

## The Harvard MBA Myth



REVIEW

# THE WALL STREET JOURNAL. WSJ

## Sailboats That Really Fly



OFF DUTY

VOL. CCLXIX NO. 93

\* \* \* \* \*

WEEKEND

SATURDAY/SUNDAY, APRIL 22 - 23, 2017

★★★★ \$4.00

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## What's News

### World-Wide

French authorities questioned the suspect in the Paris police shooting two months ago, officials said. The attack has jolted the presidential race. A1

◆ The Justice Department threatened to withhold funds from sanctuary cities if they don't cooperate with immigration officials. A3

◆ Trump said he would make a "big announcement" next week about his tax-overhaul proposal. A4

◆ The suspected bomber of a German soccer team allegedly sought to profit from a drop in the team's stock. A6

◆ Taliban fighters entered an Afghan army base hidden in military vehicles and killed scores of people. A7

◆ Russia again flew combat planes near U.S. airspace, the Pentagon said. A4

◆ Border region lawmakers don't back Trump's plan for a wall, a survey found. A4

◆ Mattis said there was "no doubt" Syria has retained its chemical weapons. A7

◆ Chinese hackers targeted South Korean entities involved in a U.S. missile system, a security firm said. A8

### Business & Finance

◆ Trump rejected a bid by Exxon to sidestep sanctions and resume an oil venture with a politically powerful Russian energy firm. A1

◆ United said its CEO will no longer act as chairman, and that it will revamp executive pay amid fallout over a passenger's removal. A1

◆ U.S. retailers are closing stores at a record pace, the result of overbuilding and online competition. B1

◆ Goldman is rolling out a system for employees to get continuing feedback. B1

◆ Theranos misled directors about lab practices and ran fake tests for prospective investors, filings allege. B1

◆ Trump signed three executive actions directing a review of tax and financial-regulatory policies. A2

◆ GE's industrial divisions boosted profit and revenue, but its oil-and-gas unit continued to drag on results. B3

◆ Samsung won FDA approval for a lower-priced copy of a blockbuster rheumatoid-arthritis drug. B3

◆ VW was ordered to pay a \$2.8 billion fine in its diesel-rigging scandal, formalizing a penalty in a plea deal. B3

## Inside NOONAN A13 GOP, Learn The Limits Of Loyalty

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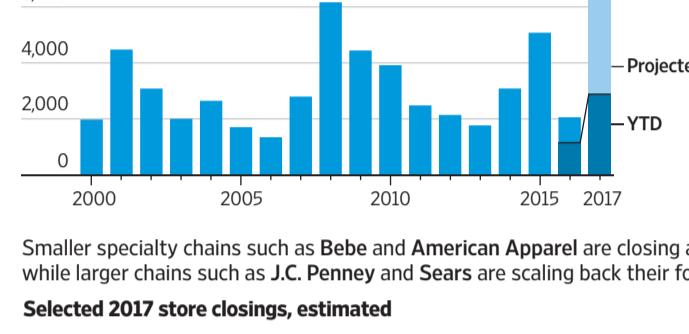
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## In a Reckoning Years in the Making, More Retailers Close Up Shop

U.S. retailers are closing stores at a rapid clip this year as they feel the pain from decades of overbuilding and the rise of online shopping. This week women's apparel chain Bebe Stores Inc. joined a parade of closures, saying it would shut its remaining 170 stores and sell only online. B1

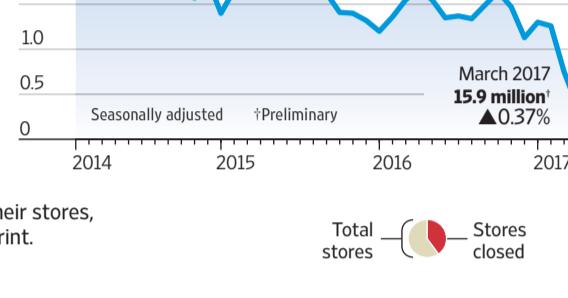
U.S. retailers are on pace to close the most stores in more than a decade...

### U.S. store closings



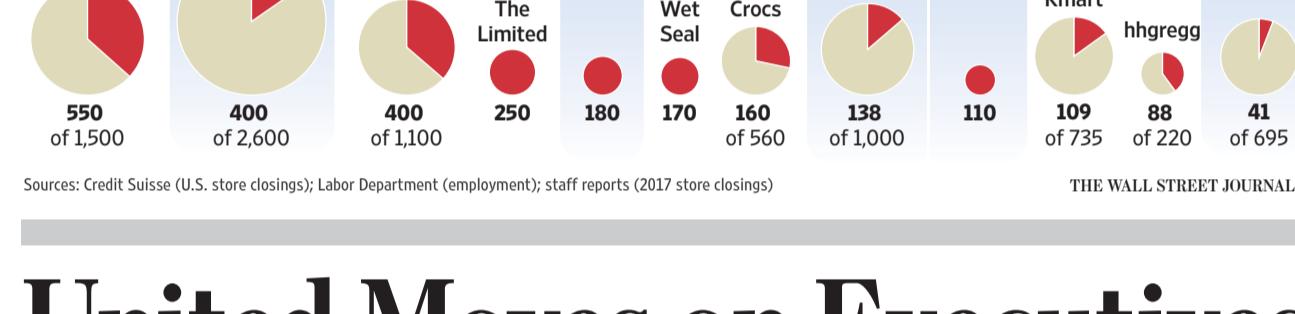
...and they are adding fewer jobs.

### U.S. retail employment, change from previous year



Smaller specialty chains such as Bebe and American Apparel are closing all their stores, while larger chains such as J.C. Penney and Sears are scaling back their footprint.

### Selected 2017 store closings, estimated



Sources: Credit Suisse (U.S. store closings); Labor Department (employment); staff reports (2017 store closings)

Total stores Stores closed

THE WALL STREET JOURNAL.

## Trump Rebuffs Exxon on Russia

BY JAY SOLOMON  
AND BRADLEY OLSON

WASHINGTON—President Donald Trump, whose family and political aides have faced scrutiny over their ties to Russia, rejected a bid by Exxon Mobil Corp. to sidestep U.S. sanctions against Moscow and resume an oil venture with a politically powerful Russian energy firm.

The announcement Friday comes as the White House pushes to firm up the president's foreign-policy and domestic agenda as he nears his 100th day in office next week.

Mr. Trump's decision to block Exxon Mobil, until the end of last year headed by Secretary of State Rex Tillerson, also shows how efforts to build bridges with Russian President Vladimir Putin are proving difficult, senior U.S. officials said.

Congressional and Federal Bureau of Investigation probes into ties between Mr. Trump's aides and Russian officials continue to dominate Washington's political debate, these officials said. And Mr. Putin repeatedly has made any strengthening of ties harder by maintaining Moscow's support for Syrian President Bashar al-Assad and escalating a crackdown on the Kremlin's political

Please see EXXON page A8

◆ Oil prices fall more than 7% for the week..... B2

## United Moves on Executives

Airline, under fire, says CEO won't take on chairman role, plans compensation changes

By SUSAN CAREY

United Continental Holdings Inc. moved to further stem fallout from the incident in which police dragged a paying passenger off one of its flights, saying its chief executive, Oscar Munoz, will no longer be taking on the chairman role and that it will revamp executive-compensation incentives.

In a federal filing on Friday, United said its board is planning to adjust managerial incentive compensation to focus more on performance measures related to customer service.

The disclosures come almost

two weeks after the incident, in which 69-year-old passenger David Dao was dragged down the aisle and off United Express Flight 3411 after United employees called for Chicago Department of Aviation police. Dr. Dao suffered a concussion and other injuries during the incident, his lawyers have said. The issue is under investigation by both United and the aviation department.

United is under pressure amid pledges by fliers on social media to boycott the airline and calls by some for Mr. Munoz to resign, while the airline tries to build on its operational improvement in the past year.

Mr. Munoz has the support of the 15-member board, according to Robert Milton, the nonexecutive chairman, in a recent interview and a subse-

Please see UNITED page A2

A British accountant has tried for the past year to bring home his wife and baby daughter

By FARNAZ FASSIHI

Richard Ratcliffe, separated from his family for a year, opened his phone to a favorite video of his 2½-year-old daughter, Gabriella, dancing to Persian music and munching pistachios.

The 41-year-old British accountant checked the time and calculated the hour in Tehran. If he called too late, Gabriella would be asleep.

When the Skype call connected, his daughter's pudgy face appeared on the screen. "Hello, love," he said. "Are you being a good girl?"

Gabriella, born in London, has forgotten most of her native language. She speaks to him in Farsi—or gibberish, pretending to speak English.

On this call, she waved and laughed, then grabbed a crayon to draw on the carpet.

"Are you drawing on everything? Mommy will be very cross," Mr. Ratcliffe said. Gabriella dropped her smile and gestured to a

Please see IRAN page A10

## When Hunting Pythons, It Helps to Dance Like a Monkey—and Carry a Sledgehammer

By ARIAN CAMPO-FLORES

THE EVERGLADES, Fla.—For people who prefer to avoid large, scary snakes, Tom Rahill's routine won't be of much use.

Anyone desiring to get acquainted with a python deep in the wild, though, would do

well to learn his "scalded-monkey dance."

That's the shimmy Mr. Rahill does when he hunts down a fat Burmese python in the Everglades—a bob-and-weave boogie he uses to avoid the snake's strikes until he can subdue and grab it.

## President Puts Focus on Promised Tax-Code Overhaul



BIG BREAK: President Donald Trump at the Treasury Department Friday with Treasury Secretary Steven Mnuchin. Mr. Trump said he would make a 'big announcement' next week about the tax code. A4

## Paris Attack Jolts French Vote

PARIS—Two months before Karim Cheurfi stepped onto the Champs-Élysées with an automatic rifle, French investigators questioned him on suspicion he was plotting an attack on police officers, according to law-enforcement officials.

The revelation Friday that authorities missed this opportunity to stop the 39-year-old

By Stacy Meichtry,  
William Horobin  
and Joshua Robinson

Frenchman before he fired on police the previous day amplified the impact of the shooting. In killing a police officer, Cheurfi sent shock waves through France's closely fought presidential election.

"Fundamentally, the target is our democracy, our cohesion," said Emmanuel Macron, the 39-year-old former investment banker who is in the running as a staunch defender of Europe.

With no clear front-runners  
Please see VOTE page A6

◆ French election tests the EU's survival..... C1



"The attractive thing about this," he said of snake-hunting, "is it's very primal."

There are multiple ways to catch a python, and Mr. Rahill employs a good number of them as a member of an elite squad of hunters the South Florida Water Management

District pays to track down these interlopers, which biologists believe to number in the tens of thousands.

The nonnative serpents have spread through the Everglades, gobbling birds and mammals. They grow as thick as telephone

Please see SNAKE page A9

Florida's bounty on the giant snakes attracts hunters with some eccentric methods; 'you juke left, you juke right'



## U.S. NEWS

# Low Unemployment Vexes New England

Region's northern states struggle to fill positions; aging out of the workforce

BY JON KAMP  
AND JENNIFER LEVITZ

Extremely low unemployment rates in Northern New England would seem like grounds for bragging. Instead, the tight labor market has become a headache for employers and policy makers.

To cultivate new New Hampshire workers, gun maker SIG Sauer Inc., of Newington, is paying students to attend on-site classes to learn machining skills, and the company still can't fill all the positions it has. In Vermont, a virtual-reality startup founded by a Middlebury College graduate had to leave the state because it couldn't find workers. In Maine, it has become a challenge to fill anything from skilled technical positions to summer jobs.

The worker shortage "makes me a little nervous," said Amanda Rector, Maine's state economist. "It means that businesses aren't able to find the workers they need to expand, and if businesses can't find workers, they go elsewhere."

The national unemployment rate is at 4.5%, but New England's three northern states are all well below that. The 2.8% jobless rate in New Hampshire is among the lowest in the U.S. The unemployment rates there and in Vermont and Maine are all well below 20-year averages.

The tight labor market is partially tied to the region's demographics: The three states have the three highest median ages in the U.S., all above 42 years, according to U.S. Census data. People are aging out of the workforce.

"Those who have the significant skills, we're losing them," said Jeff Chartier, SIG Sauer's chief human-resources officer. "And it's a challenge to try to replace them at the same speed."

The three states have a combined population of nearly 3.3 million, which has barely grown (less than 1%) since 2010, in comparison with the national population growth rate of 4.7%, according to census data.

Federal data show Vermont's civilian labor force has been eroding for several years. The numbers in Maine have remained about flat. New Hampshire, with some towns in the southern part of the state located in Boston's suburbs, has a growing workforce.

Standard & Poor's said in a recent research note that aging populations and muted



Above, Main Street in Bristol, Vt. Federal data show the state's civilian labor force has been eroding for several years. Below, a job fair in Belmont, N.H.

economic growth in Maine, Vermont, and northern New Hampshire could weigh on government credit ratings over time.

Low unemployment rates can pose a particular challenge for largely rural states that don't have dynamic, big-city markets to draw young talent, according to economists. Massachusetts also has a below-average unemployment rate, but Boston's colleges and universities churn out a steady flow of new workers, making the city attractive to companies, economists said.

A dearth of qualified job candidates caused Nate Beatty to move his growing tech company three years ago from Burlington, Vt., to New York City. The 25-year-old co-founder of IrisVR Inc., which builds virtual-reality tools for architecture and design firms, said he now might interview 10 applicants for every vacancy. In Vermont, he would struggle to find candidates to interview and also had difficulty luring people from big cities. "There just aren't enough people," he said. "It's just a simple numbers problem."

MyWebGrocer, a Winooski, Vt., company that serves retail grocers and consumer-packing firms, relies in part on about 150 technology workers in Romania, Chief Operating Officer Jerry Tarrant said. He co-founded the company with his brothers about two decades ago. They are loyal to their home state, he said, but Vermont is a particularly hard place in an already competitive market for tech workers.

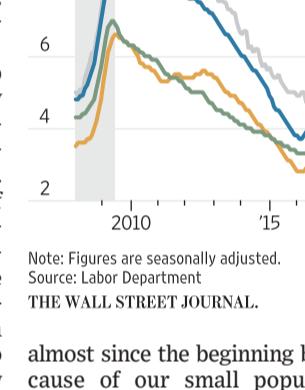
"It's been a struggle for us

### Help Wanted

Low unemployment rates in Maine, New Hampshire and Vermont are straining companies

■ Maine ■ Vermont ■ N.H.  
■ National Average

12% Recession



Note: Figures are seasonally adjusted.  
Source: Labor Department

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### The Downsides of a Tight Labor Market

Northern New England's challenges highlight why economists don't want unemployment rates to drop too low. When that happens, companies can struggle to find qualified workers, potentially boosting wages and inflation.

Average hourly wages for private-sector workers have risen in New Hampshire, Vermont and Maine over the last two years, reaching \$23 to \$26 an hour in February, according to the Bureau of Labor Statistics.

Whelen Engineering Co., which employs 1,000 at an emergency-warning-equipment plant in Charleston, N.H., has been raising wages over the past few years to keep jobs filled. It now pays incoming assembly workers about \$15 an hour, a \$3.50 increase from the typical wage a few years ago.

Eric Rosengren, president of the Federal Reserve Bank of Boston, said recently that business groups in Northern New England are concerned about the tight labor market. "I would say that's a big enough issue, they're thinking of moving," Mr. Rosengren said of the businesses.

To address the issue, the

states have taken actions—or are considering them. Maine started a tax-incentive program several years ago to keep newly minted college graduates in the state. Last year, more than 5,000 graduates claimed the credit, according to Maine Revenue Services.

New Hampshire Republican Gov. Chris Sununu has proposed a scholarship program to help students attend college and training programs. He is also pushing for full-day kindergarten to help attract workers with young families. Vermont put in place a plan last year to try to retain residents and attract new ones.

—Jon Kamp  
and Jennifer Levitz

# In Swing Districts, a Tense Balance

BY KRISTINA PETERSON  
AND ALEJANDRO LAZO

BETHLEHEM TOWNSHIP, Pa.—The crowd at Democratic Rep. Matt Cartwright's town hall meeting was ready to tar and feather President Donald Trump. But Mr. Cartwright wasn't.

"Make no mistake, I am not here to trash Donald Trump," Mr. Cartwright told the audience at a community college this week. "He said some things that I kind of like," Mr. Cartwright said, highlighting the president's campaign promise to invest \$1 trillion in infrastructure.

But Mr. Cartwright had fewer kind words for Mr. Trump's first budget and its proposal to slash funding for medical research and environmental protection, among other programs. "We will be studiously ignoring the president's budget," he said, to applause.

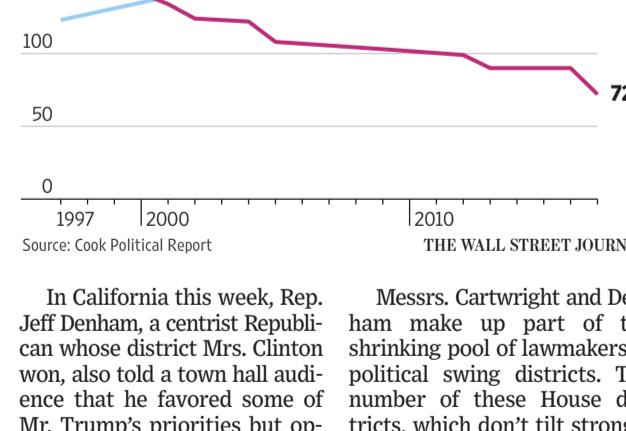
Many lawmakers have had to navigate nimbly around the intense feelings of support and opposition that Mr. Trump has sparked in voters. But few must step as gingerly as those serving in districts that backed the opposing party's candidate for president.

Mr. Cartwright is one of just 12 House Democrats to represent districts won by Mr. Trump. Across the aisle, 23 House Republicans are in similar positions, representing districts carried by Democratic nominee Hillary Clinton.

### The Decline of Competitive Seats

The number of swing districts has fallen 56% over the past 20 years.

#### House of Representatives districts by polarization



Source: Cook Political Report

gering others.

At a time of intense political polarization, lawmakers in these districts sometimes take nuanced positions that can be at odds with their own party's base voters. At his town hall, Mr. Denham reiterated his support for a bipartisan approach to overhauling the immigration system, a stance that could get him into trouble with party conservatives.

In Pennsylvania, Mr. Cartwright also drew some distance from his party's signature domestic achievement of recent years, the health-care law. He criticized the impact it has had on premiums for some people and stated concerns over some of the taxes it established. But Mr. Cartwright added he would have opposed the GOP's failed health-care bill.

He said his goal was to join with Republicans and hammer out "something that works out the kinks of the ACA and makes it work for everybody."

Many local Trump supporters don't want to see the ACA remain intact. "The ACA is a disaster," said Ed Parker, a trauma nurse who lives in Wilson, Pa. But Mr. Parker, who voted previously for Barack Obama and then for Mr. Trump last year, said he also hadn't approved of the GOP bill.

"That was not a health-care bill. It was a tax bill," he said. "Three-quarters of it had to do with tax breaks for the 1%. I'm not part of the 1%, so it wouldn't do anything for me."

# Agency Threatens 'Sanctuary Cities'

BY LAURA MECKLER  
AND BETH REINHARD

WASHINGTON—The Justice Department escalated its fight with big cities and other jurisdictions over immigration on Friday, suggesting that illegal immigration is increasing urban crime and threatening to pull grant funding from uncooperative jurisdictions.

New York City, which reported record-low crime rates last year, responded angrily, as did the state of California.

The specific issue at hand is fairly small: whether jurisdictions are complying with federal rules that block them from preventing their officials from communicating with federal agencies about immigration. The Justice Department sent letters to nine jurisdictions on Friday threatening to withhold grant funding if they don't affirm they are in compliance with that law.

The bigger issue is the Trump administration's effort to crack down on "sanctuary cities," or jurisdictions that to varying degrees decline to assist federal officials in their efforts to identify and potentially deport people living in the U.S. illegally.

Many liberal jurisdictions maintain that they are under no obligation to assist the Trump administration as it works to ramp up deportations

of people in the U.S. illegally.

The department's tone wasn't well-received. "Fearmongering and falsehoods will not intimidate our state into compromising our values," said California Attorney General Xavier Becerra. "Federal threats to take away resources from law enforcement or our people in an attempt to bully states and localities into carrying out the new administration's unsound deportation plan are reckless and jeopardize public safety."

Friday's letters follow up on an announcement last month from Attorney General Jeff Sessions threatening to pull the grant money. They were sent to Chicago, New Orleans, Philadelphia, Las Vegas, Miami, Milwaukee and New York City, as well as the state of California and Cook County, Ill.

In the statement accompanying the letters, the department said many of the cities it is targeting are "crumbling under the weight of illegal immigration and violent crime."

New York Police Commissioner James O'Neill said he was angered by the characterization. "I like to think of myself as a pretty calm and measured person ... but when I read that statement by the DOJ this afternoon, my blood began to boil," he said.

—Zolan Kanno-Youngs  
contributed to this article.

U.S. NEWS

# Timing of Tax Plan's Release Is in Dispute

By PETER NICHOLAS  
AND NICK TIMIRAO

President Donald Trump said he would be making a "big announcement" next week about his proposal for overhauling the tax code, but his budget director said that it might be June before the White House releases its detailed plan, and that even broad principles could be weeks away.

In brief remarks while signing executive orders on Friday, Mr. Trump didn't go into any specifics about a tax proposal that was one of the central promises of his 2016 presidential bid. But with the 100-day milestone arriving on April 29, the White House has seemed eager to show it is leaving an early imprint on the nation.

The tax overhaul "process has begun long ago, but it really formally begins on Wednesday,"

so go to it," Mr. Trump said during a visit to Treasury Secretary Steven Mnuchin's office.

Earlier in the day, Mr. Trump told the Associated Press in an interview that businesses and individuals can expect to receive a "massive tax cut" under his plan. The package, he said, would be released on "Wednesday or shortly thereafter."

Senior administration economic officials were caught off-guard by Mr. Trump's comments. White House aides and lawmakers have said the work is proceeding more slowly, with fundamental questions still unresolved about which taxes would be targeted and how rates would change.

Mick Mulvaney, Mr. Trump's budget director, said in an interview Friday—before Mr. Trump's remarks were publicized—that he didn't be-

lieve the administration would release a specific tax plan by the time it puts out its official budget at the end of May.

"You might see us floating some principles before then," Mr. Mulvaney said. "But in terms of a piece of paper you can look at and say, 'Here's our bill.' I don't think it will be ready by May."

A White House official said late Friday the administration would issue a broad outline of its tax-overhaul priorities and principles next week. Administration officials have sent mixed signals on its tax plans. Last week, Mr. Trump said he wanted to advance a health-care overhaul first and didn't want to discuss taxes.

Asked about Mr. Trump's statement, a White House aide said the president allowed himself some "wiggle room" in saying the announcement

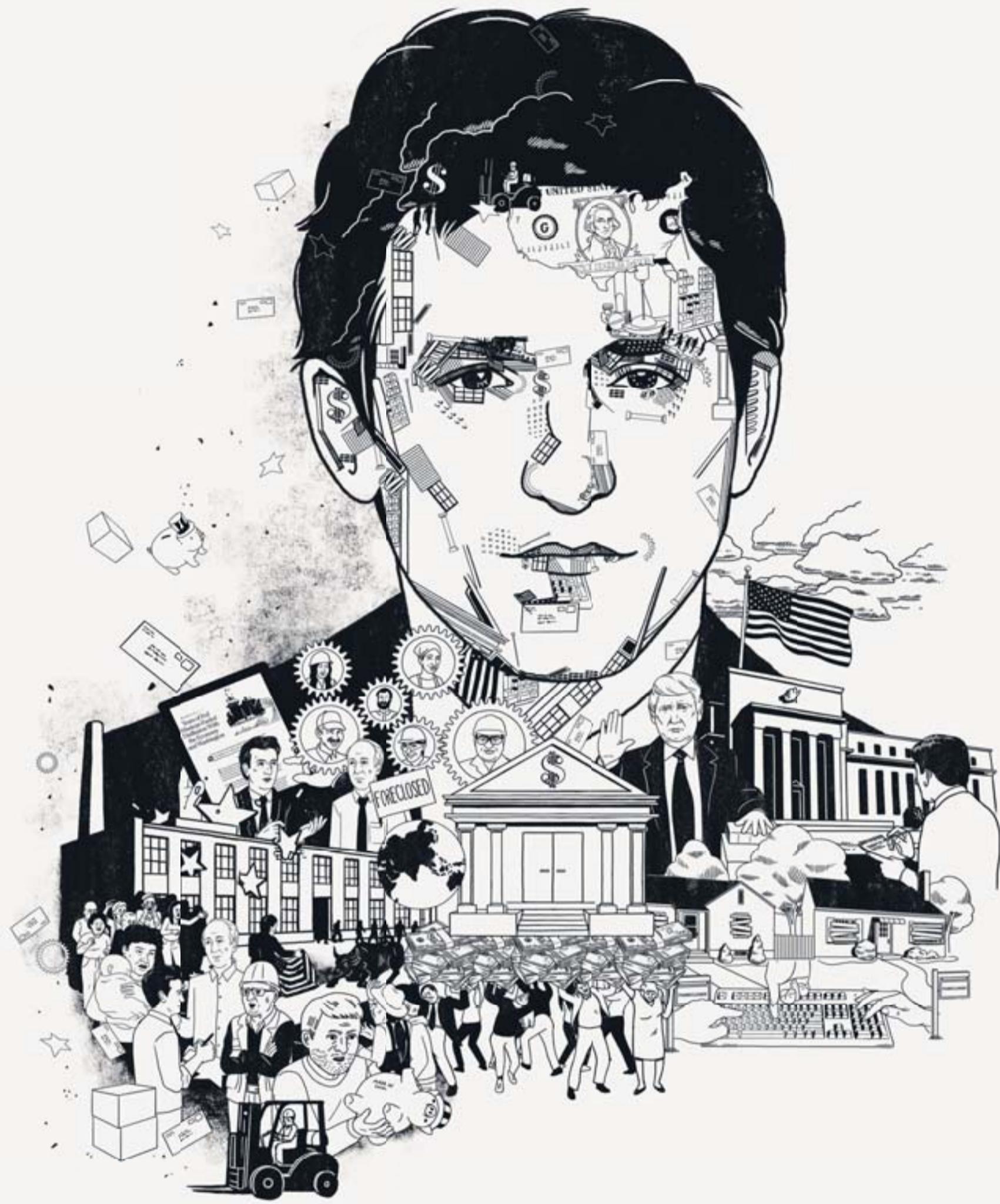
could come Wednesday or "shortly thereafter."

Trump economic advisers have been meeting privately with lawmakers to try to reach a consensus on a tax plan, hoping to avoid the sort of partisan splits that led to the

collapse of a proposed health-care overhaul last month.

The plan as described by Mr. Mulvaney still seemed a work in progress. He described officials, in internal meetings, posting on a "white board" different approaches, includ-

ing a payroll tax cut aimed at easing the financial burdens of middle-class households.



**JON HILSENARTH** ECONOMICS EDITOR

## The Face of Real News

Jon Hilsenrath's investigation into the economic workings of America's heartland uncovered the brewing dissatisfaction that led to the election of Donald Trump.

Real journalists and real news from America's most trusted newspaper.

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# WORLD NEWS

## German Bomb Suspect Sought to Profit

Officials say attacker hoped to net over \$1 million if incident sank team's stock price

By ANTON TROIANOVSKI

BERLIN—A Russian-German man allegedly bombed one of Germany's most prominent soccer teams in order to make more than \$1 million off a drop in the team's stock price, officials said Friday.

The 28-year-old suspect, identified as Sergej W., took out a loan on April 3 worth tens of thousands of dollars in order to finance a bet on a fall in soccer team Borussia Dortmund's stock price, officials said. The bet included the purchase of 15,000 put options in the team's shares, purchased the same day as the April 11 attack, that would have allowed the suspect to turn a profit on a falling stock price.

That day, as Borussia Dortmund prepared to take on AS Monaco in a UEFA Champions League quarterfinal, the suspect stayed at the same hotel as the team, the prosecutor said. He planted three bombs along the street taken by the team bus, the prosecutor alleged. The bombs were covered with 3-inch metal pins and were set off by remote control as the bus departed from the hotel.

"A massive fall in the stock



Interior Minister Thomas de Maiziére, left, at a press conference Friday. Police cars stood in front of the house where the suspect was arrested early Friday in Rottweil.



OSKAR EYB/EUROPEAN PRESSPHOTO AGENCY; BRITTA PEDERSEN/ZUMA PRESS (LEFT)

of Borussia Dortmund would have brought a profit representing a multiple of the investment," the prosecutor's statement said. "A significant fall in the stock price would have been expected if players were seriously injured or even killed in the attack."

The suspect invested €79,000 (\$85,000) in the stock options, which could have brought him a profit of more than €1 million if the team's share price had plummeted, according to North Rhine-Westphalia Interior Minister Ralf Jäger, the top security of-

ficial in the state where the attack took place.

"This kind of motive for such an attack—I must say, when I first heard of this several days ago, I was truly shocked," Mr. Jäger said. "It shows, once again, what people are sometimes capable of."

The blast injured one player, defender Marc Bartra, whose wrist was broken. But on April 12, the first trading session after the attack, Borussia Dortmund stock initially fell but ended the day up 1.7% in line with a broader global stock-market recovery.

Prosecutors said suspicious financial transactions led investigators to Sergej W. The 15,000 put options were purchased the day of the attack from an internet address in the same Dortmund hotel where both Sergej W. and the Borussia Dortmund team were staying. The suspect's room, on the top floor of the L'Arrivée Hotel and Spa on the outskirts of Dortmund, overlooked the site of the attack, the prosecutor said.

"We got on the trail of the accused because of conspicuous options dealings," a spokesman for the prosecutor said, adding that the suspect purchased three different financial instruments based on Borussia Dortmund stock. "With all these derivatives, he bet on a falling stock price."

Sergej W. was taken into custody Friday near the southwest German city of Tübingen on suspicion of attempted murder and other crimes, the prosecutor said.

Authorities had initially investigated whether or not Islamist terrorists were behind the attack. That was in part because the suspect appar-

ently left notes to throw investigators off his trail. Three identical letters claiming the attack was retribution against Germany for "killing Muslims in Islamic State's caliphate" were placed in or near the hedge where the bombs were planted, officials said.

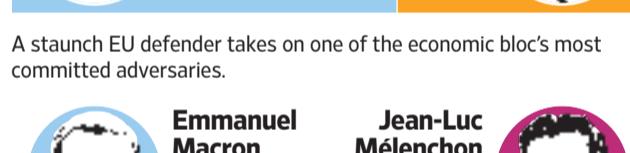
German police initially investigated an Iraqi man who was considered a suspect. Prosecutors quickly concluded that the 26-year-old man, identified as Abdul Beset A., didn't take part in the bombing but arrested him for being a member of Islamic State.

### Second-Round Matchups

The six most realistic scenarios for the May 7 presidential runoff and their predicted outcomes.



A contest between two pro-Europeans that shifts the debate to taxation, spending and how to fix the French economy.



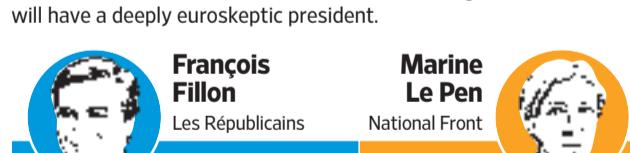
A staunch EU defender takes on one of the economic bloc's most committed adversaries.



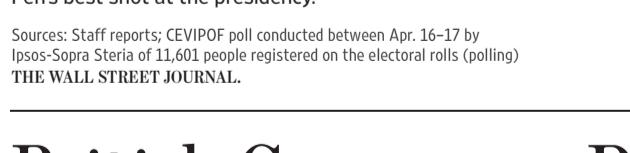
A referendum on the role of France in the EU and NATO, laying bare divisions on the French left.



A soak-the-rich crusader of the far-left squares off with a conservative proponent of austerity.



The second round investors fear most, because it guarantees France will have a deeply euroskeptic president.



This matchup with the scandal-plagued Mr. Fillon, polls say, is Ms. Le Pen's best shot at the presidency.

Sources: Staff reports; CEVIFOP poll conducted between Apr. 16-17 by Ipsos-Sopra Steria of 11,601 people registered on the electoral rolls (polling)

THE WALL STREET JOURNAL.

### VOTE

*Continued from Page One* in place, candidates scrapped their scheduled public appearances and took to the airwaves Friday, seizing on the Champs-Élysées attack as a moment that could tip the scales of an election with the future of Europe possibly hanging in the balance.

Conservative François Fillon vowed to fight terror with an "iron fist" by hiring more police and prison officers and stripping French terrorists of their citizenship. Marine Le Pen—the far-right National Front candidate who wants to withdraw France from the European Union, its common currency and NATO—called for an immediate lockdown of France's borders and pledged, if elected, to detain or deport people on the country's terror watch lists.

"Wars are won only with consistency and coherency. The ruthless war we must wage against Islamism doesn't escape this principle," Ms. Le Pen said.

Before the attack, the election was already on a knife's edge with a crowded field of mainstream and antiestablishment candidates jockeying for position as voters prepared to cast ballots on Sunday. The top two finishers will head to a runoff on May 7, unless any candidate garners more than 50% of Sunday's vote.

The latest nationally representative poll by Ipsos Sopra Steria showed Mr. Macron garnering 23% of the first-round vote, Ms. Le Pen 22.5% and Mr. Fillon 19.5%.

Jean-Luc Mélenchon, a far-left firebrand who is threatening to remove France from the EU unless it bends to his demands for a root-and-branch overhaul of the bloc's core treaties, had 19% in the survey, which has a 0.9 percentage-point margin of error.

If Ms. Le Pen and Mr. Mélenchon manage to edge out



JEFF J MITCHELL/GTY IMAGES

The shootout left holes in a window of a shop on Champs-Élysées.

their pro-Europe rivals on Sunday, it would place the political and economic order that has governed France and Europe on the brink of collapse.

"Uncertainty has never been this high in a French election," said Adélaïde Zulfikarpasic at

Candidates seized on the attack as a moment that could tip the election.

polling company BVA.

Beyond French borders, U.S. President Donald Trump cited the attack. "The people of France will not take much more of this," he wrote on Twitter. "Will have a big effect on presidential election!"

When gunfire pierced the

air Thursday night, sending the Champs-Élysées into lockdown, all 11 presidential candidates were gathering across town at a France 2 television studio. They were due to take the stage one by one to answer questions from moderators and deliver their closing arguments.

Ms. Le Pen had the prime-time slot. That placed her on camera criticizing the government for leaving people suspected of ties to terrorism on the streets while, unknown to her, Xavier Jugelé, a 37-year-old police officer, was being gunned down on the Champs-Élysées.

With millions watching, France 2 then broke away from the program to scenes of panic on Paris's celebrated shopping corridor. Police had returned fire, killing the gunman.

Investigators pored over the car he had driven to the attack and identified the attacker as

Cheurfi, a man who was first convicted of shooting three police officers in 2001. After three other convictions, he was released from prison in October 2015 on a suspended sentence, French prosecutors said Friday.

Weeks after receiving a tip in January that Cheurfi was looking to obtain guns to attack police officers, authorities questioned him and searched his house and computer. They found no evidence of radicalization or a plot, prosecutors said. Police discovered Cheurfi had potentially violated his parole by spending a month in Algeria. But a judge declined to revoke Cheurfi's suspended sentence after he claimed he made the trip to get married.

Prosecutors were still suspicious. On March 9, they opened a probe into Cheurfi, chief prosecutor François Molins said, because "the judicial record of Cheurfi, his path, justified an investigation by the antiterrorist department."

After the attack, a note supporting Islamic State was found near the gunman, Mr. Molins said.

The disclosure that Cheurfi slipped authorities' net echoed their failure to stop bands of Islamic State militants from carrying out the Nov. 13, 2015, attacks across Paris even though some of them had been under surveillance.

Along the bullet-pocked storefronts of the Champs-Élysées, some voters said they feared the attack would further polarize the electorate. Others said France needed a leader in touch with voters' security concerns.

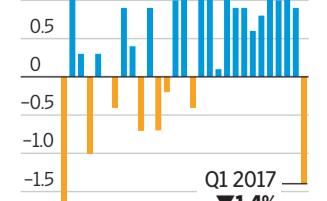
Some voters said they expect the attack to revive the practice of casting ballots for the lesser-of-evils. That, they said, could benefit Mr. Macron, a consensus-seeking former economy minister.

Omar Ilyes, a 44-year-old physics teacher who had been planning to vote for another far-left candidate, said he was now backing Mr. Macron. "France deserves better than the four we got," he said.

### Budget Tightening

Retail sales in the U.K. during the first quarter of 2017 saw the sharpest decline since 2010.

Change from previous quarter



Note: Data is seasonally adjusted

Source: Office for National Statistics

THE WALL STREET JOURNAL.

## British Consumers Pare Spending as Inflation Bites

By WIKTOR SZARY

LONDON—U.K. retail sales dropped sharply in the first quarter of the year, as accelerating inflation began to crimp household budgets, new data showed.

Consumer spending has been a key engine of U.K. economic growth and signs that it is starting to stall comes at an awkward time for Prime Minister Theresa May, who this week called a surprise early general election for June 8.

Announcing her decision, Mrs. May highlighted the U.K.'s surprising economic strength in the wake of the

shaving 0.1 percentage point off the first-quarter figure, the ONS said.

In March alone, retail sales fell by 1.8% on the month, significantly more than the 0.1% fall forecast by analysts polled by The Wall Street Journal.

Compared with March 2016, sales were 1.7% higher, also significantly below analysts' expectations.

"This is the clearest indication yet that the expected slowdown in the U.K. economy has begun," said Andrew Sentance, senior economic adviser at PwC in London.

An official estimate of economic growth in the first

quarter is expected next week.

Inflation in the U.K. has gained pace after the Brexit vote, and prices continued to rise at the fastest rate in over three years in March, fueled in part by the pound's sharp post-referendum depreciation.

Despite a robust labor market, with unemployment at levels that were last lower in the mid-1970s, Britons' wages after inflation have grown only modestly since the start of this year. That suggests British workers are facing a living-standards squeeze and are likely to watch spending closely in coming months.

The Bank of England ex-

pects inflation to peak at around 2.75% early next year.

BOE Gov. Mark Carney has signaled that he is prepared to tolerate an overshoot of the bank's 2% target if it helps keep the economy on an even keel while Mrs. May negotiates the U.K.'s EU withdrawal.

Brexit proponents say the economy will flourish once the country is out of the EU through new trade deals and by cutting red tape. They argue that the pound's depreciation is likely to boost exports and could go some way toward rebalancing the U.K. economy.

—Paul Hannon contributed to this article.

## WORLD NEWS

# Taliban Kill Scores At Afghan Army Post

BY EHSANULLAH AMIRI  
AND JESSICA DONATI

KABUL—Taliban fighters entered the Afghan army's regional headquarters in a northern province hidden in military vehicles and killed scores of people on Friday, Afghan and U.S. officials said, in the latest sign of an emboldened insurgency that threatens the central government.

The attack followed an Islamic State ambush late Thursday on U.S. and Afghan special-forces soldiers camped near a valley in east Afghanistan, where the U.S. military dropped its GBU-43, or Massive Ordnance Air Blast bomb, on April 13 targeting a militant stronghold.

The Taliban attack in northern Balkh province, one of the more peaceful parts of the country, came during Friday afternoon prayers, with many soldiers unarmed inside a mosque on the base.

"They started shooting at everyone as they were coming out of the mosque," an Afghan official said. "It took a really long time to clear because two attackers got inside the building."

U.S. and Afghan officials provided different casualty figures.

The spokesman for the northern Afghan corps, Abdul Qahar Aram, said that the attack lasted several hours and that five militants had been killed during the operation to secure the base, while a sixth had been caught alive. Eight soldiers had been killed and 15 wounded in the battle, he added.

The U.S. military, which has a presence at the base, said that probably more than 50 Afghan soldiers and civilian contractors working there had been killed in the attack. Other Afghan officials confirmed the figure provided by the U.S. military, accusing the Afghan army of underreporting the number of casualties.

The Taliban in a statement on Twitter claimed responsibility for the attack, which targeted the 209 Corps base in Mazar-e-Sharif, the capital of the province.

The U.S. military coalition in the country didn't immediately say whether U.S. and German soldiers, who maintain a presence at a base in Mazar-e-Sharif, were involved in the incident but said no coalition forces were killed or wounded.

The Taliban are the country's largest insurgent group and control or influence almost half of the country, according to U.S. government estimates, threatening to overran at least a half-dozen provincial capitals this year.

Islamic State, while relatively small in Afghanistan compared with the Taliban, is also seen as a growing threat in the war-torn country and has proved resilient.

—Ben Kesling in Washington contributed to this article.

# U.S. Says Syria Has Chemical Arms

BY GORDON LUBOLD  
AND RORY JONES

TEL AVIV—Defense Secretary Jim Mattis said there was "no doubt" that the Syrian government has chemical weapons, following a U.S. strike earlier this month on a Syrian air base that targeted a stockpile believed to have been used on a rebel-held town.

"The bottom line is there can be no doubt in the international community's mind that Syria has retained chemical weapons in violation of its agreement and its statement that it had removed them all," Mr. Mattis said Friday, referring to the international deal reached in 2013 between the regime of President Bashar Assad and world powers.

Speaking in a joint press conference in Tel Aviv with his Israeli counterpart, Avigdor Lieberman, Mr. Mattis declined to say how much of its chemical-weapons stash the regime kept despite the agreement.

"We don't reveal some of that detail because we don't want to reveal how we are



Defense Secretary Jim Mattis departing Ben Gurion International Airport in Tel Aviv on Friday.

finding out," he said, "but the bottom line is that we can say authoritatively that they have retained some. It is a violation of the United Nations Security Council resolutions and it can be taken up diplomatically."

Mr. Mattis reiterated the American position on any fur-

ther use of chemical weapons by the Syrian government, saying it would be "ill-advised."

Two weeks ago, the U.S. launched a missile strike against the airfield in Syria it said was connected to a suspected gas attack on a rebel-held town several days earlier

that killed at least 86 people.

The defense secretary, who has said that as many as 20 Syrian aircraft were destroyed in the U.S. strike, said it also led Mr. Assad to remove many of his remaining aircraft from the base.

"No doubt they have dis-

persed their aircraft in recent days," he said.

A senior Israeli defense official told reporters this week that the Assad regime still had several tons of chemical weapons but provided no details and didn't indicate how Israel had arrived at the assessment.

Mr. Lieberman declined to confirm that estimate Friday but said Israel was certain Mr. Assad had retained chemical weapons past 2013 and attacked the rebel-held area on April 4.

"We have 100% information that the Assad regime used chemical weapons against rebels," he said.

He said the Trump administration was taking a "completely new" approach to what he called the regional threat posed by Iran's expansion in Syria and other parts of the Middle East.

In recent weeks, Israeli officials have told both Washington and Moscow that to avoid a future conflict with Israel, any future agreement in Syria must include the withdrawal of Hezbollah and Iranian forces.



Settlers from a branch of the National Union party held a cookout Thursday outside Ofer prison in the West Bank, where Palestinian prisoners are on a hunger strike.

# Barbecue by Pro-Settlement Israelis Provokes Ire

BY RORY JONES

TEL AVIV—Palestinians protested and expressed outrage Friday, a day after pro-settlement Israelis organized a barbecue next to an Israeli prison in the West Bank where Palestinian prisoners are on a hunger strike to demand better conditions.

The settlers from the youth branch of the National Union party held the cookout Thursday outside Ofer prison, saying they wanted the smell of cooking meat to waft into the jail where the strike was ongoing, according to videos posted by the settlers.

"The idea was to break them. Make them hungry," a spokesman for the National

Union party said Friday.

Palestinian newspapers on Friday condemned the barbecue as another aggression against the Palestinian people.

"How can anyone barbecue with the smell of meat near political prisoners fighting for their country?" said Qadura Fares, head of the Palestinian Prisoners' Club, which supports the inmates. He spoke at a demonstration Friday by dozens of Palestinians at Ofer prison, north of Jerusalem.

More than 1,000 of the roughly 6,500 Palestinians in Israeli prisons launched a mass hunger strike on Monday. They are demanding more family visits and an end to what they say are unfair trials and torture in jail.

Palestinians in Israeli prisons launched a mass hunger strike on Monday.

The prisoners are also calling for an end to the Israeli practice known as administrative detention, under which Palestinians can be held without charge for an indefinite period.

Israeli officials have refused to negotiate with the prisoners. They have said that the conditions in Palestinian prisons are good and that Palestinians are detained to ensure

the security of Israeli civilians.

Some Israelis and Palestinians have questioned whether the strike is politically motivated to raise the profile of its main instigator, Marwan Barghouti. Mr. Barghouti is viewed as a potential successor to Palestinian Authority President Mahmoud Abbas and Israeli authorities placed him in solitary confinement this week.

He was convicted in 2004 on five counts of murder for participating in the planning of attacks on Israelis during the second Palestinian intifada, or uprising. During his trial, he challenged the Israeli court's legitimacy and provided no defense.

The National Union party is

a faction in the larger Jewish Home party, led by right-wing leader Naftali Bennett, with some of its members representatives in the Israeli parliament, a spokesman for National Union said. Both parties support settlement construction.

"The time has come to stop listening to the hunger strikers and show them that we are not giving in to their whims," Ophir Sofer, secretary-general of the National Union party, said ahead of the barbecue on Thursday, according to pro-settlement newspaper Arutz Sheva. "The party's youth will treat passersby with meat and make sure that the terrorists savor the aroma of the meat on the fire."

# On War's Doorstep, Iraqi Christians, Muslims Find Fun in Bingo

BY MARIA ABI-HABIB

ERBIL, Iraq—It was just after 7 o'clock on a Saturday night and Erbil's hottest game wouldn't start for almost two hours. But Saamia Hanna Youssef arrived early to beat the rough-and-tumble lines for bingo.

The 35-year-old, her gold-painted nails matching the rings on her fingers, shared her formula for selecting one of the 450 numbered cards for a version of the game known locally as tombola: She takes the date, multiplies it by four, then divides it by her house number in Hamdaniya—a nearby district that was overrun by Islamic State in 2014 and liberated by Iraqi and U.S. forces in October.

"Give me card number 126 and be quick!" Ms. Youssef demanded, snapping gum between her teeth. "We used to play tombola in Hamdaniya. It was my ritual four times a week," said Ms. Youssef, who is waiting for government services to be restored before moving back. "Here I continue. It reminds me of home."

Tombola is a wild night out



Players of tombola, a version of bingo, at a club in Erbil.

cards and a pack of cigarettes to see him through the night.

Tombola players at the Teachers' Club insist they come just for fun, although the game can get competitive and tempers do flare.

Sabah Danha, 69, was among those waiting, elbowing younger players in what looked more like a mosh pit than an orderly line.

"Give me number 101!" he

yelled jovially. When asked to explain his choice of card, he declared: "Because God is one and we are all one!"

Naameh Saad, 62, said his jewelry store and family home in Mosul were ransacked by Islamic State, and said he sees the game as a reprieve from the loss of his comfortable life and the boredom of unemployment that haunts him in Erbil.

"If I win tonight, I'll come

back Wednesday. And if I don't, I'll save up for next month," he said. "We came here to take a rest. To have fun."

As the evening wore on, the air beneath the hall's 30-foot-high ceiling became choked with cigarette smoke. The players grew anxious as the presenter scooped up numbered balls spat out from a cocoon-shaped cage held together with tin foil and plastic wrap.

widely believed to have been carried out by one of the Shiite Muslim militias active in Iraq's southern provinces, came to symbolize the continuing challenge faced by the government in controlling armed groups.

Prime Minister Haider Al-Abadi on Friday received a phone call from Sheikh Hamad bin Jassim Al Thani, prime minister of Qatar, who thanked the Iraqi government for its help in getting the hunters released, Mr. Abadi's office said.

The number of kidnappers and their affiliation remain unknown, and no group has claimed responsibility.

—Ghassan Adnan

About 45 minutes after the game began, the last numbers were pulled from the ball cage. Mrs. Youssef won a minor prize worth about \$20.

Players started to rip up their cards, in keeping with a local superstition that they hope will bring greater luck in the next game by showing the card who's boss.

—Awadh Altaie contributed to this article.

## Abducted Qatari Hunters Freed After 16 Months

BAGHDAD—Iraq's interior ministry said that 26 Qatari hunters kidnapped in 2015 while on an expedition in Iraq, including members of Qatar's royal family, were released.

The hunters had left Iraq and were in the custody of ministry officials and would be handed over to the Qatari ambassador to Iraq once they had been properly identified, the ministry said Friday.

The high-profile abduction,

## WORLD NEWS

# China Fights Missiles With Hackers

South Korean entities deploying U.S. defense system are the target of cyberattacks

Chinese state-backed hackers recently targeted South Korean entities involved in deploying a U.S. missile-defense

By Jonathan Cheng  
in Seoul and  
Josh Chin in Beijing

system, an American cybersecurity firm says, despite Beijing's denial of retaliation against Seoul over the issue.

In recent weeks, two cyberespionage groups that the firm linked to Beijing's military and intelligence agencies launched a variety of attacks against South Korea's government, military, defense companies and a big conglomerate, John Hultquist, director of cyberspiesion analysis at FireEye Inc., said in an interview.

The California-based firm, which counts South Korean agencies as clients, including one that oversees internet security, wouldn't name the targets.

While FireEye and other cybersecurity experts say Chinese hackers have long targeted South Korea, they note a rise in the number and inten-



BEN LISTERMAN/AGENCE FRANCE PRESSE/GETTY IMAGES

A Thaad interceptor is test launched on Wake Island in the Pacific Ocean in this 2015 photo.

sity of attacks in the weeks since South Korea said it would deploy Terminal High-Altitude Area Defense, or Thaad, a sophisticated missile-defense system aimed at defending South Korea from a North Korean missile threat.

China opposes Thaad, saying its radar system can reach deep into its own territory and compromise its security. South Korea and the U.S. say Thaad is purely defensive. The first components of the system arrived in South Korea last month and have been a key issue in the current presidential campaign there.

One of the two hacker groups, which FireEye dubbed Tonto Team, is tied to China's military and based out of the northeastern Chinese city of Shenyang, where North Korean hackers are also known to be active, said Mr. Hultquist, a former senior U.S. intelligence analyst. FireEye believes the other, known as APT10, may be linked to other Chinese military or intelligence units.

China's Ministry of Defense said this week Beijing has consistently opposed hacking, and that the People's Liberation Army "has never supported any hacking activity." China has said it is itself a major

hacking victim but has declined to offer specifics.

Mr. Hultquist said an error in one of the group's operational security provided FireEye's analysts with new information about the group's origins.

South Korea's Ministry of Foreign Affairs said last month that its website was targeted in a denial-of-service attack—one in which a flood of hacker-directed computers cripple a website—that originated in China.

A spokesman said "prompt defensive measures" ensured the attacks weren't effective, adding that it was maintaining an "emergency service system" to repel Chinese hackers.

The ministry this week declined to comment further, or to say which cybersecurity firm it had employed or whether he thought the attacks were related to Thaad.

Another cybersecurity company, Russia's Kaspersky Lab ZAO, said it observed a new wave of attacks on South Korean targets using software that appeared to have been developed by Chinese speakers starting in February.

The two hacking groups with alleged ties to Beijing have been joined by other so-called hacktivists—patriotic Chinese hackers acting independently of the government and using names like the "Panda Intelligence Bureau" and the "Denounce Lotte Group," Mr. Hultquist said.

South Korea's Lotte Group has become a particular focus of Chinese ire after the conglomerate approved a land swap this year that allowed the government to deploy a Thaad battery on a company golf course.

Last month, just after the land swap was approved, a Lotte duty-free shopping website was crippled by a denial-of-service attack, said a company spokeswoman, who added that its Chinese website had been disrupted with a virus in February. She declined to comment on its source.

# Pence Tells Indonesia To Open Economy

BY BEN OTTO

JAKARTA, Indonesia—Vice President Mike Pence urged Indonesia to open up its \$900 billion economy more to U.S. businesses, pointing to \$10 billion in recent deals as a sign of the potential.

"There's much more that must be done to improve the business and investment climate in Indonesia," Mr. Pence told businesspeople Friday, at the end of a two-day visit before leaving for Australia. His trip through the region had earlier taken him to South Korea and Japan.

Mr. Pence pointed to intellectual-property issues, a lack of transparency and local-manufacture requirements that U.S. businesses have said hurt investment. He said that the U.S. is seeking to cut investment barriers to "create a truly level playing field," and that he hopes to expand trade ties.

The Trump administration recently said it would scrutinize Indonesia and 15 other nations for anticompetitive practices.

Mr. Pence highlighted what he said were more than \$10 billion in trade and investment deals being signed by 11 U.S. companies, though at least some reflect business over the past year or pending deals.

The U.S. is among Indonesia's largest sources of foreign investment. A 2013 study by the U.S. Chamber of Commerce and USAID said U.S. companies were the top investors over the previous eight years, pouring in \$65 billion.

Some U.S. companies have recently been in the spotlight in Indonesia: Alphabet Inc.'s Google is being pressed to pay more in taxes, and the government has cut ties with J.P. Morgan Chase & Co. over an unfavorable research report.

## WORLD WATCH



### VENEZUELA

#### At Least a Dozen Are Killed in Riots

At least a dozen people were killed in a string of riots and looting in Venezuela's capital overnight as antigovernment demonstrations led to clashes between protesters and state security forces, authorities said Friday.

The attorney general's office said it was investigating 11 deaths from electrocution and gunshots late Thursday and early Friday in the western Caracas district of El Valle, normally a stronghold of

the ruling Socialist Party. Eight of those killed were electrocuted while attempting to steal a refrigerator, authorities said. Another demonstrator was shot to death in the Caracas slum of Petare, that district's mayor said.

—Kejal Vyas

### RUSSIA

#### U.S., Canada Intercept Russian Bombers

Russia flew long-range combat aircraft near American airspace for the fourth consecutive day, the Pentagon said, marking the

first such string of incursions since 2014.

American and Canadian jet fighters intercepted a pair of Russian "Bear" long-range bombers in international airspace near Alaska on Thursday, said John Cornelio, a spokesman for North American Aerospace Defense Command, or Norad.

The interception comes amid tension between the two powers over Syria and other issues. White House spokesman Sean Spicer said the administration is aware of the situation but that it isn't unusual.

—Ben Kesling

## EXXON

Continued from Page One  
opponents at home, the officials said.

The Wall Street Journal reported on Wednesday that Exxon last month renewed a push for approval of a waiver on Russian sanctions for its oil exploration venture with PAO Rosneft, the Russian energy conglomerate closely aligned with Mr. Putin, according to a person familiar with the discussion. The company had originally submitted the application in 2015.

The venture was frozen in 2014 after the Obama administration placed sanctions on Rosneft and its chief executive, Igor Sechin, in retaliation for Russia's annexation of the Crimea region of Ukraine.

"In consultation with President Donald J. Trump, the Treasury Department will not be issuing waivers to U.S. companies, including Exxon, authorizing drilling prohibited by current Russian sanctions," Treasury Secretary Steven Mnuchin said in a statement Friday. U.S. officials said Mr. Trump made the decision after close consultations with Mr. Mnuchin, a former Goldman Sachs executive.

The Trump administration's decision likely will make it impossible for Exxon to drill in Russia's Black Sea waters before its agreement with Rosneft expires at the end of this year. Exxon has until 2023 to explore some of Russia's Arctic waters if sanctions are lifted.

"We understand the statement today by Secretary Mnuchin in consultation with President Trump," said Alan Jeffers, an Exxon Mobil spokesman. "Our 2015 application for a license under the provisions outlined in the U.S. sanctions was made to enable our company to meet its contractual obligations under a joint venture agreement in Russia, where competitor companies are authorized to undertake such work under European sanctions."

News of Exxon's Treasury application drew sharp criticism in Congress over the past two days. Leading Democrats and some Republicans have said the Trump White House should be increasing sanctions

on Russia for its alleged effort to interfere in last year's U.S. election, rather than loosening them. Russia has denied any interference in the election.

Lawmakers also raised concerns the Trump administration could face a conflict of interest in ruling on the Exxon application, given Mr. Tillerson's previous position as CEO. State Department officials said this past week that Mr. Tillerson has recused himself from any issues related to Exxon for two years.

"Given Russia's well-documented and troubling activities around the world, it is troubling Exxon Mobil would continue to press for its narrow economic advantage at the expense of our national interest."

Mr. Tillerson has recused himself from any issues related to Exxon for two years.

ests," Sen. Ben Cardin of Maryland, the ranking Democrat on the Senate Foreign Relations Committee, said on Friday. "The deals they are seeking would put money in the pockets of Russian oligarchs and the Russian treasury, guaranteed to be used against America, our interests, and our allies."

Lawmakers have said they are investigating a string of contacts between Mr. Trump's aides and Russian officials during the campaign and the presidential transition. These include meetings and phone calls between his former national security adviser, Mike Flynn, and Russia's ambassador to

Washington, in which U.S. sanctions on Russia were discussed. They also include meetings that Mr. Trump's son-in-law, Jared Kushner, held with the head of a state-run Russian bank that is on a U.S. sanctions list.

The administration has been in an awkward dance with the Kremlin since Mr. Trump assumed office, after his repeated calls during the campaign for warmer ties.

Earlier this month, the Pentagon launched airstrikes on a Syrian military base believed to have been involved in a chemical-weapons attack against Syrian civilians. The U.S. missiles risked hitting Russian troops that were stationed at the base, according to U.S. officials. Russia and Syria are allies.

Mr. Trump also authorized Montenegro this month to become the 29th member of the North Atlantic Treaty Organization, despite repeated protests by Russia.

Mr. Tillerson visited Moscow last week and met with Mr. Putin for more than two hours. But the former Exxon chief left Russia saying Washington's relations with Moscow were at a "low point."

"The problem with sanctions is that they're right there at the center of what went most wrong in Russian-American relations, and that is, of course, the Ukraine crisis," said Stephen Sestanovich, a Columbia University professor and the State Department's ambassador-at-large to the former Soviet Union during the Clinton administration. "There's a low level of trust."

—Felicia Schwartz contributed to this article.



Secretary of State Rex Tillerson in Moscow earlier this month

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# OBITUARIES

ROBERT TAYLOR  
1932 - 2017

## He Found a Way to Nurture Computer Visionaries

BY JAMES R. HAGERTY

**R**obert Taylor nurtured researchers who created the forerunners of today's internet and easy-to-use computers.

Mr. Taylor, who led research teams at the Pentagon and a Xerox Corp. lab from the 1960s to the early 1980s, had a talent for finding brilliant people and coaxing them to cooperate. He said it was a mistake to hire people who were merely good at their jobs; it would take 10 or 20 good people, he argued, to match the contribution of a single great one. While giving researchers room to follow their own instincts, he insisted on what was then a radical vision: small, personal computers linked together to create communities.

"He knew where he wanted to go and found the people to figure out how to get there," said Leslie Berlin, a historian whose book on Mr. Taylor and other Silicon Valley pioneers is due to be published in November.

Mr. Taylor, who had been suffering from Parkinson's disease, died April 13 at his home in Woodside, Calif. He was 85.

The adopted son of a Methodist minister, Mr. Taylor seemed an unlikely candidate to revolutionize computing. His training was in experimental psychology, not computer engineering. Yet he had a missionary zeal, along with a sympathy for brainy people who couldn't bear a corporate environment.

When hiring, he encouraged as many of his underlings as possible to meet and size up job candidates. That took up lots of time, but new hires were more likely to succeed if their colleagues had endorsed them.

Once a week at the Xerox lab, he gathered researchers in a conference room furnished with beanbag chairs to discuss their work.



He encouraged them to challenge one another but required that they also make an effort to understand and acknowledge opposing viewpoints. People were free to try risky technological leaps, work odd hours or ride bicycles down the hallways.

**R**obert William Taylor was born Feb. 10, 1932, in Dallas. His adoptive father, who had studied at Yale University, was bookish and introduced Methodists in southwestern Texas to existentialism in the late 1940s, Mr. Taylor recalled in an oral history recorded by the Computer History Museum. After serving in the Navy during the Korean War, Mr. Taylor studied at the University of Texas at Austin and earned a master's degree in psychology.

While doing his graduate-school research, he was introduced to 1950s computers. "You had to punch holes in paper cards or tapes, give the paper to someone who fed it to the machine, and then go away for hours or days," he wrote later. That struck him as ridiculous, so he worked with a

calculator instead.

He saw a very different future of personal computing after reading a 1960 paper called "Man-Computer Symbiosis" by J.C.R. Licklider, who envisioned "men and computers working together in intimate association." The two men became friends and in 1968 wrote a paper, "The Computer as a Communication Device," anticipating online communities, among other things.

As a project manager at the National Aeronautics and Space Administration in the early 1960s, he helped channel funding to Douglas Engelbart, an engineer who would later demonstrate such marvels as the computer mouse.

In the mid-1960s, working at the Defense Department's Advanced Research Projects Agency, or ARPA, Mr. Taylor saw a need for stringing computers at different institutions together into an information-sharing network. His boss, Charles Herzfeld, quickly gave him \$1 million of funding to pursue that goal, leading to the creation of ARPAnet, an early version of the internet.

Xerox opened its Palo Alto Research Center, known as PARC, in 1970, and hired Mr. Taylor to help run it. His band of merry misfits, drawing on their own ideas and many other sources, developed graphical displays to replace the confusing codes needed to operate earlier computers. They produced Ethernet networking technology and laser printers. The lab's experimental Alto personal computers helped inspire Steve Jobs and others to create the desktop models that began to go mainstream in the early 1980s.

He is survived by three sons and three grandchildren.

◆ Read a collection of in-depth profiles at [WSJ.com/Obituaries](http://WSJ.com/Obituaries)

HENRY HILLMAN  
1918 - 2017

## Investor Moved Fortune Into High-Tech Firms

**I**n a 1986 profile, The Wall Street Journal described Henry Hillman as "about as invisible as \$2 billion can get."

The reference was to the Forbes estimate of his net worth, more recently put at \$2.6 billion.

The Pittsburgh investor kept a low profile, he explained, because "the whale gets harpooned only when it spouts." He wasn't fond of the Forbes wealth rankings and dubbed them "The Kidnapper's Handbook," friends said.

Though his face was unknown to the general public, Mr. Hillman's name became familiar in his hometown as recipients of his donations, including the University of Pittsburgh and Carnegie Mellon University, affixed it to

buildings and programs.

After inheriting a fortune based on coal, coke and chemicals, he sold those holdings and reinvested in high technology. In 1972, he was a founding limited partner in Kleiner, Perkins, Caufield & Byers, a pioneer in venture capital. He also invested in the initial fund of the leveraged buyout firm Kohlberg Kravis Roberts & Co.

He served on the boards of companies including General Electric Co., Merck & Co. and PNC Financial Services Group Inc. In his late 90s, he became a serious bridge player, taking on friends and practicing online.

Mr. Hillman died April 14 at a hospital in Pittsburgh. He was 98.

—James R. Hagerty

DAN ROONEY  
1932 - 2017

## Steelers President Made Football History

**B**eing Art Rooney's son wasn't always easy. Known as "the Chief," Mr. Rooney founded the Pittsburgh Steelers and was a highly skilled boxer, local political boss and horse bettor. Once, after watching his sons' sloppy play on a baseball diamond, he roared: "Don't say you are Rooneys!"

Yet Dan Rooney, the eldest of five sons, pulled off the tricky feat of emerging from the shadow of a legendary father and in some ways surpassing him. Where the father's interests were scattered, the son concentrated on making the Steelers one of the nation's most successful football teams, with six Super Bowl victories.

He became known as a media

tor of National Football League labor disputes and devised what became known as the Rooney rule, requiring teams to interview at least one minority candidate when looking for head coaches.

Patience paid off: The Steelers have had just three coaches in the past 48 years. Mr. Rooney cited thorough interviewing of candidates, delving into character rather than football knowledge.

He raised funds for Irish causes and served as U.S. ambassador to Ireland from 2009 to 2012. Among the hundreds attending his funeral on Tuesday was former President Barack Obama.

Mr. Rooney died April 13 in Pittsburgh at age 84.

—James R. Hagerty

## SNAKES

*Continued from Page One*  
poles and as long as 20 feet. They aren't venomous, killing by coiling around an animal and suffocating it before gulping. There have been reports abroad of pythons swallowing humans.

"I'm feeling good about this," said Mr. Rahill one morning last month, trudging through dense brush while swatting mosquitoes and avoiding poisonwoods that can trigger rashes.

Mr. Rahill is the 59-year-old founder of Swamp Apes, a group that takes military veterans into the wilderness for activities including snake hunting. He said it has bagged more than 400 pythons. "This is perfect python habitat," he said, approaching an elevated hardwood hammock. He looked for telltale signs—matted grass, shed skin—jabbing his stick into crevices.

He sniffed the air for python poop. "Acrid," he explained, "more biting than gator" variety.

Mr. Rahill, a telecom administrator, is among 25 hunters the agency selected from more than 1,000 applicants to hunt down the beasts. The elite few include three Swamp Apes and Dusty "The Wildman" Crum, 36, an orchid grower whose hunting team in a 2016 contest nabbed a 15-foot python. The agency pays \$8.10 an hour, \$50 per python—must be delivered dead—and \$25 for each foot over four.

The program is the latest in a string of attempts by state and federal agencies to eradicate the beasts, from deploying dogs trained to pick up their scent to releasing "Judas snakes" outfitted with radio transmitters to lure other pythons.

In January, the Florida Fish and Wildlife Conservation Commission and other parties hired two members of the snake-hunting Irula tribe in India, who the agency says captured 33 pythons over a two-month period.

They began each day with a sort of prayer and "would ask the powers that be for the vision to see these snakes," said Joe Wasilewski, 64, a conservation biologist who helped arrange the effort.

Then they would light up thin Indian "bidi" cigarettes and head out, searching for faint signs of the serpents. "They're so darn good at it," Mr. Wasilewski said.



Joe Wasilewski with Irula tribe members hired to hunt pythons.

Though the snakes can reach monstrous proportions, their camouflage and tendency to hide make them difficult to spot. "You can stand right on top of it in vegetation," said Bryan Falk, 38, a U.S. Geological Survey research ecologist, "and you wouldn't know it."

Pythons, native to Asia, probably entered the Everglades decades ago when they escaped from, or were released by, people who bought them as pets, scientists say. They eat marsh rabbits and wading birds, robbing native predators such as panthers and alligators.

Bobby Hill, 65, whose job is to remove exotic species from

monkey dance comes handy. "You juke left, you juke right" to avoid strikes, he said, until the reptile is tired out and provides an opening to pounce. Another Swamp Ape, he said, does more of a ballet movement. "He's a joy to watch, so smooth and fluid."

Mr. Hill prefers a simpler snake-subjugation tactic: He grabs his Winchester 12-gauge shotgun and fires at the python's head. "A head shot is considered a humane way" to kill a snake, said Mr. Hill, who said he has been involved in capturing more than 700 pythons.

On the recent day in the Everglades, Mr. Rahill found no snake in the brush, so he tried a method he calls "road cruising." He hugged the roadside in his black Chevy Cavalier—295,000 miles on the odometer, missing a hubcap—searching through the open window for that python-skin glisten.

He ended the day empty-handed, saying "the key to successful pythoning is perseverance." Novice hunters often don't realize how difficult it is to pursue pythons, he said. "Some people think pythons are waiting on levees with signs saying, 'Welcome to Florida.'"

If a hunter locates one, the challenge is catching it. In dense foliage, Mr. Rahill yanks on the body to pull it toward a clearer spot where it can't coil around anything. Then he tries to subdue it by the neck.

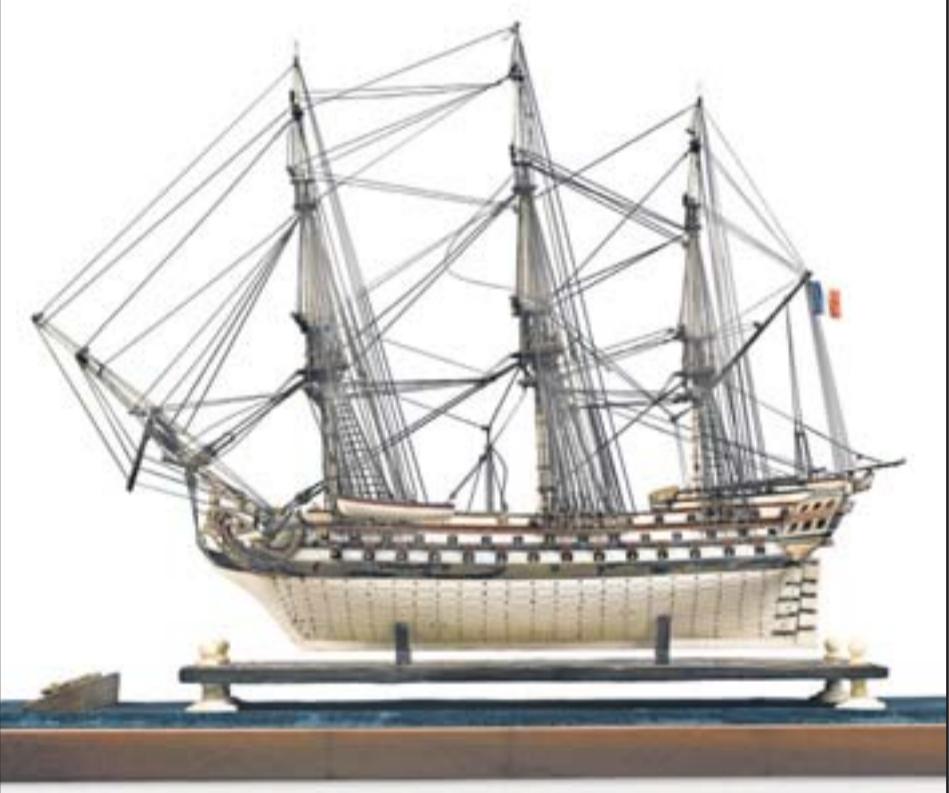
There are dangers at either end: strikes from its head and defensive sprays from its tail of musk and excrement. "They'll fling white blobs of poop everywhere," Mr. Rahill said.

Which is where the scalped-

land overseen by the water-management district, said he has found deer hoofs, alligator scales and a bobcat claw in pythons' bellies.

Days later, farther north, he was tramping through brush and glimpsed a python pattern on a mound, he said. He lunged at it, grabbed at the snake mid-body and pulled it into the open. The snake tried to strike him several times before he subdued and bagged it. The 7-footer yielded a \$125 bonus. "I earned that snake," he said.

The snake earned a swift end dealt by Mr. Rahill's sledgeham-



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## IN DEPTH

# IRAN

Continued from Page One  
hold her daughter.

Mrs. Ratcliffe told her husband a prison interrogator had said she would have to agree to have Gabriella move to the prison three nights a week or waive all rights to see her.

"I am not going to have my daughter live in prison," Mrs. Ratcliffe, 37 years old, said. "I am not strong enough to take care of her here."

At least four Americans and five British dual nationals are in Iranian custody and charged with spying, according to U.S. and U.K. officials. The detentions have left the governments the difficult choice of whether to negotiate their release through prisoner swaps or payments.

Such arrests have continued, even after a nuclear deal between Iran and world powers raised hopes of easing tensions with the West. They have presented a dilemma in Washington, London and in Europe, where new administrations consider how to deal with multiple diplomatic issues, including trade and Iran's role in the region.

Each case, every detention, has a human cost. Mr. Ratcliffe has asked U.K. officials if they will make a deal with Iran for the return of his wife and daughter—a question, he said, still unanswered.

U.K. officials have never condemned the arrest, he said: "They keep saying we are concerned. That is not enough. My nightmare is that they will just leave her there to rot."

Officials have pressured him to stop criticizing Iran, he said, because it could hamper talks about his wife's release.

The British Foreign Office said in a written statement: "The Prime Minister and Foreign Secretary have both raised her case with their counterparts in Iran and will continue to do so."

Iran said it doesn't recognize dual nationality, including Mrs. Ratcliffe's U.K. status. The regime has treated such prisoners as bargaining chips with the West. Iranian officials haven't responded to Mr. Ratcliffe's attempts to contact its London embassy. Iran's mission to the United Nations declined to comment.

Iranian prison authorities have asked Mrs. Ratcliffe to sign a form for them to keep Gabriella's U.K. passport. Her husband said not to sign anything. He promised not to try to retrieve their daughter without her consent.

The couple has spoken by phone only a handful of times in the past year, their longest conversation lasting just 10 minutes. Mr. Ratcliffe said his wife has been angry, berating him for not doing more. Other times, she despairs.

Mrs. Ratcliffe read her husband what sounded like a farewell note during a recent call. "I love you more than I have ever loved anyone else," he recited from memory. "Please take good care of Gabriella."

### Worlds apart

Nazanin Zaghari arrived alone in London from Iran in 2007 to pursue a graduate degree in communications. She had never lived abroad. A mutual friend soon introduced her to Mr. Ratcliffe, in graduate school for accounting.

He was an hour late for their first date, and she jokingly punched his arm when he arrived. Despite differences in culture and religion, Mr. Ratcliffe said, he found they had much in common—a sense of humor and a middle-class, family-centered upbringing.

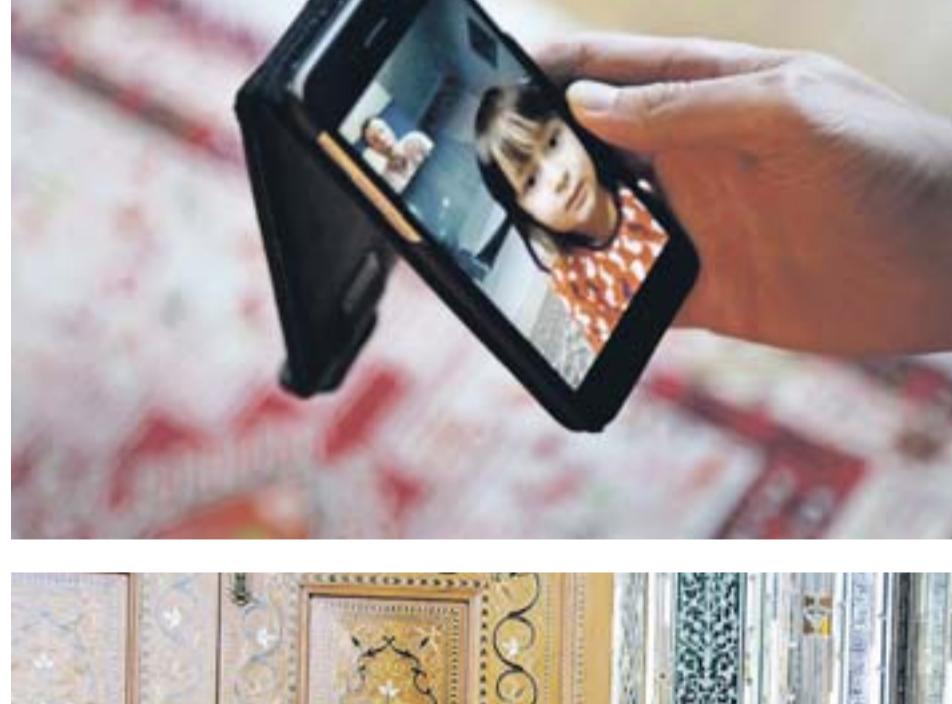
Their dates weren't fancy. They took walks, stopping for tea and baked treats, sharing stories about work and family.

On their first Christmas together, Mr. Ratcliffe brought her to meet his family. His grandmother approved, saying she was a lady who showed respect for the elderly.

Three years after they met, Mr. Ratcliffe proposed. They traveled to Iran so he could ask Ms. Zaghari's father for permission to marry. Mr. Ratcliffe promised his future father-in-law he would provide her a lifetime of care.

The couple married in 2009 in a secular ceremony and threw three parties to accommodate their respective cultures. They bought their first house in early 2016. In the living room, Mr. Ratcliffe put up shelves for the silver and wood-carved art given by his

Richard Ratcliffe's wife, bottom, is imprisoned in Iran, leaving the couple's daughter, below, in the care of grandparents in Tehran.



wife's relatives.

Mr. Ratcliffe described their lives as apolitical. Their friends included other mixed British and Iranian couples, he said, but no antiregime dissidents that they knew of. He and his wife talked about Iran's detention of dual nationals, he said, but they never thought Mrs. Ratcliffe's annual visits to see family in Iran were dangerous.

Last spring, Mrs. Ratcliffe took Gabriella to spend the Persian New Year with her parents in Tehran.

Mr. Ratcliffe was set to pick them up from the airport in London on April 3. His wife texted him: "Just setting off. Will see you on the other side. Love you." He replied: "Love you. Travel Safely."

His cellphone rang at 5:30 that morning. His brother-in-law called to say Mrs. Ratcliffe and Gabriella had missed their flight over a passport glitch, but it would be sorted out in a few hours. Mr. Ratcliffe fell back asleep.

Three days passed without word. Mr. Ratcliffe called Tehran every hour. He couldn't eat, and he skipped work. "The idea that I hadn't been able to protect them, it broke me," he said. Later, he pieced together what had happened.

A security agent waiting at the check-in counter of Turkish Airlines had asked Mrs. Ratcliffe to follow him to a room. There, the agent took her travel documents and inquired about her work life.

She had been a project coordinator for the Thomson Reuters Foundation, the charity wing of the media company. She organized training programs for journalists in Af-

rica. The foundation had no programs in Iran.

The agent escorted her to the entrance of the departure lounge where her parents waited. He ordered Mrs. Ratcliffe to hand Gabriella to her mother and sent the parents home. Then the agent led Mrs. Ratcliffe away.

Mr. Ratcliffe learned his wife was taken to a jail in the city of Kerman and kept in sol-

itary confinement. He didn't know why she was taken, how long she would remain in custody or how to get her back.

During those early days, Mr. Ratcliffe lingered at the door of the nursery, looking at Gabriella's blanket and stuffed toys in her crib. Walking past the playground, he imagined Gabriella on the slide, yelling in delight as she slid into his arms. He avoided a route home that passed his wife's favorite ice cream shop.

His wife's parents cautioned against drawing attention to her arrest. Iranian intelligence agents had warned them against talking too much and threatened harm. Mr. Ratcliffe bristled at the admonition.

In Iran, Gabriella cried often, her family said. Sometimes, she stood by the front door and called, "Mommy, Mommy, I'm here." Her grandparents were permitted to bring the girl to her mother

after 38 days. A prison interrogator gave Gabriella a doll.

Mr. Ratcliffe received the first phone call from his wife 55 days after her arrest. She cried, and so did he.

In June, the Kerman branch of the Revolutionary Guards issued a statement linking Mrs. Ratcliffe with local bloggers and activists who were arrested in 2013. It called her a ringleader of British-funded networks scheming to topple the Islamic Republic.

Mr. Ratcliffe called the allegations "preposterous and completely false." He struggled to see the connection with his wife. After graduation, she had worked for several months in 2009 as an administrative assistant for BBC Media Action, the network's international charity wing. The group had offered online journalism training in Iran. In her job, Mrs. Ratcliffe contacted participants, including people in Kerman, to check on their assignments.

The bloggers ran a popular website called Narenji that covered technology. Four from the group are serving prison



brought back from an earlier trip to Iran.

"I look around the house and think what can I do for her that would make her happy?" he said.

### A world stage

In September, Iran's Revolutionary Court sentenced Mrs. Ratcliffe to five years in prison. A few weeks later, Mr. Ratcliffe flew to New York for the United Nations General Assembly, a gathering of world leaders. He hoped to find diplomats friendly with Iranian officials and willing to plead his wife's case.

He rented an apartment in the Crown Heights neighborhood of Brooklyn, and each morning, dressed in a black suit, he took the subway to Manhattan. He carried a leather briefcase with photos of his family when Gabriella was a baby, and copies of a letter he wrote to Iranian President Hassan Rouhani. He also carried two mementos: a light green laptop cover his wife sewed, and Gabriella's favorite toy, a tiny blue figure named Igglepiggle.

He had sent a message to Iran's mission to the U.N. saying he planned to visit the New York City office. When he arrived, Mr. Ratcliffe introduced himself to the guard at the lobby's front desk. He asked to speak to someone on the phone. The guard dialed a number and handed him the receiver.

Mr. Ratcliffe said on the phone that his wife and child had been detained in Iran. He was put on hold to a recording of classical piano. Then he was told that the diplomats were out of the office. He asked if he could leave a letter for Mr. Rouhani.

After half an hour, a woman approached him in the lobby. "I am told you have a letter for the ambassador. They are not here. You should make an appointment," she said.

Mr. Ratcliffe handed the woman a large envelope with

**Diplomats said their dealings with Iran were evolving after the 2015 nuclear deal.**

a photo of himself and his family taped to one side. #FreeNazanin was written in large, bold letters.

While in New York, Mr. Ratcliffe also met with officials of the U.K., Norway and the European Union. Diplomats told him their dealings with Iran were evolving in the wake of the 2015 nuclear deal that halted Iran's nuclear program in exchange for the lifting of international sanctions.

Many echoed a variation of responses he has heard over and over: It is a balancing act. Don't push too much.

After each meeting, Mr. Ratcliffe said, he wanted to scream: It's morally unacceptable to keep a mother and baby hostage.

### Locked away

In January, Mr. Ratcliffe rolled out of bed on a Sunday morning and checked his phone. On Twitter, he noticed an Iranian journalist had posted a message with the hashtag #FreeNazanin. He messaged an Iranian friend to translate. His phone buzzed minutes later.

Iran's Revolutionary Court had upheld Mrs. Ratcliffe's five-year prison sentence. The court also added a new conviction—knowingly married to a British spy, a charge Mr. Ratcliffe called ludicrous.

He phoned his wife's family in Tehran and then his parents. He emailed relatives. He sent out media statements and fielded calls from reporters. He tried to appear on as many radio and TV news programs as time permitted.

He returned home at about 11 p.m. On the dining-room table sat piles of envelopes containing some 30,000 messages of support mailed from strangers across Europe.

Deadlines Mr. Ratcliffe set for the reunion with his wife and daughter have come and passed: their wedding anniversary, Mrs. Ratcliffe's birthday, Christmas, Persian New Year, the anniversary of the arrest.

He now hopes to have his family back before Gabriella's third birthday in June. "This will not define us," he said. "We will have a normal life after this."

## OPINION

# The Challenge of Our Disruptive Era

By Ben Sasse

I am a historian, and that usually means I'm a killjoy. When people say we're at a unique moment in history, the historian's job is to put things in perspective by pointing out that there is more continuity than discontinuity, that we are not special, that we think our moment is unique because we are narcissists and we're at this moment. But what we are going through now—the past 20 or 30 years, and the next 20 or 30 years—really is historically unique. It is arguably the largest economic disruption in recorded human history. And our politics are not yet up to the challenge.

There have been four kinds of economies: hunter-gatherers, agriculture (settled agrarian farmers in their villages), industry (mass urbanization and immigration), and whatever we're entering now.

**It is arguably the largest economic transformation in recorded history. Can our politics adapt?**

Sometimes we call it the information-technology economy, the knowledge economy, the service economy, the digital economy. Sociologists call it the "postindustrial" economy, which is another way of saying "we don't have anything to call it."

What it really means is that jobs are no longer permanent. It used to be that you did whatever your parents and grandparents had done. Hunter-gatherers and farmers never even thought about it. There was no such thing as job choice, only becoming 7 and 10 and 12 years old and taking on more responsibilities to earn your keep.

Industrialization brought a massive disruption. At the end of the Civil War, 86% of Americans still worked on the farm. By the end of World War II, 80 years later, 60% of Americans lived in cities. One of the most disruptive times in American history was the Progressive Era. And what was Progressivism? Not much more than the response of trying to remake society in an era of mass immigration,

industrialization and rising cities. But it turned out not to be as disruptive as people feared, because once you got to the city, you got a new job, which you'd probably have until death or retirement. And the social capital that used to be in the village tended to be replicated in urban ethnic neighborhoods.

What's happening now is wholly different. The rise of suburbia and exurbia, and the hollowing out of mediating institutions, is an echo of the changing nature of work. In the 1970s, it was common for a primary breadwinner to spend his career at one company, but now workers switch jobs and industries at a

more rapid pace. We are entering an era in which we're going to have to create a society of lifelong learners. We're going to have to create a culture in which people in their 40s and 50s, who see their industry disintermediated and their jobs evaporate, get retrained and have the will and the chutzpah and the tools and the social network to get another job. Right now that doesn't happen enough.

Think about qualitative survey data—polls that ask, "What are the top three or four things you're worried about?" Ten years ago, nowhere on the top 10 of that list was anything about prescription drugs. Today opioids are a major concern. People are scared about drug abuse in largely middle-aged populations. That's a symptom of the economic disruption.

I don't mean to be exceedingly pessimistic. There are plenty of wonderful opportunities for American families and innovators in this new economy. For one thing, there are fewer middlemen complicating transactions instead of adding value. So we're going to get a lot more visibility and transparency into product offerings, and consumers are going to get higher-quality and lower-cost stuff.

In other industries, we don't know how to price for things that turn out to matter quite a lot. Think of the news media. We are



going from a world in which we had too much central control by a few large organizations, to one in which everybody, everywhere can deluge us with information. What is likely to happen next is not a lot more higher-quality journalism. We're going to have higher-volume journalism, and some of it will be good. A free, thriving, and independent press is critical to self-government, so this is a big challenge.

But people are also able to silo themselves into an echo chamber, where they hear only things that they already agree with. More conspiracy theories come to flower than ever before. You can see it on our college campuses, where students don't want to encounter any new idea without a trigger warning. If you're never going to encounter ideas that you didn't already know and affirm, I don't know why your parents are paying tuition, because education is all about wrestling with new ideas.

**T**he political result is not just polarization, which is a big problem, but political disengagement. If you think that the biggest problem in America is the other political party and that your party has all the answers, if only you could vanquish the other team from the field, I've got a lot of people I'd like to introduce you to—because Washington doesn't

place and create their own terror networks.

We also lack seriousness about tackling the entitlement crisis. The Republican Party appears almost as indifferent as the Democrats to telling the truth about entitlements. People talk about the national debt, which is approaching \$20 trillion. But that's just the total of intergovernmental transfers and publicly held bond debt. The number that matters is the unfunded obligations of the U.S. government, including future Social Security and Medicare payments. It's more like \$65 trillion to \$75 trillion.

And what about the policy implications of the economic disruption? The cultural, societal, familial and social-network responses to a world of lifelong learning and job disruption are far more important. But there are many potential policy responses in education and job retraining. Are any of these conversations on our national agenda right now?

**W**hat will the American idea look like when we get to this new, disrupted world of the digital economy?

What will entrepreneurship look like? What will cultural pluralism and a robust defense of the First Amendment look like? What will it mean to be able to say that the meaning of America is still centered in institutions that look like the Rotary Club—where people actually live, where they know and love their neighbors, and where they actually want to do

good, not just wear tribal labels about some distant fight in Washington that isn't anywhere near up to the task of the moment we face?

That's the challenge before us, and here's the good news:

Throughout our history Americans have been optimists, ready to seize the day. Let's get to work.

*Mr. Sasse, a Republican, is a U.S. senator from Nebraska. This is adapted from a speech he delivered to Colorado's Steamboat Institute.*

## 'Seed' Capital Takes On New Meaning as Farms Go Digital



**CROSS COUNTRY**  
By Nancy Pfund

Across the heartland, planting season is getting into full swing. Farmers are revving up their tractors and rural towns are coming to life. Sitting in my office in San Francisco, I am taken back to a moment last winter when my perspective

on agriculture shifted.

It was a freezing December day in Omaha, Neb., and I was relieved to duck into the warmth of the conference hall. Technology expos are my natural habitat as a venture capitalist. But I had never experienced an event like this one. The hall was filled with more than 1,000 farmers from across the Midwest. Scattered amid the bluejeans, plaid shirts and cowboy boots was the occasional hat reading "Make America Great Again." That's when the Silicon Valley bubble burst inside my head.

My journey had begun three years earlier with a chance meeting on the street in San Francisco. While running to lunch outside our office,

I bumped into Amol Deshpande and Charles Baron, two entrepreneurs with an idea. American farmers, they said, were being squeezed between powerful vendors and powerful customers. Two firms, Monsanto and DuPont, control 70% of the market for the corn seed that farmers buy. The "ABCD" companies (ADM, Bunge, Cargill, and Louis Dreyfus) wield similar market power over the commodities that farmers sell.

These dynamics weaken the bargaining position of individual farmers, meaning they are forced to settle for the lowest returns in the value chain. Messrs. Deshpande and Baron wanted to give farmers a way to pool their data—on agricultural chemicals, fertilizers, seeds, technology, services and more—to help them make better decisions about their crops.

In 2014 they founded a company called Farmers Business Network, based in San Carlos, Calif., with a national operating center in Sioux Falls, S.D. For an annual \$600 membership fee, farmers who join FBN get access to the combined data of its 3,500 members. FBN also sells

agricultural inputs online to compete with local branches of large farm stores—like Amazon but for fertilizer.

Agriculture had been a relatively fallow field for Silicon Valley's venture capitalists. Farming was out of

**Agriculture had been a fallow field for Silicon Valley venture capitalists. Not anymore.**

sight and out of mind, and investors who seek a social impact, as my firm does, had looked more often to urban challenges. By 2014 it was time to change this investment monoculture. My company's first investment in FBN was about \$3 million, and we were in good company. Kleiner Perkins had helped to hatch the company. Later the venture arms of Google and the Campbell Soup Co. joined as well. It was a marriage of the West Coast and the heartland.

But the importance of bridging

the cultural gap didn't hit me until FBN's conference in Omaha. The sessions had titles like "The Start Up Farmer," and presenters offered concrete suggestions for picking which seeds to plant, saving money on essential inputs by buying online, and getting higher prices for "identity preserved" crops.

In the breaks between sessions—talking over beer, onion dip, Mountain Dew and popcorn—the stories got even more interesting. One Iowan described how after recent losses on his soybean crop he had to dip into the equity of his farm to make ends meet. For me, listening to the chatter felt like the narrative of the 2016 election brought to life, except that it wasn't divisive. I was simply listening in as farmers swapped stories and shared hopes.

FBN is still a work in progress, but the smell of change is in the air. Previously, most farmers only had access to the data from their own operation, and the most important insights came only once a year: after the harvest. This limited their understanding of how changing agricultural inputs and practices could affect their yield.

FBN's members agree to upload data from their operations, which is aggregated anonymously, analyzed, and then shared.

At the conference in Omaha, I heard a group talking about how FBN had helped them find out that other farmers were paying far less for fertilizer and seed from the same retailer. FBN helps provide price transparency—and also competes with those retailers by selling farm inputs directly online. Further, farmers will soon be able to use their crop data in FBN to provide "traceability" to food manufacturers, which can help them get premium prices for their crops.

Venture capitalists often speak abstractly of technology's power to transform whole industries, and that's what FBN aims to do with agriculture. But that cold day in December helped remind me that new tools can also change lives for the better—one farmhouse at a time.

*Ms. Pfund is the founder and managing partner of DBL Partners, a venture-capital firm in San Francisco.*

By Ray Jayawardhana

**W**e live in a "me, me, me" world. Interest in the self, and its assorted extensions, appears to trump all else. Smug politicians and overhyped celebrities are not the only ones to suffer from this common affliction. Astronomers, who might be expected to develop a broader—humbler?—perspective on account of their majestic subject matter, tend to be self-centered in their own way.

I am speaking here of our predilection to judge all other worlds by how closely they resemble ours.

Over the past quarter-century, scientists have identified thousands of planets orbiting stars other than the sun, confirming that our solar system is merely one among tens of billions or more in the Milky Way galaxy alone. The diversity of planets and planetary systems they have uncovered is truly astounding: speedy gas giants in star-hugging orbits, Tatooine-like worlds with double

suns, rocky globes both scorched and frozen.

Yet we continue to obsess over finding an identical twin of our planet circling an identical twin of our sun. The reasoning is that such a setting would offer the best odds of harboring life. Some have called this idealized world Earth 2.0; others have dubbed it Mirror Earth.

**We have more to learn from planetary systems that are starkly different from our own.**

Last August, when evidence of a planet around Proxima Centauri, the sun's nearest stellar neighbor, came to light, both the researchers themselves and the media reports emphasized its "Earthlike" characteristics. Some glossed over glaring differences between world and ours. Proxima b, the planet was dubbed, orbits an

active red dwarf star, much less massive than the sun and much more prone to releasing hazardous flares. With a year that is only 11 Earth-days long, Proxima b is almost certainly tidally locked, with one hemisphere baked in constant heat while the other remains in eternal darkness. What's more, the planet may have lost much of its water and other volatile substances long ago.

In February, when astronomers reported the discovery of a remarkable retinue of seven planets around the nearby star Trappist-1, again the headlines highlighted that they are "Earth-size," roughly speaking, and that at least three may possess "temperate" climates, like that of the Earth. Trappist-1 is so puny that it barely qualifies as a star, though it may emit lethal doses of ultraviolet radiation. Its planetary orbits are so squashed that all seven would fit well inside Mercury's orbit around the sun. Does that sound remotely like a replica of our solar system? Obviously not.

But I would argue that we have more to learn from the Trappist-1

planetary system precisely because it is so starkly different from ours. Its mere existence—a prosaic star with a rich entourage of potentially rocky planets—speaks to the ubiquity of such worlds in the galaxy.

It is tempting to believe that there is something extraordinary, or special, about our cosmic circumstances. In fact, some have argued that complex life on Earth emerged through a series of improbable events that are unlikely to be repeated elsewhere, despite the vastness of space and the immensity of cosmic time.

But the real reason for our preoccupation with finding a carbon copy of the Earth is that we don't know any better. So far, we are aware of only one planet with life—ours—so we are inclined to believe that it must represent the platonic ideal, just as Gottfried Leibniz argued three centuries ago.

In fact, there are good reasons to think that in some cases planets somewhat bigger than ours, so called super-Earths, would provide more-stable conditions. What's more, planets

around red dwarfs, with lifetimes much longer than the sun's, would offer much more time for the emergence and evolution of life. As a practical matter, it is easier to search for signs of life from afar on a super-Earth around a red dwarf than on a smaller, Earth-size world orbiting a bigger, sun-like star. That's why the exoplanet announced this week will be a prime target for the James Webb Space Telescope, to be launched next year.

If the plethora of exoplanet discoveries to date has taught us anything, it is to expect the unexpected. Thus, focusing narrowly on "Earth-like" planets in our search for habitable abodes seems unwise. Five centuries after Copernicus, it is about time that we cast aside our geocentric perspective of other worlds and life in the universe.

*Mr. Jayawardhana, an astrophysicist and the dean of science at York University in Toronto, is author of "Strange New Worlds" (Princeton University Press, 2011).*

## OPINION

### REVIEW & OUTLOOK

## A GOP Health-Care Reprieve?

**R**epublicans have put themselves in a deep hole on ObamaCare, both politically and on the health-market merits, but maybe they'll grab the rescue line now dangling in front of them. A potential compromise among the House's contentious GOP factions could begin the climb out.

The chance to revive the failed repeal-and-replace bill developed this week when the House Freedom Caucus's Mark Meadows and the centrist Tuesday Group's Tom MacArthur struck a tentative deal. Their compromise would allow states to seek waivers to opt out of most of ObamaCare's insurance mandates.

House Republicans spent months negotiating the American Health Care Act in an inclusive internal process, but the 30-or-so members of the Freedom Caucus revolted over the final result. Their demands drove the bill to the right, provoking moderate defections without delivering more conservative votes. Thus the legislation imploded in March.

The question now is whether the Meadows-MacArthur truce is enough to satisfy the holdouts and rehabilitate the bill. Details are limited to a one-page list of bullet points, but more will emerge over the weekend. House leaders plan to consult Members next week, and the House could vote soon if a majority coalesces.

On the substance, the deal is an improvement. It would restore the ObamaCare rules about covering essential health benefits and pre-existing conditions that were repealed to attract the Freedom Caucus. These mandates drive up the cost of insurance, but the compromise would accept them as the political price of avoiding a debate about cancer patients and maternity care.

Setting essential health benefits and pre-existing conditions allows states that want to continue to ruin their insurance markets to go right ahead. But the deal creates an exit ramp for reform Governors who want to experiment with market-based solutions. States that apply for waivers and then stimulate more liquid insurance systems with more choices and lower costs could nurture public confidence in non-ObamaCare alternatives.

The Affordable Care Act gave the Health and Human Services Department the regulatory discretion to achieve similar results, but the new waivers would carry fewer conditions for states. One reason the temperature of American politics is so hot is that too many questions have become binary decisions imposed by Washington, and decentralizing power to the states would be a pluralistic achievement.

Can Republicans recover from the early health-care self-defeat? They're running out

### A compromise gives the House a chance to honor its ObamaCare promise.

of time and their political capital is diminished, but a breakthrough is still possible. The White House intensely wants a legislative victory as the 100-day milepost approaches. And Republicans in Congress need to think through the consequences of another failure.

Realistically, the month of May is their last credible chance to keep their seven-year promise to repeal and replace ObamaCare. Despite its flaws, the House bill would be the most consequential entitlement reform and spending reduction in decades.

The polls show the American Health Care Act is unpopular, but then any bill will be unpopular when too many Republicans and conservative pressure groups are telling Republican voters the bill is awful. A President who rarely tries to persuade doesn't help. But the Senate will have its chance to improve the bill, which can be better explained to the country.

The alternative is the ObamaCare status quo, which means Republicans will have misled voters about repeal and replace while taking the blame from people harmed by surging premiums and declining insurance options. On present trend, large parts of the country may be served by one or even zero insurers in the individual market next year.

The industry must decide soon if the uncertainty in Congress will be resolved and whether to stick around for 2018. Insurance executives saw UnitedHealth Group's earnings surge in the recent quarter after quitting ObamaCare, and some may conclude that they too can profit by not selling such products.

In other words, without reform the GOP will soon come under tremendous political pressure to preserve participation by showering insurers with federal dollars. A bailout for ObamaCare will divide the GOP, and Democrats will evade responsibility—not least because Republicans run both ends of Pennsylvania Avenue and will be held accountable for what happens on their watch.

Meanwhile, Democrats will campaign on expanding Medicaid into even higher income brackets or lowering the eligibility for Medicare to age 55 or even 50 from 65. If the bill fails again, the GOP will have no answer. They'll have shown they don't have the votes to fix insurance markets, so naturally support will grow for government assuming total control of overregulated markets where nobody can buy insurance at any price.

Republicans also need to show they can overcome their recent dysfunctions and start to solve some of the problems that are the reason voters elected them. Sending repeal and replace to the Senate so the health-care reform debate can proceed is an essential start.

## What's Bill Smoking?

**B**ill de Blasio has a plan to make New York City more lucrative for cigarette smugglers, organized crime and terrorists. That's not the way the mayor would put it. But that will be the effect of his new bid to raise the minimum price of cigarettes to \$13 a pack from \$10.50.

High taxes already make cigarettes legally sold in New York state the most expensive in the nation, and New York City is even more expensive with its own layer of taxes. Not coincidentally, the Empire State has the highest smuggling rate in the country. A January study from the Tax Foundation reports that 55.4% of cigarettes consumed in New York state are from smuggled sources.

Mr. de Blasio says making cigarettes more expensive in the Big Apple will drive down the number of city smokers. But what he's really doing is feeding an already huge black market that funds terrorists and organized crime—in addition to folks like the Queens man busted last year after cops found hundreds of thousands of illegal cigarettes and fake tax stamps

in a garage. Two years ago the State Department released a report called "The Global Illicit Trade in Tobacco: A Threat to National Security," saying that cigarette smuggling provides funding for everything from terrorism and human trafficking to weapons.

The smuggling boom means that New York's police are devoting more effort to chasing down "loosies"—untaxed, black-market cigarettes. This can't be the best use of scarce police resources, and Eric Garner died on Staten Island in 2014 after police put him in a chokehold after suspecting him of selling smuggled smokes.

By increasing the already huge price difference between smuggled and lawful cigarettes, the mayor will drive up profits in the black market, diverting even more business from honest shopkeepers and bodega owners to those selling the cheaper, illegal smokes, and feeding other criminality. But Mr. de Blasio's intentions are good, which is all that seems to matter in modern progressivism.

## Japan's Potato Panic

**P**otato-chip fans in Japan stocked up on snacks this week after Calbee and other makers announced that a poor potato harvest in Hokkaido is forcing them to shut down production lines. Japanese store shelves are already stripped of favorite flavors such as plum and French salad, leading to online auctions of hoarded chips.

The U.S. Agriculture Department says American growers supply 78% of Japan's potatoes and potato products. So why not simply import more potatoes?

The answer is Japan's agriculture lobby, which has largely succeeded in keeping out the fresh potatoes needed to make fried chips. The U.S. spuds exported to Japan are mostly dehydrated or frozen processed potatoes, such as the kind used at McDonald's.

Japan banned the import of American fresh potatoes in 1950, ostensibly because of concerns about the potato wart bacteria and the cyst nematode. That was part of a wave of protectionism based on spurious claims. Tokyo justified keeping out U.S. beef because Japanese intestines were supposedly unable to digest it.

After a bad harvest in 2006, Japan did open the door slightly: American potatoes from cer-

tain states can now be imported between February and June—as long as they go through special treatment procedures. While the tariff on fresh potatoes is low at 4.3%, nontariff barriers have held U.S. sales in Japan to about \$10 million a year.

The Trans-Pacific Partnership trade deal would have cracked this valuable market for Idaho spud farmers. The National Potato Council supported TPP in part because it contains a mechanism to resolve phytosanitary issues—i.e., unjustified import restrictions based on disease. Potato Grower magazine estimated TPP would allow U.S. exports to grow to \$50 million annually within five years.

That appetizing opportunity was lost due to President Trump's decision to withdraw from TPP. While fresh potatoes may be a tiny part of Pacific trade, TPP would have expanded access to Japan's lucrative market for a broad range of agricultural products.

Fortunately for Japan, Prime Minister Shinzo Abe is still pursuing TPP to open his economy. If the U.S. stays out, American farmers will lose out to competitors. Japanese snackers could soon be munching on wasabi-flavored chips made with Australian-grown potatoes.

### If Trump wants people to 'buy American,' he needs trade deals.

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## OPINION

## LETTERS TO THE EDITOR

### Any ACA Replacement Must Be More Rational

Perhaps my 40 years of practicing internal medicine has influenced my thinking on the subject of health-care reform, but as your editorial "Reviving Repeal and Replace" (April 10) suggests, there is a virtually insurmountable problem with the process currently under way. The factions seeking to cover all pre-existing conditions or to pay for the catastrophic costs of "invisible risk sharing" that cover the medical expenses of high-cost patients are repeatedly and predictably like a homeowner seeking fire insurance for a house already on fire. The expenses of such efforts regularly exceed the ability of our society to pay for them.

Instead, a highly productive method of lowering emergency-room visits, improving actual health care for our citizens and reducing the extreme costs of catastrophic disease would be to initiate a program that revives the deplorable state of disappearing primary care in our country. The practices of internists and family practitioners, the vanishing elements of our health-care system that provide for effective methods of prevent-

ing disease, are the one area that would produce the most cost-effective and reliable answer. And yet nobody in the halls of Congress, where it counts, seems to recognize this potential solution for restoring the health of American citizens. It wouldn't be a challenge or expensive to support the expansion of primary-care medical residencies in our country's training programs, and the time to start this is now.

ROGER C. DUNHAM, M.D.  
*Santa Barbara, Calif.*

One statement in your editorial pinpoints the problem of the Freedom Caucus: "Republicans have to decide if they can accept progress that is short of perfection." Liberals have learned over the decades to accept incremental victories, two steps forward, one step back. This stringing together of small victories may not be dramatic but has pushed our country to the verge of socialism. Freedom Caucus members should learn that lesson and impart it to their voters.

JIM BARBER  
*Mesa, Ariz.*

### Saying 'Shut Up' Isn't Helping Free Speech

Perhaps the people at Wellesley don't know who wrote the words cited in "Shut Up, They Explained" (Notable & Quotable: April 15) in the student newspaper, but I do. Chairman Mao wrote it in his "Little Red Book." He used the word re-education, which is what the student editorial is all about. The editorial writer, like the "great helmsman," wants to do away with those who disagree. The unnamed author gives a dire warning to those who may disagree: "hostility may be warranted." What on earth are our prestigious colleges teaching?

ANNE BAKER  
*Basalt, Colo.*

What strikes me most about the unsigned Wellesley student is the profound hubris that his or her editorial displays—the presumption that a 20-something can be considered educated and the willingness at his or her age to judge the wisdom of others. If Wellesley provided something approximating a true liberal education, this student might realize that learning is the work of a lifetime and that the best college education can only provide the skills

JIM REARDON  
*San Diego*

The last paragraph of pseudointellectual babble does nothing to dismiss what these leftist wannabes have become: just what they abhor—fascists. So the obvious conclusion is that Wellesley isn't a place for open dialogue or critical thinking. And, of course, the editorial was unsigned; cowards never accept responsibility. They just remain anonymous "victims."

J.K. TAYLOR  
*Sacramento, Calif.*

### Ungreen Consequences of Some Green Projects

I urge prospective investors in wind farms and transmission lines to consider the long-term threats such projects pose to the environment ("Power Lines Give Investors a Charge," Business & Finance, April 7).

Former President Obama allowed his Bureau of Land Management managers to steamroll opponents of the SunZia project in New Mexico and Arizona, which included conservative ranchers, the Sierra Club and Mr. Obama's own EPA—not your everyday bedfellows.

What were the objections? SunZia's wind farm will be a massive horizon-stretching monster, destructive of pristine high-desert landscapes filled with unique fauna and flora. A planned wind farm in southern New Mexico, close to Carlsbad Caverns, will endanger thousands of bats each year with its turbine blades.

The transmission-line route cuts through environmentally sensitive wetlands along the Rio Grande and Arizona's Salt River on its way to link with existing power lines to California. These wetlands are home to a multitude of wildlife, including migratory birds and raptor populations. Power lines can be lethal obstacles to migratory birds. Larger raptors are drawn to them as prey-overlook sites, and thousands of protected birds are elec-

trocuted every year.

Some temporary jobs will be created in SunZia's construction but only a handful of permanent jobs. The major beneficiaries will be Southern California electrical utilities. Los Angeles has drunk dry many lakes in neighboring states and is now primed to

destroy environments and wildlife in New Mexico, Arizona, Wyoming and Colorado to feed its energy needs and "green" power imperative.

DAVID H. HILEY  
*Albuquerque, N.M.*

The Chinese government has used expensive power-generation projects as a means of securing jobs for its people, creating overcapacity that will burden its economy for years into the future. Let's hope the Trump administration supports infrastructure projects that are actually needed, such as rebuilding the nation's many failing bridges, instead of assuring attractive investments for private citizens.

KIMBERLY JONES  
*Wendell, N.C.*

### The Road to Wounded Knee Began at the Little Bighorn

Regarding Fergus M. Bordewich's review of Louis S. Warren's "God's Red Son" (Books, April 8): The road to Wounded Knee began 14 years earlier at Custer's (foolhardy) last stand on the Greasy Grass by the Little Bighorn. The 7th Cavalry had been aching for revenge since then.

JOHN OTTLEY JR.  
*Alpharetta, Ga.*

### Pepper ... And Salt

THE WALL STREET JOURNAL



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FREDERICK BUTZEN  
*Chicago*

## OPINION

# Republicans, Learn the Limits of Loyalty



**DECLARATIONS**  
By Peggy Noonan

No sooner do you remember never to join a pile-on than you wonder if you shouldn't start one. Bill O'Reilly's departure this week from Fox News is a real blow to piggishness, and I believe that must be said. He has denied all allegations, but the number of them over the years, and the \$13 million in reported payouts, suggests a clear and obvious pattern of sexual harassment. This follows the retirement of Roger Ailes, who left under a similar cloud. I don't know what was in the water over there, but it wasn't good, it was poisonous, and I'm glad they're doing environmental cleanup.

**Make clear you want to work with Trump on policy but don't defend his bad behavior.**

A lot of life is murky. Good things can come from mixed motives, bad things from clean ones. You can hold in your head the knowledge that all prominent conservatives are, essentially, a target in a media matrix dominated by ideological views that are not conservative—isn't that a nice way to say it?—and yet be happy something bad has been thwarted. You can be aware that the exposé that triggered Mr. O'Reilly's fall came in the form of a deeply reported piece in this newspaper's chief competitor—it is the second-greatest newspaper in America—and you can suspect its focus on a Fox News star was fueled, at least in

part, by both animal spirits and ideological animus. But you can still feel satisfaction that a culture of looking the other way has for the moment been defeated.

And again, this ought to be said. It is not conservative to be a pig. It is piggish to be a pig. You owe pigs nothing. So say the obvious.

We thus segue to the observation that Republican officeholders should by now have figured out how to speak about our ever-interesting president, and most have not. They think since he is a Republican and they are Republican, they must defend him on all things. They are looking at it wrong. He is Donald Trump. He is not "a Republican." He is a wholly unusual historical figure who happened to them, and who now heads their party. They owe him an eager and open-minded willingness to work with him, to create helpful legislation, to join in debate and support him on areas of mutual conviction. They do not owe him a thing in terms of covering for his gaffes or oddnesses, mistakes or failures. They should not defend him on his tax returns unless they think he is right not to reveal them. They should not defend him on his refusal to make public the White House visitor's logs—unless, bizarrely, they think that constitutes good public policy.

Being loyal isn't being a lickspittie.

The president has a base of support. They're with him and will give him time before they detach—if they detach. They hope for big, serious changes in policy. But they are not children. They are not unaware of his faults and weaknesses. Treat them with respect by speaking to them like adults.

Make clear you want to work with Mr. Trump but won't cover for him. If the president doesn't like it, and lashes out, so what? He'll tweet that you're not attractive. Laugh and say:



Sen. Joni Ernst at a March 17 town-hall meeting in Iowa.

"That's what my mother said. But I have great hopes we can work together to reform our tax system. Best, Unattractive Tom."

The first to break the code has been Iowa's junior senator, Joni Ernst. This week she was back home doing her 99-county tour. In a community center in Wall Lake she was peppered with questions about Mr. Trump. Asked about his showy meetings with foreign leaders at Mar-a-Lago, she gently replied: "I do wish he would spend more time in Washington, D.C. That is what we have the White House for." She conceded his "character flaws." She said she supports "a majority of the policies versus the actual person."

In a telephone interview this week she noted there was no "secret meaning" in her Mar-a-Lago criticism. "He spends too much money coming and going, and if we're preaching about spending, we need to be following that." One of the first questions in Wall Lake came from an anti-Trump constituent. He asked Ms. Ernst about "your president." She responded, "It is *our* president. Mike Pence is our vice president."

She added, "Just as Barack Obama was my president and my commander in chief." A man asked how she could support a president who treats women as he does. "I said we would be hard pressed to find a president who doesn't have flaws, I can't excuse him."

She is not, she told me, distancing herself from the president. "I'm just pointing out what I've observed in response to honest questions Iowans are asking. He's my president. I will work with him. But we have to be honest, he is a flawed human being, just like everyone else."

I close with a connected thought, on the president's tweets. He hasn't tweeted anything crazy lately, but he surely will again. He seems to grow anxious when he has an unexpressed thought. The next time he does it, reporters will rush as they always do to administration officials and Republican members of Congress, and demand a response.

Staffers and Hill people have mostly felt personally, professionally and politically obliged to refrain from criticizing the tweets.

They should stop feeling that way.

They should not try to explain and defend. It does them no good—and it does him no good.

Staffers, throw yourself on the grenade. When pressed for a response, try: "Those of us who care about the president are often puzzled by his tendency to send out these sometimes strange and obnoxious thoughts. I wish he wouldn't. You'll have to ask him about it in the next press conference. I myself don't do tweet commentary. I leave that to you." If you are a congressman or senator and the president decides to tweet about Arnold Schwarzenegger, Miss Universe or Kim Jong Un, consider saying this: "You'll have to take that up with the president. I think he sounds like a fool."

If you're a staffer and say that, you'll get fired. But you'll have shown some style and helped the country. You'll for the first time get some respect, and will be able to support your family and go on to a good living while having rescued your reputation. The first paragraph of your obituary, years hence, will say you were fired for speaking the truth, not that you were embarrassing back in the Trump era.

It will help the president. He doesn't really like to do things he knows will hurt him, but he has a hard time retaining the information that his tweets have that effect. He thinks they helped make him president and help him govern. He's wrong. After the first firing he'll realize there'll be a price to the second and third.

When being loyal involves not stating obvious truths, maybe you're being loyal to the wrong thing.

Being truthful is moral and good. It comes, for both speaker and listener, as a refreshment. Or in the practical, strategic language political figures respect, candor is the new cleverness. Everyone's had it with evasions and circumlocutions. Stop. Say it true and keep walking.

By Heather Mac Donald

Student thuggery against non-leftist viewpoints is in the news again. Agitators at Claremont McKenna College, Middlebury College, and the University of California's Berkeley and Los Angeles campuses have used threats, brute force and sometimes criminal violence over the past two months in efforts to prevent Milo Yiannopoulos, Charles Murray, Ann Coulter and me from speaking. As commencement season approaches, expect "traumatized" students to try to disinvite any remotely conservative speaker, an effort already underway at Notre Dame with regard to Vice President Mike Pence.

Academic intolerance is the product of ideological aggression, not a psychological disorder.

This soft totalitarianism is routinely misdiagnosed as primarily a psychological disorder. Young "snowflakes," the thinking goes, have been overprotected by helicopter parents, and now are unprepared for the trivial conflicts of ordinary life.

"The Coddling of the American Mind," a 2015 article in the Atlantic, was the most influential treatment of the psychological explanation. The movement to penalize certain ideas is "largely about emotional well-being," argued Greg Lukianoff of the Foundation for Individual Rights in Education and Jonathan Haidt of New York University. The authors took activists' claims of psychological injury at face value and proposed that freshmen orientations teach students cognitive behavioral therapy so as to preserve their mental health in the face of differing opinions.

Such maudlin pleas for self-preservation are typical. An editorial in the Wellesley College student newspaper last week defended "shutting

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down rhetoric that undermines the existence and rights of others."

Offending "rhetoric" frequently includes the greatest works of Western civilization. In November 2015, a Columbia sophomore announced on Facebook that his "health and life" were threatened by a Core Curriculum course taught by a white professor. The comment thread exploded with sympathetic rage: "The majority of why?te [sic] students taking [Contemporary Civilization] and on this campus never have to be consistently aware of their identities as white ppl while sitting in CC reading racist, patriarchal texts taught by white professors who most likely are unaware of the various forms of impact that CC texts have on people of color."

Another sophomore fulminated: "Many of these texts INSPIRED THE RACISM THAT I'M FORCED TO LIVE WITH DAILY, and to expect, or even

suggest, that that doesn't matter, is [obscenity] belittling, insulting, and WAY OUT OF [obscenity] LINE."

Those "racist" texts include works by Plato, Aristotle, Kant, Rousseau and Mill.

Many observers dismiss such ignorant tantrums as a phase that will end once the "snowflakes" encounter the real world. But the graduates of the academic victimology complex are remaking the world in their image. The assumption of inevitable discrimination against women and minorities plagues every nonacademic institution today, resulting in hiring and promotion based on sex and race at the expense of merit.

Seemingly effete academic concepts enter the mainstream at an ever-quicken pace. A December 2016 report on policing from the federal Office of Community Oriented Policing Services includes a

section on "intersectionality"—the campus-spawned notion that individuals who can check off multiple victim boxes experience exponentially higher and more complex levels of life-threatening oppression than lower-status single-category victims.

Faculty and campus administrators must start defending the Enlightenment legacy of reason and civil debate. But even if dissenting thought were welcome on college campuses, the ideology of victimhood would still wreak havoc on American society and civil harmony. The silencing of speech is a massive problem, but it is a symptom of an even more profound distortion of reality.

Ms. Mac Donald is a fellow at the Manhattan Institute and author of "The War on Cops" (Encounter, 2016).

## The Activist and the CEO



BUSINESS WORLD  
By Holman W. Jenkins, Jr.

Nowhere in the how-to manual of activist investing does it say: "Persist until the target company's CEO responds with a threatening personal letter, requiring the board to demand his resignation."

Yet this approach has worked for activist fund manager Paul Singer in his battle against the former Alcoa unit known as Arconic Inc.

Mr. Singer, head of Elliott Management, is best known for his long fight with Argentina over its unpaid bonds. Since last year, his firm has been grossly fighting to remove Arconic's German-born chief, Klaus Kleinfeld, for the usual reason: poor stock performance. In letters to Arconic's board, in published presentations, Elliott was unstinting in its use of adjectives. Mr. Kleinfeld's strategy was "incoherent," his corporate culture "broken" and "image-obsessed," his compensation "lavish."

Then, on April 11, came Mr. Kleinfeld's response, a personal letter to Mr. Singer, along with a commemorative soccer ball from the 2006 World Cup.

Sent without the Arconic board's knowledge, the letter alluded to certain goings-on in Mr. Kleinfeld's native Germany when Mr. Singer attended the soccer competition. Mr. Kleinfeld makes reference to what Elliott calls "completely false insinuations" involving an Indian headress and Mr. Singer singing a show tune in a public fountain.

To Elliott, the letter amounted to a "threat to intimidate or extort." To the innocent onlooker, there is indeed a hint of blackmail in Mr. Kleinfeld's suggestion that these events have "strong potential to be

come lastingly legendary."

Mr. Kleinfeld's letter was first revealed by Arconic, and has been posted on Elliott's website, along with Elliott's responses. Which brings us to a question that now faces the hedge fund following Mr. Kleinfeld's unexpected exit: Has the time come for Elliott and fellow Arconic dissidents to start taking yes for an answer?

If belatedly, Mr. Kleinfeld had already met the demand of Elliott and numerous analysts last year by divorcing Alcoa's downstream products business from its upstream raw-materials processing business. In keeping with the general thrust of Elliott's

critique, he expanded the downstream business that provides high-end components for the plane- and car-making industries. To the extent the results have been disappointing, they have been disappointing partly following the strategy Elliott and other outsiders promoted. Elliott's critique amounted to: Get a CEO who will do the job better.

With Mr. Kleinfeld quite properly having been fired, Elliott is promoting its proposed replacement, Larry Lawson, engineer of a successful turnaround of the Boeing spinoff Spirit AeroSystems.

Arconic's board has announced its own CEO search. A likely candidate is the company's now-acting CEO David Hess, who joined Arconic's board last month after a widely praised run at United Technologies' Pratt & Whitney division.

Whichever man wins, or if the winner is a third candidate, hard to imagine is Arconic's next leader not following through on Elliott's recommended game plan of controlling costs and focusing on innovation. Hard to imagine is the next leader not seeking peace with Elliott and its endorsement of Arconic's strategy, considering Elliott's 13% stake in the company.

Some might ask if Mr. Kleinfeld's letter has not changed Elliott's agenda, from improving Arconic's performance to scorched-earthing Arconic's board in the name of suppressing whatever rumors Mr. Kleinfeld was referring to. That concern is not alleviated by the second of two letters from Elliott's general counsel, chastising the board for publicly referring to Mr. Kleinfeld's letter and making a "privately bad situation a publicly bad one." But Arconic's board never authorized the Kleinfeld letter: It first saw the letter in an official communication from one of its biggest shareholders, Elliott. How could the board not disclose the basis on which it was suddenly dumping its chief executive?

Elliott, in its letter, also demanded that Arconic make sure that the design Mr. Kleinfeld "set in motion is stopped" and that "these issues" do not "proliferate for us or the company."

Meaning what? Alas, no subject excites the media like the foibles of Wall Street billionaires, even if they only amount to an excess of exuberance. The Indian headdress in particular seems apt to become the rosebud of some future snarky opus. Why do we get the feeling that the interests of Arconic shareholders are about to take a back seat in the wild ride that started with Mr. Kleinfeld's ill-advised letter and Elliott's possibly ill-advised response?

# SPORTS

NFL

## How to Not Totally Botch the Draft

BY ANDREW BEATON  
AND MICHAEL SALFINO

**NFL TEAMS KNOW** almost everything about the best college football players. Scouts spend countless hours dissecting game film minutiae. Evaluators sweat hundredths-of-a-second differences in timed drills. Front offices sleuth for every potential red flag in prospects' off-field histories.

Before next week's NFL Draft, teams will know enough to buy perfectly tailored suits for their players—and to answer their security questions to reset their email passwords.

But the one thing teams aren't capable of assessing turns out to be pretty important: Which ones will become good NFL players? Just a year ago the Rams decided quarterback Jared Goff was worth the No. 1 pick. The early returns—he went 0-7 as a starter, throwing more interceptions than touchdowns—gave fans little more hope for a future Super Bowl than when Los Angeles didn't even have an NFL team.

The NFL Draft can be a crapshoot and there's no foolproof formula for acing it. Or if there is, nobody has shared it with the Cleveland Browns or New York Jets. Still, recent trends and research have illuminated a handful of simple tips that teams should consider for the best possible chance at not torpedoing the franchise with this once-per-year opportunity.

### THE 'BEST PLAYER AVAILABLE' MYTH

One of the most ubiquitous expressions on draft day is "take the player best available." There's reason to think this decades-old advice is utterly wrong.

The philosophy is based on the fallacy that teams actually know who the best player available is. But one 2012 study, for example, found in the first round a player has just a 53% chance at being better than the next player drafted at the same position. Essentially, teams who insist on drafting the player they consider best have similar odds to the roulette player convinced the ball will land on black.

On the other hand, teams have far more certainty about their needs. And freed from the delusion that teams can actually decipher the best players, they may as well take ones at the positions where they could use help the most.

An author of that study, Wharton professor Cade Massey who researches judgment under uncertainty, says that NFL teams make the common mistake of focusing on one factor—who the best player is—and can ignore something that's mundane and practical: team need may be the biggest factor of all.

### PRIORITIZE POSITIONS BY THEIR VALUE IN FREE AGENCY

Two safeties, LSU's Jamal Adams and Ohio State's Malik Hooker, could go in the top five of next week's draft. Whoever takes them will have essentially wasted a premium pick by taking a player at a position that teams place relatively little value on.

Adams and Hooker immediately would become among the highest paid safeties in the entire league—without any guarantee they're actually worth it—because highly drafted players automatically receive fairly lucrative salaries while safeties are among the most inexpensive positions to fill in free agency. And this is a common mistake league-wide as



Safeties Jamal Adams, above, and Malik Hooker are expected to be top picks in the NFL draft.



T-B: JOHN RAOUX, CHRIS KNIGHT (ASSOCIATED PRESS)

nearly half (8 of 17) defensive backs selected with top eight overall picks since 2000 were safeties. This is despite the fact that the best cornerbacks are 40% more expensive when it comes to their second contracts.

The easiest way to think about this is in terms of kickers and punters. They're the cheapest players, or in other words, they're the least important and easiest to replace.

That's why only one team thought it was a good idea to take a kicker or punter in the first round in the last two decades. And that team was the Raiders.

While safety is the lowest-valued position on defense according to this year's Franchise Tags—an average of the top five salaries at a given position—that distinction on offense belongs to tight end. So then

why is Alabama's O.J. Howard viewed as a consensus top 10 pick?

Instead of Howard, teams needing receiving help can generate more potential value by selecting Clemson's Mike Williams, given the franchise tag for wideouts is a whopping \$15.7 million for one year versus just \$9.8 million for the top veteran tight ends.

### GOOD HANDS ARE BIG HANDS

In recent years, people have paid increasing attention to a quarterback's hand size for predicting their success in the league. Among other factors, big hands are better for avoiding fumbles and gripping the ball in inclement weather. Many people, except the Rams, saw a big red flag when Goff's hands measured at nine inches last year—well below the average for quarterbacks.

But it's possible teams should pay even more attention to this measurement for the players catching the ball. The reasoning is simple: big hands make it easier to catch a football.

Wide receivers with bigger hands are less likely to be busts than their small-handed brethren, and it also correlates significantly to improved performance, according to research done by NumberFire. And at this ultra-important position, this is potentially groundbreaking because other traditional measurements used to differentiate receivers have proven to be fruitless. According to the Harvard Sports Analysis Collective, no drill or measurement taken at the NFL Scouting Combine has been found to predict how wide receivers ultimately perform in the NFL.

Two of the best pairs of hands in the NFL are also among the biggest: Arizona's Larry Fitzgerald has 10.5-inch mitts and Jarvis Landry's are 10.25 inches, even though he is only 5-foot-11. These two receivers combined for just five drops last year and 201 catches, an eye-popping catch rate of 97.6%.

### VELOCITY ISN'T JUST FOR BASEBALL

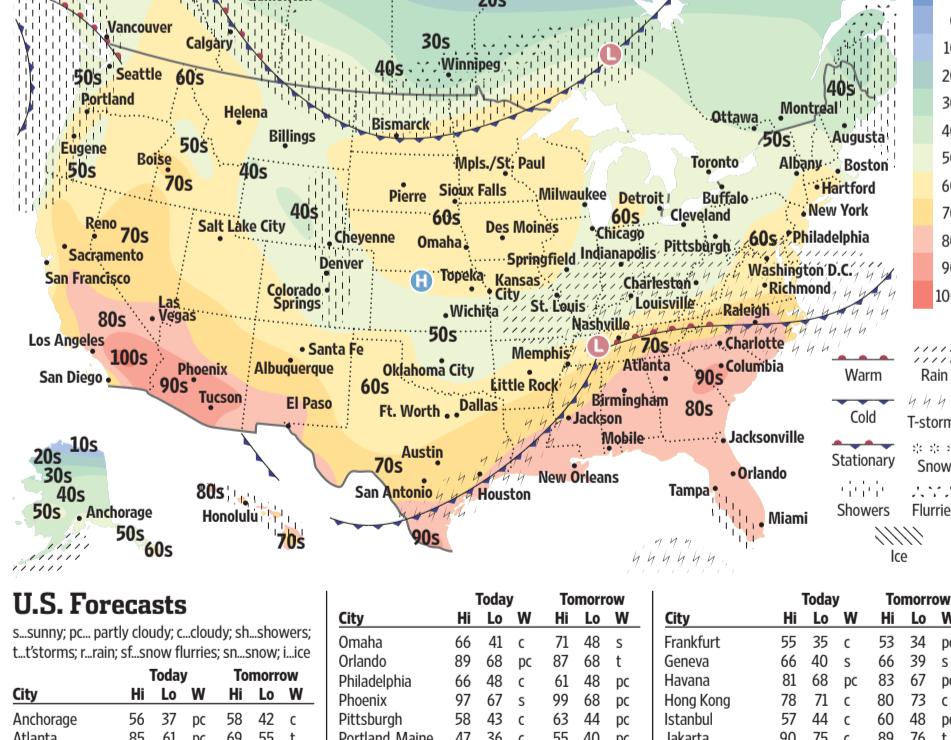
Clemson's Deshaun Watson has almost every desirable quality in a quarterback. He's fast, strong and tall. He even beat Alabama for the national championship. That's why he could be the first quarterback off the board. But one of the most overlooked indicators of quarterback success says he won't be able to sling it on Sundays.

Watson's ball velocity at the NFL combine measured 49 miles per hour, while the average in recent years has been about 55 mph. That's the equivalent of a MLB pitcher having an 82 mph heater. No quarterback prospect since 2008 has ever had lower recorded lower velocity and been drafted, according to Ourlads Scouting Services, which tracks the data. The other top-rated quarterbacks—Mitch Trubisky (55 mph), Pat Mahomes (60 mph) and DeShone Kizer (56 mph)—all rated average or better on the radar gun.

Of only six drafted quarterbacks in the period at 51 miles per hour or less, just one was selected in the first round: Christian Ponder in 2011 by the Minnesota Vikings. Ponder hasn't thrown a pass in the NFL since 2014.

Former Super Bowl winning Ravens head coach Brian Billick, now a NFL Network analyst, says the style of today's college games makes it hard to judge quarterbacks' arm strength because "so many throws are pop passes and bubble screens." That means velocity readings may tell teams more about how a quarterback can complete deeper NFL throws more than college game deeper.

### Weather



### International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	51	42	pc	52	42	sh
Athens	60	50	t	68	54	s
Baghdad	97	67	s	98	67	c
Bangkok	101	82	s	101	81	s
Beijing	81	55	s	73	48	s
Berlin	50	36	pc	48	36	sh
Brussels	52	36	c	50	37	pc
Buenos Aires	67	48	c	70	55	pc
Dubai	94	79	s	98	78	s
Dublin	52	42	pc	57	43	c
Edinburgh	52	37	pc	55	41	c

### NBA PLAYOFFS

## THE BUCKS ARE LOOOOONG

BY BEN COHEN

**TEAMS THAT WIN** in the NBA playoffs need to have a strategic advantage or a transcendent star. The Milwaukee Bucks might have both.

The way they have looked in taking a 2-1 lead over the Toronto Raptors makes it all the more confounding that Milwaukee is only a No. 6 seed—because the Bucks are playing like the best team in the Eastern Conference. That's partly because of their one strategic advantage, but mostly because of their emerging transcendent star.

The Bucks are built around the compelling idea that longer is better in today's NBA. Every one of their starters have wingspans that extend beyond 6-foot-10—even their guards. That gives Milwaukee the positional versatility that's required in a modern NBA that rewards spacing, shooting and switching. It's the edge that allows the Bucks to play big and small at the same time.

There is no one who is longer and better than the 6-foot-11 point-forward-center Giannis Antetokounmpo. In the regular season, the so-called Greek Freak elevated himself into a stratosphere reserved for only the most talented NBA players. In the postseason, though, Antetokounmpo has made teams wonder if there is any one more talented.

The reason that it no longer seems unlikely for the Bucks to advance—and possibly give LeBron James and the Cleveland Cavaliers problems in the next round—is that Antetokounmpo is clearly the most talented person on the court. That he's only 22 years old is no longer the most encouraging thing about him.

But his most stupefying moment came in Milwaukee's blowout win on Thursday night when Raptors guard Norman Powell convinced himself he could drive past Antetokounmpo. He couldn't.



Giannis Antetokounmpo has emerged as a transcendent star in the NBA.

Antetokounmpo chased him down and sent Powell's attempted layup into the front row with so much force that it might as well have come from a T-shirt cannon.

The replay showed that Antetokounmpo didn't even need the entirety of his wingspan.

He blocked the shot with his elbow.



GE'S STRENGTH BUSINESS NEWS B3

LUKE SHARRETT/BLOOMBERG

# BUSINESS & FINANCE



FRENCH TWIST MARKETS B10

CHRISTOPHE MORIN/BLOOMBERG

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THE WALL STREET JOURNAL.

Saturday/Sunday, April 22 - 23, 2017 | B1

DJIA 20547.76 ▼ 30.95 0.2% NASDAQ 5910.52 ▼ 0.1% STOXX 600 378.12 ▲ 0.02% 10-YR. TREAS. ▲ 2/32, yield 2.234% OIL \$49.62 ▼ \$1.09 GOLD \$1,287.40 ▲ \$5.50 EURO \$1.0727 YEN 109.07

## Store Closings Accelerate

Pace of shutting retail locations has doubled this year; internet erases pricing power

BY SUZANNE KAPNER

American retailers are closing stores at a record pace this year as they feel the fallout from decades of overbuilding and the rise of online shopping.

Just this past week, women's apparel chain **Bebe Stores** Inc. said it would close its remaining 170 shops and sell only online, while teen retailer **Rue21** Inc. announced plans to close about 400 of its 1,100 locations.

"There is no reason to believe that this will abate at any point in the foreseeable future," said Mark Cohen, the director of retail studies for Columbia

Business School and a former executive at Sears Canada Inc. and other department stores.

Through April 6, closings have been announced for 2,880 retail locations this year, including hundreds of locations being shut by national chains such as **Payless ShoeSource** Inc. and **RadioShack** Corp. That is more than twice as many closings as announced during the same period last year, according to Credit Suisse.

Based on the pace so far, the brokerage estimates retailers will close more than 8,600 locations this year, which would eclipse the number of closings during the 2008 recession.

At least 10 retailers, including apparel seller **Limited Stores** Co., electronics chain **Hhgregg** Inc. and sporting-goods chain **Gander Mountain** Co., have filed for bankruptcy

protection so far this year. That compares with nine retailers that had at least \$50 million in liabilities for all of 2016.

The seeds of the industry's current turmoil date back nearly three decades, when retailers, in the throes of a consumer-buying spree and flush with easy money, rushed to open new stores. The land grab wasn't unlike the housing boom that was also under way at that time.

"Thousands of new doors opened and rents soared," Richard Hayne, chief executive of Urban Outfitters Inc., told analysts last month. "This created a bubble, and like housing, that bubble has now burst."

The over-storing, including the influx of fast-fashion and off-price chains, resulted in a brutally competitive landscape that made it difficult for retail-

ers to raise prices. "A pair of men's dress pants costs less today than they did a decade ago," Manny Chirico, chief executive of Calvin Klein and Tommy Hilfiger parent **PVH** Inc., said in a recent interview.

As retailers rushed to expand their physical footprint, the internet was gearing up to do to apparel companies what it had already done to booksellers: sap profits and eliminate what little pricing power these chains commanded.

Despite the view that shoppers prefer to try on clothing in physical stores, apparel and accessories are expected this year to overtake computers and consumer electronics as the largest e-commerce category as a percentage of total online sales, according to research firm eMarketer.

Please see RETAIL page B2



Goldman is part of a switch in how firms grade worker performance.

## Goldman Makes Feedback Shift

BY LIZ HOFFMAN

Radical transparency is coming to **Goldman Sachs Group** Inc.

The Wall Street firm is rolling out a new review system where employees can get continuing feedback from their managers and peers.

The goal is to supplement the bank's annual review process with more frequent check-ins, Edith Cooper, Goldman's head of human capital management, said in an interview with The Wall Street Journal.

The firm will continue to conduct annual reviews. Those remain a high-stakes affair that influences employees' chances for promotion and the size of their all-important bonus checks.

Goldman's changes are part of a bigger shift in the way companies track and grade workers' performance.

Consulting firms **Accenture** PLC and **Deloitte** recently scrapped annual performance reviews in favor of more-frequent communications.

**J.P. Morgan Chase & Co.** made a similar move last month, rolling out a tool that employees can use to request and receive feedback "from anyone, anytime."

A memo to employees explained the change this way: "Our employees want to know where they stand at all times."

Goldman and rival **Morgan Stanley** in recent years have dropped numerical ratings of employees and moved to more-qualitative feedback, as have Microsoft Corp., Netflix Inc. and FedEx Corp.

Goldman's new system is based on software the firm already used in a few divisions last year. It is now being extended to the rest of Goldman's 35,000 employees.

"The same approach that we take to our revenue-producing businesses, we have to apply to our investment in people," Ms. Cooper said. "That means taking a look and saying 'can we do this better?'"

The idea is that after a big client pitch or product launch, employees can get quick feedback instead of waiting until year-end, Ms. Cooper said. A real-time sense of where they stand allows employees to make improvements and avoid feeling blindsided later on, she added. "Those conversations that happen once a year for an hour are going to go better," Ms. Cooper said.

In Goldman's early days as a small private partnership, performance reviews were easy.

As the firm grew, an informal system developed in which, following a big deal or successful trade, executives would send around a memo detailing each team member's contributions, a tradition that continues.

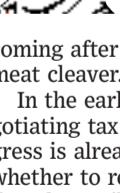
And every two years, the selection of a new class of managing directors and partners entails a thorough review of candidates, with feedback from their managers, colleagues and direct reports.

But in an internal firm survey in 2015, many Goldman employees said they wanted more-regular feedback, Ms. Cooper said.

Please see REVIEW page B2

THE INTELLIGENT INVESTOR | By Jason Zweig

## Grab the Pitchforks, Your 401(k) May Need To Ward Off Congress

 The lucky participants in one of the best retirement plans around are coming after yours with a meat cleaver.

College; all 535 members of Congress are.

In 2015, the average taxpayer-funded annual pension received by recently retired members of Congress was \$41,316. A representative or senator retiring in 2014 after 30 years in Congress would earn an annuity of roughly \$104,600 to \$130,500, according to the Congressional Research Service.

Retirement savers in the private workforce pay outlandish management fees that can exceed 1% annually on lousy investment choices; members of Congress pay a maximum of 0.039% for funds that all but guarantee matching the market.

Those expenses on a \$10,000 investment can easily eat up at least \$100 a year for regular retirement savers; fees on the same amount in a U.S. representative's or senator's account

Please see INVEST page B5

M&T Bank CEO Bob Wilmers rides to his Manhattan office on a bicycle with mismatched tires; he also owns a French vineyard.

BY CHRISTINA REXRODE

Bob Wilmers has been doing things his way since 1983. He doesn't intend to stop.

Mr. Wilmers is chief executive and chairman of **M&T Bank** Corp., a Buffalo, N.Y.-based lender that from the outside appears to be just another boring regional bank. That doesn't account for Mr. Wilmers, an 83-year-old cheapskate with an air of grandeur.

He stuffs his office with accouterments from his award-winning vineyard in France's Bordeaux region, rides to work on a decrepit bicycle with mismatched tires, and lambastes whomever he believes is threatening his bank or small-business customers, be it the government for overreach or private-equity firms for greed.

"What can I say?" says Mr. Wilmers, who became CEO in 1983, after waging an activist campaign to get on the board. Today, he directly or indirectly controls almost 6% of M&T, whose market value is around \$23 billion. "I can't spend all my time worrying what other people think."

And he doesn't. "He's a contrarian," said Martin Heckscher, who graduated from Harvard with Mr. Wilmers. "He does everything opposite."

By the time Mr. Wilmers got involved with M&T in the early 1980s, he already had a few careers: a job in the finance administration of New York City Mayor John Lindsay was followed by a posting as head of Belgium for Morgan Guaranty, a predecessor of J.P. Morgan Chase & Co.

At M&T, he grew the bank

steadily even though it is concentrated in slow-growth markets throughout upstate New York and the Rust Belt. The plan was simple: quality loans to worthy borrowers.

In 1990, M&T had revenue of \$286 million on a deposit base of \$6.2 billion. By 2008, the bank's deposits had grown to \$42.6 billion and revenue, to \$2.9 billion. This year, the bank's deposits could top \$100 billion.

Mr. Wilmers has bought 24 competitors but never had an acquisition plan. It is better, Mr. Wilmers says, to examine opportunities when they present themselves than commit to growing by a certain amount or into particular locations. He has expanded only in areas where M&T already is or borders, adamant that the bank do business only where it

knows the local economy.

"To the extent you consider me unusual, there's nothing unusual about the bank," says Mr. Wilmers. "We just try to be good at what we do."

Angela Bontempo, a long-time board member, remembered Mr. Wilmers recruiting her when she was a nun trying to turn around a struggling hospital in Buffalo. "He was a real person who came to talk to another person," Ms. Bontempo said.

When he stumbled—for instance, in 2007 buying into collateralized-debt obligations made of subprime loans—he acknowledged the fumbles, saying M&T "was not immune" to the temptation of easy growth. He also regretted expanding the bank into nonprime mortgages, including

Please see WILMERS page B2

## Theranos Investor Suit Offers Detail

BY CHRISTOPHER WEAVER

**Theranos** Inc. misled company directors about its laboratory-testing practices, used a shell company to "secretly" buy commercial-lab equipment, and improperly created rosy financial projections for investors, according to allegations in newly unsealed court filings in a suit by one of its investors.

The Silicon Valley company—which once promised to revolutionize the blood-testing industry using tiny samples from finger pricks—also ran "fake" demonstrations tests for prospective investors and business partners" using commercial devices while pretend-

ing to showcase its own technology, according to the filings.

The accusations are based in large part on testimony from 22 former Theranos employees or directors who were deposed by lawyers for **Partner Fund Management** LP, a hedge fund suing Theranos. The filings contain some of the first substantive details to emerge from several court proceedings against the company, though they include only short excerpts from the depositions.

For instance, former Theranos director Gary Roughead, a retired Navy admiral, said in a deposition "it was not until some of the press reporting

that [he] became aware that there was extensive commercial analyzers in use," according to the filings.

Adm. Roughead didn't immediately respond to a request

Court filings speak of company's use of 'fake' blood-testing demonstrations.

for comment through the Hoover Institution at Stanford University, where he is a fellow.

Theranos said the documents reflected a "one-sided"

filing by one party to litigation" and that it disagrees "with much of what PFM alleges in its complaint." It said many of the allegations repackaged media reports over the past couple of years. The company said late Friday that of its three former directors who have been deposed, not one stated that he had been misled. It said the allegations about "fake" demonstrations had "no merit" and "completely distorts Theranos' practices."

Partner Fund initially sued Theranos in October alleging the embattled startup had mislead the hedge fund when it solicited a roughly \$96 million

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Stock Listings B7  
Weekend Investor B5



## BUSINESS NEWS

# FDA Approves Samsung Copy Of Arthritis Drug

SEOUL—South Korea's Samsung conglomerate won approval from U.S. regulators for a lower-priced copy of the blockbuster rheumatoid-arthritis drug Remicade, clearing the way for sales in the world's biggest drug market.

The biosimilar, which is a copy of a complex biologic

that effort is Samsung Bioepis Co., which was founded five years ago. It is 29.4%-owned by Samsung Electronics Co. and 40.5%-owned by Samsung's de facto holding company, Samsung C&T Corp.

In five years, Mr. Lee has plowed about \$1.3 billion into Samsung Bioepis, the conglomerate's biotech unit, to develop biosimilars.

This year, however, Mr. Lee was indicted on corruption charges tied to a political corruption scandal that has taken down South Korea's president. Mr. Lee, who is undergoing trial, has denied wrongdoing.

A spokesman for Samsung Bioepis said the company remains committed to developing biosimilars.

Biosimilars were authorized in the U.S. as part of the Affordable Care Act as a way to lower the hefty sums paid on costly biotech drugs, among the most expensive drugs in

*The move clears the way for sales of the biosimilar in world's largest drug market.*

the world, just as generics offer a lower-priced alternative to pills.

J&J said this past week that it hadn't seen much of an impact from Pfizer's biosimilar Remicade and expected patients would shift slowly to using the copies.

Many industry officials and analysts, nevertheless, expect biosimilar sales will increase in coming years, in no small part because they promise to help control spiraling healthcare spending.

Samsung has struck a deal with Merck & Co. to sell Renflexis in the U.S. Renflexis had previously won regulatory approval in Europe, Australia and South Korea.

In January last year, Samsung became the first biosimilar maker to win regulatory approval in Europe for a copy of Pfizer's Enbrel.

Since then, it has racked up more than \$100 million in sales of its Enbrel knockoff in Europe, Samsung Bioepis said. Remicade and Enbrel each generate about \$9 billion in revenue a year, making them two of the five best-selling biologic drugs in the world.

Samsung Bioepis was on track for an IPO on the Nasdaq Stock Market last year, but the offering was shelved amid market volatility.

One of the major pieces of

the world's largest drug market.

# Industrial Unit Buoys GE

Core division shows strength, while oil-and-gas business continues to struggle

BY THOMAS GRYTA  
AND JOSHUA JAMERSON

General Electric Co. showed first-quarter strength driven by its core industrial businesses, while its oil-and-gas segment continued to drag on results.

Under pressure to cut costs and boost returns, the conglomerate on Friday reported higher profit and a 7% jump in organic revenue for what is a typically sluggish period. Organic revenue excludes currency swings, acquisitions and divestments.

Industrial orders—an indicator of future demand for GE jet engines, power turbines and oil-related equipment—exceeded expectations, rising 7% excluding any acquisitions or divestitures. "GE had a good quarter in a slow growth and volatile environment," Chief Executive Jeff Immelt said on a conference call Friday.

He noted that the "resource sector is challenging" but painted a generally positive picture for the rest of the year. "We see global growth accelerating while the U.S. continues to improve."

GE continues to forecast full-year organic revenue growth of 3% to 5%. It also backed full-year earnings of \$1.60 to \$1.70 a share.

GE shares fell 2.4% to \$29.55 on Friday.

Shares of rival Honeywell International Inc. rose 2.7% Friday after the diversified manufacturer reported higher profits on strength in its aerospace and energy businesses.

GE in March pledged to cut \$1 billion in annual industrial expenses for each of the next two years, which is twice the size of cuts originally laid out by Mr. Immelt in a January earnings call. The cost-cutting was stepped up following dis-

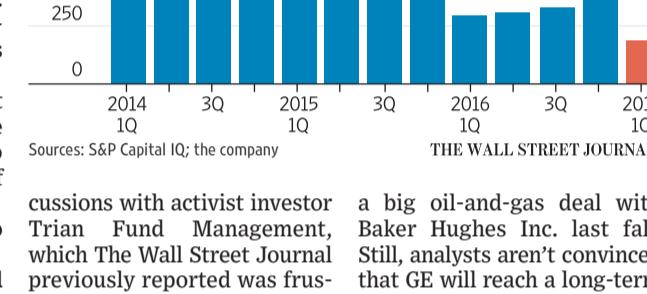


Workers prepare gas-turbine parts for installation at a General Electric plant in Greenville, S.C.

## Losing Energy

Operating profit at General Electric's oil-and-gas segment has been hit by slumping energy prices as drillers rein in spending.

\$1,000 million



Sources: S&P Capital IQ; the company

mains" around the recovery in the overall oil market. He noted that North American onshore rig counts rose 70% in the first quarter—compared with a 25% rise in the preceding quarter—but that offshore activity has stayed weak. "Crude inventory remain at a five-year highs, and markets are closely watching OPEC output for compliance," Mr. Bornstein said.

The division, which makes equipment for petroleum exploration and production, has weighed on GE during the more-than-two-year slump in crude prices as customer cut spending. Plans to combine GE's current business with Baker Hughes into a new majority-owned public company remain on track for midyear.

There were several bright spots in other parts of GE's business, such as a 22% increase in revenue in the company's renewable-energy business, which includes production of wind turbines.

Overall for the quarter, GE reported profit of \$653 million, compared with \$228 million a year earlier. Revenue slipped 1% to \$27.66 billion.

# Volkswagen Bows to Criminal Fine

BY CHRISTINA ROGERS  
AND MIKE SPECTOR

A federal judge ordered Volkswagen AG to pay a \$2.8 billion criminal fine for rigging diesel-powered vehicles to cheat on government emissions tests, formalizing a punishment the German auto giant agreed to earlier this year in an unprecedented plea deal with U.S. prosecutors.

Volkswagen admitted to conspiring for nearly a decade to deceive U.S. officials with illegal software that allowed vehicles to pass government emissions tests and then pollute far beyond legal limits on the road.

In addition to the fine, the judge's sentence includes the assignment of an independent monitor to audit Volkswagen's regulatory-compliance practices for at least three years.

pleaded guilty to criminal charges stemming from the emissions fraud.

Volkswagen admitted to conspiring for nearly a decade to deceive U.S. officials with illegal software that allowed vehicles to pass government emissions tests and then pollute far beyond legal limits on the road.

In addition to the fine, the judge's sentence includes the assignment of an independent monitor to audit Volkswagen's regulatory-compliance practices for at least three years.

lion civil penalty, Volkswagen agreed to pay a total of \$4.3 billion to settle the U.S. Justice Department probe.

Larry Thompson, a deputy attorney general under former President George W. Bush, has been named to lead the independent monitoring team at Volkswagen, Assistant U.S. Attorney John Neal said.

"This is a very serious and troubling case involving an iconic automobile company," Judge Cox said during the hearing, describing the plea deal as providing "just punishment" to the corporation.

"This is a deliberate and massive fraud perpetrated on the American consumer and, it would seem, consumers throughout the world," he said.

Volkswagen's general counsel, Manfred Döss, said the auto maker "deeply regrets the behavior that gave rise to this case."

With the criminal fine, Volkswagen's legal settlements stemming from its emissions fraud could exceed \$25 billion in the U.S. alone depending on how many vehicles the auto maker is forced to repurchase.

# AIG Nears a Selection for CEO

BY JOANN S. LUBLIN  
AND LESLIE SCISM



Peter Hancock has agreed to stay until a successor is named.

top executives during the reign of Mr. Greenberg, who as CEO built AIG into a global powerhouse before being pushed out in 2005.

While at AIG Mr. Duperreault was long considered a potential successor to Mr. Greenberg. But he left in 1994 to run then-Bermuda-based specialty insurer ACE Ltd., which he expanded into a diversified insurance firm that eventually acquired Chubb Corp. He later became CEO of consulting and insurance brokerage Marsh & McLennan Cos.

His career path has intersected with members of the Greenberg family multiple times. At ACE he was eventually succeeded as CEO by Evan Greenberg, the son of the former AIG chief executive. Mr. Duperreault had been a mentor to the younger Mr. Greenberg at AIG and hired him for

a senior job at ACE.

At Marsh, Mr. Duperreault took over a post held at one time by Evan Greenberg's brother, Jeffrey.

The new CEO of AIG will have to re-establish leadership for a company that received a \$185 billion government bailout during the financial crisis and is now under pressure from activist investors for lackluster financial results.

In March, AIG said Mr. Hancock would resign after less than three years at the helm. Many board members were unhappy about recent setbacks in the company's plan for boosting profitability, said people familiar with the matter, while several also feared a potential fight with activist investor Carl Icahn. Mr. Hancock agreed to stay until a successor was found.

Mr. Duperreault, who turns 70 years old in May, has been asked before to fix troubled companies. Before he arrived at Marsh & McLennan in 2008, the company was under pressure to consider a breakup by shareholders who were frustrated with its performance. He is widely credited with a turnaround of that firm.

"Mr. Duperreault would be able to form a workable strategy for AIG and also attract top industry talent," Barclays PLC said in a research note Thursday.

—Bradley Hope contributed to this article.

ADVERTISEMENT



Even The Price Suits You!

Every dedicated suit-wearer knows that Hong Kong's master tailors have an enviable reputation for quality, efficiency and price. The only not-inconsiderable snag is that they are ordinarily in Hong Kong whereas most of us ordinarily are not. Seekers after the finest Hong Kong tailoring need not worry any longer. Mr. Raja M Daswani, master craftsman and Hong Kong's finest and most refined bespoke tailor, **Raja Fashions** now travels to the United States every two months.

On each visit, Team Daswani takes over hotel suites in all of the United States' major cities, so any of us can make an appointment and get the full Hong Kong Monty practically without jet setting to the far-east. The measurements are done by Mr. Raja and his men here and mailed to Hong Kong along with a series of digital photos of you from every angle. Often, your suit will be started on by a tailor, 8,500 miles away before you've even left the hotel. You can then have it shipped by courier within four weeks if it is urgent—or wait for a second fitting when the Raja team hits your town again a few weeks later.

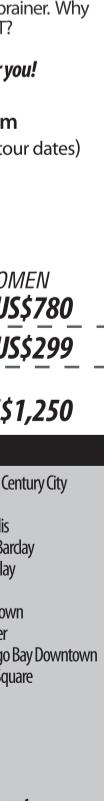
It is often said that American clothing chains have much to fear from Mr. Daswani's dedication to bespoke suiting borders on the fanatical. And both his company's quality and pricing are truly shocking—in the pleasantest possible way for customers, if not for Mr. Daswani's competition over here.

We are talking **\$59 for a custom made shirt, \$399 for a fully lined, made-to-measure suit in a lightweight wool or linen, to \$490 for 100 percent wool, entirely hand finished suit in a British cloth**, with every refinement from hand-made buttonholes to knee lining and double thickness pockets.

Even the most expensive possible Raja Daswani suit, made in deluxe cashmere wool for \$2500 comes in at something like a third of the price of the 5th Avenue equivalent.

In other words, customers can now buy two bespoke suits, custom cut and hand-stitched suits, made from fine

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Om Sai Ram.

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Every dedicated suit-wearer knows that Hong Kong's master tailors have an enviable reputation for quality, efficiency and price. The only not-inconsiderable snag is that they are ordinarily in Hong Kong whereas most of us ordinarily are not. Seekers after the finest Hong Kong tailoring need not worry any longer. Mr. Raja M Daswani, master craftsman and Hong Kong's finest and most refined bespoke tailor, **Raja Fashions** now travels to the United States every two months.

On each visit, Team Daswani takes over hotel suites in all of the United States' major cities, so any of us can make an appointment and get the full Hong Kong Monty practically without jet setting to the far-east. The measurements are done by Mr. Raja and his men here and mailed to Hong Kong along with a series of digital photos of you from every angle. Often, your suit will be started on by a tailor, 8,500 miles away before you've even left the hotel. You can then have it shipped by courier within four weeks if it is urgent—or wait for a second fitting when the Raja team hits your town again a few weeks later.

It is often said that American clothing chains have much to fear from Mr. Daswani's dedication to bespoke suiting borders on the fanatical. And both his company's quality and pricing are truly shocking—in the pleasantest possible way for customers, if not for Mr. Daswani's competition over here.

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In other words, customers can now buy two bespoke suits, custom cut and hand-stitched suits, made from fine

Please ask for Raja Fashions or Mr. Daswani's suite upon arriving at the venue for your appointment.

## BUSINESS NEWS



Auto makers are gearing up to make electric vehicles in China. Above, a GM Cadillac CT6 plug-in hybrid at Auto Shanghai.

# Car Makers Plug Into China

BY TREFOR MOSS  
AND MIKE COLIAS

SHANGHAI—The world's top auto makers are gearing up to build electric cars in China, despite concerns about market demand and the potential their technology could be compromised in a market with weak safeguards for intellectual property.

Companies including Volkswagen AG, General Motors Co. and Toyota Motor Corp. set out plans for electric-car production in China at this week's Auto Shanghai expo, bowing to pressure from Beijing.

Auto makers that don't set up production for electric vehicles, or EVs, in the world's most populous country could find themselves shut out of it.

Even so, some admit privately to being anxious about opaque regulations governing battery production and technology transfer, and misgivings about near-term demand for battery-powered cars.

GM, for example, confirmed it would build a Buick version of the plug-in hybrid Chevrolet Volt in China with its local partner, SAIC Motor Corp. But Mark Reuss, GM's product-development chief, sounded less than bullish when asked if there was genuine demand for EVs in China.

"I think there could be," Mr. Reuss said.

Ultimately, the indispensability of China's auto market

### Beijing Attempts To Ease Concerns

Chinese officials have sought to reassure foreign car makers that their intellectual property will be protected.

Last month, the European Chamber of Commerce in Beijing attacked Chinese industrial policies, questioning a new electric-vehicle manufacturing law that calls for foreign auto makers to demonstrate their green-car technology before they can build them in China.

The law could just be a ploy to get foreign car makers to disclose technology secrets to their Chinese partners, the chamber warned.

China's industry and information technology minister, Miao Wei, rejected that interpretation and assured foreign manufacturers last month that they would not be compelled to hand over intellectual property.

Volkswagen AG's China chief executive, Jochem Heizmann, said he was sufficiently reassured by Mr. Miao's remarks to push ahead with an EV push involving the in-country production of eight plug-in hybrid or pure electric models, including a mass-market vehicle set to enter production next year through a new joint venture with Anhui Jianghuai Automobile Co.

Mr. Heizmann said Volkswagen aims to sell 1.5 million green vehicles in China by 2025.

General Motors Co.'s target is more modest, at 500,000 by 2025. Even so, GM's commitment contrasts with the reluctance voiced by then-Chief Executive Dan Akerson in 2011. Mr. Akerson said "technology risks" meant GM would hold back from building the then-new Volt in China, even if it meant missing out on government incentives.

—Trefor Moss  
and Mike Colias

meant it was "manifest destiny" that foreign auto makers would agree to set up electric-car plants in China sooner or later, said Bill Russo, Shanghai-based managing director at consulting firm Gao Feng Advisory.

Tesla Inc., which didn't attend Auto Shanghai, is almost alone in having not lined up to confirm plans to manufacture

electric cars in China. Even Toyota, which previously rejected the EV technology in favor of hybrids and fuel-cell vehicles, said it would ramp up EV development.

An estimated 350,000 EVs were sold in China last year, roughly half the global total. Most analysts expect the market to expand especially quickly as China moves to re-

duce air pollution from gas-powered vehicles and offers incentives for consumers to buy EVs.

Auto makers are unsure about demand, however, fueling concerns that they may need to offer big discounts to move inventory.

Automotive Foresight, a Shanghai-based research company, estimates 650,000 to two million electric and plug-in hybrid vehicles will be sold in China in 2020, out of an estimated 26 million car sales overall that year.

At the auto show, Toyota's senior managing officer, Hiroji Onishi, told reporters he felt "skepticism [about] whether the consumers would still want to buy EVs" once subsidies disappear, which is expected to occur about 2020.

Starting next year auto makers expect they will be required to produce in China a specific number of electric or plug-in hybrid vehicles proportionate to their total output, according to foreign car firms involved in negotiations with the government.

Meanwhile, batteries are among the technology risks that some auto makers say still remain in China. Chinese regulations require that EVs built in China use batteries made in China, but as yet no foreign maker of EV batteries has received certification.

Ford Motor Co. said this month that it would start building EVs in China.

# YouTube to Give Record Labels More of a Voice

BY HANNAH KARP

When YouTube suggests to its more than 1 billion monthly users which music videos they should watch next, it bases those recommendations largely on what each viewer has watched already.

Later this year, the video-sharing site—which also happens to be the world's most popular source of free, on-demand music—plans to add a new factor into the equation: what record labels want those users to hear.

"We'll be fine-tuning our recommendations to users so that, in addition to the many other signals the algorithm takes into account, it also considers artist and label promotional activities," said YouTube's new head of music, Lyor Cohen, a music-industry veteran who until 2012 was a top executive at the world's third-biggest record company, Access Industries's Warner Music Group.

The goal, he said, is "putting new music in front of likely consumers."

For a fan who watches nothing but the late pop star Michael Jackson's videos from the 80s, for example, YouTube might in the future recommend a new pop song by an artist such as Bruno Mars.

Whether the move will improve or damage the experience for fans isn't clear—and the track record for such arrangements is mixed. Radio stations' narrow, repetitive playlists can suffer from too much promotion, for example, with major record labels dominating the charts as they outspend independent labels and artists.

In the past this has led to government lawsuits over illegal pay-for-play schemes, starting with the "payola" scandals of the 1950s, that the major record companies spent millions to settle. Federal law requires that broadcasters disclose any payment they get for putting a song on the air.

Major labels also now overwhelm the charts and influential playlists on subscription streaming services, in part because their licensing contracts with companies such as Spotify AB, for example, guarantee them a certain amount of promotional real estate in Spotify's most prominent ar-

eas, people familiar with the matter said.

Spotify, though, also works to surface independent artists that gain organic momentum. Apple Inc.'s Apple Music also maintains close ties with the major labels but funds and promotes other music.

YouTube expects that adding record labels' priorities into its algorithm will improve the user experience, primarily by surfacing new music faster for users who might like it. Under the current system, it could take days for YouTube to recommend a new song to a likely fan, an event that would now occur only for limited reasons, such as users with similar tastes cuing up the same song, according to a person familiar with the system.

If a user doesn't watch or

**Recommendations currently rely heavily on viewers' past music selections.**

quickly skips a video promoted by a record label, the system won't suggest it again. A large number of other factors, including previous viewing habits, will continue to help determine watch-next suggestions, this person said.

YouTube will work to make sure the system doesn't favor major-label artists over independent acts, the company said.

The worlds of music and technology are increasingly colliding—and in some cases clashing—as music-streaming services run by tech giants such as Apple, Amazon.com Inc. and YouTube's parent, Alphabet Inc., help jump-start the music industry's growth amid declining sales of compact discs and music downloads. While techies tend to exalt user-driven, crowd-sourced systems, record companies have long preferred to maintain control over how their music is promoted.

The shift in YouTube's music priorities could be a small coup for the record labels, which have long wanted to better harness YouTube's massive global viewership to sell music.

# Amazon's Twitch Offers 'Bits' to Engage Broadcasters, Fans

BY SARAH E. NEEDLEMAN

Amazon.com Inc.'s Twitch is allowing more broadcasters to make money on its platform, a move that could help the live-streaming business seize on challenges facing bigger rivals YouTube and Facebook Inc.

On Friday, Twitch said it will open up its revenue-sharing program next week for more broadcasters to get paid whenever they receive "bits"—custom, animated emoticons that act as an online currency for tipping by viewers. Twitch says bits are a way for those in the broadcasters' channels to cheer them on.

Twitch will add more money-making opportunities to its new "affiliate program" in the future, the company said. Currently, only the top 1% of the 2.2 million people who stream on Twitch at least once a month—members of its so-called "partner program"—can generate revenue on the platform.

With the new initiative, Twitch aims to "encourage

more people to broadcast and more fans to watch," said Ethan Evans, senior vice president of commerce and developer success.

Twitch's push to help line more broadcasters' pockets comes at a time when its bigger competitors are struggling.

YouTube, part of Google-parent Alphabet Inc., has lost this year potentially hundreds of millions of dollars in advertising—which its content creators get a cut of—as brands boycotted the site for placing its ads next to inappropriate videos. Its biggest star creator, 27-year-old Felix Kjellberg, who goes by PewDiePie, recently started a weekly show on Twitch, his first outside of YouTube. (Mr. Kjellberg isn't currently part of Twitch's partner program, which would allow him to earn money, the company said.)

Meanwhile, many publishers have struggled to generate revenue from Facebook video ads. Last year, the social network paid tens of millions of dollars to internet stars and media companies to use its

live-video feature, which has been overshadowed by violent incidents, such as when a Cleveland man posted a video of a murder on the site last week.

Amazon bought Twitch in 2014 for \$970 million. Among the top 500 most-visited sites in the U.S. in March, Twitch ranked No. 7 by average time spent per visitor, up from No. 18 a year earlier, according to comScore. Facebook in March

ranked at No. 2. ComScore said all websites from Alphabet rank collectively at No. 3. If it were to break out YouTube by itself, the video site would rank at No. 5, it said.

On Facebook and YouTube,

broadcasters mainly make money through advertising. Twitch also has an advertising program, and its top broadcasters have access to a variety of other moneymaking tools, including a portion of subscription sales to their channels. Last month, Twitch began selling digitally delivered computer videogames, a move that gives its top broadcasters another way to generate revenue.

Twitch said its top earners in the partner program, who are its most popular broadcasters, make more than \$100,000 a year. Under the new affiliate program, creators with fewer fans must meet certain criteria to demonstrate their commitment to streaming, such as a minimum number of hours spent on the air, to earn revenue. The amount of money the platform shares with its broadcasters varies depending on how it is earned.

Twitch sells bits to viewers in bundles ranging from \$1.40 for 100 to \$308 for 25,000. Broadcasters earn one cent every time a viewer uses one.



The live-streaming business is looking to help more broadcasters make money on its platform.

ELIJAH NOUVELAGE/REUTERS

## BUSINESS WATCH

SINCLAIR BROADCAST GROUP

### TV-Station Owner Adds to Its Holdings

Sinclair Broadcast Group Inc. said Friday it will buy 14 television stations from a smaller operator, less than 24 hours after federal regulators made changes that could help spur consolidation among television broadcasters.

Sinclair, one of the nation's largest television-station owners,

said it plans to buy Bonten Media Group Holdings Inc., which operates in eight markets across the country. The aggregate purchase price of the stations is \$240 million.

The stations are located in the Tri-Cities metropolitan area of northeast Tennessee and southwest Virginia, and the Greenville, N.C., Chico, Calif., Missoula, Mont., Abilene, Texas, Butte, Mont., Eureka, Calif., and San Angelo, Texas, areas.

Baltimore-based Sinclair will

own or provide services to 191 stations in 89 markets.

Analysts have speculated about whether the Federal Communications Commission's rule reversal will help Sinclair make a deal for Tribune Media Co., whose holdings include 42 TV stations and WGN America. Both companies have declined to comment on the speculation. Tribune said in a statement on Thursday the FCC action was a welcome step.

—Bowdyea Tweh

21ST CENTURY FOX

### Regulatory Review Of Sky Bid Extended

The U.K. government's decision to hold snap parliamentary elections in June will delay by a month the regulatory-review process for 21st Century Fox Inc.'s \$15 billion bid to buy the 61% of U.K. pay-television giant Sky PLC that it doesn't already own.

U.K. Culture Secretary Karen

Bradley said Friday that she has given media regulators an extra month to determine whether Fox's full ownership of Sky would be in the British public's interest.

The regulators' deadline to submit their report, which was previously May 16, is now June 20.

After the review is submitted, Ms. Bradley can clear the merger, refer it to Britain's competition authority for further review or ask Fox to make concessions.

sions.

Media regulators are reviewing whether Fox's ownership of Sky would maintain "plurality"—or diversity of viewpoints—across the British media. They also have broad authority to determine whether Fox would be a "fit and proper" owner of Sky.

Fox and News Corp., which also is the parent company of The Wall Street Journal, were part of the same company until it split in 2013.

—Stu Woo

## WEEKEND INVESTOR

# Retirees' Income Appears To Be Surprisingly Strong

BY ANNE TERGESEN

While government surveys and some academics often paint a pessimistic picture of retiree finances, a new study that draws on tax filings shows that many new retirees are doing pretty well at matching their preretirement incomes.

Released Wednesday, the research tracks taxpayers who in 1999 were between 55 and 61 years old and working. The researchers compared this group's incomes—as reported in tax filings to the Internal Revenue Service—in the year before they claimed Social Security benefits to the year they started benefits and the three years after.

The findings indicate that the median retiree managed to replace 103% of his or her pre-retirement spendable income, meaning "spendable income rose for more than half of taxpayers," the report says.

## What the Study Didn't Include

The study on retiree finances leaves some questions unanswered.

While its sample of 6,000 households is representative of about three-quarters of the 16.4 million people who were between 55 and 61 in 1999, it doesn't include the 25% who weren't working, a category that includes those on Social Security disability benefits.

"What we wanted to do was look at people's incomes while they were working and compare that to their incomes after they claimed Social Security," says co-author Peter Brady, who points out that such an exercise isn't possible with the population that wasn't working during the study's time frame. Mr. Brady

counts, 401(k)s and annuities.

"The vast majority of workers we analyzed reported retirement resources other than Social Security," says Mr. Brady. In comparison, he says, the Census Bureau's household surveys of the U.S. population tend to underestimate these sources of retiree income.

There is a lot at stake in determining which data set paints a more accurate picture. The new research—which suggests most people are doing just fine—argues for the status quo with respect to U.S. retirement policy.

In contrast, those who argue Americans are unprepared for retirement believe policy makers should enhance Social Security benefits for at least the poorest and require employers to offer retirement savings plans.

"The programs we have in place are working," says Mr. Brady, who believes policy makers should focus on shoring up Social Security's finances and helping people unable to save due to disability or frequent spells of unemployment. (Mr. Brady's employer, the ICI, is opposed to the retirement-savings programs some states are developing that would require employers above a certain size to automatically enroll employees in individual retirement accounts.)

The research finds that among the bottom 20% of earners in 1999, retirement income rose even more, to a median of 123% of preretirement income. That's due, in part, to Social Security's progressive benefit formula, which is more generous to the lower paid.

For the wealthy in the 95th to the 99th percentiles—a group that relies on private savings rather than Social Security for most of its retirement income—spendable income in retirement dropped to 88% of what they were able to spend while working.

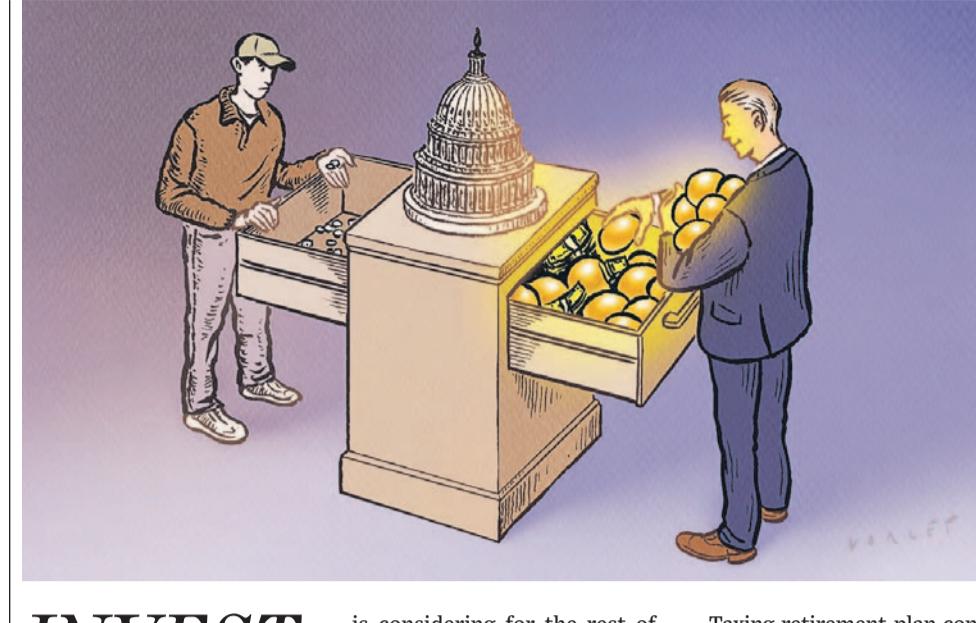
—Anne Tergesen

conducted the research with Steven Bass, an associate economist at the Investment Company Institute; Jessica Holland, an economist at the Internal Revenue Service; and Kevin Pierce, a senior economist at the IRS.

In addition, the study looked only at the initial years of retirement. While Mr. Brady says he believes retirees continue to replace a large share of their preretirement incomes throughout retirement, "we don't know what happens outside of that three-year window" at the outset of retirement.

About half of the people in the study earned income from a job after claiming Social Security. But Mr. Brady says the half without jobs still fared well, with the median replacing 95% of their preretirement spendable income.

—Anne Tergesen



## INVEST

*Continued from page B1*  
can't exceed \$3.90.

Fewer than one in 10 corporate retirement plans match 5% of employees' contributions

dollar for dollar, according to the Plan Sponsors Council of

America. Every member of Congress gets that match, funded by taxpayers.

Even if a member of Congress won't set aside any of his or her own money, the public automatically contributes an amount equaling 1% of that legislator's salary to the federal retirement fund. Nearly all members of Congress earn \$174,000 annually.

A reliable retirement is "a four-legged stool," says David Kabiller, co-founder of AQR Capital Management LLC in Greenwich, Conn., and co-author of a recent article on how to design retirement programs. Those four legs are a traditional pension, a 401(k)-type plan, Social Security and supplemental savings in taxable accounts. "Eliminate or restrict any of those," he says, "and you make achieving a secure retirement more challenging."

Yet that is what Congress, perched securely on its taxpayer-funded four-legged stool,

is considering for the rest of us. At a meeting with members of the Senate Banking Committee this month, Gary Cohn, the director of the White House National Economic Council, discussed ideas that would remove pretax benefits from retirement accounts, including 401(k)s, and shift them to after-tax benefits, according to people familiar with the discussions. It wasn't clear how seriously the administration is evaluating any specific proposal, these people said.

Some are confident change is afoot. In the next round of tax overhauls, "it's not really a question of whether retirement plans will get a haircut, but of how much," says Bradford Campbell, a partner in law firm Drinker Biddle & Reath LLP in Washington.

That's because the money you contribute to 401(k)s and several other types of retirement plans isn't subject to current income tax. Nor are your future earnings on those accounts, until you take them out to live on in retirement, when your withdrawals will be taxed as ordinary income.

If your retirement dollars were treated, instead, like contributions to a Roth individual retirement account or Roth 401(k), they would be taxed before you put them in. You could ultimately withdraw the money tax-free in retirement, but the incentive of getting an upfront tax break would be gone.

Taxing retirement-plan contributions Roth-style would generate roughly \$1.5 trillion over the next decade the way the government reckons the numbers, estimates Mr. Campbell. So giant a pot of honey may be hard for Congress not to raid.

"We definitely need comprehensive tax reform," says Mr. Campbell. Unfortunately, when lost revenue has to be replaced, "it's a game of winners and losers, and the retirement system is poised to be one of the losers."

It's hard for most people to save for a goal that glimmers faintly decades in the future. Take away the tax incentive, and many savers might no longer see the point of even trying.

Instead of penalizing retirement saving, lawmakers should be making it easier, perhaps even mandatory, as it is for members of Congress.

At a bare minimum, if Congress is going to hack away some of the tax advantages of private retirement plans, it should make matching cuts to the cushy federal system.

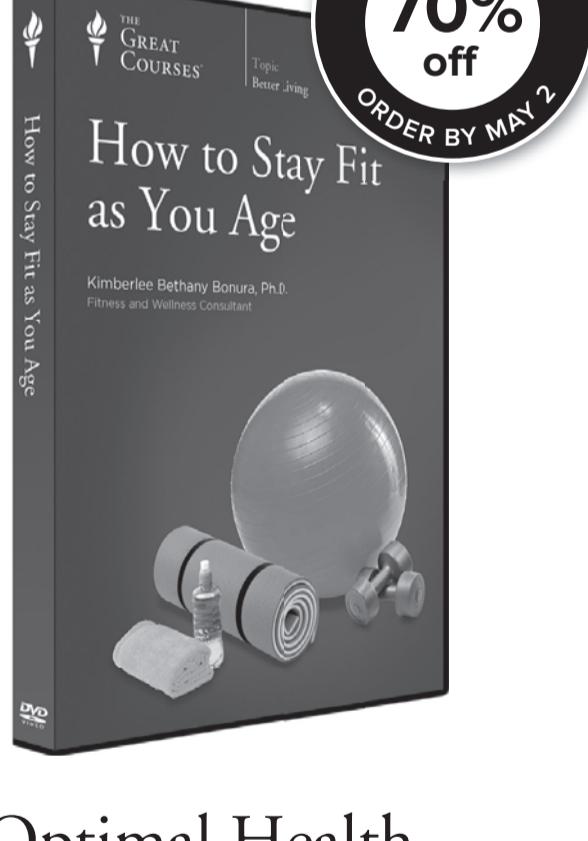
"There should be equal sacrifice," says Mr. Campbell. "It'd be very hard for them to justify not doing that."

If you have a pitchfork in your garage, keep it handy. Your 401(k) might need defending.

—Nick Timiraos contributed to this article.

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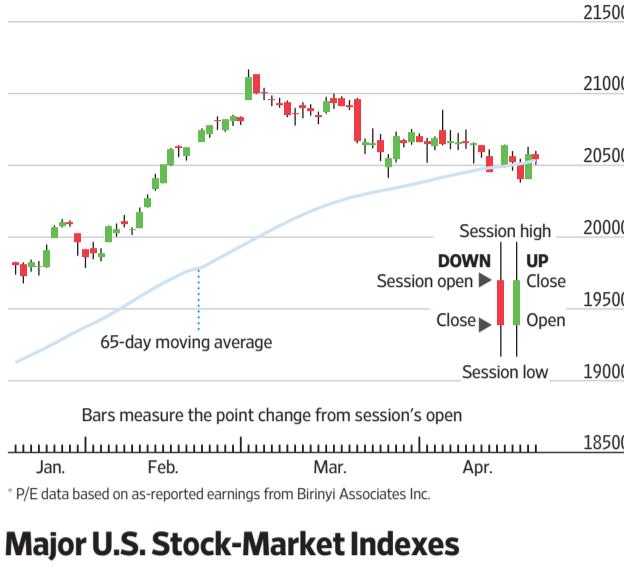
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## MARKETS DIGEST

### EQUITIES

#### Dow Jones Industrial Average

**20547.76** ▼30.95, or 0.15%  
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Jan. Feb. Mar. Apr.

\* P/E data based on as-reported earnings from Birinyi Associates Inc.

#### S&P 500 Index

**2348.69** ▼7.15, or 0.30%  
High, low, open and close for each trading day of the past three months.



Jan. Feb. Mar. Apr.

#### Nasdaq Composite Index

**5910.52** ▼6.26, or 0.11%  
High, low, open and close for each trading day of the past three months.



Jan. Feb. Mar. Apr.

#### Major U.S. Stock-Market Indexes

	Dow Jones		S&P 500 Index						Nasdaq Composite	
	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Industrial Average	20601.40	20505.33	<b>20547.76</b>	-30.95	<span style="color: red;">-0.15</span>	21115.55	17140.24	<b>14.1</b>	4.0	<b>7.7</b>
Transportation Avg	9157.86	9085.97	<b>9133.81</b>	7.68	<span style="color: green;">0.08</span>	9593.95	7093.40	<b>13.0</b>	1.0	<b>5.9</b>
Utility Average	708.11	700.74	<b>706.01</b>	4.81	<span style="color: green;">0.69</span>	720.45	625.44	<b>10.4</b>	7.0	<b>9.2</b>
Total Stock Market	24453.19	24338.10	<b>24380.42</b>	-73.41	<span style="color: red;">-0.30</span>	24868.78	20583.16	<b>13.1</b>	4.7	<b>7.5</b>
Barron's 400	629.29	626.42	<b>627.79</b>	-1.79	<span style="color: red;">-0.28</span>	635.07	491.89	<b>18.3</b>	4.3	<b>6.9</b>

#### Nasdaq Stock Market

Nasdaq Composite	5919.23	5899.43	<b>5910.52</b>	-6.26	<span style="color: red;">-0.11</span>
Nasdaq 100	5450.81	5430.22	<b>5442.05</b>	-1.48	<span style="color: red;">-0.03</span>

#### Standard & Poor's

500 Index	2356.18	2344.51	<b>2348.69</b>	-7.15	<span style="color: red;">-0.30</span>
MidCap 400	1721.32	1713.00	<b>1717.66</b>	-3.31	<span style="color: red;">-0.19</span>
SmallCap 600	842.11	836.81	<b>839.36</b>	-2.67	<span style="color: red;">-0.32</span>

#### Other Indexes

Russell 2000	1383.13	1376.37	<b>1379.85</b>	-4.30	<span style="color: red;">-0.31</span>
NYSE Composite	11427.64	11372.41	<b>1139.14</b>	-37.78	<span style="color: red;">-0.33</span>
Value Line	518.83	516.12	<b>517.27</b>	-1.56	<span style="color: green;">0.30</span>
NYSE Arca Biotech	3523.36	3473.11	<b>3480.26</b>	-40.26	<span style="color: red;">-1.14</span>
NYSE Arca Pharma	501.06	498.15	<b>499.09</b>	-2.10	<span style="color: red;">-0.42</span>
KBW Bank	90.69	89.36	<b>89.63</b>	-0.74	<span style="color: red;">-0.82</span>
PHLX Gold/Silver	87.19	86.14	<b>86.84</b>	0.07	<span style="color: green;">0.08</span>
PHLX Oil Service	158.84	155.69	<b>157.02</b>	-2.18	<span style="color: red;">-1.37</span>
PHLX Semiconductor	995.01	985.27	<b>992.94</b>	-4.61	<span style="color: red;">-0.46</span>
CBOE Volatility	15.33	13.85	<b>14.63</b>	0.48	<span style="color: green;">3.39</span>

\$Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

#### Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Mkt and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 5,000 shares.

#### Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours	High	Low
SPDR S&P 500	SPY	18,832.0	234.13	-0.46	<span style="color: red;">-0.20</span>	235.27	233.78	
Sibanye Gold ADR	SBGL	6,160.6	8.99	0.0018	<span style="color: green;">0.02</span>	9.01	8.99	
Finl Select Sector SPDR	XLF	4,787.2	23.17	0.01	<span style="color: green;">0.04</span>	23.25	23.16	
CBL Assocs Properties	CBL	4,462.9	10.02	-0.01	<span style="color: red;">-0.10</span>	10.03	10.01	
Xerox	XRX	3,545.2	6.92	...	<span style="color: red;">-uncl.</span>	6.94	6.92	
Bank of America	BAC	3,502.3	22.72	0.01	<span style="color: green;">0.04</span>	22.86	22.71	
iShares 20+Y Treasury Bd	TLT	3,376.5	123.70	0.16	<span style="color: green;">0.13</span>	123.70	123.36	
Cnsmr Staples Sel Sector	XLP	3,002.6	55.01	0.01	<span style="color: green;">0.02</span>	55.01	55.00	

#### Percentage gainers...

Transportadora Gas ADR	TGS	10.7	16.40	0.35	<b>2.18</b>	16.48	16.16	
Axalta Coating Systems	AXTA	11.6	32.03	0.66	<b>2.10</b>	32.03	31.37	
NCR Corp	NCR	887.9	41.80	0.86	<b>2.10</b>	41.85	40.91	
Net 1UEPS Techs	UEPS	8.8	11.20	0.22	<b>2.04</b>	11.20	10.98	
Nabors Industries	NBR	24.9	12.00	0.21	<b>1.78</b>	12.00	11.72	
...								
Stratasys Ltd.	SSYS	7.7	23.39	-0.64	<b>-2.66</b>	24.71	23.39	
Wi-Lan	WILN	10.8	2.12	-0.05	<b>-2.30</b>	2.12	2.12	
Titan International	TWI	6.6	9.78	-0.23	<b>-2.30</b>	10.01	9.78	
Horizon Pharma	HZNP	20.4	14.65	-0.34	<b>-2.27</b>	14.99	14.65	
Abbott Laboratories	ABT	333.6	42.61	-0.92	<b>-2.11</b>	43.53	42.61	

#### ...And losers

Stratasys Ltd.	SSYS	7.7	23.39	-0.64	<span style="color: red;">-2.66</span>	24.71	23.39	



## COMMODITIES

### Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Friday, April 21, 2017									
ETF	Symbol	Closing Price	Chg (%)	YTD %	Symbol	Closing Price	Chg (%)	YTD %	Stock
AlerianMLP ETF	AMLP	12.56	-0.40	-0.3	IVE	102.83	-0.46	1.4	USCRestaurant MENU
CnsmSelSelSector	XLY	88.25	-0.23	8.4	IJJ	147.53	-0.19	1.6	CentralEnMedia GETV
CnsmSelSelSector	XLP	55.00	-0.29	6.4	PFF	38.93	-0.21	4.6	ChurchillDowns CDRN
DBGGoldDoubleLGETN	DGP	24.75	0.49	23.0	TIP	114.72	-0.14	1.4	CommVehicle KOF
DBGGoldDoubleShrt	DZG	5.91	-2.31	-13.8	IEF	106.91	0.05	0.3	ConatusPharm CNTA
DeutscheXMSCIEAFE	DBEF	29.23	0.10	4.2	IWV	103.80	-0.28	6.6	Cytokin CYTK
EnSelectSectorSPDE	XLE	67.79	-0.50	-10.0	MINT	101.64	0.02	0.3	Datawatch DWCH
FinSelSectorSPDR	SPX	23.16	-1.03	-0.4	QQQ	132.56	-0.02	2.0	DFLR's DFRS
Gugg&P500EW	RSP	90.50	-0.32	4.5	SPLX	43.61	-0.05	4.9	EchoStar SATS
HealthCareSelSector	XLV	73.68	-0.59	6.9	BKLX	23.26	...	..	UplandSoftware UPDL
IndSelSectorSPDR	XLI	65.41	0.09	5.1	JNK	36.87	-0.08	1.2	VSE VSEC
IShIntermCredBd	CIU	109.62	0.01	1.3	SCHF	29.76	0.10	4.9	WernerEnterprises WERN
IShCore3%CreditBond	CSJ	105.34	...	0.4	SCHB	56.83	-0.26	4.7	Zixi ZIXI
ISh3-7YTreasuryBd	IEI	123.99	0.07	1.2	SchwabUS BrdMkt	106.91	0.05	0.5	...
IShCoreDivDvid	HDV	82.91	-0.34	4.8	SHY	84.69	0.05	0.3	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	IWV	236.13	-0.25	5.0	...
IShCoreMSCLifeMgM	IEFM	47.80	...	12.6	SCHP	234.59	-0.32	4.9	...
IShCore&P500ETF	IVV	173.63	-0.02	2.2	SDY	87.97	-0.05	2.8	...
IShCore&PMDCo	IWH	171.05	-0.24	3.5	SCHP	52.17	-0.21	4.7	...
IShCore&SpnM-ET	IJR	68.86	-0.26	0.1	XLK	53.17	-0.21	2.9	...
ISh&PTottUSStKmkt	ITOT	53.82	-0.26	4.9	XLU	51.73	0.51	6.5	...
IShCoreUSAggBD	AGG	109.34	0.03	1.2	GDX	23.61	0.13	2.9	...
IShSelectDivid	DVY	91.17	-0.09	2.9	GLD	122.31	0.29	11.6	...
IShEdgeMSCIMinEA	EFAV	66.34	-0.09	8.4	MID	310.05	-0.25	3.4	...
IShEdgeMSCIMinUSA	ETM	47.96	0.06	6.1	SPY	205.28	-0.34	2.9	...
IShGoldGrdr	IAU	12.37	0.32	11.6	SCHP	56.83	-0.26	4.7	...
IShBoxxSlnGvCrBd	LQD	119.08	...	1.6	SPDR	205.25	-0.13	3.9	...
IShCoreHdVid	HDV	82.91	-0.34	4.8	IWV	39.70	-0.10	1.0	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VGX	51.44	-0.12	3.2	...
IShCoreMSCLifeMgM	IEFM	47.80	...	12.6	VGT	135.41	-0.07	11.4	...
IShCore&P500ETF	IVV	173.63	-0.02	2.2	VUG	121.95	-0.18	8.0	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VIG	90.10	0.01	5.8	...
IShCoreMSCLifeMgM	IEFM	47.80	...	12.6	VYM	76.81	-0.29	1.4	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VEA	39.17	0.05	7.2	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VEB	10.79	-0.10	11.0	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VGR	107.61	-0.30	5.3	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VHT	136.51	-0.55	7.7	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	VTI	120.83	-0.32	4.2	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	WHD	65.01	-0.15	6.2	...
IShCoreMSCLifeAEEF	IEFA	57.82	0.03	0.8	WIT	94.36	-0.39	1.5	...
IShNatMuniBnd	MUB	109.76	0.02	1.5	WVN	210.40	-0.29	4.9	...
IShRussell1000Gwhd	IWV	114.06	-0.15	8.7	BSV	79.97	0.05	0.5	...
IShRussell1000Gwhd	IWV	130.69	-0.33	5.0	VCIT	87.19	-0.05	1.7	...
IShRussell1000Gwhd	IWV	113.62	-0.50	1.4	VB	133.09	-0.22	3.2	...
IShRussell2000Gwh	IWO	161.57	-0.38	5.0	VBN	80.68	0.02	1.1	...
IShRussell2000Etf	IWM	137.21	-0.23	1.8	VBN	106.09	-0.26	5.0	...
IShRussell2000V	IWN	117.59	-0.13	-1.1	VXUS	49.54	-0.06	8.0	...
IShRussell3000Etf	IWV	139.30	-0.30	4.8	VTR	120.83	-0.32	4.8	...
IShRussellMid-Cap	IWR	186.99	-0.26	4.5	VTD	65.01	-0.15	6.2	...
IShRussellMid-Cv	IWS	82.79	-0.25	2.9	VTD	94.36	-0.39	1.5	...
IShRussellMS&P500Growth	IJK	191.69	-0.19	5.2	WEDJ	62.56	0.06	9.0	...
ISh&P500Growth	IWV	131.71	-0.12	8.1	WISD	49.21	0.43	-0.7	...

### Borrowing Benchmarks | WSJ.com/bonds

#### Money Rates

April 21, 2017

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation		
March index level	Chg From (%) Feb.	17/March 16
All items	243.801	0.08
Core	251.290	0.06
<b>U.S. consumer price index</b>		
All items	243.801	0.08
Core	251.290	0.06
<b>International rates</b>		
30 days	3.505	3.512
60 days	3.540	3.542
<b>Notes on data:</b>		
U.S. prime rate	is effective March 16, 2017. U.S. prime rate is the base rate on corporate loans posted at least 70% of the 10 largest U.S. banks. Other prime rates aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday.	
Sources:	Bureau of Labor Statistics; S&P Financial Information	

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## NEW HIGHS AND LOWS

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE Mkt and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG/Daily percentage change from the previous trading session.

Friday, April 21, 2017

### NYSE highs - 112

### Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg

HDFC Bank HDB 79.09 -0.26 TripleOtent TPOV 14.11 -0.01

Honeywell HON 128.30 2.7 TritonInt'l TRTN 21.15 -0.5

INDEX IEX 102.12 1.4 TwoHarborsPfd TWOA 26.47 -0.1

## BANKING & MARKETS

# Big Holders Target Wells

By JOANN S. LUBLIN  
AND EMILY GLAZER

A number of public pension funds have come out against directors on **Wells Fargo & Co.**'s board, just days ahead of what is shaping up to be a contentious annual shareholder meeting for the embattled bank.

New York City's **Office of the Comptroller**, which oversees pension funds that own about 11.5 million shares or about 0.23% of **Wells Fargo** shares outstanding, said it would oppose reelection of 10 out of 15 of the San Francisco bank's directors. That includes the bank's nonexecutive chairman, Stephen Sanger, plus all but two members of the board's risk, audit and human-resources committees.

Additionally, the **California State Teachers' Retirement System**, or Calstrs, said it voted its 11.6 million shares against nine board members, including Mr. Sanger.

The other large public-pension system in California, the **California Public Employees' Retirement System**, or Calpers, is voting its 13.9 million shares similarly, the San Francisco Chronicle reported Friday evening.

Together, the two largest public pension systems in California hold about 0.5% of Wells Fargo's shares outstanding.

"These board members bear responsibility for the failure of oversight of sales practices at Wells Fargo," a spokesman for Calstrs said.

Wells Fargo's shareholders meeting is scheduled for Tues-

day and directors face a tough election battle following the bank's sales-practices scandal last fall. The bank agreed to a \$185 million settlement over employees opening as many as 2.1 million accounts without customers' knowledge.

Earlier this month, influential proxy advisory firm Institutional Shareholder Services Inc. recommended shareholders vote against Mr. Sanger and 11 of his colleagues on Wells Fargo's 15-member board.

The second-largest proxy advisory firm, Glass Lewis & Co., recommended investors vote for Mr. Sanger but against six directors.

A Wells Fargo spokesman declined to comment on individual shareholders.

A spokesman for the bank's board declined to comment.

# Beijing's Talk Hits Stocks

## Second Thoughts

Shanghai Composite Index



Source: WSJ Market Data Group  
THE WALL STREET JOURNAL

tors, whose trading provides the bulk of market liquidity. Daily trading volume in Chinese stock markets was close to 500 billion yuan (\$72.65 billion) this past week, well below the 2.3 trillion yuan daily mark at the height of the bull market in early 2015, according to **Wind Information Co.**

Some market participants say a bit of speculation is necessary.

"Water which is too pure has no fish," said Deng Wenyuan, an analyst at **Soochow Securities**, quoting a Chinese proverb.

Some individual investors already have ceased trading. Mark Lu, an investor in Shanghai with 2 million yuan in his account, says he hasn't traded for three months. He says recent regulatory scrutiny of companies that have announced stock splits is the latest example of the regulator's unpredictability. "It's much harder to pick winning stocks," Mr. Lu said. "You never know what new rules will come out next."

One recent focus for regulators has been to cool speculation in companies that investors expect could benefit from the Chinese government's plans, announced earlier this month, to build a megacity called Xiongan, a two-hour drive from Beijing. Trading in 14 companies linked to the project was suspended last week due to what the regulator called "abnormal volatility."

"There is no logic to such regulatory interventions, but there is nothing I can do," said Gong Xiaotao, manager of the Yixinweiyi Fund, a Shanghai-based private-equity firm that manages about \$15 million.

Some argue that driving out short-term traders could help make Chinese markets more professional, by allowing large institutional investors such as pension funds, which typically invest over the longer term, to play a more prominent role.

—Yifan Xie

## Cash Prices

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

		Friday, April 21, 2017						
		Energy				Metals		
Propane, tet, Mont Belvieu-g	0.6471					Soybeans, No. 1 yellow IL-bp,u	9,1900	
Butane, normal, Mont Belvieu-g	0.7893					Wheat, Spring 14% pro Mnpls-u	6,3900	
Natural Gas, HenryHub-i	n.a.					Wheat, No. 2 soft red St.Louis-bp,u	3,9850	
Natural Gas, TranscoZone-3-i	n.a.					Wheat, Hard - KC (USA) \$ per bu-u	3,6450	
Natural Gas, TranscoZone-6NY-i	n.a.					Wheat, No. 1 soft white Portl, OR-u	4,4750	
Natural Gas, PanhandleEast-i	n.a.							
Natural Gas, Opal-i	n.a.							
Natural Gas, MarcellusNE PA-i	n.a.							
Natural Gas, HaynesvilleLLE-i	n.a.							
Coal, Caplc, 1,250Btu, 12SG02-rw	52,450							
Coal, PwdrRvrSbn, 880Btu, 0.8SG02-rw	11,750							
<b>Gold, per troy oz</b>								
Engelhard industrial	1,285.83							
Engelhard fabricated	1,382.27							
Handy & Harman base	1,281.85							
Handy & Harman fabricated	1,422.85							
*1279.90								
<b>Gold, per troy oz.</b>								
Engelhard industrial	17,930							
Engelhard fabricated	21,5160							
Handy & Harman base	17,8600							
Handy & Harman fabricated	22,3250							
LBMA spot price	£14,0546							
<b>Metals</b>								
<b>Fibers and Textiles</b>								
Burlap, 10-oz, 40-inches NY yd-n, w	0.6000							
Cotton, 1/16 std lwd-midMphs-u	0.7783							
Cotlook 'A' Index-t	*87.80							
Hides, hvy native steers piece fob-u	n.a.							
Wool, 64s, staple, Terr del-u, w	n.a.							
<b>Grains and Feeds</b>								
Barley, top-quality Mnpls-u	n.a.							
Bran wheat middlings, KC-u	53							
Corn, No. 2 yellow, Cent IL-bp,u	3,3600							
Corn gluten feed, Midwest-u, w	79.7							
Corn gluten meal, Midwest-u, w	501.1							
Cottonseed meal, u-w	190							
Hominy feed, Cent IL-u, w	n.a.							
Meat-bonemeal, 50% pro Mnpls-u, w	263							
Oats, No. 2 milled, Mnpls-u	2,7900							
Rice, 5% Broken White, Thailand-lw	365.00							
Rice, Long Grain Milled, No. 2 AR-u, w	20.25							
Sorghum, (Milo) No. 2 Gulf-u	6,6875							
Soybean Meal, Cent IL, rail, ton48-u	304.10							

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra, Tordella & Brooks; G=ICE; I=Natural Gas Intelligence; L=I�iceindex.com; M=midday; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=The Steel Index; T=Cutlook Limited; U=USA; V=weekly; Z=not quoted.

\*Data as of 4/20

Source: WSJ Market Data Group

## Futures Contracts

### Metal & Petroleum Futures

		Contract	Open	High	Low	Settle	Chg	Open interest
<b>Coffee (ICE-US)</b>	-37,500 lbs; cents per lb.							
May	132.00	132.20	▼	128.80	129.85	-1.80	518	
July	133.55	135.25	▼	131.55	132.90	-1.40	107,489	
<b>Sugar-World (ICE-US)</b>	-112,000 lbs; cents per lb.							
May	16.38	16.60		16.26	16.41	.08	86,185	
July	16.44	16.70		16.35	16.51	.10	341,285	
<b>Sugar-Domestic (ICE-US)</b>	-112,000 lbs; cents per lb.							
July	29.40	29.40		29.40	28.94	-.12	1,156	
Sept	29.25	29.25		29.20	29.20	-.09	1,495	
<b>Cotton (ICE-US)</b>	-50,000 lbs; cents per lb.							
May	80.00	80.30		78.48	78.99	-.10	3,544	
July	79.35	79.38		78.67	79.33	.22	129,383	
<b>Orange Juice (ICE-US)</b>	-15,000 lbs; cents per lb.							
May	160.50	162.90		159.00	160.00	-.05	3,237	
July	152.60	153.00		151.40	152.40	.25	5,879	

### Interest Rate Futures

		Contract	Open	High	Low	Settle	Chg	Open interest
<b>Treasury Bonds (CBT)</b>	\$100,000; pts 32nds of 100%							
June	154,090	154,240	153-300	154-050			... 650,303	
Sept	152,310	153,130	152-240	152-300			... 332	
<b>Treasury Notes (CBT)</b>	\$100,000; pts 32nds of 100%							
June	126,005	126,090	125-290	126-020	3.5	3,188,028		
Sept								

# MARKETS

## Investors Gird for French Elections

Bets will likely sway depending on which candidates advance in vote and by how much

By JON SINDREU

For investors, elections in France are just different: a two-round system that lets them shift bets, reassess polls and scout for bargains.

And for the presidential vote that kicks off on Sunday, things could be particularly volatile in the two weeks between rounds, some investors say.

In the mix are candidates from the far-left and far-right who promise policies that, if enacted, would have far-reaching effects on European markets, making this election of interest far beyond France. Investors are particularly concerned about Marine Le Pen, an economic nationalist who wants to pull France out of the euro, potentially signaling the end for the single currency.

That has sent global investors scrambling to learn about the French electoral system, which establishes a runoff between the two most popular candidates if nobody wins half of the votes in the first round.

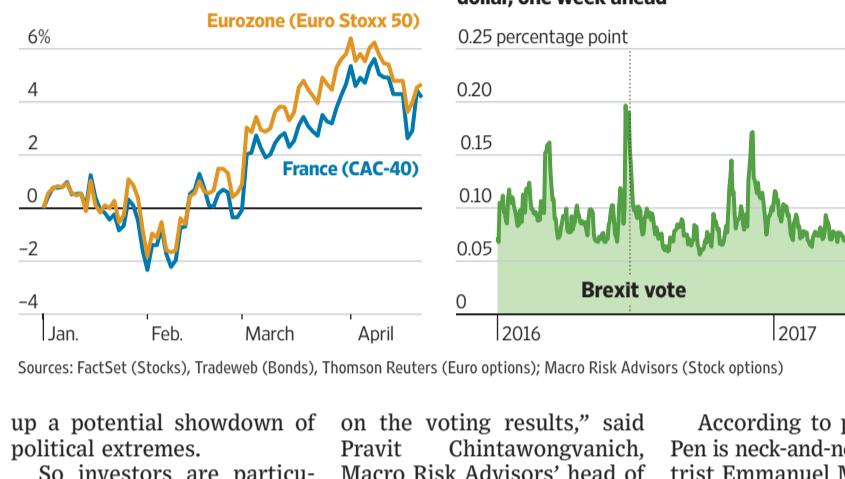
That interregnum is "likely to be peak uncertainty," said Thomas Clarke, a fund manager at **William Blair & Co.**, a Chicago-based asset manager that planned to scoop up cheap French and Italian bonds if turmoil ensues.

"We think this is potentially going to open up an opportunity," he said.

Polls predict that Ms. Le Pen will face one of two centrist candidates in the second round on May 7. But in recent weeks, Jean-Luc Mélenchon, the left-wing firebrand who promises higher wages and fewer working hours, has soared in opinion polls, setting

### Simmering Worry

Investors are bracing for large stock-market swings following Sunday's first round of French elections. French shares have modestly lagged behind European peers this year, though French bond-yield premiums have risen and options trading points to deepening uncertainty.



Sources: FactSet (Stocks), Tradeweb (Bonds), Thomson Reuters (Euro options); Macro Risk Advisors (Stock options)

up a potential showdown of political extremes.

So investors are particularly unsure about who will face off in the second round, promising a flurry of action after Sunday's vote.

Options that insure against swings in stocks in the Euro Stoxx 50 index show that investors are more protected against the first than the second round, according to Macro Risk Advisors. These contracts predict a 3.5% move in the index in the week after the first vote and only a 3% move after the second.

"It signifies that we could see a high volatility period after the first round depending

on the voting results," said Pravit Chintawongvanich, Macro Risk Advisors' head of derivatives strategy.

Markets are pricing in only a small probability that Ms. Le Pen could win.

Stocks have been mainly unruffled ahead of the election. The extra compensation investors demand to hold 10-year French government debt instead of German bonds has risen to 0.66 percentage point, compared with 0.22 in September, but even that strikes some analysts as a small spread given Ms. Le Pen's threat to the eurozone. The euro itself has risen against the dollar year to date.

According to polls, Ms. Le Pen is neck-and-neck with centrist Emmanuel Macron, with about 25% of the vote each. Polls predict that Mr. Macron will get two-thirds of the vote if he meets Ms. Le Pen in the second round.

But investors point out that over the past year, pollsters failed to predict Britain's vote to leave the European Union or Donald Trump's U.S. election victory.

This leaves potential for the largest market moves to happen after Sunday's round, analysts say. If Ms. Le Pen does particularly well, her views on the euro could trigger outflows of money not just from

France, but from weaker euro-zone economies such as Italy, Portugal and Spain.

Some investors, though, believe the French electoral system, and the chance of victory in the early round, has merely given an unrealistic impression that Ms. Le Pen could win power.

If the first round confirms her chances are slim, expect a relief rally, they say.

"Between the two rounds, if it looks like Le Pen isn't going to win, it might be a good moment to get back into European stocks," said Bob Baur, chief global economist at Principal Financial Group, which manages \$592 billion.

## HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

WSJ.com/Heard

Email: heard@wsj.com

### Too Many Questions For Revamp

The Trump administration is considering overhauling the controversial rules covering "too-big-to-fail" banks. Don't expect much change.

President Donald Trump is scheduled to sign an order Friday directing the Treasury secretary to review Orderly Resolution Authority, a provision of the Dodd-Frank law giving the government power to take over and wind down a failing financial firm.

The debate over this part of Dodd-Frank is one of those strange Washington conversations in which the two sides talk past each other. Conservative Republicans in Congress abhor it,

saying it enshrines the concept of "too big to fail" in law by giving the government authority to lend to a failing firm while it is being wound down.

But the law's architects cast it as the solution to "too big to fail." A government liquidity backstop is provided to a company while it is wound down to make sure its collapse won't destabilize the financial system. In the end, the firm's shareholders are still wiped out and its executives likely removed.

The law's detractors need to explain how financial stability would be maintained when a large, interconnected firm fails. Paradoxically, this threat of chaos is precisely what prompted the government to go for an improvised bailout of American International Group after the collapse of Lehman Brothers.

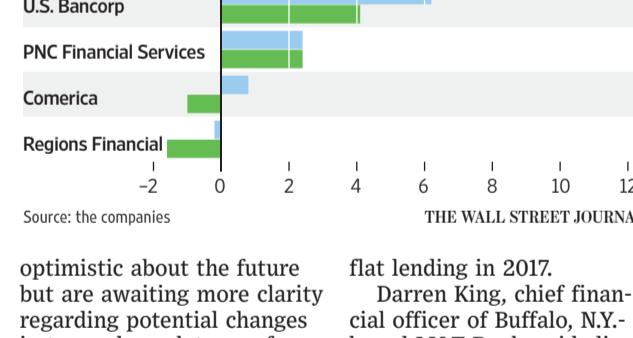
Keeping the authority in place makes it riskier to invest in individual financial companies, because the government retains the power to wind them down when it deems it necessary. But it makes the system as a whole safer.

—Aaron Back

### Banks Are Waiting on Washington

#### Regional Slowdown

Average loans outstanding, change from a year earlier



Source: the companies

He specifically cited the Affordable Care Act and minimum wage laws.

Nonetheless, the first quarter was still strong for regional banks, as slowing loan growth was offset by higher interest rates. Net interest margins expanded at all seven of the regional banks by an average of 0.13 percentage point from the previous quarter. All but Regions Financial saw their shares rise since reporting earnings.

But the banks are highly levered to economic growth in the U.S., even more so than the big money center banks, which can benefit from healthy overseas growth and rising markets. If domestic growth doesn't kick in, then interest rates won't go much higher, depriving these banks of their best source of profit gains.

Clearer signals from Washington would clearly help.

—Aaron Back

#### OVERHEARD

What's in a name? Not much for one clinical stage biotechnology company.

Cancer drug specialist **XBiotech** announced results of a meeting with European regulators Friday surrounding the potential approval of its experimental colon cancer treatment, Hutrudo.

That name may have caught company observers off guard. XBiotech has long referred to the drug as "Xilonix." That name appears a dozen times in its annual report. Hutrudo doesn't at all.

Regulators were unimpressed. The European Medicines Agency issued a negative "trend" vote, a likely precursor to a formal rejection. XBiotech shares plunged 40% Friday.

Regulators' concerns with Hutrudo aren't semantic. "The key outstanding issues are related to clinical relevance of the therapy in the indication and quality assurance related matters," said XBiotech.

## Good News for Automobile Makers Can't Sway Investors

#### Out of Gas?

Annualized unit car sales



Note: U.S. data are seasonally adjusted

Source: FactSet

cent. These new investors paid more for their stakes than the car makers initially did, prompting write-ups.

Yet the car market also remains robust—and particularly on the German brands' European home turf. Unit sales were up 8.2% in Europe in the first quarter; even adjusted for extra working days, growth of 3.7% looks robust. The Chinese collapse many expected after tax breaks were scaled back at the end of 2016 hasn't yet materialized: Unit sales were up 5.1%, and 7.3% adjusted for selling days, according to Barclays.

The major weak spot has been the U.S., where first-quarter unit sales were down 1.5% and used-car values are sinking. This has justified fears that the election of

Donald Trump has not, in fact, delayed the expected cyclical downturn in the car market.

The problem for the German car makers is that the U.S. carries disproportionate weight in investor sentiment. The old rule of thumb that Europe follows America's economic lead, only with a couple of years' lag, was validated during the last recession. Few investors are going to bet against it now, based on another quarter of solid data driven by late recoveries in Italy and Spain.

The question of China is a trickier one, complicated by rising local competition on the one hand and the government's apparent determination to keep the sector buoyant on the other. Even

though China is arguably as important these days, investors seem happy to focus on the U.S.

The result is that good news from Europe or China can be ignored as merely delaying an inevitable correction. BMW's shares barely moved when it announced its first-quarter beat. The exception to this rule is Volkswagen, where this past week's numbers should help convince investors that its restructuring is finally bearing fruit.

Valuations across the sector remain cheap, but it is hard to see what could prompt a breakout when growth is easily dismissed as the last spurt of an engine low on gas.

—Stephen Wilmot

A new baby often makes for a tense marriage: how mothers and fathers can cope



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A book asks:  
Should Harvard Business School be blushing crimson?

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THE WALL STREET JOURNAL.

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French voters will begin to pick a new president this weekend, and their choice may well determine whether the European Union lives or dies.

# LE DIVORCE?

BY CHRISTOPHER CALDWELL

**FRANCE DIDN'T SCHEDULE** a referendum on its membership in the European Union or globalization writ large, but it is about to get one. The first round of the country's presidential elections, which will be held this Sunday, has become impossible to handicap. France's party system is in its death throes, according to Patrick Buisson, a onetime top adviser to former President Nicolas Sarkozy. "Like all death throes," Mr. Buisson said recently over a brasserie lunch in Paris, "it is convulsive."

Sunday's top two vote-getters will advance to a second round on May 7. Polls now show four candidates locked in a dead heat. Put bluntly, the contenders are a capitalist, a Catholic, a nationalist and a leftist. The 39-year-old Emmanuel Macron, a former investment banker and economics minister, bolted the Socialist Party last year to run at the head of a new movement called En Marche ("on the march"). He wants to strengthen the 28-country European Union, which lays down rules for the continent. In an ordinary year, he might be preparing to run head-to-head against the conservative François Fillon, whose mostly Catholic political base has rallied against Islamist terrorism and gay marriage. But Mr. Fillon has spent the entire campaign mired in featherbedding scandals.

One or both of these mainstream candidates could be toppled by an insurgency. If that happens, much else will fall. Marine Le Pen, the daughter and

political heiress of the demagogue Jean-Marie Le Pen, has sought to purge his National Front of its reputation for bigotry. She wants to pull France out of the EU entirely. The eloquent Jean-Luc Mélenchon is almost as skeptical about the EU, even if his own sympathies are more with South American radicals such as Evo Morales and the late Hugo Chávez.

In France and elsewhere, citizens complain that the EU has eroded their culture, sapped their defenses against mass migration and left them less free; meanwhile, business leaders and the politicians they back call it indispensable.

Globalization has left mixed results in France. Its major cities, starting with Paris, are as rich as ever, but they have been hit hard by terrorism. In just the past two years, the staff of the satirical weekly Charlie Hebdo were massacred for belittling Islam, dozens of music fans were executed at a concert hall in Paris, tourists were mowed down by a truck on the beachfront of Nice, and an 84-year-old priest had his throat slit after celebrating Mass near Rouen. On Thursday, a gunman killed one police officer and wounded two others on the Champs-Élysées, in an act claimed by Islamic State.

In the wake of deindustrialization, the centers of France's smaller cities—including such charming ancient places as Albi and Béziers—now look as if they had been evacuated in wartime. The writer Daoud Boughezala recently went to Vierzon, a manufacturing center near the Loire Valley that is proud of its

*Please turn to the next page*

*Mr. Caldwell, a senior editor at the Weekly Standard, is at work on a book about the rise and fall of the post-1960s political order.*

*Both of the mainstream candidates could be toppled by insurgencies hostile to the EU and globalization.*

## INSIDE



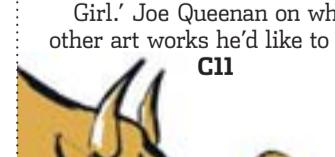
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## REVIEW



MIND & MATTER:  
ROBERT M. SAPOLSKY

### The Brain Science Of Conformity

  
**WE'VE ALL SEEN** people agree with something false because everyone around them is doing the same. It's problem in schoolyards, board rooms and, especially lately, in politics, where social media has proven a powerful tool for rallying people to untruths.

Psychologists have long studied this sort of conformity. In classic research begun in the 1950s by Solomon Asch, solitary subjects would be asked something with an obvious answer, such as, "Here's a line. Which of these three other lines is it closest to in length?"

Then a subject would be asked the same question while amid a group of others planted by the researchers. The other "participants" would state their choices first—and unanimously pick a glaringly wrong answer. Stunningly, the real study subjects would agree with that incorrect answer up to three-quarters of the time.

Neuroscientists soon started studying the brains of subjects conforming in such a way. The discovery that everyone disagrees with you turns out to typically activate the amygdala and the insular cortex, brain regions associated with anxiety, disgust and unease. It can also activate regions associated with reinforcement learning and error correction.

This suggests that when we stand apart from a group this way, we don't just feel different and exposed but distressingly wrong. The more these brain regions were activated, the more likely someone was to seek relief and conform.

Scientists have identified two modes of conforming. In "public conformity," subjects change their answers merely to be agreeable, reverting back to their original view in private. "Private conformity" occurs when individuals embrace the crowd's flagrantly wrong answer as their own, even when alone. An important study by Micah Edelson of the Weizmann Institute of Science in Haifa, Israel, and colleagues, published in 2014 in *Neuropsychopharmacology*, highlights key differences between these two types.

In their experiment, the subjects—92 adult male volunteers with a mean age of 27—

watched a documentary and were then quizzed about it. When tested alone, the subjects readily gave correct answers. But when surrounded by a group proclaiming incorrect answers, they conformed in large numbers.

Their rate of conforming was affected, however, by the experiment's main manipulation:

Half the subjects were administered oxytocin,

a hormone

famed for pro-

moting social

bonding and af-

filiation within

groups, and the

other half re-

ceived a placebo.

Among those

who didn't get

the hormone,

about two-

thirds conformed with the crowd. Of these,

roughly half reverted to the correct answer when they were again on their own, while half stuck to the wrong, conformist answer even in private. Those who got oxytocin—which can swamp recipients with the need to belong—had a 15% boost in the rate of public conforming without any increase in the rate of private conforming.

This makes sense. Private conformity is the cognitively challenging effort of convincing yourself that 1+1=3. This involves activation of the visual cortex and the hippocampus, which is central to memory formation, and represents rewriting history in your own head:

"Hey, hippocampus, it wasn't really Option A. Remember how it was actually Option B? And you, visual cortex, you saw that it was B—come on, you know you saw it."

By contrast, public conformity is a simpler process, merely requiring a desire to belong.

Oxytocin makes us more emotionally involved with members of our own group and boosts our longing to agree with them—which doesn't involve the cognitive contortions of private conformity. Just being safely part of the crowd is enough: "So you guys are saying the moon is made of cheese? Sure—group hug!"

Public and private conformity are quite dif-

ferent neurobiological processes, and we don't

know which variety most propels people to rally around untruths. But both options raise a similar Orwellian specter: that we can come to

believe that war is peace, that freedom is slav-

ery and that it definitely was Option B.

## Frexit Looms Over a Tight Race

Continued from the prior page

medieval belfry, and found two-thirds of the businesses shuttered. Writing in the monthly *Causeur*, he described a clothing store stoned by gangs after its owner complained about drug dealers in the tourist district. It is now closed.

That kind of decay doesn't leave much of a record to run on. Socialist President François Hollande bowed out of the race. Polls give him the lowest approval ratings of any Western leader since the end of World War II. Like former President Barack Obama, he lost his party's majorities in the Senate, the lower house and local government.

Unlike Mr. Obama, he gave his base nothing to show for it. In 2012, Mr. Hollande ran as the enemy of big money and promised a 75% tax rate for top earners. But he ended up serving big money by deregulating banks and the retail sector, making it easier to lay off workers, and cutting severance and overtime pay.

As Mr. Hollande's protégé and economics minister, Mr. Macron spearheaded some of these reforms. By the time rank-and-file Socialists took their party back in January's primary elections, Mr. Macron was gone, and so was the party's historic program. (The official Socialist presidential candidate, lawmaker Benoît Hamon, is polling around 7%.) The Socialist Party can still pile up money and media coverage for legislative elections, but it no longer has a vision to inspire people for the presidency.

Two-thirds of the French public disapprove of Mr. Hollande's market reforms. Young people marched against them. Mr. Macron's ability to advance after championing them is evidence of his political gifts. His first love was acting. He is intelligent, eloquent and seductive. He woos crowds. In an arena in Lyon recently, he quoted the poet René Char before concluding, "I love you madly, my friends."

People hear what they want to hear. In recent days, the onetime *Le Monde* editor Luc Rosenzweig announced that he would vote for Mr. Macron because the candidate believes in nuclear power and thus in the future. Meanwhile, Daniel Cohn-Bendit, who represents the Green Party in the European Parliament, said that he is backing Mr. Macron in part because of his promise to cut nuclear power.

The most unusual thing about Mr. Macron is his marriage. He is not yet 40, while his wife is in her 60s. (He met her at age 15, when she was running the drama club at his high school.) In ordinary times, this might strike voters as weird; in today's troubled climate, it seems to strike them as bracingly transgressive.

Strategists for the Socialist Party consciously patterned Mr. Hollande's coalition on Mr. Obama's. It is now Mr. Macron's. It brings together the winners of the new economy and minority groups in a "coalition of the ascendant." Mr. Macron is the candidate of money, of power, of the EU. The economist Jean-Luc Gréau goes so far as to call him the candidate of "a Third World France subordinated to Germany."

But Mr. Macron is politically correct too. He has called France's colonization of Algeria a "crime against humanity," an expression usually reserved for genocides. He said on a trip to London that there is no such thing as "a" French culture. He uses bi-gendered pronouns (*celles et ceux* instead of the more usual *ceux*). And he neatly ties together cultural and economic issues, praising the Uber economy to the skies as a means of upward mobility for those (mostly North African) youths whom he calls victims of prejudice. Uber is unpopular in France. Mr. Macron has attacked it too.

If you like him, you would say that he transcends France's past. If you don't, you would say he's indifferent to it. That has opened up opportunities for the Republicans, the traditional conservative party. Mr. Hollande's introduction of gay marriage in 2013 provoked some of the largest demonstrations since World War II, creating the nucleus of a more or less Catholic conservative social movement called Common Sense.

In the wake of that mobilization, the explicitly Catholic free-marketeer François Fillon seemed to be a dream candidate around whom to build a presidential bloc. He joined conservative businesspeople to Christian community activists in Reagan-esque fashion and struck at Ms. Le Pen's base.

But last winter, Mr. Fillon was swallowed up in scandal. The satirical weekly *Le Canard Enchaîné* alleged that Mr. Fillon had used taxpayer funds meant for running his office to employ his Welsh wife Penelope and their children and that Mrs. Fillon had briefly received monthly payments from a literary magazine. Almost immediately, an anticorruption arm of the government newly established by Mr. Hollande opened an investigation.

Mr. Fillon's actions may not have been illegal, but the scandal has handicapped his campaign. The press exulted. Mr. Fillon couldn't attend campaign rallies without being greeted with calls of "Escroc!" ("Crook!"). His poll numbers plummeted. But Mr. Fillon claimed that he had been set up by a *cabinet noir* (what we might call the "deep state") in Mr. Hollande's government and refused to step aside.

Mr. Fillon has another problem: He is a conventional candidate. His conservative cultural values are tied to a business-friendly agenda not so different from Mr. Macron's. He supports the EU. Against Marine Le Pen and her National Front, he will never appear as the candidate of real change.

Ms. Le Pen promises a referendum within six months on taking back sovereignty from the EU. "Our battle for sovereignty is primary," she said in Lyon in February. "Essential. Cardinal...Without sovereignty, all projects are broken promises. My opponents claim they can control the border, revoke birthright citizenship, slow immigration, fight unfair trade...They are lying to you. As long as they do not break the shackles of the European Union, which holds the authority on these matters, they are ruling out any change, even minor."

She is right, which makes her the more robust alternative to Mr. Macron. Her resistance to Mr. Hollande's competitiveness agenda has won her the allegiance, polls say, of 44% of those who call themselves working-class. Ms. Le Pen has made an effort to rid her party of official bigotry, going so far as to expel her now-estranged father.

But she is still the radical in the race. In Marseille on Wednesday, she promised a moratorium on immigration and a fight against the application of Islamic religious law in France. She urged a "national insurrection"—a democratic one—to recover the country's lost "grandeur," while crowds chanted, "France for the French."

In this campaign, critics have accused Ms. Le Pen less often of bigotry than of hostility to the EU. Yet on that question, the French are largely in harmony with her. Even intellectuals who consider themselves her arch-foes often take her side. The demographer Emmanuel Todd, for instance, recently complained to *Le Journal du Dimanche*, "France is in the Eurozone, we don't control our currency, we've lost control of our budget and our deficit, and...our president no longer has any power."

Large parts of the French electorate are ready to follow her fundamental line. But some are scared, fearing riots by Muslim immigrants in the poor *banlieues* around Paris, and others are too embarrassed to back a party with fascistic antecedents.

By insisting that Ms. Le Pen is the second coming of Hitler, mainstream media outlets have made it seem "irresponsible" to vote for any small party, because it would only dilute the vote against her. They suggest that it is nothing less than a civic duty to vote for Mr. Macron, the candidate of the banks.

This causes no end of frustration among many of those who would never dream of voting for Ms. Le Pen. What if France had a plausible candidate who shared Ms. Le Pen's popular skepticism of capitalism and the EU but wasn't so liable to being cast as a brownshirt?

In the campaign's last weeks, one has emerged. The 65-year-old EU deputy Jean-Luc Mélenchon offers a version of Ms. Le Pen's position that is more eloquent, if less logical. He is backed by the best-selling economist Thomas Piketty, and he has a new-media adviser who worked for Bernie Sanders.

Mr. Mélenchon argues that France can drive a harder bargain with the EU since its departure would doom the project altogether. (This is true of a half-dozen other countries too.) Though he hasn't called for a referendum on EU membership, he might break up the EU more indirectly: His plans for €270 billion in stimulus spending by the government and for a 100% income tax on those earning more than €400,000 a year would rupture the voluntary fiscal and legal synchrony on which the EU rests.

Mr. Fillon calls Mr. Mélenchon's program "communist." But should the two advance to the second round, Mr. Mélenchon would probably win handily. He would also easily beat Ms. Le Pen, polls suggest.

And that changes the whole dynamic of the election. Mr. Macron was presented to old-guard Socialists as a bulwark against Ms. Le Pen. If even Mr. Mélenchon would triumph over Ms. Le Pen, why does France need such a bulwark? This invocation of republican "values" appears self-interested: *Vote for our banker, or we'll call you a fascist.*

Of course, the polls could be wrong. They were wrong in this campaign's primaries. They have been spectacularly wrong in other elections throughout the West. Voters who cheerfully prattled about their values when times were good have clammed up now that their material needs are no longer being met. They are hard to read, and the stakes are high.

A Frexit would be far more seismic than Brexit. Great Britain, which voted to leave the EU last summer, never adopted the euro as its currency and was always half-in, half-out. But France is a core EU member and has always provided much of the project's brains and vision. Without France, the EU would likely collapse. We will find out this weekend whether that is France's fear or its hope.



FAR-RIGHT French presidential candidate Marine Le Pen at a campaign rally Monday in Paris.



Macron has risen despite having championed Hollande's unpopular market reforms.

ASSOCIATED PRESS (2) THE INDEPENDENT CENTRIST French presidential candidate Emmanuel Macron waves during a rally Monday in Paris.

## REVIEW



A GUNMAN from al Qaeda's Syrian franchise prepares for battle, Aleppo, Syria, Aug. 25, 2016.

home bases from which to launch ambitious attacks against the West. If it is defeated, it will simply morph again, from an insurgency back into a terrorist organization.

The same grim logic applies to Islamic State. After its self-styled caliphate falls, it will become what it was at its origins after the U.S. invasion of Iraq: an itinerant terrorist group, sowing chaos by murdering civilians—most of them Muslim.

Such possible transformations raise the terrifying prospect of a reconciliation between al Qaeda and Islamic State. Today, the rival groups quarrel over the claim of Islamic State's "caliph" to lead all Sunni Muslims. But if Islamic State no longer governs territory, its leader is no longer a caliph, and the dispute falls away, opening the door to a merger between the groups. Whether they unite or not, it is only a matter of time before bin Laden's followers again turn their sustained attention back to the West and the U.S.

How should we respond to this threat? Military muscle alone won't do. We

can kill as many terrorists as we want, but if more keep coming to fill jihadist ranks, we will make no headway. Defeating al Qaeda and its progeny requires cutting off their supply of recruits, and we can do that only by taking more effective action in the arena of ideology.

First, we must counter the false jihadist narrative that the West wants a "war against Islam." This would entail, for example, making good on our rhetoric about trying to end the conflicts in Syria and Iraq, avoiding the temptation to scapegoat all Muslims for the actions of a few terrorists and discouraging our leaders from inveighing against Islam itself.

We also must help to alleviate the humanitarian catastrophes that incubate terrorism. In Afghanistan in the 1980s, fundamentalist madrasas in refugee camps produced the Taliban—literally, "pupils." We are now seeing a replay in Syria and Yemen, where millions of children go uneducated and face indoctrination by jihadists. Yet the Trump administration's budget plans threaten precisely the tools we need to meet these challenges—diplomacy and foreign aid.

Finally, we must do better at exposing the fundamental hypocrisy of a movement that claims to be the arbiter of true Islamic piety but routinely bombs mosques and marketplaces. We must craft a true and hopeful story to drown out the false and despairing one that terrorists tell.

Ultimately, the solution lies in tackling the root causes of radicalization, not just its symptoms. That is unlikely to generate footage exciting enough for cable news, but we can win only by becoming more tenacious than our enemy.

*Mr. Soufan, a former FBI counterterrorism agent, is a private security consultant. This essay is adapted from his new book, "Anatomy of Terror: From the Death of bin Laden to the Rise of the Islamic State," which W.W. Norton will publish in May.*

# The Resurgent Threat of al Qaeda

After bin Laden, a patient strategy of regional growth

BY ALI SOUFAN

**IN THE NEARLY SIX YEARS** since Osama bin Laden was killed in Pakistan by U.S. Navy SEALs, the terrorist organization he founded has practically vanished from American news coverage. Al Qaeda has been eclipsed by the rise of the self-styled Islamic State—a group that began as al Qaeda's Iraqi franchise but broke away in 2014.

It may appear that al Qaeda has simply declined, but that is very far from the truth. Since the death of its founder, it has transformed itself from a close-knit terrorist outfit with a handful of struggling affiliates into a vast network of insurgent groups spread from Southeast Asia to northwest Africa. Together, this network now commands an army of tens of thousands of Islamist militants. Years after bin Laden's death, they stand united in their commitment to his ideology. We have killed the messenger, but the message lives on.

In its first two decades, al Qaeda ("the base" in Arabic) focused on fighting the U.S. and its allies head-on. But in early 2011, amid the upheaval of the Arab Spring, bin Laden ordered an about-face in the group's aims. Instead of mainly pursuing the U.S. ("the far enemy"), he directed al Qaeda's franchises to turn inward and join the popular battle to bring down impious local Arab regimes ("the near enemy"). He hoped that this

would build up al Qaeda's strength for an eventual showdown with the U.S. Bin Laden didn't live to see the fruits of this approach, but they have been considerable.

Islamic State was still formally part of al Qaeda when it made most of its territorial advances, and for the most part, it continues to espouse bin Laden's ideology. Islamic State is no longer aligned with al Qaeda, but sibling factions that remained loyal to al Qaeda have made stunning gains in their own right.

In Syria, more than 20,000 militants, according to regional press reports, follow the banner of the Liberation of the Levant Organization (formerly known as the Nusra Front), and they often battle their former jihadist comrades in Islamic State. In chaotic Yemen, al Qaeda in the Arabian Peninsula holds major sections of coastline and highways, allowing it to run a smuggling network and to keep local populations loyal by distributing goods and services. Since the Arab Spring, al Qaeda's Yemen branch has more than quadrupled its membership, from about 1,000 to at least 4,000 fighters, according to State Department estimates.

Across the Gulf of Aden in Somalia, al-Shabaab—the affiliate responsible for the notorious Westgate Mall attack in 2013—has increased its membership to at least 7,000, the Council on

## The West's response must include effective action in the arena of ideology.

Foreign Relations estimates. It continues to attract recruits, including from Somali communities in the U.S.

In northwest Africa, al Qaeda in the Islamic Maghreb frequently targets Western tourists and aid workers. It recently absorbed several previously disparate factions, forming a jihadist conglomerate whose constituent groups (according to the Long War Journal) collectively carried out more than 250 attacks in 2016 alone.

Al Qaeda branches world-wide are gaining in numbers and fighting strength. Even in Afghanistan, where more than 2,000 U.S. soldiers have lost their lives battling al Qaeda and its Taliban allies since 9/11, U.S. forces discovered in 2015 the largest al Qaeda training camp to date, measuring some 30 square miles. Such groups are now more widespread and better armed, trained and organized than al Qaeda ever was while bin Laden was alive.

Bin Laden always envisioned an adaptable global network, and the new al Qaeda has distinct advantages over Islamic State. While the latter squanders blood and treasure defending its ever-dwindling "caliphate" in Syria and Iraq, al Qaeda's looser span across two continents makes it all but impossible to pin down. Where Islamic State focuses on the short-term (not least because it believes the End of Days is imminent), al Qaeda has demonstrated strategic patience, retreating and regrouping where necessary while keeping its eyes locked on its goals.

The most formidable al Qaeda franchises have embedded themselves within complex local conflicts in failing states such as Somalia, Yemen and Syria. If al Qaeda ultimately succeeds in these struggles, it will again possess stable

## NEW MOTHERS: DON'T HATE YOUR HUSBANDS

BY JANCEE DUNN

**BEFORE MY HUSBAND,** Tom, and I became parents, our sharpest moments of marital rancor involved where to go for Sunday brunch. Then we had a baby and began battling nonstop. Like all new parents, we were semi-deranged from sleep deprivation and inexperience, but the force of our anger took us both by surprise.

We're hardly unique. Numerous studies show that marital satisfaction—especially for women—takes a dive after couples become parents. A recent study of more than 12,000 parents published in the American Sociological Review found that mothers reported less happiness, more stress and greater fatigue in time spent with children than fathers.

In desperation, I plunged into research in order to mend our disintegrating relationship. I interrogated social scientists, time-management experts, neuroscientists and couples counselors and put their advice into practice. Here are some lessons we learned to help couples with their first child stay on the same team.

**Let your husband screw up.** If Tom bathed the baby, I'd hover over him, pointing out that he was holding her the wrong way. If he struggled with putting her onesie on, I'd roll my eyes. Psychologists call this behavior "maternal gatekeeping," in which mothers can swing open the gate to encourage fatherly participation or clang it shut by limiting dad's interactions with the kids.

The result is a self-reinforcing loop: As she criticizes or takes over ("just give me the baby"), he grows more uncertain of his abilities. Fathers should be encouraged to spend time alone with their infants without maternal med-



ding. If the baby's onesie snaps don't align perfectly when he dresses her, who cares?

**Tackle the big conversations.** Tom and I could have avoided many post-baby battles if we had taken the time to address some of the issues that the couples therapists John and Julie Gottman explore in their counseling center's nationwide pre-baby workshops.

A sampling: Should we have mealtimes together? Who will take care of our child when he is sick? How should we include our relatives in our baby's life? Will religion play a part in his life?

The Gottmans say that new parents can quickly build intimacy just by asking open-

ended questions such as: In what way has our child changed our relationship? How could we have more fun in our life? How have your goals in life changed since we had a child?

**Get clarity on chores.** A 2015 Ohio State study of 182 working couples found that men did a fairly equal share of housework—until they became dads. By the time their baby had reached 9 months, the women were doing an average of 37 hours of child care and housework each week, while the men did 24—even as both parents clocked in the same number of hours at work.

How to fix this? Conflicts arise from ambiguity. Researchers at the UCLA Center on Everyday Lives of Families found that couples who

"lacked clarity on what, when and how household responsibilities would be carried out" negotiated their responsibilities every day, starting from scratch. This trapped participants in an exhausting cycle of "requests and avoidance." Greater harmony came from having a plan for exactly who had to do what around the house.

**Just do it.** Given the many ways that sex can be sabotaged, it's amazing that new parents have any relations at all. Hilda Hutcherson, an assistant professor of obstetrics and gynecology at Columbia University, says that it's critical to observe the Nike slogan and just do it. Sex releases endorphins, the feel-good hormone, as well as oxytocin, the "cuddle hormone" that produces feelings of devotion and trust.

And take heed, busy parents: The ideal frequency for having sex is just once a week for maximum well-being, according to a 2015 study of 30,000 adults by researchers at the University of Toronto Mississauga. More than that, and their happiness levels actually flattened.

**An attitude of gratitude.** It's easy to neglect each other in the tumult of new parenthood, but there are easy solutions. Research by the Gottmans has found that small, specific, everyday acts of affection that require almost no energy—giving a quick shoulder squeeze, giving a compliment like "you're a great parent"—matter more than the occasional sweeping gesture.

University of Georgia researchers found that expressions of gratitude were "the most consistent significant predictor of marital quality." The power of a simple thank you, it seems, is considerable.

*This essay is adapted from Ms. Dunn's new book, "How Not to Hate Your Husband After Kids," published by Little, Brown and Co.*

## REVIEW

### WORD ON THE STREET: BEN ZIMMER

## GIF, a Tech Term That's Aged Well

NEXT MONTH marks the 30th birthday of a momentous techie acronym: "GIF," short for "Graphics Interchange Format." It has proved to be one of the more resilient terms of the digital age, although today it primarily applies to a type of image animation that was beyond the capacity of most computers three decades ago.

CompuServe, the first major service for online networking in the U.S., introduced the GIF format on May 28, 1987, announcing it on the service's Picture Support Forum before rolling GIFs out the following month.

The new format, CompuServe said, allowed users of different hardware systems to share graphics files. Back then, personal computers were often incompatible.

For all the term's longevity, there has never been agreement on how to pronounce it. The CompuServe team led by Steve Wilhite that originally developed the format insisted that it should be pronounced as "jif," on the model of words like "ginger." Mr. Wilhite was often quoted as saying, "Choosy developers choose GIF," playing off the slogan of Jif peanut butter.

Despite the best efforts of Mr. Wilhite and his fellow pioneers, many people continue to favor a hard-G pronunciation. The "g" stands for "graphic," after all.

Dictionaries accept either pronunciation, but that doesn't sit right with Mr. Wilhite. In 2013, when he was awarded a lifetime achievement award at the Webby Awards, he unveiled an animated GIF reading, "It's pronounced 'jif,' not 'gif.'"

But the word and its pronunciation are out of the creators' hands. Over the past three decades, "GIF" has survived by adapting with the times. In the late 1990s, thanks to the Netscape Navigator web browser, GIFs became animated, displaying brief, looping sequences of images. Some dubbed these "anigifs," but that coinage was unsuccessful.

Over the past decade, creating and sharing animated GIFs (often drawn from TV shows, movies, music videos and other pop-cultural

### Three decades fail to resolve: Is it a soft 'G' or a hard 'G'?

sources) has become a popular pastime on sites like Tumblr, Twitter and Facebook. "GIF" transformed into a verb, meaning "to create a GIF out of." In 2012, Oxford American Dictionaries named the verb its Word of the Year, noting that "many media outlets were live-GIFing the 2012 presidential debates."

If something is worthy of being GIFIED, then it's "GIFable": In January, CNN shared "the most GIFable moments of Inauguration Day." Now entire businesses are built on the back of GIFs and the sharing of GIFable moments. Tenor and Giphy are two startups that allow users to search for GIFs and share them on social media and in mobile messaging.

A well-chosen GIF can do more than plain text to convey an emotional reaction. Just last week, Tenor launched a web-based tool called Tenor Insights to track how people express emotions through GIFs. The GIF, more than a mere acronym, is practically becoming a language of its own.



ALEX NABAUM

### GAME ON: CHRIS CHABRIS

## High-Stakes Science for Fun

THIS WEEKEND, scientists are marching in cities world-wide to celebrate their work and get the attention of politicians and the public. The organizers want to highlight the need for government support for research, and they know that scientific literacy is crucial for their cause.

For help, they might look to the many board games now based on the joy of scientific discovery. It turns out that nature's rules of cause and effect, across an array of settings, can provide ideal themes for complex, multiplayer contests.

The offerings are varied. Power Grid (2004) is about the costs and benefits of different ways to produce energy. In Pandemic Legacy (introduced in 2015), players must cooperate to stop the spread of deadly viruses around the world, illustrating epidemiology. Both are ranked in the top 20 by the gurus at [boardgamegeek.com](http://boardgamegeek.com).

Gravwell (2013) has players navigate gravity fields and black holes. Covariance (2016) involves building secret molecules. And the new game Cytosis takes us back to high-school biology class, with RNA, ribosomes and other cellular goings-on.

Making such games enjoyable often means straying from strict fidelity to scientific facts. Consider Evolution, designed by Dominic Crapuchettes, Dmitry Kornev and Sergey Machin and published in 2014. It neatly illustrates the balance that a good game has to strike.

Each player starts with a tiny population of a single "species" and must try to build up more species, making them as successful as possible before time runs out. To do this, players use randomly dealt trait cards that give their species new capabilities, such as long necks (for eating from sources that others can't reach) or fat tissue (for storing extra food). Cards may also be used to increase body size or population, or to spawn new species. Food is the limiting resource: Only so much is available on each turn, and your species must eat some before it runs out—otherwise, extinction.

Much of Evolution works like a typical Eurogame, emphasizing long-range planning

and minimizing direct conflict. Players pursue their own strategies and only indirectly thwart their opponents by manipulating the amount of food available. Species evolve in relative peace—unless there are carnivores in play.

If a species has the "carnivore" trait, it can only eat other species, which forces those species to adapt—by growing larger bodies or adding defensive traits like horns or shells. But carnivores can also die out when there are no weaker species for them to feed on. At that point, anti-carnivore traits become a needless expense. If there are no enemies in sight, it's time to shed the shell and learn to forage. Consuming more food, creating more species and increasing populations all earn victory points to determine the game's winner.

Obviously, Evolution isn't completely faithful to science: Real natural selection is a directionless process that changes the diversity of organisms gradually over millennia, with nothing analogous to a "player" who chooses combinations of

traits. But the game gets critical things right, most crucially the idea of adaptation: The traits of species have value only in relation to success in their environment, and better-adapted species flourish. This aspect of the game creates moments of both frustration and insight, as players realize, for instance, that their carnivores have no more prey or that their small herbivores will soon be eaten.

Ironically, the science that underlies most board games is economics: the distribution of finite resources. In Evolution, it's food to consume; in poker, chips to bet; in chess, pieces to checkmate with. This means there are always tradeoffs, and tradeoffs make each player's decisions difficult and important.

The marchers this weekend are confronting this same reality of scarce resources by reminding the public that scientific research, like all good things, costs money. Maybe they could design a game to make their point. Anyone up for a thrilling, high-stakes evening of Grant Application?

### R&D: DANIEL AKST

## Bacteria That Find Land Mines

IN 2015, land mines killed or injured 3,233 people in 61 countries, according to the International Campaign to Ban Landmines—and 78% of those casualties were civilians. Buried explosives can remain armed and lethal long after wars end.

One key problem is detecting the mines, which can be slow, hazardous work. Current methods, which rely on metal detectors, X-rays and other legacy technologies, often require placing people or animals dangerously close to buried explosives.

Now scientists at Israel's Hebrew University, reviving an American technology, have demonstrated a way of detecting land mines using genetically engineered bacteria and a laser-based scanner. The technique works, they say, without sending people, animals or even robots into harm's way—and could eventually be extended to detect a host of different contaminants in a range of settings by tailoring bacteria as needed.

The technology, pioneered in the late 1990s at the Oak Ridge National Laboratory in Tennessee, hinges on the invisible vapors that land mines emit over time. Shimshon Belkin, one of the Israeli scientists, explains that land mines usually contain TNT, which gives off a degradation product called DNT. "DNT is the best signature chemical for explosives in general and land mines in particular," says Dr. Belkin.

The Israeli scientists developed a version of *E. coli* that reacts to DNT in soil by producing a green, fluorescent protein. Although not visible to the naked eye, this fluorescence can be excited by a laser built into a scanning device that reports its findings to a computer. Best of all, the bacteria can be distributed without setting off any explosives, and the scanning can be done from a safe distance.

In an experiment reported in a recent peer-reviewed letter to the scientific journal *Nature Biotechnology*, the scientists tried the technology on a plot of land about 12 feet by 4 feet that contained TNT-laden antipersonnel mines that lacked trigger mechanisms. Over this ground, the researchers manually spread their bacteria, which they had encased in 3-millimeter beads made of an algae extract that lets the explosive vapors pass through. Dr. Belkin says that the bacteria are harmless and designed to die after just a few hours outside the laboratory.

That is about how long it takes for the technology to find the mines. Scanning from 22 yards away, the scientists detected all 13 samples variably buried in sand for three to five months, with no false positives. On the other hand, the scientists failed to detect four mines they had buried in garden soil just five days before the experiment ended. They believe it's because there wasn't enough time for the mines to emit a detectable amount of DNT, or because organic material in the soil soaked up the emissions before they could reach the bacteria. A subsequent trial will address this question, Dr. Belkin says.

The Israeli scientists readily acknowledge that the basic approach (using different bacteria) was patented by American researchers in 1999 but say it has since lain dormant. Robert Burlage, a microbiologist who led the research when he was at Oak Ridge, says that the patent has expired and that he never published the work in scientific journals. He says the Oak Ridge results were strong, but Defense Department funding ran dry.

Dr. Burlage is now a professor in a pharmacy school in Wisconsin. As for the Israeli scientists, "I wish them all the luck in the world," he says, adding: "I'd love to clear minefields all over the world."

"Remote detection of buried landmines using a bacterial sensor," Shimshon Belkin, Sharon Yagur-Kroll, Yossef Kabessa, Victor Korouma, Tali Septon, Yonatan Anati, Cheinat Zohar-Perez, Zahi Rabinovitz, Amos Nussinovich and Aharon J. Granat, *Nature Biotechnology* (April 11)

**A harmless version of *E. coli* can spot emissions from TNT.**

### PHOTO OF THE WEEK



LAURENT GILLIERON/EUROPEAN PRESSPHOTO AGENCY

### The Very Little Tramps

To bid Charlie Chaplin a happy 128th birthday, 662 people dressed as his classic character at the Manoir de Ban, the Swiss estate near Montreux where he lived for 25 years.

**Answers**  
To the News Quiz on page C13:

1.C, 2.D, 3.B, 4.A,  
5.C, 6.B, 7.C, 8.D,  
9.A

# BOOKS

THE WALL STREET JOURNAL.

Saturday/Sunday, April 22 - 23, 2017 | C5

## Schools of Mismanagement

A modern business education provides theories and metrics but no moral center

### The Golden Passport

By Duff McDonald

Harper, 657 pages, \$35

BY MATTHEW STEWART

**ANTHROPOLOGISTS** in the distant future will make their careers investigating the extraordinary rituals of American business education. As they sift through the wreckage of a civilization that bestowed its highest rewards on individuals trained to ignore its deepest problems, they will be lucky to have as their guidebook Duff McDonald's deliciously iconoclastic history of the Harvard Business School, "The Golden Passport."

More than a century ago, Harvard formed its Graduate School of Business in the hope that its faculty would soon figure out how to make management into a discipline and a profession. Apparently, they're still working on it.

They first tried on the "scientific management" of Frederick Winslow Taylor (1856-1915), the "efficiency expert" who wielded his stopwatch against laborers as if it were a cattle prod. After it became embarrassingly clear that Taylor's work was as scientific as the average séance, Harvard fell for the humanism of "Dr." Elton Mayo (1880-1949) and senior AT&T executive Chester Barnard (1886-1961). But the doctor's "research" was as bogus as his credentials, and the telephone boss proved to be an insufferable paternalist, convinced that he and his fellow managers ruled the world by virtue of their own moral purity.

When America's corporations floated out of World War II on an ocean of cash, the wise men of Harvard decided that management was all about creating vast, technocratic amoebas that could swallow any business in their path. When Wall Street began to eat those amoebas for lunch, they suddenly realized that management was all about maximizing shareholder value.

Along the way, the Harvard Business School has racked up some remarkable successes, as Mr. McDonald makes clear. The logistical and analytic techniques the school developed during World War II, for example, proved to be of tremendous benefit in ramping up (and ramping down) the war effort. Contrary to Silicon Valley myth, Harvard played a key role in creating the nation's thriving venture capital sector. But a giant hole remains at the center of the business school project, and it is located precisely where one would expect to find an explanation of the fundamental purpose of an education in business.

Two things may be said of the general theories of business education that populate the promiscuous intellectual history of the Harvard Business School. The first—to state baldly what Mr. McDonald wisely allows the accumulation of evidence to reveal—is that none of them are to be taken seriously. They all start and end with



CONSULTANT CLASS Commencement ceremonies in front of Baker Library on the Harvard Business School campus in Boston on May 29, 2014.

the belief in a magic measuring stick that will reduce the problems of human collaboration to a game of numbers. The second is that they always, always, justify the power and the glory of management. Did I mention the money?

In the first decade of its existence, Mr. McDonald shows, the Harvard Business School faced an existential dilemma. It could dedicate itself to the pursuit of knowledge. Or it could dedicate itself to the pursuit of corporate donations and consulting contracts. The choice made then set a pattern: Professors lunged for the cash and then, straightening their ties, waxed eloquent about how this was after all the noble thing to do.

The school's second dean, Wallace Donham (1877-1954), explained everything. Upon returning from Wall Street one fine day, his suitcases overflowing with joy, he announced that it was good and right that the school should stay in touch with "everyday life" and offer faculty the "opportunity for... personal development." HBS faculty have been following their bliss ever since, secure in the knowledge that the money will only enhance their ability to carry out their intellectual mission. When the celebrated professor and organization guru Rosabeth Moss Kanter lauded IBM in 2009 for having "achieved the seemingly impossible: high levels of business performance... and social good," for example, she could speak from personal experience. It seems that IBM had been good enough to put her on its payroll as a senior adviser over the preceding decades.

The comedy of dollars reached a climax around the time of peak Harvard, in 1979, when it became apparent that the most powerful man at the school was not a professor or an

polite names will come to mind—was exactly what the consultant ordered. So Bower put his perfectly polished wingtip down, and the case method stayed.

holders gain when golden parachutes are adopted.'

Although the great transformation of the 1980s was a kind of intellectual 180, it was in a deeper sense a new twist on an old turn. HBS was still in the business of producing magic sticks that promised to answer every human need with a handy spreadsheet. In the more recent chapters of the history, the scariest parts are where the faculty take the spreadsheets off campus.

Michael Porter—probably the school's most famous professor and certainly among the richest—made a fortune by converting an economic theory intended to help regulators curb monopolies into a banal framework for encouraging corporations to become, in effect, monopolies. The Monitor Group, the consulting company Mr. Porter co-founded, raked in over \$100 million from AT&T in the early 1990s—just as the old phone company, flailing around in search of new sources of monopolistic advantage, launched a series of strategic acquisitions that landed it in a ditch. Starting in 2006, Monitor put its expertise in the service of a certain terrorist-sponsoring dictator in Libya. As Mr. McDonald relates, Monitor supplied the Libyan government with a report that characterized the country as being at "the dawn of a new era" and a "popular democracy system." Another Harvard professor complained about what he saw as an ethical lapse, but all Harvard's president could muster, according to Mr. McDonald, was a "mealy-mouthed

Please turn to page C7

administrator but Marvin Bower, a 1930 graduate of HBS and head of the consulting firm McKinsey & Co. Bower was meticulous in everything, down to the cuff links he expected his associates to wear, and McKinsey happened to be the single largest consumer of HBS's well-groomed products.

At the time, HBS's fabled "case method" of instruction had come under fire from, among others, Harvard President Derek Bok. The case method, for those who don't know, is a form of open-air literary criticism focusing on third-hand stories written about, and sometimes edited by, the superhuman managers of the same sorts of corporations that help pick up the tab for business schools like HBS. Mr. Bok suspected that it was a pedagogical method masquerading as an intellectual discipline. Others would say that it's mainly a way of teaching young people to speak brilliantly on what they only dimly understand. Now it so happens that the talent for "winging it"—less

The dark void at the core of the business school enterprise became as visible as the moon blotting out the sun during the great transformation that started in the 1980s. In the preceding decades, Harvard had tirelessly preached the gospel that the corporate manager is the moral center of modern civilization. Then, right around the time that "liar's poker" became a thing in the investment banking world, the school suddenly embraced the notion that managers are just a shareholder's idea of roadkill—and that it is positively bad for shareholders to possess anything resembling a moral conscience. If there is a villain painted in a single shade of black in Mr. McDonald's version of the history, it is Michael Jensen, the economist and HBS professor who supplied the intellectual rationalizations for the leveraged buyout boom, the CEO compensation boondoggle, and the rampant financialization of the economy. In Mr. McDonald's tale, Mr. Jensen shows up "spewing out ridiculous blanket claims such as... 'share-

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## BOOKS

'People almost invariably arrive at their beliefs not on the basis of proof but on the basis of what they find attractive.' —Pascal

# Rolling Back the Darkness

### The Great Unknown

By Marcus du Sautoy

Viking, 450 pages, \$30

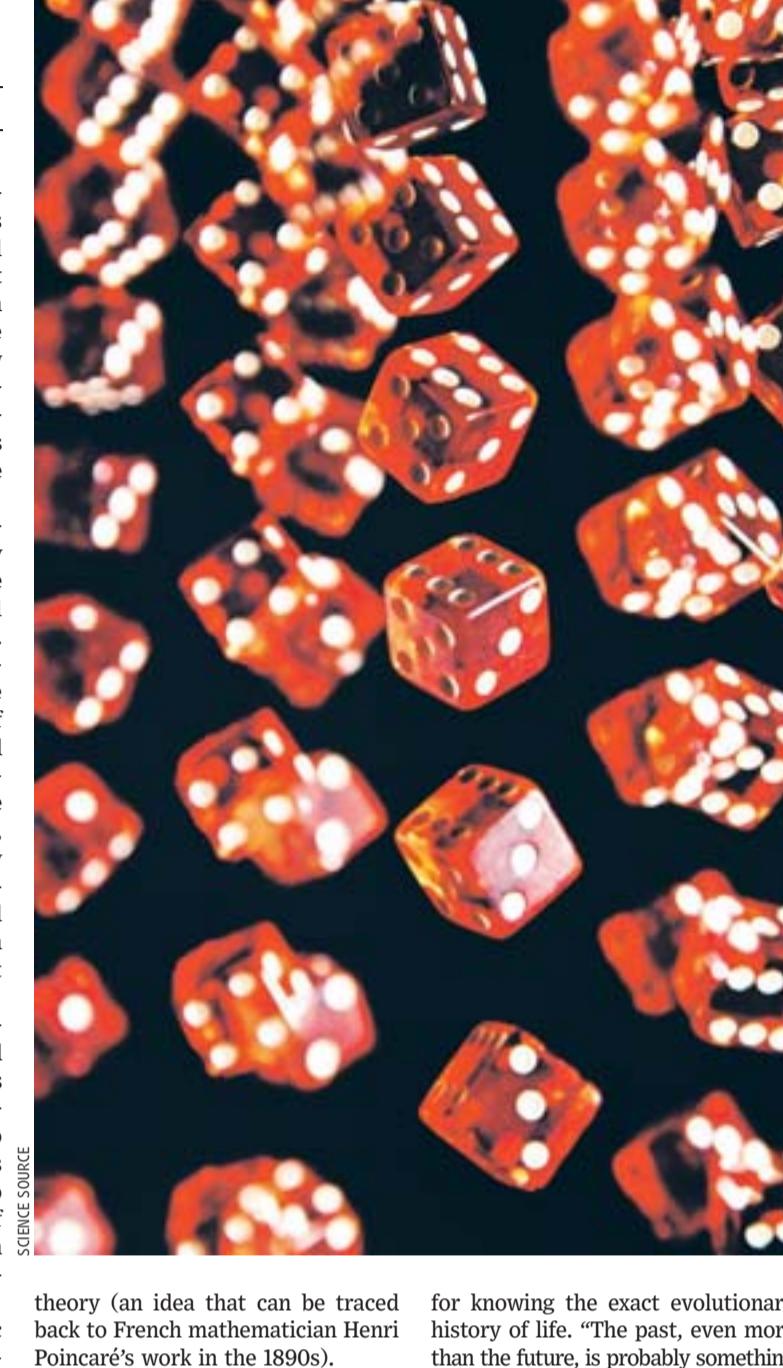
BY ANIL ANANTHASWAMY

**AT TIMES DURING** science's centurieslong onward march researchers have felt that they have answered all that there is to be answered—most notably when Lord Kelvin declared in 1900 that "there is nothing new to be discovered in physics now," a view that American physicist Albert Michelson had anticipated six years earlier, saying: "Our future discoveries must be looked for in the sixth place of decimals."

The significant advances in scientific knowledge over the past century have proved not only that there are profound mysteries yet to be solved but that we might never solve them. As the British cosmologist and Astronomer Royal Martin Rees once wrote: "There may be some aspects of reality [that] are intrinsically beyond us—just as quantum theory was beyond the first primates." But what are these unknowable aspects of reality, and where exactly does the boundary lie between the knowable and the unknowable? And, to channel Donald Rumsfeld: "What about the unknown unknowns," those things "we don't know we don't know?"

These are the questions that Marcus du Sautoy, mathematician and professor at Oxford University, tackles in "The Great Unknown: Seven Journeys to the Frontiers of Science." To illuminate the darkness as much as possible, Mr. du Sautoy takes us to the edges of different realms of knowledge: chaos, matter, quantum physics, the universe, time, consciousness and infinity.

His journey begins with a poetic paean to a precisely machined gambling die and a summary of the history of humanity's attempts to tame the vagaries of dice. We soon learn how the idea of a deterministic, clockwork world governed by Newton's laws of motion—in which, given full knowledge of the initial conditions of a system and the forces acting on it, one could in principle determine the system's state at some future time—was upended in the 1960s by chaos



theory (an idea that can be traced back to French mathematician Henri Poincaré's work in the 1890s).

It turns out that there are systems in which even small changes to the initial state can lead to wildly different future outcomes, making prediction impossible. That's why we can't predict the outcome of a throw of dice and why we make such a hash of predicting the weather.

So even in a deterministic world chaos makes for a kind of unknowability. This has implications, for example,

for knowing the exact evolutionary history of life. "The past, even more than the future, is probably something we can never truly know," writes Mr. du Sautoy. "If we rewound the story of life on Earth to some point in the past and threw the dice again, would we see very similar animals appearing or could we get something completely different?" Or, for that matter, what would life on another planet look like? The book, by its very nature, is sprinkled with questions for which there are no answers, yet.

Some of this unknowability is epistemic—meaning, it's to do with our lack of knowledge about the world. In the case of dice, if we knew everything there was to know about the initial conditions and had the ability to solve the complicated equations that govern the motion of the falling dice, we could predict the outcome, but it's well-nigh impossible to do. So we are left with an element of epistemic randomness that gives us casinos and Las Vegas.

But can we overcome epistemic randomness, given enough knowledge and resources? No, according to quantum physics. Mr. du Sautoy gives

The study of probability was a scientific landmark. But some things may never be knowable.

readers a rapid introduction to the mysteries of quantum mechanics, most importantly the notions of randomness and uncertainty. The randomness of the quantum world seems a basic property of reality itself. For instance, there's always uncertainty about when exactly an atom of uranium will emit a radioactive particle, and no amount of knowledge can change that.

At various places in the book, Mr. du Sautoy attempts to reconcile such unknowability with humanity's urge to believe in God. In the clockwork Newtonian universe, he writes, "it seemed as if any thought of God acting in the world had been completely removed. God might be responsible for getting things up and running," but after that, mathematics took over. Does the inherent unpredictability of the quantum world, by contrast, allow for theologians to accommodate their notions of God? Does it let us reimagine a need for God? Unfortunately, both quantum mechanics and theology are complex issues, and a few pages of discussion do justice to neither.

And in a broader sense, this speaks to the book's Achilles' heel. The complexity of the topics is such that Mr. du Sautoy has to spend considerable effort in retelling history before the reader can appreciate his

questions about the unknowable. In the section on the universe, for example, the history lesson involves learning about telescopes, planets, Edwin Hubble's discovery of the expanding universe, the discovery of the big bang, dark energy, cosmic inflation and so on, to arrive at the point where we can appreciate that there is a cosmic horizon—the edge of our observable universe. Light from galaxies beyond the horizon can never reach us because those galaxies are moving away faster than the speed of light, thanks to a universe whose expansion is accelerating. Can we ever know what lies beyond?

And in his attempt to cover vast terrain, Mr. du Sautoy spreads himself thin. Nowhere is this more evident than in the section on consciousness. We get a cursory tour of some experiments and ideas in consciousness research, including an inordinate number of paragraphs on the "Jennifer Aniston neuron" that apparently fires when people are shown pictures of the actress. In his desire to corral lots of ideas together, Mr. du Sautoy conflates consciousness with self-awareness and the sense of self. For example, he talks about the age at which children begin to recognize themselves in a mirror (when they are about 2 years old)—that is, the age at which a particular form of self-awareness develops. But in the very next sentence, he writes: "If consciousness emerges in humans between eighteen and twenty-four months.... Can we figure out when consciousness first emerged in the universe?" I doubt anyone would accept that babies 18 months or younger are not conscious, even if they aren't self-aware in ways that adults are.

This is a book for the general reader. If you are already steeped in, say, the nuances of the various interpretations of quantum physics or have read reams about cosmology, consciousness and the nature of time, most of the arguments will be familiar. But for many, "The Great Unknown" will provide an intriguing bird's-eye view of the landscape of unknowability.

*Mr. Ananthaswamy is the author, most recently, of "The Man Who Wasn't There: Tales From the Edge of the Self."*

# They Talked Only to Cabots

### The Lowells of Massachusetts

By Nina Sankovitch

St. Martin's, 382 pages, \$27.99

BY ROGER LOWENSTEIN

**NINA SANKOVITCH'S** "The Lowells of Massachusetts" is a stirring saga of a New England family whose fortunes steadily progressed with that of the Bay Colony from its early settlement to modern times. Vivid and intimate, Ms. Sankovitch's account entertains us with Puritans and preachers, Tories and rebels, abolitionists and industrialists, lecturers and poets. From the very first Lowell to dock in America, in 1639, we are astonished at the

By 1700 four generations of Lowells had lived in America. The family was citified from the first.

energy of the family and of the American project.

Percival Lowell (as the name was then spelled) was a prosperous Bristol merchant but overtaxed during Charles I's destructive reign. A grandfather in his seventh decade, he didn't have to emigrate—but he did, taking an extended family and their clothes, books, chests, candlesticks, pewter, even a cumbersome writing desk.

The Lowles settled in the prim village of Newbury, swathed in a "heavy greenery of maples, oaks, and fir," where even the birds were unfamiliar. The town's foundation was the Congregationalist Puritan Church—indeed, church and town were not distinct. "All governing power was to be held by the community of the congregation (hence, Congregational)," Ms. Sankovitch writes. If the week was spent at labor, Sunday was spent in the pew, with those who dozed getting their knuckles rapped.

Progress was relentless. Percival

Lowle built a house from planed lumber; in no time, it seemed, his eldest son, a town official with large landholdings, moved his family to a spacious dwelling with English clapboard and casement windows overlooking the water. Soon there were other churches in Newbury. As the unitary religious community frayed, cohesion was lost but tolerance gained: The men now congregated at taverns, the women donned fine clothes rather than plain. By 1700 four generations of Lowells had lived in America. Soon a Lowell entered Harvard College, "setting in motion a continuous line of Lowells at Harvard that would last for three hundred years."

What endured of their Puritan beginnings, Ms. Sankovitch repeats with great effect, was the spirit of community. The Lowells retained a sense of duty and obligation to the greater good—"to serve god" and "to put community before self." The sense of larger purpose sustained them for, as Ms. Sankovitch amply documents, the Lowells suffered their share of human misfortune—hacking coughs that ripened into fatal consumptions, a mother turned mad and institutionalized, a son scandalized and bankrupt, an unwed daughter condemned to the austere fate of Victorian spinsters. No man is a hero to his valet, and no family examined over the centuries escapes the toll.

Ms. Sankovitch's novelistic treatment seems primed for Sunday night television, and it's hardly immune from a certain maudlin dramatization. This is a history of intimate gestures and feelings—a head "turned away," a husband who was "chilled," a father agonizing over a daughter's broken heart. But her story is compelling not least because of the Lowells' capacity for being at the heart of large events and near to memorable figures. Lowells were neighbors of Ralph Waldo Emerson, brothers-in-arms with Oli-

ver Wendell Holmes Jr. They were an engaged tribe, but a prudent one. John Lowell, a reverend in the 1740s, resisted a wave of revivalism—not for him religious hysteria, much less book burning. His son, a lawyer and loyal British subject as late as 1774, warmly greeted Gen. Thomas Gage and his Redcoats, who had come to pacify the colony. Eventually he became a Patriot and, along with John Adams and John Hancock, helped write the Massachusetts Constitution.

In the first half of the 19th century,

the Lowells became established as

deavors better practiced in a community than in rural isolation.

But the politics of the 1840s and '50s exposed a contradiction among the Whigs—and threatened to divide the Lowells. The Rev. Charles Lowell, a highly respected Bostonian, was a "Conscience Whig," horrified by the Fugitive Slave Law of 1850, which required officials in the free states, including Massachusetts, to pursue and return black runaways. At an antislavery rally at Faneuil Hall, Charles solemnly set the mood with an opening

prayer, followed on the stage by Frederick Douglass.

Charles's kinfolk joined abolition societies; they published essays and poems for freedom. The one thing Conscience Whigs didn't produce much of was money. That was left to the "Cotton Whigs," proprietors of the great mills that churned out fabric from Southern cotton. The Lowells and the Lawrences, recalled today by eponymous cities on the Merrimack River, were capitalist pioneers. They were also idealists.

In the early 19th century, Francis Lowell dreamed of organizing a model community freed from the proletarian blight of the English factory. His workers—women recruited from New England farms—were to be well treated and well paid, edified with evening education classes and closely monitored by supervising matrons.

It didn't last. Competition was cut-throat; wages were slashed, strikes ensued. Workers in Lowell, Mass. actually likened themselves to slaves. John Amory Lowell, a textile captain and Francis's nephew, was public-minded (he was sole trustee of the famed Lowell Institute for lectures), but he could not risk alienating his Southern suppliers. Meanwhile, his mills kept buying slave-made cotton. The "rift" between conscience and

cotton widened. Ms. Sankovitch writes—"on one side, the poorer Lowells, protesting the institution of slavery; on the other side, the richer Lowells, profiting from it."

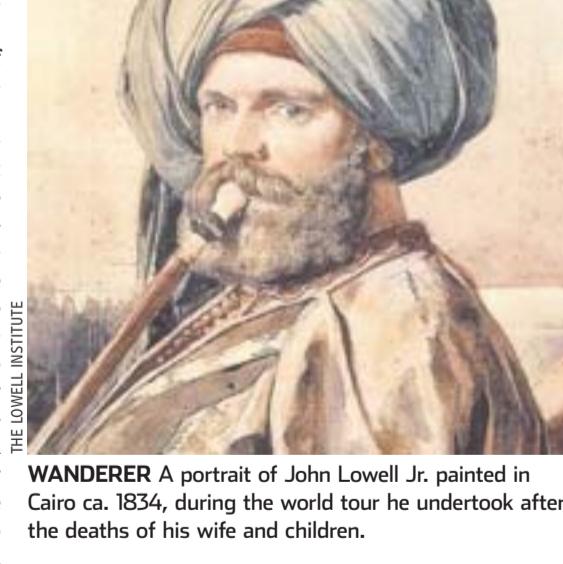
Unlike the Whig Party, the Lowells survived. Brought together by Southern secession, they gamely enlisted in the Union ranks. William Lowell Putnam wrote home from the front: "Human beings never drew sword in a better cause than ours." It was his last letter. By the time the bugle sounded at Appomattox, six members of the extended family were dead.

Ms. Sankovitch faces a narrative challenge as her story moves into and beyond the Gilded Age. The country is bigger; the Lowells cannot play quite so large a role in it. Names and relations are harder to track, a problem only partly alleviated by the list of characters at the front of the book. In the early 20th century, Ms. Sankovitch focuses on Amy Lowell, a poetess with a flair for self-promotion who enjoyed a "Boston marriage" with her companion, and on her brother Percival, a renegade astronomer who predicted the existence of another planet—which, discovered after his death, was christened Pluto.

Another brother, Abbott Lawrence Lowell, ascended to the presidency of Harvard but failed the test of the family's trademark courage. He established dorms to house rich and poor—all students—yet when black students wanted admission to the dorms, Lawrence, as he was known, refused. "We owe to the Negro just as good an education as to the white man," he temporized, but not the "social advantages which he would not get in the world outside."

The author ends her story, abruptly and unsatisfyingly, in the 1920s, without a glimpse of the family's modern descendants, which included the poet Robert Lowell. That criticism aside, Ms. Sankovitch has made a compelling contribution to Massachusetts and American history.

*Mr. Lowenstein's most recent book is "America's Bank: The Epic Struggle to Create the Federal Reserve."*



WANDERER A portrait of John Lowell Jr. painted in Cairo ca. 1834, during the world tour he undertook after the deaths of his wife and children.

## BOOKS

'I have no religion, and at times I wish all religions at the bottom of the sea.' —Atatürk

# Distant Suns of Knowledge

### The Islamic Enlightenment

By Christopher de Bellaigue

Liveright, 398 pages, \$35

BY BARTLE BULL

**'IN 1909,' WRITES** Christopher de Bellaigue in "The Islamic Enlightenment," his excellent fifth book on Middle Eastern topics, "thanks to German engineers and financiers in Europe, it was possible for a pious Ottoman to travel to Medina by train and an operatic one to Vienna."

Those were the days.

In the decade leading to World War I, modernity in all sorts of forms was indeed afoot across much of the region. Post offices, parliaments and newspapers bloomed. Literacy and modern medicine were spreading as slavery and female subjugation receded. The Middle East was mostly at peace, and those of its residents who were participating in modernity largely understood that some serious degree of political and personal freedom was necessary. A genuine Islamic Enlightenment, Mr. de Bellaigue argues persuasively, had taken hold in cities and towns.

What went wrong? The great Bernard Lewis made that question popular in contrasting the Middle East on the cusp of 9/11 with the glories of high civilization in Muslim lands during the ninth to 12th centuries. It is a question many still ask. It also raises another question.

What went right? Mr. de Bellaigue, the finest Orientalist of his generation, does the world a great service by charting the attainments of the region's long 19th century. The period begins in 1798 with the arrival in Egypt of the invader Napoleon, with his train of scientists and *philosophes*, and ends with the start of World War I, which led to the dissolution of the Ottoman Empire and its replacement with a nationalist Turkey and a variety of individual nations under European dominance.

Focusing on Iran, Turkey and Egypt, "the three intellectual and political centres of the Middle East," Mr. de Bellaigue tells a story that is at once new, fascinating and extraordinarily important.

Egypt's "first modern thinker" was Hassan al-Attar, an apothecary's son who, like so many Arab intellectuals, got his start memorizing the Quran at a young age. Long after the French had left, Attar would "introduce Egypt to unfamiliar sciences and reacquaint it with others that had been lost from sight since medieval times."

In 1799, a year after the arrival of the French, Attar introduced himself to some of their young officers in a smart Cairo neighborhood. "These youths stood out like suns . . .," wrote Attar. "Their hair was like a banner which an army of lovers would follow, an army vibrating passionately with love."

The Middle East's 19th-century crush on Europe was certainly intense. The desire was usually driven by a need to compete militarily and economically with a voracious, ambitious and far more advanced civilization.

Egypt's great early modernizing

**DREAMING SPIRES**  
The 19th-century Muhammad Ali Mosque in Cairo.



ruler was Muhammad Ali Pasha, consul of the Ottoman sultan, who during his 44-year reign (1805-49) took over the cotton fields of the Nile and sent their output to English mills, brought in a disgraced French corporal to drill up a modern soldiery, and copied European weapons in his new workshops. Muhammad Ali brought women into the new factories and typeset, for the first time ever, the Quran.

For the Middle East in the 19th century, to "modernize" meant to Europeanize. For the Ottomans, it was

repeatedly in the story of the Islamic Enlightenment," writes Mr. de Bellaigue, "is that between a progressive despotism and a benighted popular will." Those who remember the Obama administration will understand the point. True organic progress, such as the West has achieved as compared with the Middle East, is one thing; top-down progressivism is quite another.

As liberalizing political and economic life was unavoidably connected to new aspirations, the association of modernization with despotic

strength and the weakness of the Muslim "East." Rifaa writes:

Is there another place like Paris,  
Where the suns of knowledge  
never set,  
Where the night of unbelief has  
no mornings?  
Forsooth, is this not the strangest  
of things?

In asking how Europe can be so advanced when it does not possess Islamic belief, Rifaa is also asking how his own world can be so weak and backward while possessing the Prophet's perfect truths.

This ultimately is the big question, today as in 1831. Is there a link between Islam and the nature and performance of Islamic societies? Here we see another of Mr. de Bellaigue's strengths, a respectful frankness about the nature of the faith. He recognizes that the achievements of Europe's "free intellect" are profoundly connected to the West's "free spirit" and that orthodox Sunni Islam is part of the reason why the Middle East has found itself so spectacularly behind.

Throughout the period, a trickle of young Middle Eastern men went to Europe to learn what they could, usually at the behest of the autocrats, and bring the knowledge home. One early traveler was Egypt's Rifaa al-Tahtawi, whose five years in Paris (1826-31) produced a remarkable travelogue mostly known today as "An Imam in Paris."

Rifaa is predictable enough in noting how the Parisians use forks, gather in coffee houses, and let their women reveal in public "the nape of the neck and what lies beneath it." More important, he tries to address the relationship of faith to both Eu-

rope's strength and the weakness of the Muslim "East." Rifaa writes:

Modernizers like Egypt's Muhammad Ali Pasha looked to Europe for models. Today a Muslim Europe seems at least as likely as a European Middle East.

not Napoleon but weakness against the Russians that prompted the urge. In the 1820s and 1830s, Sultan Mahmud II set up a medical school, hired a Prussian officer to reform the army, and rode in a European saddle.

At his medical school, Mahmud overturned an ancient Islamic proscription against human dissection and fought the fatalism that God's untrammelled caprice puts at the heart of Sunni Islam.

Of the three lands on which Mr. de Bellaigue focuses, only Iran began the period with a sense of its own nationhood. It also modernized much later. Whether led by Muhammad Ali and Mahmud II early in the 1800s, or Reza Shah Pahlavi of Iran and Mustafa Kemal Ataturk of Turkey a century-odd later, most modernization in the region happened only when driven from above, and Iran did not get its "visionary autocrat" until late in the period.

"One of the tensions that one meets

tism meant a tension from the beginning. When one of Muhammad Ali Pasha's young moderns made a suggestion about governance, Mr. de Bellaigue tells us, the ruler sternly reminded the fellow that "it is I who govern" and then sent him off to "translate foreign military manuals."

Throughout the period, a trickle of young Middle Eastern men went to Europe to learn what they could, usually at the behest of the autocrats, and bring the knowledge home. One early traveler was Egypt's Rifaa al-Tahtawi, whose five years in Paris (1826-31) produced a remarkable travelogue mostly known today as "An Imam in Paris."

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nism is an outlook not of humanism or natural law but of power.

Attempts at theological reform inevitably provide a somewhat tragic thread through any account of intellectual life in the core Islamic lands. The first and greatest of these attempts falls outside of Mr. de Bellaigue's remit here, but he mentions it early on, and either directly or indirectly it is a touchstone of all later such efforts. This is Mutazilism, the doomed Iranian-driven medieval attempt to reconcile with Greek reason the faith of the Prophet and his Rightly Guided successors.

The Mutazilites were defeated by Sunni orthodoxy in the ninth century, and their creed went underground. A strand of it eventually emerged as Shiism. Sunnism considers this minority faith, blending Iran's Zoroastrian ethics with Greek humanism under an Islamic veneer, apostasy. Apart from the more successful Wahhabis, Sunni Islam's post-medieval reformers have all been heirs of the Mutazilites, one way or another, and have all withered into obscurity.

In the current century, a Muslim Europe is at least as likely as a "modern" or "European" Middle East, to use the terminology of this account. If a Muslim Europe does come to pass, Mr. de Bellaigue's contribution to the growing "what went wrong" literature may have to be refiled under "what went right."

The 20th-century anguish in the Middle East, which Mr. de Bellaigue justly attributes in part to European imperialism, now portends an ultimate victory, in original Islamic terms, over Europe. This was not what Hassan al-Attar and Muhammad Ali Pasha had in mind.

*Mr. Bull's next book is a history of Iraq.*

## Harvard Business School

*Continued from page C5*

statement." The strategic foray into the tin-pot sector—which included contracts with the Assads in Syria, as well as the Russians and Saudis—did not keep the consulting firm from bankruptcy. Now, according to the author, Mr. Porter seems convinced his management magic will solve the problems of health care and education. Apparently all we need to get our schools and insurance companies back on track is a little "strategy."

Meanwhile, the incumbent HBS Dean Nitin Nohria stalks the pages of Mr. McDonald's narrative like a running gag. In the author's account he dispenses lollipops of ideology-lite ("Business is the greatest force for good in society!"), flits "around the country trying to shake alumni down for money," and tosses word salads of meaningless managementese when confronted with serious questions—like whether the school, having spent much of the past three decades operating as the human resources department of Wall Street, should take some responsibility for the bonfire of the financial system in 2008.

It would be a funnier story if it weren't for the tragic aspects of American capitalism in the 21st cen-

ture, as Mr. McDonald rightly points out. American business schools, starting with Harvard, have become, in Mr. McDonald's words, "private sector madrassas." As the economic system veers toward destabilizing levels of inequality, he observes, the high priests of Harvard serve up reckless platitudes about the impeccable justice of the marketplace. Their sacred spreadsheets have all the answers and yet nothing to say when powerful business interests, for instance, promote deregulation schemes that privatize profits and socialize losses.

It's no mystery what happens when government falls captive to the industries it is supposed to regulate; the big story here is what happens when education, too, slips on the golden handcuffs and jumps into bed. HBS's accomplishment is to have shown how easy it is to sell off the branding potential of the modern research university. All you have to do is leave out the parts of an education that might lead students to think critically of the system they are expected to inherit. Then you hand over the keys of the castle to these individuals who have been taught never to look outside the windows, and hope for the best.

This is a bigger, better book than

note, HBS refused to make a single person available for a single interview. (Mr. Nohria will be rethinking that decision right about now.) Harvard's evident disdain for the search for truth, however, left Mr. McDonald free to step outside the river of self-love that is America's management-ideology complex. Political reporters should take note of the upside of abandoning access journalism: freedom.

Freedom is fun to read. Surveying the malignantly insipid "leadership"

literature, Mr. McDonald at last speaks truth to power: "Most of it is bulls—." As for the executive-compensation racket—where CEOs, egged on by their business-school cheerleaders, sit on one another's boards and hire consultants to tell themselves how much more they should be paid—that, says our righteous author, is "one of the most intricately designed circle jerks in business history." Freedom also turns out to be a bit long to read. At nearly 600 pages, it appears to have skipped a trip to the barbershop. Still, the punchy wit and refreshing blasts of pepper spray will keep you awake for the ride.

With a title like "The Golden Passport," this book may be purchased for the wrong reasons. So let's be clear that it isn't about whether a Harvard MBA is "worth it." Of course it is—"duh," as Mr. McDonald would say—assuming that the meaning of "worth" is your personal bank account. It isn't some populist rant against pointy-headed conformists posing as our entrepreneurial saviors. Mr. McDonald surely knows too many good people in the business world to suppose that the issues here have much to do with personal failings or unpleasant stereotypes. It

also isn't a facile effort to lay the blame for all of society's ills on the lonely steps of a single campus in Boston. At the end of the day, the American obsession with business education is a symptom, not a cause, of its deepest problems. This is serious history, broad in its sweep and meticulous in the detail.

Which is why it would be a shame if "The Golden Passport" wound up only in the hands of the business-school crowd and even worse if it served merely as an excuse for the sages on the Charles to interview one another about their lapses, appoint yet another professor of ethics, and congratulate themselves once again on their endless capacity for moral improvement. This is really a book for the rest of us, the readers and the thinkers of the world, some of whom undoubtedly have business degrees. Either we figure out why it is we ever imagined that we needed the MBA and its magic sticks, or those future anthropologists, smiling as they shake their heads in distant pity, will do it for us.

*Mr. Stewart is the author of, among other books, "The Management Myth."*

## BOOKS

'The essence of a nation is that the people have many things in common, but also have forgotten much together.' —Ernest Renan

# Living at Britain's Edge

### Love of Country

By Madeleine Bunting

Chicago, 351 pages, \$27.50

BY KARIN ALTENBERG

**THE HEBRIDES**, the islands off the northwest coast of Scotland facing the Atlantic at the edge of Europe, have always attracted visitors. From Christian pilgrims in the 6th century and Norse settlers a few hundred years later, to scholars, naturalists and (more recently) golfers, whisky enthusiasts and backpackers, many have been fascinated by the Hebrides' raw beauty and rich mythology of Gaelic spirits, Celtic heroes and clan clashes. To the British, these myths have a special pull: They offer the possibility of both escape and return, the idea of the exotic at home.

That is part of what drew Madeleine Bunting, who is English and lives in London, to the islands. "Many people travel in search of the exotic and the unfamiliar," she tells us. "I was travelling in search of home, in the hope of knowing and understanding where I could call home." Written around the time of the 2014 Scottish independence referendum, "Love of Country" takes the reader on a cultural and historical journey as Ms. Bunting's pilgrimage to the archipelago wavers between the personal and the political, between home-making and nation-building and between a sense of dislocation and the possibility of reinvention. As the author travels north and west from Glasgow to the islands of Iona, Jura, Staffa, Rum, Eriskay, Lewis and St. Kilda—this history is organized according to place rather than time—she introduces us to a wonderful cast of writers, thinkers and adventurers past and present.

Two Virgils stand out. In the late summer of 1773, Samuel Johnson traveled through Scotland and the Hebrides with his young friend James Boswell in search of a wild and primitive world that he feared was about to disappear with oncoming industrialization. In 1775, Johnson published his "Journey to the Western Isles of Scotland" and in 1785, after Johnson's death, Boswell published his "Journal of a Tour to the Hebrides"—a more gossipy account. According to Boswell, Johnson was both charmed and appalled by the Hebrides. He claimed Gaelic was the "rude speech of a barbarous people" and insisted "it would require great resignation to live in one of these islands. If you were shut up here your own thoughts would torment you."

Almost two centuries later, in 1946, the war-weary George Orwell, looking for creative solitude, settled on Jura to write "Nineteen Eighty-Four." Johnson and Orwell may have had different reasons for traveling to the Hebrides but both harbored a deep sense of loss



**OUTPOST** Looking toward Soay from Hirta, the largest island in the St. Kilda archipelago in the Hebrides.

and uncertainty about the future.

An island can offer hope of simplicity in a complex society. In a remote place, surrounded by ocean, you may expect to find an unaltered world where moral values and a sense of community have survived. As Ms. Bunting writes of the British fascination with the Hebrides: "The Western Isles were the faraway nearby, accessible but still 'other,' with a foreign language and a distinctive culture on the point of disappearing. This was the past, still present." In "Love of Country" we meet the spiritual seekers as well as

A New York advertising executive bought the island of Staffa for his wife's 60th birthday.

the super-rich who buy into this myth and create "little worlds" of their own.

There's the New York advertising executive who acquired the entire island of Staffa, uninhabited since 1800, for his wife's 60th birthday in 1986. (The wife immediately donated it to the National Trust for Scotland.) In 1957, the Nature Conservancy, fearing an approaching environmental crisis, "dreamt up a radical plan to return Rum to nature": The government agency bought the island. Human access was restricted and Rum, which had been inhabited by a small population for millennia, became known as the "Forbidden Isle," an environmentalist's dream of isolating nature from man. "It was another form of fantasy," Ms. Bunting writes, "drawing on a cultural tradition which privileged the wild, empty and remote." In contrast, a leader of the religious community at

the holy island of Iona attributes the island's alleged healing powers to human engagement and the need for doing basic chores together rather than "dewy-eyed interpretations of Celtic Christianity."

The reality is that islands, like all places, are characterized by intervention, whether by nature or by man. And Ms. Bunting focuses on this flux rather than on the static, romanticized image often projected onto them.

In the Gàidhealtachd—the name for the Gaelic people, lands and culture—the sense of place is layered with memory. This makes the trauma of loss of land all the more palpable on the Hebrides. In the late 18th and early 19th centuries, the private landlords of the Highlands and Islands of Scotland engaged in land improvement schemes in order to modernize—and capitalize on—their estates. This led to ancient crofting communities being evicted and forced to find work in factories on the mainland or emigrate to the U.S. or Canada. Ms. Bunting argues that the "Highland Clearances," fueled by "racism, betrayal and imperial exploitation," are central to understanding Britain's colonial past as well as contemporary Scottish nationalism. The concept of "improvement" in early-19th-century land reforms in the Highlands and Hebrides lay at the heart of the conflict between Enlightenment norms and the realities of capitalist society—the same conflict that fuelled the westward expansion of America and the dispossession of Native Americans in the 19th century. "The history of the Gaels has always been a source of unease in Britain, challenging its cherished, self-serving ideals of progress, civilization and a just order," she writes.

"Love of Country" is a remarkably thorough digest of the many histories

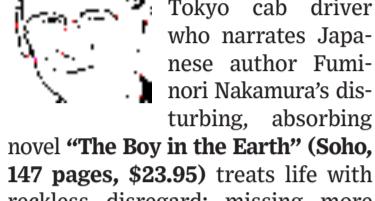
of the Hebrides. But in contrast to Ms. Bunting's journalistic writing, I found the descriptive passages—particularly those detailing the author's experience of moving through the landscape—weighed down with well-worn and sometimes repetitive adjectives and modifiers. "A ship heavily packed with excited demobilized servicemen was caught in heavy seas on its return to Stornoway," takes away some of the force of the trauma that follows. On the Flannan Islands the cheeks of puffins are described as being the same shade as "caffè latte" and only a few lines later the color of dead thrift is described as "pale coffee." Such descriptions cauterize the reader's capacity for wonder. Yet other voices keep galvanizing the language, such as the warden on Rum describing how Manx shearwater fledglings, mistaking the harbor lights at Mallaig for moonlight, "stumble into the ganglands of Mallaig's gulls, where they are peeled and eaten as swiftly as a banana."

"Belonging is in short supply in the twenty-first century," Ms. Bunting comments on the Isle of Harris. However, it seems to me that "belonging," along with an idea of the "good old days," is largely a false currency. When one does not feel at home in the present and the future seems uncertain, it may seem safer to return to the past. But surely globalization has made it possible for people to belong to more than one place at the same time? Ms. Bunting shows us that our feelings of home can be as ambiguous and multifaceted as the heritage of place, "a history jumble sale, in which the odd, delightful and significant sit alongside each other."

Ms. Altenberg is the author of the novels "Island of Wings" and "Breaking Light."

### MYSTERIES: TOM NOLAN

## A Prison Made Of Memories



**THE 27-YEAR-OLD** Tokyo cab driver who narrates Japanese author Fuminori Nakamura's disturbing, absorbing novel "The Boy in the Earth" (Soho, 147 pages, \$23.95) treats life with reckless disregard: missing more days at work than he puts in, wandering dangerous neighborhoods at night and provoking a biker gang into beating him senseless. "When I look at you," his equally disaffected girlfriend tells him, "sometimes it gives me the creeps."

Those to whom evil has been done, it is said, do evil in return. Sometimes they do that evil to themselves. "I was gradually losing whatever motivation I had," the narrator notes. "I did feel as if I were being drawn toward death. Obviously it seemed wrong to describe it as an aspiration. . . . All I knew was that it was distorting my life." His alienation frightens him: "I was filled with foreboding at the thought that a person like me was alive."

A Tokyo taxi driver courts death, overcome by reckless apathy. What happened to him as a boy?

Even casual small talk is a challenge he cannot meet: "When it came to dealing with other people, sustaining ongoing relationships just didn't come easily for me." Part of his fear of being close stems from an urge to protect others: "I couldn't allow myself to drag anybody else into the life of misfortune I expected to lead."

The taxi driver forces himself to recall his past in faint hopes of improving his present, but the results don't seem promising: "The relentless progression of one day after another seemed to engulf me like heavy smoke." His only emotional consolation comes from reading and rereading Franz Kafka's novel "The Castle": "I went around in circles, as if burying myself in the words of [its] unfathomable ending."

Just what abuse the narrator suffered as a youth is one of the puzzles to be solved (in horrific detail) by "The Boy in the Earth." Another mystery is whether he will find a nonfatal way to break out of his Kafkaesque memory palace. By the book's end, the reader comes to care about the second answer as much as the first.

### FICTION CHRONICLE: SAM SACKS

## Elizabeth Strout's Small-Town Talk



**THERE WERE** really two books in Elizabeth Strout's 2016 novel "My Name Is Lucy Barton." The first was the story of Lucy, who had emerged from poverty and abuse in rural Illinois to become a Manhattan novelist and mother of two. In the novel Lucy suffers an infection following an appendectomy, and her mother, whom she has not seen for years, flies to New York to tend to her, a visit that brings about a reckoning with the childhood she'd tried both to escape and to transform in her writing.

The book that lay under the surface was made from the anecdotes and village gossip that Lucy's mother shares at her daughter's bedside. The figures in these tales now step forward in Ms. Strout's spare and sensitive pendant piece "Anything Is Possible" (Random House, 254 pages, \$27), a collection of linked stories set in and around Lucy's hometown of Amgash, Ill.

"The Hit-Thumb Theory" concerns the Vietnam War veteran Charlie Macauley, who has been seeing a prostitute on trips when he is supposed to be attending therapy at a VA hospital. When the woman tries to blackmail him for money—"one of the oldest stories in the book"—he confronts the self-inflicted hurt that will come from the wreck of his marriage. Other vignettes concern the two Nicely sisters, mockingly known as the Pretty Nicely Girls. Patty is a widowed high-school guidance counselor who has never recovered from the

shame heaped on her family when, decades before, her mother was discovered in an affair. Her sister Linda's neurosis has taken a sinister shape. She's a silent accomplice to her husband, who videotapes and harasses women who rent out their guestroom.

Also featured are Lucy's cousins Dottie and Abel, who, like the Bartons, were so poor that they foraged food from dumpsters. They too have been molded by their humiliation. Dottie, who runs a bed and breakfast,

Spare, sensitive stories add detail to the world of the author's 'My Name Is Lucy Barton.'

holds the "indignity dear; anyone who came into her B&B was never to feel that way." Abel is a successful Chicago lawyer whose past still has a ghostly presence: "What puzzled Abel about life was how much one forgot but then lived with anyway—like phantom limbs." His story, "Gift," is a shrewd update on "A Christmas Carol," complete with an encounter with a deranged actor playing Scrooge in a local production.

Lucy herself appears in "Sister," coming to Amgash for the first time in 17 years to see her brother Pete. But here Ms. Strout skillfully redirects the focus to their sister Vicky, a hard-bitten but quietly capable elder-care worker. Lucy's visit comes during a

promotional tour for a memoir of her childhood, a book that has a potent impact on those who know her, reminding them of their own traumas and cruelties but also dignifying their suffering. The fellowship created by storytelling is the resonant theme of Ms. Strout's fiction and subtle correspondences link the novel and stories.

private sweetness came from Lucy Barton's memoir."

Ms. Strout is hardly a sentimentalist, however. In this wise and accomplished book, pain and healing exist in perpetual dependence, like feuding siblings. "It made me feel better, it made me feel much less alone," Patty tells Charlie Macauley after reading



Lucy's memoir. "Oh no," he replies. "No, we're always alone."

"Is the valley full up with my grandmother's gazes too?" wonders Frankie, the narrator of Sara Baume's sophomore novel "A Line Made by Walking" (Houghton Mifflin Harcourt, 308 pages, \$25). Frankie is an adrift 25-year-old artist who is looking after the ancient backwoods bungalow that her grandmother once lived in and her parents are now unsuccessfully trying to sell. The idea is that the

change in scenery will snap her out of her depression, but her black mood seems to darken the surroundings, and the single art project she starts involves photographing road kill.

Ms. Baume's debut was a strange and wonderful book called "Spill Summer Falter Wither" (2016), about a hapless loner whose world turns on its head after he adopts a one-eyed dog. Frankie is another misanthrope, but she's more difficult to warm to. She spends most of her time hunkering down in the bungalow, hiding from company and summoning memories of her unhappy stint in the Dublin art scene. When she does meet people she's rude and bratty, and her threnodies about growing old—"now I'm closer to thirty than twenty," she grieves—make you want to send her to her room without supper.

It's evidence of Ms. Baume's sizable talent that she still makes Frankie's quarter-life crisis worth reading. Much of the appeal is in the burnish and confidence of her prose, which captures the "sonorous headache" of a hangover and the "battered xylophone" song of a robin. As Frankie treads the slow, stony path toward emotional recovery she begins to develop a mature theory of art based on a heightened recognition of "under-appreciated nothings": "Water hissing through pipes, mice twitching in their sleep, the whirr of light fixtures." She has her moments of practical good sense, as well. "Structure and maintenance and pattern, and broccoli," she says, "are what sanity consists of."

## BOOKS

'In Westerns you were permitted to kiss your horse but never your girl.' —Gary Cooper

# High Drama Behind the Scenes

### High Noon

By Glenn Frankel  
*Bloomsbury, 377 pages, \$28*

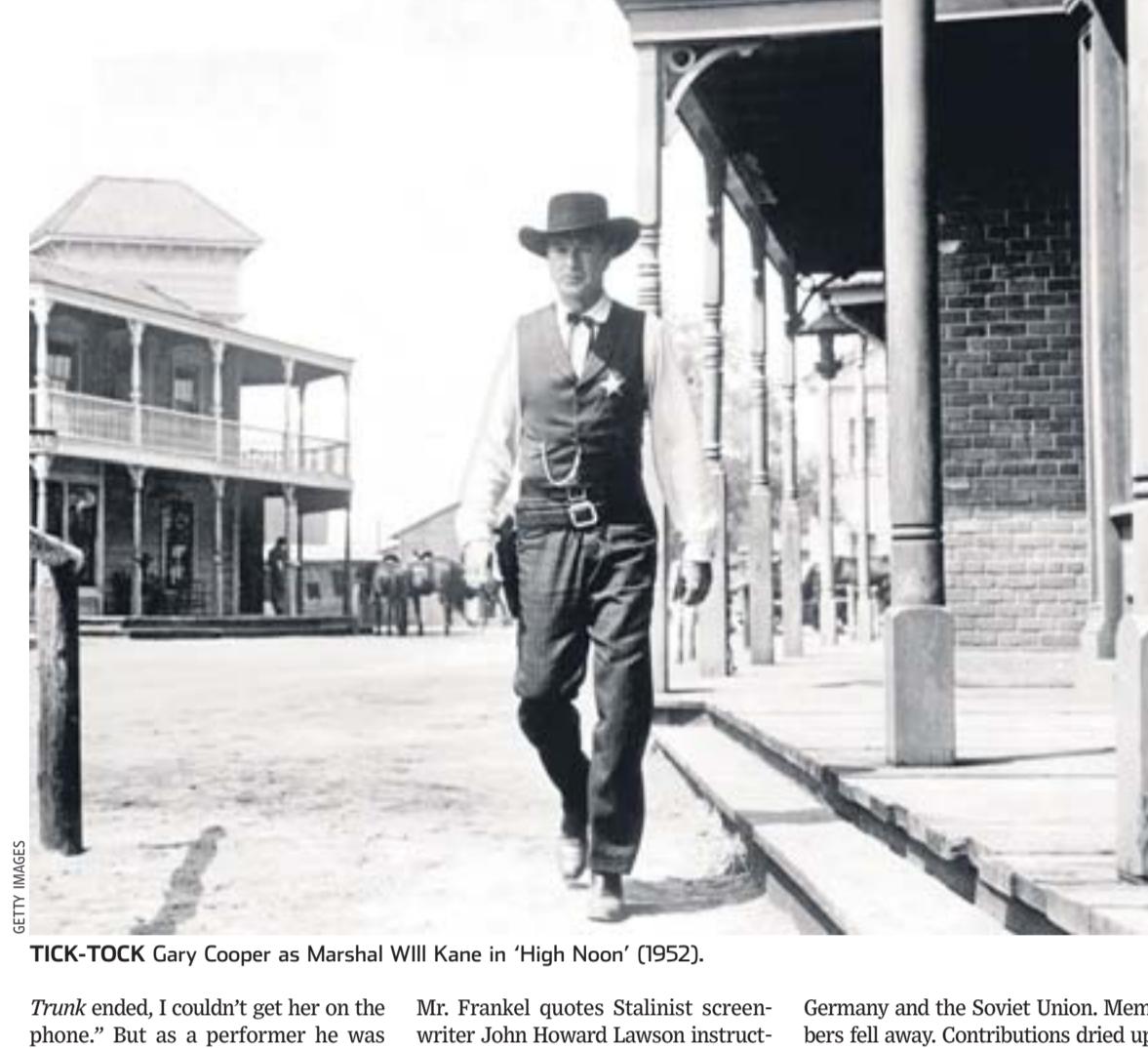
BY STEFAN KANFER

**I**N AUGUST 2015, the headline for an editorial in this newspaper read: "Gary Cooper in Europe." On a train from Amsterdam to Paris, an armed jihadi burst into a passenger car. Three young Americans happened to be aboard. The trio rose up as one, subduing the terrorist before he could fire his weapon. These men, said The Wall Street Journal's editors, represented "an admirable strain in American culture that doesn't shrink from individual acts of heroism for the larger good.... Heroism used to be celebrated in Hollywood, though it rarely is in these cynical days."

Some 63 years before, that headliner had been the lodestar of "High Noon," an austere black-and-white western told in real time. It became a surprise box-office smash, earned four Academy Awards (including one for Cooper for best actor), and a permanent place in the hearts of moviegoers world-wide.

It had not begun that way. In his wide-screen narrative, "High Noon: The Hollywood Blacklist and the Making of an American Classic," cultural historian Glenn Frankel follows the outrageous fortunes of the film and its creators. Fred Zinnemann was a Viennese émigré whose ideas of the Old West were derived from German potboilers. He had directed two promising newcomers, Marlon Brando ("The Men") and Montgomery Clift ("The Search") but was hardly a household name, even in the households of B-picture producers. The screenwriter, Carl Foreman, was better known to the cognoscenti; his credits included several distinguished features, including "Champion" and "Cyrano de Bergerac." He was also known to another group: fellow members of the Communist Party, an affiliation that was to shape the drama of "High Noon" and blight the career of its writer.

Cooper, the third pillar of this now-classic feature, was 50 when he went before the cameras. He had been a bankable actor for decades, celebrated for his performances not only on screen but in bed. He never took himself seriously in the latter role. After a hot romance with co-star Ingrid Bergman, he recalled: "Ingrid loved me more than any woman in my life loved me. The day after Saratoga



TICK-TOCK Gary Cooper as Marshal Will Kane in 'High Noon' (1952).

*Trunk ended, I couldn't get her on the phone.*" But as a performer he was polished and professional, aware that he had been a member of cinema royalty—and that age had eroded his status. As Stanley Kramer, the producer of "High Noon," put it: "Everybody felt he was old and tired."

Not quite everybody. "Coop" believed that he was right for the role of Marshal Will Kane. So right, Mr. Frankel tells us, that he agreed to take a salary cut. He also volunteered to play without makeup, accenting the creases in his leather-saddle face. The filmmakers found the offers irresistible. With a supporting cast of reliable character actors, and a 22-year-old ingenue named Grace Kelly, filming began in the fall of 1951.

At the same time, another show got under way. The House Committee on Un-American Activities began to probe for Communist influence in Celluloid City. As a shelf of books have indicated, the congressmen pursued ink and air time as avidly as they hunted "subversives."

They did discover a handful of self-styled commissars in the film colony.

Mr. Frankel quotes Stalinist screenwriter John Howard Lawson instructing neophytes: "As a writer try to get five minutes of the Communist doctrine... in every script that you write. If you can, make the message

Germany and the Soviet Union. Members fell away. Contributions dried up. America's entry into World War II gave the remaining comrades and fellow travelers a new rationale: Weren't Russia and the U.S. allies in the fight against fascism?

The 1950s did not provide the answer they sought. By then the Soviet Union had acquired its own nuclear arsenal, Korea had turned into a surrogate battleground between Moscow and Washington, and the Cold War had gone glacial. A fear of Red infiltration, unseen since the America of the 1920s, resumed. The federal government required employees to sign a loyalty oath; the private sector followed.

Summoned before the House Un-American Activities Committee, scores of writers, directors, actors and executives made full confessions. When these were deemed insufficient to rescue their livelihoods, they furnished the identities of their fellow radicals. Others, however, declined to name names. They were finished in Hollywood. One of the refuseniks was Carl Foreman.

He had not supplied Gary Cooper, a

come out of the mouth of Gary Cooper or some other important star who is unaware of what he is saying."

But the scenarists were not an ovine flock. When in their early 20s, the radicals had indeed bought the Workers' Paradise myth exported from Moscow and joined the American Communist Party. Then disillusion set in. In 1939, the U.S.S.R. invaded a defenseless Finland. This outrage was followed by the pact between Nazi

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He had not supplied Gary Cooper, a

political conservative, with any pink-stained speeches. He had long since torn up his Party card. That hardly mattered; colleagues drifted away, fearful of guilt by association. There were no new job offers; an industry-wide blacklist had gone into effect. In 1952, a powerful Hollywood labor leader, Mr. Frankel writes, "put out the word that anyone who worked on a movie with Carl would find himself blacklisted." As the probes wore on, the screenwriter began to see himself as a latter-day Will Kane, the imperiled lawman whose former buddies have given him their backs. After "High Noon" wrapped, Foreman left town just like the sheriff, seeking employment elsewhere.

He found it in the friendlier precincts of Britain. But if Foreman was finished with the blacklist, the blacklist wasn't finished with him. To sell scripts he used pseudonyms for the next six years. In 1956, along with Michael Wilson, another blacklisted, he wrote "The Bridge on the River Kwai." The Oscar for best screenplay adaptation went to French novelist Pierre Boulle, who didn't write or speak English.

Even this failed to satisfy the old-line Communists who attacked Foreman for ideological impurity—after all, his typewriter never stopped, so there must have been something tainted about his success. "Some perhaps were jealous of the fact," observes Mr. Frankel, that the writer "lived well in London, and that he always seemed to come out ahead financially." The words "skill" and "proficiency" had no place in the progressives' lexicon.

Carl Foreman, who died in 1984, had in fact paid a steep price for his walk on the left side. Gary Cooper was back on top; Fred Zinnemann went on to become a world-class director ("The Nun's Story," "A Man for All Seasons"). Though Foreman was eventually rehabilitated, he had lost who knows how many film projects, a Hollywood career and a marriage. In the end there was only one true workman's compensation: Like the character he created, "I discovered that I could be scared and still come through a situation. I actually was the kind of person I thought I was." The movie "High Noon," great in itself, is all the greater for the backstory Mr. Frankel tells.

*Mr. Kanfer is the author of "A Journal of the Plague Years: A Devastating Chronicle of the Era of the Blacklist." His novel "Hell Money" will be published in the fall.*

## The Lunatic Wore Pinstripes

### Casey Stengel

By Marty Appel  
*Doubleday, 410 pages, \$27.95*

BY LEIGH MONTVILLE

**H**E STARTED AS a Lunatic in the daguerreotype past of 1910. Everything proceeded from there for Charles Dillon (Casey) Stengel on his way to the Baseball Hall of Fame in Cooperstown, N.Y.

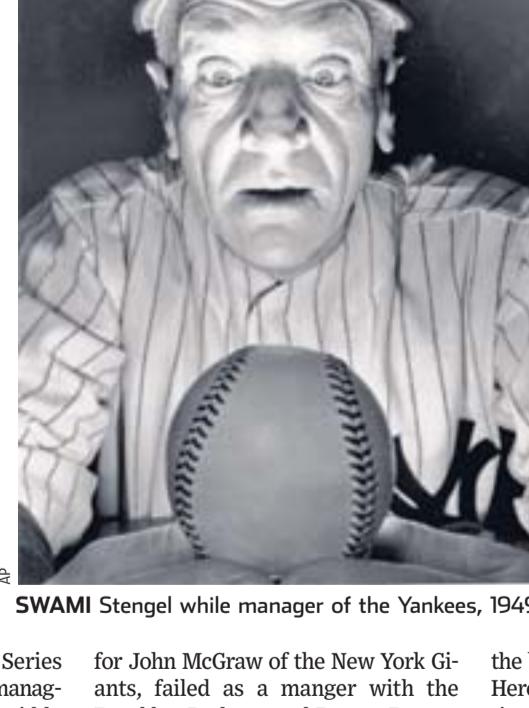
His first professional game was with the Kankakee Kays, a minor-league team in the Northern Association. Their ballpark was across the

The secret of managing,' Stengel said, 'is to keep the five guys who hate you away from the guys who are undecided.'

street from the 119-acre Kankakee State Hospital, formerly known as the Illinois Eastern Hospital for the Insane. The residents could watch the games from their windows, and the spectators could watch the residents watch. Sensibilities being a bit different 107 years ago, the team on the field was soon known in the newspapers and through word of mouth as the Lunatics. The Kankakee Lunatics.

Stengel, 19 years old, a quirky kid from the start, was the Lunatic center-fielder and the cleanup hitter in the Lunatic lineup. The fit seemed perfect.

"Stengel is one fellow who won't be here next year," a teammate, Joe Gilligan, predicted after the team won its first game, 7-6, with a nine-hit sixth inning. Someone asked: He'll be in the big leagues?



SWAMI Stengel while manager of the Yankees, 1949.

you're older you begin to get credit for virtues you never possessed. It evens itself out."

Nicknamed "Casey" at the start of his career because his hometown was KC, Kansas City, then nicknamed "the Old Professor" at the end, he developed his baseball philosophies playing

baseball history," he said in a typical description of a typical bit of Stengel history. "I have read time and again that I went up in a plane at Daytona to throw a ball down to Wilbert Robinson, who wished to duplicate Gabby Street's stunt of catching a ball dropped from the top of the Washington Monument. The story is that I dropped a grapefruit [instead] and that it splashed all over Robbie and got me in a jam. Well I was up in the plane. But I did not drop the grapefruit. The man who did it was the club trainer, a guy named Kelly, which he always wore a diamond horseshoe stick pin, and getting your arm worked on by a trainer wearing a diamond stick pin was quite an experience which nobody nowadays possibly can undergo. Robbie found out it was this Kelly and Kelly did not get signed the following season. So there is a funny story, a trainer fired by a grapefruit."

Here was a man who played against Babe Ruth, who he said could have used "a rolled-up copy of the Police Gazette" to hit home runs. Here was a man who had an "uneasy relationship" with Joe DiMaggio, who was

the best player Stengel ever managed. Here was a man who loved Billy Martin as if he were a son but let the second baseman be traded in the end. Mickey Mantle? Mickey Mantle was an enigma: Stengel always wanted more performance from his star-crossed star.

Humor masked Stengel's intelligence. He was an innovator in platooning left-handed hitters against right-handed pitchers and vice versa. He was one of the first managers to use a relief pitcher, a "closer," in late

innings, now a basic part of baseball strategy. He had a quick baseball mind, an easy feel for the rhythms of the game.

Fired by the Yankees for being too old after they lost the 1960 World Series to the Pirates in seven games—"I'll never make the mistake of being 70 again"—he found a fine afterlife with the expansion Mets. Perhaps he fell asleep on the bench sometimes, maybe a lot of times, but he awakened for the press conferences that somehow made the team lovable despite a 40-120 win-loss record in its first season. He kept going and going, four more years, all baseball, only baseball, until a broken hip stopped him midway through the 1965 season.

He died on Sept. 29, 1975, at the age of 85 in Glendale, Calif., a wealthy man due to prudent investments in oil wells and banks, according to Mr. Appel. His legacy was not so much his records, his wins and losses, his strategic ideas, but the words that he dropped along the way, his common-sense observations about the game and about life.

"The secret of managing," the former Lunatic said at least once, "is to keep the five guys who hate you away from the guys who are undecided."

"The trouble is not that players have sex the night before a game," he said. "It's that they stay out all night looking for it."

"Most people at my age are dead," he said. And "you can look it up."

The past is always baseball's perfect prologue. Stengel's tale, freshened by new research and solid prose from Mr. Appel, is a wonderful way to ease into the baseball season without every leaving the couch. Play ball.

*Mr. Montville is the author of the forthcoming "Sting Like a Bee: Muhammad Ali vs. the United States of America, 1966-1971."*

## BOOKS

'I have discovered in 20 years of moving around a ballpark, that the knowledge of the game is usually in inverse proportion to the price of the seats.' —Bill Veeck

### CHILDREN'S BOOKS: MEGHAN COX GURDON



## Creature Comforts



A SPLASH of ink mars the endpapers of "The Book of Mistakes" (Dial, 52 pages, \$18.99)—or does it ornament them? In this debut, Corinna Luyken encourages 4- to 8-year-olds to consider how artistic accident can become creative epiphany. She begins with a simple drawing of a girl's face, with one eye too big. "It started with one mistake," she writes. On the next page, the artist compounds the error. Now the girl's other eye is too big. Yet, look! With a dash of green, she adds goggles: "They were a good idea." At once philosophical and imbued with adventurousness (see above), this picture book lifts to the level of the sublime the idea of putting one's slip-ups in perspective.

Small children might mistake the simple, loopy drawings in "Birds and Other Animals" (Phaidon, 28 pages, \$9.95) for work done by someone young, like themselves. Adults will know—the book's subtitle says "With Pablo Picasso"—that they spring from the pencil of a master. The shiny pages of this board book invite small fingers to trace the contours of the creatures that Picasso confided with apparent ease to his notebooks: penguins, wasps and pelicans, and the graceful outline of a fox, drawn without flaw in a single line from nose to heel. Chatty text by Cecily Kaiser adds fun to this serene exploration for 1- to 4-year-olds.

In comparison, the creatures in "Hooray for Birds!" (Candlewick, 40 pages, \$15.99) all but vibrate with brilliant colors. In gouache paintings on bright backgrounds, Lucy Cousins, the creator of the popular "Maisy" books, depicts swans and starlings, guinea fowl and cardinals, and a resplendent peacock. With each picture comes an exhortation for 2- to 5-year-olds to throw themselves into avian imitations: "Waddle like a penguin in the snow / Run like an ostrich, go, go, go!"

An unseen, boastful menace threatens the tranquility of animals in the

rolling green countryside of "The Giant Jumperee" (Dial, 32 pages, \$17.99), a picture book for 2- to 5-year-olds by Julia Donaldson. Rabbit is the first to suffer. Arriving at his burrow, he hears a loud voice from within: "I'm the Giant Jumperee and I'm scary as can be!" Quailing, he turns for help to Cat, who waves away the danger. "Don't worry," she says, "I'll slink inside and pounce on him!"

Her bravado evaporates when the creature shouts, "I'm the Giant Jumperee and I'll squash you like a flea!" Helen Oxenbury's humorous and expressive pencil-and-watercolor pictures show the perplexity of animals getting scared off one after another. Only Mama Frog seems

Penguins and pelicans and the graceful outline of a fox—each drawn by Picasso in a single line.

unfazed. "Don't worry," she says, "I'll tell him to come out." When at last she flushes the malefactor from his hiding place, the creatures, who might have been ashamed of their fear, instead fall about laughing with relief—and at themselves.

The animals in Kirsten Hall's picture book "The Gold Leaf" (Enchanted Lion, 52 pages, \$18.95) occupy a forest of shadows and dappled light, of "jungle green, laurel green, moss green, mint green, pine green, avocado green, and, of course, sap green." In Matthew Forsythe's breathtaking illustrations, we see creatures respond with wonder and curiosity as autumn's arrival reveals a single, gleaming gold leaf. "Each wanted it more than anything in the world," we read of a fox, deer, mouse and others. "But who would get it first?" Though competition tears the leaf to fragments, this is not a fable of greed but of gratitude, with rich, mystical illustrations that will stir the young reader's heart.

### FIVE BEST: A PERSONAL CHOICE

## Paul Dickson

on baseball books that changed minds

#### Ball Four

By Jim Bouton (1970)

**1** BASED ON A DIARY kept during the 1969 baseball season, which pitcher Jim Bouton split between the Seattle Pilots and the Houston Astros, "Ball Four" brought an abrupt end to the days when the foibles and transgressions of players were protected from public view. The book dared to expose rampant infidelity, drug use (mostly amphetamines) and heavy drinking by players—and to identify them by name. A best seller, "Ball Four" changed sports writing and the way the public viewed its sports heroes. Organized baseball's rage at Mr. Bouton was immediate and long-lived, but the critics loved the book. Its most repeated—and telling—line: "A ballplayer spends a good piece of his life gripping a baseball, and in the end it turns out that it was the other way around all the time."

#### Only the Ball Was White

By Robert Peterson (1970)

**2** ROBERT PETERSON'S book concerns a world populated by "saints and sinners, college professors and illiterates, serious men and clowns, teetotalers and Saturday night drunks. They were professional baseball players, some of them the equals of the greatest major-leaguers, with one other common tie: they were all Negroes." "Only the Ball Was White" spawned a cottage industry of books about the Negro leagues. Commissioner Bowie Kuhn admitted that Peterson's book had helped spur the creation in 1971 of a special Hall of Fame committee to judge the talents of players behind the color bar. It was an uphill battle, but excellence won, and today many of the individuals in Peterson's story are in Cooperstown.



WALK IN THE PARK Eddie Gaedel batting for the St. Louis Browns, 1951.



#### Veeck as in Wreck

By Bill Veeck (1962)

**3** IN 1951, in a moment of madness, I became owner and operator of a collection of old rags and tags known to baseball historians as the St. Louis Browns. The Browns, according to reputable anthropologists, rank in the annals of baseball as a step or two ahead of Cro-Magnon man." Bill Veeck goes on to tell how he was inspired by a James Thurber short story in which a manager desperate to get a man on base sends a batsman of unusually short stature to the plate to deprive the pitcher of a strike zone (though Veeck claims he actually got the idea from New York Giants manager John McGraw). Fiction became reality when Veeck sent Eddie Gaedel, a 3-foot-7 pinch hitter, to the plate in the second game of a doubleheader on Aug. 19, 1951. Gaedel never took the bat off his shoulder as he watched four balls whiz by and then walked, before being immediately taken out of the game. His single at-bat horrified the poobahs of baseball when it happened and again when it was retold with relish in this book. Gaedel was just one example of provocations that challenged baseball's entrenched status quo. Besides offering a host of entertaining stories, the book reveals that Veeck actually had a clue as to the future of the game—he understood that it had to be entertaining and had to cater to families if it was to grow and prosper in the face of competition like television and the rise of professional football.

MR. DICKSON is the author, most recently, of 'Leo Durocher: Baseball's Prodigal Son.'

appeal is its directness: "They talked for years about the ball being dead. The ball isn't dead; the hitters are, from the neck up." Williams reveals both his own thoughts on hitting and what he learned from other great batsmen. Collaborator John Underwood tells us in the preface that Williams wanted the book to fuel the diamond dreams of those who believed, as he did, that hitting a baseball is the single most difficult thing to do in sport. He wanted the book to be his legacy, a hope apparently fulfilled if a piece in the Boston Globe last month under the headline "More and More Players Practicing What Ted Williams Preached" is any indication. A new generation of Red Sox players are following Williams's advice on batting—on matters like how a batter can get the ball he hits to clear the fence.

#### Moneyball

By Michael Lewis (2003)

**5** 'THE PLEASURE OF rooting for Goliath is that you can expect to win.' So Michael Lewis writes in "Moneyball," adding: "The pleasure of rooting for David is that, while you don't know what to expect, you stand at least a chance of being inspired." His book isn't about a David but about a baseball general manager armed with statistics useful for discovering undervalued talent. The story follows the 2002 Oakland Athletics, a low-budget team, and general manager Billy Beane. The appeal of "Moneyball" has everything to do with its author's remarkable ability to bring style and grace to a tale that is, essentially, a business story. For large numbers of people, not least for other baseball-team owners and general managers, it was a valuable primer on the use of statistics as a key to putting a winning team together.

GETTY IMAGES

## Best-Selling Books | Week Ended April 16

With data from NPD BookScan

### Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Old School: Life in the Sane Lane</b> Bill O'Reilly/Henry Holt & Company	<b>1</b>	<b>1</b>	<b>The Subtle Art of Not Giving a F*ck</b> Mark Manson/HarperOne	<b>6</b>	<b>8</b>
<b>The True Jesus</b> David Limbaugh/Regnery Publishing	<b>2</b>	New	<b>The Story of Jesus</b> Jane Werner Watson/Golden Books	<b>7</b>	-
<b>Hillbilly Elegy</b> J.D. Vance/Harper	<b>3</b>	<b>4</b>	<b>The Legend of Zelda(Deluxe Edition)</b> Piggyback/Piggyback	<b>8</b>	New
<b>Hallelujah Anyway</b> Anne Lamott/Riverhead Books	<b>4</b>	<b>2</b>	<b>Killing the Rising Sun</b> Bill O'Reilly & Martin Dugard/Henry Holt & Company	<b>9</b>	-
<b>Jesus Calling</b> Sarah Young/Thomas Nelson Publishers	<b>5</b>	-	<b>Make Your Bed</b> William H. McRaven/Grand Central Publishing	<b>10</b>	<b>10</b>

### Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Freakonomics</b> S.D. Levitt & S.J. Dubner/HaperCollins Publishers	<b>1</b>	-	<b>Old School: Life in the Sane Lane</b> Bill O'Reilly/Henry Holt & Company	<b>1</b>	<b>1</b>
<b>How to Win Friends...</b> Dale Carnegie/General Press	<b>2</b>	-	<b>The Zookeeper's Wife</b> Diane Ackerman/W. W. Norton & Company	<b>2</b>	<b>2</b>
<b>The Zookeeper's Wife</b> Diane Ackerman/W. W. Norton & Company	<b>3</b>	<b>2</b>	<b>Milk And Honey</b> Rupi Kaur/Andrews McMeel Publishing	<b>3</b>	<b>5</b>
<b>Hillbilly Elegy</b> J.D. Vance/HarperCollins Publishers	<b>4</b>	<b>3</b>	<b>Easter Eggstravaganza Mad Libs</b> Roger Price & Leonard Stern/Price Stern Sloan	<b>4</b>	-
<b>Make Your Bed</b> William H. McRaven/Grand Central Publishing	<b>5</b>	New	<b>The Story of Easter</b> Patricia A. Pingry/Worthykids/ideals	<b>5</b>	-
<b>Seeking Allah, Finding Jesus</b> Nabeel Qureshi/Zondervan	<b>6</b>	-	<b>Hillbilly Elegy</b> J.D. Vance/Harper	<b>6</b>	<b>4</b>
<b>Old School: Life in the Sane Lane</b> Bill O'Reilly/Henry Holt & Company, Inc.	<b>7</b>	<b>4</b>	<b>Animals</b> Jennifer Quasha/DK Publishing	<b>7</b>	-
<b>The Happiness Project</b> Gretchen Rubin/HaperCollins Publishers	<b>8</b>	-	<b>Hidden Figures</b> Margot Lee Shetterly/William Morrow & Company	<b>8</b>	<b>9</b>
<b>Heart in the Right Place</b> Carolyn Jourdan/Algonquin Books of Chapel Hill	<b>9</b>	-	<b>How to Win Friends...</b> Dale Carnegie/Pocket Books	<b>9</b>	-
<b>The Search for Nefertiti</b> Joann Fletcher/HaperCollins Publishers	<b>10</b>	-	<b>The Easter Story</b> Patricia A. Pingry/Guidepostsbooks	<b>10</b>	-

### Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>The Black Book</b> James Patterson&David Ellis/Little, Brown and Company	<b>1</b>	<b>1</b>
<b>God Gave Us Easter</b> Lisa Tawn Bergren/WaterBrook Press	<b>2</b>	<b>5</b>
<b>Pete the Cat: Big Easter Adventure</b> Kimberly & James Dean/HarperTorch	<b>3</b>	<b>9</b>
<b>Double Down (DWK #11)</b> Jeff Kinney/Amulet Books	<b>4</b>	<b>7</b>
<b>Oh, the Places You'll Go!</b> Dr. Seuss/Random House Children's Books	<b>5</b>	<b>6</b>

### Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>The Burial Hour</b> Jeffery Deaver/Grand Central Publishing	<b>1</b>	New
<b>One Perfect Lie</b> Lisa Scottoline/St. Martin's Press	<b>2</b>	New
<b>Mister Moneybags</b> Vi Keeland/C. Scott Publishing Corp.	<b>3</b>	New
<b>Silent Child</b> Sarah A. Denzel/Sarah A. Denzel	<b>4</b>	-
<b>The Black Book</b> James Patterson&David Ellis/Little, Brown and Company	<b>5</b>	<b>4</b>
<b>Last Breath</b> Robert Bryndza/Robert Bryndza	<b>6</b>	New
<b>Thirteen Reasons Why</b> Jay Asher/Penguin Young Readers Group	<b>7</b>	-
<b>The Letter</b> Kathryn Hughes/Headline Book Publishing, LTD	<b>8</b>	-
<b>The Missing Ones</b> Patricia Gibney/Patricia Gibney	<b>9</b>	<b>8</b>
<b>Twist</b> Kylie Scott/St. Martin's Press	<b>10</b>	New

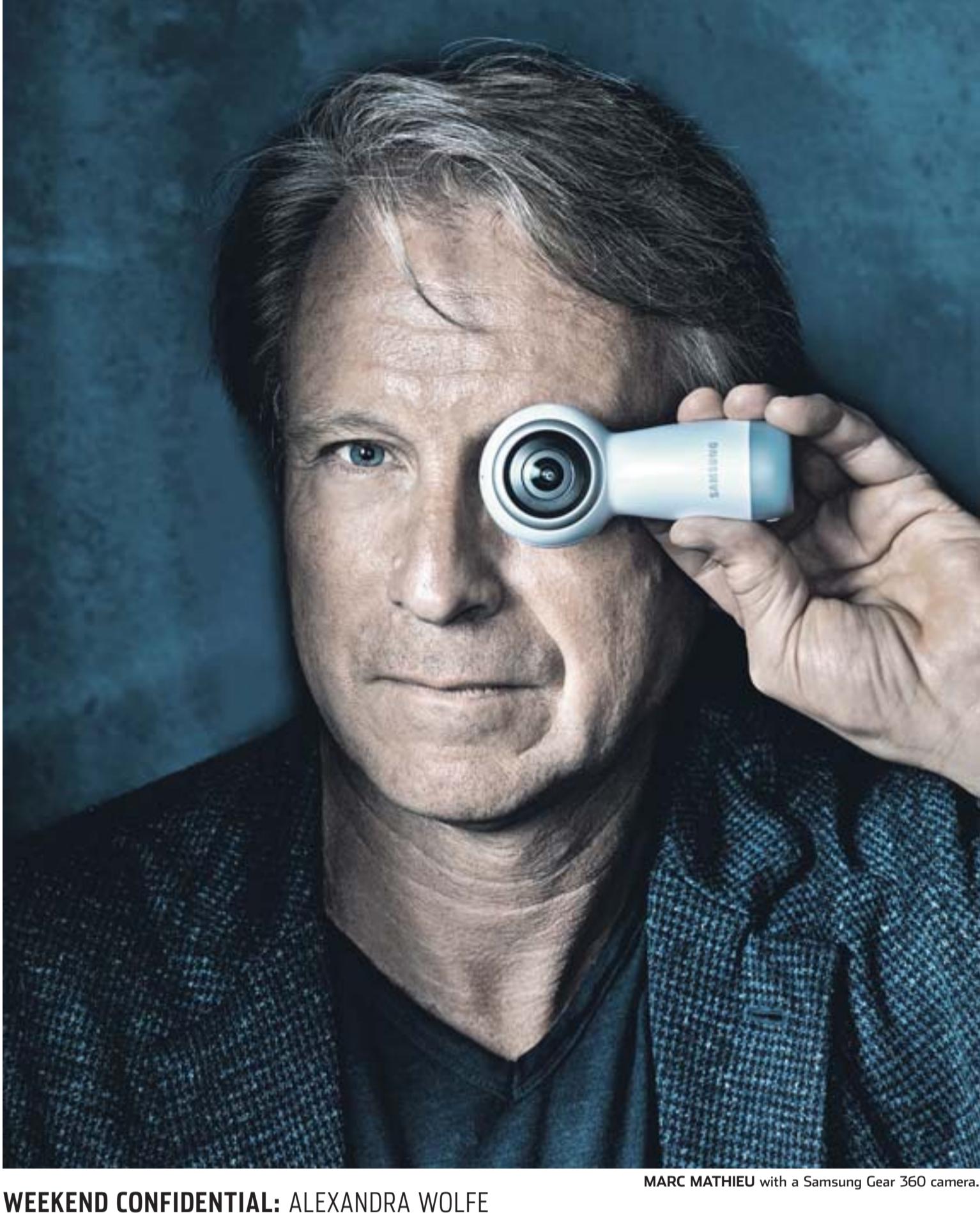
### Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Wal-Mart) and Web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Peter.Saenger@wsj.com.

### Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Unshakeable</b> Tony Robbins/Simon &amp		

## REVIEW



MARC MATHIEU with a Samsung Gear 360 camera.

**WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE**

# Marc Mathieu

The Samsung marketing chief is working to get past the recall

**SAMSUNG EXECUTIVE** Marc Mathieu is sitting in his office in lower Manhattan the day before the much-anticipated release of the company's new Galaxy S8 smartphone. His office is a colorfully decorated conference room with a rectangular meeting table that doubles as his desk. Screens cover two of the walls, and smartphones, virtual-reality headsets and other high-tech gear are littered around the room. As he looks out at the Hudson River, he acknowledges that a lot is riding on this launch.

Mr. Mathieu, 56, joined Samsung Electronics America as chief marketing officer in 2015, and since then the company has faced some difficult times. Last year, Samsung recalled its Galaxy Note 7 smart-

phone—some 2.5 million units in all—after faulty batteries led some of the phones to overheat and catch on fire. The company's vice chairman and de facto chief, Lee Jaye-yong, is currently on trial in Seoul, facing charges including bribery, embezzlement and perjury. He has denied any wrongdoing.

Samsung launched the \$720 Galaxy S8 on Friday. The phone has gotten positive reviews for its tall, gently curved screen and narrow, easy-to-grip shape—though some still worry about the battery issue. So how do you convince consumers that your latest product isn't going to go up in flames? "When you go through what we went through last year, it forces you to listen to a lot of people...more intensely," says Mr.

Mathieu. He held focus groups with customers to talk about their needs—and how the company could rebuild trust. Samsung, which has blamed the Galaxy Note 7 issue on battery suppliers, has spent about \$130 million on product safety.

Mr. Mathieu says that, because of the recent safety problems, the company has created ads for the new device based on a message of empowerment rather than on humor. "We'll have humor in due course," he says. "It's not the time to be funny. It's the time to say, 'This is a great phone.'"

Earlier this month, Samsung said that preorders of the S8 outpaced those of its predecessor, the S7, although it didn't release numbers. Counterpoint Research expects that

Samsung will ship more than 300 million smartphones globally in 2017, including 50 million of the S8. By comparison, it expects Apple to ship 230 million iPhones, out of which 75 million will be the coming iPhone 8 series.

Mr. Mathieu's love of the theater informs his marketing philosophy. One of his favorite quotes is from George Bernard Shaw's "Man and Superman": "The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man." His goal is to help people "be a little bit unreasonable"—which, to his mind, means creating products that can do things that previously

'It's not the time to be funny.'

seemed impossible.

One group he's targeting is young adults—the highly coveted millennials. In February, the company came out with an ad campaign called "Do what you can't," in which artists, videographers and internet celebrities discuss how they have used technology to do creative work and prove wrong the people who told them "you can't."

Last year, Mr. Mathieu spearheaded the opening of Samsung 837, a "technology playground" and digital culture center in Manhattan that lets people try out Samsung's products but doesn't offer anything for sale, aside from food and coffee. Visitors can put on virtual-reality headsets, test smart kitchen appliances and come for special events on massive screens. (Selfies and social-media posts are encouraged.) Mr. Mathieu sees it as a way to build the brand and create relationships with consumers—and as a chance for the company to see how their customers use the products. "It's a great way for us to learn what works and what doesn't work," he says.

Mr. Mathieu grew up in France; his parents were entrepreneurs in construction and now work in real estate there. After earning a master's degree in international marketing in Paris, he worked for Danone, Coca-Cola and Unilever in Europe, including in France, Asia and the U.K. "I was always attracted to an international career," he says. At Coca-Cola, he spearheaded the brand's reinvention in 2004, including the creation and marketing of Coke Zero.

At Samsung, he runs a team of more than 100 people. Leaders are often rewarded with titles such as "mayors," "pioneers" and "achievers" in their various groups. He encourages disagreement among his employees. "I like to ask two people for their opinion if I know they won't agree," he says.

Though he is based in New York, he frequently visits the company's headquarters in South Korea. When he isn't working, he and his wife, an artist, like to travel. They have three adult children who live in California. "When people ask, 'How are your kids doing?' I say, 'They struggle,'" he says. "It's difficult to be 20-plus in today's world. There's so much competition, and everybody can come up with a great idea...so everybody wants to."

He has long been interested in theater and serves on the board of several theater companies, including Punchdrunk and the Almeida Theatre. He particularly likes immersive drama experiences, such as Punchdrunk's "Sleep No More," an interactive show based on "Macbeth" in which audience members wander around different rooms.

He likens the experience to people's relationship with technology today. The audience "does not just interact with a play but interacts with themselves," he says. "Instead of the play telling you what are you supposed to hear or learn, you are the one who discovers all the meaning that you want to put in the play."

**MOVING TARGETS: JOE QUEENAN**

## When Two Artworks Are Better Than One

**THE ARTIST** Arturo Di Modica sparked a furor recently when he complained about the positioning of the sculpture "Fearless Girl" in front of his famous "Charging Bull" in Manhattan. The menacing bull, which has been pawing the earth in the heart of Wall Street since 1989, has long been a popular tourist attraction and a symbol of America's economic might.

The young "Fearless Girl," in a windblown dress with her hands poised defiantly on her hips, seems to be telling the rampaging bull, "Is that the best you got?" She too has attracted throngs of tourists. Which is all to the good. Or at least it was until Mr. Di Modica said that the sculpture violated the artistic integrity of his work by sabotaging its message.

Mr. Di Modica should grow up. For starters, just think of all the publicity "Fearless Girl" has generated for him, heretofore not exactly a household name. Another thing:

When was the last time the public got excited about a piece of modern sculpture? The art world is forever in crisis, moaning that people don't go to museums enough. Here's a solution: Juxtapose otherwise unrelated sculptures to breathe new life into older artworks.

Innumerable possibilities suggest themselves. You could place a gigantic Jeff Koons' puppy next to the "Mona Lisa" or Théodore Gericault's painting of a disastrous shipwreck in "The Raft of the Medusa," just for contrast. Or why not have the statue of Rocky Balboa that stands outside the Philadelphia Museum of Art face another iconic underdog: Michelangelo's "David"? That would bring in the crowds.

Mixing and matching artworks of different styles could also work beautifully. Winslow Homer's placid seascapes are appealing, but wouldn't it be nice to position Damien Hirst's gigantic pickled shark

**Bring together Rocky Balboa and the 'David' of Michelangelo.**



right in front of them, just to spice up the nautical experience?

Similarly, Amedeo Modigliani's emaciated portraits would benefit mightily from being hung side by side with Fernando Botero's fat kittens. I also think that the public would respond well if Caravaggio's "Judith Beheading Holofernes," in which a biblical widow calmly decapitates an enemy general, showed up in a gallery full of photos of Cindy Sherman appearing as almost everybody. One fearless girl meets another.

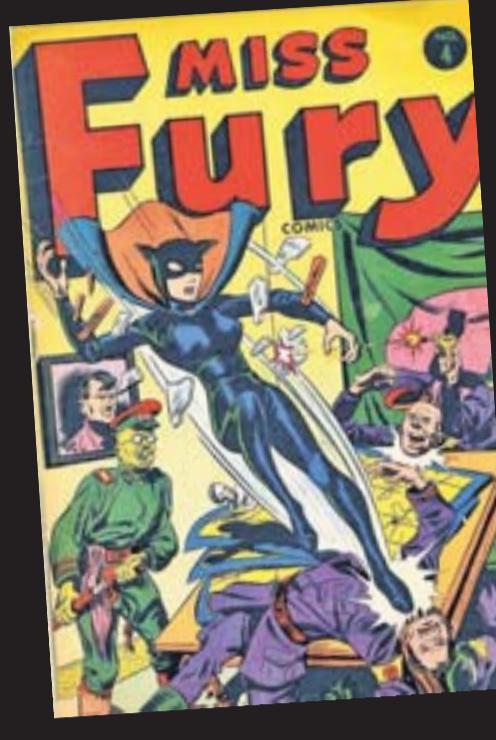
It's worth remembering that "Fearless Girl" is a new sculpture whose existence causes people to rethink their attitude toward "Charging Bull"—presumably including women who deplore Wall Street's lack of diversity. We need to encourage more of these reappraisals that bring up important ethical questions. A statue of paparazzi sneaking photos of

the lovers embracing in Rodin's "The Kiss" would encourage some deep thinking. So would a sculpture of a matriarch reacting in horror to the classic statue of naked-as-a-jaybird Venus de Milo. Equally striking, a statue of a 4-year-old—with an easel, a paintbrush and a puzzled expression—could stand in front of a Jackson Pollock with an expression suggesting, "I could make a fortune in this racket."

If Mr. Di Modica eventually does force the city of New York to relocate "Fearless Girl," she could work her magic in plenty of other places. She could stand, sassy and defiant, in front of a Frederic Remington cavalry charge, sneering, "You call that a cavalry charge?" Or gaze at the Little Mermaid statue in Copenhagen harbor, seeming to say, "You gonna mope all day?" Or confront Perseus holding the cut-off, snake-topped head of Medusa in Benvenuto Cellini's famous sculpture with the words, "typical male behavior."

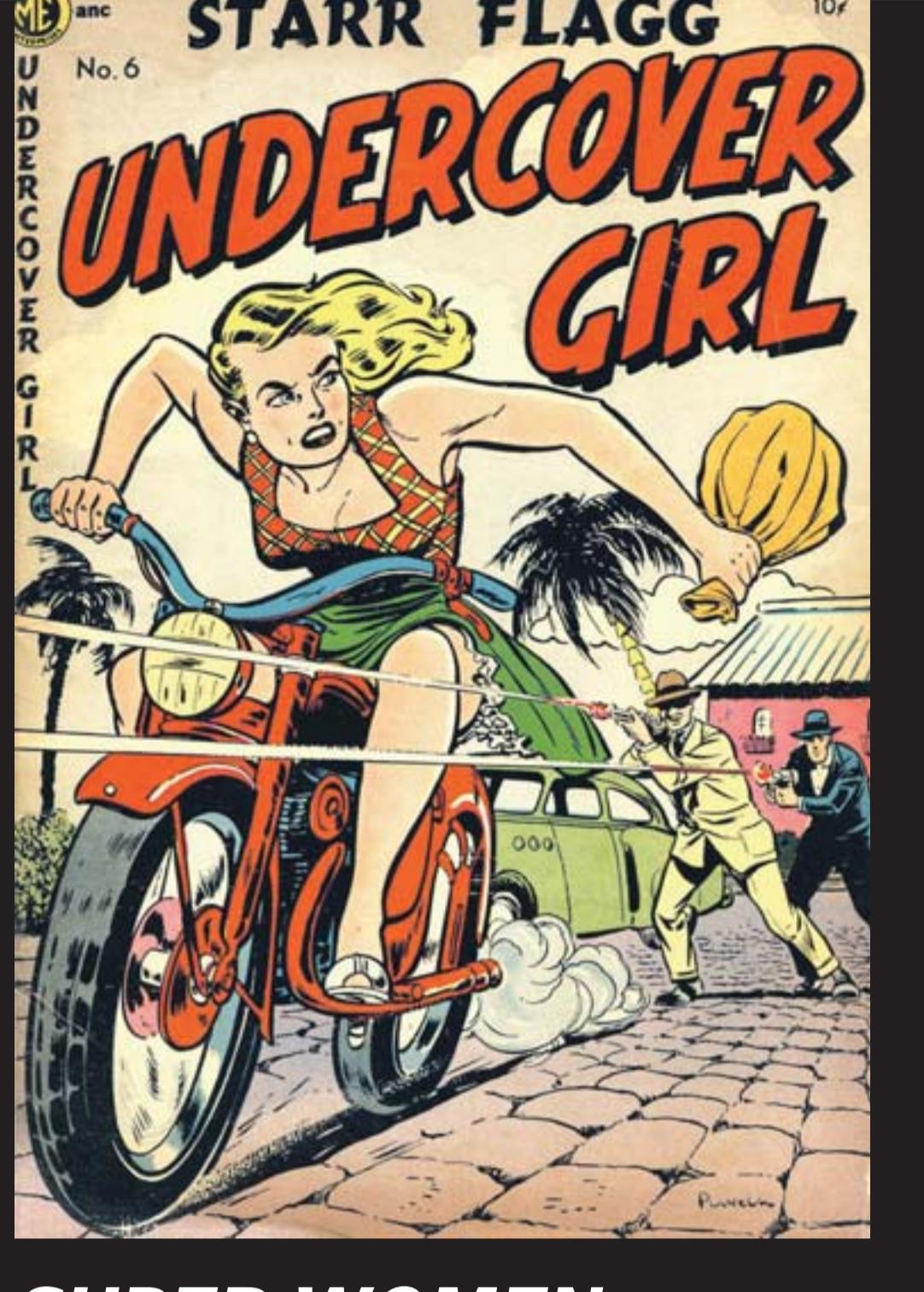
 EXHIBIT

► Miss Fury, from the early 1940s, was the first female superhero created by a woman. By day, she was a glamorous socialite. At night, she donned a full-body catsuit and fought Nazis, robbers and other bad guys.



► Similar to a female James Bond, Undercover Girl (introduced in 1947) is a superspy who battles global threats and saboteurs.

REVIEW



► Crime-fighter the Wing was introduced in Canada during World War II, when the country restricted imports from the U.S.—including comic books.



► The 1950s teenage vigilante Tomboy, the daughter of a police lieutenant, appeared in the unpopular comic Captain Flash, which only lasted for four issues.



## SUPER WOMEN

WE'RE ALL familiar with Wonder Woman and Supergirl, but how about Sally the Sleuth, Maureen Marine and Rose Harvester? In "The Spectacular Sisterhood of Superwomen" (Quirkbooks, \$24.95), author Hope Nicholson showcases 80 lesser-known female comic-book characters from the 1930s to the present. The lineup includes unusual, sometimes subversive, heroines such as Pudge: Girl Blimp and Sindi Shade, a punk-rock rebel. While recent decades have brought more female characters, as well as creators, Ms. Nicholson says she had to do more digging to find women from the past. "It was neat to find characters that would stump even the hard-core fans," she says. —*Alexandra Wolfe*

THE SPECTACULAR SISTERHOOD OF SUPERWOMEN

 HISTORICALLY SPEAKING: AMANDA FOREMAN

## Gardens of Pleasure and Sin

WHEN THE British philosopher Sir Francis Bacon wrote in a 1625 essay that "God Almighty first planted a garden, and indeed, it is the purest of human pleasures," he knew that his readers would immediately think of the Garden of Eden, the setting for humankind's downfall in sin. So which was it, a place of simple delights or of awful temptations? Historically, it turns out, gardens have been both.

Bacon was harking back not just to the Bible but to the ancient association of gardens, particularly enclosed ones, with paradise. Cultures from the Romans to the Aztecs built walled gardens, and the very word "paradise" comes from the ancient Persian words "pairi" and "diz," meaning "around" and "to create (a wall)"—hence a walled space or garden.

In Asia, an enclosed garden provided communion with the gods and spiritual healing. Islamic cultures around the Mediterranean conceived of walled gardens as sites of respite and fantasy. The adventure of many a princess in "A Thousand and One Nights" begins with a tryst in the walled garden.

For societies shaped by the Bible, fears about sin and corruption and an insistence on sexual purity took root in the walled garden. In the "Song of Songs," a garden becomes a metaphor for protecting the beloved from unwanted attention: "A garden enclosed is my sister, my spouse; a spring shut up, a fountain sealed." But a garden is hardly a perfect refuge. In the "Book of Daniel," it is where the lustful Elders violate Susanna's innocent bath.

This tension carried over to the Middle Ages, whose poets turned the walled garden into an idealized picture of court life, with the chaste beloved at its center. The great Italian humanist Giovanni Boccaccio (1313-1375) mercilessly satirized this tradition in "The Decameron," where one story takes place in a walled garden inhabited by sex-mad nuns and a willing gardener.

After Boccaccio, it became popular to dwell on

the garden's potential for sin rather than salvation. Shakespeare's audiences would have been attuned to the serpent-in-Eden metaphor implicit in the poisoning of Hamlet's father while he slept in the royal orchard.

In the 19th century, the Victorians reimagined gardens as a symbol of nature threatened by man. Nathaniel Hawthorne's 1844 short story "Rappaccini's Daughter" concerns a young student who beholds, in a locked garden, the beautiful daughter of



WALLED GARDENS can hide perils, as the biblical tale of Susanna and the Elders shows. Above, a 1751 painting on the theme by Pompeo Batoni.

a mysterious scientist. It turns out that the garden's plants are poisonous—and the girl, raised in their midst, is poisonous as well. The student's attempt to rescue her ends disastrously, their young love thwarted by scientific hubris.

T.S. Eliot famously began "The Waste Land" by combining these contradictory strands of garden lore:

April is the cruellest month, breeding  
Lilacs out of the dead land, mixing  
Memory and desire, stirring  
Dull roots with spring rain.

I must confess to having no such ambivalence as the "dull roots" of my own garden spring to life again in this glorious season. For me, April is the month of hope and promise, filled with expectation for the bounty to come.

 PLAYLIST: MICHAEL SYMON

## Paths You Can Go By

 After an accident derails a high-school wrestler, Led Zeppelin points him to a culinary career

Chef Michael Symon, 47, co-hosts ABC's "The Chew." His Italian restaurant, Angeline, will open at Atlantic City's Borgata Hotel Casino & Spa on May 6.

When I turned 12 in the early 1980s, my dad bought me a record player and gave me many of his old albums by Fleetwood Mac, the Rolling Stones and other classic rock bands. He especially liked Led Zeppelin's "STAIRWAY TO HEAVEN," and the song ended up, a few years later, helping me to get through a high-school crisis.

I grew up in a middle-class family in Cleveland, where my dad worked at Ford and liked to listen to all of those rock bands on his home stereo. In high school, I excelled at wrestling, and the sport became my all-consuming passion. I expected to get a college wrestling scholarship and become a wrestling coach.

But in my junior year, during practice with a teammate, my right arm became stuck between his knee and the mat while he had me in a move called "the cradle." My arm broke in several places.

At the hospital, they put a plate in my arm, but when I tried to return to wrestling later that year, the plate broke. My wrestling career was over.

My senior year was a mess. I became depressed, and I felt lost and angry. Around this

**There's always time to change course.**

The person who broke my arm was a friend. He felt terrible, and I haven't seen him in about 15 years. He ruined my junior year, but he made my future.



LED ZEPPELIN'S Jimmy Page, left, and Robert Plant in 1976.



## REVIEW



# Fashion's Reigning Extremist

New York's Met will look at the work of Rei Kawakubo; days of 'Lumps and Bumps'

BY CHRISTINA BINKLEY

**SINCE BRINGING** her label Comme des Garçons to Paris in 1981, the fashion designer Rei Kawakubo has worked relentlessly to introduce the public to the possibility of arraying the human body in new shapes. To do so, she often goes to extremes. In her 1997 collection, entitled "Body Meets Dress—Dress Meets Body," she placed feather-filled appendages where no woman would want to be bulbous: on the neck or shoulders or asymmetrically on the hips. Soon, fashion-industry wags were calling the collection "Lumps and Bumps."

The designer's willingness to break rules to carry out her vision will go on display May 4 as the Costume Institute presents its annual spring fashion exhibition at New York's Metropolitan Museum of Art. Ms. Kawakubo's preference to go her own way showed itself in dealings with the museum. Offered the stark Met Breuer building to display her designs—a modernist pairing of art and architecture that the Met found fitting—Ms. Kawakubo requested instead the museum's flagship of classic architecture on New York's Fifth Avenue. She got it.

The 64-year-old Ms. Kawakubo also asked to design the space herself, rejecting the help of an architect. For lighting, she brought in her Paris-based collaborator Thierry Dreyfus and

told him, Mr. Dreyfus says, "I want something that's never been seen before in a museum." He turned up the illumination to levels that the institute's head curator, Andrew Bolton, warned could damage the textiles even with special light filters installed. "She wanted it very, very bright," Mr. Bolton says. Ms. Kawakubo owns the designs on display, so the risk is her own.

Her requests follow her need to closely oversee every aspect of her brand. "Rei designs the company, not just the clothes," says Adrian Joffe, the designer's husband and spokesman, who is president of Comme des Garçons International. "It is therefore crucial that the space where the clothes are shown is designed by her."

Ms. Kawakubo, who never formally studied fashion, founded Comme des Garçons in 1973 in Tokyo after working for several years in advertising and then as a stylist. She is also the founder of Dover Street Market, a small chain of multibrand retail stores known for avant-garde fashion and jewelry. Through Dover Street, Ms. Kawakubo has championed other designers with strong points of view, including Junya Watanabe. At Comme, she has collaborated with brands from Nike to Louis Vuitton.

The exhibition—the first the museum has fo-

cused on a living designer since its 1983 Yves Saint Laurent retrospective—sheds more light on the uncompromising characteristics that have made Ms. Kawakubo one of this era's most influential designers. Her designs, for one, pointed the way to the current trend of voluminous, off-kilter men's shirting for women—a fad that defies tenets of conventional tailoring.

Her shows in Paris lately have seemed to cross the line from fashion to performance art, with giant dysmorphic shapes that evoke pregnancy for some observers; others claim to detect subliminal messages about womanhood.

But who knows? The designer routinely declines to discuss her work. Her reticence only increases her mystique. Attending a Comme show in Paris is akin to entering a cathedral in Italy. There is a hush and awe.

The role of curator put Mr. Bolton at odds with Ms. Kawakubo, whom he reveres. "It's difficult because we think very differently by nature," he says. "It's my job as a curator to impose an analysis on an object—and she resists that." So no curatorial plaques will explain the looks on display. Viewers can take in the entire exhibit without ever reading a word. To grasp more—the designer's use of kitsch fabrics like

nylon and polyester, for instance—visitors might want to read Mr. Bolton's curatorial essay in a pamphlet available at the exhibit.

Ms. Kawakubo was initially cool to Mr. Bolton's subtitle for the exhibition, "Art of the In-Between." But she came to understand that the curator had to select a theme—in this case, the way her designs violate traditional boundaries. (The eight parts of the exhibition include "Fashion/Anti-Fashion," "Self/Other" and "Clothes/Not Clothes.") Mr. Bolton says, regarding the theme: "She said it's as good as any other."

Most career retrospectives begin with the early works, and Ms. Kawakubo's earlier collections are her most fathomable and wearable. But she told Mr. Bolton that it was too "painful" to show anything from 1973-78, years before she felt she came into her own. "You see the seeds of her there," says Mr. Bolton, who regrets being unable to show a couple of the looks with polka dots and tartan, which later become part of the designer's oeuvre.

What is Mr. Bolton's favorite among Kawakubo collections? The lumpy, bumpy 1997 "Body Meets Dress." He says, "It's one of the best collections I've ever seen."

PAOLO ROVERSI/THE METROPOLITAN MUSEUM OF ART (2)

## MASTERPIECE: HABITAT 67 (1967), BY MOSHE SAFDIE

### A BOLD, BOXY EXPERIMENT PROVES OUT

BY DAVID SHRIBMAN

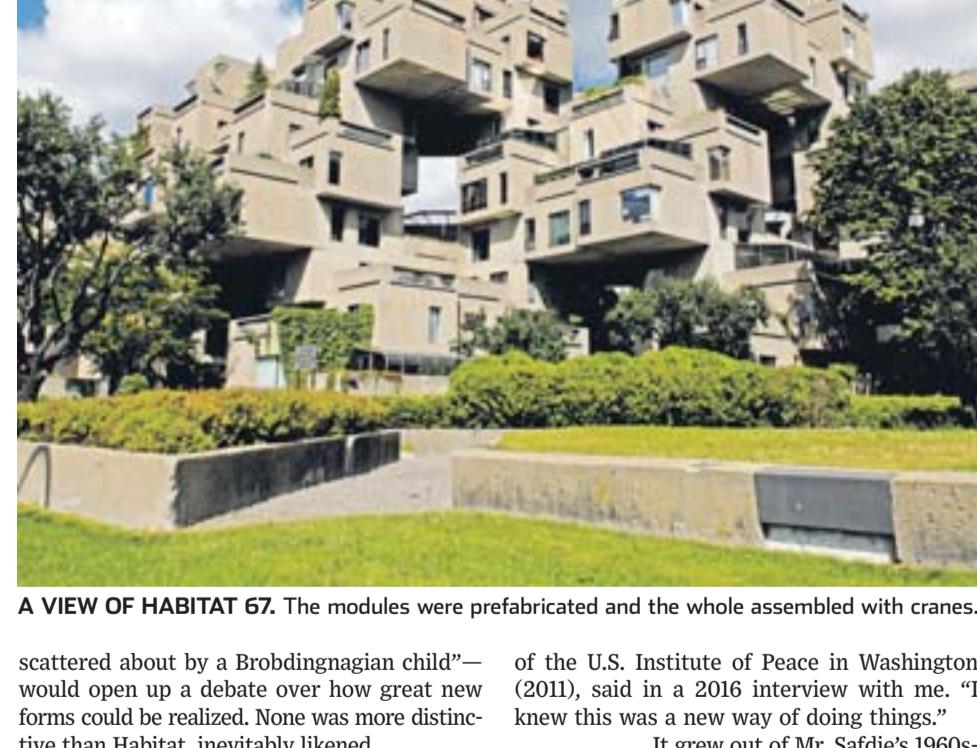
**IT WAS** a special time for Canada, and for Montreal. The world flocked there in 1967 for Expo 67, a celebration marking the 100th anniversary of the country's confederation and a symbol of the city's coming of age as one of the world's great cosmopolitan entrepôts. It was a moment of excitement, pride, innovation—and unity.

The unity turned out to be ephemeral; the city was swiftly convulsed over the rights of Montreal's French speakers and the broader question of Quebec separatism. Then the excitement and the pride faded, overcome by martial law in 1970 over the kidnapping-and-murder crisis fomented by the radical separatist Front de libération du Québec and the flood of businesses and English-speaking people to Toronto. But the sense of innovation remains, in the 354 prefabricated modules that constitute Habitat 67, the revolutionary housing project that grew of a McGill architecture student's thesis.

Though there are now water stains across the concrete boxes, Habitat 67 endures and in fact has fresh appeal, both for residents of the complex who look across a spit of water to Old Montreal and for scholars who see Habitat as Moshe Safdie's attempt to fill the void left by the death of Frank Lloyd Wright (1959) and Le Corbusier (1965).

"Their deaths made for a liberation of architects," says Franklin Toker, a Montreal native who is a University of Pittsburgh architectural historian. "Their absence created a vacuum that Safdie walked into."

The kings were dead, and within two years two other aristocrats of architecture, Ludwig Mies van der Rohe and Walter Gropius, would also meet their demise. So it was in this important transition that Mr. Safdie's Habitat—which Canadian historian Pierre Berton characterized as looking like "a cluster of building blocks



A VIEW OF HABITAT 67. The modules were prefabricated and the whole assembled with cranes. ALAMY

scattered about by a Brobdingnagian child—would open up a debate over how great new forms could be realized. None was more distinctive than Habitat, inevitably likened to an assemblage of Lego elements.

Indeed, the 70-ton modules were built in advance, helped into place on the Cité du Havre building site by specially built cranes. Frigidaire produced a prefab kitchen and the world's first stacked washer-dryers, and a consortium of Canadian companies produced a one-piece fiberglass bathroom.

"I was very conscious of being a revolutionary," Mr. Safdie, also known for his Yad Vashem museum in Israel (2005) and the headquarters

of the U.S. Institute of Peace in Washington (2011), said in a 2016 interview with me. "I knew this was a new way of doing things."

It grew out of Mr. Safdie's 1960s-era conviction that the suburbs were stultifying, public housing was inhumane and single-family houses were endangered—and yet he combined features and philosophies of all of them in Habitat. It took years for the development to make the transition from world's-fair pavilion to world-class condominium, but today many of the elements Mr. Safdie baked into that concrete are highly valued.

In its half-century reign in Montreal, Habitat—which acquired its name because the word

means the same thing in English and French—suffered from financial pressures, mold infestations and the eclipse of the dream of mixed-income housing. When it opened, many people despised it because it looked so heavy and so dark. The Safdie ethos—"For everyone a garden"—sounded a lot like the Herbert Hoover campaign's chicken in every pot, and everyone knew how the Hoover economic vision turned out. And there was no escaping the fact that Habitat was vulnerable to Montreal's brutal weather.

Yet a half-century on, there still are huge empty spaces inside the loose chain of units, and the staggered skywalks create a sense of openness within Habitat's stunning view of a busy city. As a result, Habitat, which resembles nothing so much as a Cubist painting, is perhaps the only concrete in the world that soars. And it never lost its sense of excitement, nor its air of experimental living.

One renovated penthouse unit that sold recently for just over \$1 million has two solariums, two terraces (one with a hot tub) and a spiral staircase. And while Mr. Toker, the Montreal-born architectural historian, characterized the early interiors as "remarkably unspecial," today the natural floors glisten and postmodern teardrop light fixtures hang from many ceilings. Habitat and its 139 residences, each with a terrace, are not the *vin ordinaire* of Montreal.

Habitat has now enthralled Montrealers for two generations. Mr. Safdie's son, playwright Oren, grew up in Habitat and was the local paperboy. Because of its unusual design—and the fact that the 12-floor building's elevators stopped only on floors 1, 2, 5, 6, 9 and 10—he was able to drop a newspaper four flights down and then throw a paper three flights up.

Mr. Shribman is executive editor of the Pittsburgh Post-Gazette.

Author David  
Sax on the  
joys of flying  
without digital  
devices  
**D7**



# OFF DUTY



How do we  
love the Honda  
Civic's value  
proposition?  
Dan Neil counts  
the ways **D9**

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE WALL STREET JOURNAL.

Wednesday, April 22 - 23, 2017 | **D1**

## Set Sail For Speed

Why sail *in* the water when you can glide over it at motorboat-like velocity? A new fleet of 'foilers,' whose hulls hover in the air, lets even amateur skippers high-tail it toward distant shores

BY MATTHEW FUTTERMAN

**A**NTHONY KOTOUN was raised on the water, sailing dinghies in the Virgin Islands, before becoming an All-American sailor in college. But none of that prepared him for the shock of his first voyage in a hydrofoil sailboat about nine years ago, when he was in his 30s. With the vessel's hull lifted several feet above the water's surface, balanced on what resemble skinny skis, Mr. Kotoun hit speeds he never dreamed he could attain without the help of gasoline and horsepower. The only sound was the taut flutter of the sails above him.

Mr. Kotoun has since won multiple national championships piloting a Moth, the smallest established class of "foilers," as these preternaturally fast sailboats are known. "Extremely fast and incredibly quiet" is how he describes the sport. "I can tell you this. It's not just kicking your feet up and sipping wine."

Indeed, as a new fleet of more accessible foilers sends amateurs tearing across the water at nearly 30 knots (or over 34 mph), in winds half that speed, the pastime is starting

Please turn to page D8

**Fleet Streak**  
With its hulls lifted out of the water, this Flying Phantom Essential, a foiling catamaran, can hit 28 knots (or 32 mph), even in modest winds.

**Mass Appeal** Once the multimillion-dollar playthings of the superelite racers, foilers can now be had for as little as \$13,000. This one goes for \$23,500.

**Buoyed Spirit**  
How can a boat this big balance on dainty foils? Thank the high viscosity of water, which is roughly 800 times more dense than the air.

[ INSIDE ]

PERRICK CONTIN

### FACE LIFTS

What you need to know about customizing watches **D2**



**WASTE NOT, WANT NOT**  
A crowd-pleasing meal from ingredients many chefs would chuck **D5**



**WEAVES OF CLASS**  
Velvet that can brave the rain? Indoor-outdoor fabrics gain sophistication **D10**



**TOURISTS, MEET TBILISI**  
The once-raw, post-Soviet capital of Georgia has embraced the good life **D6**

# STYLE & FASHION

THE WATCH MAN HOROLOGICAL EXPERT MICHAEL CLERIZO ANSWERS YOUR TIMELY QUESTIONS



## How to Have That Panerai Exactly Your Way

**Q** I've seen guys wearing these Rolexes and Patek Phillips with crazy colored faces and hands. I'm intrigued. How are they made? Should I buy one?

**A** What you're referring to is the work of "watch modders." These specialists alter (or modify) the appearance of a timepiece.

Modders—a relatively new breed who first gained notice via the internet in the mid-1990s—run the gamut, from entry-level tinkerers to those who toil for luxury operations customizing watches from Rolex, Patek Philippe, Audemars Piguet, Omega and Officine Panerai.

Perhaps the best known luxury modder is George Bamford, who set up the Bamford Watch Department in London in 2003. He got his start by turning his own Rolex Submariner and his father's Rolex GMT black, coating them with a material called diamond-like carbon (DLC). He has since upgraded that process to use a proprietary military-grade titanium powder and graphite powder. He's also considerably expanded his paint box and even collaborated with artists such as Cuban-American painter José Parla.

Watch collector Luke Waite set up Titan Black, another luxury modding outfit in London, in 2009. Mr. Waite explained that he buys big consignments of watches, about 20 at a time, usually stainless steel Rolexes. The watches are disassem-

bled, and the transformation begins. He uses DLC to change the color of the case and bracelet—the most typical modder move. To change the hue of dials, hands, hour markers, numerals and lettering, he applies special paints by hand. It's a time-consuming, expensive process.

Mr. Waite works two ways. First, he creates original designs, his "ready-to-wear line," available in his Mayfair neighborhood shop, the Hour House, and stores like Silver Threads in Aspen, Colo. The price of a modified Rolex, he said, is usually double its original value. Titan Black also offers a bespoke service, altering any contemporary timepiece you provide. Like most modders, Mr. Waite won't touch valuable vintage watches. His customers, he said, are "people who don't want to see someone wearing the same thing."

Entry-level modders work differently. Their brand of choice is Seiko—known for reliable and economical mechanical watches. Many of their customers hire them to customize Seiko dive watches like the SKX007, which costs about \$200. In short: a timepiece on which most men can take an aesthetic risk.

One of the most prominent Seiko modders is Jay Grabowski at MotorCity WatchWorks near Detroit. Mr. Grabowski's customers often find him online through a watch forum or blog, exchanging emails with him until their goals



VICTOR PRADO FOR THE WALL STREET JOURNAL; ILLUSTRATIONS BY MICHAEL SLOAN

**THE TRANSFORMERS** Watch 'modders' alter the appearance of mechanical timepieces. Left, a Rolex Explorer II in its original state, and right, Titan Black's Rolex Explorer II Oro, \$17,500, [titanblack.co.uk](http://titanblack.co.uk)

Modders typically change the color of the case and jazz up the dial.

are clear. He then provides a price and delivery estimate. If both parties agree, the client sends MotorCity his watch.

Like luxury modders, Mr. Grabowski also changes the color of the case and bracelet and jazzes

up the dial. His prices are lower because he uses bead-blasting and cerakoting, simpler processes than the DLC application. He alters small components like hands and hour markers by hand. The wide availability of inexpensive ready-to-use custom parts for Seikos also helps keep the price down: A typical modification might cost \$300; a high-ticket one is about \$1,000.

The big caveat when it comes to modding is that it invalidates a watch's warranty. But a reputable modder will offer a comparable one.

Watch brands aren't especially welcoming of modders, but they'd be wise to ape the modders' strategies and willingness to cater to consumer tastes, said Wei Koh, founder of watch magazine Revolution. "From a design perspective, some of these modders have created very compelling watches," said Mr. Koh. Will Rolex be making an army-hued Submariner anytime soon? "I think the best possible outcome," said Mr. Koh, "is for the luxury watchmakers to be similarly responsive to what their clients want."



Gucci Shoes, \$695, [gucci.com](http://gucci.com),

Visvim  
Shoes, \$660,  
[mrporter.com](http://mrporter.com)

F. MARTIN RAMIN/THE WALL STREET JOURNAL (SHOES); PETER STACKPOLE/THE LIFE IMAGES COLLECTION/GETTY IMAGES (FLYNN)

## ABOVE DECK

The humble boat shoe gets a luxury-class upgrade

**THE EGALITARIAN VIBE** of the affordable boat shoe has long made it the unofficial footwear for kicking back. (See the clearly blissful, ironically shod Errol Flynn, right, on his yacht in 1941.) While versions such as Sperry's Top-Sider (usually under \$100) have their charms, a man occasionally yearns for more. For him, brands like Gucci and Visvim have swapped the deck shoe's typically plasticky leather for supple skins and its thin sole for substantial foundations more commonly found on dress shoes or designer sneakers. After all, indolence and luxury also go hand-in-hand. —Jacob Gallagher



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## STYLE & FASHION

20 ODD QUESTIONS

# Lauren Santo Domingo

The co-founder of luxury e-commerce site Moda Operandi on her rival addictions to atypical trench coats and political news

LATE SOCIALITE NAN KEMPNER once told Lauren Santo Domingo she preferred the company of young people because they kept her current. "That stuck with me," said Ms. Santo Domingo, 41. "I always want to be curious about what's new. I say to myself, 'Why be boring?' It's my mantra."

It could also be the unofficial guiding principle of Moda Operandi, which Ms. Santo Domingo co-founded in 2011 as an online trunk show that let shoppers preorder directly from the runway days after a fashion show instead of waiting months to see if their local retailers would carry a coveted look. The company excels at discovering new brands, like that of Colombia-based designer Johanna Ortiz whom Ms. Santo Domingo found on Instagram. The site has also expanded with by-appointment showrooms in New York and London, with another set to open in the Middle East this year.

Ms. Santo Domingo, a native of Greenwich, Conn., is married to Colombian beer-fortune heir Andrés Santo Domingo, with whom she has two children. She maintains homes in New York and Paris, and her social calendar necessitates a closet of gowns. Ms. Santo Domingo was a Vogue editor for several years and remains a contributor. Her storytelling instinct is still strong. "I love to share and make connections, [telling friends] I think you'll love this designer," she said. "It's my nature. I have other girlfriends with magical Botox fillers and they would never divulge. I gush and share."



**I always start my day with:** a cappuccino from Maialino at the Gramercy Park Hotel. It's a great, strong burst of coffee to get me going. I cut through Gramercy Park to walk there. It's so beautiful, you feel like you're in a European city.

**My style is inspired by:** no one in particular. I strongly believe that the biggest mistake you can make in life is to listen too much to other people. But I admire certain ladies before me—like Deeda Blair, Jayne Wrightsman, Marella Agnelli. They had the best style and the best jewels.



**My most recent fashion purchase was:** a white Schiaparelli blouse with an embellished gold sun. Very surrealist and quite special. I can wear it with a blazer for day and a great heel at night.

**My workout routine is:** irregular since I travel quite a bit. I like Ballet Beautiful. So many of my close friends also do it. I think it says so much about our personalities. It's not like SoulCycle, grunting and sweating. We do leg lifts, drink coffee and chat.

**My last holiday was to:** Marfa, Texas, my second time there. It's a town that Donald Judd discovered in the 1970s, and where his foundation is based. It's since taken over as a

center of art and culture. There is an art and music festival called Marfa Myths. I stayed at the Hotel Saint George, which had just opened.

**The soundtrack to my life is:** really the news. At this point, I'm obsessed with politics. As for the musical soundtrack of my life, my husband has a record label called Mexican Summer, but I listen to everything: new bands like the Allah-Las and Connan Mockasin, and old ones like the 13th Floor Elevators and Pharoah Sanders.

**My closet is:** organized, but every New Year's I try a different strategy—dividing the clothes by brand, by silhouette, by day and night.

**My favorite designers are:** new Americans like Gabriela Hearst and Rosetta Getty. I find them really exciting. I also love Brandon Maxwell for evening.

**I indulge myself with:** hardcover books. It's the one way that I refuse to modernize. I just love them, love carrying them around. In this age of being inundated with new texts and communication, finishing a real book is a victory against the bombardment.

**My packing strategy is:** to keep it



**MADAME MODA** Clockwise from top: Lauren Santo Domingo at Moda Operandi's Manhattan showroom; Schiaparelli top; Apple News app; Hotel Saint George; Marella Agnelli; a favorite book; Giorgio de Chirico's 'The Soothsayer's Recompense,' now up at New York's CIMA. Inset: her usual morning coffee.



could say I'm addicted to the news.

**My home décor is:** a mix of styles. But I'm not one of those people that has a decorator choose things. Anything we have is something that we found, and there's a story. I'm not a collector per se, but I do have a number of Japanese lacquer boxes.

**The artists I'm most drawn to are:** mostly surrealists—Magritte, Ernst and Dalí. De Chirico's painting "The Song of Love" is a favorite.

**I'll never get rid of:** my evening gowns. I save them all. I try to wear them again and again, but it's also for the memories. Though I'm going to have to make some room for them. They're taking up a lot of real estate.

—Edited from an interview  
by Nancy Macdonell

## FÊTE ACCOMPLI A GOOD-LOOKS GUIDE TO RECENT EVENTS



## GALLERY GIRLS AND BOYS

Tales of fashion, art and holiday travel at Barneys New York's cocktail party for London designer Osman Yousefzada

**COZIER BEDFELLOWS THAN** art and fashion might be hard to find. The two chummy worlds converged again last week at Salon 94, the townhouse-cum-gallery of art dealer and collector Jeanne Greenberg Rohatyn, where guests mingled among works by Marilyn Minter and Urs Fischer.

The party, co-hosted by Barneys New York CEO Daniella Vitale, marked the debut of Afghani-British designer Osman Yousefzada's 9-year-old label, called Osman, at the department store, as well as

the latest edition of his seasonal art-meets-fashion magazine, "The Collective."

Ms. Vitale wore one of Mr. Yousefzada's loose-sleeved silk dresses with a print that could pass for abstract expressionism. Among the women in his designs, model Alek Wek sported perhaps the prettiest, a tiered blush tulle frock. "I would have never thought of this color for me," she said, "but it's perfect with the weather."

The balmy temps and impending Easter weekend turned chatter to holiday get-

aways. Barneys fashion director Marina Larroudé, who grew up in Brazil, expressed a desire to reprise a trip to Rio de Janeiro: "Last year, I went with my kids in August." Her accommodation recommendation: the Copacabana Palace instead of the buzzy Hotel Fasano. "It's a classic," she said. Ms. Wek, meanwhile, raved about a recent trip to Eleuthera and Harbour Island. "It was magnificent," she said. "The sand was the exact color of this dress."

—Nick Remsen



# EATING & DRINKING

ON WINE LETTIE TEAGUE



## Can American Syrah Rise From the Grave?

**ONE OF THE MOST** famous vineyards in California is home to two grapes. One is incredibly popular and one is so unfashionable that some retailers joke they can't give it away. I'm talking about Pinot Noir and Syrah. The vineyard is Garys' Vineyard, named after two friends, Gary Franscioni and Gary Pisoni, who planted the 50 acres in the Santa Lucia Highlands region of California in 1997. They sell lots of Pinot Noir and a little Syrah to some of the best winemakers in the world.

When the two Garys planted their vineyard, California winemakers' hopes for both grapes were high. Pinot Noir was already a star and, as Mr. Franscioni recently related, they hoped Syrah could be another. In fact, quite a few producers were convinced that Syrah was the Next Big Grape. Never mind that the northern Rhône Valley of France, the home of Syrah, had long held steady at approximately 1,000 acres planted to the grape—with no indication the world wanted more.

And yet stateside Syrah-loving producers plowed ahead. They kept planting the grape until there were over 18,000 acres of Syrah in California and 5,000 acres in Washington State, where it's currently the third most-planted red grape.

"We were growing Syrah at a modest rate and then all of sudden the plantings went up," said Adam Lee of Siduri Wines in Santa Rosa, Calif., who makes four Syrahs under his Novy Family Wines label. He also noted that the Syrah acreage in California increased almost 10 times over the past couple of decades: from 2,084 acres in 1996 to 18,063 in 2015. Syrah holdings went up in Washington too, from around 3,000 acres in 2011 to 5,325 in 2016.

Syrah grows all over California:

Napa Valley, Sonoma, Carneros, Santa Barbara, Paso Robles, the Sierra Foothills and a few other places. It's important in Washington and grown in southern Oregon too.

The fact that Syrah is highly adaptable and easy to grow was a boon that turned into a flaw when



MATT MURPHY; F. MARTIN RAMM/THE WALL STREET JOURNAL (BOTTLES)

the supply of Syrah far exceeded the demand. Wine drinkers failed to fall in love with the grape in large numbers and the subsequent glut dampened prices. Cheap Syrahs churned out to make a quick buck dampened the grape's reputation as well. And yet there are terrific Syrahs produced today, though few wine drinkers seem to know or care. What made oenophiles turn away—and what might make them turn back? I put the question to some of the country's best Syrah producers.

Matt Reynvaan, winemaker and vineyard manager of Reynvaan Family Vineyards in Walla Walla, Wash., thought Syrah's biggest problem was its "two faces," meaning the grape can produce two kinds of wine. Syrah from warmer climates skews rich, full bodied and higher in alcohol while the cool-climate ver-

sion tends to be more restrained, with higher acidity. Those drinkers not well-versed in wine regions might not know what to expect.

Winemaker Justin Smith of Saxum Vineyards, who produces highly acclaimed Syrah-dominant blends in Paso Robles, Calif., wondered if Syrah had been dragged down by an association with cheap Aussie-import Shiraz. "Yellow Tail Shiraz might have given them a bad taste of Syrah," he said. (The two grapes are the same, though Shiraz is typically a bigger, more fruit-forward wine.) Mr. Franscioni said, jokingly, that California Syrah from warm climates like Paso Robles should be called Shiraz (which sounded a bit punitive to me).

He made this remark after a tour of his vineyard, which I visited in late March, when we sat down to

taste with his son Adam. Mr. Franscioni's elegant 2011 ROAR Rosella's Vineyard Syrah showed how well Syrah ages, though his current vintages were impressive too: the pow-

There are terrific Syrahs produced today, though few wine drinkers seem to know or care.

erful 2014 ROAR Rosella's Vineyard Syrah, the lush 2014 ROAR Garys' Vineyard Syrah (both \$42).

Later I joined Gary Pisoni's son Mark Pisoni, who manages the Pisoni family vineyards, for a tasting.

Mark's brother, Jeff Pisoni, is the family winemaker, and Jeff's wife, Bibiana González Rave, makes wine from Pisoni and Franscioni fruit under her own Cattleya Wines label. Ms. González Rave's stunning 2014 Cattleya Soberanes Syrah (\$70) was one of my very favorites, a truly gorgeous example of Syrah that would easily have passed for a wine from the northern Rhône.

Encouraged by the high-quality Syrah I'd tasted in Santa Lucia, when I returned home I sought Syrahs from other regions in California and Washington, priced between \$20 and \$75. (Most under-\$20 Syrahs aren't very good.) I looked for wines from cooler climates because they seem to be the most versatile and food-friendly, and often contain more modest levels of alcohol, too.

At the lower end of the price range, I was impressed by the well balanced 2014 Stolpman Vineyards Estate Grown Syrah Ballard Canyon (\$22). In the middle I found a rich and densely fruited 2014 Carlisle Santa Lucia Highlands Syrah Sierra Mar Vineyard (\$40) and a supple 2013 Gramercy Cellars Lagniappe Columbia Valley Syrah (\$48) that proved particularly versatile with food—unsurprisingly since that winery's proprietor, Greg Harrington, is a former sommelier. At the upper end, the 2014 Reynvaan In the Hills Walla Walla Syrah (\$75) showed power coupled with finesse.

Mr. Harrington said he believes Syrah is a more versatile food wine than Pinot Noir. "I make a statement in jest that Syrah is a grape for Pinot Noir lovers who have sophisticated palates," he told me. "Syrah is the progressive Pinot Noir."

So, how to convince skeptical wine drinkers? Mike Officer of Carlisle Winery & Vineyards had a waggish suggestion. Perhaps the solution is cinematic. "They need to come up with a movie about Syrah," he said, adding, in a nod to the Pinot-focused movie "Sideways": "They could call it 'Up and Down.' "

► Email Lettie at [wine@wsj.com](mailto:wine@wsj.com).

### OENOFILE // 5 AMERICAN SYRAHS THAT ARE RAISING THE GAME



#### 2014 ROAR Rosella's Vineyard Syrah Santa Lucia Highlands \$42

Pinot Noir, Chardonnay and a little Syrah grow in Rosella's Vineyard. This big, bold wine is marked by aromas of black fruit and pepper. Its youthful tannins will benefit from time in the bottle or decanting.



#### 2014 Carlisle Santa Lucia Highlands Syrah Sierra Mar Vineyard \$40

Sonoma County-based winemaker Mike Officer makes a range of wines from a variety of vineyards including Sierra Mar, the younger "sibling" vineyard of Rosella's. This is a powerful, lush but polished red.



#### 2014 Stolpman Vineyards Estate Grown Syrah Ballard Canyon \$22

A food-friendly wine from the Ballard Canyon appellation of Santa Barbara, this medium-bodied Syrah has a modest (14.1%) alcohol level. Well priced, well made entry-level Syrah.



#### 2014 Cattleya Soberanes Vineyard Santa Lucia Highlands Syrah \$70

Winemaker Bibiana González Rave turned out this exceptional red from a granite soil vineyard. It's an aromatically stunning, gorgeously textured wine truly reminiscent of a northern Rhône Syrah.

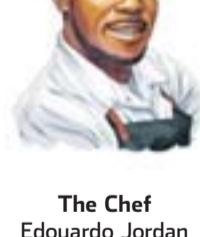


#### 2013 Gramercy Cellars Lagniappe Columbia Valley Syrah \$48

Former sommelier Greg Harrington makes stylish, food-friendly wines in Washington. This medium-bodied red with floral, spice and dark berry aromas drinks well now and will likely improve with time.

### SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

## Steamed Halibut With Mushrooms and Spinach



**The Chef**

Edouardo Jordan

**His Restaurant**

Salare, in Seattle,

Wash.

**What He Is Known For**

Big-hearted Italian cooking, classical French rigor and warm Southern hospitality

"IT'S OVERWHELMING," said chef Edouardo Jordan of the abundance of fish available to him in the Pacific Northwest. A particular favorite for its subtle flavor, halibut features frequently on the menu at Mr. Jordan's restaurant Salare, in Seattle. "Its fat content isn't heavy. You don't get that big, fishy note, like you do with salmon," he said.

Here the chef calls for steaming halibut fillets and serving them with seared morel mushrooms—another ingredient he finds plenty of in his region—as well as wilted spinach and a light buttermilk sauce.

"I'm steaming fish a lot right now," he said. "Guests can break it up and eat it along with the greens. It's gentle in that way." If you can't find morel mushrooms, use another variety, as long as they're fresh and meaty.

Mr. Jordan believes this sort of treatment, a remarkably simple recipe, best suits this "gentle" fish. Still, the sauce brings a welcome burst of bright flavor. "I like the tang," he said. Think of it as a clean, bracing taste of springtime in the Pacific Northwest.

—Kitty Greenwald

TOTAL TIME: 25 minutes SERVES: 4

- |                                      |  |                       |
|--------------------------------------|--|-----------------------|
| 4 (6-ounce) halibut fillets          | 1 pound spinach leaves                       | into bite-size pieces |
| Kosher salt                          | 4 tablespoons salted butter                  | 10 sprigs fresh thyme |
| 6 tablespoons extra-virgin olive oil | 1 small shallot, minced                      | 1 lemon, halved       |
| 2 cloves garlic, thinly sliced       | ½ pound morel or other spring mushrooms, cut | 1½ cups buttermilk    |
1. Season fillets with salt, then place in a lightly oiled steamer basket, making sure not to overcrowd. (If necessary, steam fish in batches.) Add 2 inches of salted water to the bottom of a large pot and bring to a simmer over medium heat. Set basket into pot and steam until fish is opaque and flaky, about 8 minutes.
2. Set a sauté pan over medium-high heat and swirl in 2 tablespoons olive oil. Add garlic and cook until just beginning to color, about 1 minute. Stir in spinach and sauté until just wilted, 1-2 minutes. Season with salt. Transfer spinach to a paper towel-lined plate. Wipe pan clean.
3. Return pan to stove over medium heat and swirl in butter. Once butter begins to

brown, add shallots and season with a pinch of salt. Cook shallots until translucent, about 3 minutes. Add mushrooms and thyme. Cook until mushrooms are tender and edges are lightly browned, about 4 minutes. Season with salt to taste and a squeeze of lemon juice. Remove thyme sprigs and discard.

4. Meanwhile, add buttermilk and remaining oil to a small pot over medium heat and whisk to combine. Cook, whisking, until sauce just warms through, about 1 minute. Season with salt to taste.

5. To serve, distribute spinach and mushrooms among 4 plates. Nestle steamed fish fillets over spinach and spoon buttermilk sauce over top. Serve immediately.



**MORELS AND MORE** Mushrooms sautéed in butter bring a rich, meaty element to this light dish of steamed fish.

## EATING & DRINKING

SUNDAY LUNCH

# No Parsley Sprig Left Behind

When chef Katie Button gathers a crowd around her table, it's a proper feast and not a scrap goes to waste

BY ELIZABETH G. DUNN

**C**ALL IT "company's coming effect": the bloating of the grocery bill that seems always to accompany hosting endeavors. Why not turn a Sunday lunch into a clean-out-the-fridge occasion instead?

That's Katie Button's strategy. The chef-owner of Curré in Asheville, N.C., became committed to reducing food waste after opening a second restaurant in town, Nightbell, which focuses on the food of Appalachia. "A big part of the culture of Appalachia is trying to save everything," she said. "So we started looking at the whey leftover from making ricotta, or the ends of bread going in the garbage, and coming up with new dishes."

Unwanted cauliflower stems become a velvety soup at Nightbell; at Curré, garlic ends, onion tops and tomato skins are roasted and reduced down to a stock for vegetable paella. Any scraps that can't be used are set aside for compost.

In her own home kitchen, Ms. Button relies heavily on her freezer. She keeps a stack of plastic containers in cup, pint and quart sizes along with painter's tape and a Sharpie on hand to portion, clearly label and freeze anything perishable that she thinks her family won't consume within a week. If she opens a container of chicken stock or tomato sauce, she immediately portions and freezes the leftovers.

For milk nearing the end of its shelf life, Ms. Button uses lemon juice or vinegar to separate the curds into ricotta for pastas or grain salads; the tangy liquid whey left over has plenty of uses, too. "You can use it to cook grits or rice, like a stock," she said. "You can also reduce it down into a really flavorful sauce for vegetables."

Like the rest of us, Ms. Button often finds herself buying whole bunches of cilantro, parsley or basil for the use of just a few leaves. She adds oil, nuts, lemon juice and garlic to whatever is left and blends them into pesto. Then she freezes individual portions in an ice cube tray.

This Sunday lunch menu centers on foods that might otherwise have ended up in the garbage. For the centerpiece of the meal Ms. Button chose salmon collars, which fishmongers habitually trash after breaking the fish down into fillets. But there is great, flavorful meat nestled along the collarbone, and it can be oven-roasted, grilled or broiled and then eaten—for a fraction of the cost of a fillet.

With the salmon Ms. Button serves a salad of farro tossed with parsley-stem pesto and fresh ricotta. Leftover whey becomes a sauce for broccoli rabe. And that broccoli rabe needn't be perky and pristine. Wilted vegetables sauté just fine as long as you reduce the cooking time. "I've cooked carrots that are practically folded over," said Ms. Button. "The flavor is still there."



### Salmon Collars Provençal

Salmon collars usually have around 4 ounces of meat inside, so plan on at least 1 collar per person—alongside hearty portions of grain and greens.

**TOTAL TIME:** 30 minutes

**SERVES:** 4-6

**3/4 cup store-bought olive tapenade  
Zest of 1 lemon, plus 1/2 tablespoons lemon juice  
3 cloves garlic, minced  
6 salmon collars (about 4 pounds total)  
2 tablespoons olive oil  
Kosher salt and freshly ground black pepper**

**1.** Set broiler to high. Combine tapenade, lemon zest and juice, and garlic, and set aside.  
**2.** Coat fish collars with a small amount of oil and salt and pepper. Place collars skin-side up on a sheet pan and broil 5 minutes. Remove from oven, flip skin-side down and slather flesh with tapenade. Return to broiler and cook until flaky, 5-7 minutes more.

### Farro With Pesto and Fresh Ricotta

**TOTAL TIME:** 20 minutes **SERVES:** 6

**2 cups quick-cooking farro  
Kosher salt  
2 tablespoons olive oil  
4 teaspoons fresh lemon juice  
2 small shallots, thinly sliced  
1/2 cup parsley pesto (see recipe below)  
1 tablespoon roughly chopped parsley leaves  
1 cup fresh ricotta (see recipe below)  
2 tablespoons roasted salted sunflower seeds**

**1.** In a large lidded pot over medium-high heat, combine 6 cups water, farro and salt, and bring to a boil, 2-3 minutes. Cover and reduce heat to a simmer. Simmer until tender, 6-8 minutes, then drain. (If using

### BIG GANG

**THEORY** The chef prepares her farro salad with pesto and fresh ricotta.

Above: Ms. Button lunches with family

and friends in Asheville, N.C.



conventional farro, cook according to package instructions.)

**2.** Combine farro, olive oil, lemon juice, shallots, pesto and parsley, and toss to combine. Season with salt to taste. Place in a serving bowl, crumble ricotta over top and garnish with sunflower seeds.

### Parsley Pesto

**TOTAL TIME:** 5 minutes

**MAKES:** 1 1/2 cups

**1/4 cup salted roasted sunflower seeds  
2 cloves garlic  
Zest of 2 lemons  
3/4 cup extra-virgin olive oil  
1/2 teaspoon Kosher salt  
2 tablespoons fresh lemon juice**

### 1 bunch flat-leaf parsley (stems and leaves)

**1.** Combine all ingredients in a blender or food processor and pulse until smooth, 30-45 seconds.

### Ricotta

*This is a great way to use up milk getting close to its expiration date.*

*You can scale the recipe up as much as necessary. Freeze any extra whey in 2-2 1/2 cup portions so you can make whey sauce for vegetables in the future.*

**TOTAL TIME:** 1 hour **MAKES:** 1 cup

**4 cups whole milk  
1/4 teaspoon table salt  
2 tablespoons white wine vinegar**

### 2 Broccoli Rabe With Whey Sauce

**TOTAL TIME:** 45 minutes **SERVES:** 6

**6 tablespoons canola oil  
1 1/2 pounds broccoli rabe  
Kosher salt and freshly ground black pepper  
About 2 1/2 cups whey  
4 cloves garlic, thinly sliced  
1/4 teaspoon ground fenugreek  
2 tablespoons unsalted butter**

**1.** Bring a large pot of salted water to a boil. Blanch 1 minute then rinse in cold water.

**2.** Set a large skillet over medium-high heat. Add 4 tablespoons oil and heat until shimmering. Add broccoli rabe and 1/2 teaspoon salt let brown, stirring occasionally, 8-10 minutes. Transfer to a platter and cover.

**3.** Add remaining oil to pan and heat until shimmering. Add garlic and cook until fragrant, 2-3 minutes. Add whey and increase heat to high. Bring to a boil and whisk in fenugreek. Continue boiling uncovered, until sauce thickens and reduces to around 1/2 cup, 10-15 minutes.

**4.** Return greens to pan and stir in butter. Add salt as needed and a few grinds of black pepper.

## HALF FULL

### THE NEGRONI VARIATIONS

These riffs take the classic gin-Campari-vermouth combo into new territory without losing sight of what makes the drink great

**COCKTAILS DON'T GET** much simpler than the Negroni, an equal-parts mix of gin, Campari and sweet vermouth. Now bartenders are complicating matters slightly, pushing past the classic recipe to new concoctions.

The versatile template of the original—and a hefty marketing push by Campari—has revived the drink's popularity in recent years. The new wave of variations also owes a debt to the explosion of new amaro and aperitif spirits now available in the U.S.

At Manhattan's Dante, a large glass cabinet showcases bottles of rosy "red bitters," Campari competitors such as Italy's Contratto, Meletti 1870 and Cappelletti, as well as American-made variations such as Bruto Americano from California's St. George Spirits. "There are so many aperitif spirits now," said Naren Young, Dante's beverage director, who built an entire subsection of his menu around the Negroni and its many vari-

ations. His "Unlikely Negroni" contains two of the three original ingredients, but also tequila, banana and pineapple vinegar.

The Coffee Negroni, a subgenre unto itself, features on drink menus across the country. "Cold brew [coffee] complements Campari's bitter notes," said Edd Siu, owner/manager of Vespr Coffeebar in Orlando, Fla., where cold brew replaces the gin for a low-alcohol eye-opener.

Some bartenders switch up the drink's texture—blending with ice, say, for a frozen variation, or carbonating the drink with a soda siphon, or adding a pour of sparkling wine.

Is there a point at which the drink ceases to be a Negroni? "It still has to look and feel and taste like a Negroni," said Mr. Young. "If you veer too far off that course, you really should call it something else." At right, three riffs that rightly bear the name. —Kara Newman



#### 1 Negroni Frappe

*In place of Campari, this drink features Meletti bitter, which has a more subtle fruit-and-floral flavor profile. Orange juice and crushed ice give a tropical-drink look and feel.*

**Combine 3/4 ounce Jupiñero gin, 3/4 ounce**

Garnish with **grated orange zest.**

—Adapted from Dante, New York

#### 2 Cold Brew Coffee Negroni

*There's no gin in this drink; instead, cold-brew coffee adds a bittersweet touch while dialing down the alco-*

*hol levels.*

**Combine 1 1/2 ounces cold-brew concentrate, 1 ounce Campari and 1 ounce sweet vermouth. Top with Pafifico beer and garnish with a strip of orange peel.**

—Adapted from Empellon Al Pastor, New York

F. MARTIN RAMIREZ/THE WALL STREET JOURNAL

**3 The Negronifico**

*Sure, you could drink a mini Negroni with a beer back. But this version from Empellon Al Pastor in Manhattan combines both in a fizzy drink that nods in the direction of the Michelada, another easy-drinking beer cocktail.*

*Fill a beer glass two-thirds of the way with ice. Pour in 1/2 ounce Broker's London Dry Gin, 1/2 ounce Campari and 1/2 ounce Cinzano Rosso sweet ver-*

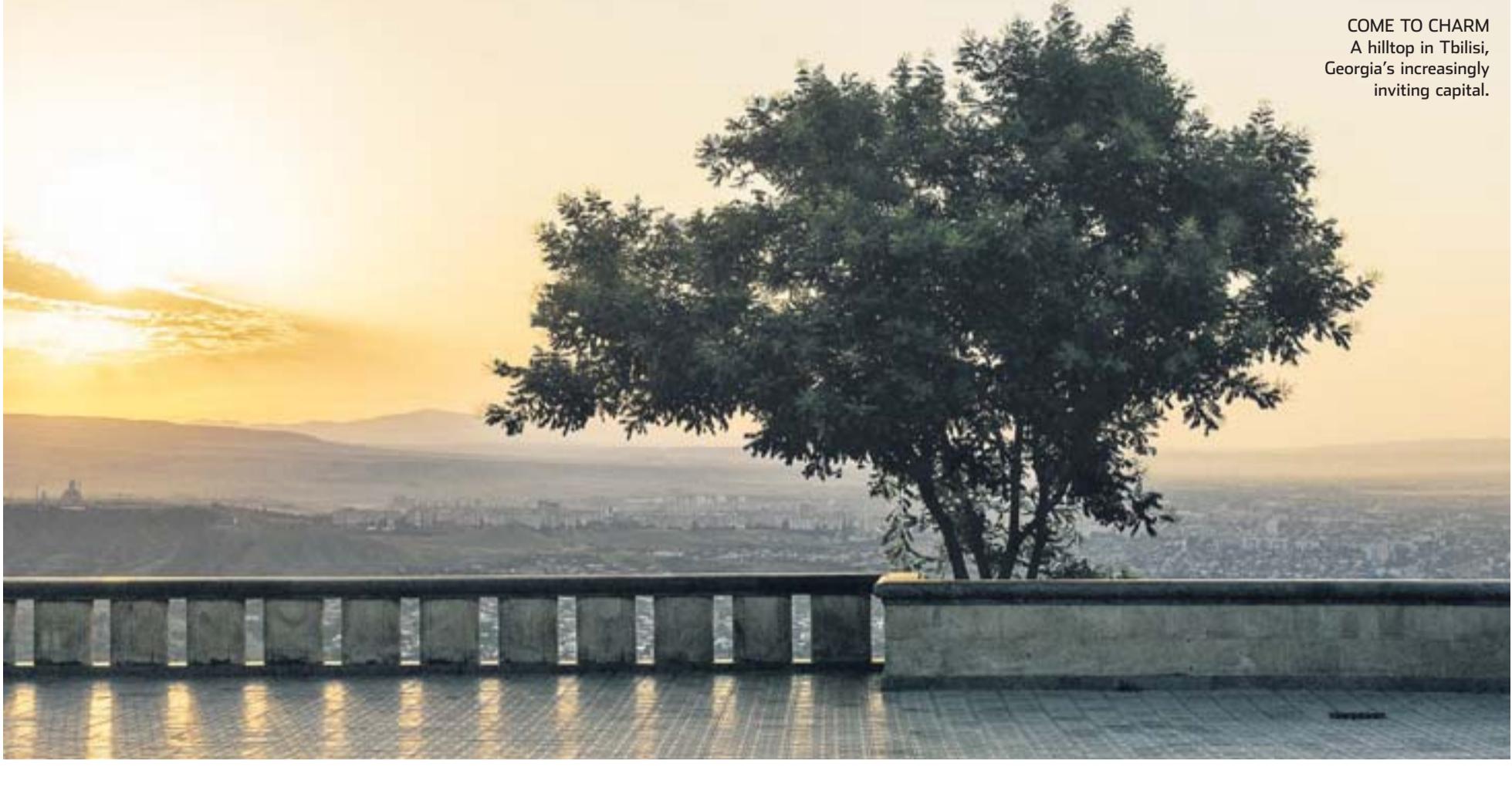
*mouth. Strain into a rocks glass over fresh ice cubes. Twist a strip of orange peel over the cocktail to express the*

*peel to garnish.*

—Adapted from Vespr Coffeebar, Orlando, Fla.

# ADVENTURE & TRAVEL

COME TO CHARM  
A hilltop in Tbilisi,  
Georgia's increasingly  
inviting capital.



ROBBIE LAWRENCE FOR THE WALL STREET JOURNAL; MAP BY JASON LEE

## A Post-Soviet Revolution

Once, few travelers visited the chaotic Georgian capital, Tbilisi. Now, newly polished, it's shaping up to be the life of the party

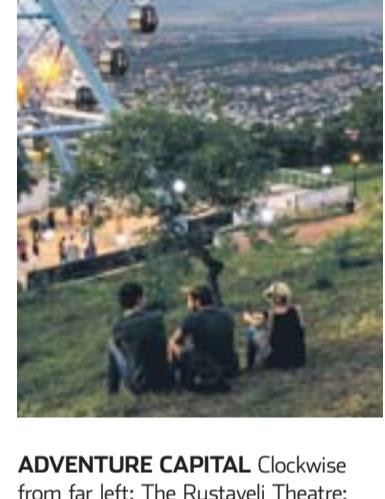
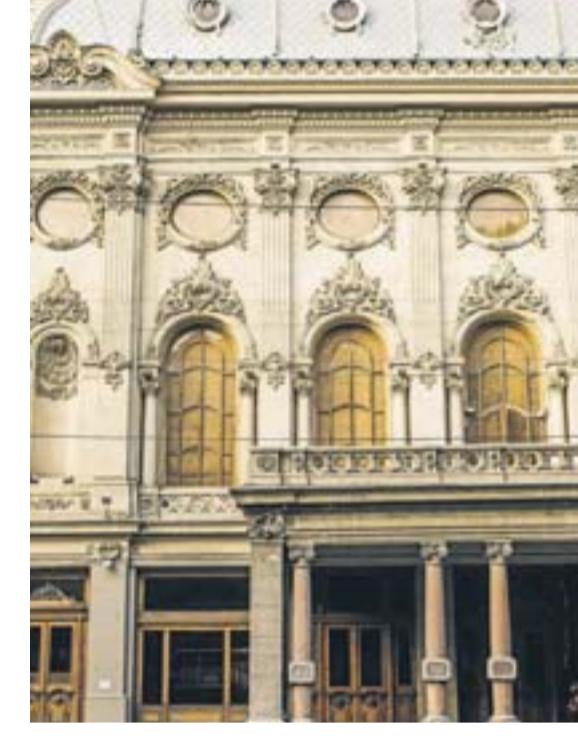
BY TARA ISABELLA BURTON

**B**Y 10 P.M. at Ezo, a restaurant set in a garden between flaking art nouveau facades, confetti strewed the grass. The wooden tables were soaked with remnants of beer, Turkish coffee and wine. Toddlers dodged table legs, while a teenager with blue hair and multiple piercings kissed another in a leopard-skin coat. In Tbilisi, the capital of the former Soviet republic of Georgia, parties like this one—celebrating Ezo's first anniversary—appear to be a regular occurrence these days. Every member of the city's urban bohemia seemed in attendance. An Armenian journalist I'd worked with a few years back suggested a drink somewhere quieter; I agreed. The only trick was to figure out which of the places we remembered still existed.

In 2010, when I first moved to Tbilisi, a city of about 1.2 million people, it had few cafes like Ezo. Other than a string of seedy cheap-beer dives frequented by backpackers, the city's most popular bars were characterized by a slightly dilapidated, Russian-businessman glitz. I rented my two-bedroom apartment, with a terrace and views of the 4th-century Narikala fortress, for \$400 a month. To reach the traffic-clogged main square in the Old Town or the main bazaar across the moss-green Mtkvari River, I had to dodge feral cats, turning through alleys thick with sawdust, tripping over loose cobblestones.

I bought my bread—dough thrown against the walls of the stone ovens—from an unmarked bakery underneath the 19th-century brick seminary. I gathered up my pomegranates and figs from the small markets in subterranean underpasses, where fruit-sellers and purveyors of used clothes hawked their wares to the sound of traffic horns overhead. I fell in love with the city's strangeness, even if I cringed at the chaos. How could one of then-President Mikheil Saakashvili's skyscraper projects shoot up seemingly overnight, while the renovations on Rustaveli Avenue's Moorish-style Opera House remained "very nearly completed" for almost half a decade?

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After several years away, at graduate school in Oxford, I returned to visit a few months ago to find the Tbilisi I knew a different city. My local teahouse is now a Georgian wine shop, catering to the tour groups that mill around the rose-perimetered Aliyev Park. The Meidan, the main square—newly paved and painted in pastels—looks, at first glance, implausibly tidy. Today's Tbilisi appears less raucous, less anarchic than the city I first fell for, but it has a relentless, youthful energy that feels no less thrilling.

The best cafes—like Ezo, like Le Toit, off Kote Abkhazi street—are either unmarked or on the upper floors of art nouveau apartment buildings, filled with Victorian-vin-

tage clutter (scattered gramophones, teapots). These aren't the gaudy, Plasticine "VIP bars" that lined Chardin Street in 2010, catering to businessmen of dubious provenance. They feel makeshift, just barely cobbled-together—and new. Nightclubs such as Bassiani, in the basement of the Dinamo football stadium offer exhilarating late-night dance spaces in converted swimming pools and repurposed Soviet seafood restaurants. The old amusement park on the hill of the

Mtatsminda district now hosts open-air parties.

At Fabrika, a Soviet factory turned hipster hotel-slash-gallery space nestled on a back street, splendidly colorful graffiti lines the walls. Down the road, the new restaurant Barbarestan—fully booked even at four in the afternoon—serves classic Georgian dishes lifted from the recipe-book of 19th-century Duchess Barbara Jorjadze.

Underneath my old apartment's windows sit 18th-century bathhouses, and beside them, several new restaurants overlook a recently excavated canal. Last year, Khasheria, the latest offering from Tekuna Gachechiladze (one of the country's best-known chefs) opened up, turning out contemporary, delicately spiced takes on traditional Georgian comfort food. The signature dish: khasha, or beef tripe soup, that Georgians swear by as a hangover remedy (here, it's served in a piquant broth warmed with a garlic-and-chili *ajika* sauce). Communal tables line the walls; the décor exudes a minimal post-industrialist-chic, more artful than Soviet.

Still, some quintessentially Georgian eccentricities remain: When I plugged in my laptop at Khasheria, the entire outlet fell out of the wall, live music and folk dancing. Head to the edge of town to the gardens and gazebos of Phaetoni for sour-plum-sized *shashlik* (tiny shish kebab) and a coriander-topped bean stew, plus boisterous entertainment (*Akaki Belashvili St.*). For a taste of modern Georgian fare, head to Tekuna Gachechiladze's Khasheria (23 Abano St.) or her older Café Littera, on the grounds of the art nouveau former Soviet Writers' House, where the seasonal menu includes inventive takes on Georgian classics, like trout tartare served with spicy *ajika* or creamy, walnut-puréed eggplant salad (*T3 Ivane Machabeli St.*). Ezo, a typically raucous garden restaurant, focuses on locally sourced, sustainable regional food (*T6 G. Kikodze St.*).

revealing a tangle of bare wires. The waiter shrugged, plugged it back in, and shoved the mass of exposed metal back into the wall. It worked.

On my last day in Tbilisi, I walked along the Dry Bridge: the overflowing weekend flea market where the same vendors I recognize from 2010 sell Soviet pins and Russian silver, icons and enamel, daggers and fur hats, and an array of ram horns (hollowed out and used for downing wine in a single gulp). Back then, the flea-market aesthetic was firmly outdated, targeting stray tourists or old women scrambling for deals. But today, impossibly fashionable Georgians in their 20s—wearing silk capes and ankle boots—were trying on enameled pendants, vying with backpackers for bargains.

I crossed the street to Saarbrücken Square at the eastern terminus of Agmashenebeli Avenue, the main boulevard of the city's right bank. Last time I was there, the street was a crowded mess of splintered, balconied buildings, honking Ladas and gaudy wedding-dress shops. Now, it's pedestrianized, and the newly smooth cobblestones were bordered with baskets of yellow flowers and historic photographs, and advertisements for Georgian brandy and wine. Women in traditional dress sold croissants and khachapuri—the ubiquitous Georgian cheese bread—side by side on long tables. The ruins of a church held a photography exhibition. A festival with panduri-strumming musicians was well under way. The gargoyles and the corbeille angels on the art nouveau buildings had been restored: Perfectly chiseled stone reliefs now hung over facades painted cerulean and magenta.

"The party is for the new street," one of the khachapuri-sellers told me. The renovations on Agmashenebeli had just finished that day. Everybody was celebrating. It looked nothing like the city I knew from seven years ago. I loved it anyway. Jazz music blared in the square, then Edith Piaf; people hummed along. I hummed, too, walking on.

### THE LOWDOWN // JOINING THE FESTIVITIES IN TBILISI, GEORGIA

**STAYING THERE** The Rooms Hotel, located in a converted publishing house in the leafy Vera district, is the city's trendiest hotel. Tbilisi's better-heeled bohemians hold court in its library-themed lobby (from \$140 a night, [roomshotels.com](http://roomshotels.com)). You can find more traditional—and cheaper—options among the city's family homestays (more involved versions of the bed-and-breakfast experience) such as Tina's on Sulkhan-Saba Street, just off Freedom Square (from about \$17 per person per night, [tbilishihomestay.com](http://tbilishihomestay.com)).



**EATING AND DRINKING THERE** The best traditional Georgian restaurants offer elaborate multicourse affairs, with

live music and folk dancing. Head to the edge of town to the gardens and gazebos of Phaetoni for sour-plum-sized *shashlik* (tiny shish kebab) and a coriander-topped bean stew, plus boisterous entertainment (*Akaki Belashvili St.*). For a taste of modern Georgian fare, head to Tekuna Gachechiladze's Khasheria (23 Abano St.) or her older Café Littera, on the grounds of the art nouveau former Soviet Writers' House, where the seasonal menu includes inventive takes on Georgian classics, like trout tartare served with spicy *ajika* or creamy, walnut-puréed eggplant salad (*T3 Ivane Machabeli St.*). Ezo, a typically raucous garden restaurant, focuses on locally sourced, sustainable regional food (*T6 G. Kikodze St.*).

Sticky, walnut-puréed eggplant salad (*T3 Ivane Machabeli St.*). Ezo, a typically raucous garden restaurant, focuses on locally sourced, sustainable regional food (*T6 G. Kikodze St.*).

## ADVENTURE & TRAVEL

TRAVELER'S TALE WRITER DAVID SAX ON THE UPSIDE OF THE NEW IN-FLIGHT ELECTRONICS BAN



# Reclaiming Sanctuary at 28,000 Feet

I DON'T WANT to write this.

Not here. Not now.

Here is in seat 2K, a business-class spot, wide and supportive, the sort I rarely get to enjoy. It's by the window, looking down on Lake Erie's greenish-blue calm 28,000 feet below, as this Air Canada Boeing 767 plies its leisurely path from Toronto (where I live) to Orlando (where I'm speaking at a conference). Now is during this flight, one of those defined chunks of travel time that are increasingly occupied by work, even though I'd rather be doing anything else. I am up in the air with three hours to myself, and I'm still clacking away on this laptop keyboard like I'm glued to my desk.

Until last month, when the Department of Homeland Security issued its ban on laptops and tablets (among other large electronic devices), which affects U.S.-bound flights from 10 airports in the Middle East and Africa, I hadn't thought much about how often I work midair. The rationale for the ban is security; its goal: preventing explosive devices disguised in batteries from making it into the sky. The ban hasn't affected me yet (I mostly fly within North America), but in a way I perversely wish it had.

Until recently an airplane journey was a unique experience, not for the technological marvel of flying but for the limited freedom that time in the air affords. A flight is like few other times in the human experience: a voluntary confinement we pay for, with less



baby) can't reach? Then, in the last year, the internet intruded on my Air Canada flights, offering to keep me connected to all that's below for just \$10.99 a flight. So now I can email editors, send pitches and waste the same hours up here as I do on Earth, scrolling endlessly through social media, wiling away my hours with clicks.

Without my even realizing it, the airplane, that magical vessel, had become a cramped co-working space in the sky. The seat-belt sign turns off, and out come the laptops. We write, we surf, we do whatever people do in Excel and PowerPoint. We don't read books. We don't flip through the articles in the in-flight magazines that I once lovingly composed. We don't stare out the window at the beauty below. And we sure as hell don't turn our heads 4 inches to the right and speak to the human sitting next to us. How could we, when he's clearly working on a very important looking spreadsheet.

Maybe it's time to embrace our own little laptop ban, at least for part of each flight. In her new book "The Weekend Effect," Katrina Onstad writes about the inability of Americans to separate work time from leisure time. Always reachable, always connected, we feel an obligation to put in "productive hours" whenever we're awake. Tethered to our devices, we maintain a steady pace of work, even though it saps our energy, harms our health and ultimately does nothing for that blessed productivity. What we really need, she argues (with the studies to back

it up) is time away. Time to think. To read. To watch movies. Or even to stare out the window at what must be some part of rural Pennsylvania, and let your thoughts drift off, like that puffy cloud below me, in no hurry to be anywhere in particular.

The airplane, that magical vessel, is now a cramped co-working space in the sky.

Now with two young children at home, I'm doing by best to reclaim the airplane as my own Zen shrine amid the mountains where I can be truly alone, and unreachable. Flights are my oak-paneled library, where a precisely aimed spotlight allows me to tear through the books I can barely crack back home. Seven hundred pages of Karl Ove Knausgaard griping about his father? Just give me three southbound legs, with a stopover in Atlanta. Four hundred and fifty pages of dense urban theory by Jane Jacobs? How about Toronto to Seattle to San Francisco, and back. I finally saw "La La Land" on the four-hour flight to British Columbia last weekend. Power down any personal electronic devices? With pleasure.

David Sax is the author, most recently, of "The Revenge of Analog: Real Things and Why They Matter" (Perseus Books).

space than a prison cell and a smaller toilet. Sealed in a pressurized cabin for an hour or more, we're forced to make the most of our surroundings.

Boarding a plane requires embracing a certain boredom. Stuck in our seats, we are at the mercy of our imagination's limitations. Many of us crave stimulation, even be-

fore the plane starts to taxi. I used to embrace this boredom with glee. I remember the first flight I took after my first child was born. It was a 75-minute hop to New York, but after three sleepless months of living with a colicky baby, I sank into that tiny economy seat and passed out before the engines even warmed up.

Gradually, the world of the ground started encroaching on this airborne sanctuary. First came the laptop, and the ability to use my flying time for more productive work. What better place to write an article or edit a chapter of a book than in the sky, where the temptations of email, Facebook and the rest of online (let alone the screaming



### SITES & SIGHTINGS

## BIRDS-EYE VIEWS, NO WINGS NEEDED

Treetop walkways, once crude structures in far-flung jungles, are branching out

TRAVELING BETWEEN the treetops used to be exclusive to birds, Tarzan and flying squirrels. But canopy-walk attractions give those of us without the benefit of feathers, a loin-cloth or a bushy tail an opportunity to experience and learn about life at the top.

—Matthew Kronsberg

### NEST QUEST

#### Tupper Lake, N.Y.

At Wild Walk, opened in 2015 at the Wild Center science museum in New York's Adirondack Mountains, you can stroll about a quarter mile of paths rising to 30 feet above the forest floor between installations that give you a taste of the high life in the surrounding white pines. Lounge in an enormous "spider web," made of ropes and mesh 24 feet above the ground, or climb into a replica of a giant eagle's nest made of branches and twigs, just like the real thing. \$17 adults, \$10 children 5-17 (opens May 5), [wildcenter.org](http://wildcenter.org)

### HIGH ROLLER

#### Bad Wildbad, Germany

Visitors to this spa town in Germany's Black Forest may notice what appears to be a steel and wood tornado rising above trees on the Sommerberg mountainside. That's the 130-foot-high tower at the end of the ¾-mile-long Baumwipfelpfad Schwarzwald treetop walkway, on a clear day, all the way to the Swiss Alps. Interactive exhibits along the 65-foot-high path to the tower explain the forest ecosystem while the sure-footed can take detours over tightropes and balance beams with only a netted floor below. For an extra two euros, kids and adults alike can take the express route to the tower's bottom, zipping back down to ground level on a 180-foot-long corkscrew slide—surely an irresistible option, even for Tarzan. \$10 adults, \$8 children 6-14, [baumwipfelpfad-schwarzwald.de](http://baumwipfelpfad-schwarzwald.de)



### ERIE AERIE

#### Willoughby, Ohio

At the 3,600-acre Holden Arboretum, a 40-minute drive from downtown Cleveland, the two-year-old Murch Canopy Walk extends some 500 feet, weaving through beech-maple forest, with some stretches as high as 65 feet above the ground. If that's not high enough, at the end of the walkway you can climb a 120-foot-high tower with views all the way to Lake Erie. \$14 adults, \$6 children 6-18, [holdenarb.org](http://holdenarb.org)

# DOYLE

## IMPORTANT JEWELRY

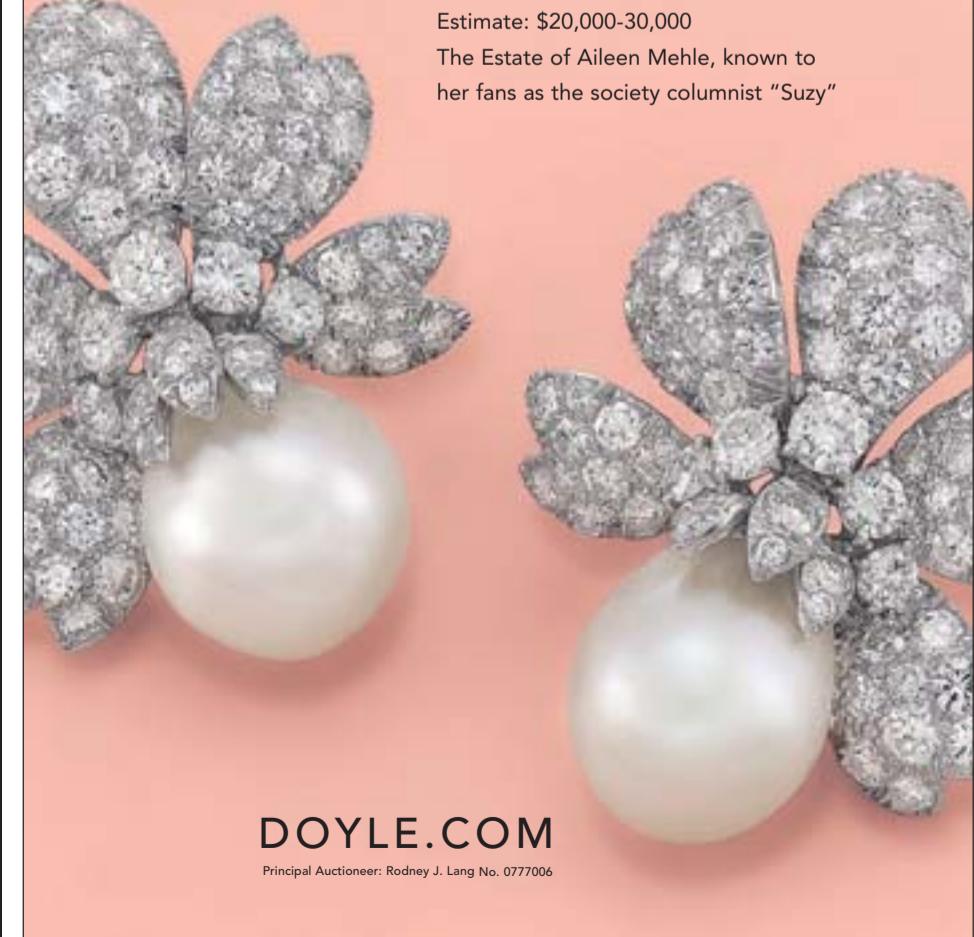
AUCTION Thursday, April 27 at 10am

EXHIBITION Saturday, April 22, 10am – 5pm  
Sunday, April 23, 12pm – 5pm  
Monday, April 24, 10am – 5pm  
Tuesday, April 25, 10am – 2pm

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[Jewelry@doyle.com](mailto:Jewelry@doyle.com)  
212-427-4141 ext 221  
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Lot 368, David Webb, Platinum, Semi-Baroque South Sea Cultured Pearl and Diamond Flower Earclips Estimate: \$20,000-30,000

The Estate of Aileen Mehle, known to her fans as the society columnist "Suzy"



DOYLE.COM

Principal Auctioneer: Rodney J. Lang No. 0777006

## GEAR & GADGETS

# HIGH FLYING ON THE HIGH SEAS

Continued from page D1

ing to appeal even to the gin-and-tonic set.

For years, sailors have essentially been divided into two camps. In one: the casual boaters who just want to catch enough wind to enjoy a peaceful afternoon on the water. In the other: racers chasing down the newest speed-boosting technologies. Recently, the bleeding edge on the latter front has been the foil—a daggerboard, made of carbon-fiber or aluminum, that lifts the hull out of the water so the boat can go faster with far less power. (The approach works because pushing a hull through the water rather than over it creates drag; worse, resistance increases with speed.)

But those two camps are quickly converging as foil designs get safer and everyday sailors clamor for the high-octane experience they see in the America's Cup race, where the lightning-fast boats are all foilers.

'I can tell you this—it's not just kicking your feet up and sipping wine.'

"This is the future, and it's going to become more and more mainstream," said Jimmy Spithill, the America's Cup-winning skipper of Oracle Team USA. "There is a trickle-down effect in this sport," Mr. Spithill said, referring to small, lower-priced boats that are being outfitted with foils adapted from the multimillion-dollar vessels Mr. Spithill commandeers. Sure, higher speed means higher risk of capsizing and crashing. That said, "you can set the boat up more conservatively"—adjusting the foils to make the boat easier to handle, he explained. "Once you get the hang of it, it's just like riding a bike."

Instead of the speed-optimized J- and L-shaped foils found on most America's Cup boats, the foils on smaller craft have slower but steadier designs. France-based Phantom International, for example, employed four foils, two of them Z-shaped, on a new catamaran aimed at lay sailors because the setup provides increased stability. Some boats have foils that can automatically maintain a less harrowing pitch.

Another major benefit of foiling is that it relies less on the whims of nature. "You can have a lot of fun in very little wind," said Thijs van Riemsdijk of DNA Performance Sailing, whose foiling catamarans range from 18 to 46 feet in length. A beginner can rig and launch the company's F1 A-Class catamaran, an 18-footer, from a beach in 20 minutes, and it can reach speeds of nearly 30 knots in a 15-knot wind. Starting price: \$30,000. "In one to two hours you are exhausted and you've had your fun and gotten your adrenaline rush," said Mr. van Riemsdijk.

DNA Performance Sailing also built the F4 catamaran, a high-tech foiler that Mr. Spithill skippered through 20-foot swells from New



**SWELL TIME**  
Sailors aboard the 46-foot DNA F4 catamaran on a voyage from New York to Bermuda last November.

### RAISED EXPECTATIONS // BREAKING DOWN HOW THE PHANTOM ESSENTIEL FOILING CATAMARAN TAKES FLIGHT



At rest, the Essential's hull and foils remain submerged. Two mid-hull foils prevent sideways drifting, while two rear foils maintain the pitch.



At about 6 knots, the wind provides enough speed for the foils to begin lifting the hulls out of the water.



With the boat at full speed, the foils support the vessel's weight. The angle of the mid-hull foils help keep the catamaran stable in high winds.

way up the chain. For the 2013 competition, all of the America's Cup boats needed to use foils, and teams snatched up the 11-foot Mach 2, a \$25,000 high-performance moth, so crew members could get a crash course in foiling. (Last summer, the Mach 2's creator, Andrew McDougall, released the Waszp, a \$13,000 version for the everyday sailor.)

Alex Udin, the founder of France's Phantom International, followed Mr. McDougall's lead. In 2014, Phantom had launched the Elite, a \$42,500, 18-foot racing boat that can easily go twice as fast as the wind speed but requires sailors to hang from a trapeze off the side—a position that will appeal only to extreme thrill-seekers. At last December's Paris Boat Show, Phantom unveiled the Essential (\$23,500), which allows sailors to sit on wings made of aluminum and carbon that extend off the sides of the hulls. Not only does this make for a much safer ride, it also lets you control the boat more easily.

In Mr. Udin's ideal world, the Essential will become what the early Hobie Cats were in the 1970s, fun, accessible toys that introduced a new generation to the sport. "You can sail it with two people or even alone in a light wind," Mr. Udin said. "Or you can even bring a third guy, as long as he's not too heavy."

York to Bermuda last fall. It cost millions to design and build and is the basis for DNA's recently released G4, a 40-footer intended for weekend cruising that can be had for \$1 million. The G4's small cabin has a mini kitchen plus room to sleep six.

Engineers and boat designers have been fiddling seriously with foils on sailboats for 40 years. In the late 1980s and early 1990s, Dan Ketterman, an engineer with the California-based Hobie Cat Co., and his brother, Greg, designed and built Hobie's three-hulled Trifoiler,

one of the first commercially available foilers. (The design was Greg's college thesis.) The Kettermans thought they had launched the next great trend in adventure water sports.

But the boat was expensive for its time (\$13,000), wasn't dock-friendly and needed to be launched in waist-deep water. It also required about 12 knots of wind to go 20, when a typical Hobie-made catamaran was easier to handle and plenty fast. The brothers never sold more than 15 a month. With little demand, produc-

tion soon ceased.

The real breakthroughs came in the early 2000s, when Australian sailors competing in the dinghy class started hacking early foil designs. These vessels, also known as moths, were ripe for experimentation, because competition guidelines place few restrictions on the boat's construction. After Aussie Rohan Veal used a foil to obliterate his opponents at the 2005 Moth World Championship, foils quickly became standard.

Then the technology worked its

### IF YOU COULD WALK ON WATER // FOUR FAST FOILERS, RANGING FROM THE EASY-TO-SKIPPER TO THE STUFF OF NAUTICAL DREAMS

#### Flying Phantom Essentiel

Unlike the three-foiled racing version of this catamaran, the Phantom Essentiel has four foils, which makes it more stable and allows it to rise out of the water in just five knots of wind (which is practically no breeze at all). Daggerboards that are easily inserted and removed from above the hulls allow the boat to be conveniently stowed on a beach. An alloy mast and a fiberglass hull reinforced with carbon contribute to the lower price.

\$23,500, [phantom-international.com](http://phantom-international.com)



#### Oracle America's Cup

The ultimate sailing machine: 50 feet long, requiring a crew of five (plus a captain), and capable of reaching speeds of around 46 knots, which would feel dangerous in boats with a motor attached at the stern. The main sail, which stretches as high as a seven-story building, functions more like the fixed wing of an aircraft than a traditional sail on a sailboat. Helmets very much required. Price of entry: starting your own America's Cup team.

[oracle-team-usa.americascup.com](http://oracle-team-usa.americascup.com)

#### DNA Performance Sailing G4 Catamaran

The recently released G4, a 40-footer intended for weekend jaunts, is the lay sailor's version of the high-performance vessel that America's Cup captain Jimmy Spithill skippered from New York to Bermuda last fall. The G4 combines the adrenaline rush of high-octane racing and the more laid-back pleasures of cruising, thanks to a small cabin with a fridge, head and room to sleep six.

\$1 million, [dnaperformancesailing.com](http://dnaperformancesailing.com)



#### Waszp

This beginner-friendly foiler was created to be an accessible version of the racing-centric Mach 2. To keep the price low, the Waszp's foils are made of aluminum, its hull of fiberglass, which are both less expensive than the Mach 2's aerospace-grade carbon fiber. But newbies will appreciate the relatively inexpensive replacement foils (handy should you ruin the existing ones by running aground) and a "beginner mode" that positions the foils in an easier-to-handle horizontal position. \$13,000, [waszp.com](http://waszp.com)

## GEAR & GADGETS



**ATTENTION, SHOPPERS**  
With a base price of \$22,175,  
the built-in-Britain 2017 Honda  
Civic Hatchback Sport offers  
exceptional bang for the buck.

HONDA

RUMBLE SEAT DAN NEIL

# Honda Civic Hatch: The Price Is Singularly Right

**THE STICKER SAYS** \$22,175. That's the as-tested price of our nicely equipped 2017 Honda Civic Hatchback Sport, including a free tank of gas and a barrel of candy-apple red paint. I consider that a reasonable proposition for a British-built hot-hatch with a six-speed manual transmission and center-mounted dual exhaust.

Look, it's just you and me out here, wandering the dealer lots by night, hiding from salesmen. I'll tell you how it is. Vehicles that start under \$20,000 are rolling bits of accountancy, designed and built to the penny. When you start comparing category competitors, as Car and Driver does, in a matrix of features and performance, you will discover a shocking sameness among them—of engines and gearboxes, of cut-and-sew upholstery, of fuel economy, of cabin noise, of instrumentation. If you are agonizing over the choice of a Hyundai Elantra, Toyota Corolla, Chevrolet Cruze, your loved ones would want me to tell you: Just pick the red one and move on.

But sometimes, amid the penny-pinching and profiteering, the needle swings the other way. Sometimes a company will build a fine little car and then take an unholy beating on it. That's what we're looking for. Call it revenge consumerism.

Such a case is the 2017 Honda Civic Hatchback. At least, I'm assuming as much. For one thing, the new Hatch is imported from Swindon, Wiltshire, England, where Honda builds Civic products for the European market. Honda of America's allotment will arrive at the port of Norfolk, Va. Some small part of the Hatch's low price reflects Honda's eating of shipping and handling, to say nothing of U.K. labor rates. I'm OK with that.

Like the Sedan and Coupe with which it shares nearly everything, the Hatchback is built on Honda's new global-product platform (front-transverse four-cylinder, front- or

all-wheel drive, four-wheel disc brakes, majority-steel unit-body, five seats and cargo). Not surprisingly, the hatchback version rides, drives and behaves with the same agreeable competence as its stablemates. The cabin materials overperform in look and touch. The instrumentation is smart and understated. This, the 10th-generation of the Civic series, rides on a big-boy chassis, with MacPherson struts in front and a multi-link suspension in the rear, all isolated from the body with vibration-quelling, liquid-filled bushings.

Under the hood lives Honda's hard-punching 1.5-liter turbo four (180 hp), paired with either an automatic transmission (CVT) or the aforementioned stick shift. So powered, the Hatch can nick to 60 mph in less than 8 seconds, amid two fervid redline upshifts, the turbo-four flitting like a songbird on a tether. Or it can hum quietly along the highway in sixth gear, averaging 39 mpg (33 mpg combined). Nice bandwidth, that.

On rare occasions a company will build a fine car and take an unholy beating on it. That's what we're looking for.

Stung by complaints over cabin noise and harsh resonances, the Civic team also ponied up for more soundproofing under the floor, around the engine compartment and wheel wells. Though not specific to the Hatch, these noise-abatement measures help address one of the liabilities of the hatchback design, per se: With the trunk and passenger space as one volume, noise energy tends to boom around the cabin.

On our winding-road test track, the Hatchback Sport gunned its little heart out. There is a surge of initial body roll as the car turns in hard for

a corner, but it quickly stabilizes and then hangs on like a puppy with a sock. The bigger tires have a lot of bite. Honda's algorithm-enhanced e-steering system feels nicely responsive off center and gains in heft and sensitivity as cornering energies rise. When the front tires finally wash out with understeer you really feel it.

It's a sturdy thing. The Hatchback actually feels weirdly overbuilt. And in a way, it is. Honda designed the structure so that it would earn five-star crash ratings for years to come. These tests included the rigorous small-offset barrier crash (40 mph) and insanely violent rear crash (50 mph). Such future-proofing represents an investment for Honda, which will save on retooling costs in the next decade. But for car-shoppers of 2017, the extra engineering feels like a gift.

To the foundational strengths of the Civic proper, the Hatchback adds ready, Costco-sized utility: 22.6 cubic feet of cargo space, enough to hold four large suitcases or three golf bags. The hatch opening itself is oversized, 37.4 by 45.3 inches, which makes it possible to stuff a crazy-big baby stroller in the back.

Enthusiasts may recall that Honda stopped offering hatchbacks in the U.S. in 2003, with the late lamented Civic Coupe Si, when the body-style fell out of fashion. And no wonder. Compared to the mega fauna of the age—the Hummer H2, Ford Excursion, Cadillac Escalade—hatchbacks started to look mighty small and pitiful, derided with the awful term "econo-boxes."

Fourteen years after the Coupe Si, sedan-derived hatchbacks would seem positioned for a comeback. After all, SUVs, crossovers and wagons—vehicles with top-hinged lift gates—now make up more than half of U.S. new car sales, outside of trucks. Yet hatches remain stubbornly niche-y, representing less than 8% of compact-car sales in 2015 (about 186,000 vehicles).

And that space is highly contested by the charismatic likes of the VW Golf, Mazda3 5-Door, Ford Focus and Subaru Impreza.

Obviously, Honda of America means to prime the pump, thus the Hatch's entry pricing (\$19,700 base MSRP) and generously curated list of blandishments. The Sport trim, for example, includes the 18-inch sport alloy wheels; the boss center-mounted exhaust pipes; fog lights; piano-black body trim; leather steering wheel and shift knob; red instrument illumination; carbon-like dash trim; and, for the stick-shift model, three aluminum foot pedals.

Also included are many of what I consider first-order cabin conveniences: rearview camera and 5-inch LCD screen; USB; phone and audio connectivity; cruise control; power windows, doors and mirrors; push-button start with remote keyless entry; and electronic

parking brake.

You may wonder, if the margins are so small and demand such an open question, why would Honda import the Hatch at all? A clue is the rare availability of a six-speed manual transmission, the key to extracting the most fun out of these cars. Honda wants the Hatch to resonate with driving enthusiasts. There may not be many of them out there, but they are all potential brand missionaries. How 'bout it, Dad?

As for the Hatchback's looks, well, you can't have everything for \$22,175. The proportions are snooty; the surfacing a bit hectic; the faux air-intakes and vents in bumpers hurt my eyes. By far this car's best angle is the three-quarter rear, with a view of the glassine hump and the dramatic spoiler bridging between glowing LED taillamp instruments.

Anyway, just keep thinking about the price. The car gets prettier.



2017 HONDA CIVIC HATCHBACK SPORT

**Price, as tested:** \$22,175 (Sport trim level)

**Powertrain:** front-transverse mounted 1.5-liter turbocharged inline four-cylinder with variable valve timing; six-speed manual transmission; front-wheel drive.

**Power/torque:** 180 hp at 6,000 rpm/177 lb-ft at 1,900-5,000 rpm

**Length/weight:** 177.9 inches/2,871 pounds

**Wheelbase:** 106.3 inches

**0-60 mph:** 7.2 seconds

**EPA fuel economy:** 30/39/33 mpg, city/highway/combined

**Cargo capacity:** 22.6/46.2 cubic feet (rear seats back up/folded)

## BOOKSHELF

### A SPRING READING LIST FOR GEEKS

Brush up on comic-book history, landscape-photography dos and don'ts, and the very recent annals of women in tech

#### The Legion of Regrettable Supervillains: Oddball Criminals From Comic Book History

By Jon Morris

**Elevator pitch** Where do bad guys come from? With comics from the golden to modern ages, argues Jon Morris, villains are often born of the political climates of their times. Tino the Terrible Teen (the "richest teenager in the world") reflected a fear of 1970s youth subculture, while Reefer King played off the circa-'40s fear of marijuana's corrupting effects.

**Very brief excerpt** Boasting a suit of armor that emits destructive beams of pure sound, Ghetto-Blaster is capable of bringing a building crashing to Earth. And the targets of his ire are, in fact, buildings—slums, to be more specific.

**Surprising factoid** Villains didn't always have eye-catching names and batty M.O.s. Superman's earliest enemies were ho-hum politicians and gangsters.

#### READ THIS IF YOU WANT TO TAKE GREAT PHOTOGRAPHS OF PLACES.

By Henry Carroll

**Elevator pitch** Look around you and imagine how you'd document your feelings about your current surroundings. Stumped? This beginner-friendly guide is for you. The author couples concise, to-the-point advice with motivationally beautiful images by masters like Robert Adams, Martin Parr and Joel Sternfeld.

**Very brief excerpt** You might need to move miles, or simply step to the left or right, because when photographing places, your physical position has a huge impact on meaning. That's why all the photographers in this book are obsessively picky about where they stand. To join their ranks, you need to be the same.

**Surprising factoid** To make your photos of buildings seem less flat, stand at a corner so two sides of the structure are visible. The 45-degree view will emphasize the edifice's three-dimensionality.

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#### Geek Girl Rising: Inside the Sisterhood Shaking Up Tech

By Heather Cabot and Samantha Walravens

**Elevator pitch** This inspiring collection of success stories gives all the dish on the rise of under-the-radar women in the tech world.

**Very brief excerpt** "Dona Sarkar was wearing leopard and owning it. It was midnight in downtown Seattle, and the Renaissance woman was in her element on a giant soundstage. She was hosting the world's first HoloHack, a forty-eight-hour brain-storming session for 100 techies, filmmakers, 3-D artists and sound engineers to try making the first apps for Microsoft's augmented reality device, HoloLens."

**Surprising factoid** Secret languages have helped make coding cool to tweens. Middle-schoolers didn't embrace Jewelbot, a programmable friendship bracelet, until its creators allowed it to send covert messages via buzzes and blinks. —Lane Florsheim



in the world") reflected a fear of 1970s youth subculture, while Reefer King played off the circa-'40s fear of marijuana's corrupting effects.

**Very brief excerpt** Boasting a suit of armor that emits destructive beams of pure sound, Ghetto-Blaster is capable of bringing a building crashing to Earth. And the targets of his ire are, in fact, buildings—slums, to be more specific.

**Surprising factoid** Villains didn't always have eye-catching names and batty M.O.s. Superman's earliest enemies were ho-hum politicians and gangsters.



## DESIGN & DECORATING

# Velvet That Can Get All Wet

New sumptuous outdoor textiles can hang out on the patio all summer, no matter what befalls them



### DOG DAY AFTERNOONS

Moray Chaise, from about \$3,900; seat-cushion velvet, Beach Blanket Fabric in Cliff Sides, \$125 per yard; headrest fabric, Aqua Velvet II in Deep Water, \$115 per yard, Holly Hunt, 212-891-2500; Knot Stripe Towel, \$30, crateandbarrel.com

BY COURTNEY BARNES

**I**NDOOR-OUTDOOR fabric of yore offered little in the way of luxury. Simplistic patterns and limited colors kept a lid on style, and textures ranged from scratchy to sticky. "I remember they were rough to the touch and very stiff," said New York designer Phillip Thomas of the patio materials of his youth.

In the last 15 years, however, the indoor-outdoor textile industry has literally gone soft, offering plusher options that can weather the elements. "When I started decorating, there was no such thing as an outdoor velvet," said Alex Papachristidis. Today, the New York designer uses this seductive cloth wherever his clients might be sitting down in a wet bathing suit. He covered the sofa in his own Bridgehampton, N.Y., pool house with a chocolate-brown all-weather gaufrage velvet from Lee Jofa. "I wanted the fabric to be elegant yet inviting and soft on the skin," he said.

Performance fabrics, made of hard-wearing, solution-dyed acrylics and treated blends, have been available for decades. But as backyards have stylistically and func-

tionally morphed into outdoor living rooms, textile manufacturers such as Sunbrella and Perennials have met the demand for weather-tolerant but chic fabrics. Workhorse cloths that resist mold and mildew now resemble their conventional cousins. They feature the luxe nap of corduroy and velvet, elegant linen-like weaves, and sophisticated color and pattern choices beyond cabana stripes and stain-camouflaging florals. You can reupholster furniture you already have or choose one of the new fabrics when creating pieces with a designer. Pottery Barn and Restoration Hardware offer them, too.

Portland, Ore., designer Max Humphrey said he and his clients marvel at the broad selection of styles now available in high-tech fabrics: "Mock linens that really do feel and look like fine linen, haute hippie stripes, ikats, bandanna patterns, fresh ginghams." California textile designer Peter Dunham's new collection of performance wovens adds paisleys and other global motifs to that range, Mr. Humphrey notes.

As indoor-quality textiles have migrated outside, so have outdoor fabrics become the go-to inside fabric for people with children—or

messy friends—because homeowners no longer have to settle for the mundane. Young families have driven the evolution of these fabrics, said Chicago designer and manufacturer Holly Hunt, whose recently-debutted outdoor Moray chaise (pictured, top) can be covered in one of her performance velvets or linens in dirt-daring colors such as pale gray and ivory.

These hearty, texturally pleasing fabrics, many of which can be cleaned with bleach, let parents furnish homes in hues heretofore re-

served for the childless: "Our clients are shocked when we present a scheme with white interior upholstery that can stand up to toddlers," said designer Joe Nahem, of New York's Fox-Nahem. Four years ago, the firm covered the sofa, chairs and dining banquette of a family of five's Miami apartment in white, including Chella Fabric's Montecatini in creamy Alabaster. Mr. Nahem, who recently visited, said of the upholstery, "It still looks new."

Pale tints also hold up well. Los Angeles interior designer Kerry Joyce offers nu-

anced colors, such as dusty violet, celery and pale blue, in his high-performance line, noting that because the acrylics are infused with pigment when still liquid polymers, "the fabrics retain their color in the sun and after many cleanings."

Designer Mr. Humphrey recently styled a photo shoot of materials created by Sunbrella together with Oregon heritage textile brand Pendleton. "The plaids look and feel like a really comfy vintage flannel shirt," he said, adding that the signature Pendleton styles, modeled

after Native American blankets, feel like soft natural fiber because they are woven, not printed.

"At my own house, I started using Perennials 'cottons' for durability and easy clean up," said furniture designer Glenn Lawson, half of L.A. team Lawson-Fenning. "We liked the feel so much we used it on dining chairs and floor pillows, which can now be easily brought outside for entertaining," he said. "Most people can't tell the difference between the high-performance and conventional fabrics."



### FAST FIVE

**Artemis Ceiling Fan, \$870, [minkaaire.com](http://minkaaire.com)**

**Rustic Windmill 60-Inch Ceiling Fan, \$1,018, [shadesofflight.com](http://shadesofflight.com)**

**Luxe Series Fan, from \$1,595, [haikuhome.com](http://haikuhome.com)**

**Vault 30-Inch Ceiling Fan, \$399, [hunterfan.com](http://hunterfan.com)**

**Cranbrook 52-Inch Ceiling Fan, \$229, [hunterfan.com](http://hunterfan.com)**

## WIND QUINTET

Well-designed ceiling fans are no longer the unicorns of décor. These five put a new spin on cool