "Oh, that's clean." And Susan said, "Oh, it's clean." And I said, "Just wash it." They texted me a picture of all of the crystals sparkling clean on the dining room table. It looks so nice.

**Snoop Dogg says in the documentary that you're one of the greatest teachers of all time. What's something you've learned from him?**

I've learned how to negotiate even better than ever. We do a lot of work together, and I wait for him to negotiate the contract, then I go and follow him.

**There's an iconic picture of you flying saplings home by buckling them into your private jet. What other treasures have you transported on Air Martha?**

Well, I only have a leased jet. Whenever I go anywhere, and if I have a private plane, I try to fill it—don't waste the seats. I offer them to people, and I also do shopping. [That time] I bought all kinds of trees indigenous to Oklahoma for my garden. We put them in the aisles and between seats and everything and for some reason, we posted a picture of all the trees and somehow the FAA saw the picture and said we wouldn't be able to take off until we strapped all the trees in [seatbelts].

**You've been referred to as the original influencer a lot. Are there any influencers you think are doing a good job in the home, cooking and lifestyle space?**

I like Floret [Erin Benzakein]. I think she does a beautiful job in terms of plants. She's a real scientist, and she's growing the most beautiful dahlias and zinnias. There's someone else I started to watch because there was such a big thing about this "trad wife." I hate it so much.

**How much time do you spend on social media a day?**

Probably 15 or 20 minutes. My friends and I are taking pictures all day long, and we share our pictures. Airdrop is the best thing on Earth. Then I run through the photos and do a quick, nice multi-picture post in a very short time.

**What's one piece of advice you've gotten that's guided you?**

"Mother, make sure when you go out of the house that you look good and you're not wearing your dirty apron."

*This interview has been edited and condensed for clarity.*

VIVIAN KILLEA/GETTY IMAGES

**MASTERPIECE | 'THE PRIVATE MEMOIRS AND CONFESSIONS OF A JUSTIFIED SINNER' (1824), BY JAMES HOGG**

## A Novel of Dueling Narratives

By CHRISTOPHER SCALIA

**READERS WILL BE SURPRISED** if they see the title of James Hogg's "The Private Memoirs and Confessions of a Justified Sinner" and expect a straightforward account of religious belief: It's far from that. The Scottish writer's fourth novel, published 200 years ago, depicts a fatal sibling rivalry and one young man's descent into evil and madness.

This multilayered gothic work takes bold thematic and formal risks. While British gothic novels had tended to feature Catholic settings and critique Papist superstition, Hogg sets his action in early 18th-century Scotland and incorporates (and satirizes) distinctly Protestant beliefs. The novel also integrates a variety of narrative forms, as well as competing accounts of events, to raise difficult questions regarding how we can arrive at the truth about the present, let alone the distant past. Indeed, the work dwells on uncertainty, presenting frequent instances of characters misled by their religious convictions, their senses, their reason, and even the written word.

In part because of its complex form and narrative contradictions, Hogg's novel sold poorly when it was first published and was largely neglected for more than a century. Only in the mid-20th century did readers and scholars, conditioned by decades

of literary modernism, recognize it as a fascinating depiction of religious fanaticism, psychological horror, and the limits of human knowledge.

The novel tells of the troubled life of Robert Wringhim and the murder of his estranged brother, George Colwan. We see this fraternal feud through two narratives. In the first, a fictional, unnamed editor presents an account based on the historical record, court documents, and local lore. In the second, we encounter Robert's memoir, which begins as a strident statement of self-righteous religiosity and ends as a guilt-ridden account of psychological terror.

From the editor, we learn that Robert is the second son of a "droll, careless" lord and a stern, young Presbyterian woman. The couple separated early in their marriage, with the older son, George, living with his father and Robert being raised by his mother and a strict Calvinist minister (who, rumor has it, is also his biological father). When the brothers finally encounter each other in Edinburgh as young men, it's not exactly a joyful family reunion. Robert, as rigidly righteous as his

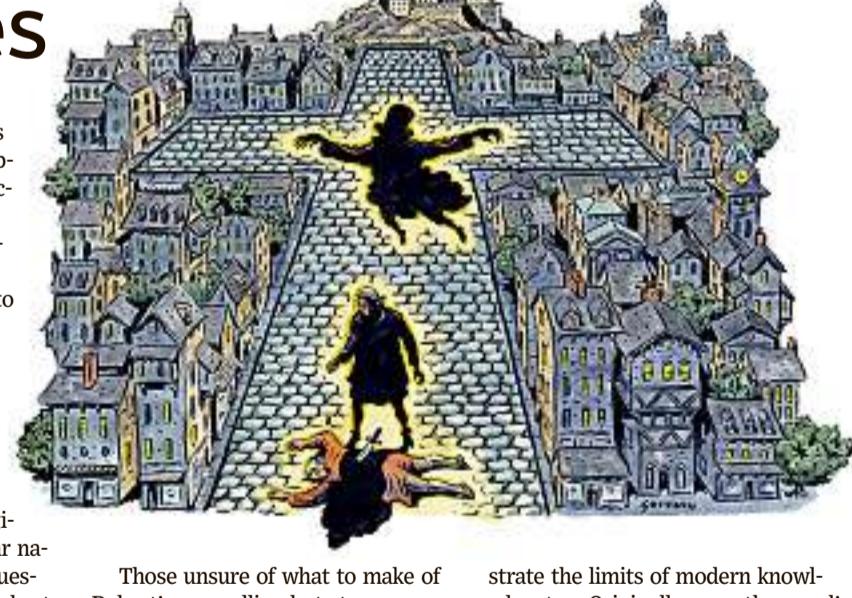
mother, pesters George at every opportunity. No fan of Robert's omnipresence, George bloodies him on multiple occasions.

Tragedy strikes when, after one such violent run-in, George is murdered. One of his friends is the prime

suspect, but a reluctant witness eventually admits to seeing Robert at the scene of the crime, accompanied by a shape-shifting, "hellish villain" named Gil-Martin. The editor's narrative ends inconclusively: Authorities try to apprehend Robert at his home but find no trace of him or Gil-Martin. Readers are left to wonder about Robert's role in his brother's murder and the identity of his companion.

Robert's memoir, which the editor describes as "an original document of a most singular nature," answers some of those questions but raises many others. Robert recounts meeting the mysterious Gil-Martin, who convinces him to believe a version of what is known as the antinomian heresy: Any work done by a member of the elect is justified, even the murder of a sinning sibling.

Through this distortion of the doctrine of justification through faith alone, Gil-Martin manipulates Robert into violent fanaticism. Whenever Robert expresses doubt, Gil-Martin reprimands him. Accused of horrible crimes he does not recall committing, Robert finally concludes that his so-called friend is a demon he must escape, and resolves to commit suicide. Readers will dislike Robert for much of the novel, but he becomes a pathetic character as his terror and desperation increase.



Those unsure of what to make of Robert's compelling but strange memoir have good company; even the fictional editor admits, "I do not understand it.... I do not comprehend the writer's drift." That indeterminacy applies more broadly. Natural and supernatural forces confound characters' senses. Eyewitnesses disagree and readers, like viewers of a true-crime series, are invited to draw their own conclusions about whom to trust and what evidence to believe. Identities blur and, as with many gothic novels, duality abounds.

Lest Hogg's Romantic-era readers felt superior to the benighted 18th-century characters, contradictory accounts of the discovery of Robert's manuscript, not to mention clumsy exhumations of his corpse, demon-

strate the limits of modern knowledge, too. Originally, even the novel's authorship was uncertain. Hogg's name was omitted from the title page, yet the fictional editor includes an actual journal article that Hogg published the previous year, and an unreliable character named James Hogg makes a cameo appearance. Hogg clearly delighted in adding passages to his mesmerizing maze.

"The Private Memoirs and Confessions of a Justified Sinner" may have been too strange for Hogg's contemporaries, but the terror it evokes, the mysterious events it recounts, and the questions about knowledge and faith that it raises have fascinated and entertained modern readers.

*Mr. Scalia is a senior fellow at the American Enterprise Institute.*

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THE HOLIDAY GIFT GUIDE

# Handmade Makes a Definite Difference

As life gets increasingly digital, slick and formulaic, one-of-a-kind gifts crafted by humans are the kindest gifts of all. We found 43—sometimes wonky, even flawed, but more gorgeous for it.



**Pitcher Imperfect**  
This African pouer takes two weeks to create  
**D9**



**Safer Travels**  
A hand-stitched cross-body bag to keep passports secure  
**D9**



**A Piece of Art for Cooks**  
Forged by coppersmiths in Missouri  
**D13**



**Welcome to The Jangle**  
This bracelet's maker grew up with a jeweler mother  
**D10**



CASON LATIMER FOR WSJ/WIB AGENCY; PROP STYLING BY CATHERINE CAMPBELL PEARSON (THROUGHOUT)

## Inside



**CAP OF LUXURY**  
The chambray fabric is hand-loomed.  
The monogram, hand-crocheted. **D4**



**SIMMER SCHOOL**  
Give a would-be chef hands-on training at this winning cooking academy **D9**



**BEST IN SNOW**  
Bamboo woven into an ornament you can wrap up in a chill way **D13**



**IT TAKES 18 TO DANGLE**  
A crafty, gently wafting alternative to pearl-stud earrings **D11**

## OFF DUTY | HOLIDAY GIFT GUIDE

1



2



3



their exemplary iterations of the thin, delicate spice cookies that are a Christmas classic in North Carolina's Moravian communities. Rolled, cut and packed by hand, these traditional sweets come in holiday-favorite flavors like sugar and ginger, and in less-common (but no less delicious) versions like butterscotch and black walnut. Mrs. Hanes' Moravian Cookies Black Walnut Crisps, \$31 for a 14-ounce tin

4



## 1 Up in Smoke

Got a meditative giftee? These intimate incense-crafting workshops—held in both Los Angeles and Brooklyn—transport participants on an aromatic journey through time and tradition. Over an afternoon, Hyungi Park, a Korean-American multimedia artist, schools students in the art of stick and cone incense-making using natural ingredients like sage and frankincense—and gives tips for foraging your own materials at home. A keepsake zine and a spread of traditional Korean treats sweeten the experience. Hyungi Park Incense Workshop, \$100

## 2 Traveler's Clogs

Kyrgyzstan might be on the other side of the world, but these unusually cozy wool slides will let someone off the Central Asian country without moving an inch. Handmade in its capital, Bishkek, they honor a centuries-old tradition of sheep herding and wool craftsmanship. And should your giftees get the urge to make an actual trip, these finds—breathable, easy to pop on and off, and equipped with a durable rubber sole—will get them through the TSA line with no awkward untangling. Kyrgies Outdoor Wool Slides, \$79

## 3 Best of the Crunch

For nine generations, the Hanes family of Clemmons, N.C., has made and sold

4

## Show Some Bottle

Long after your giftee gets through a bottle of Casa Obsidiana tequila, the ceramic vessel itself, handcrafted in Oaxaca, Mexico, will undoubtedly remain on display or serve elegantly as a pitcher or vase. Fortunately, this trio of tequilas more than lives up to its packaging. The Blanco is floral, peppery and surprisingly

5



ERRATA CARMINA (ILLUSTRATION)

## 5 Wright On Cue

Turn uninitiated youngsters on to Frank Lloyd Wright's aesthetic, or help adult fans live vicariously in one of his *sui generis* buildings, with this origami kit—an appropriate nod to the famed Midwestern architect's Japanese influence. The bundle's 78 sheets of paper feature seven Wright-inspired patterns, including two repeats based upon his (sadly demolished) Imperial Hotel in Tokyo. Included instructions show a giftee how to make three lidded boxes: a square, pyramid and hexagon. Galison Frank Lloyd Wright Origami Kit, \$18

## OFF DUTY | HOLIDAY GIFT GUIDE

**6**  
**A Plainly Superior Jane**

No shoe style is more on-trend than the Mary Jane (especially in burgundy, a shade that fashion currently views with fondness). Handmade in a family-owned factory in Spain, this pair is a savior for weary feet that tread inhospitable office floors. Sewn from buttery Italian nappa leather, it comes in three widths—narrow, medium and wide—for custom-like comfort. Also soothing: cushiony foam padding. Margaux The Demi Jane, \$275

**7**  
**Glad Rags**

A really good dish towel can do more than dry crockery. The colorful ones made by the Weaving Room at Crossnore School & Children's Home in Western North Carolina keep the art of handweaving alive. (And if napkins are what you're after, they make those too.) They're sold by the Southern Highland Craft Guild, which suffered losses and damage in Hurricane Helene. A purchase helps ensure the guild can continue the work it's done since 1930 to preserve and promote Appalachian crafts. Southern Highland Craft Guild Handwoven Multi-Color Cotton Dish Towels, \$19

A "where'd you find that?" evening bag for less than a Benjamin? It exists! This delicious drawstring pouch by designer Sarah Zellweger takes inspiration from an unlikely duo: 1920s purses dangling from wrists and...dumplings. Produced in small batches in Jaipur, India, from recycled cotton that's hand-block-printed in a gold-dappled floral pattern, it will help your giftee enrich her ensembles. SZ Blockprints Dumpling Bag in Bigg Phool Print, \$98

**8**  
**A Literally Tasteful Hair Clip**

Los Angeles artist Winona Irene began designing bite-size, food-themed hair accessories during the Covid-19



lockdown and has continued the tradition by releasing a small "appetizer" collection every November. This olive-and-sardine-adorned slide clip is hand-cut from individual pieces of cellulose acetate—a tasty stocking stuffer for pint-size princesses and playful grandmas alike. Winona Irene Hors D'oeuvre Clip, \$12

**9**  
**Precious Pump**

Decant even generic liquid soap into this mouth-blown glass vessel and you've created a little sink-side luxury for your giftee. The vintage-inspired dispenser by glass

artisan Andy Peters in Jacksonville, Fla., can make even the most sterile bathroom feel 25% more "Spanish boutique hotel." With its sapphire-blue hue and vulnerably wobbly imperfections, the 6.75-inch-tall piece can easily be mistaken for a family heirloom. Handmade Soap Dispenser, \$99 at Cummer Museum Shop



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## OFF DUTY | HOLIDAY GIFT GUIDE



11

**Collection Plate**

For the cost of a supper out, this showy ceramic can make repeat appearances on your giftee's table as a handsome serving dish. Green grapes? Fresh breakfast biscuits? It flatters anything. Portuguese artisans craft the 10-inch plates, adding milky wisps—inspired by traditional Hungarian pottery—that evoke a dainty lace border. It also makes a fine addition to a decorative plate wall. Carolina Irving & Daughters Cobalt Lace Dinner Plate, \$100

studio Dumæ hand-form the holders, so no two turn out alike, and giftees can introduce more idiosyncrasy when arranging the pieces. Ideal for the Hanukkah observer who's always wanted to move mountains. Dumæ Talia Menorah, from \$326



12

**Sphere Delight**

German accessories designer Ina Seifert has a ball with beads—she sculpts and strings chunky, bright, wooden baubles to create keyholders like this one. Ideal for forgetful giftees who are always losing their house keys, the unisex designs, handmade in Seifert's Berlin studio, are hard to miss. And, if they're deemed too bubbly to hide in pockets, their clip closure means they'll bring the party to any bag strap or belt loop. Ina.Seifert Beaded Keyholder, about \$37

**League of Their Own**

Does a man in your life live in baseball caps? Do said caps leave much to be desired? If hats were people, these indigo numbers, from British brand Story Mfg., would be charismatic jocks. (They make those plain "Succession" caps look sad and bitter.) Made to order, the hats are sewn from hand-loomed chambray cotton and furnished with a hand-crocheted letter. Pick your giftee's first initial to make it clear you're his biggest fan. Story Mfg. Chambray Custom Baseball Cap, about \$120



13

**A Few Good Menorah**

Most menorah designs obey strict symmetry. This three-part version, fashioned to evoke the topography of Southern California, reinvents the tradition as abstract modern sculpture. Ceramists of Los Angeles

Over the last quarter-century, the British brand Toast has championed the work of artisans around the world. Take this russet-hued casserole pot: Handcrafted of clay sourced from Colombia's Magdalena River, each one is unique, bearing the imprints of its maker's fingers and palms. Over time and repeated exposure to the oven's heat, its unglazed surface will darken to a deeper, ever more beautiful shade of terracotta—truly a gift that keeps on giving. Toast La Chamba Clay Casserole Dish, \$160

14



ERRATA CARMONA (ILLUSTRATION)

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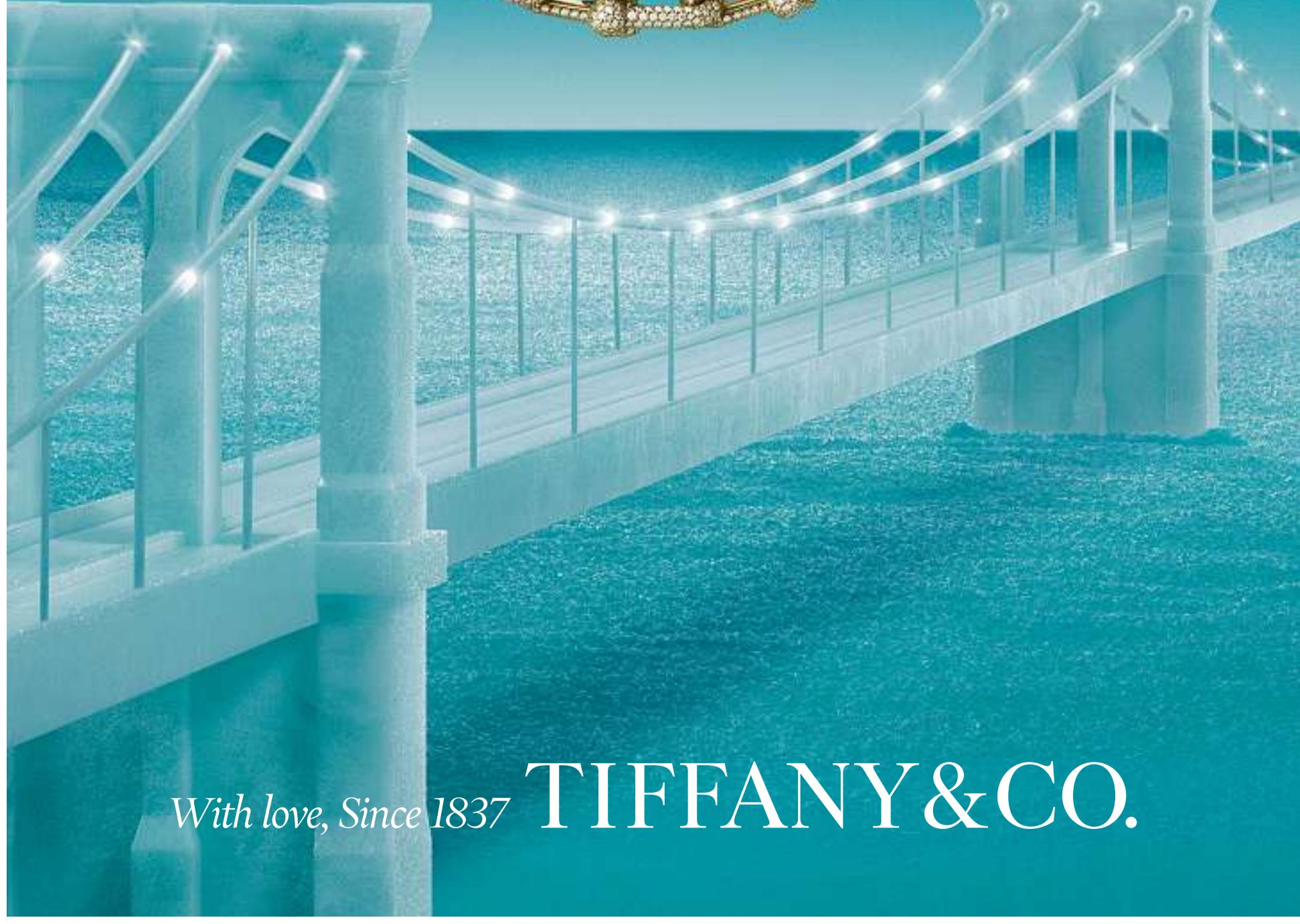
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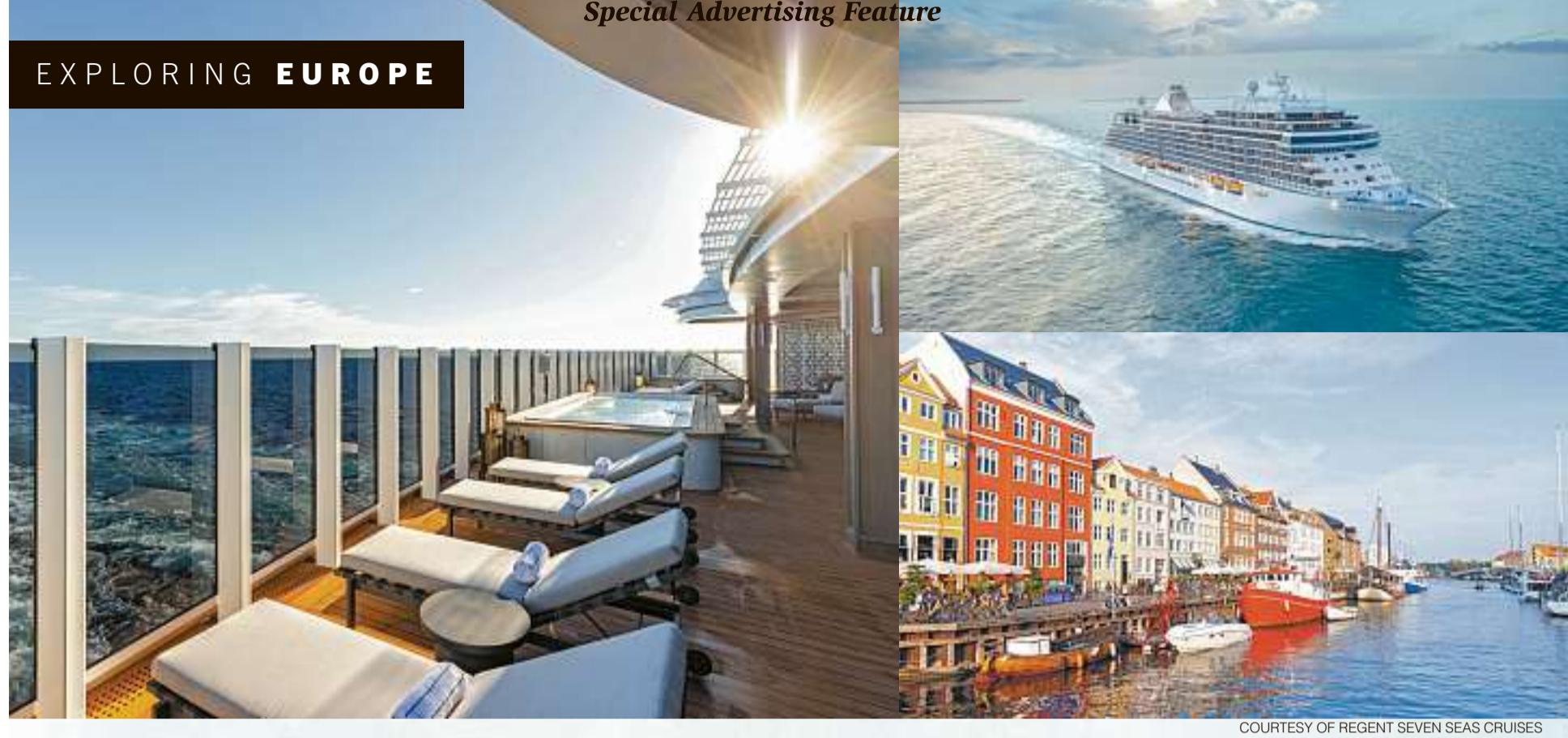


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**Special Advertising Feature****EXPLORING EUROPE**

COURTESY OF REGENT SEVEN SEAS CRUISES

*Warm up in a hot tub, jump into the pool or just stretch out and watch the waves go by from the pool deck of a Regent cruise to Northern Europe this summer (left). Ships like Seven Seas Grandeur coast through the cool waters of Scandinavia and the Arctic (top right). A boat tour of Copenhagen's canals will take you past stately homes and lively restaurants (bottom right).*

# A TASTE OF HISTORY

*Stay cool and sample Scandinavia, the Netherlands, Ireland and more*

by Julie Bennett

**E**scape summer heat waves with a cruise to the cool countries and cold waters of Northern Europe. Regent Seven Seas Cruises\* has various voyages scheduled through September 2027 that will introduce you to castles, cliffs and Scottish whiskey or Vikings, glaciers and aquavit. Some cruises even venture above the Arctic Circle.

"The best time to see Northern Europe weather-wise is typically between late spring and early fall, May through September, when milder weather and longer daylight hours make it easier to explore and fully enjoy the spectacular landscapes, lively cities and local festivals," says Christine Manjencic, Regent's vice president of destination services operations.

#### NAVIGATING THE CULTURE

For city lovers, a 10-day cruise called Enchantment in Northern Europe on Seven Seas Navigator begins in Copenhagen on June 27, 2025, and makes two- or three-day stops in Berlin, Helsinki and Stockholm. "Our itineraries are curated to include overnight stays, allowing guests to fully immerse themselves in the local culture, enjoy evening activities and take advantage of exceptional shore excursions that larger ships might miss," Manjencic explains.

One shore excursion in Copenhagen begins with a private canal boat tour past city landmarks that include the famed bronze and granite Little Mermaid statue and ends in Tivoli Gardens, a charming amusement park that opened in 1843. Guests may opt to attend outdoor concerts, wander through exquisite gardens or ride the old-fashioned musical carousel or a wild new ride called the Fatamorgana. In Helsinki, history buffs will enjoy the 250-year-old Suomenlinna fortress, built across several small islands in the city's harbor.

Even in the summer, fur ponchos are provided to guests entering an ice bar in Stockholm where everything, from the benches you sit on to the glasses you drink from, is made of pure, clear Swedish ice. Guests can visit this shivery location and other shops in the city's Old Town during an excursion or wander there on their own. Seven Seas Navigator, like all Regent ships, has a concierge service where local experts can provide maps, information and sightseeing suggestions, plus make dinner reservations and help arrange a ride back to the ship.

Smaller Northern European towns and villages inaccessible to larger vessels are highlights of an 18-night cruise from Amsterdam to Copenhagen on Seven Seas Navigator beginning June 9, 2025. In the port of Haugesund, for instance, you can learn about Norway's Viking King Harald Fairhair and tour a replica of a ninth-century Viking farm. Outside Oslo, you can ride along a scenic fjord to Hadeland and watch craftsmen blow glass into goblets and vases in a glass-making factory that's operated there since 1762.

#### LEGEND HAS IT

For those who prefer more whimsical history, the Irish Legend cruise aboard Seven Seas Grandeur leaving London on August 14, 2025, makes several stops in Irish ports, from Cork to Belfast in Northern Ireland. When docked at Killybegs, guests can take a ride through rugged County Donegal and visit a replica of a rural Irish village, complete with thatched roofs and traditional pub music. Near Belfast, they can hear the story of Glenarm Castle, an estate that's been owned by the same family for 400 years. And



*Landmarks in Stockholm, Sweden, like this stunning ceiling in Gustaf Vasa Kyrka, a beautiful church (above), and the colorful buildings around town (below) await.*

when docked in Galway, braver guests can walk along the extremely windy Cliffs of Moher.

Regent Seven Seas' coolest cruise this summer is called Glories of Norway, a 20-night journey leaving Oslo August 30, 2025, that spends several days above the Arctic Circle. En route, you can take a bike ride around Skagen in Denmark, and take photos of the same beaches and landscapes that have attracted Danish painters for centuries. And in Olden, Norway, an open-air vehicle called a troll car will take you to the massive Briksdal Glacier.

The top half of Norway is above the Arctic Circle and you will need winter gear to sit on your suite's balcony there. The country's most northern point, North Cape, features reindeer herds, rocky tundra and crashing waterfalls. You're unlikely to see the Northern Lights this time of year, but you can enjoy an immersive film in the Northern Lights Planetarium in Tromsø.

#### FOOD FOR THOUGHT

Immersion in Northern European culture, food and spirits begins onboard. Bernhard Klotz, vice president of food and beverage for Regent Seven Seas Cruises, says, "Our ships' executive chefs will visit local markets in Norway, Finland and Sweden to handpick a variety of ingredients, including fresh local fish, reke [Norwegian cold-water shrimp], reindeer sausage and seasonal produce such as mushrooms, berries, fruits and vegetables. The quality of the ingredients is outstanding, offering extraordinary flavors and remarkable freshness."

Iconic Swedish foods served in Regent restaurants include Toast Skagen (shrimp salad on buttery toast), Köttbullar (meatballs served with a cream sauce, lingonberry jams and mashed potatoes) and a cinnamon bun called a Kanelbullar. Gravlax (salmon cured with sugar, salt and dill) and herring are popular in all Scandinavian countries, as is aquavit, "a classic spirit infused with herbs and spices," Klotz explains.

Some Regent Seven Seas Northern European cruises stop in Scotland, but even if they don't, all cruises offer tastings of single-malt scotch whiskies, plus a selection of smoother-blended whiskies, he reports.

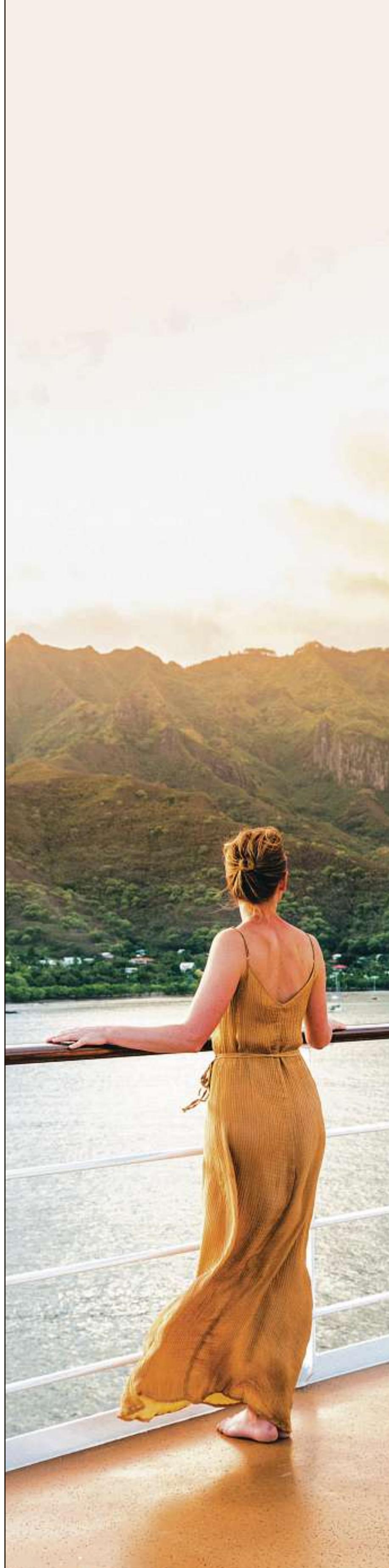
"Many sailings offer onboard lectures, from naturalists to historians, depending on the destination," Manjencic says. "And we offer cultural excursions in many ports that delve deep into the region's history, culture and food."

Travelers who would like an even deeper immersion can now spend the entire summer exploring Northern Europe on a new Grand Voyage, Manjencic announces. "The Grand Cultural Quest onboard Seven Seas Mariner departs from New York on July 10, 2025, stopping in several Northern European ports, including Kirkwall, Scotland; Belfast, Northern Ireland; Copenhagen, Denmark; and more. The 116-night journey is designed for guests seeking a more enriching travel experience. It offers the opportunity to engage in a variety of unparalleled excursions while providing more time at each port to relax and fully soak in its beauty and history."

*Julie Bennett is a freelance writer specializing in luxury travel, real estate and lifestyle issues.*



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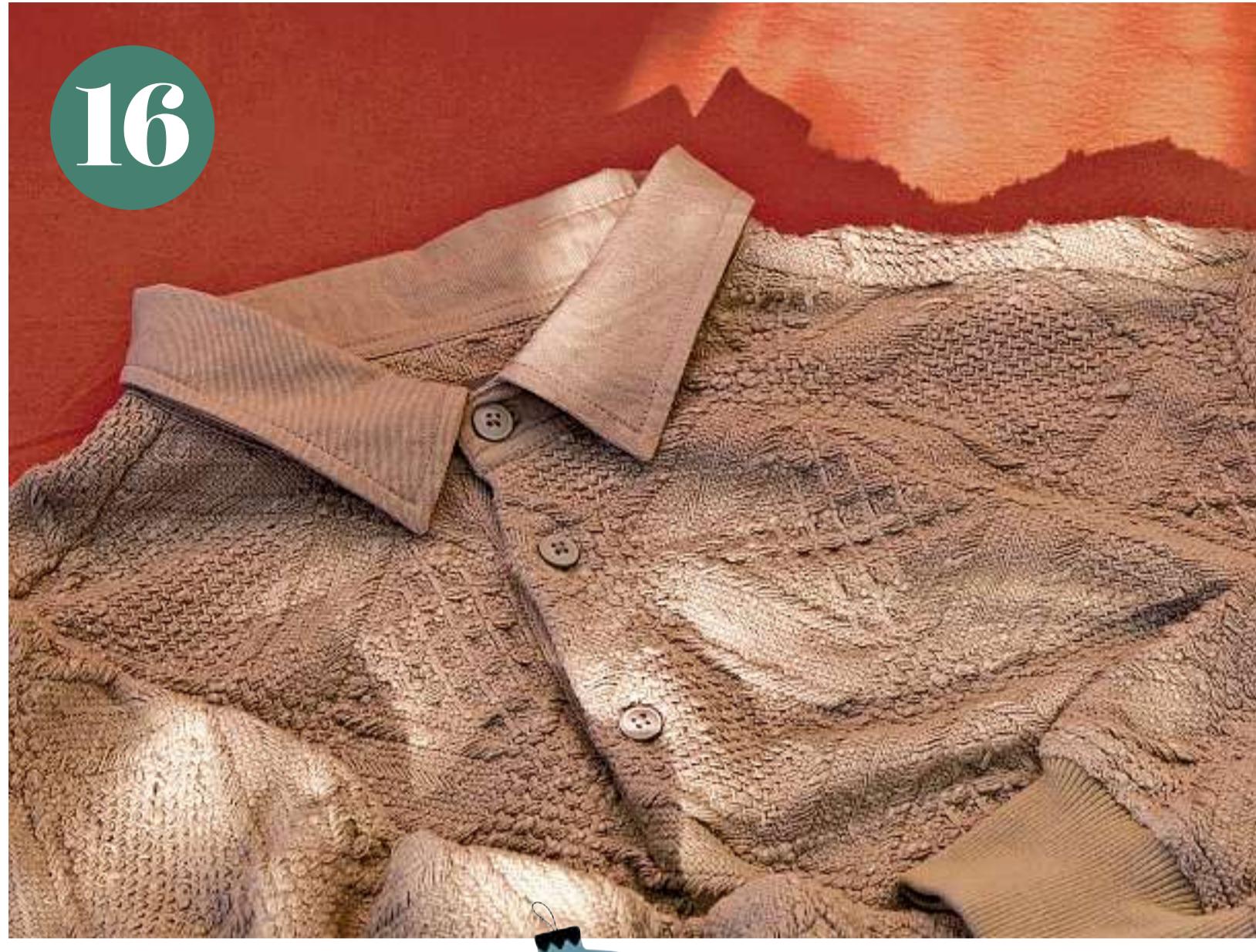


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## OFF DUTY | HOLIDAY GIFT GUIDE

**16****16**  
**A Polo That Aims Higher**

Sweater polos, worn by so many men these days, tend to skew boring, basic and middle management. No one could accuse this 18 East design of such crimes, however. The cool-guy New York brand, known for injecting menswear staples with a folksy appeal, produced this

shirt in India from a hand-loomed cotton that's similar to what you might find in blankets. The textured diamond pattern and "faded almond" hue elevate the situation. Consider it a less-sweltering alternative to an Aran sweater. 18 East Homer Sweater LS Polo, \$268

**18**  
**Light Show**

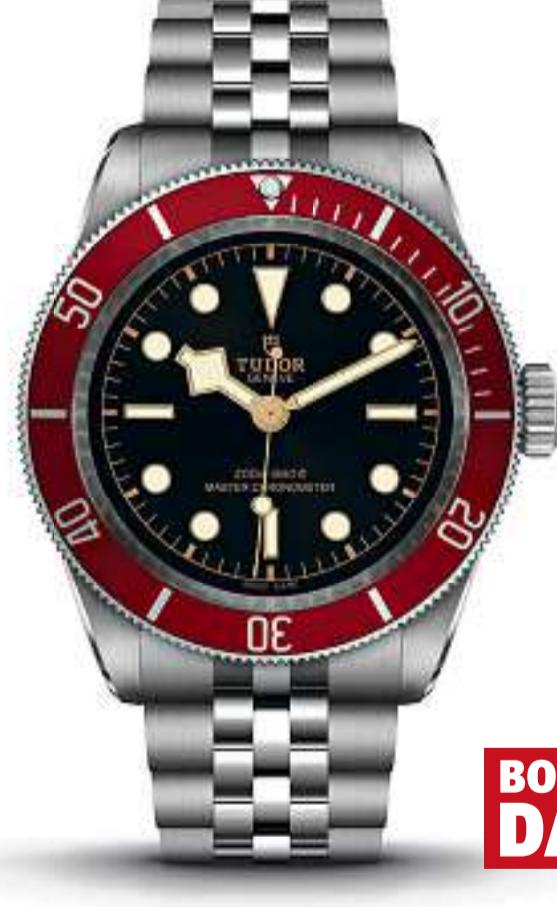
If you say you've seen a candle like this before...well, you get out more than we do. This 17-inch-tall obelisk, crafted in Los Angeles, offers a thoughtful giftee a next-level viewing experience. Watch as hand-braided wicks pull dual flames through the coils, dripping "teardrops" of sage beeswax. Inspired by the form of Ancient Roman tear bottles, which mourners of the dead filled with tears, it burns for six meditative hours. Just tuck a flat catch-all underneath.

Prounis Jewelry With Lucky Star Lacrima Candle, \$160

**19**  
**Grapes of Bath**

Many beauty products have ingredient lists longer than the TSA line, but nasties like parabens and phthalates have no place in this pure, Lebanese-made soap. Its only complicated aspect? The hyper-realistic design mimicking grapes on a vine. Each "grape" is handmade so—as with Mother Nature's edible designs—it differs slightly in shape. With olive oil as a key ingredient, the vegan soap gently cleanses and nourishes skin. Botanopia Hand-crafted Grapes Soap, \$37

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## OFF DUTY | HOLIDAY GIFT GUIDE


**20  
Sew Pretty**

Does your giftee have maker's hands or just fidgety ones? This needlepoint kit offers an outlet for both. Developed by London embroidery studio the Fabled Thread with heritage textile maker Schumacher, it packs in everything to craft a 16-inch-square cushion cover—from embroidery wool and needles to pillow fabric—in a design that channels the art of Henri Matisse. The result would do granny proud—but in a modern vernacular. Schumacher x Fabled Thread Maximus and Moka Needlepoint Kit, \$245

**22  
Local Flavor**

Has an aspiring chef in your life been dropping hints about Le Cordon Bleu? Instead of funding a sabbatical in Paris, ease your giftee in with a few sessions at the Cooking School, part of the luxe new Pendry Natirar resort, one hour outside Manhattan in Somerset County, N.J. Lineups change monthly, but popular courses include "French Bistro" and "Brioche Brunch." The price? Roughly the cost of checked luggage on an international flight. Class at the Cooking School at Pendry Natirar, *from about \$135*

**21  
A Richer Pourer**

From harvesting clay on Tunisia's coast to firing the vessel at blistering temperatures to set its glossy finish, it takes a potter up to two weeks to finish a Kuduo pitcher. It won't take your giftee a minute, though, to fill it with Merlot, grapefruit juice or bouquet-sustaining water. Named for a ceremonial vessel of West Africa's Akan people, the big-bottomed 64-ouncer needn't come out just for special occasions: Its glass-enamel finish withstands daily use. Gharyan Kuduo Stoneware Pitcher, \$62 at RD Home

**23  
Safe Keeper**

Braving an airport's—or a destination city's—throngs feels less fraught if your passport and other essentials are secure. One way to gift serenity to your favorite nervous traveler? This petite, bean-shaped fanny pack. (Or, excuse us, "crossbody bag," as brands have chickily rebranded such totes, once considered a fashion fail.) This handmade one comes from Lindquist, a Rhode Island-based leather workshop, whose motto is "to love an object is to understand its making." Bonus: The naturally dyed leather will only get suppler with age. Faba Bag, \$420



LIZ CLAYMAN/PENDRY NATIRAR (COOKING CLASS)

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## OFF DUTY | HOLIDAY GIFT GUIDE



24

**Better by The Pound**

Compare a guacamole or salsa whizzed in a blender or food processor with one pummeled and mixed by hand in a molcajete—the mortar and pestle ubiquitous in Mexican kitchens. You'll notice immediate, if ineffable, differences in taste and texture. Big flavors come from this smallish 7-inch model, made of fine-grained lava rock by Enrique Juárez, a master *cantero* (stone artisan) in San Salvador El Seco, Puebla, and sold by Masienda, purveyors of heirloom-corn and chile products. Masienda Molcajete Chico, \$65

**25 Handmade In the Shade**

You can do better than snoozy tortoiseshell this gifting season. Instead, might we suggest the deep green hue that has found its way into this idiosyncratic pair of classic Wayfarer-style sunglasses? The frames are handcrafted in the U.K. from acetate in a subtle pattern of undulating waves—its color fittingly dubbed “seaweed haze.” The chunky Buddy Holly-esque frames, made in collaboration with British glasses maker Cubitts, feature polarized UV lenses. A retro silver case seals the deal. Cubitts x Mr P Plender Acetate Sunglasses, \$255

**26 A Most Welcome Mat**

Pleasantly practical but not a bore. That's this cotton-and-jute beauty of a doormat, handmade in Jaipur. The traditional Indian motif

asserts itself boldly against a wheat-colored background, and the durable materials are not too precious to be stomped on. And what's more welcoming after a long dusty day than a little rug with the craggy evidence of human craftsmanship in its weave? Manglam Arts Jute Doormat Alwar, \$85 at Goodee World

**27 Cork Values**

This Pinot Noir from Big Table Farm in Oregon's Willamette Valley—a winery co-owned by Clare Carver and her husband, Brian Marcy—is handcrafted outside and in. Carver, an artist, designed the label, while Marcy produced the bright, savory wine itself, with delightful aromas of florals and red fruit. It's a blend of hand-harvested fruit from several vineyards, fermented and bottled without filtration. The label's pigs are Ingrid and Greta, two of Big Table Farm's animals that Carver feeds every day—by hand, of course. 2022 Big Table Farm Willamette Valley Pinot Noir, \$50

**28 He's a Charmer**

Though a generally low-key dresser, our men's fashion editor owns this charming charm bracelet, and it's earned him far more compliments of late than anything else he's worn. Silver-plated clover beads strung along an elasticated band give the design satisfying heft that's unexpected at this price. Handmade in an atelier in Cologne, Germany, it's the first design by Moritz Gottlob-Schoenenberg, whose mom is also a jeweler. Gottlob World Edition No. 1 Bracelet, about \$75

25



26



27



28



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## OFF DUTY | HOLIDAY GIFT GUIDE

**29****Pearl Jam**

Pearl studs are a fail-safe classic. But for someone who needs a break from predictable elegance or likes to dabble in more expressive baubles, we have just the thing. These clusters of rose-hued freshwater pearls—arrayed in playful, interlocking strings—evoke tangled necklaces in a jewelry box. They “feel like the one-of-a-kind treasures you’d find in your grandma’s closet,” said designer Natalia Teran Oquendo. Made to order, each pair is handcrafted in Miami with sterling silver posts, and capped off with a shimmery cubic zirconia. NST Studio Pink Pearl Cluster Earrings, \$120

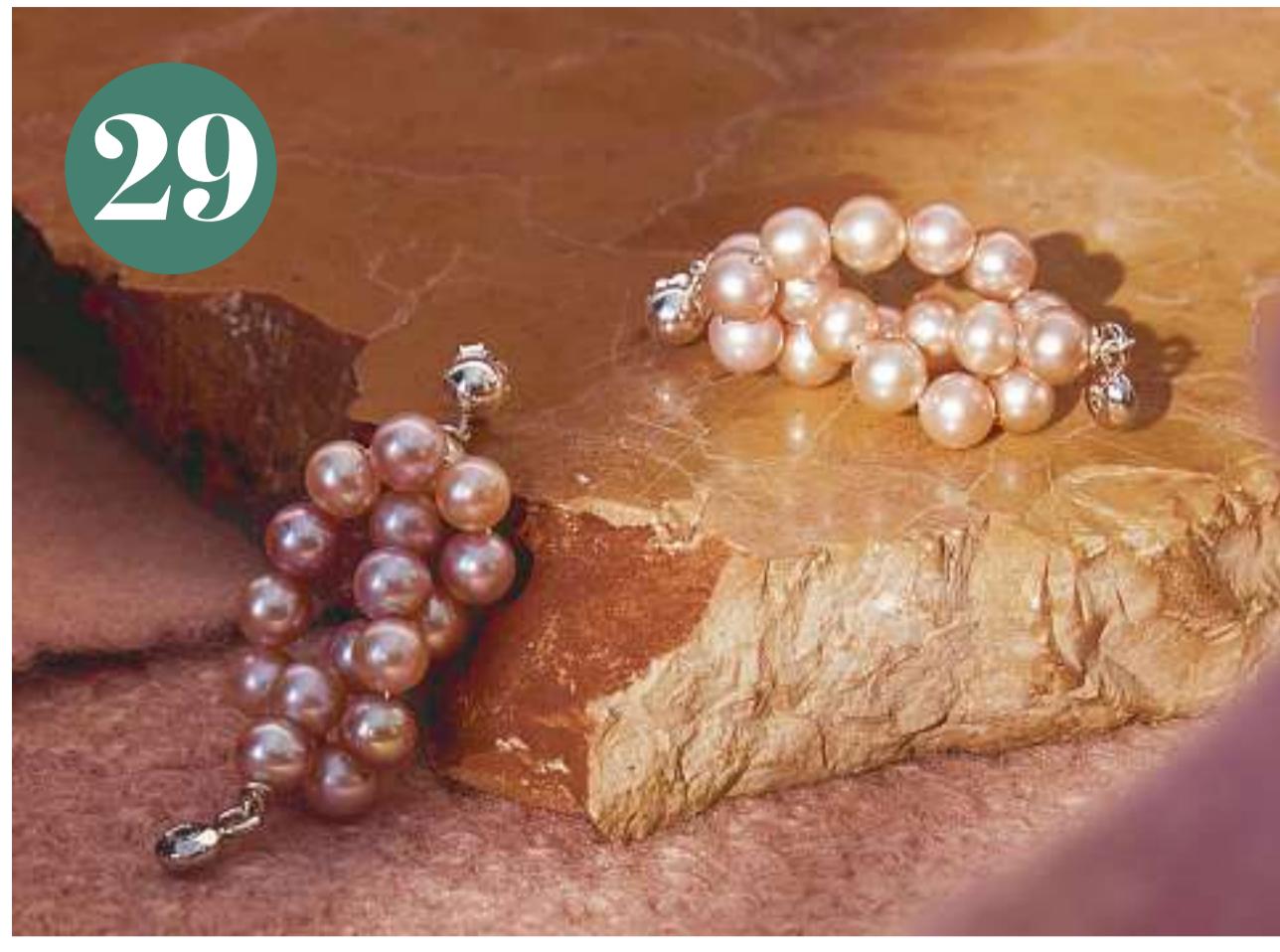
a scent-memory exploration in response to prompts about favorite places, wines and more, to arrive at an original fragrance tailor-made for your giftee. OPAR Perfumes Custom Fragrance Session, about \$180 for 100 milliliters

**30****A Hoot to Give**

Your little birdies will want to get their talons on this children’s owl purse handmade in felted wool by Indian artisans from the Tibetan-exile community. Small enough to secure tiny treasures, the lightweight lugger measures in at 5 inches tall and includes a crossbody strap for hands-free fun—whatever monkey business they get up to. Uncommon Goods Felted Animal Purse, \$34

**32****A Real Stir**

This year, skip the fruitcake and bestow upon your loved ones the pleasure of doing the baking themselves. The Chocolate Chunk Scone Mix, Craft Chocolate Brownie Mix and Chocolate Cake Mix from Kate Schaffer, the chocolatier behind Maine’s Ragged Coast Chocolates, contain ingredients of extraordinarily high quality, from locally milled Maine flour to sustainably grown Latin American chocolate. Your giftees need only add real butter and eggs—or cream for the hearty whole-wheat scones—to produce wow-worthy homemade desserts in a mere 10 minutes. Ragged Coast Chocolates Baking Mix Gift Box, \$65

**29****33****Money Where Her Mouth Is**

Luxuries are often more profoundly felt when they’re small and private. For a woman who needs a lift this season, this gorgeous lipstick case—unnecessary but deeply nice—is the ticket. Hand-crafted in France from saddle-stitched upcycled leather, the refillable case snaps closed with a satisfying click (and a magnet). If your giftee’s not one for lipstick, it can also house the same brand’s balms and blush sticks. Customize it with a monogram for \$12 extra. (Lipstick sold separately.) La Bouche Rouge Paris Refillable Lipstick Case, \$80

**31****Whiff of Wanderlust**

According to some neuroscientists, smells forge stronger links to emotions than other senses. Let someone you love ponder that theory with a session at Lisbon’s OPAR perfumes, an artisanal scent lab in the city’s heart. Founder Karolina Olędzka and a team of perfumers guide clients on

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## OFF DUTY | HOLIDAY GIFT GUIDE



34

### Tis the Seasonings

Saltwerk sustainably hand-harvests its exceptionally pure-tasting salt on Reykjanes, a small Icelandic peninsula, using geothermal energy from a geyser. The Flaky Sea Salt gently melts into hot food but offers a welcome saline crunch when sprinkled on cold dishes. The Arctic Thyme Salt is fragrant, almost as floral as it is herbaceous. The Birch-Smoked Salt conjures a cozy campfire. And the Lava Salt, blended with activated charcoal, will subtly but powerfully boost the flavor of anything. Saltwerk Gift Box, \$45



man in your life can be tricky. We've done the sleuthing for you. These handsome hand-stitched mocs are less obvious than Birks, Docs or Clarks. Padmore & Barnes, a cult Irish brand, has been in the lace-up biz since 1934. This classic P204 moccasin, made in Portugal from sleek black suede, would go with tailoring or sweats. Padmore & Barnes P204, \$189 at American Trench

protect your frequent flier's contact-lens solution. They'll also score karma points. Custom-crafted from a pleasingly preppy plaid upcycled from the interior upholstery of circa-1955 Mercedes-Benz cars, the dopp kits help fund the work of Unshattered, an upstate New York-based nonprofit that works with women in recovery from addiction. Each one is unique—just like the giftee you choose to bestow it upon. Toiletry Kit from 1955 Mercedes-Benz Interior, \$150

**36**  
**Signature Scrubbers**  
Who said special touches can't be merged with the mundane? If someone on your list is doggedly committed to washing dishes by hand, why not hand him or her this premium pair of rubber gloves with a personalized embroidered name, monogram or motif added to white cotton cuffs? It's the sort of private little luxury that cheers up chores. Pick up a pair for your host and one for yourself—we all have holiday suds to subdue in style. Gohar World Host Gloves, \$52

**37**  
**A Benz Reborn**  
Hannah Vaughan's chair kit was inspired by friends who wanted to make their own furniture but didn't know where to start. Sound like anyone on your list this year? Vaughan, a designer and craftswoman in Newburgh, N.Y., ships all the elements to fabricate a Shaker-style armless chair—precut solid-poplar pieces, a measuring block, screws and instructions—bundled together by the cotton rope that will become its seat. Your giftee will need only a drill or Phillips-head screwdriver. Hannah Vaughan Studio Hands To Work Chair Kit, \$250

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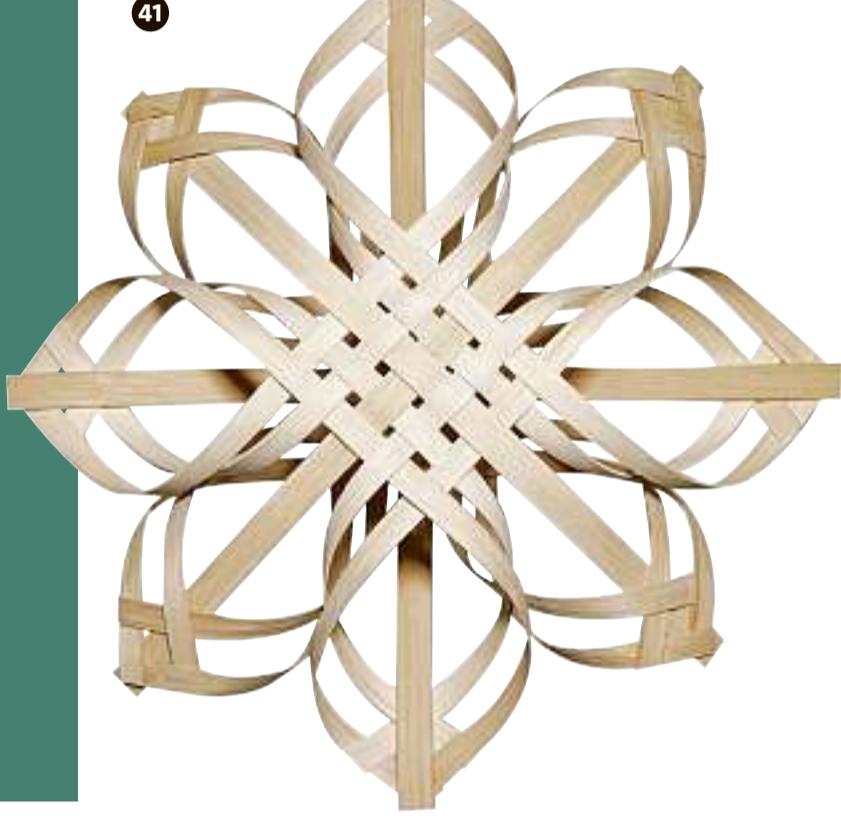
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## OFF DUTY | HOLIDAY GIFT GUIDE

**39****40****41****39**  
**Bead-Time Story**

Traditional Native American belts made by Fire Loom Creations are painstakingly detailed, several feet long, and have a 2.5-year waiting list. But, if you're seeking a unique present before 2027, offer giftees a tour of founder Kelly Back's bead studio in the Mohawk community of Akwesasne in northern New York, where they can craft their own accessories on site. Using time-honored techniques, Back helps each guest loom leather-backed beaded cuffs inspired by a wampum belt symbolizing the treaty between the Haudenosaunee and Dutch. Fire Loom Bead Workshop, \$174 for 1-2 guests

pallor of this 16-inch-wide herringbone-style ornament will subtly darken over time. It arrives with a satin ribbon for hanging and a card featuring the bio and signature of the maker. Augusta Training Shop Handmade Snowflake, \$85

lasagna, tagliatelle or some other alluring noodle, your giftee will repay your thoughtfulness in carbohydrates. VSB Bologna Pasta Courses, from about \$135

**43**  
**That's So Metal**

A meal made from scratch is an act of love. Respond in kind by gifting serving ware from sculptors and copper-smiths Rex and Marsha Morton of Mountain Metalsmiths. They hand-forge the copper ladle, strainer and serving spoon for this set in their southwest Missouri workshop, every piece acquiring a rare luminosity. Crook-style handles make the trio easy to display when not in use. And who wouldn't want to show these off? Eatingtools Copper Serving Gift Set, \$385

**40**  
**Fits the Bill**

Here's a bit of Luddite luxury for men who are resisting the digital-wallet movement. So often, money clips feel pretentious and predictable, but this one's a playful-meets-polished take on the humble metal binder clip. Each is hand-wrapped in your choice of either brightly hued or elegantly muted alligator skins (which of the 16 colors suits your giftee?) by craftsmen in a family-owned Atlanta studio. W.kleinberg The Mahoney Clip in Matte Alligator, \$65

**CONTRIBUTORS** Jane Black, Aleksandra Crapanzano, Annie Daly, Adam Erace, Melinda Fulmer, Karen Gardiner, Caitie Kelly, Matthew Kronsberg, Stacey Lastoe, Christina Middleton, Nina Molina, Jackie Snow, Lettie Teague, Haley Wells

**41**  
**Bamboo Bauble**

Everybody is a star at Augusta Training Shop, where differently abled adults in Georgia meticulously weave these bamboo baubles with the same technique used for caning chairs. The creamy

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