

With Nixon in '68

BY PATRICK J. BUCHANAN



REVIEW

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What's News

World-Wide

The Treasury levied sanctions against more than three dozen Russian individuals and entities in what U.S. officials said was a response to Kremlin aggressions. A1

◆ **China vowed** to retaliate forcefully if the U.S. imposed new tariffs and ruled out talks while Washington is escalating trade pressure. A1, A9

◆ **Kelly told** Trump that he is convinced EPA chief Pruitt needs to step down after a series of negative reports, a White House official said. A3

◆ **Protests turned** deadly at the Israel-Gaza border as Palestinians burned tires and some tried to enter Israel under military gunfire. A7

◆ **Brazil's da Silva** missed a deadline to turn himself in as he negotiated his surrender to begin a 12-year jail term. A6

◆ **South Korea's Park** was sentenced to 24 years in prison for the ex-leader's role in a corruption scandal. A7

◆ **The administration** is seeking to tighten rules governing immigrants caught crossing the Mexican border illegally. A3

◆ **Federal authorities** seized Backpage, a website known for its sex ads. A4

Business & Finance

◆ **Stocks sank** amid fears of a U.S.-China trade war and investors braced for more turbulence. The Dow tumbled 572.46 points, or 2.3%, to 23932.76. The S&P 500 declined 2.2% and the Nasdaq slid 2.3%. A1

◆ **U.S. payrolls rose** again last month, adding 103,000 jobs and extending the longest continuous expansion on record. A1

◆ **Powell said** the Fed will stick to its path of gradual rate increases to keep the U.S. economy growing without overheating. A2

◆ **Facebook said** it would soon require an authorization process for ads on hot-button political issues. A1

◆ **The administration** is pursuing ways to protect domestic vehicle manufacturing from import competition. A9

◆ **Amazon is considering** a plan to use its Alexa virtual assistant to make person-to-person payments. B1

◆ **Coinbase approached** the SEC about registering the cryptocurrency firm as a brokerage and trading venue. B1

◆ **Longfin was accused** of violating securities laws and trading in the firm's shares was halted. B10

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If Adults Won't Grow Up, Nobody Will

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U.S. Blacklists Russian Oligarchs

Treasury levels tough sanctions on Putin's close allies and the companies they own

closest business allies and the companies they own. The action is one of the administration's toughest punitive measures against Russia

By Ian Talley in Washington and Thomas Grove in Moscow

to date, U.S. officials say it is a response to Russian aggressions, including meddling in

U.S. elections, cyberattacks on critical U.S. infrastructure, the Kremlin's military intervention in Ukraine and supplying bombs and materiel to the regime of Syrian President Bashar al-Assad.

"What we would like to see is the totality of the Russian behavior change," said White House press secretary Sarah Huckabee Sanders. "We want to continue having conversations and work forward to

building a better relationship."

The steps are likely to contribute to an escalation in tensions between Russia and the West. The blacklisting will freeze U.S.-based assets of those sanctioned, constrain their ability to access Western financing and forbid U.S. business transactions with those targeted.

"The Russian government engages in a range of malign activity around the globe,"

Treasury Secretary Steven Mnuchin said. "Russian oligarchs and elites who profit from this corrupt system will no longer be insulated from the consequences of their government's destabilizing activities."

Russia's Foreign Ministry, in a statement, said the latest U.S. steps will harm U.S.-Russian economic cooperation, adding that no amount of pressure will deter Russia from its

Please see RUSSIA page A4

Turbulent Week Index performance



THE WALL STREET JOURNAL.

Job Market Stays Resilient

By ERIC MORATH

WASHINGTON—The U.S. economy continues to churn out jobs at a steady pace even as financial markets wobble over fears that a trade war between the nation and China could unsettle global growth.

Recent tit-for-tat trade measures by the two countries continued on Friday, with China saying it would "hit back forcefully" if the U.S. followed through with President Donald Trump's tariff threats.

The war of words sent stocks tumbling, but the economy showed underlying signs of near-term resilience.

U.S. nonfarm payrolls rose a seasonally adjusted 103,000

in March after February's outsized increase of 326,000, the Labor Department said Friday. That extended a historic streak—employers have added to payrolls for 90 straight months in the longest continuous jobs expansion on record. And it picked up of late: For the first three months of the year, hiring averaged 202,000 a month, up from 182,000 a month in 2017.

Seventeen million jobs have been created in this expansion, and the monthly pace of job growth remains more than sufficient to employ new entrants to the labor force," Federal Reserve Chairman Jerome Powell said in remarks Friday in Chicago.

"The labor market has been strong, and my colleagues and I...expect it to remain strong."

The Fed is expected to raise short-term interest rates at least two more times this year to prevent the economy from overheating.

There were few signs of such overheating in the latest report. The unemployment rate held at 4.1% for the sixth straight month, the lowest level since December 2000.

A tighter labor market should produce better wage growth as employers compete for scarce workers. While Please see JOBS page A2

◆ **Fed will stick to plan for gradual rate increases..... A2**

I Love My Unique, Personalized Shirt! Oh, You Have One Too

* * *

Stitch Fix, offering customized fashion, has some seeing double; 'same exact outfit'

By RAY A. SMITH

When Angela Krile and Julie Tealdo emerged from their cars in the office parking lot, they looked at each other and froze.

Ms. Krile was wearing a white blouse with a keyhole neckline and navy piping, and navy blue pants. So was Ms. Tealdo.

"We looked at each other and realized we had on the same exact outfit," said Ms. Krile, owner of a communications firm in Sugar Grove, Ohio, where both women work.

The fashion faux pas wasn't supposed to happen. Both women bought their tops from Stitch Fix, the popular online clothing service that prides itself on customer specialization.

Running into people wearing the same clothes is a possibility for anybody who shops big retailers. And there are online services, such as Trunk Club or Rent the Runway, that sell or rent fashionable outfits, which could also result in two people showing up at an event in the same "special" dress. But customers say they expect it to happen less, or not at all, because of the way Stitch Fix touts the personalization factor.

Shoppers fill out detailed questionnaires the company says allow its stylists and computer algorithms to find perfect fashion matches. Then it sends boxes, or "fixes," containing five items that customers have the option to buy. The company, on

Please see OUTFIT page A9

Stocks Plummet Amid Escalating Trade Tensions

By MICHAEL WURSTHORN

S&P 500's ninth 1% swing up or down in the past 11 trading days, a sign of stocks' uneasy footing and resurgent volatility.

Investors were already grappling with concerns that technology stocks won't generate the massive gains of previous years and that inflation is rising more quickly than expected. New data Friday showed that wages rose last month in line with gains of recent years.

But the issue of trade and how far the Trump administra-

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◆ **Beijing pledges to counter newly threatened tariffs.... A9**

◆ **U.S. looks to aid domestic car manufacturing..... A9**

The Man Behind Trump's China Fight

U.S. Trade Rep. Robert Lighthizer argued the time had come for a confrontational approach

By BOB DAVIS

WASHINGTON—President Donald Trump's tough policy on China trade took shape in a White House meeting last August, and at the center was an often-overlooked man.

Decades of quiet negotiations had gotten nowhere, U.S. Trade Representative Robert Lighthizer told senior White House advisers and cabinet officials gathered in the Roosevelt Room.

"China is tap, tap, tapping us along," he said, meaning it regularly promised policy changes but didn't deliver. He punctuated his talk with

charts showing how the trade deficit with Beijing had widened.

U.S. Ambassador to China Terry Branstad, linked by video phone, asked for a chance to conduct another round of talks based on a rapport he was developing with the Chinese. He found little support. It was time to act, starting with a formal investigation of China for unfair trade practices, Mr. Lighthizer argued.

A few days later, Mr. Trump announced an investigation of alleged Chinese violations of U.S. intellectual-property rights—heated by Mr. Lighthizer.

Please see TRADE page A8

Falls From Grace

Brazil's former president, Luiz Inácio Lula da Silva, far left, missed a deadline as he negotiated his surrender to begin a 12-year prison term. Meanwhile, South Korean ex-President Park Geun-hye was sentenced to 24 years in jail. A6, A7



Facebook Sets 'Issue' Ads Rule

By LARA O'REILLY AND JOHN D. MCKINNON

Facebook Inc. will soon require that advertisers wanting to run ads on hot-button political issues go through an authorization process first, a move the social network hopes will prevent the spread of misinformation across its platform.

The company announced in blog posts Friday that it plans to work with third parties to develop a list of key issues, which will be updated over time.

Separately Friday, consumer groups filed a complaint with the Federal Trade Commission saying Facebook violates users' privacy rights through its facial-recognition software.

In October, Facebook unveiled a similar authorization requirement for election-related ads. The latest move will cover "issue ads"—those that don't specifically mention a candidate but weigh in on a divisive issue, including during an election.

Such advertisers will be required to confirm their identity.

Please see ADS page A4

U.S. NEWS

Fed Sticks to Plan for Gradual Rate Hikes

Central-bank Chairman Powell wants labor market and inflation to strengthen further

By DAVID HARRISON

Federal Reserve Chairman Jerome Powell said the Fed will stick to its path of gradual interest-rate increases to keep the economy growing without overheating.

Mr. Powell, speaking Friday in Chicago, suggested there was no hurry to pick up the pace of rate increases and described the current course as a prudent one that would balance the central bank's desire to foster an economy that is growing at its full potential against the risk that it could expand too rapidly and send inflation soaring.

"As long as the economy continues broadly on its current path, further gradual increases in the federal-funds rate will best promote these goals," he said, referring to the Fed's benchmark short-term rate.

Mr. Powell spoke as the Trump administration's tit-for-tat trade dispute with China appeared to be escalat-

ing. Stocks fell Friday after the White House said it was considering tariffs on an additional \$100 billion in Chinese imports on top of the \$50 billion already announced.

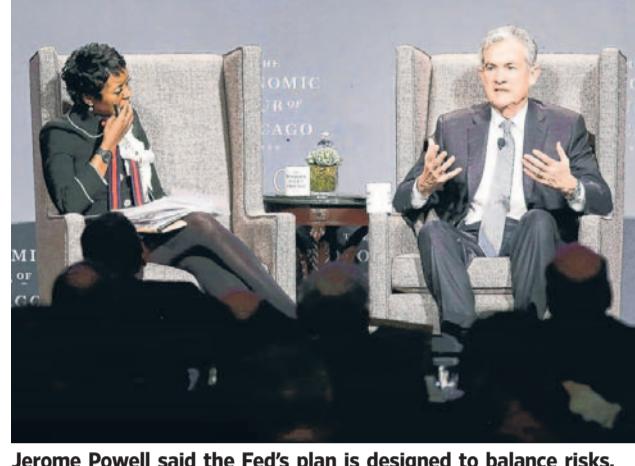
The Fed chief sidestepped a question on trade policy during a question-and-answer session after his speech.

"Tariffs can push up on prices, but it's too early to say whether that's going to be something that happens or not," he said.

Mr. Powell said the Fed wants to see the labor market strengthen further and inflation to hit its 2% target after undershooting it for five years. Holding inflation to that level would signal a healthy level of demand in the economy without burdening consumers with sharply rising prices.

The challenge for central bankers will be to raise rates slowly enough to let the labor market improve and inflation strengthen, but not so slowly that they let inflation get out of control.

"Our path of gradual rate increases is intended to balance these two risks," Mr. Powell said. For now, the Fed has managed to thread that



JOSHUA LOTT/BLOOMBERG NEWS

Jerome Powell said the Fed's plan is designed to balance risks.

needle, he said.

The Fed raised rates by a quarter-percentage-point in March and has penciled in two more moves this year, for a total of three. After raising rates once each in 2015 and 2016, it raised rates three times in 2017 and began shrinking the portfolio of assets it accumulated to spur the economy after the financial crisis.

"The [Fed's] patient approach has paid dividends and contributed to the strong economy we have today," Mr. Powell said.

Roberto Perli, an economist at Cornerstone Macro, described Mr. Powell's speech as "classic stay-the-course comments."

San Francisco Fed President John Williams delivered a similar message in a speech later Friday, though he said raising rates three or four times this year "is the right direction" for policy.

"I am confident that we can carry on the process of gradually moving interest rates up over the next two years while seeing solid growth and his-

torically low rates of unemployment," he said.

Mr. Williams is set to become New York Fed president in June, making him one of the central bank's most influential policy makers and a key lieutenant of Mr. Powell's.

Many employers complain the labor market has grown so tight they have a hard time finding workers, but Mr. Powell questioned the severity of the labor shortage Friday.

Although the unemployment rate has fallen since the recession, he said, other indicators, such as moderate wage gains and the low share of Americans holding or seeking jobs—the labor-force participation rate—suggest the labor market could keep improving.

U.S. unemployment held steady in March at 4.1%, a 17-year low, the Labor Department said Friday morning, before Mr. Powell's speech. Average hourly earnings rose 2.7% from the previous year.

"The absence of a sharper acceleration in wages suggests that the labor market is not excessively tight," Mr. Powell said. "I will be looking for an additional pickup in wage growth as the labor market

strengthens further."

The number of working-age people who are either working or looking for work is also below its prerecession levels. Roughly 82.2% of those aged 25 to 54 were in the labor force in March, about a percentage point lower than before the recession, according to the Labor Department.

Annual inflation, which weakened last spring, rose to 1.8% in February, according to the Fed's preferred measure. Mr. Powell said the economy's strength should eventually lead to stronger inflation. Although the link between the labor market and consumer-price increases "has weakened," he said, it "still persists, and I believe it continues to be meaningful for monetary policy."

The Fed chief said last year's inflation decline was caused by one-time price drops, such as for cellphone plans. Once those effects are no longer reflected in annual figures, inflation should "move up notably this spring," he said.

Fed officials in March estimated inflation would reach 2% by the end of next year.

—Michael S. Derby contributed to this article.

JOBS

Continued from Page One

wages are rising faster than they did earlier in the expansion, they remain below long-run averages. Average hourly earnings for all private-sector workers rose 2.7% in March from a year earlier—in line with annual gains in recent months.

Those raises have been skewing toward managers. The annual growth in wages for nonsupervisors was 2.4%, a pace that has held steady since December. Hourly wages haven't increased at better than a 3% annual rate in nearly a decade. The last time unemployment was this low, in late 2000, nonsupervisor wages rose 4.3% from the prior year.

Employers have been able to hold wage gains in check in part because they have expanded the pool of available labor, drawing in Americans who have been out of the labor market.

One of them was retired Army Col. Stephen Myers, 53 years old, who joined the civilian workforce for the first time in three decades this year when he was hired as a district manager by Starbucks Corp., overseeing 13 stores in Washington state.

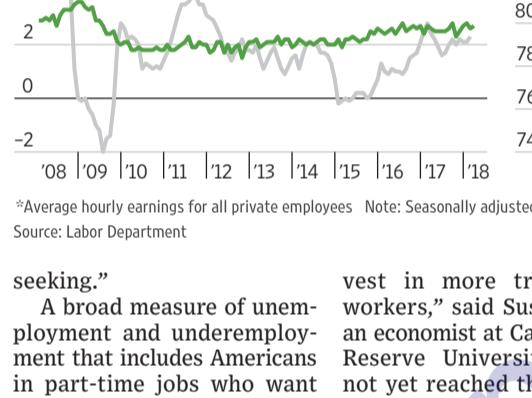
After taking some time off after his military retirement last June, Mr. Myers was drawn to Starbucks by the company's culture, the opportunity to work near his wife's job and extensive training.

"They've invested in me quite a bit," said the former battalion commander for a field artillery regiment, who admitted it was tricky to master the coffee chain's "flat white" drink during the 12-week training program he completed last week. He added, "The job affords me the work-life balance I was

Wages and Workers

Wages failed to break out in March, despite the unemployment rate holding at a 17-year low....

Change from a year earlier in:



...That's at least partially because employers are drawing in workers from outside the labor force.

Percentage of the population age 25-54 that is



February, a sign that an unusually warm February, followed by a cool start to spring, could be affecting monthly numbers.

Hyland Software in Westlake, Ohio, added 137 workers to its staff of more than 2,000 in the past year, without raising wages much above the rate of inflation. It has done so by focusing recruitment on younger workers already in the region.

The firm last year hired 93% of the more than 100 interns it brought in from local colleges. CEO Bill Priemer said Hyland benefits from being an attractive, high-tech employer in the Cleveland region but doesn't attempt to compete with salaries offered by Silicon Valley firms.

"If you're building your life in northeast Ohio, we offer a huge amount of opportunity to grow," he said.

Mr. Priemer, who started with the company in the late 1990s, said the economy's current growth pace feels more sustainable.

"I feel like there is more running room in the economy in general, and certainly in software development," he said.

— Andrew Tangel contributed to this article.

H-1B Visas Don't Fulfill Trump Plan

WASHINGTON—The government is set to again distribute scarce H-1B visas for high-skilled foreign workers by lottery, without the big changes President Donald Trump promised to enact a year ago.

Demand for the visas—which are used by outsourcing firms and high-tech Silicon Valley companies, as well as by many smaller employers—has for years far outstripped the

supply. The government said Friday it had begun accepting applications on Monday and had already received enough to meet the 85,000 cap.

Winners again will be chosen by lottery for applications that are subject to the cap.

Mr. Trump said a year ago he would change how H-1B visas are distributed in a way that would have benefited high-tech Silicon Valley companies and hurt outsourcing firms, including many based in India, that have come under scrutiny.

"Right now, H-1B visas are awarded in a totally random

lottery, and that's wrong," Mr. Trump said in April 2017. "Instead, they should be given to the most skilled and highest-paid applicants, and they should never, ever be used to replace Americans."

Outsourcers have been accused of replacing American workers with foreigners and generally pay far less than high-tech companies. Average salaries at firms such as Amazon.com Inc., Google, a unit of Alphabet Inc., and Apple Inc. are tens of thousands of dollars higher than at outsourcing firms such as Cognizant Tech-

nology Solutions Corp., Tata Consultancy Services Ltd. and Infosys Ltd.

A spokesman for the agency that administers the program, U.S. Citizenship and Immigration Services, said it fully supports a Trump executive order called "Buy American, Hire American" that ordered a review of the program.

"We have provided policy guidance and are working on regulatory reforms to achieve the goals associated with reform of H-1B visas," said Jonathan Withington.

—Laura Meckler

Final Day



HEADING OUT: The White House praised Lt. Gen. H.R. McMaster on Friday, his last day as national security adviser. He is to be succeeded by John Bolton, a former ambassador to the United Nations.

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CORRECTIONS & AMPLIFICATIONS

The U.S. is considering tariffs on an additional \$100 billion of Chinese goods after a proposal earlier this week of tariffs on \$50 billion in imports from China. In some editions Friday, a Page One headline with an article about U.S.-China trade incorrectly said \$100 billion in added tariffs, and the article incorrectly said the earlier proposal was made last week and was for \$50 billion in tariffs. In some editions Thursday, a Page One article about U.S.-China trade also incorrectly said \$50 billion in tariffs.

KPMG LLP was misspelled as KMPG in two instances in a Business News article Friday about the audit firm's relationship with General Electric Co.

Zoltanne Egressy, a female Hungarian pensioner and voter, was incorrectly referred to on second reference as Mr. Egressy in a World News article.

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

icle Tuesday about the migration issue in Hungary's election.

A graphic with a Life & Arts article on Monday about prostate cancer showed prostate-cancer cases and deaths per 100,000 men. The graphic inadvertently omitted that the data were per 100,000 men.

Tote-bag maker Baggu is based in San Francisco and Brooklyn, N.Y. An Off Duty article on March 31 about alternatives to canvas bags incorrectly said Baggu is based in Los Angeles and New York.

Axel Vervoort owns an Indian lingam from the 19th century. Based on incorrect information from a member of Mr. Vervoort's staff, the "Still Life" article in the April edition of WSJ. Magazine incorrectly said that the lingam was Japanese in origin.

U.S. NEWS

Toll Scofflaws Could Face Felony Charge

Pennsylvania drivers who cheat turnpike, racking up bills and fees, are targeted

BY SCOTT CALVERT

Drivers who routinely don't pay tolls in Pennsylvania could be convicted of a felony.

The Keystone State's Turnpike Commission has begun to file criminal charges against motorists it deems egregious scofflaws. The recent initiative involves enlisting local prosecutors to pursue theft of services criminal cases, which reach felony status when the sum owed exceeds \$2,000.

The state's top 100 toll evaders each have more than \$21,000 in unpaid tolls and fees. One driver is accused of racking up more than \$90,000 in debts since 2012, mostly in snowballing fees, by using an E-ZPass-only lane more than 1,600 times without a valid transponder, according to a criminal complaint.

Pennsylvania is "clearly stepping up the game. I haven't heard of anyone going to this level before," said Neil Gray, government affairs director at the International Bridge, Tunnel and Turnpike Association, which represents toll facility owners and operators.

Though Pennsylvania's recent tactics stand out, toll agencies around the U.S. are also boosting efforts to ensure drivers pay. The heightened focus on collecting unpaid tolls is linked to the move from toll booths to all-electronic tolling. In such cashless systems, transponders like an E-ZPass device provide instant payment.



Pennsylvania's top 100 toll evaders each have more than \$21,000 in unpaid tolls and fees. One driver's total is more than \$90,000.

For a car without a transponder, a camera photographs the license plate, and the owner gets a bill in the mail or pays online.

Tolls collected are used to maintain and upgrade the roads as well as to pay the bonds borrowed to build them. Unpaid tolls cost the Pennsylvania Turnpike about \$17 million a year, a fraction of the \$1.1 billion in overall toll revenue.

The share of toll revenue collected in cash fell to 18% in 2015, from 29% in 2010, according to the association's 2016 survey of three dozen large U.S. toll agencies. Cashless transactions accounted for more than \$11 billion in reve-

nue for those agencies in 2015, the report said.

Some agencies, such as the North Texas Tollway Authority, are entirely cashless. The Pennsylvania Turnpike uses a paper ticket system on much of its network, but a plan under consideration would convert the entire network to cashless tolling in 2022.

The industry says cashless tolling reduces congestion because drivers don't need to slow down.

But without "a forced mechanism to stop people," the risk of toll violations rises, said Pat Jones, chief executive of the International Bridge, Tunnel and Turnpike Association. "I think the industry has re-

sponded," he said.

Florida's Turnpike Enterprise in late 2015 launched a program that prevents a plateholder from renewing a Florida license plate until all tolls are paid. The system credits that process with a 15% drop in unpaid toll revenue from fiscal 2016 to 2017.

The North Texas Tollway Authority in 2016 fully rolled out an effort aimed at motorists with at least 100 unpaid tolls in 12 months.

Some toll agencies name and shame. The Illinois Tollway publishes a quarterly list of "super scofflaws" who owe at least \$1,000. A recent version had 469 names, including many trucking firms, with the

top violator allegedly \$890,000 in arrears.

For years the Pennsylvania Turnpike Commission had minimal power to pursue scofflaws. It could only send violation notices and turn an account over to collections. Last year, a new state law allowed officials to suspend Pennsylvania vehicle registrations for unpaid toll debts.

The turnpike commission's chief executive, Mark Compton, wondered if officials could also use criminal courts, according to Ray Morrow, the turnpike's chief of compliance. Mr. Morrow researched state law and concluded that theft of services applied.

So far the commission has

COMMON TOLL VIOLATIONS

- ◆ Vehicle uses cashless lane without E-ZPass transponder
- ◆ Transponder identification fails
- ◆ Insufficient funds in E-ZPass account
- ◆ Cash customer takes ticket on entry but exits through E-ZPass lane

filed 13 private criminal complaints. A judge has approved a payment plan in one case, and the others are pending, Mr. Morrow said.

Already the potential for criminal prosecution has helped spur payments or agreed-upon payment plans expected to bring in more than \$120,000, he said.

Among those facing a felony charge is Lori Yearick of Mount Joy, Pa.

A criminal complaint alleges she incurred 1,645 violations between early 2012 and March 2017. It says she received 6,580 notices in that span. Unpaid tolls account for about \$26,000 of her roughly \$92,000 balance, the complaint says, and fees total nearly \$66,000.

Her lawyer, Edward Spreha Jr., said he is still reviewing the evidence.

"Certainly if they can prove she in fact did this, we want to make sure the turnpike is made whole," he said. "We also have to make sure her ability to repay is going to be taken into consideration."

Chief of Staff Told Trump EPA Chief Pruitt Should Go

BY PETER NICHOLAS

That comment follows remarks aboard Air Force One on Thursday in which he described Mr. Pruitt as doing "a fantastic job." He also said Mr. Pruitt is a "fantastic person," adding that he still has confidence in the EPA administrator.

However, the president said he would look into the various controversies surrounding Mr. Pruitt. "I have to look at them," Mr. Trump said, during a flight home from a public appearance in West Virginia. "I'll make that determination."

An exit by Mr. Pruitt would come in the midst of a high-level staff shake-up by the president. Mr. Trump recently dismissed his secretary of state and national security adviser, and tapped a new appointee for the Central Intelligence Agency. Two of those positions will require Senate approval for their successors,



EPA's Scott Pruitt has drawn criticism for spending habits.

as would be the case for the EPA administrator.

The EPA declined to comment. Over his first year, Mr. Pruitt, a skeptic of climate change, repealed some of former President Barack Obama's clean-air and other environmental policies. He also urged Mr. Trump to pull out of the

Paris climate agreement—advice the president followed.

The White House said earlier this week it was conducting a review of Mr. Pruitt's activities after news reports that he had rented accommodations in Washington at below-market rates from the family of an energy lobbyist.

Mr. Pruitt also has faced questions over his travel expenses, and he had a testy interview with Fox News when he was pressed over large pay raises reportedly given to two EPA employees.

Inside the White House, aides have concluded that Mr. Pruitt's position is untenable, with a drumbeat of news reports raising questions about his managerial judgment and spending practices.

The New York Times reported late Thursday that Mr. Pruitt had reassigned or demoted several officials who raised concerns about spend-

ing and management at the EPA.

An EPA spokesman responded to the report by calling the officials "disgruntled employees who have either been dismissed or reassigned."

Mr. Pruitt has defended his living arrangements and said he reversed the pay raises given to two staff members once he found out about them. On the travel costs, the EPA has said Mr. Pruitt's protective services detail moved him to a higher class due to security protocols.

White House officials were also upset about reports that Mr. Trump phoned Mr. Pruitt on Monday night in an effort to encourage him. Two White House officials said it was the EPA, not the White House, that alerted media to the calls.

—Rebecca Ballhaus contributed to this article.

New Steps Target Illegal Immigrants

BY ALICIA A. CALDWELL

The Trump administration is seeking to tighten the rules governing immigrants caught crossing the Mexican border illegally and intends to prosecute as many such people as possible.

President Donald Trump signed a memo Friday ordering officials at the departments of Defense, State, Homeland Security and Health and Human Services to provide detailed reports of how each agency is doing its part to end policies that limit how immigration authorities can quickly deport people.

The Republican president said he wants details about the construction of jails, improvements to the system for judging which immigrants should be allowed to get a full hearing on an asylum claim and a full accounting of military facilities that could be used to house immigrants caught crossing the border illegally.

Attorney General Jeff Sessions said Friday he is ordering federal prosecutors to charge and try as many first-time border crossers as "is practicable."

"To those who wish to challenge the Trump administration's commitment to public safety, national security and the rule of law, I warn you: illegally entering this country will not be rewarded, but will instead be met with the full prosecutorial powers of the Department



U.S. Border Patrol agents at work last month along the U.S.-Mexico border near McAllen, Texas.

of Justice," Mr. Sessions said in a statement, describing the situation at the border as a crisis.

Immigration advocates decried the move to prosecute more people, characterizing it as an effort to block people from their legal right to apply for refuge in the U.S.

"Trump has been using the specter of a migrant invasion to justify his calls to keep vulnerable asylum seekers in prolonged detention," said Clara Long, a senior researcher at Human Rights Watch, a nonprofit advocacy group, in a statement. "For the people impacted by his proposed policy

changes—including vulnerable children fleeing for their lives—there are very real reasons to be afraid."

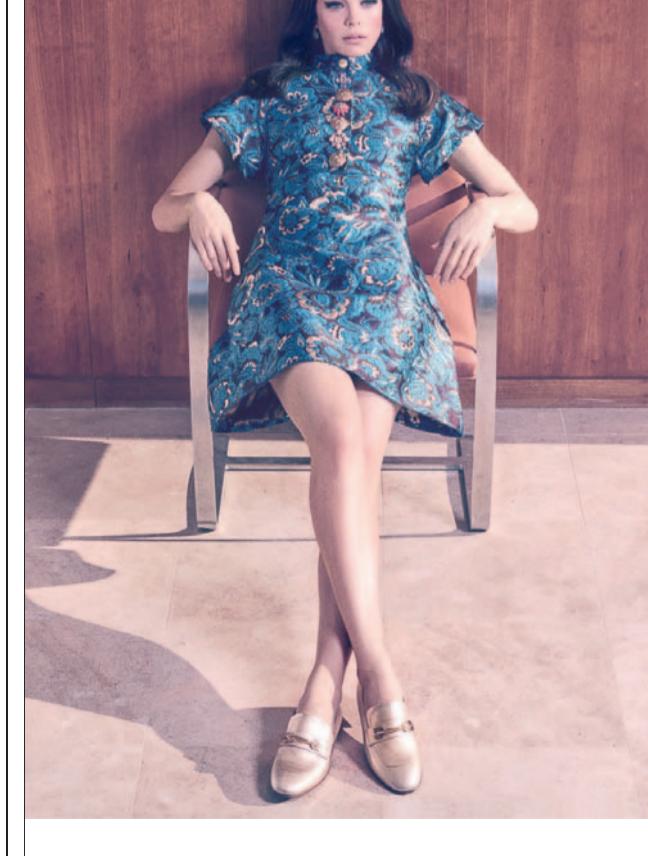
The administration's directives came as Defense Secretary Jim Mattis ordered on Friday the deployment of up to 4,000 National Guard troops to the border with Mexico.

In March about 37,000 people were caught crossing the Mexican border, a substantial increase over the same period in 2017, a jump that the administration has cited as part of the need for more border security.

Still, in the first half of the budget year that started in Oc-

tober, more than 20,000 fewer people have been caught entering the U.S. illegally, compared with the same period the previous year, according to the U.S. Border Patrol. Overall, arrests of illegal border crossers are at the lowest level since the early 1970s. Arrests have been dropping for years due to an improved economy in Mexico and tighter U.S. border control.

Mr. Trump and other members of his administration have been criticizing what they call loopholes in immigration law that allow some immigrants to be released after being caught crossing the border illegally.



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U.S. NEWS

FBI Seizes Website Known for Sex Ads

Backpage.com has long been criticized by police and opponents of sex trafficking

BY LALITA CLOZEL

WASHINGTON—Federal law-enforcement agencies have seized Backpage.com, a controversial classified-ads website known for its numerous sex-related postings.

"Backpage.com and affiliated websites have been seized," said a large notice plastered on the site.

The action was led by the Federal Bureau of Investigation, U.S. Postal Inspection Service and Internal Revenue Service, and included participation from state authorities.

Backpage, already the subject of multiple criminal probes, has become a lightning rod for critics of websites accused of turning a blind eye to sex trafficking.

It has galvanized lawmakers to pass a law limiting the immunity of websites for the actions of their users.

Backpage CEO Carl Ferrer was arrested in 2016 in Texas and charged in California with offenses including multiple counts of pimping of minors. Mr. Ferrer and other execu-



U.S. law-enforcement agencies seized the classified-ad website Backpage.com on Friday.

tives at the company haven't been convicted of criminal wrongdoing in the case.

The case, initially pursued by California's former attorney general, Kamala Harris, who is now a U.S. senator, suffered a setback when Sacramento County Superior Court Judge Michael Bowman dismissed the charges against Mr. Ferrer and two other Backpage exec-

utives. "Congress has spoken on this matter and it is for Congress, not this court, to revisit," said the judge, citing a law passed in the early days of the internet that granted immunity to websites from any charges related to criminal activity they may facilitate.

California later filed another lawsuit on criminal money-laundering charges,

and that case continues.

A Justice Department spokeswoman declined Friday to directly address the seizure. Lawyers for Backpage didn't respond to requests for comment.

"This is an ongoing investigation and in order not to compromise it and future prosecution efforts, I have no information to provide at this

time," said Nicole Navas Oxman, a Justice Department spokeswoman.

Backpage has positioned itself as a champion of free speech. In a federal appeals decision in 2015, the company won a lawsuit against a sheriff's office in Illinois that had pushed credit-card companies to drop the website.

Members of Congress, including Sens. Claire McCaskill (D, Mo.) and Rob Portman (R, Ohio), have investigated the alleged role of Backpage in the sex-trafficking system.

"This is great news for survivors, advocates, and law enforcement," said Ms. McCaskill on Friday, adding the action was "further proof" that the legislation could help combat sex crimes. "State and local law enforcement need this bill to enable them to take swift action against websites that knowingly facilitate sex trafficking of children online, and to stop the next Backpage long before another website can claim so many innocent victims."

A bipartisan bill passed last month, led by Sen. Richard Blumenthal (D, Conn.) and Mr. Portman, would amend the Communications Decency Act of 1996 to roll back immunity that Congress had conferred on websites for the actions of their users. President Donald

Trump, a Republican, is expected to sign the bill.

Its passage marked a rare political defeat for big technology firms, which have become a powerful lobbying force in Washington in recent years.

Since then, a number of websites have taken down forums allegedly involved in sex solicitation, including Craigslist and Reddit. Others, such as NightShift and CityVibe, have shut down.

Large companies such as Alphabet Inc.'s Google long resisted any change to the immunity law, fearing it could lead to a greater erosion of their congressionally granted legal protections. Tech advocacy groups have supported Backpage in some of its legal battles.

But a series of political issues, including Russia's alleged use of online platforms to meddle in the 2016 presidential election, have diminished the tech industry's standing in Washington, making it easier for lawmakers to pass the legislation effectively targeting adult-services sites.

Backpage's seizure on Friday didn't appear directly linked to the legislation, but instead resulted from a long-running investigation by federal and state authorities.

ADS

Continued from Page One
ties and locations with the company.

The change marks the latest step in Facebook's efforts to secure its platform after Russian-backed groups used the social network to sow divisions before and after the 2016 U.S. presidential election, and elsewhere in the world.

A selection of Facebook ads released by U.S. lawmakers last year showed how Russian-linked operatives used the platform to buy ads to stoke tensions around issues ranging from race to gun rights, as well as ads featuring the presidential candidates.

Starting this spring, election-related ads will carry a "Political Ad" label, alongside information on the advertisers who paid for them, the company said. In June, Facebook will make public a searchable archive of the ads carrying that label, including information on the amount the advertiser spent and the intended target audience.

Political ads on digital platforms aren't subject to the same disclosure requirements as in traditional media, such as

television and radio stations, which must publicly disclose the campaign ads they broadcast.

In a blog post, Facebook Chief Executive Mark Zuckerberg said the company supports the Honest Ads Act, a bill in Congress that would require large digital platforms to keep a public library of the paid political ads that appear on their sites.

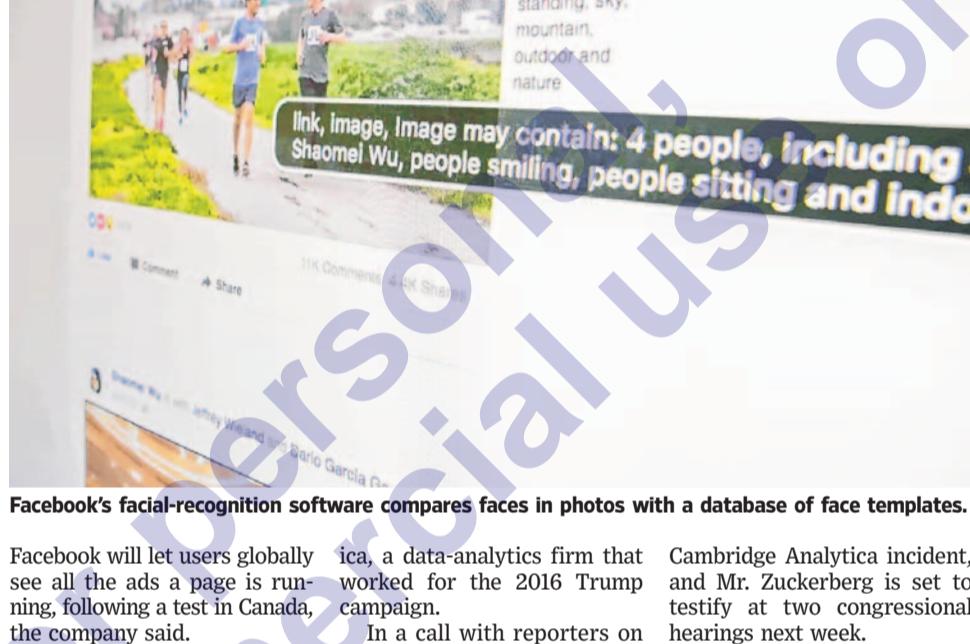
"This will help raise the bar for all political advertising online," Mr. Zuckerberg said.

Additionally, the company will soon require people who run Facebook pages with large numbers of followers to go through an authorization process, as it looks to make it harder for fake accounts to spread divisive content that has the potential to go viral.

Facebook hasn't disclosed the number of followers a page would have in order to trigger an authorization request. It also hasn't provided details on what this verification process will entail.

Facebook said it would hire more staff to work on verifying ads and pages and that it is investing in artificial intelligence to help uncover advertisers that have skirted the process.

Beyond the political-ad spectrum, beginning this summer



Facebook's facial-recognition software compares faces in photos with a database of face templates.

ERIC RISBERG/ASSOCIATED PRESS

Facebook will let users globally see all the ads a page is running, following a test in Canada, the company said.

In recent weeks, Facebook has been making a raft of changes to its data-sharing and privacy policies as it works to rebuild trust among users and regulators. Many of those changes were kick-started following revelations that personal details of as many as 87 million users were improperly obtained by Cambridge Analytica, a data-analytics firm that worked for the 2016 Trump campaign.

In a call with reporters on Wednesday, Mr. Zuckerberg said he had made a "huge mistake" in not focusing more on the potential abuse of users' personal information. He also said he had been "too flippan" in 2016 when he dismissed the idea that fake news could influence an election as "crazy."

The FTC is investigating the

Cambridge Analytica incident, and Mr. Zuckerberg is set to testify at two congressional hearings next week.

The complaint about Facebook's facial-recognition software was filed by a coalition of consumer organizations led by the Electronic Privacy Information Center. It focuses on a Facebook feature that helps users identify people in uploaded photos by suggesting the names of people it recognizes.

The "Tag Suggestions" fea-

ture relies on sophisticated facial-recognition software that compares faces in photos with a massive database of face templates.

According to the complaint, Facebook "routinely scans photos for biometric facial matches without the consent of the image subject." The company uses Facebook users' confirmations to help "advance its facial recognition techniques," the complaint said. It said these practices are deceptive and ignore the explicit preferences of many Facebook users.

Facebook defended its practices, saying users are able to decide for themselves whether to deploy the technology.

"People can choose whether or not to allow this technology and they can change their mind at any time," said Rob Sherman, Facebook's deputy chief privacy officer. "When someone has their setting turned off, we don't use this technology to identify them in photos."

The complaint is similar to one filed in 2011 that didn't lead to FTC action.

EPIC President Marc Rotenberg pointed to recent changes in Facebook's use of facial recognition, including efforts to tag nonusers who appear in photos, as one reason for the new concern.

self of his interest in that and other assets. Mr. Blavatnik is also a major U.S. political financier, according to campaign finance data collected by the Center for Responsive Politics, donating largely to Republican candidates, but also to some Democrats.

"This list of 12 companies owned or controlled by the sanctioned oligarchs should not be viewed as exhaustive," the U.S. Treasury said, indicating the U.S. may penalize firms and individuals linked to the sanctioned entities.

Konstantin Kosachev, head of the Council of the Federation Committee on Foreign Affairs who was added to Treasury's blacklist, said the action was "another unjustified, unfriendly and meaningless step," according to state-run media RIA-Novosti.

Rostec, the parent company of Russia's arms-exporting monopoly Rosoboronexport, which was also sanctioned, said the measures were an attempt to hit the country's arms exports, the second biggest in the world. Treasury said the company was sanctioned for providing military equipment and support for the Syrian government.

"All these bold words and accusations are just a pretext to push Russia out of the global arms market," Rostec said in a statement to Russian news agencies.

The targeting of key individuals in Russia's energy sector—the economy's biggest industry—is a warning to Moscow that the U.S. could hit the country where it is most vulnerable.

—Alan Cullison

in Washington contributed to this article.

RUSSIA

Continued from Page One
course. Moscow, it said, would respond firmly to the sanctions.

Among those sanctioned were tycoons in Mr. Putin's inner circle, including the Russian president's son-in-law, Kirill Shamalov, and oligarch Oleg Deripaska. Share prices for two of Mr. Deripaska's companies sanctioned by the U.S. Treasury plummeted after the announcement. United Co. Rusal PLC, one of the world's largest aluminum producers responsible for 7% of global production, fell more than 10%. Share prices for EN+ Group, a sanctioned company that owns Rusal and major Russian electricity and coal assets, fell 20% after the news.

Friday's sanctions were viewed by many U.S. lawmakers and Western Russia experts as a litmus test for the administration's commitment to punishing Moscow. Several people targeted had connections to Mr. Trump's 2016 presidential campaign and to his cabinet, as well as to officials from previous administrations. The list will mute some criticism by lawmakers and others who say the White House has pulled its punches in challenging Moscow.

Tensions between Russia and the West had been building for years, but they escalated to a new level after the U.K. nerve-agent attack blamed on Moscow and cyberhacks on U.S. infrastructure, which U.S. officials say were orchestrated by the Kremlin.

Rep. Adam Schiff (D, Calif.), the ranking member of the

House Permanent Select Committee on Intelligence who has been one of the president's toughest critics in Congress, praised Friday's action. But he added that the measures "would be stronger if accompanied by a clear statement from the president himself that the U.S. recognizes Russia's attack on our democracy

and its destabilizing behavior."

By sanctioning Mr. Deripaska as well as numerous companies associated with him, the Treasury Department appeared to be sending a signal to Russians who may become ensnared in the broad investigation into Russia's meddling with the U.S. elections. Mr. Deripaska is known to have been a key pa-

tron of Paul Manafort, Mr. Trump's former campaign finance chairman who worked at one time for Moscow-backed Ukrainian President Viktor Yanukovich.

U.S. officials said Mr. Deripaska had been investigated over allegations of money laundering and threatening the

lives of business rivals, and he

was previously barred from the U.S. for his suspected ties to organized crime. Mr. Deripaska, named in a public U.S. Treasury blacklist in January as a possible target for sanctions, stepped down as Rusal's president in late February. Mr. Deripaska or a representative for Rusal weren't available for comment.

The consequences are far reaching, it's a dangerous moment that needs a whole-of-government approach," said Heather Conley, a former deputy assistant secretary at the State Department in the Bush administration who is now a senior vice president at the Center for Strategic and International Studies. "We've seen Russian behavior only escalate and it's unclear where we are going."

The appearance of Viktor Vekselberg, founder of the Russian management and investment company Renova Group, also sanctioned Friday, is a surprise to some Kremlin watchers, and it may unsettle some Western officials who have ties to the Russian magnate. John Deutch, who served as director of Central Intelligence in the Clinton administration, sits on Renova's board of directors, as well as Josef Ackermann, previously chairman of the management board of Deutsche Bank. Messrs. Deutch and Ackermann weren't available to comment.

According to Russia experts, Mr. Vekselberg is a partner with Ukrainian-born billionaire Len Blavatnik, who Mr. Mnuchin temporarily partnered with in his Hollywood production and finance firm, Ratpac-Dune. Mr. Mnuchin told a government ethics office last year he would divest him-

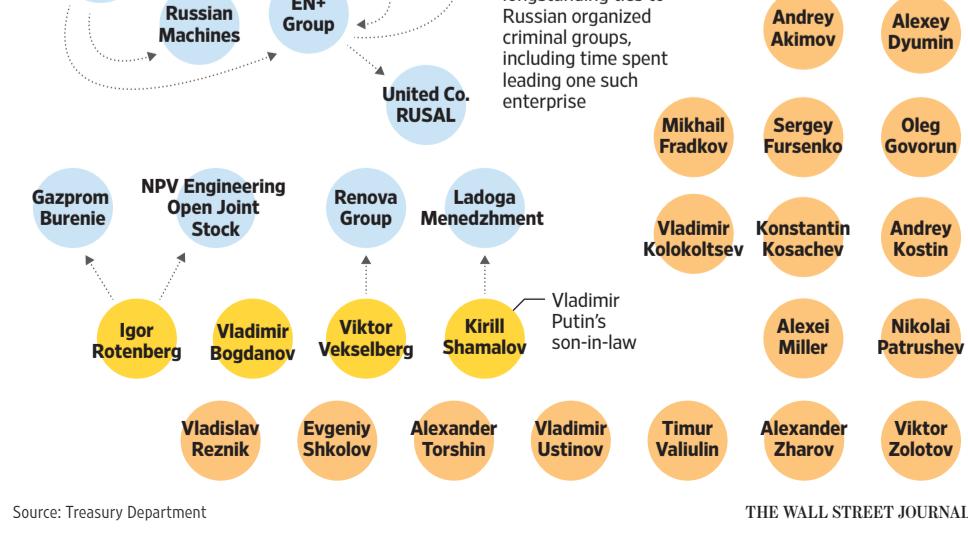
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The targeting of key individuals in Russia's energy sector—the economy's biggest industry—is a warning to Moscow that the U.S. could hit the country where it is most vulnerable.

—Alan Cullison

in Washington contributed to this article.



Source: Treasury Department

THE WALL STREET JOURNAL.

U.S. NEWS

For President, the Attacks On Amazon Are Personal

By PETER NICHOLAS

Early in President Donald Trump's term, when White House officials heard him complain vociferously about Amazon.com Inc., they arranged private briefings in the Oval Office to make sure that he would talk knowledgeably about the company.

Gary Cohn, his top economic adviser, and other officials gave PowerPoint presentations and briefing papers they believed debunked his concerns that Amazon was dodging taxes and exploiting the U.S. Postal Service.

It made little difference. Mr. Trump persisted in attacks that ran counter to the material they had showed him. "It's not the narrative he wants," one person familiar with the matter said of the briefings. "He clearly didn't find it persuasive because he keeps saying it's untrue."

In the past week, Mr. Trump has turned what were sporadic and often private criticisms into a sustained volley of tweets against Amazon, often causing stock-market fluctuations.

Fueling Mr. Trump's ire is not so much Amazon, the online giant that is revamping the retail industry, but the company's Chief Executive Officer Jeff Bezos, who also owns the Washington Post, people close to the White House say.

Mr. Trump sees Mr. Bezos's hand in newspaper coverage he dislikes and is lashing out at Amazon as a proxy, these people said.

The White House didn't respond to a request for comment. A Post spokeswoman, asked for a response, referred to quotes from the paper's leadership in a story published Thursday. In that piece, publisher Frederick J. Ryan Jr. said that Mr. Bezos has "never proposed a story."

"Jeff has never intervened in a story. He's never critiqued a story. He's not directed or pro-



President Donald Trump, left, and Jeff Bezos, right, participated in a forum in Washington last year.

posed editorials or endorsements," Mr. Ryan said.

Amazon declined to comment. But the company says it collects sales taxes on its own inventory in all 45 states that have that type of tax and has voluntarily started collecting taxes in some municipalities. Many small businesses selling products on Amazon's site don't collect sales taxes outside of the states where they are based.

Still, Mr. Trump stepped up his attack Thursday, tweeting about the company and telling reporters aboard an Air Force One flight home from West Virginia: "Amazon is just not on an even playing field. They have a tremendous lobbying effort, in addition to having the Washington Post, which is, as far as I'm concerned, another lobbyist."

"Look at the sales tax situation," Mr. Trump added, suggesting the company doesn't pay its fair share of them.

Mr. Trump's most recent statements prompted aides to go back to him this week to tell

him his Amazon critique might be "missing the point," a White House official said. In response, Mr. Trump has been "digging in," this person said.

In past briefings, his advisers have told him how Amazon pays taxes, the person familiar with the matter said.

E-commerce giant's CEO, who also owns the Washington Post, is target of Trump ire.

The president's advisers similarly have presented financial data that show the Postal Service's financial woes are being caused by forces other than Amazon: notably that people are sending far fewer letters.

The Postal Service has suffered a decline in revenue from first-class mail delivery of about 7% in the fiscal year that ended

in November. Meantime, it has had strong growth in package delivery, the category that would account for Amazon and many other online retailers, with revenue growing 11% in the same fiscal year to November.

Mr. Trump's most recent flurry of tweets targeting Amazon has coincided with the publication of Post stories he dislikes—one that documented problems at a White House office that vets political appointees and another that depicted Mr. Trump acting more independently of chief of staff John Kelly and other "moderating forces."

Privately, Mr. Trump has talked about the fact the Washington Post is solely owned by Jeff Bezos and he [Mr. Bezos] is using that same entity to take on the president and the administration," said one person who talks to Mr. Trump regularly.

Another person close to the White House said: "Every time there was a bad story, it [Amazon] would come up."

Trump Web Store Taxes in 2 States

By RUTH SIMON

The Trump administration is pushing for online retailers to pay more in state and local taxes. One retailer that could be affected by a stricter tax policy: the online store of the **Trump Organization**, which collects sales tax from consumers in only two states.

The TrumpStore.com website, which sells \$100 polo shirts, baseball caps, spa teddy bears and other Trump-branded merchandise, collects sales tax on orders shipped to addresses in Florida and Louisiana, according to the company's website.

The site, which describes itself as the official retail website of the Trump Organization, doesn't collect sales taxes from New York residents. The TrumpStore.com website invites shoppers to "visit our brand new Trump Tower flagship retail store" in New York City.

The website was registered by the Trump Organization, which has its headquarters in Trump Tower. The website contains information about the retail store and the e-commerce site, but it is unclear how ownership of the entities is structured.

"Trumpstore.com has always, and will continue to collect, report, and remit sales taxes in jurisdictions where it has an obligation to do so," a Trump Store spokeswoman said. The spokeswoman and the chief legal officer for the Trump Organization didn't respond to requests for additional information.

A White House spokeswoman declined to comment, and referred questions to the Trump Organization.

States require a business with a physical presence in a state to collect sales taxes on online purchases delivered to those states. A spokesman for the New York State Department of Taxation and Finance

said it can't comment on specific businesses for privacy reasons.

In recent days, President Donald Trump has slammed online retailer Amazon.com Inc. for not paying enough in taxes to state and local governments. In a legal brief filed on March 5, the Trump administration urged the Supreme Court to let states require that retailers collect sales taxes even where they lack a physical presence. The court will hear oral arguments on April 17.

"States indisputably may tax sales to state residents by out-of-state retailers," the Trump administration said last month in its court filing in support of a South Dakota law. Requiring retailers to collect

The president has accused Amazon.com of not paying enough sales tax to states.

sales tax only where they have a physical presence "would substantially impede state tax collection," it said.

Mr. Trump handed over management of the Trump Organization, the umbrella company operating the family's business, to his sons, Eric and Donald Jr., in 2017, but retained ownership of the company. The family company earns much of its income from real-estate holdings and licensing deals.

The Trump Organization declined to explain why the online store collects taxes in Louisiana and Florida, but tax experts say the company would be required to do so if it has a physical presence in those states.

—Richard Rubin
and Michael C. Bender
contributed to this article.

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WORLD NEWS

As Aid Is Turned Away, Venezuelans Die

Regime prohibits most outside medical donations, limiting lifesaving drugs

By KEJAL VYAS
AND RYAN DUBE

CALABOZO, Venezuela—In Spanish, the name of this town in Venezuela's scorching central plains means dungeon. For Marta Solorzano, the recipient of a transplanted kidney, being here turned into a death sentence.

With Venezuela's state-run health-care system in ruins and the country's economy collapsing, the government last year stopped supplying the pills Ms. Solorzano needed to keep her organ functioning, her family and her doctor said.

Without the medicine, the 50-year-old former janitor suffered chronic fatigue and debilitating pain for months as her body rejected the kidney, said her husband, Enzo Array. She died on March 4.

"My world has been taken away from me," Mr. Array said during a recent visit to her grave, where her name had been etched with a stick in a layer of cement. "I blame the government."

The state agency responsible for providing the drugs didn't respond to a request to comment.

Venezuelan President Nicolás Maduro's cash-strapped Socialist regime prohibits most international humanitarian donations—including contributions of lifesaving medicines—except from a few remaining allies such as Russia. The authoritarian leader and his lieutenants have denied the country is in a humanitarian crisis and they consider international aid part of a ploy by the U.S. and political rivals to besmirch the government and open the door to foreign intervention.

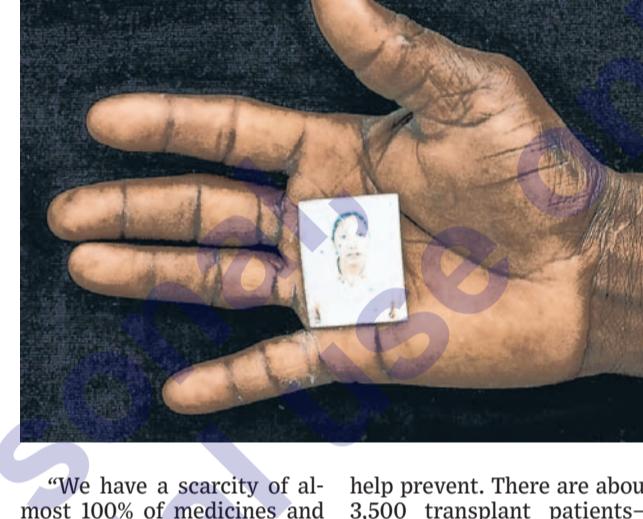
"No way are we going to allow this right wing to impose a supposed humanitarian aid when our people are already being tended to by President Maduro," Venezuela's Health Minister Luis López said in December.

Public health has deteriorated sharply in what used to be one of Latin America's richest nations. Venezuela's infant mortality rate was higher than in Syria in 2016, according to Health Ministry figures. Cases



Enzo Array in the cemetery where his wife is buried, and showing a photo of her, bottom right. Bottom left, Moravia Vicuña.

OSCAR B. CASTILLO/FRACTURES COLLECTIVES FOR THE WALL STREET JOURNAL (3)



of diphtheria and malaria, diseases controlled by most Latin American nations, have increased amid a lack of vaccinations, the ministry said.

"The situation is complicated, I think that is a point that we all agree on due to the social, political and economic issues," said José Moya, a Peruvian doctor who is the representative in Venezuela for the Pan American Health Organization, a branch of the World Health Organization.

"This has really affected the purchase of supplies, the func-

tioning of hospitals, [and] it is affecting the availability of medicine."

In March, the U.S. Treasury sanctioned Carlos Rotondaro, former head of the government's Social Security Institute, which is responsible for providing drugs for chronic illnesses. The U.S. said mishandling of health care by him and others has contributed to outbreaks of once-controlled diseases like diphtheria and measles. Mr. Rotondaro couldn't be reached to comment.

"We have a scarcity of almost 100% of medicines and what is available, people cannot afford," said Feliciano Reyna, head of a Caracas-based health-advocacy group, Solidarity Action, which has tried to open the country to international medical aid. "We are seeing more and more deaths and suffering."

Patients with transplants are particularly vulnerable because of the risk that their bodies will reject the new organs, an outcome immune system-suppressing drugs can

help prevent. There are about 3,500 transplant patients—most of them kidney recipients—in Venezuela, according to health-advocacy groups.

For months, 56-year-old Moravia Vicuña has been taking just one of the three immunosuppressive drugs she has been prescribed. Recently, she was down to fewer than 10 pills. She said she and her older sister, Carmen, pawned their bed and television to pay for her last pack of pills, which she is taking only one of the four times a day doctors

recommended.

"I'm so worried, I can't sleep," said Ms. Vicuña, who lives in a town not far from Calabozo. "I just want to live, that's all."

At a funeral home in a nearby town, Rafael Funes, 48, was making burial arrangements for his 40-year-old wife, Luz Marina Martinez. She went a month without pills for her donated kidney, he said.

"It's just cruelty," Mr. Funes said, breaking down in tears.

—Mayela Armas in Caracas contributed to this article.

Brazilian Ex-President Misses Arrest Deadline

SÃO BERNARDO DO CAMPO, Brazil—The country's former president, Luiz Inácio Lula da Silva, missed a deadline to turn himself in Friday as he negotiated the terms of his surrender to begin serving a 12-year jail term, a person familiar with the talks said.

The 72-year-old was expected to spend at least a sec-

By Jeffrey T. Lewis,
Luciana Magalhães
and Paulo Trevisani

ond night in a trade union hall after being ordered on Thursday to surrender by 5 p.m. local time Friday or face arrest.

Mr. da Silva was holed up in the headquarters of a metal-workers union hall in this industrial suburb of São Paulo where he began his rise to national prominence as a union activist in the 1970s. Both a polarizing and popular figure, the man known across Latin America as Lula had quickly attracted supporters from his Workers' Party, who gathered outside the union hall and pledged to protect their leader from the police.

The former president's defenders gathered on a narrow, mostly residential street as Mr. da Silva conferred inside the six-story building, which was draped with banners reading "No to Lula's imprisonment" and "Election without Lula is a fraud." A sound truck was parked outside, its giant loudspeakers blasting samba between speeches from Mr. da Silva's supporters. Street vendors sold beer, ice cream and barbecued meat.

"An innocent man does not surrender," said Ângela Kinzu, 62 years old, who was among

those who arrived at the union headquarters. "We are in a war."

They and other Brazilians who support Mr. da Silva see the court order and last year's conviction against him—part of a broad investigation of corruption that has led to the jailing of dozens of public officials and businessmen—as a conspiracy to end his drive to win back the presidency. Polls showed the former president topped all candidates ahead of the October election.

At the union hall, Mr. da Silva's supporters formed a human barrier to protect their leader through much of Friday. Many wore the red that symbolizes the Workers' Party, which held power here from 2003 until 2016.

"The right-wing wants to keep the workers away from power," said Marcos Ferraz, 58, who was selling \$7 red T-shirts with Mr. da Silva's image. "There is a prejudice against the working class."

Marco Antonio Silva, 26, a law student, said that he joined in to "support and defend democracy." To him, arresting Mr. da Silva amounts to "an aggression against the constitution."

The case against Mr. da Silva has led to a spectacular fall from grace for a man who went from fighting a military dictatorship in the early 1980s to leading an increasingly powerful labor movement that brought him to the presidency in 2003.

Assisted by high commodity prices and demand from China, Brazil under Mr. da Silva maintained a balanced federal budget while attracting investment and funding social programs that helped 30 million rise from poverty.

Trump Sparks Backlash in Mexico



MEXICO CITY—At least for a day, U.S. President Donald Trump has managed to unite Mexico's fractious politicians. In this case, against him.

Mexico's President Enrique Peña Nieto won widespread praise here following a nationally televised address on Thursday in which he used uncharacteristically strong language to tell Mr. Trump to stop treating Mexico like a political punching bag, after the U.S. leader spent a week criticizing Mexico over migration and border security and decided to send National Guard troops to the border.

Mr. Trump's lashing out at the U.S.'s southern neighbor tied in with his frustration with Congress over funding his southwest border wall, after a recent spending bill funded only a slice of the project.

"President Trump...if your recent statements derive from a frustration with your domestic policy or with your laws or Congress, talk to them, and not to Mexicans," Mr. Peña Nieto said in the video. "If there is one thing all Mexicans agree, it is that nothing, or no one, is above our dignity as a nation."

All four leading Mexican presidential candidates—who have spent months in the run-up to hotly contested election in July savaging the president on issues like corruption and crime—came out with statements against Mr. Trump and offered rare praise for Mr. Peña Nieto.

Before the video, Mr. Peña Nieto's government caught a lot of flak from critics who have accused it of not taking a strong stance against Mr. Trump's unending stream of insults and attacks.

The positive response generated by the Mexican leader's tougher language suggests the U.S. administration may find a less pliant Mexico in the months and years ahead as

'Nothing, or no one, is above our dignity as a nation,' says President Peña Nieto.

both nations try to work on issues ranging from a renegotiation of the North American Free Trade Agreement to cross-border security, drug trafficking and migration.

"I think the tide has shifted among Mexicans about how much they are willing to put up

with being a constant target for the U.S. president," said Andrew Selee, president of the Washington-based Migration Policy Institute.

A day earlier, Mexico's Senate urged Mr. Peña Nieto to suspend bilateral cooperation in the fight against illegal migration and organized crime until Mr. Trump changes his stance toward Mexico.

The Senate request had unanimous support from all political parties, said Laura Rojas, a senator from the conservative National Action Party and head of the Senate Foreign Relations Committee.

"If there's no consequence to Mr. Trump's threats, Mexico won't be able to force a real change in his hostile stance," said Sen. Rojas, who led the Senate's proposal.

But top Mexican officials

have argued that the bilateral relationship is too important to risk an emotional backlash. Foreign Minister Luis Videgaray said in a radio interview Friday that the fight against organized crime groups that operate in Mexico and the U.S. is in the interest of Mexico's security and depends on bilateral cooperation to be effective.

"What we're not going to do is put at risk the security of Mexico and Mexicans," he said.

But that dynamic could change with a new leader, especially if Andrés Manuel López Obrador, a leftist nationalist, maintains his big lead and captures the presidency.

"Our country, our people are not going to be a piñata for any foreign government," he said at a speech to packed crowds in the border city of Laredo on Thursday.

The former president's defenders gathered on a narrow, mostly residential street as Mr. da Silva conferred inside the six-story building, which was draped with banners reading "No to Lula's imprisonment" and "Election without Lula is a fraud." A sound truck was parked outside, its giant loudspeakers blasting samba between speeches from Mr. da Silva's supporters. Street vendors sold beer, ice cream and barbecued meat.

"An innocent man does not surrender," said Ângela Kinzu, 62 years old, who was among

WORLD NEWS

South Korea's Former President Is Sentenced

By EUN-YOUNG JEONG

SEOUL—A court sentenced former South Korean President Park Geun-hye to 24 years in prison for her involvement in a corruption scandal that led to her ouster from office and ensnared some of the country's top officials and business leaders.

The ruling on Friday, which included a fine of about \$16.8

million, fell short of the 30-year prison term and \$110 million fine prosecutors had sought. Still, the sentence handed to Ms. Park, the 66-year-old daughter of South Korea's longest-serving president, was the heaviest the courts have meted out to any figure in the graft affair that shook the country from late 2016.

Park Geun-hye, 66 years old, was given a 24-year prison term. She is expected to appeal.

In a related case, Lee Jae-yong, the third-generation Samsung heir considered the country's most powerful busi-

nessman, was imprisoned last year for bribery and embezzlement, and released earlier this year on a suspended sentence. He has appealed his case to the Supreme Court.

The scandal that brought down Ms. Park focused attention on the country's traditionally close links between the government and family-run business conglomerates.

The court found the former conservative leader guilty on nearly all charges, including bribery, disclosing state secrets, and abuse of power.

The former president was acquitted on two bribery counts related to some of Samsung's payments to organizations controlled by her friend, Choi Soon-sil.

Ms. Park is expected to appeal. She had previously denied any wrongdoing. Her lawyers couldn't be reached to comment. In February, Ms. Park's longtime confidante Ms. Choi, who was alleged to have colluded with the former president to extract bribes, was sentenced to 20 years in prison. She has appealed.

Ms. Park wasn't present for the verdict, which was televised nationally. She hasn't appeared in court since October.

WORLD WATCH

UNITED KINGDOM

Poisoning Victim's Condition Improves

Former Russian double agent Sergei Skripal is no longer in critical condition after being poisoned by a nerve agent last month, offering investigators an opportunity to shed light on crucial details about the attack.

Christine Blanshard, medical director at Salisbury District Hospital, where Mr. Skripal was being treated, said the 66-year-old was responding well to treatment and improving rapidly.

—Jenny Gross

LEBANON

Foreigners Commit To \$11 Billion in Aid

International donors pledged \$11 billion in aid to Lebanon on Friday at a Paris conference, aiming to bolster the economy in a country seen as a bulwark in a volatile region.

The conference is the second of three meant to support Lebanon as it struggles with a lagging economy and an influx of refugees from the Syrian war raging next door that is straining its already weak infrastructure.

—Nazih Osseiran



A veiled Palestinian woman stood Friday in front of burning tires in Gaza. Organizers have said the demonstrations will continue until May 15.

MOHAMMED TALATENE/DPA/ZUMA PRESS

Seven Die in Gaza Clashes

Demonstrations at the fence dividing the Gaza Strip and Israel turned deadly again Friday, as Palestinians burned tires that sent up plumes of smoke and some tried to cross the border amid Israeli military gunfire.

By Rory Jones in Tel Aviv and Abu Bakr Bashir in Gaza City

Seven Gazans died, including a 16-year-old, and nearly 300 were injured, Palestinian health authorities said. The Israeli military said the army responded with gunfire and water cannons as Palestinians hurled firebombs at soldiers and attempted to infiltrate Israel.

The demonstrations, which organizers said will continue for weeks, have presented Israel with a new military and political challenge as it aims to avoid a mass breach of the fence while also responding to inter-

national calls to show restraint.

Palestinian health authorities said at least 26 people have been killed in the past week's demonstrations and more than 2,000 injured, including roughly 1,000 from gunfire.

The new protests involved thousands again but appeared quieter than the week before and Israel appeared to be using less tear gas to disperse Palestinians, according to people at the demonstrations.

Palestinian demonstrators are calling for the right to return to their ancestors' villages and towns in what is now Israel, a demand Israeli officials reject because they say it would risk the country's Jewish majority.

Organizers have said the demonstrations will continue every day until May 15, known among Palestinians as "Nakba Day" or "Day of the Catastrophe," the day after the date of Israel's 1948 founding.

The government of Prime Minister Benjamin Netanyahu says Islamist movement Hamas, which rules Gaza and is designated a terrorist organization by the U.S. and Israel, is using the demonstration as a pretext to attack Israelis and divert attention from the group's poor governance of the strip.

Gaza's economy is flatlining and a dispute between Hamas and the Palestinian Authority is exacerbating tensions. The last round of Israeli-Palestinian peace talks collapsed in 2014 and Palestinian factions have refused to engage in an expected White House peace plan as they perceive it will be favorable to Israel.

Ahead of Friday's demonstration, the United Nations said Israeli forces should show "maximum restraint" and called on organizers not to put women and children in danger. The White House representative to Israeli-Palestinian ne-

gotiations, Jason Greenblatt, urged protesters to march peacefully, abstain from violence and not approach the fence.

Retired policeman Khames al-Zaem said Palestinians were "fed up" with an Israeli blockade of Gaza and no prospects for a peace agreement after 70 years of conflict. "To die a martyr is much better than dying in hospital bed," said Mr. Zaem, 67 years old.

Israel controls access and goods entering the strip to stop Hamas from arming to attack Israelis. Egypt also shares a border with Gaza and only infrequently opens the crossing from the strip into Egyptian territory.

Israeli army officials have disputed the number of injuries reported by Gazan authorities last week and questioned the authenticity of videos posted online that purported to show unarmed protesters being shot.

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IN DEPTH

STOCKS

Continued from Page One

tion is willing to go with its protectionist agenda has become a driving force behind the stock market's gyrations for more than a month.

Those concerns deepened Friday after Chinese Commerce Ministry spokesman Gao Feng acknowledged the two governments were now in a battle and described President Donald Trump's consideration of penalties on an additional \$100 billion in Chinese goods as "extremely wrong."

Investors worry the tit-for-tat responses between the U.S. and China could translate into more severe and farther-reaching sanctions that pressure American companies and raise prices for consumers.

Investors say an escalation could crimp the global economic growth engine that has acted as a key pillar for the latest leg of the stock-market rally.

Several Trump administration officials, including Larry Kudlow, head of the White House National Economic Coun-

cil, Treasury Secretary Steven Mnuchin and White House press secretary Sarah Huckabee Sanders, tried to allay investors' concerns about a trade conflict to little avail.

Mr. Mnuchin, speaking on CNBC, said it would take time for the announced and potential U.S. tariffs to take effect, and meanwhile, "we'll continue to have discussions. But there is the potential of a trade war."

572

Number of points the Dow Jones Industrial Average fell Friday

That last comment appeared to send the market sliding. The Dow fell as much as 767 points in the late afternoon before paring its decline to 572.46 points, or 2.3%, to 23932.76.

Ms. Sanders, meanwhile, said later Friday that, "this is something that China has created and President Trump is trying to fix it."

Federal Reserve Chairman

Jerome Powell, who reiterated the central bank's intent to proceed with a slow, steady path of rising interest rates, added Friday that "tariffs can push up prices," but went on to say that it is too early to predict what would be the full economic impact of a trade war with China.

The growing uncertainty over a trade war and what that means for businesses across the country prompted the stock market's most nervous investors to sell Friday, said Kenny Polcari, managing director at broker-dealer O'Neil Securities.

"It could get uglier over the weekend, and some are getting out because it could go either way," said Mr. Polcari.

He added that trading volumes were light, suggesting the selling is being driven more by smaller traders and investors rather than big money managers. "If [the administration] calms the rhetoric down over the weekend, then you'll likely see the market rally right back Monday," he said.

The S&P 500 declined 58.37 points, or 2.2%, to 2604.47, while the Nasdaq Composite slid 161.44 points, or 2.3%, to 6915.11. For the week, the Dow



QILAI SHEN/BLOOMBERG

Steel wire in Shanghai. China vowed Friday to fight U.S. trade moves.

dropped 0.7%, the S&P 500 fell 1.4% and the Nasdaq declined 2.1%. The S&P 500 is now off 2.6% for the year and down 9.3% from its late January peak.

Investors moved into assets that tend to hold up better during times of uncertainty, with so-called haven assets such as bonds and gold rising. "There's genuine fear that this thing with China is not going to go well,"

said Jeff Lancaster, a principal of Bingham Osborn & Scarborough, an advisory firm that manages \$4.2 billion.

Shares of Boeing, which has been cited by analysts as a bellwether to gauge investors' reaction to trade-sensitive stocks, fell 3.1%. Heavy machinery manufacturers Caterpillar and Deere & Co. dropped 3.5% and 3.9%.

Financial firms also weighed

heavily on major indexes after their stocks were hurt by stronger bond prices, which rose after the latest trade salvos. Higher bond prices and lower yields tend to narrow the gap between short- and long-dated Treasury notes and crimp lenders' profits.

Shares of Goldman Sachs Group fell 2.3%, while the KBW Nasdaq Bank Index of large U.S. lenders slid 2.7%.

The yield on the benchmark 10-year U.S. Treasury note fell to 2.77% from 2.830% on Thursday. Yields move inversely to prices.

Meanwhile, the latest jobs report showed that wages grew as expected from a year earlier, with average hourly earnings rising 2.7% in March. That eased worries among some investors that inflation had been growing faster than expected and that the Fed would hasten its pace of interest-rate hikes to keep the economy from overheating.

"This should help moderate investors' expectations for the [Federal Reserve] getting ahead of itself," said Doug Cote, Voya Investment Management's chief market strategist.

ple message: The U.S. isn't going to get "tapped around."

The U.S. wanted substantial changes, which included cutting the tariff China imposes on auto imports from 25% to something closer to the U.S. tariff of 2.5%. The U.S. also wanted a \$100 billion reduction of its \$375 billion annual merchandise trade deficit with China. To punctuate those demands, the administration planned to threaten tariffs.

One more obstacle needed to be cleared away. President Trump, frustrated that the steel-tariff matter had been indefinitely delayed, was sympathetic to pitches by Messrs. Navarro and Ross that he should finally move on the issue. In early March, Mr. Trump said he would impose 25% tariffs on steel and 10% tariffs on aluminum from any exporting nation.

The international response threatened to drown out the China initiative as U.S. allies complained they were unfairly targeted.

How to proceed

On Tuesday evening, March 20, senior officials gathered again in the Roosevelt Room to decide how to proceed with the tariffs scheduled to go into effect in three days. Mr. Navarro, the trade adviser, argued tariffs should be imposed across the board as the president threatened, say officials. That would increase U.S. leverage with steel-exporting nations, which could be expected to offer concessions to avoid tariffs, he argued.

Mr. Lighthizer, aligned this time with Mr. Ross, pressed for an alternative course. Grant nearly all nations except China temporary exclusions from the tariffs, they proposed, according to participants, but then limit their exports through quotas. That would make the U.S. seem more reasonable in steel negotiations and help form a coalition against China.

The group produced a memo in which the different views were articulated. Mr. Trump backed Mr. Lighthizer's side.

With the steel issue defused, at least temporarily, Mr. Trump announced on March 22 the U.S. would threaten tariffs on Chinese imports. He thanked Mr. Lighthizer for his help and invited him to say a few words.

"This is an extremely important action," Mr. Lighthizer said, "very significant and very important for the future of the country, really, across industries."

Over coming months, the ability of the U.S. to maintain pressure on China will depend on factors including the reaction of markets, opposition by U.S. industries and farmers, and retaliation by China against U.S. companies. Chinese leaders say they are confident they would prevail in a trade war, say U.S. individuals who have met with them recently, and chalk up U.S. threats to Mr. Trump's midterm congressional electioneering.

Jorge Guajardo, a former Mexican ambassador to China and now a Washington consultant, has seen up close how Beijing can pressure companies and wear down governments. "The big question is, 'Will the U.S. blink?'" he said. "Or will they stay the course so China is forced to understand there is a new way of doing business."

Lingling Wei contributed to this article.

TRADE

Continued from Page One

zero. It marked the start of the most dramatic and high-risk effort in decades to force the world's second largest economy to change its behavior, culminating this week in an order threatening tariffs on \$50 billion of Chinese imports, a move that also had Mr. Lighthizer's imprint on it.

After China threatened tariffs on an equal amount of imports from the U.S., Mr. Trump on Thursday called that "unfair retaliation" and said he might put tariffs on a further \$100 billion of Chinese imports. China's Commerce Ministry said on Friday Beijing was ready to "hit back forcefully."

Today, Mr. Lighthizer is exchanging letters with China's senior economic envoy on measures Beijing could take to head off a trade war. Negotiations are likely to stretch over many months—an ambiguity that could rattle financial markets and lift prices on goods earmarked for tariffs.

"Trump and Lighthizer are like-minded," said William Reinsch, a former trade official now at the Center for Strategic and International Studies. "There is a negotiating strategy of bullying, intimidation, and threats to soften up [the adversary]. Then, maybe make a deal."

Mr. Lighthizer's brother, Jim Lighthizer, puts it another way. "His approach is direct; he doesn't spend a lot of time on nuance," Robert Lighthizer declined requests for comment.

Many U.S. businesses say they are fed up with what they view as unfair Chinese subsidies to local companies, and strong-arm tactics that make them hand over technology to Chinese partners. Still, they worry U.S. threats of tariffs could backfire and leave them vulnerable to retaliation.

Early in the Trump administration, Commerce Secretary Wilbur Ross was expected to lead China economic policy. His star dimmed when the president dismissed an early package of deals Mr. Ross negotiated with Beijing as little more than a re-packaging of past offers, say White House officials. "Shut it down," Mr. Trump told Mr. Ross in July when he stripped Mr. Ross of his China role, according to senior administration officials.

Mr. Ross continues to work on China issues, including advising Mr. Lighthizer on which imports to target for tariffs, a Commerce official said.

Bridging a divide

Mr. Lighthizer managed to bridge a trade divide among Mr. Trump's warring factions.

To so-called nationalists like former National Economic Council Director Gary Cohn, who worried about the impact of trade fights on markets, Mr. Lighthizer was the skilled attorney who understood how Wash-



CAROLYN KASTER/ASSOCIATED PRESS

U.S. Trade Representative Robert Lighthizer with President Trump; the aide has had a key role in shaping policy concerning China.

Road to U.S.-China Standoff on Trade



1989 Tiananmen Square massacre; U.S.-Chinese relations sour.

1992 China under Deng Xiaoping recommits to market-based reforms.

1999 U.S. cuts a deal with China to back its entry into the World Trade Organization.

ASSOCIATED PRESS (3)

2000 U.S. grants China normalized trade relations.



2001 China enters the WTO.

2006 The U.S. and China hold first Strategic Economic Dialogue (SED).

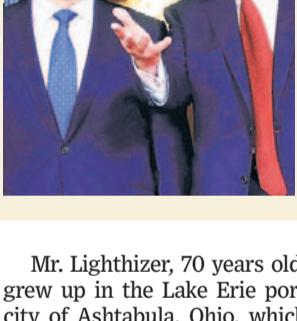
2009 SED talks broadened.

2013 Sunnylands summit between Presidents Barack Obama and Xi Jinping.

2017 President Donald Trump

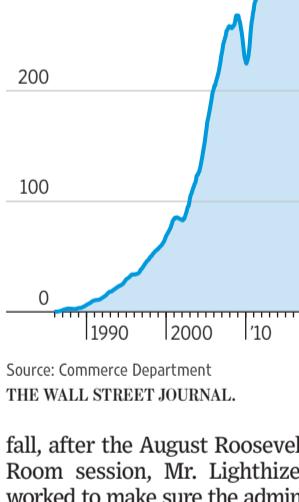
and Xi meet at Mar-a-Lago, start Comprehensive Economic Dialogue.

2018 U.S. imposes steel and aluminum tariffs; targets \$50 billion of Chinese imports for tariffs. China threatens tariffs on similar amount of U.S. goods. Trump weighs tariffs on additional \$100 billion of goods.



Growing Imbalance

The U.S. trade deficit with China has steadily worsened.



Source: Commerce Department

THE WALL STREET JOURNAL.

fall, after the August Roosevelt Room session, Mr. Lighthizer worked to make sure the administration was united. Previously, the U.S. had often balked at confronting China out of fear a fight would tank the global economy and make China less willing to help on national-security issues.

Defense chief Jim Mattis, though, backed a tough approach because he was concerned China was illicitly obtaining U.S. technology and could gain a military edge, say people familiar with his thinking. Others in the national-security agencies were tired of what they felt were unmet Chinese promises on Korea and other security issues.

As with his boss, bluntness is his calling card. In the mid-1980s, as a U.S. Trade Representative official who negotiated with Japan, he once grew so frustrated he took a Japanese proposal, turned it into a paper

and floated it back at the Japanese negotiators as a joke. In Japan, he became known as "the missile man."

In a Senate hearing last month, when Democratic Sen. Maria Cantwell of Washington said his China plans could hurt U.S. aircraft makers, he dismissed her concerns as "non-sense."

As the U.S. moved toward confrontation with China last

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As the U.S. moved toward

confrontation with China last

Charlene Barshefsky.

Missile Man

At a September meeting with about 100 CEOs organized by the Business Roundtable, he said he understood they had to maximize profits, which sometimes meant exporting jobs. "My job is different," he told the group, according to participants. "My job is to represent the American workers. We're going to disagree."

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In a Senate hearing last month, when Democratic Sen. Maria Cantwell of Washington said his China plans could hurt U.S. aircraft makers, he dismissed her concerns as "non-sense."

As the U.S. moved toward

confrontation with China last

Charlene Barshefsky.

They delivered a sim-

WORLD NEWS

U.S. Weighs Steps To Aid Domestic Car Manufacturers

BY TIMOTHY PUO

The Trump administration is pursuing ways to protect domestic vehicle manufacturing by forcing imported cars to meet stricter environmental rules, according to senior administration and industry officials, a move that likely would make imports more expensive.

The cost of meeting the stiffer import standards would, at least in part, be passed along to U.S. consumers. This style of "nontariff barrier"—a protectionist stratagem the U.S. has long condemned in other countries—is

3.5%

German auto maker Volkswagen's share of the U.S. market

designed to reduce the relative cost of cars manufactured in the U.S., the officials said.

President Donald Trump has asked the Environmental Protection Agency and several other agencies, including the Commerce and Transportation departments, to pursue plans to use such laws as the Clean Air Act to subject cars made overseas to strict emissions standards testing and reviews when entering the U.S. The rules could effectively require more expensive technology on some foreign cars or subject those cars to more expensive hurdles.

Either option would likely raise the costs for foreign cars sold in the U.S., making domestically produced cars cheaper by comparison. This effect of raising prices on consumers is common to most nontariff barriers. The initiative remains in the planning stages and still faces

hurdles to implementation. EPA officials are working now to craft a legal justification, given that any proposal is expected to draw lawsuits. Some in the administration see the idea as too radical, and the considerable legal challenges have already delayed the plan. The White House didn't respond to a request to comment.

Behind some of the administration's thinking is a recent scandal at Volkswagen AG, which has 3.5% of the U.S. market. The German auto giant admitted to cheating on meeting standards limiting air pollution in vehicles with diesel engines. The EPA is exploring whether that scandal gives it legal justification under the Clean Air Act to set tougher rules, though it is also pursuing other alternatives that would have a broader impact.

"Reports that the president has requested input from his cabinet on possible nontariff barriers for vehicle imports to the U.S. is a bad idea and a pretext for protectionism," said John Bozzella, head of Washington lobbying group Global Automakers and spokesman for Here for America, a coalition of companies including Volkswagen, BMW AG and Daimler AG's Mercedes-Benz.

The EPA this week moved to ease emissions standards for vehicles sold in the U.S. spanning all auto makers, so additional strictures for imported cars and trucks could put those manufacturers at a disadvantage.

While the U.S. would like the plan to apply to as many countries as possible, it isn't clear if it would affect cars produced in Canada and Mexico, because they are member countries of the North American Free Trade Agreement.

—William Mauldin, Chester Dawson and Mike Spector contributed to this article.

China Set to Counter Tariffs

BY LINGLING WEI

BEIJING—China said it would retaliate forcefully if the U.S. imposed newly threatened tariffs and ruled out negotiations while Washington is escalating the pressure on Beijing over trade.

President Donald Trump said late Thursday that he was considering penalties on an additional \$100 billion in Chinese goods. Those penalties would come on top of proposed tariffs on \$50 billion in imports from China that Washington unveiled last week. The Trump administration aims to rebalance trade that last year favored China by \$375 billion.

At a briefing with reporters Friday night, Chinese Commerce Ministry spokesman Gao Feng called the U.S. move "extremely wrong" and acknowledged the two governments were now in a battle.

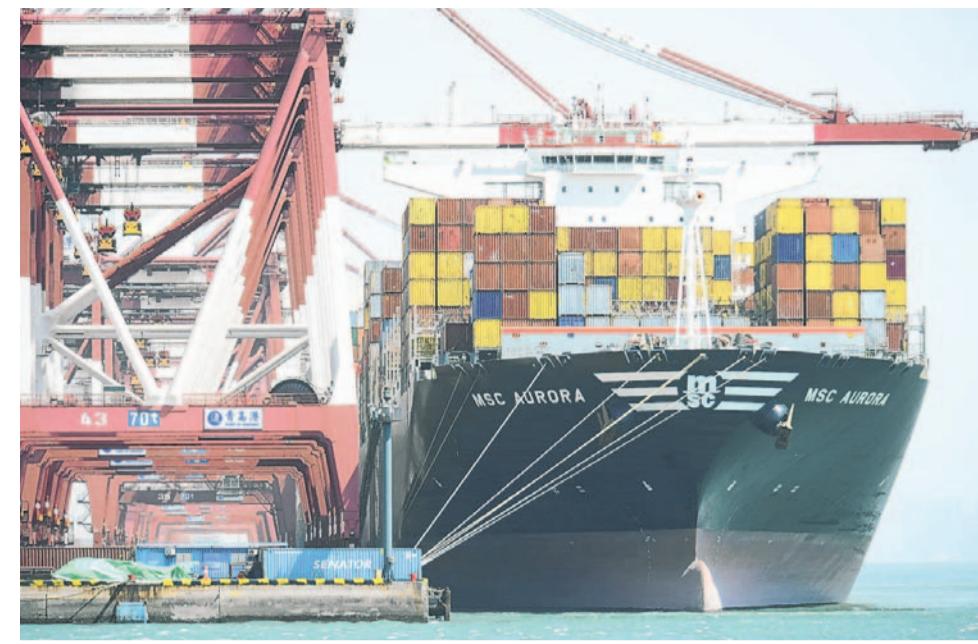
"China is fully prepared to hit back forcefully and without hesitation," Mr. Gao said. He said China has put in place "detailed countermeasures" and that those measures "don't exclude any options." Mr. Gao didn't elaborate.

He denied that Beijing and Washington were engaged in negotiations and said they haven't been "for a period of time," despite remarks by some U.S. officials that both sides were trying to resolve the dispute. "Under such circumstances, it's even more unlikely for the two sides to engage in any kind of negotiations," Mr. Gao said.

Beijing's apparent refusal to negotiate marks a new phase in weeks of rising tensions during which China largely reacted with measured calm to Trump administration moves and kept open the door for dialogue.

Economists said the Trump administration's latest action could leave the Chinese government facing options beyond tariffs to retaliate.

Beijing has responded in kind to the U.S. actions with penalties of a similar value. But if the Trump administration

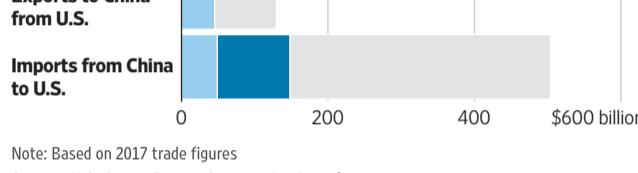


Beijing said it would respond forcefully to further U.S. tariffs. Above, a cargo ship in Qingdao, China.

Ready to Respond

China said it will retaliate if the U.S. imposes additional tariffs on \$100 billion of goods.

■ Subject to new tariffs ■ Newly threatened tariffs ■ Not subject



Note: Based on 2017 trade figures

Sources: U.S. Census Bureau, Peterson Institute for International Economics, China's customs administration

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pursues tariffs on an additional \$100 billion in goods, the new \$150 billion total would exceed the roughly \$130 billion in goods China imports from the U.S. That would force Beijing to seek other options.

Such measures, economists said, could include stepped-up regulation of American companies operating in China and using the threat of a trade war to rattle the U.S.'s larger and more important financial markets, compared with China's smaller, less globally connected ones.

"China shouldn't dance to the U.S.'s tune," said Mei Xinyu, a researcher with the government-backed China Academy of International Trade and Economic Cooperation. He pointed to the U.S. financial-services sector as one vulnerability.

Beyond the threats of trade penalties, China has actually imposed tariffs on \$3 billion worth of American farm goods and other products, answering similar levies placed by the U.S. on Chinese steel and aluminum.

"There's every prospect that U.S. firms could be leaned on, face additional and aggravating regulation, or be sanctioned somehow," said George Magnus, an associate at the University of Oxford's China Center

and a former chief economist for UBS. And going after American companies, he said, would further anger the White House and "pretty soon we're approaching meltdown."

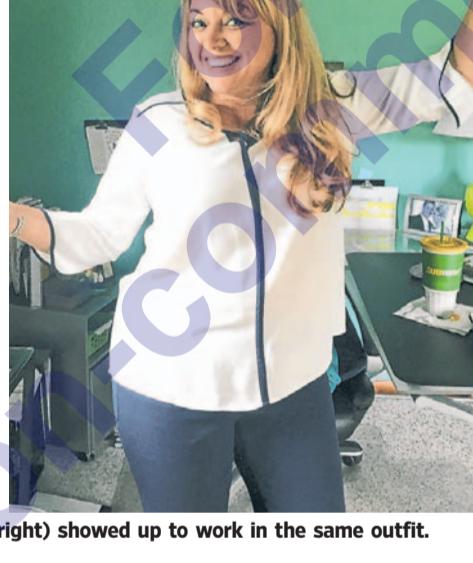
Ha Jiming, a former economist with Goldman Sachs and now at China Finance 40 Forum, a Beijing think tank, said Beijing might have few options but to reduce holdings of U.S. Treasurys. That could raise borrowing costs for the U.S., but other economists have said it would also increase the value of the yuan, making Chinese exports less competitive.

Senior Chinese officials have offered assurances that Beijing will continue to follow market-based principles in managing its foreign-exchange stockpile. "China is a responsible investor in global capital markets," Chinese Vice Finance Minister Zhu Guangyao told reporters Wednesday.

Mr. Mei, the Chinese researcher, said China is considering other options because its response has to match the Trump administration's threats. "This is a bet on whose stance is tougher," he said.

—Lin Zhu contributed to this article.

FROM PAGE ONE



Co-workers Julie Theado (left) and Angela Krile (right) showed up to work in the same outfit.

OUTFIT

Continued from Page One its website, says it is "an online styling service that delivers a truly personalized shopping experience, just for you."

Ms. Krile and Ms. Theado's experience isn't unique. In conference rooms, courtrooms and offices, men and women who use the service say they are seeing fashion doppelgängers.

Ashley Frelich recalls the day a co-worker "came waltzing through," the Washington, D.C., commercial real estate office where she worked, wearing the same blue-and-white striped, sleeveless, V-neck top she had bought from Stitch Fix. Spotting the co-worker at the office kitchen, Ms. Frelich asked if she used Stitch Fix. "She replied that she received the shirt from there as well." From that moment on, Ms. Frelich devised a calendar system to guess when her colleague might wear the outfit and when she should wear it.

Within days, she noticed another woman wearing the same top on the subway.

The twinning experience isn't necessarily negative. While on vacation in Billings, Mont., last summer, Stephen Barr recalls having a beer at a bar when he spotted a man wearing the same patterned, gray button-down, short-sleeve shirt that he had bought from Stitch Fix and was

then wearing. Mr. Barr, a financial software product manager from Philadelphia, saw the episode as a positive. "It was confirmation other guys are buying the same kind of clothes that I am, so I can't be completely going down the wrong path updating my wardrobe," he said.

With 2.5 million customers and more than a thousand brands, Stitch Fix says the likelihood of any two people getting the same "fix"—or set of five items—is "nearly zero," according to its chief algorithms officer, Eric Colson. In 2014, Mr. Colson conducted data analysis using a mathematical formula that concluded the probability of two sets with the same five items, "even after a million tries" was "extremely small."

However, the chance of two or more customers getting one shared item out of five is "small" versus "extremely small" for five out of five, the company says.

Diana Suber, a lawyer based in Atlanta, saw two women in her office building wearing the same navy dress with lace overlay she owned within days of one another. "When I saw one woman, you think it might have been just a coincidence," she said. "But when I saw two women, it made me think you're either selecting the same dress for multiple people in the same market or we all have the same taste. It was just kind of weird." She decided to never wear the dress to work again.

She says she could understand the duplication. "Our styles are somewhat similar." But her fashion choice made Ms. Myers start questioning whether her taste was off.

"They are both younger than me," the 39-year-old says. "I don't know what that says about me."



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OBITUARIES

ANNA CHENNAULT
1923 – 2018

Bridge Between East, West Wasn't Always Appreciated

BY JAMES R. HAGERTY

Anna Chan and Gen. Claire Chennault were an unlikely match. When they met in World War II, she was a fledgling Chinese journalist. He was 30 years older and commander of the U.S. 14th Air Force helping Chinese troops fight Japanese invaders.

She was single. He was married, with eight children back home in the U.S. She noticed his "strong-jawed face" and "steady dark eyes," she wrote in a memoir. A few years later, newly divorced, he returned to China and proposed marriage. She lent him \$500 so he could afford the \$1,500 engagement ring she had picked out.

He called her "Little One" and urged her to preserve her slim figure. She wrote that their marriage was full of joy, though she fretted about his chain smoking. When he died of lung cancer in 1958, Mrs. Chennault and their two daughters had to make a new life.

She moved to Washington and eventually made a living by helping U.S. companies gain access to Asian markets. She also wrote more than 40 books and served as an informal intermediary between Asian leaders and American politicians. She raised hundreds of thousands of dollars for Republicans.

She never achieved her aim of becoming a high-ranking representative of her adopted country. Instead, she was fobbed off with appointments to advisory committees. President Lyndon Johnson once referred to her as a "good-looking girl." Newspapers described her as a "Dragon Lady."

She died March 30 at age 94 in her penthouse home in the Watergate complex in Washington.

"She knew everybody who mattered," said Catherine Forslund, a professor at Rockford University who wrote a biography of Mrs.



Chennault. Senators and other important people trooped to her Watergate home for parties. Yet she knew her influence was limited.

"People who make national policy are all white men," she told a reporter in 1978.

Chan Hsiang-mei was born June 25, 1923, in Beijing, the second of six daughters, with no brothers. Her father was an Oxford-educated professor of law. Her mother had been to a French finishing school. Her grandfather Liao Fengshu was a poet and China's general consul in Cuba.

As Japanese troops overran China in 1937, her family fled to Hong Kong, where Anna enrolled in a Roman Catholic school. After the Japanese invaded Hong Kong in late 1941, she and her sisters moved back to the mainland. She earned a university degree and joined a Chinese news agency.

After her husband's death, she worked for a linguistics institute at Georgetown University and was a vice president of Flying Tiger Line, helping the cargo airline secure landing rights in Asia. (The cargo

carrier was formed in the mid-1940s by former pilots of the Flying Tigers, a volunteer squadron led by Gen. Chennault.)

In her political life, she was a fierce opponent of communism who called the Mao regime "masters of Chinese slavery."

In 1968, when he was running for president, Richard Nixon encouraged her to serve as a secret channel for communications with the government of South Vietnamese President Nguyen Van Thieu. That led to accusations, backed by wiretap evidence, that Mr. Nixon used her to encourage Mr. Thieu to stall on peace talks, dimming prospects for a breakthrough that might have helped Democratic nominee Hubert Humphrey win the election.

Prof. Forslund said she doubted Mrs. Chennault's intervention changed Mr. Thieu. South Vietnamese leaders, seeing Mr. Nixon as the candidate who would support them more firmly, "were already predisposed to support Nixon and she just encouraged them in that belief," Prof. Forslund said.

In 1981, however, she made her first trip to China since the 1949 Chinese takeover and joined Sen. Ted Stevens in a meeting with Deng Xiaoping. Mrs. Chennault later recalled that the Chinese leader wanted her, not Mr. Stevens, to sit next to him and quipped: "There are 100 senators but there is only one Anna Chennault."

She is survived by two daughters, two grandsons and three sisters. She never remarried and kept a portrait of the general on an easel near her dinner table. In a 1962 memoir, she wrote, "My love for him was an unchanging love, high and deep, free and faithful, strong as death."

◆ Read a collection of in-depth profiles at WSJ.com/Obituaries

AMSALE ABERRA
1954 – 2018

Exile Opened the Way For Dressmaker to Stars

Amsale Aberra was a foreign student studying commercial art in Vermont in 1974 when longtime Emperor Haile Selassie, the leader of her homeland of Ethiopia, was toppled from power. In the ensuing turmoil, her father, a government official, was imprisoned.

Cut off from financial support, Ms. Aberra took on menial jobs. One was at a Jack in the Box hamburger stand, where she was swiftly fired after managers found she was so shy and soft-spoken that the chefs couldn't hear the orders she was supposed to shout to them. Ms. Aberra found other jobs and eventually put herself through the Fashion Institute of Technology in New York.

When she married Clarence O'Neill Brown in 1985, she couldn't find a wedding dress in the simple and elegant style she preferred. So she made one for herself. That sparked a decision to create her own company, known as Amsale, to design wedding gowns and bridesmaid dresses.

Her celebrity clients have included Kim Basinger and Halle Berry. The dresses are sold at a company-owned retail store on Madison Avenue in New York and at scores of other retailers, including Nordstrom and Neiman Marcus.

Ms. Aberra died April 1 of uterine cancer at a hospital in New York. She was 64.

—James R. Hagerty

JAMES HOLLAND
1925 – 2017

Chemotherapy Pioneer Lacked Surgical Skill

When the precocious James Holland enrolled in Princeton University at 16, he was torn between law and medicine. Then, in a biology course, he found himself fascinated by wriggling paramecia.

That set him on course for Columbia University's medical school, where he discovered something else: He lacked the dexterity for surgery and couldn't tie a knot with one hand. He proved far more adept as an oncologist, professor and researcher who helped pioneer the use of chemotherapy to treat cancer in the 1950s and beyond.

When he got his start at Francis Delafield Hospital in New York in the early 1950s, chemotherapy

was in its infancy. Little was known about side effects and likely success rates. In the circumstances, using chemotherapy risked violating the physician's oath of "first, do no harm."

That didn't deter Dr. Holland. "If you do no harm then you do no harm to the cancer either," he told the New York Times in 1986, when he served as chief of oncology at Mount Sinai Hospital in New York.

Dr. Holland died of respiratory failure March 22 at his home in Scarsdale, N.Y. He was 92. His wife, Jimmie Holland, specialized in psychological treatment for the emotional distress of cancer patients. She died in December.

—James R. Hagerty

WORLD NEWS

ECB Faces a Test As Growth Slows

BY PAUL HANNON
AND TOM FAIRLESS

Growth in the eurozone economy is slowing down, complicating the European Central Bank's deliberations on how quickly to remove its stimulus measures and start raising interest rates.

The \$10 trillion eurozone economy entered 2018 on a high, having chalked up its strongest year in a decade in 2017, with growth outpacing the U.S. But a series of economic releases in recent weeks have been weaker than expected, suggesting that while growth will continue in 2018, it won't be as strong.

Signs of weaker growth support ECB President Mario Draghi's view that the central bank needs to move cautiously as its phases out its giant bond-buying program. Other ECB officials, notably German Bundesbank President Jens Weidmann, are eager to start raising interest rates soon.

The eurozone's slowdown might not be all that sharp. Most indicators still point to continuing growth, just at a slower pace, rather than a downturn. Still, it is disappointing for a region that is still healing from the economic scars of its long financial crisis, including still-high unemployment and debts in some countries.

The latest, unexpected sign of weakness came from Germany, Europe's exporting powerhouse. Figures released by the country's economics ministry recorded a 1.6% drop in industrial output in February compared with January. That was a big surprise, since economists surveyed last week by The Wall Street Journal were expecting an increase of 0.3%.

Many economists believe the bloc can grow at a steady rate of just over 1% without overheating. Thus last year's 2.3% expansion was very strong, and some moderation this year might be only natural.

Gang Violence Is Blamed For Rise in London Murders

BY JASON DOUGLAS

LONDON—A series of stabbings has put the number of murders in London this year on a par with New York, with police and lawmakers blaming the surge on drugs and gang-related violence.

The spate has increased pressure on Prime Minister Theresa May to respond, with the issue likely to feature heavily in elections to local government councils in London May 3.

A group of more than 40 opposition lawmakers, many of them representing London constituencies, on Friday wrote to Mrs. May and Home Secretary Amber Rudd urging tougher action and more funding for law enforcement.

Police said there have been

53 murders in the British capital in the year through April 5, 16 more than in the first four months of 2017.

In New York through April 1, there were 59 homicides, according to New York City Police Department figures, 12 fewer than during the period a year earlier.

Violent crime in London has historically been much lower than in New York, which both have a population of 8.6 million. In 2017, there were 292 murders in New York and 116 in London, excluding 13 victims of terrorist attacks.

Unusually for the U.K., where gun-control laws are strict, seven of the dead so far this year were shot. There were only 10 fatal shootings in all of 2017.



Indonesian rescuers on Thursday flanked two men, front-center, who were part of a group of Rohingya lost at sea for nearly three weeks.

Refugees Feared Stranded at Sea

BY JON EMONT
AND ANITA RACHMAN

The United Nations' refugee agency warned that more boats carrying Rohingya refugees may be stranded in the Andaman Sea on the eve of the dangerous monsoon season, ratcheting up concern for the Muslim minority following the Myanmar military's expulsion of hundreds of thousands from the country.

The U.N.'s alarm was sounded the same day that an Indonesian search-and-rescue mission found a boat with five starving Rohingya on board off the northern tip of Sumatra island, part of the long route the Rohingya use to flee to Myanmar to other parts of Southeast Asia.

The survivors had run out of food and water and had been adrift for about 20 days on a boat lacking a motor, Indonesian authorities said. Ac-

cording to accounts from survivors relayed by the Indonesians, five Rohingya had earlier died aboard the vessel and their remains were pushed overboard.

The U.N. High Commissioner for Refugees said in a statement that it had uncon-

firmed reports that several other boats with more Rohingya aboard were at sea. "We are concerned for their safety and hope that they will be rescued," the statement said.

An exodus by sea of Rohingya has been feared since August, when the military in Buddhist-majority

Myanmar

launched a campaign that has driven some 700,000 Rohingya across the border to Bangladesh in response to what the government said were terrorist attacks. Some 200,000 Rohingya remain in Myanmar, many of them eking out a precarious existence in camps following earlier rounds of violence.

The seaborne exodus had failed to materialize until this week, however, but now comes as the monsoon season in the Bay of Bengal, accompanied by some of the world's most ferocious cyclones, is due to begin this month.

In 2015, tens of thousands of Rohingya on rickety boats fled Myanmar to Thailand, Indonesia and Malaysia. Hundreds died at sea due to a combination of lack of supplies, stormy seas and unseaworthy vessels. Since then, a crackdown on human trafficking by nations along the route has largely prevented more mass sailings.

The UNHCR said in a recent, separate statement that the number of boats leaving Myanmar this year has been small in part because Rohingya are more aware of the danger of making the trip.

On Tuesday, a boat carrying 56 Rohingya came ashore safely in Malaysia, the first confirmed boat to have left Myanmar for elsewhere in Southeast Asia this year. There were no reported casualties.

There are signs that more Rohingya may attempt to flee in the next few weeks before the weather door slams shut.

Myanmar regards the Rohingya as illegal migrants from Bangladesh, though many of them have lived in Myanmar for generations. The government denies them citizenship. The U.N. has said that the recent campaign against them bears the hallmarks of genocide. Myanmar's government denies it.

OPINION

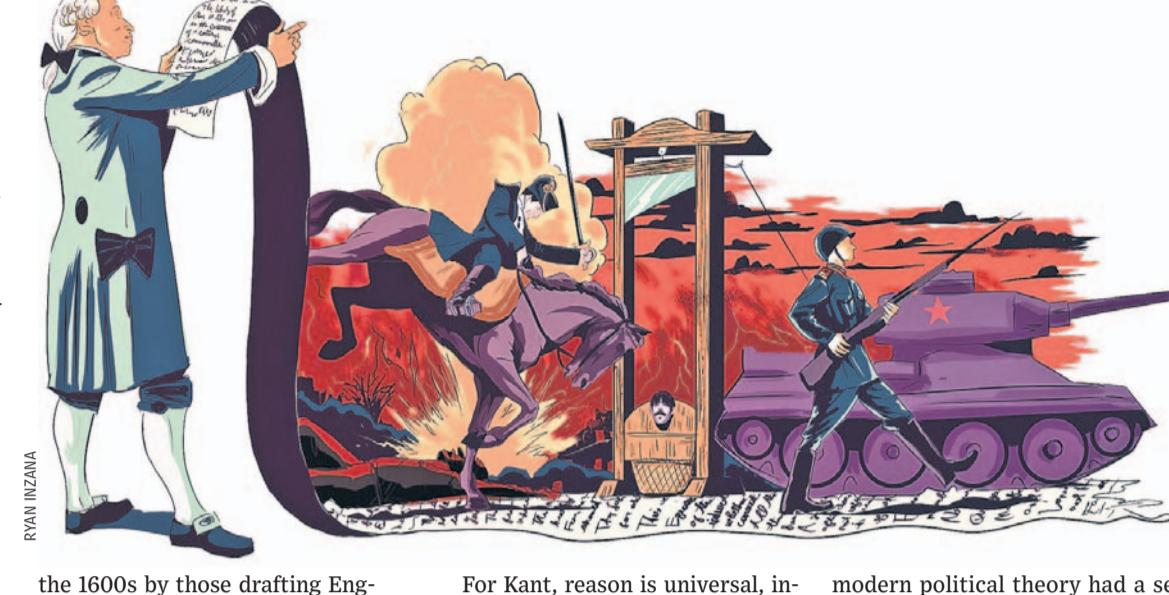
The Dark Side of the Enlightenment

By Yoram Hazony

A lot of people are selling Enlightenment these days. After the Brexit vote and the election of President Trump, David Brooks published a paean to the "Enlightenment project," declaring it under attack and calling on readers to "rise up" and save it. Commentary magazine sent me a letter asking for a donation to provide readers "with the enlightenment we all so desperately crave." And now there's Steven Pinker's impressive new book, "Enlightenment Now," which may be the definitive statement of the neo-Enlightenment movement that is fighting the tide of nationalist thinking in America, Britain and beyond.

Do we all crave enlightenment? I don't. I like and respect Mr. Pinker, Mr. Brooks and others in their camp. But Enlightenment philosophy didn't achieve a fraction of the good they claim, and it has done much harm.

Boosters of the Enlightenment make an attractive case. Science, medicine, free political institutions, the market economy—these things have dramatically improved our lives. They are all, Mr. Pinker writes, the result of "a process set in motion by the Enlightenment in



the 1600s by those drafting England's constitutional documents—men such as John Selden, Edward Hyde and Matthew Hale.

These statesmen and philosophers articulated the principles of modern Anglo-American constitutionalism centuries before the U.S. was created. Yet they were not Enlightenment men. They were religious, English nationalists and political conservatives. They were familiar with the claim that unfettered reason should remake society, but they rejected it in favor of developing a traditional constitution that had proved itself. When Washington, Jay, Hamilton and Madison initiated a national government for the U.S., they primarily turned to this conservative tradition, adapting it to local conditions.

Nor is there much truth in the assertion that we owe modern science and medicine to Enlightenment thought. A more serious claim of origin can be made by the Renaissance, the period between the 15th and 17th centuries, particularly in Italy, Holland and England. Tradition-bound English kings, for example, sponsored pathbreaking scientific institutions such as the Royal College of Physicians, founded in 1518. One of its members, William Harvey, discovered the circulation of the blood in the early 17th century. The Royal Society of London for Improving Natural Knowledge, founded in 1660, was led by such men as Robert Boyle and Isaac Newton, decisive figures in physics and chemistry. Again, these were politically and religiously conservative figures. They knew the arguments, later associated with the Enlightenment, for overthrowing political, moral and religious tradition, but mostly they rejected them.

In short, the principal advances that today's Enlightenment enthusiasts want to claim were "set in motion" much earlier. And it isn't at all clear how helpful the Enlightenment was once it arrived.

What, then, was "the Enlightenment"? This term was promoted, first and foremost, by the late-18th-century philosopher Immanuel Kant. Mr. Pinker opens his first chapter by endorsing Kant's declaration that only reason allows human beings to emerge from their "self-incurred immaturity" by casting aside the "dogmas and formulas" of authority and tradition.

For Kant, reason is universal, infallible and a priori—meaning independent of experience. As far as reason is concerned, there is one eternally valid, unassailably correct answer to every question in science, morality and politics. Man is rational only to the extent that he recognizes this and spends his time trying to arrive at that one correct answer.

This astonishing arrogance is based on a powerful idea: that *mathematics* can produce universal truths by beginning with self-evident premises—or, as René Descartes had put it, "clear and distinct ideas"—and then proceeding by means of infallible deductions to what Kant called "apodictic certainty." Since this method worked in mathematics, Descartes had insisted, it could be applied to all other disciplines. The idea was subsequently taken up and refined by Thomas Hobbes, Baruch Spinoza, John Locke and Jean-Jacques Rousseau as well as Kant.

This view of "reason"—and its power, freed from the shackles of history, tradition and experience—is what Kant called "Enlightenment." It is completely wrong. Human reason is incapable of reaching universally valid, unassailably correct answers to the problems of science, morality and politics by applying the methods of mathematics.

The first warning of this was Descartes's 1644 magnum opus, "The Principles of Philosophy," which claimed to reach a final determination of the nature of the universe by moving from self-evident premises through infallible deductions. This voluminous work is so scandalously absurd that no unabridged English version is in print today. Yet Descartes's masterpiece took Europe by storm and for decades was the main textbook of the Cartesian school of science. Kant followed this dubious example with his "Metaphysical Foundations of Natural Science" (1786), in which he claimed to have deduced Newton's laws of motion using pure reason, without empirical evidence.

It was once well understood that much of the modern world's success grew out of conservative traditions that were openly skeptical of reason. When I was a graduate student at Rutgers in the 1980s, the introductory course in

modern political theory had a section called "Critics of the Enlightenment." These figures included more conservative thinkers such as David Hume, Adam Smith and Edmund Burke. They emphasized the unreliability of "abstract reasoning," which they believed could end up justifying virtually any idea, no matter how disconnected from reality, as long as it sounded self-evidently true to someone.

One such myth was Locke's claim that the state was founded on a contract among free and equal individuals—a theory the Enlightenment's critics understood to be both historically false and dangerous. While the theory did relatively little harm in tradition-bound Britain, it led to catastrophe in Europe. Imported into France by Rousseau, it quickly pulled down the monarchy and the state, producing a series of failed constitutions, the Reign of Terror and finally the Napoleonic Wars—all in the name of infallible and universal reason. Millions died as Napoleon's armies sought to destroy and rebuild every government in Europe in accordance with the one correct political theory allowed by Enlightenment philosophy. Yet Napoleon was simply trying, in Mr. Brooks's phrase, to "think things through from the ground up."

Advocates of the Enlightenment tend to skip this part of the story. Mr. Pinker's 450-page book doesn't mention the French Revolution. Mr. Pinker cites Napoleon as an "exponent of martial glory" but says nothing about his launching a universal war in the name of reason. These writers also tend to pass over Karl Marx's debt to the Enlightenment. Marx saw himself as promoting universal reason, extending the work of the French Revolution by insisting that the workers of the world stop (again in Mr. Brooks's words) "deferring blindly to authority." The "science" Marx developed "from the ground up" killed tens of millions in the 20th century.

The Enlightenment also propagated the myth that people's only moral obligations are those they freely choose by reasoning. That theory has devastated the family, an institution built on moral obligations that many people, it turns out, won't choose unless guided by tradition. Mr. Pinker's book is filled with charts showing the improvement in material conditions

in recent centuries. He offers us no charts describing the breakdown of marriage or the increase in out-of-wedlock births in "enlightened" societies. Nor is he worried about the destruction of religion or the national state. Kant believed that both were out of conformity with reason, and Mr. Pinker sees no grounds to disagree.

Which brings us to the heart of what's wrong with the neo-Enlightenment movement. Mr. Pinker praises skepticism as a cornerstone of the Enlightenment's "paradigm of how to achieve reliable knowledge." But the principal figures of Enlightenment philosophy weren't skeptics. Just the opposite: Their aim was to create their own system of universal, certain truths, and in that pursuit they were as rigid as the most dogmatic medievalists.

Anglo-Scottish conservatives, from Richard Hooker and Selden to Smith and Burke, were after something very different. They defended national and religious custom even as they cultivated a "moderate skepticism"—a combination the English-speaking world called "common sense." If old institutions weren't in evident need of repair, a common-sense view favored leaving them unmolested, since there was always the risk of making things much worse. But it also saw the potential in attempts to improve mankind's knowledge, so long as the weakness and unreliability of human reason were kept firmly in view. As Newton wrote in his "Opticks": "Arguing from experiments and observations by induction be no demonstration of general conclusions, yet it is the best way of arguing which the nature of things admits of."

In these moderate, skeptical words frequently these days, as I follow the political and cultural transformation of the English-speaking world. American and British elites, once committed to a blend of tradition and skepticism, now clamor for Enlightenment. They insist that they have attained universal certainties. They display contempt worthy of Kant himself toward those who decline to embrace their dogmas—branding them "unenlightened," "immature," "illiberal," "backward-looking," "deplorable" and worse.

If these elites still had access to common sense, they wouldn't talk this way. Enlightenment overconfidence has gone badly wrong often enough to warrant serious doubts about claims made in the name of reason—just as doubt is valuable in approaching other systems of dogma. Such doubts would counsel toleration for different ways of thinking. National and religious institutions may not fit with the Enlightenment, but they may have important things to teach us nonetheless.

The most important political truth of our generation may be this: You can't have both Enlightenment and skepticism. You have to choose.

Mr. Hazony is author of *"The Virtue of Nationalism,"* forthcoming from Basic.

Today's advocates oversell the benefits of unfettered reason. They dismiss the contributions of tradition, religion and nationalism to human progress.

the late 18th century," when philosophers "replaced dogma, tradition and authority with reason, debate and institutions of truth-seeking." Mr. Brooks concurs, assuring his readers that "the Enlightenment project gave us the modern world." So give thanks for "thinkers like John Locke and Immanuel Kant who argued that people should stop deferring blindly to authority" and instead "think things through from the ground up."

As Mr. Pinker sums it up: "Progress is a gift of the ideals of the Enlightenment, and will continue to the extent that we rededicate ourselves to those ideals."

Very little of this is true. Consider the claim that the U.S. Constitution was a product of Enlightenment thought, derived by throwing out the political traditions of the past and applying unfettered human reason. Disproving this idea requires only reading earlier writers on the English constitution. The widely circulated 15th-century treatise "In Praise of the Laws of England," written by the jurist John Fortescue, clearly explains due process and the theory now called "checks and balances."

The English constitution, Fortescue wrote, establishes personal liberty and economic prosperity by shielding the individual and his property from the government. The protections that appear in the U.S. Bill of Rights were mostly set down in

New Britain, Conn. The debate stage Wednesday night was packed with no fewer than nine Republicans vying for the party's gubernatorial nomination.

With the Aug. 14 primary approaching, anxiety is growing over the Connecticut GOP's failure to unite behind a candidate. One reason the campaign trail has enticed so many pols is that Republicans' chances seem strong. The incumbent, Dannel Malloy, isn't running for re-election, perhaps because he is the most unpopular Democratic governor in America. Connecticut is a deep-blue state, but a union-commissioned poll late last year put Mr. Malloy's approval even lower than President Trump's. GOP representation in the state Legislature has surged since Mr. Malloy took office seven years ago.

But there may be another reason the campaign is so crowded: Connecticut's "Citizens' Election Program," which provides public funds to candidates for state office. The money won't be disbursed until after the parties' conventions next month, but a promise of public cash lowers the fundraising bar for potential candidates. The program was instituted in the wake of Gov. John Rowland's 2004 resignation for public corruption.

By Stephen Eide

CROSS COUNTRY

By Stephen Eide

Evening Star

OPINION

REVIEW & OUTLOOK

Punishing America First

Donald Trump and his advisers spent much of Friday telling everyone that the U.S. is not in a trade war with China, but investors weren't buying it. Equity markets took a major header, falling by more than 2% across the board. Maybe investors are starting to look at the damage Mr. Trump may do to the Farm Belt states and to the GOP's chances of holding Congress.

Mr. Trump raised the stakes late Thursday in his tariff showdown with Beijing, vowing to impose another \$100 billion in tariffs on Chinese goods in light of its "unfair retaliation" after his initial \$50 billion in tariffs. The latest target list still hasn't been drawn up, and the silver-lining crowd is hoping that Mr. Trump was merely popping off as part of his negotiating strategy. Maybe that's right. But then China popped off in return, saying it is ready to "forcefully" strike back if the new tariffs are imposed.

That's the problem with protectionism. The other side can strike back, and businesses and markets don't know when the politicians will decide to stop pounding their chests.

* * *

We've been warning since Mr. Trump first emerged as a candidate that his nationalist economics should be taken seriously. This is one policy he seems truly to believe in, he has empowered protectionist advisers, and previous Congresses have given a President wide latitude to act unilaterally.

Trade was always the biggest economic risk of the Trump Presidency, and now we're living through his punch-first policy as he tries to stare down Xi Jinping.

Mr. Trump doesn't even seem to mind if the tariffs do some economic damage while he's supposedly fixing the U.S. trade deficit. "I'm not saying there won't be a little pain, but the market has gone up 40%, 42%, so we might lose a little bit of it. But we're going to have a much stronger country when we're finished," the President told a New York radio show on Friday. Nice to know it will all turn out for the best.

Meanwhile, much of that pain will fall on American agriculture, not least the Farm Belt states that Mr. Trump carried in 2016. Apparently he thinks he has them in the bag for 2020 as well, though he might want to reconsider if the tariff wars continue.

China targeted the \$14 billion of U.S. soybean exports a year to China, about half of the U.S. crop, with a 25% tariff. Chinese consumers will

pay more for pork because the beans are used mainly to feed pigs. But U.S. farmers will suffer more if Argentine and Brazilian soybean producers snatch American market share.

The financial hit would come at a rough time in the farm states, which have had to cope with low commodity prices for several years. The nearby table shows how several agriculture states under-

performed in income gains last year. Iowa, which Mr. Trump carried by 9.5% in 2016, finished 49th out of 50. As a swing state that Barack Obama carried twice, Iowa could easily swing back in 2020.

Farm-state Republicans are beginning to notice. "China is guilty of many things, but the President has no actual plan to win right now. He's threatening to light American agriculture on fire," said Nebraska Senator Ben Sasse on Thursday. "Let's absolutely take on Chinese bad behavior, but with a plan that punishes them instead of us. This is the dumbest possible way to do this."

Someone in the White House seems to know the risks because its press shop spent Friday sending out missives telling farmers not to worry. Mr. Trump's \$100 billion tariff threat on Thursday included that he had told the secretary of agriculture "to use his broad authority to implement a plan to protect our farmers and agriculture interests."

What's Secretary Sonny Perdue going to do—buy up all the soybeans China no longer buys? Order farmers to slaughter their pigs to produce less pork that will also be subject to Chinese tariffs?

The basic economic problem with trade protectionism is that it is a political intervention that distorts markets. One political intervention leads to another, and the cumulative consequence is higher prices, less investment and slower economic growth.

Mr. Obama spent eight years interfering in the domestic economy for his political purposes, and the resulting slow growth was one reason Mr. Trump won. The Republican tax reform and deregulation have put the economy on a faster growth path, but Mr. Trump's restrictions on trade, and on immigration amid a labor shortage, are threats to that progress.

China's trade abuses need to be addressed, but Mr. Trump's tariffs first strategy risks punishing America first. He—and we—had better hope Mr. Xi is willing to bargain.

Farm State Struggles

Percent change in personal income growth in 2017, and rank of percent change among the 50 states

	Percent change	State rank
Iowa	0.3%	49
Kansas	1	47
Missouri	2.1	38
Nebraska	1.4	46
North Dakota	-0.3	50
South Dakota	1.4	45
U.S.	3.1	

Source: Bureau of Economic Analysis

THE WALL STREET JOURNAL

A Broken FBI Promise

Just last week, FBI Director Christopher Wray released a statement saying he was unhappy with how the bureau was responding to "legitimate congressional requests" for information—and promised a "transparent and responsive" FBI. But already both the FBI and the Justice Department are back to their old tricks.

At issue is a memo related to the opening of a counterintelligence investigation into the Trump campaign's alleged ties with Russia in 2016. Such information is crucial for Congress to get an accurate picture of how Justice and the FBI handled this investigation. House Intelligence Chairman Devin Nunes (R., Calif.) has written to both Director Wray and Deputy Attorney General Rod Rosenstein asking for an unredacted version for all committee members to see. The bureau says it will not provide the material because it is too sensitive.

New Jersey's Business Model

Herewith the latest installment in our continuing coverage of the race to the bottom between two of America's most progressive Democratic governors—Dannel Malloy of Connecticut and just-elected Phil Murphy of New Jersey. This week Mr. Murphy made his bid for the lead in his state's downward cycle.

Governor Murphy has proposed that New Jersey provide what has come to be known as "free" community college. It is already "free" in New York, Oregon, Rhode Island and Tennessee. Attached to Governor Murphy's free-tuition commitment would be an outlay of \$45 million in grants, which will come out of the state's already stretched budget.

Governor Murphy argues that this "investment" makes sense because a larger pool of community-college graduates will attract entrepreneurs and start-ups to New Jersey. "Community college is a linchpin opportunity for us," he says. Of course making New Jersey's community colleges free depends on another linchpin: imposing higher taxes on other residents of the state to pay for it.

The budget that Governor Murphy's submitted last month, a 4.2% spending increase, proposes raising the state's highest

Mr. Nunes notes this is ridiculous, given that the document "is not highly classified." More to the point, if an Intelligence Committee made up of elected representatives of the American people is not qualified to see such material, no one is.

Mr. Nunes says he's willing to go to federal court to enforce his subpoena. We are further told that the House leadership supports this and other efforts to compel cooperation from Justice and the FBI.

In a better world Mr. Wray and Mr. Rosenstein would have worked out a good faith solution. In the apparent absence of that good faith, we hope Congress is willing to use all its powers, including contempt and impeachment if necessary, to persuade Mr. Wray and Mr. Rosenstein it is in their interests to make good on the FBI's promise of transparency and responsiveness.

A week after the bureau promised cooperation, it's back to obstruction.

Phil Murphy wants to raise taxes to offer free tuition.

individual tax rate to 10.75% from 8.97% on incomes above \$1 million, restructuring business taxes to raise more revenue and raising the sales tax to 7%. That is essentially the governance model Governor Malloy has used since 2011, with famously unfortunate economic results for Connecticut.

New Jersey is already dead last in the Tax Foundation's 2018 ranking of state overall business tax climates. It's 50th in property taxes but only 48th in individual taxes. Perhaps Mr. Murphy can overtake New York and California to get to the bottom.

Producing a better-educated workforce is a good idea in any state, and Governor Murphy has more work waiting for him upgrading the poor performance in many of the state's K-12 schools, which have been free for a long time.

But how will he attract start-up companies and individual entrepreneurs to New Jersey with the guarantee of higher taxes?

One silver lining: Next door in New York, Governor Andrew Cuomo's free tuition plan for state colleges requires recipients to remain in the state for several years or pay back their grants. For now, at least New Jersey isn't sealing the borders for graduates.

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OPINION

LETTERS TO THE EDITOR

Friedman vs. Mundell on Monetary Reform

Sean Rushton's "Monetary Reform Would Rebalance Trade" (op-ed, March 29) could mislead some about the role played by the Bretton Woods conference, which was held before the close of World War II, not after World War II as suggested in his piece.

The U.S. dollar was backed by gold only for international purposes. It led to the preposterous dichotomy where U.S. citizens were forbidden to demand gold for their dollars, but foreigners could and did demand gold for theirs.

This bifurcation between domestic and foreign monetary policy lacked the discipline of a true gold standard that existed before World War I, dooming the Bretton Woods agreement to failure from the very beginning. The Federal Reserve, in cahoots with the federal government, sealed its fate as it implemented inflationary policies throughout the entire period when the Bretton Woods agreement was in force.

ERIK D. RANDOLPH

Harrisburg, Pa.

Mr. Rushton drives home the idea that deficits come as a pair: trade deficit and budget deficit. If your currency is the global reserve currency, you inevitably fall into the twin deficits. While unlikely to prompt immediate global currency reform, this does suggest that the U.S., in attempting to manage its aggregate trade deficit, is spinning its wheels. But I would add that that doesn't preclude addressing another country's policy (like China's statist mercantilism) that aggravates the deficit(s), albeit enabled by them.

The flip side of Robert Mundell's prescription for an "international" currency, and the reason why Milton Friedman rejected it as not a practical political proposition, is that an international currency

fixed to gold or a basket requires fiscal-policy coordination among countries, a la the euro, and we see how that's working.

ROBERT BLOHM
Toronto

Mr. Rushton accurately points to the dollar's status as the pre-eminent global reserve currency, and how this is at least as large a problem for the trade balance as any formal trade treaties or practices. However, his proposed lack of flexibility for the dollar's exchange rate vis-à-vis other currencies would make the trade deficit larger, not smaller.

The record for fixed exchange rates is one of less, not more, fiscal discipline and therefore greater, not smaller, trade deficits. While it is not clear exactly why, when countries fix their exchange rates they have an ability to borrow more. Consider Argentina in the 1880s. It was on the gold standard and borrowed excessively, leading to the Baring crisis of 1890. For that matter, Argentina's currency board with the U.S. dollar in the 1990s didn't instill fiscal discipline sufficient to avoid a debt crisis in 2002. Moreover, Greece, on joining the euro—a currency union being the most rigid form of fixed exchange-rate system possible—went on a borrowing binge that ended in disaster.

Look at Mexico. It had recurring crises in the 1980s and '90s when the peso was pegged to the dollar. Since allowing the peso to float in 1995, Mexico has avoided such debt crises.

Given the evidence against fixed exchange-rate regimes, it is little wonder that Milton Friedman strongly advocated that currencies should float, rather than be pegged.

WILLIAM MILES
Wichita State University
Wichita, Kan.

'Chicken Tax' Promoted U.S.-Made Pickups

when they want to haul something, pull something, or go "up north" for a wintry weekend.

LOGAN ROBINSON
Bloomfield Hills, Mich.

Mr. Jenkins is, of course, correct about the effect of the "chicken tax" on light truck imports. But he misses a larger point. The tariff has helped induce foreign auto makers to build assembly lines in the U.S. and Mexico. Thus, far from limiting competition, the tariff has increased domestic competition. Ironically, some foreign auto makers are now beneficiaries of that tariff.

According to Edmonds, four of the top 10 "most American" trucks in 2015 were made by Toyota and Nissan. In fact, the Toyota Tundra tied with Ford's iconic F-150 for the top spot with 70% of its content sourced in the U.S. or Canada.

The economic lesson is simple. Taxes change behavior. In the long run, trying to protect a sector may well invite even more competition. Next up: Foreign steel producers will open mills in the U.S.

EM. PROF. TONY LIMA

CSU East Bay
Hayward, Calif.

Abortion Is Not Part of Happy Princesshood

Regarding Faith Moore's "Planned Princesshood" (op-ed, April 3): Having raised two little girls, I have watched virtually every Disney princess movie over a 10-year-plus span. My daughters loved them all.

Here is my observation: The stories are really about the supremacy of true love. Despite the circumstances, the plot twists and turns, these princesses discover that they are indeed royal and extremely special. We cheer for them because they are courageous—but more important, because they are lovely, loving and lovable. The happy endings are sweets for the souls of innocent children.

I believe abortions and "happy endings" are mutually exclusive—except in the most sophisticated adult take on what is really appealing to children, or anyone.

JULIA FLOWERS

Houston

Pepper ... And Salt

THE WALL STREET JOURNAL



"Can you give us a minute to check our GoFundMe campaign?"

Stu Alderman (Letters, March 27) writes about species other than humans that cannot adapt easily to climate change. While perhaps unfortunate, this has been the history of the earth. Long before there were any large human populations, the planet regularly has gone through climate variations and most species have died out without human intervention.

THOMAS MELZER

Mount Pleasant, Wis.

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OPINION

If Adults Won't Grow Up, Nobody Will

DECLARATIONS
By Peggy Noonan

I want to write about something I think is a problem in our society, that is in fact at the heart of many of our recent scandals, and yet is obscure enough that it doesn't have a name. It has to do with forgetting who you are. It has to do with refusing to be fully adult and neglecting to take on, each day, the maturity, grace and self-discipline that are expected of adults and part of their job. That job is to pattern adulthood for those coming up, who are looking, always, for How To Do It—how to be a fully formed man, a fully grown woman.

From Facebook to Harvey Weinstein, America's scandals amount to a giant crisis of maturity.

It has to do with not being able to fully reckon with your size, not because it is small but because it is big. I see more people trembling under the weight of who they are.

Laura Ingraham got in trouble for publicly mocking one of the student gun-control activists of Parkland, Fla. She's been unjustly targeted for boycotts, but it's fair to say she was wrong in what she said, and said it because she didn't remember who she is. She is a successful and veteran media figure, host of a cable show that bears her name. As such she is a setter of the sound of our culture as it discusses politics. When you're that person, you don't smack around a 17-year-old, even if—

maybe especially if—he is obnoxious in his presentation of his public self. He's a kid. They're not infrequently obnoxious, because they are not fully mature. He's small, you're big. There's a power imbalance.

As of this week, it is six months since the reckoning that began with the New York Times exposé of Harvey Weinstein. One by one they fell, men in media, often journalism, and their stories bear at least in part a general theme. They were mostly great successes, middle-aged, and so natural leaders of the young. But they treated the young as prey. They didn't respect them, in part because they didn't respect themselves. They didn't see their true size, their role, or they ignored it.

It should not be hard to act as if you are who you are, yet somehow it increasingly appears to be. There is diminished incentive for people to act like adults. Everyone wants to be cool, no one wants to be pretentious. No one wants to be grim, unhip, to be passed by in terms of style.

And our culture has always honored the young. But it has not always honored immaturity.

I have spent the past few days watching old videos of the civil-rights era, the King era, and there is something unexpectedly poignant in them. When you see those involved in that momentous time, you notice: They dressed as adults, with dignity. They presented themselves with self-respect. Those who moved against segregation and racial indigence went forward in adult attire—suits, dresses, coats, ties, hats—as if adulthood were something to which to aspire. As if a claiming of just rights required a showing of gravity. Look at the pictures of Martin Luther King Jr. speaking, the pictures of those marching across the Edmund Pettus bridge, of those in attendance that day when George Wallace stood in the schoolhouse door and then stepped aside to the force

CHAD CROWE

of the federal government, and suddenly the University of Alabama was integrated. Even the first students who went in, all young, acted and presented themselves as adults. Of course they won. Who could stop such people?

I miss their style and seriousness. What we're stuck with now is Mark Zuckerberg's.

Facebook's failings are now famous and so far include but are perhaps not limited to misusing, sharing and scraping of private user data, selling space to Russian propagandists in the 2016 campaign, playing games with political content, starving journalism of ad revenues, increasing polarization, and turning eager users into the unknowing product. The signal fact of Mr. Zuckerberg is that he is supremely gifted in one area—monetizing technical expertise by marrying it to a canny sense of human weakness. Beyond that, what a shallow and banal figure. He too appears to have difficulties coming to terms with who he is. Perhaps he hopes to keep you, too, from coming to terms with it, by literally dressing



as a child, in T-shirts, hoodies and jeans—soft clothes, the kind 5-year-olds favor. In interviews he presents an oddly blank look, as if perhaps his audiences will take blankness for innocence. As has been said here, he is like one of those hollow-eyed busts of forgotten Caesars you see in museums.

But he is no child; he is a giant bestride the age, a titan, one of the richest men not only in the world but in the history of the world. His power is awesome.

His public reputation is now damaged, and about this he is very concerned. Next week he will appear before Congress. The Onion recently headlined that he was preparing for his questioning by studying up on the private data of congressmen. The comic Albert Brooks tweeted: "I sent Mark Zuckerberg my entire medical history just to save him some time."

His current problems may have yielded a moment of promise, however. Tim Cook of Apple, in an impressive and sober interview with *Recode's* Kara Swisher and *MSNBC's*

Chris Hayes, said last week something startling, almost revolutionary: "Privacy to us is a human right." This was stunning because it was the exact opposite of what Silicon Valley has been telling us since social media's inception, which is: *Privacy is dead. Get over it.* Some variation on that statement has been made over and over by Silicon Valley's pioneers, and they say it blithely, cavalierly, with no apparent sense of tragedy.

Because they don't do tragedy. They do children's clothes.

Perhaps what is happening with Facebook will usher in the first serious rethinking, in terms of the law, on what has been lost and gained since social media began.

Congress next week should surprise. The public infatuation with big tech and Silicon Valley is over and has been over for some time. Congress should grill Mr. Zuckerberg closely on how he took what people gave him and used it. Many viewers would greatly enjoy a line of questioning along these lines: "Is your product, your service, one without which we can't live, like Edison's electricity? It seems to me you are a visionary, sir, and we should give you your just reward, and make you a utility!"

Mr. Zuckerberg invited Congress to regulate him. Wondering why, it has occurred to me it's because he knows Congress is too stupid to do it effectively. He buys lobbyists to buy them. He knows how craven, unserious and insecure they are, and would have no particular respect for them. Nor would he have particular reason to.

I hope they are adults. I hope they don't showboat or yell but really probe, carefully.

More than ever, the adults have to rise to the fore and set the template for what is admirable. If we don't, those who follow us will be less admirable even than us, and those after them less admirable still. That would be a tragedy, wouldn't it?

My Grandfather and the 'Blue Eyes-Brown Eyes' Lesson

By Michael Judge

I'd always known that my grandfather Dinsmore Brandmill—a World War II veteran, history teacher and K-12 principal—had devoted his life to educating Iowa's children. But it wasn't until recently, as the 50th anniversary of the assassination of Martin Luther King Jr. approached, that I understood the true breadth of his legacy.

My mother was 8 when her father shipped out for Okinawa and one of the final and bloodiest battles of the Pacific War. More than 12,500 American soldiers, sailors and airmen were killed there in 12 weeks; another 36,000 were wounded. Japanese deaths, including civilians, are estimated near 200,000.

The Japanese call the battle *tetsu no ame*—"rain of steel"—and for good reason. Japanese forces, including kamikazes, sank 36 American ships and damaged 368 more. When the Imperial Army found its ranks depleted, it turned Okinawan villagers—nearly all against their will, some as young as 13—into cannon fodder and suicide bombers. Told they'd be brutalized by the conquering forces, mothers jumped from cliffs with their infants.

After Okinawa, my grandfather—who died in 1988 at 85, his family by his side—was never the same. Though still a consummate gentleman and committed educator, he was more removed from his surroundings, more stoic about the world and what he could and could not change in it. My mother remembers long rides down country roads, holding his hand in silence.

Neither of them could have known that a half-century later my mother's youngest son—me—would live and work in Tokyo as a journalist, fall in love, marry and be blessed with a son who is half Japanese. My mother and older brother attended the wedding celebration in Japan in 1997, and I like to think my grandfather would have, too, if he'd been alive.

Having seen racism and xenophobia in many forms—from the plight of African-Americans under Jim Crow, to the murderous anti-Semitism that sparked the Holocaust, to Japan's "superior race" justifications for invading and slaughtering its

After MLK's assassination he stood behind a teacher who gave the world a lesson about racial prejudice.

neighbors—my grandfather understood the dangers of scapegoating whole populations and the importance of reiterating, even when we fall short, that we are all equal in God's eyes.

How do I know that? Because 50 years ago this week, the day after Dr. King was murdered by a white supremacist in Memphis, Tenn., a teacher at my grandfather's school in Riceville, Iowa, resolved to teach her all-white, all-Christian third-grade students a lesson about bigotry—by having them actually experience it. Her name was Jane Elliott.

The lesson came to be known as "Blue Eyes-Brown Eyes."

Ms. Elliott divided her class by eye color. She told the children with brown eyes they were naturally superior while giving them high praise and special privileges. She told the blue-eyed children they were naturally inferior, unruly and untrustworthy, while treating them like second-class citizens. The next day, the roles were reversed.

What Ms. Elliott witnessed shocked her. "I watched what had been marvelous, cooperative, wonderful, thoughtful children turn into nasty, vicious, discriminating little third-graders, in the space of 15 minutes," she later explained. Racism, in other words, was something that people learned.

After two agonizing days, Ms.

Elliott explained to her students that the exercise was over, and that what both groups had experienced was "a filthy, nasty word called discrimination," which means "treating people a certain way because they are different." When she asked the children if that was fair, they shouted in unison: "No!" They had learned, however briefly, what it felt like to be the victims of prejudice.

When news of the eye-color exercise spread, many in the community protested. Some had legitimate concerns: that this type of social experiment had no place in public schools or could scar the children emotionally. Other reactions were ugly. Ms. Elliott received death threats from around the country, and she and her family were called names like "n— lover."

As the school's principal, my grandfather faced more than a few irate parents and school-board members calling for Ms. Elliott's

resignation. But he stood by his teacher, telling her to continue with her lesson—that he, in effect, had her back. A few years later, in a book about the exercise, she inscribed the following: "For Mr. Brandmill, who was the kind of principal all teachers dream of—and a few lucky ones find."

The Blue Eyes-Brown Eyes exercise has since been taught countless times to children and adults around the world. In 1985 it was the subject of a PBS "Frontline" episode titled "A Class Divided." If you watch the documentary closely, you'll briefly see my grandfather in the first few minutes. He's the elderly gentleman in the fedora and winter coat, walking alongside the yellow school buses and throngs of happy children.

Ms. Elliott, now in her 80s, recently sent my mother a letter praising my grandfather for his courage during a dark time in

American history. "Without Mr. Brandmill's leadership," she wrote, "the Blue Eyes-Brown Eyes exercise would probably never have happened even once, and it certainly wouldn't have been allowed to be repeated... . He was the best Principal I've ever had, and one of the few men I've known whose integrity was without question. Even now, I consider him a hero, a friend, and a blessing."

Dinsmore Brandmill, the son of an orphaned German émigré, was born on June 7, 1903, in a small Iowa town named for his mother, Elma. Throughout her life Elma kept a lock of her son's hair, which she allowed to grow to his shoulders when he was a boy, in a book near her bed. His eyes, like my son's, were brown.

Mr. Judge, a former Journal deputy editorial features editor, teaches at the University of Iowa School of Journalism and Mass Communication.

Trump's Trade Tactic Might Work



A game of chicken can always end badly, but why is the U.S. press doing China's work for it?

Right now a bargaining game is under way that could leave the world trading system better off, with China cheating less. Not the least benefit, this would strengthen the political sustainability of trade in the U.S. and other Western nations—an outcome of high strategic value even to China.

Both sides are in the crotch-grabbing phase at the moment. They want their threats to be treated as credible even if they aren't.

So eager are some Americans for a Donald Trump failure, though, they rush to convince the world that Americans can't tolerate the slightest risk of pain or loss in a good cause. U.S. soybeans are on China's target list, but let us calm ourselves. If China buys Brazilian soybeans, the world doesn't end. Brazil's customers would buy U.S. soybeans. The net effect would be only slightly damaging to all concerned, except for the rail and shipping companies that would benefit from the world opting for second-best logistics in getting the global soybean crop to market.

Ditto Boeing. Its jets are on China's retaliation list, too, but a reality check is in order. Boeing and Airbus have backlog stretching out almost a decade. If a Chinese carrier cancels a delivery for next year, it can't just cut the Airbus line, at least not without paying through the nose for another customer's delivery slot. Or it could settle for an older, second-hand aircraft, knowing it would pay a penalty in fuel efficiency, passenger amenities and maintenance

downtime that could be the difference between a successful service and a money-losing one.

Donald Trump's rhetoric often fails to notice that trade is a win-win, but the peanut gallery should not lose sight of the same basic context in today's trade fight: Both sides are putting guns to their own heads and saying, "Give me what I want or the idiot gets it."

Such incentives strongly favor the parties reaching a deal and declaring victory for the benefit of the home fans. Both know the U.S.-China trade relationship is too important not to put it on a sounder basis.

Americans should not be too quick to sell their own side short.

So the real question is, "Do we have confidence in the wisdom and perspicacity of the Chinese and U.S. administrations?" Mr. Trump is not a child. He has been in negotiations all his life. It's the one skill he brought to office that can't be gainsaid.

What's more, Mr. Trump is not a bridge burner, whatever you think of his Twitter habits. He is always ready to be best friends tomorrow with whomever he's at war with today. His relationship with the "failing New York Times" is the cognoscenti case in point. No news organization has been so relentlessly denounced and yet so relentlessly courted by Mr. Trump. He can't give up. He is not likely to lead us down a path of permanent hostility with China (or anybody else) from which there is no return.

The Chinese deny it but they know the U.S. has legitimate gripes, especially with respect to Beijing shaking

down U.S. companies for their trade secrets as a price for getting access to the Chinese consumer.

China has gotten by with claiming it's a poor, backward country, but such excuses no longer suit its own idea of itself. Look for a settlement in which Beijing insists it never engaged in technology theft and now will stop. It will launch new laws and courts to hear complaints of its foreign partners. Sure, these reforms you wouldn't take to the bank right away. But, long term, China's interest in profiting from its own intellectual property should propel it in the right direction.

Americans, though, have to be ready to accept some risk if they want China to change its behavior. Danger can always be avoided by bending over for whatever China wants. Happily, the U.S. economy is strong right now, verging on a labor shortage as rising wages can't lure the workforce fast enough.

Stock markets will never be happy with uncertainty, and you might wish to put your portfolio in a medically induced coma for the duration. But it pays not to sell America short, given its inherent, deeply rooted strengths. These strengths are admired by others, including China. They were apparent even on President Obama's watch, with all its dreary regulatory and antibusiness overkill. His tenure will still be remembered, if dimly, as the time when America's frackers revolutionized the world energy scene.

Mr. Trump is not the idiot his detractors say, and nobody says the Chinese are idiots. The omens are propitious for a major advance in trade relations. But the Chinese should remember one thing: Mr. Trump is a teetotaler, so the eventual congratulatory toasts should be nonalcoholic.

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SPORTS

THE MASTERS

Augusta National Still Has Bite

This Masters is shaping up as a reminder of just how much of a challenge the course creates for golf's top players

BY BRIAN COSTA

Augusta, Ga.

RORY MCILROY arrived at Augusta National more than a week before the start of the Masters. By the time the tournament began Thursday, he had played 90 practice holes, the equivalent of five full rounds. In pursuit of the only major he has never won, McIlroy studied the course more extensively than ever.

Then he teed off, and it was as if he were playing somewhere else. The greens were noticeably faster. The areas around them were firmer. His caddie, Harry Diamond, estimated that the course played at least five to six shots tougher than it did just a week earlier.

"That's Augusta," McIlroy said. "It's amazing what they can do in the space of a week here."

Augusta National is mulling whether to lengthen the course, amid a distance boom at the top of the sport that is rendering many classic courses obsolete. But this Masters is shaping up as a reminder of just how much of a challenge the club can create simply by manipulating the land the course already occupies.

In benign weather, the field scoring average on Thursday was 1.8 strokes over par. In windier, though hardly gusty conditions Friday, that figure was more than 2.5 over par in the late afternoon.

Some of the images were ghastlier than the raw numbers. There was Sergio Garcia, the defending champion, hitting five consecutive balls onto the 15th green Thursday, only to watch each one spin back and roll into the water. There was Phil Mickelson on No. 9 on Friday, hitting from under the trees, then hitting a tree, then duffing a flop shot. Tiger Woods was so deep under a cluster of trees behind the fifth green that he disappeared, like the ghosts in "Field of Dreams" wading into a cornfield.

It all made for a crowd near the top of the leaderboard that left no one asking if Augusta National is still challenging enough for the modern pro.

"By the end of the week, this will be a pretty packed leaderboard, the way the golf course is set up," Woods said Thursday. "They have it right where they want it. It's really hard to run away from it, but it's also really easy to lose it out there."

The Saturday forecast called for steady rain and possible thunderstorms, raising the possibility of sloppier play. In most tournaments, that would at least offer the promise of softening the greens, allowing players to fire more aggressively at flagsticks. But Augusta National's ability to control the conditions is weather-resistant.

In the early 2000s, it installed a SubAir system that sucks the moisture out from under every green to whatever extent the club desires. It's like an underground vacuum, which can be heard only through small, scattered vents away from the greens.

The combination of the inherent trickiness of Augusta's greens and the firmness it manufactures puts a premium on precision. Even when the wind doesn't seem strong, if it's swirling unpredictably as it was Friday, it can wreak havoc with player's nerves on approach shots.



Jordan Spieth, above, and Rory McIlroy, left, during play at Augusta National on Friday.

Length off the tee can still help, and in that regard, Augusta National isn't immune to the changes impacting the rest of the sport. The club's ongoing expansion of its geographical footprint, through various land purchases over the years, has created options for lengthening some holes. The Masters is played at a current length of 7,435 yards, which is typically longer than the British Open and shorter than the U.S. Open.

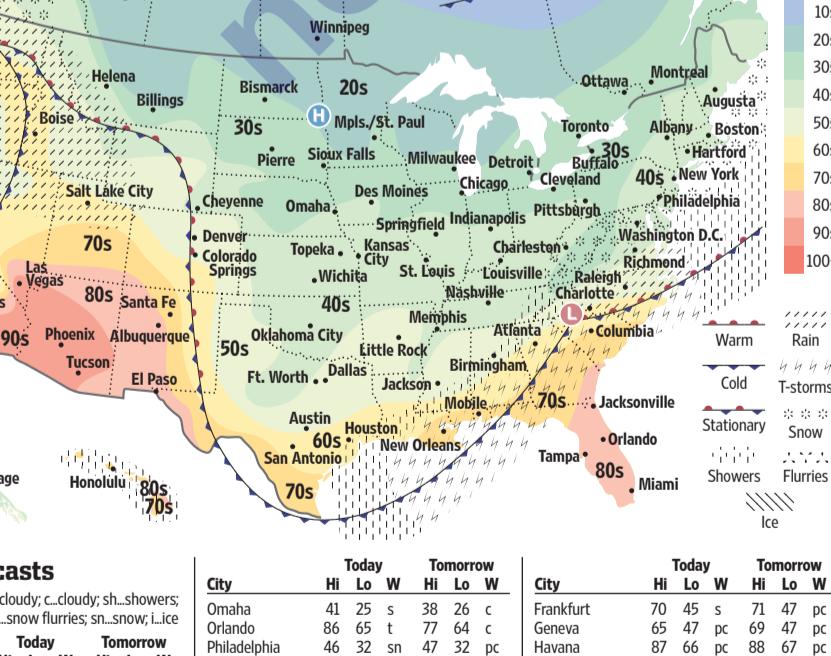
Fred Ridley, the club's new chairman, mentioned something Bobby Jones, who co-founded the Masters, once said about the par-5 13th hole.

"He said that the decision to go for the green in two should be a momentous one," Ridley said. "And I would have to say that our observations of these great players hitting middle and even short irons into that hole isn't a momentous decision. And so we think there is an issue, not only there, but in the game generally, that needs to be addressed."

Whether the remedy takes the form of a reduced-distance ball, a longer course or both remains to be seen. But at a time when many courses believe they have no choice but to lengthen, lengthen, lengthen, Augusta National is showing how its teeth have stood the test of time.

After finishing at 4 under to grab a share of the clubhouse lead Friday, McIlroy said what any major championship host would want to hear. "Anything under par today was pretty good," he said.

Weather



U.S. Forecasts

S...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; L...ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	46	33	s	46	34	s
Atlanta	62	36	r	61	47	pc
Austin	58	48	pc	59	32	pc
Baltimore	44	30	sn	49	32	pc
Boise	64	45	r	57	37	pc
Boston	48	33	pc	43	29	pc
Burlington	41	23	c	38	22	pc
Charlotte	60	33	r	58	41	s
Chicago	37	21	s	39	30	pc
Cleveland	35	26	s	37	27	pc
Dallas	53	41	c	67	53	pc
Denver	59	38	pc	59	33	pc
Detroit	39	23	pc	41	29	pc
Honolulu	79	70	sh	79	70	c
Houston	66	54	c	69	61	pc
Indianapolis	41	22	pc	44	31	pc
Kansas City	41	27	s	37	27	c
Las Vegas	90	61	c	83	60	s
Little Rock	52	30	i	59	37	pc
Los Angeles	71	55	c	75	59	s
Miami	86	71	pc	87	70	sh
Milwaukee	34	21	s	36	29	pc
Minneapolis	30	11	s	32	24	sn
Nashville	46	29	pc	53	42	pc
New Orleans	72	49	r	66	61	pc
New York City	48	32	sn	47	32	pc
Oklahoma City	47	31	c	55	37	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	68	49	pc	69	47	sh
Athens	68	55	t	70	55	pc
Baghdad	87	61	pc	89	65	s
Bangkok	80	70	t	86	73	pc
Beijing	53	34	pc	66	41	c
Berlin	64	47	s	67	46	s
Brussels	68	51	pc	70	51	sh
Buenos Aires	74	51	t	75	63	t
Dubai	95	72	pc	94	77	pc
Dublin	54	41	sh	54	39	c
Edinburgh	56	41	c	53	38	c

THE MASTERS

Augusta National Still Has Bite

This Masters is shaping up as a reminder of just how much of a challenge the course creates for golf's top players



when you have to land it on tiny little areas, and three miles an hour one way or the other actually affects our golf ball significantly, it's actually challenging at times."

"Some of these holes," Jordan Spieth said, "where you're trying to figure out which direction it's coming from—it's a beautiful day, it's beautiful to play golf in, but out here

it's actually challenging at times."

Whether the remedy takes the form of a reduced-distance ball, a longer course or both remains to be seen. But at a time when many courses believe they have no choice but to lengthen, lengthen, lengthen, Augusta National is showing how its teeth have stood the test of time.

After finishing at 4 under to grab a share

of the clubhouse lead Friday, McIlroy said what any major championship host would want to hear. "Anything under par today was pretty good," he said.

SOCER

MAN CITY'S CONSOLATION

BY JOSHUA ROBINSON

MANCHESTER CITY thought it had the highest-profile week of its season all figured out. In the space of six days, it would knock Liverpool out of the Champions League, book its spot in Europe's final four, and clinch the Premier League title with a win over Manchester United on Saturday.

That was the plan.

All of it went to pieces in one disastrous half-hour Wednesday night at Anfield. By losing the first leg of its Champions League quarterfinal 3-0, City has now scrambled what was supposed to be one of the most glorious weeks in its history.

Which leaves City manager Pep Guardiola with a dilemma: Should he rest key players against United this weekend to have the freshest possible team against Liverpool next Tuesday? Or does he concede that the Champions League might be a lost cause and double down on sealing the Premier League title?

Immediately following Wednesday's collapse, Guardiola appeared too shell-shocked to consider the question properly.

"I believe a lot in my team. They've shown me lots of good things over the season," he said. "United is coming at home then we



Manchester City players react during a 3-0 loss to Liverpool.

have three days to prepare."

History suggests that City should forget about the Champions League now and divert all resources to beating United on Saturday. More than 95% of teams that lost the first leg by at least 3-0 in European competition have been eliminated. But Guardiola knows that if any side can pull off the miracle, it's his squad of high-fliers, which has romped through English soccer all season.

It's not like a comeback is completely unheard of either. This time last year, Barcelona recovered from a 4-0 first-leg defeat against Paris Saint-Germain by winning 6-1 at home to advance.

"We have the permission to do it the hard way," Man City captain Vincent Kompany said. "Fair play to Liverpool tonight, but it's our turn next week."

Still, the whole debacle has put something of a damper on what was supposed to be Manchester City's procession to the title. City has just one league defeat all season and could clinch the title with six games to spare, a Premier League record.

But when the possibility first emerged of winning its third title in six years against United, its most hated foe, the team never imagined it could be a sideshow to a Champions League disappointment.

"We have to do it the hard way," Man City captain Vincent Kompany said. "Fair play to Liverpool tonight, but it's our turn next week."



BANKS UKRAINE'S RESOLVE B6

BUSINESS & FINANCE



PROBE SEC LEVELS CHARGES B10

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THE WALL STREET JOURNAL.

Saturday/Sunday, April 7 - 8, 2018 | B1

DJIA 23932.76 ▼ 572.46 2.3% NASDAQ 6915.11 ▼ 2.3% STOXX 600 374.82 ▼ 0.3% 10-YR. TREAS. ▲ 14/32, yield 2.779% OIL \$62.06 ▼ \$1.48 GOLD \$1,331.90 ▲ \$7.60 EURO \$1.2283 YEN 106.92

Small Colleges Drop Out of TIAA

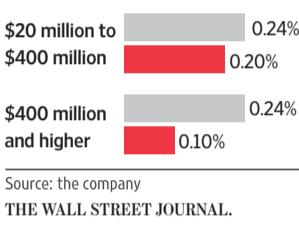
Fee for All

Small institutions have had higher costs on employee-retirement accounts with TIAA since its CREF funds raised fees in 2015 on smallest plans.

■ Previous fees

■ Current fees

Account size Fees (% of assets)



Source: the company
THE WALL STREET JOURNAL.

Some groups create plans with combined retirement-account assets to lower fees

By GRETCHEN MORGENSEN

More than a dozen small colleges have joined to yank the management of their employee retirement accounts from **TIAA**, the largest provider of retirement-plan services to nonprofit organizations, after it raised the fees on some of its most popular funds.

In Wisconsin, a group of colleges in January launched a new plan with the combined retirement-account assets of three members, all of which had

been with TIAA in recent years. The group expects to save 38% and 52% in fund expenses and record-keeping fees, respectively, as a result.

Fourteen small colleges in Virginia also joined a new multiemployer plan that began operating in November.

Small institutions around the country started looking for ways to bring down their retirement-account costs in 2015, when TIAA changed the annual-fee model on its popular CREF funds. From a previous flat fee of 0.24% of assets, the company started charging 0.35% of assets for institutions with less than \$20 million under management—a nearly 50% increase. Plans above that size saw their costs decline.

TIAA has \$1 trillion under management and five million customers, most of them workers at nonprofit organizations such as universities, research entities and governments. It said the 2015 fee increase on small institutions would “better reflect the actual administrative and distribution expenses across the range of clients we serve.”

Rolf Wegenke, president of the nonprofit Wisconsin Association of Independent Colleges and Universities—an organization of 24 private institutions in the state that created the new multiemployer plan—said rising retirement-plan costs played a role in their decision.

He said more colleges in the association are expected to

join the plan, which currently is available to employees of WAICU, Lawrence University and Ripon College.

TIAA bid to be the record-keeper of the new group plan, but Transamerica won the assignment, Mr. Wegenke said.

Chad Peterson, a TIAA spokesman, said of the Wisconsin plan: “A multiemployer plan approach makes sense for some to gain administrative and plan efficiencies but not for others who prefer to create their own plan to best fit their specific campus needs.”

Employees at Lawrence University in Appleton, Wis., with \$100 million in retirement-plan assets, are saving 50% under their new program, said

Please see TIAA page B2

Amazon Voices Payment Strategy

By ANNAMARIA ANDRIOTIS AND LAURA STEVENS

Amazon.com Inc. is considering whether to use its Alexa virtual assistant to start a person-to-person payments feature, according to people familiar with its strategy. The move would push the retailing giant into new competition with **PayPal Holdings Inc.**'s Venmo and big banks' payments efforts.

The Seattle company, which has expanded from online commerce to cloud computing to entertainment, is exploring new ventures and capabilities that could give it more power in a payments industry dominated by banks and card networks such as Visa Inc. and Mastercard Inc.

Among the options being evaluated are ways in which consumers could tell Alexa to send money to a friend. The idea is still in the early stages, and the voice-activated device would likely need more information about customers' bank accounts than it has now to execute such money transfers, the people said.

The review is part of a broad effort at the company run by billionaire Jeff Bezos to expand in banking and finance. Amazon is working to add other payment options to Alexa, including allowing drivers of cars equipped with Alexa to pay for gas at a station via voice, according to the people.

Amazon is also looking at ways to enter in-store payments, while talking with big banks, including **JPMorgan Chase & Co.**, about building a checking-account-like product.

Mr. Bezos gave employees a mandate last year to push financial services as a key initiative, according to a person

Please see PAY page B2

Food Stamp Cuts Would Hit Grocery Chains

By HEATHER HADDON AND JESSE NEWMAN

The grocery sector is bracing for the possible loss of tens of billions of dollars in purchases by low-income shoppers using food stamps.

The Trump administration is pushing to rein in the budget for the food-stamp program by nearly \$130 billion over a decade, representing a 20% reduction of its current annual allotment of \$63 billion. The move could constitute one of the biggest yearly reductions in program-sponsored purchases for retailers since the recession.

This and other proposals from Republicans intend to overhaul the nation's food-stamp program as lawmakers begin renegotiating the Farm Bill, a sprawling \$900 billion piece of legislation that allots about 80% of its funding to nutrition assistance and is set to expire at the end of September.

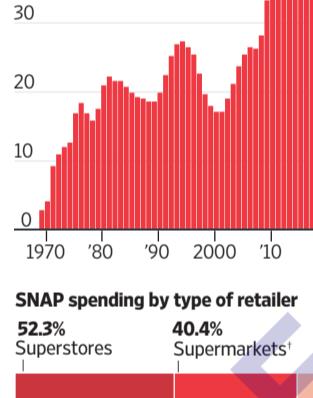
Some participants may no longer receive food stamps if lawmakers approve stricter work requirements included in proposals by Republicans on the House Agriculture Committee.

Please see SNAP page B2

Foodstuff

SNAP participation has declined since 2013, weighing on grocers' results. A large portion of food-stamp purchases are made at big-box chains like Walmart.

Average participation in SNAP



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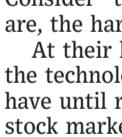


Big retailers notice a bump in sales around the time food-stamp funding is dispersed each month. The Trump administration is proposing a food-box-delivery program that would be state-run.

ROBERT F. BUKATY/ASSOCIATED PRESS

THE INTELLIGENT INVESTOR | By Jason Zweig

Big Tech Companies Test Limits of Growth



The more flippant the investing cliché, the more you should question it.

Consider "the bigger they are, the harder they fall."

At their lows this week, the technology shares that have until recently been the stock market's darlings—

Facebook Inc., **Amazon.com Inc.**, **Netflix Inc.**, Google parent company **Alphabet Inc.** and other giants—had fallen more than 17% since March 13. Over that period, the S&P 500 index fell 8%.

At first, the drop in big tech stocks seems driven by bad news that is bound to

worsen: Facebook improperly sharing personal data, President Donald Trump criticizing Amazon, European regulators investigating potential antitrust violations.

Or could this just be a stumble? Have big tech companies developed an unstoppable business model?

The idea might not be quite as crazy as it sounds. Charlie Munger, Warren Buffett's business partner, rarely shows much mercy toward investing beliefs he regards as foolish. But when he was asked at the February annual meeting for shareholders in his Daily Journal Co. whether Google, Facebook,

Please see INVEST page B5

Crypto Platform Seeks Licensing

By DAVE MICHAELS

WASHINGTON—**Coinbase**, a cryptocurrency firm, has approached U.S. regulators about registering as a licensed brokerage and electronic-trading venue, a move that comes as regulators have waged an aggressive campaign to supervise the fledgling industry.

The San Francisco-based startup, one of the world's largest platforms for trading bitcoin and other cryptocurrencies, has met with Securities and Exchange Commission officials in recent weeks about registering its business with the agency, according to people familiar with the matter. The step would allow Coinbase to expand the group of assets it offers to include digital tokens that the SEC has argued are securities and could put pressure on other cryptocurrency trading venues to sub-



MICHAEL SHORT/BLOOMBERG NEWS

mit to U.S. oversight, the people said.

"It's an early phase where the industry leaders understand they have to live within a highly regulated environment," said Richard Levin, a

partner at law firm Polisini PC who advises companies involved with digital currencies.

"They have to deal with the SEC."

A Coinbase spokesman declined to comment.

"The assets that we do list have all had some amount of regulatory certainty," Coinbase President Asiff Hirji said on CNBC on Thursday. "As soon as there is more regulatory clarity than there currently is you would expect us to start listing more assets."

Companies that operate online trading platforms for cryptocurrencies have positioned themselves as disrupters of traditional channels for raising capital and exchange trading. Trading in bitcoin and other virtual currencies that Coinbase offers, including ether and litecoin, is virtually untouched by U.S. market regulators.

But the growth of initial coin offerings, or ICOs—in which startups offer investors a token in exchange for an investment—has added a new opportunity that makes it

Please see COIN page B10

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BUSINESS & FINANCE

Ruling Hits Blue Insurers

By ANNA WILDE MATHEWS
AND BRENT KENDALL

A federal court struck a blow to **Blue Cross** and **Blue Shield** insurers in high-stakes litigation focused on how they work together, finding that some of their practices could represent an automatic violation of federal antitrust law.

U.S. District Judge R. David Proctor in Birmingham, Ala., in a late Thursday ruling, said challengers to the Blue insurers' practices had presented evidence that the Blue insurers have adopted competitive restrictions "which, considered together, constitute a per se violation of the Sherman Act," the central federal law that bars unlawful restraints of trade.

The ruling sets important legal rules for a future trial. The judge rejected some of the Blue insurers' central arguments, and his finding of a potential "per se," or inherent, violation could make it harder for them to defend some of their longstanding practices.

The case has a long way to go. The judge left open at least

one potential defense for the insurers' actions, and the lawsuits against the Blue insurers haven't yet been certified to proceed as class actions, an issue that could take several more months to resolve.

Still, "both substantively and tactically, it's a very big deal," Tim Greaney, a professor at the University of California Hastings College of the Law,

A judge rejected some of the Blue insurers' central arguments in high-stakes litigation.

said of the ruling. "It's a pretty serious blow to the Blues."

In a statement, Scott Nehls, the general counsel for the **Blue Cross Blue Shield Association**, said it would appeal and was "confident that we will prevail." He said the group was "disappointed by the court's ruling with respect to certain aspects of the BCBS System," but he called it "one step in a lengthy process."

The litigation couldulti-

mately have far-reaching effects. The Blue Cross and Blue Shield insurers have been at the heart of the U.S. health-care system for decades. They collectively cover roughly one in three Americans, and they are often the biggest players in states' individual and small-business insurance markets.

The Blue Cross Blue Shield Association licenses the Blue

the other by certain Blue insurer customers. The suits allege that the insurers are illegally conspiring to divvy up markets and avoid competing against one another, driving up customers' prices and pushing down the amounts paid to doctors and other health-care providers.

The suits name all of the Blue Cross and Blue Shield companies as defendants as well as the Blue Cross Blue Shield Association.

The judge, in his discussion of possible antitrust violations, cited a combination of certain of Blue insurer practices, including dividing up markets and certain limits on the insurers' non-Blue business.

The Blue association has said its licensing deals simply codify longstanding trademark rights and don't violate the law. The association also says its arrangements increase competition by helping the Blue companies ally together to go up against national insurers.

Lawyer David Boies, who is representing customer plaintiffs in the case, said the deci-



It could be harder for the Blue insurers to defend some practices.

cision "is a critical step toward ultimately resolving this case and increasing competition in the health-insurance market."

Joe Whatley, a lead attorney for health-care providers who sued the Blue insurers, called the ruling a "huge victory."

If the Blue insurers lose the case, it could force changes to their business practices and expose them to considerable civil liability and financial damages.

"This is a fairly definitive

ruling on the most important question of this case," said Barack D. Richman, a professor at Duke University School of Law.

However, the new ruling also held some positive aspects for the insurers. The judge ruled that another aspect of the Blue companies' cooperation, a program that involves working together to offer national insurance plans, wasn't an automatic antitrust violation.



For smaller grocers and convenience stores, potential changes to the program come at a time when they can't afford to lose sales.

SNAP

Continued from the prior page

House Republicans say their plan is aimed at creating opportunities for low-income Americans to acquire the skills needed to take part more fully in the growing U.S. economy. They foresee people leaving the program as incomes rise, with its lower costs reflecting beneficiaries' improved economic status.

House Democrats say it could result in the loss of benefit eligibility for one million people and an estimated \$20 billion reduction in government spending over a decade, according to aides. House Republicans dispute the figures, saying they don't reflect the most recent proposals.

For grocers, convenience stores and other food retailers, potential changes to the food-stamp program, called the Supplemental Nutrition Assistance Program, or SNAP, come at a time when they can't afford to lose sales. **Amazon.com** Inc.'s Whole Foods acquisition has forced many grocers to sink

profits into e-commerce operations to compete. Deep discounters have fueled price wars, further eroding thin margins.

"It's well known that the food industry operates on a 1% profit margin," said Alex Baloga, chief executive of the Pennsylvania Food Merchants Association, which represents about 3,500 grocery and convenience stores. "There's no way to absorb any kind of decrease in sales. It's just that simple. It would be devastating."

More than 52% of SNAP dollars, or \$33 billion, were redeemed at big-box stores such as **Walmart** Inc. and **Target** Corp. last year, up from 47% in 2015, U.S. Department of Agriculture data show.

Big retailers routinely notice a bump in sales around the time states disperse SNAP money to recipients each month. **Kroger** Co.'s finance chief, Mike Schlotman, said, "We know that we'll have more people in the store, and they're likely to be in the store longer." A spokeswoman for the grocery chain declined to

say how much it collects in food-stamp spending, but said it would push lawmakers to maintain a "robust food-assistance program."

Walmart generates roughly \$13 billion in annual sales from SNAP transactions, accounting for around 18% of the money spent through the program nationwide.

Amazon, seeking to court more low-income shoppers, is among the retailers participating in a federal pilot to accept SNAP dollars online, set to begin later this year. Representatives for Amazon, Walmart and Target declined to comment on the potential benefit reductions.

Some retailers serve regions where more than one-third of shoppers buy groceries with food stamps, said Mr. Baloga of the Pennsylvania Food Merchants Association. "We're not selling luxury sedans. We can't just raise prices to cover those losses," he said.

Reductions in SNAP enrollment, thanks to an improving economy and state-imposed time limits for benefits in 2016, have weighed on corporate

earnings and stock prices in recent years, particularly among dollar stores, which have been expanding their food offerings.

Some food retailers were alarmed by a separate proposal by the Trump administration, which in February suggested shaving about \$129 billion in SNAP spending over a decade by shifting food-stamp dollars from benefit cards to a food-box-delivery program that would be state-run.

More than 16 million households would no longer receive all of their benefits on cards but instead get half in the form of cereal, beans, canned fruits and other food purchased by the government through wholesale channels instead of at supermarkets.

Trade groups representing food retailers publicly criticized any diversion of SNAP dollars to the food box-program. They have been meeting with administration officials.

Mr. Baloga said his organization has been actively lobbying Pennsylvania's congressional delegation in opposition to the food-box proposal and will be monitoring Farm Bill details.

PAY

Continued from the prior page

briefed on the matter. The company also restructured internally to add its digital wallet, Amazon Pay, to its team that focuses on Alexa as part of plans to make voice commands the next wave of commerce, according to other people familiar with the company's plans.

Last month, Amazon Pay Vice President Patrick Gauthier pitched retailers at a conference on using Alexa to help their customers pay. "We really invite all of you who...want to invent the future to actually come and do it with us," he said.

Adding Amazon isn't easy for retailers, which have long viewed the company as the revenue-sapping rival.

Amazon also faces challenges on other fronts. Technology firms are facing increased scrutiny of late over privacy practices. And President Donald Trump has singled Amazon out with tweets in recent days that criticized the company's impact on traditional retailers and questioned whether it pays enough in taxes.

Since starting about two decades ago, Amazon has woven its way into consumers' lives in new ways. Amazon's push into the once-sleepy business of payments processing shows how it has been transformed.

For years, Visa, Mastercard and a few others battled for market share of cards generally issued by banks. Now, a different battle is playing out with technology companies, such as Amazon, **Apple** Inc. and **Alphabet** Inc.'s Google, trying to make payments, in many cases on mobile devices, easier for consumers while adding to their already formidable revenue streams.

It still is early days, as U.S. consumers haven't flocked to mobile wallets yet like users in China and other economies have. Also, Amazon's initiatives are unlikely to have a major impact on card net-

works or issuers, because consumers paying through Amazon accounts are usually doing it with a debit or credit card. But the company can still gain by gathering more data about consumer habits and using its size and leverage as a large retailer to negotiate lower fees from the card companies.

If Amazon can move more transactions to its own rails or get better deals from card companies, it could save more than an estimated \$250 million in interchange fees each year, Bain & Co. consultants say.

Adding person-to-person payments could also build consumer loyalty around Alexa, which is locked in a battle against Google's assistant. As a stand-alone, the person-to-person payments business has generated far more buzz than it has profits for Venmo and its big-bank rival, known as Zelle.

Payments analysts say Amazon's foundation in retail has helped it make more progress in payments than some rivals. "They focus on supporting their core competence, which is selling stuff," said Thad Peterson, senior analyst who covers emerging payment technologies at research firm Aite Group.

In contrast with many rivals, Amazon Pay has largely focused on online shopping, a timesaving proposition for consumers who frequently abandon their shopping cart if they have to type in credit-card information.

Now, Amazon is eyeing brick-and-mortar stores, starting with its recent acquisition of Whole Foods.

As Amazon tries to get more merchants to add its payment option at the checkout, including online, some have resisted in part due to concerns that the move could remind consumers that they could return to the online retail giant's site to complete the purchase.

—Emily Glazer and Peter Rudgeair contributed to this article.

TIAA

Continued from the prior page

Chris Lee, vice president for finance and administration.

The Virginia colleges that have signed up for their own multiemployer retirement plan have combined retirement account assets of around \$500 million; they include Ferrum College, Hollins University and Sweet Briar College.

TIAA was hired as the Virginia plan's record-keeper, but few of its funds will be among the investment choices for participants, said Robert Lambeth, president of the Council of Independent Colleges of Virginia, a group of 28 small colleges that set up the plan. Neither will TIAA be providing investment advice, he said.

"We have redefined TIAA's role to strictly record-keeping," Mr. Lambeth said. He said his group had "negotiated fees with TIAA that are noticeably below what the colleges were paying."

Retirement-plan costs have become a focus at many non-profit entities partly because

of lawsuits highlighting outsize fees in some of these accounts.

The first of these cases to go to trial—a suit brought two years ago by participants in the New York University retirement plan—is scheduled to be heard by a judge later this month. Plaintiffs contend NYU breached its fiduciary duty by having participants pay excessive record-keeping fees to Vanguard and **Vanguard Group**.

An NYU spokesman said the suit was baseless.

Duke University was also sued for breaching its fiduciary duty to retirement-plan participants by selecting four record-keepers, adding to costs. Duke has said the design and management of the plan was proper. No trial date has been set.

In February, Duke said that as of next year, Fidelity Investments will be the sole record-keeper of its \$4 billion plan, eliminating three other firms: TIAA, Vanguard and Valic. Vanguard funds will still be offered to Duke employees, but TIAA's funds will no longer be in the mix, except for its fixed annuity, known as TIAA Traditional.



The Milwaukee School of Engineering. A group of Wisconsin colleges created a multiemployer plan.

Mr. Peterson, of TIAA, said the firm is pleased to continue offering the product to Duke participants. A Vanguard representative said the firm was confident that plan sponsors and participants would continue to

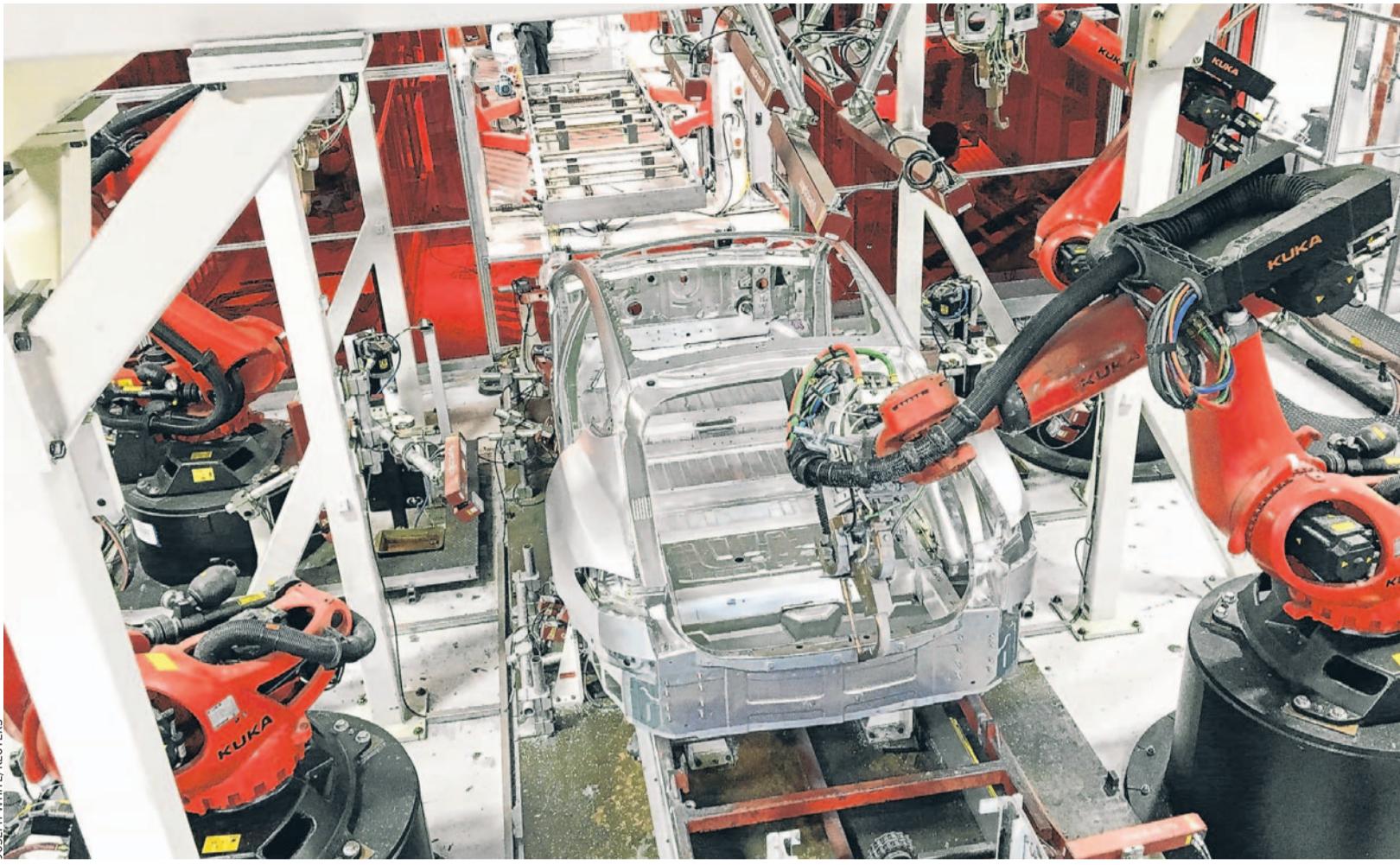
trust Vanguard with their hard-earned retirement savings.

The New York attorney general is investigating allegations made by former employees of aggressive sales practices at TIAA.

The Securities and Exchange Commission and Commodity Futures Trading Commission also have interviewed former employees who filed whistleblower complaints, the former employees' lawyer said.

"We are conducting a thorough review to ensure our actions and sales practices are aligned with our mission and values," said the TIAA's Mr. Peterson. "We cooperate fully with our regulators."

BUSINESS NEWS



The electric-car maker is working to ramp up production at its assembly plant in Fremont, Calif. The suit involves asbestos-abatement work at the facility.

Nine West Files for Chapter 11 Protection

By LILLIAN RIZZO
AND SOMA BISWAS

Retailer Nine West Holdings Inc., best known for selling women's shoes and accessories, filed for chapter 11 protection with a deal to sell its Nine West and Bandolino footwear and handbag businesses to a licensing firm.

The filing in U.S. Bankruptcy Court in New York came as Nine West faced debt maturities and has seen its revenue dwindle.

Authentic Brands agreed to pay \$200 million for the intellectual property of the Nine West, Bandolino, and associated brands plus some working-capital assets, Nine West Chief Executive Ralph Schipani said in court papers.

The deal comes after Nine West, which is owned by private-equity firm Sycamore Partners, recently closed its remaining 71 remaining stores.

Nine West's sales have fallen 37% since 2015.

Retailers that seek bankruptcy protection and liquidate their stores often find a second life through their brand. Aéropostale, Frederick's, American Apparel, the Limited and others have sold their brands as part of bankruptcy-run auctions after closing their stores.

Sycamore Partners has also been an acquirer of bankrupt brands, including the Limited and Coldwater Creek.

Authentic Brands, backed by private-equity firm Leonard Green & Partners, has been acquisitive, not only among bankrupt brands. In March, Authentic bought Nautica's brand from VF Corp.

Nine West, Sycamore and Authentic Brands didn't immediately respond to requests for comment.

Tesla Contractor Sues Over Bill

By TIM HIGGINS

A small Tesla Inc. contractor has sued the electric-car maker claiming it hasn't been paid for work at the Fremont, Calif., assembly plant where Tesla is trying to ramp up production of the Model 3 sedan.

American Integrated Services Inc. claims Tesla hasn't paid \$513,473 for work on lead and asbestos abatement work under a \$3.57 million contract signed in January 2016. It filed the lawsuit Tuesday in a California state court in Oakland.

Tesla called the matter "a minor commercial dispute."

"We paid AIS for all the work we authorized them to do," a Tesla spokesman said in a statement Friday. "The addi-

tional payment they're seeking is for work that we did not authorize and that clearly was unnecessary. When we asked for documentation showing that Tesla had authorized this unnecessary work, they were unable to provide it."

The claim comes as the auto maker faces questions about its cash level while it spends heavily to boost production of the Model 3, a compact sedan that is meant to transform Tesla from a niche player into one that sells its vehicles to the masses.

Large automotive suppliers are generally loath to file claims against car makers and will carry unpaid bills while a customer works through problems, betting there will be future

business to win.

Small companies, however, can't always make that bet, or aren't willing to do so, especially if they don't expect to do further business with the car company.

Dennis Virag, a manufacturing consultant who has worked in the automotive industry for 40 years, said auto makers on the whole try to pay vendors quickly unless there is a dispute about the quality or fulfillment of a contract.

The California lawsuit claims the contractor had an agreement to be paid within 30 days of receipt of invoices.

"Tesla purchased furnishing lead and asbestos abatement, demolition and removal and other environmental and reme-

diation services, goods, materials, labor, supplies and equipment from on or about Feb. 19, 2017, to present," the lawsuit said.

A lawyer for Wilmington, Calif.-based American Integrated Services declined to comment, citing ongoing litigation.

Production of the Model 3 began last July and has failed to reach multiple milestones set by Tesla, including one last quarter to make as many as 2,500 sedans in a single week. Tesla on Tuesday worked to reassure investors about its capital needs for the year, saying it was on track to reach a weekly rate of about 5,000 Model 3 cars in about three months, laying the ground work for "strong positive operating

cash flow" in the third quarter.

"As a result, Tesla does not require an equity or debt raise this year, apart from standard credit lines," the company said in the quarterly sales report.

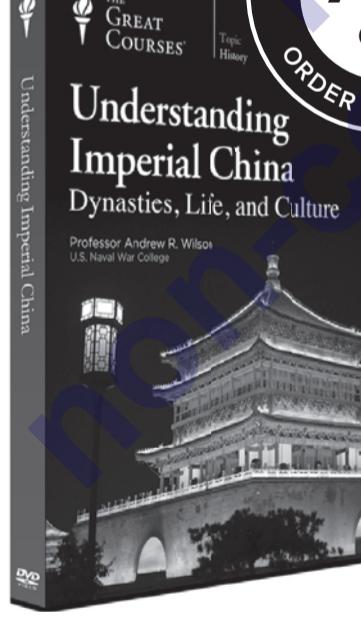
The company finished last year with \$3.4 billion in cash on hand after its negative cash flow averaged about \$1 billion a quarter—a pace analysts have said means the company would need to raise more money this year unless it significantly boosts production.

Tesla has more than \$10 billion in debt and its accounts payable swelled to \$2.39 billion at the end of the year from \$1.86 billion a year earlier.

—Andrew Scurria
and Lisa Schwartz
contributed to this article.

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BUSINESS & TECHNOLOGY

Tests Dash Hopes for Cancer Treatment

Incite and Merck drugs in combination show disappointing results in clinical trial

BY PETER LOFTUS

Incite Corp. said its experimental cancer drug failed in a closely watched clinical trial that paired it with Merck & Co.'s Keytruda, striking a blow to combination therapies and sending Incite and other biotech stocks plummeting Friday.

Incite's drug, epacadostat, was previously viewed as one of the more promising of the next generation of cancer drugs designed to work by harnessing the patient's own immune system to destroy tumor cells.

Merck, Bristol-Myers Squibb Co. and other companies sell older types of immunotherapies that have improved treatment of certain cancers including the skin cancer melanoma and lung cancer. The market for these drugs is booming:

Testing Combos

Drug companies and researchers are testing cancer immunotherapy drugs in combination with other treatments in hundreds of clinical trials.

Combination trials in progress involving...

Merck's Keytruda (pembrolizumab)

399

Bristol-Myers' Opdivo (nivolumab)

340

AstraZeneca's Imfinzi (durvalumab)

161

Roche Holding's Tecentriq (atezolizumab)

124

Pfizer's and Merck KGaA's Bavencio (avelumab)

32

Others

49

Source: Cancer Research Institute

THE WALL STREET JOURNAL.

pies with other drugs could further improve patient survival.

At least 1,100 clinical trials are testing drugs like Keytruda in combination with other drugs to treat cancer, according

to a December report by researchers from the Cancer Research Institute, a nonprofit focused on immunotherapy research.

Some combinations have had positive results in clinical trials, including the use of Keytruda plus chemotherapy in lung-cancer patients, and Bristol's Opdivo and Yervoy in melanoma.

But other combinations have disappointed, including a study testing two AstraZeneca PLC immunotherapies in lung cancer.

Incite's drug, known as an IDO1 inhibitor, is designed to block an enzyme that tumor cells exploit to escape destruction by the body's immune system. Merck's Keytruda works in a different way, blocking a protein called programmed death receptor 1, or PD-1, on immune cells.

The combination showed promise in an earlier, smaller study. Based on those results, the companies started a bigger study in 2016 comparing the

combination of epacadostat and Keytruda with Keytruda alone in more than 700 patients with advanced melanoma.

Merck and Incite said Friday that the combination didn't significantly extend progression-free survival, or the time from the start of treatment until disease progression or death. The companies said the combination was unlikely to improve overall survival among patients. Researchers stopped the study based on a recommendation by an independent committee monitoring the trial data.

The result "is obviously disappointing and it has a negative impact on the probability of success of the other studies combining epacadostat" with anti-PD-1 drugs, Incite Chief Executive Herve Hoppenot said on a conference call with analysts.

Merck and Incite are testing the combination in other types of tumors including lung and bladder cancers. Mr. Hoppenot shares of NewLink Genetics Corp., which is developing a drug similar to Incite's, fell 43% to \$4.20.

NewLink said Friday that in light of the Incite news it will conduct a review of its clinical programs for its IDO inhibitor, indoximod.

Shares of Corvus Pharmaceuticals Inc., which is developing several cancer immunotherapies, fell 7.2% to \$10.12.

NASA, Boeing to Launch Capsule Test-Flight Plan

BY ANDY PASZTOR

NASA and Boeing Co. agreed to turn the initial test flight of the company's commercial crewed capsule into an operational mission, one of several recent signs officials are hedging their bets on when U.S. spacecraft will start regularly ferrying astronauts to the international space station.

The disclosure by the National Aeronautics and Space Administration suggests a previously planned two-person flight, slated for November 2018, is now likely to occur in 2019 or 2020 and would likely carry one additional crew member along with extra supplies. Instead of staying for two weeks as originally envisioned, NASA said the expanded crew could stay at the station for as long as six

months conducting experiments and carrying out maintenance tasks.

The agency's agreement to use Russian rockets and capsules to carry astronauts to the international laboratory ends in late 2019.

The agency's deal to use Russian rockets and capsules is set to end in late 2019.

That is prompting NASA leaders to seek contingency plans to carry American astronauts into orbit—and keep them there for extended periods—in the event U.S. providers aren't ready to assume

routine transportation responsibilities by the deadline. Maintaining a continuous U.S. presence on the international space station is important to NASA.

Even after a successful crewed test flight, it could take NASA several months or longer to authorize routine missions, according to outside experts, agency advisory committees and senior NASA officials. The process could leave the U.S. scrambling for stopgap measures unless alternate options are put in place relatively soon.

On its website, NASA said it is updating its existing contract with the company and "may evolve flight test strategy" for Boeing's Starliner capsule, in anticipation of validating the spacecraft's safety and authorizing "regular post-

certification crew rotation missions."

Boeing was more direct. In a release, the company said "it was clear" that "we needed to provide NASA with additional flexibility to ensure the station remains fully staffed and fully operational" until U.S. capsules achieve a regular cadence of missions.

In February, NASA's top official in charge of the crewed exploration programs, William Gerstenmaier, telegraphed such moves were under active consideration but stopped short of announcing a decision.

On the web posting, Mr. Gerstenmaier said the contract modification "provides NASA with additional schedule margin if needed," but further technical reviews are anticipated.



An artist's concept of a Boeing CST-100 Starliner in Earth orbit. BOEING

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Dick's CEO Spurs Change In Approach to Gun Sales

BY SARA GERMANO

Shortly after a woman opened fire at YouTube headquarters in California on Tuesday, executives at Dick's Sporting Goods Inc. in suburban Pittsburgh logged on to their internal sales database to search for the attacker's name.

"Every time there's a shooting, the first thing that we do is we go through all the records to find out who the shooter was, and did they buy the gun from us," said Dick's Chief Executive Edward Stack. "It really puts a pit in our stomach."

The YouTube shooter hadn't purchased any firearms at Dick's, Mr. Stack said. But a similar search in February after the Parkland, Fla., school shooting revealed that the alleged gunman had bought a weapon from the national chain, though it wasn't used in the shooting.

For Mr. Stack, 63 years old, the exercise is part of the new reality of being in the gun business. It contributed to his decision to tighten Dick's policy in the wake of the Parkland attack, which left 17 dead and more than a dozen injured. The retailer halted sales of any firearms to people under 21 at all of its 845 Dick's and Field & Stream stores, and stopped selling assault-style weapons at Field & Stream. The company had already ended

sales of assault-style weapons at its flagship Dick's stores.

With that decision, which was quickly followed by similar moves from Walmart Inc. and Kroger Co., Mr. Stack emerged as the corporate face of the fight for stricter gun controls.

In the five weeks since, he said he has met with families of those affected by the Parkland shooting, lobbied lawmakers in Washington and received phone calls and emails from thousands of customers on all sides of the issue.

The company said last month that the decision had hurt traffic and retail sales, exacerbating challenges for its hunting and gun business.

While the company doesn't break out firearms sales, its entire hunting category made up roughly \$1 billion of Dick's \$8.6 billion in revenue last year.

Mr. Stack said the private sector can be a force for change in a debate that so far hasn't led to significant legislation.

"In order to really spur this conversation," he said, it requires "somebody who understands this." He believes that Dick's, as a gun seller, can offer a distinct perspective.

A gun owner himself, Mr. Stack said he wants to see the changes instituted at Dick's and Field & Stream stores become law: an outright ban on assault-

style weapons, no sales of high-capacity magazines and an increase in the minimum gun-buying age to 21.

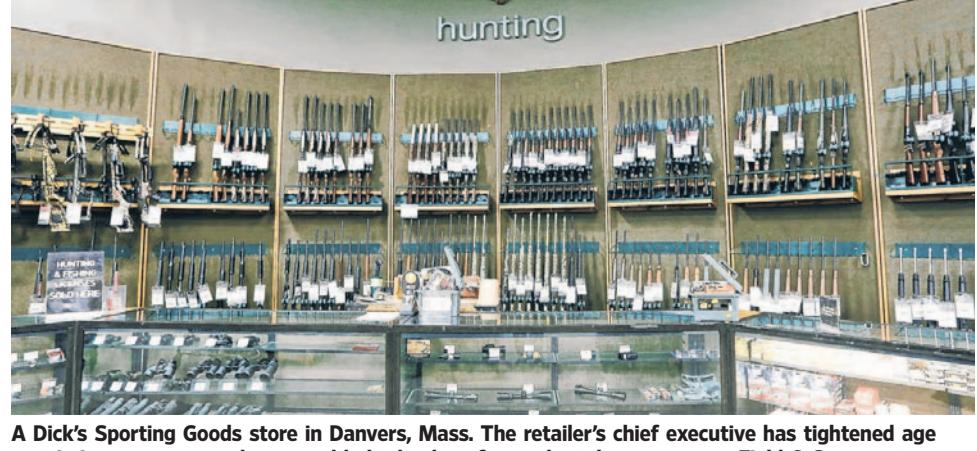
So far, however, the short-term prospects for movement in Washington aren't good, Mr. Stack said. "I don't think there's going to be real meaningful change from what I've seen on the Hill," he said, declining to name which members of Congress he met with.

A spokeswoman for survivors of the Parkland school shooting confirmed he visited with families in Florida in recent weeks.

Despite its recent moves, Dick's has been subject to criticism from advocates of tighter gun controls. On Thursday, the world's largest money manager, BlackRock Inc., said Dick's was among the gun-selling retailers that will be ruled out of some of its exchange-traded funds.

Mr. Stack became president and CEO of his father's then-two-store business in 1984 and expanded it into a nationwide chain. He remains the controlling shareholder, an ownership structure that he said gives the company an advantage when it comes to taking a social stance.

For the latest decision, Mr. Stack consulted with his top managers and the board. One group he didn't consult: vendors. "They're not terribly happy, and I understand that," he said.



A Dick's Sporting Goods store in Danvers, Mass. The retailer's chief executive has tightened age restrictions on gun purchases and halted sales of assault-style weapons at Field & Stream stores. CJ GUNTHER/FEPA/SHUTTERSTOCK

WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

In Overhaul, Top Earners to Pay Bigger Share



One of the least discussed parts of America's income tax is how progressive it is, and the tax overhaul didn't change that fact. In 2018, top earners will pay a higher share of income taxes.

The individual income tax matters—a lot—because it is the largest single source of U.S. revenue. And its share has risen in recent years. For 2018, it could raise 50% of total federal revenue, according to estimates from Congress's Joint Committee on Taxation, up from about 48% last year.

So who pays what share of this tax?

Internal Revenue Service data aren't available until long after people file, so estimates for 2017 and 2018 come from the Tax Policy Center, a nonpartisan research group.

They divided about 175 million American households into five income tiers of roughly 65 million

people each. The income includes earnings from wages and investments plus untaxed amounts, such as from health coverage. These additions nearly double the income of people in the lowest tier and add about 20% for those in the highest tier.

The results show how steeply progressive the U.S. income tax remains. For 2018, households in the top 20% will have income of about \$150,000 or more and 52% of total income, about the same as in 2017. But they will pay about 87% of income taxes, up from about 84% last year.

By contrast, the lower 60% of households, who have income up to about \$86,000, receive about 27% of income. As a group, this tier will pay no net federal income tax in 2018 vs. 2% of it last year.

After the income tax, the most important revenue raisers are for social insurance, such as Social Security and Medicare. They will provide about 34% of the total tax take this year, according to

the Joint Committee on Taxation. Corporate taxes will account for 7% of revenue, down from 9% in 2017. The rest of the total comes from excise taxes, estate and gift taxes, and other sources such as customs duties.

The Tax Policy Center also offers a closer look at the income tax for those in the top quintile, who earn anywhere from \$150,000 to \$100 million and up.

Roughly one million households in the top 1% will pay for 43% of income tax, up from 38% in 2017. These filers earn above about \$730,000.

According to Roberton Williams, an income-tax specialist with the Tax Policy Center, the share of taxes paid by the top 5% will rise despite the fact that people in it were the largest beneficiaries of the overhaul's tax cut, both in dollars and percentages.

To be sure, this analysis doesn't include the flow-through effects of corporate-tax cuts, which benefit higher earners more than

lower earners, or the doubling of the estate-tax exemption to about \$11.2 million per person. Neither levy is part of the individual income tax.

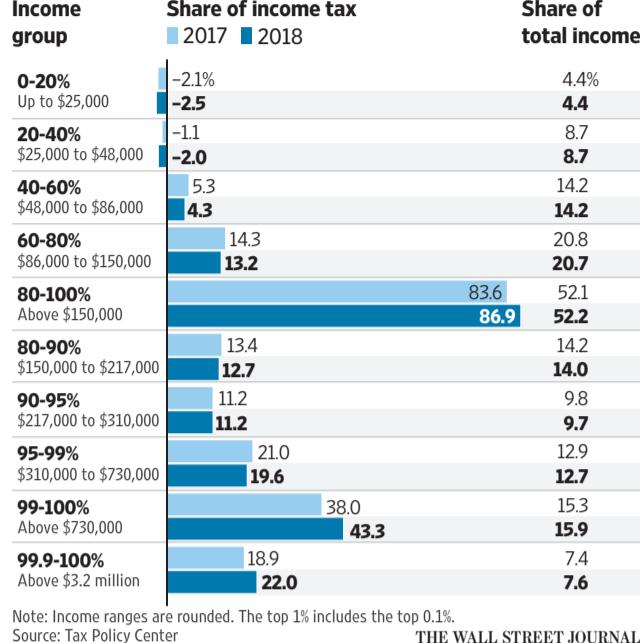
Why are income taxes negative for the 77 million households in the bottom two tiers, which earn 13% of income? In recent decades, Congress has chosen to funnel benefits for lower earners through the income tax rather than other channels such as federal programs. Some of these, such as the earned-income tax credit for the low-income workers, make cash payments to filers who don't owe income tax.

The tax overhaul further lowered the share of income tax for people in these tiers, in part because it nearly doubled the standard deduction and expanded the tax credit for children under the age of 17.

People in the lower tiers do owe other federal taxes, such as for Social Security and Medicare. If these tax payments are included, their share of federal taxes paid

A Bigger Slice

Americans with lower earnings will pay a smaller share of income tax next year, while those with higher earnings will pay a larger share.



Note: Income ranges are rounded. The top 1% includes the top 0.1%.

Source: Tax Policy Center

THE WALL STREET JOURNAL.

turns positive.

The share of tax paid by the top 20% of Americans also changes when social-in-

surance levies are included. It drops to about 67% of federal taxes from roughly 87% of income taxes.

INVEST

Continued from page B1

Apple Inc. and Amazon are overvalued, he said, "I don't know. Next question."

Traditionally, the bigger companies have gotten, the harder it has become for them to keep expanding at the same rate. For today's leading innovators, however, growing might not have to mean slowing. Unfettered by the costs of raw materials or the burdens of manufacturing, distribution and advertising, these companies plan decades ahead, rather than fixate on hitting Wall Street's quarterly targets.

Consider Amazon. Over the three years ended Dec.

31, 2011, its revenue more than doubled, to \$48 billion. Over the next three years, its sales nearly doubled again, to \$89 billion. Then, over the three years ended Dec. 31, 2017, Amazon's revenue doubled yet again, to \$178 billion.

Investors don't know exactly how to price such rapid growth. Although the cash Amazon generated from operations increased more than 10-fold from 2008 through 2017, the company plowed most of it back into expanding the business. So net income rose only less than fivefold, with enormous fluctuations along the way.

James Anderson, head of global equities at Baillie Gifford & Co. in Edinburgh,

thinks Amazon, along with some other giants including Chinese firms **Alibaba Group Holding Ltd.** and **Tencent Holdings Ltd.**, "live in a permanent state of revolution."

4%
Share of all stocks that drive market's returns over time

Baillie Gifford, with \$290 billion in assets, had a total of more than \$22 billion in Amazon, Alibaba and Tencent as of year-end 2017.

"A small set of superior companies drive returns in

the long run," says Mr. Anderson, citing research by finance professor Hendrik Bessembinder of Arizona State University. That study shows that the stock market's entire return over time has come from fewer than 4% of all stocks.

Of course, history also suggests that every firm that was expected to dominate indefinitely—from RCA in the 1920s to International Business Machines Corp. in the 1980s to Nokia Corp. in the 1990s—has ended up slipping.

And the idea of virtually limitless growth flies in the face of much of human experience. Trees can't grow to the sky because they would be bent and crushed under

their own weight first.

The twin beliefs that high-fliers must fall to earth and that underappreciated stocks should rise again are at the heart of value investing. It's conceivable that those principles may be less relevant today, when powerful technology companies can pulverize entire industries.

Nevertheless, as companies grow, "the more scale you have, the less nimble you become," says John Linehan, portfolio manager of the \$22 billion T. Rowe Price Equity Income Fund. Despite all the recent growth of the tech giants, he says, "I don't think that's changed."

In a classic article, "Growth Stocks and the St. Petersburg Paradox," finance

scholar David Durand warned that at ultrahigh growth rates over long horizons, even slight shortfalls lead to enormous differences in end results. That makes the shares of such companies extraordinarily volatile.

With Amazon and Netflix trading at more than 200 times their net profits, and many of the other new tech giants at more than 40 times earnings, they aren't exempt from that iron law.

It's impossible to know for sure whether companies like Amazon have broken free from the traditional limits to growth. Unless you can hold them for a decade or more, as Mr. Anderson likes to, you probably will get shaken out before you can even find out.

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BUSINESS NEWS

Bank Battle Tests Kiev's Resolve

Ukraine's takeover of PrivatBank measures the state's will to challenge its tycoons

BY JAMES MARSON
AND MAX COLCHESTER

KIEV—When Ukraine's finance minister went to oversee the nationalization of the country's biggest bank in December 2016, he took with him a team of bankers—and a security detail of special-forces operatives.

That month, **PrivatBank** was rescued with an injection of public money that has since grown to around \$5 billion. But one of the bank's former controlling shareholders, Ihor Kolomoisky, a local metals-to-media tycoon who once funded a pro-government militia, isn't letting go without a fight.

The tug of war over PrivatBank is a key test for Ukraine as it tries to stabilize its finances and satisfy demands for reform from the U.S. and Western governments that helped finance the country amid a Russia-backed insurgency in its east.

A report commissioned by Ukraine's central bank from **Kroll**, the corporate-investigations and risk-consulting firm, has alleged the former controlling shareholders, Mr. Kolomoisky and another businessman, Gennadi Bogolyubov, secretly and illegally extracted funds from PrivatBank to finance their business interests, according to Ukrainian officials. Messrs. Kolomoisky and Bogolyubov each held about 45% of PrivatBank.

Mr. Kolomoisky and Mr. Bogolyubov said the **National Bank of Ukraine** orchestrated the seizure of PrivatBank for political reasons by raising capital requirements and spreading false rumors about the lender's health, according to their spokesman.

"Audits by respected international organizations over the past ten years have consistently failed to find any evidence of fraud," the spokesman said in a statement. Mr. Kolomoisky has launched lawsuits in Ukraine challenging



As its rivals shut down, PrivatBank increased deposits to about one-third of Ukraine's total by the time it was nationalized in 2016.

the nationalization. Mr. Bogolyubov has filed notice of a claim in a U.K. court seeking compensation for the alleged unlawful expropriation.

Prosecutors said they are examining the allegations of fraud leveled by the government in Kiev. Meanwhile, PrivatBank's new management last week filed a legal claim seeking \$3 billion in damages from **PricewaterhouseCoopers**' Cyprus and Ukrainian units for breach of duties in the accounting firm's auditing of the bank. PwC's Ukraine unit said in a statement that it would defend its position.

Ukrainian government figures and Western officials say the PrivatBank case is a test of whether pro-Western President Petro Poroshenko's administration is willing and able to win a battle against powerful tycoons.

"If we solve this problem,

then we can really say that Ukraine has changed," said Kateryna Rozhkova, deputy governor of the National Bank of Ukraine. "It's too conspicuous to brush it under the carpet."

After the 2014 revolution, the central bank set about cleaning up a banking sector beset by bad loans and inadequate capital. Backed by the International Monetary Fund, which has lent billions to Ukraine, regulators closed nearly 80 lenders. As its rivals shut down, PrivatBank increased its share of the country's deposits to around one-third by the time it was nationalized.

Mr. Kolomoisky's clout was also growing. As Russia whipped up a separatist insurgency in eastern Ukraine in spring 2014, Mr. Kolomoisky, whose interests include the country's main airline and a leading television channel, and a

Regulators said they cut a deal with the former controlling shareholders: help restructure the loan book with some of their own assets after the nationalization and all allegations of wrongdoing would be forgotten. Mr. Kolomoisky and Mr. Bogolyubov signed a letter agreeing to hand the bank to the Finance Ministry, according to a copy of the letter. Their spokesman declined to comment on the letter.

In 2016, the government started pouring money into the bank to cover what it has said was a \$5.5 billion hole in its balance sheet. But the former controlling shareholders didn't hand over

any cash or assets, Finance Ministry and central-bank officials said. Instead, they launched a campaign saying the government unfairly took control of PrivatBank.

In December 2017, PrivatBank's new management filed suit in a U.K. court seeking to recover more than \$2.5 billion from the former controlling shareholders.

A summary of Kroll's report published in January by the NBU said that PrivatBank had been subjected to a "large-scale and coordinated fraud." The report said that 95% of borrowing from PrivatBank was to parties related to Messrs. Kolomoisky and Bogolyubov, without stating a time period. A spokesman for Messrs. Kolomoisky and Bogolyubov said the claims "are consistent with a long-term campaign of public defamation" against the two men.

CSX Reports Payout For Late CEO

BY THEO FRANCIS

CSX Corp. disclosed compensation totaling \$151 million for deceased railroad executive Hunter Harrison, the biggest CEO pay package for 2017 reported so far by a large U.S. company. But his payout isn't what it seems.

About \$116 million of his package—stock options that were to vest over four years—vanished with Mr. Harrison's death on Dec. 16, the company said in its annual proxy statement filed with the Securities and Exchange Commission.

The remaining \$35 million would still leave Mr. Harrison with the 10th-highest pay for the year reported thus far by S&P 500 companies.

Some \$29 million of Mr. Harrison's remaining compensation reflects payments CSX agreed to make on behalf of activist investor Mantle Ridge, which brought the 72-year-old railroad veteran on board in March as part of a bid to revamp the company despite concerns about his health.

CSX also reimbursed Mantle Ridge for a \$55 million payment made to Mr. Harrison before he became CEO. That isn't included in the pay package reported to the SEC. Counting that sum, Mr. Harrison's compensation was more than \$90 million last year, or No. 2 among big-company CEOs to date.

In its proxy filing, CSX said the 2017 compensation package was unique and necessary to secure Mr. Harrison's "proven leadership." Investors approved the \$84 million in payments tied to Mantle Ridge by a wide margin in a June shareholder vote.

A spokesman for CSX declined to comment beyond details disclosed in its proxy.

Contest for Driller Muddies Mexican Reform

BY ROBBIE WHELAN

MEXICO CITY—A legal battle over a small oil-drilling company is testing Mexico's promises of greater transparency and competition made five years ago when the country opened its oil industry.

The company, **Oro Negro**, filed for bankruptcy protection in Mexico last year after slumping crude prices prompted state oil company **Pemex** to slash the day rates it pays drillers, and eventually cancel Oro Negro's contracts.

Now, U.S. shareholders of closely held Oro Negro accuse Pemex of fraud and discrimination in an arbitration complaint against Mexico under the rules of the North American Free Trade Agreement. The investors argue Pemex improperly terminated the company's contracts, gave preferential treatment to rival drilling firm **Seamex** and conspired with holders of Oro Negro bonds to put the company out of business—allowing bondholders to seize its rigs—and hand its contracts to its competitor.

The complaint says that because Pemex is a government entity, its actions violate Nafta rules guaranteeing equal treatment for Mexican and U.S. investors and prohibiting the expropriation of assets by the state. Oro Negro's investors seek \$700 million in damages through a Nafta arbitration panel.

The company's bondholders say Oro Negro rejected a restructuring proposal that would have kept it solvent, and characterize the Nafta complaint as a last-ditch attempt by shareholders to salvage some value in the company by pressuring Pemex into a settlement. These creditors are suing Oro Negro in a New York federal court to seize control of its five jackup drilling rigs used to extract oil in the shallow waters of the Gulf of Mexico.

The disputes over Oro Negro come against the backdrop of



An Oro Negro drilling rig operated by state oil company Pemex off Mexico's eastern coast in 2014.

Mexico's historic energy overhaul, which in 2013 opened the sector to private and foreign investment. The reform also sought to improve business practices and contracting transparency, said George Baker, an energy analyst in Houston.

The arbitration case is important because Pemex's service contracts are still given with no public oversight. "Conflicts only come to light when someone makes an international incident of the matter," Mr. Baker said.

Pemex has faced questions from investors and lawmakers for years about the transparency of its contracting, and is now drawing public scrutiny over a regionwide corruption scandal involving contracts granted to Brazilian construction giant Odebrecht. Pemex declined to comment on the matter.

Oro Negro is led by Gonzalo Gil, a Stanford-trained banker and son of former Mexican finance minister Francisco Gil Diaz.

Seamex is jointly owned by Fintech Investments Ltd.

which is controlled by David Martínez, a London-based Mexican investor who specializes in distressed assets, and Seadrill Ltd., an offshore drilling giant with offices around the world. Seadrill's chairman is Norwegian billionaire John Fredriksen, who is also an Oro Negro bondholder and has representation on the bondholder committee negotiating with Oro Negro.

Oro Negro shareholders say Mr. Fredriksen, through his position on the bondholders committee, is trying to foreclose on the company's drilling rigs and take over its contracts. The adviser to that committee, New York-based investment banker Paul Leand, sits on Seadrill's board. Mr. Fredriksen wasn't made available to comment.

"Our main competitor is also our primary creditor, and the culprit of our financial distress is also responsible for providing privileged terms to our main competitor," Mr. Gil said.

The Nafta arbitration request is meant to send a message to Pemex about the importance of offering investors a

more-level playing field, said Fred Warren, a 78-year-old California venture capitalist who invested \$10 million in Oro Negro.

Similar arbitration cases have ended in settlements. Last year, Pemex entered into a \$435 million settlement with a contractor owned by U.S. engineering firm KBR Inc. over canceled construction contracts after it notified the Mexican government of its intent to arbitrate.

Contracts reviewed by The Wall Street Journal show Pemex granted Seamex better terms than it gave Oro Negro for equivalent drilling projects, including higher service fees, performance bonuses and a clause that prohibits Pemex from unilaterally canceling its contracts.

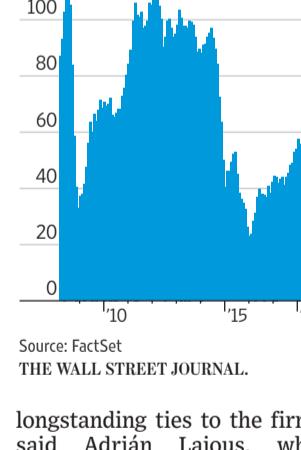
A Pemex spokesman said the firm didn't give preferential treatment to Seamex, and argued the entire oil-services industry suffered when oil prices fell. Pemex declined to comment on the Nafta complaint.

Pemex has "a long tradition" of favoring contractors with

Over a Barrel

The price collapse of Mexico's benchmark heavy crude oil prompted state-run Pemex to restructure dozens of drilling contracts.

Mexican crude-oil prices per barrel, monthly



Source: FactSet

Europeans Shop for U.S. Firms

BY NINA TRENTMANN

European executives are targeting U.S. companies as a brighter economic landscape at home and abroad boosts buyer confidence.

Lower taxes and favorable foreign exchange rates are increasingly enticing for France's JCDecaux SA, which has looked at U.S. rivals as potential acquisition targets for more than a decade.

"The change in the U.S. tax rate will make it more attractive for us to pursue such a deal," said finance chief David Bourg.

European companies spent \$47.26 billion on U.S. targets since the beginning of the year, through April 5, according to Dealogic. That is the highest

Companies are eager buyers thanks to strong cash reserves and favorable rates.

deal value for this period since 2006 and up from \$37.59 billion worth of deals struck in the same period last year.

The total number of European acquisitions of U.S. companies declined to 113 in that period of 2018 from 172 in that part of 2017, according to Dealogic, an indication that year's deals are often larger.

The drop in the U.S. corporate tax rate to 21% makes U.S. businesses more alluring to European buyers, as does the pullback in the U.S. dollar, which is down nearly 15% against the euro since Dec. 2016.

European companies are eager buyers because of strong cash reserves, the result of years of conservative spending.

MARKETS DIGEST

Dow Jones Industrial Average

Last 23932.76
Year ago 21.07
Trailing P/E ratio 25.28
P/E estimate * 16.34
Dividend yield 2.23
or 2.34%
All-time high 26616.71, 01/26/18
Current divisor 0.14523396877348



Bars measure the point change from session's open.

Feb. Mar.

S&P 500 Index

Last 2604.47
Year ago 24.63
Trailing P/E ratio 25.04
P/E estimate * 16.88
Dividend yield 1.96
or 2.19%
All-time high 2872.87, 01/26/18



Bars measure the point change from session's open.

Feb. Mar.

Nasdaq Composite Index

Last 6915.11
Year ago 26.11
Trailing P/E ratio 25.33
P/E estimate * 19.68
Dividend yield 1.06
or 2.28%
All-time high 7588.32, 03/12/18



Bars measure the point change from session's open.

Feb. Mar.

Track the Markets: Winners and Losers

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

Stock Index	Currency, vs U.S. dollar	Commodity, traded in U.S.*	ETF
	Wheat	4.71%	
IPC All-Share		3.96	
FTSE MIB	2.31		
S&P BSE Sensex	2.00		
FTSE 100	1.80		
CAC-40	1.76		
Euro Stoxx	1.64		
DAX	1.19		
Comex Copper	1.16		
Stoxx Europe 600	1.07		
Canada dollar	0.95		
IBEX 35	0.86		
Comex Gold	0.69		
Comex Silver	0.67		
Nikkei 225	0.53		
UK pound	0.51		
S&P/ASX 200	0.51		
WSJ Dollar Index	0.29		
Indian Rupee	0.25		
Corn	0.19		
Norwegian Krone	0.17		
	-0.07	S&P/TSX Comp	
	-0.08	iSh 1-3 Treasury	
	-0.09	VangdTotIntlBd	
	-0.10	S&P 500 Energy	
	-0.12	S&P 500 Utilities	
	-0.16	iSh TIPS Bond	
	-0.18	S&P 500 Telecom Svcs	
	-0.18	Sao Paulo Bovespa	
	-0.21	Chinese Yuan	
	-0.22	iShPMUSEmgb	
	-0.26	iSh 7-10 Treasury	
	-0.26	VangdTotalBd	
	-0.27	Indonesian Rupiah	
	-0.27	iShBox\$InvGrdCp	
	-0.28	S&P 500 Consumer Staples	
	-0.33	Euro area euro	
	-0.35	Australian dollar	
	-0.36	iShNatMuniBd	
	-0.43	iShBox\$HYCp	
	-0.44	S&P SmallCap 600	
	-0.51	Swiss Franc	
	-0.63	Japan yen	
	-0.64	S&P 500 Real Estate	
	-0.66	iSh 20+ Treasury	
	-0.66	S&P 500 Consumer Discr	
	-0.67	Kospi Composite	
	-0.71	Dow Jones Industrial Average	
	-0.72	S&P 500 Materials	
	-0.72	Mexico peso	
	-0.83	Hang Seng	
	-0.88	South Korean Won	
	-1.05	Soybeans	
	-1.05	Russell 2000	
	-1.17	Nymex Natural Gas	
	-1.18	South African Rand	
	-1.19	Shanghai Composite	
	-1.31	S&P MidCap 400	
	-1.38	S&P 500	
	-1.45	S&P 500 Financials Sector	
	-1.57	Russian Ruble	
	-1.68	S&P 500 Health Care	
	-2.04	S&P 500 Industrials	
	-2.09	S&P GSCI GFI	
	-2.10	Nasdaq Composite	
	-2.25	Nasdaq 100	
	-2.29	S&P 500 Information Tech	
	-2.41	Dow Jones Transportation Average	
	-3.13	Nymex ULSD	
	-3.26	Nymex RboB Gasoline	
	-4.43	Nymex Crude	
	-8.95	Lean Hogs	

Trading Diary	
Volume, Advancers, Decliners	
NYSE	NYSE Amer.
Total volume*	877,578,802
Adv. volume*	9,720,322
Decl. volume*	71,033,588
Issues traded	1,931,741
Advances	799,100,349
Declines	7,277,374
627	326
2,315	126
117	183
31	17
55	17
201	14
2.58	2.25
6,240	104
Nasdaq NYSE Arca	
Total volume*	2,326,712,623
Adv. volume*	552,517
Decl. volume*	695,030,361
Issues traded	74,051,187
3,030	1,356
639	323
2,290	1,019
101	14
40	0
56	11
323	89
0.65	1.06
14,090	1,374
*Primary market NYSE NYSE American NYSE Arca only.	
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.	

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD 3-yr. ann.
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Dow Jones	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD 3-yr. ann.
Industrial Average	24434.40	23738.20	23932.76	-572.46	-2.34	26616.71	20404.49	15.9	-3.2
Transportation Avg	10403.33	10036.54	10146.37	-307.29	-2.94	11373.38	8783.74	11.4	-4.4
Utility Average	699.09	689.92	691.59	-4.84	-0.69	774.47	647.90	-1.1	-4.4
Total Stock Market	27544.18	26823.25	27011.29	-589.75	-2.14	29630.47	24125.20	10.7	-2.4
Barron's 400	715.06	694.82	700.91	-15.39	-2.15	757.37	610.89	13.2	-1.4

Nasdaq Stock Market

Nasdaq Composite	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD 3-yr. ann.
Nasdaq 100	6587.36	6402.03	6433.21	-161.62	-2.45	7131.12	5353.59	18.7	0.6

S&P

500 Index	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD 3-yr. ann.
MidCap 400	1887.90	1840.22	1854.08	-37.24	-1.97	1995.23	1681.04	8.7	-2.4
SmallCap 600	951.43	927.14	934.29	-17.18	-1.81	979.57	815.62	12.9	0.2

Other Indexes

Russell 2000	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD 3-yr. ann.
NYSE Composite	12263.93	12233.93	12349.11	-222.83	-1.77	13637.02	11324.53</td		

MARKET DATA

Futures Contracts

Metal & Petroleum Futures

Contract Open High hilo Low Settle Chg interest

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

April 3,0510 3,0545 3,0350 3,0540 -0.0155 1,399

May 3,0685 3,0685 3,0245 3,0585 -0.0160 131,576

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

April 1326.50 1333.00 1319.00 1331.90 7.60 1,635

June 1329.70 1339.10 1322.60 1336.10 7.60 369,625

Aug 1336.20 1345.00 1328.90 1342.30 7.60 52,674

Oct 1341.20 1349.50 1338.00 1348.50 7.70 7,029

Dec 1349.70 1357.50 1343.80 1355.00 7.70 48,750

Dec'19 1394.00 1394.20 1393.60 1394.80 7.80 3,446

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

June 902.75 909.35 ▼ 890.85 895.15 -4.95 21,123

Sept 894.30 905.95 ▼ 889.80 892.30 -4.30 2,287

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

April 907.50 907.50 ▼ 905.50 912.00 2.20 22

July 915.70 920.60 ▼ 910.30 917.50 2.20 72,894

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

April 16,300 16,320 16,285 16,332 0.012 336

May 16,355 16,475 16,240 16,362 0.007 151,047

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

May 63.72 63.79 61.81 62.06 -1.48 436,292

June 63.70 63.77 61.86 62.10 -1.44 372,698

July 63.50 63.56 61.73 61.96 -1.38 171,831

Sept 62.62 62.70 61.05 61.26 -1.30 190,542

Dec 61.06 61.43 59.91 60.14 -1.15 256,338

Dec'19 56.85 57.13 55.95 56.14 -0.99 141,483

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

May 1,9850 1,9911 1,9482 1,9578 -0.0187 131,366

June 1,9819 1,9879 1,9456 1,9544 -0.0198 89,181

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

May 1,9890 1,9902 1,9383 1,9547 -0.0269 137,992

June 1,9929 1,9942 1,9430 1,9585 -0.0272 86,565

Natural Gas (NYM)-10,000 MMBtu,\$ per MMBtu.

May 2,681 2,717 2,675 2,701 .026 393,203

June 2,735 2,768 2,729 2,747 .018 119,711

July 2,797 2,829 2,790 2,804 .013 172,603

Sept 2,804 2,838 2,804 2,816 .013 114,772

Oct 2,816 2,850 2,816 2,829 .012 129,246

Jan'19 3,075 3,101 3,075 3,088 .013 74,471

Agriculture Futures

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

May 382.00 390.00 382.00 388.50 -1.00 524,291

July 392.00 398.50 390.75 397.00 -1.25 558,984

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

May 231.00 234.50 230.25 233.25 .50 4,148

July 240.25 241.75 237.75 241.00 .50 2,086

Soybeans (CBT)-5,000 bu;\$ cents per bu.

May 1003.00 1037.25 1003.00 1037.75 2.50 296,811

July 1022.00 1048.00 1014.00 1044.75 2.75 301,784

Soybean Meal (CBT)-100 tons;\$ per ton.

May 379.00 387.30 375.50 386.30 2.70 165,339

July 382.50 391.00 379.00 390.10 3.10 150,457

Soybean Oil (CBT)-60,000 bbls;\$ per cent/lb.

May 31.63 31.77 31.46 31.53 -.25 197,450

July 31.90 32.04 31.73 31.81 -.24 154,239

Rough Rice (CBT)-2,000 cwt;\$ per cwt.

May 1236.00 1250.50 1233.00 1249.50 10.50 5,157

July 1255.50 1255.50 1255.50 1259.50 9.50 1,861

Interest Rate Futures

Treasury Bonds (CBT)-\$100,000 pts 32nds of 100%

June 144-280 146-040 144-260 146-010 1-04 767,085

Sept 144-100 145-050 144-070 145-050 1-04 93

Treasury Notes (CBT)-\$100,000 pts 32nds of 100%

June 120-180 121-020 120-175 121-005 14.5 3,443,868

Sept 120-150 120-245 120-145 120-240 15.0 1,607

5 Yr. Treasury Notes (CBT)-\$100,000 pts 32nds of 100%

June 114-047 114-140 114-042 114-125 8.0 3,410,704

2 Yr. Treasury Notes (CBT)-\$200,000 pts 32nds of 100%

June 106-080 106-110 106-077 106-105 2.5 1,936,917

30 Day Federal Funds (CBT)-\$5,000,000;100- daily avg.

April 98.315 98.318 98.315 98.318 ... 353,949

Jan'19 97.845 97.895 97.845 97.885 .040 315,078

10 Yr. Del. Int. Rate Swaps (CBT)-\$100,000 pts 32nds of 100%

June 94.125 94.734 94.125 94.703 .500 29,365

1 Month Libor (CME)-\$3,000,000;pts of 100%

April 98.1025 ... 4,094

Eurodollar (CME)-\$1,000,000;pts of 100%

April 97.6875 97.6875 ▼ 97.6625 97.6700 -.0125 291,489

Interest Rate Futures

Country/Coupon (%) Maturity/years Latest(●) 2 -1 0 1 2 3 4 Previous Month ago Year ago Spread Under/Over U.S. Treasuries, in basis points

Coupon (%) Maturity/years Latest(●) 2 -1 0 1 2 3 4 Previous Month ago Year ago Spread Under/Over U.S. Treasuries, in basis points

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE MKT and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq OMX BXSM (formerly Boston), Chicago Stock Exchange, CBOE, National Stock Exchange, ISE and BATS. The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with their average trading volume. **Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:

- 1-New 52-week high.
- 2-New 52-week low.
- dd—Indicates loss in the most recent four quarters.
- FJ—First day of trading.
- t—NYSE bankruptcy.
- h—Does not meet continued listing standards.
- v—In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.
- If—Late filing.
- q—Temporary exemption from Nasdaq requirements.
- G—Goodwill.

Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, April 6, 2018

YTD

52-Week

% Chg

H

L

Stock

Y

%

Net

Chg

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American, 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.

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BANKING & FINANCE

Longfin Accused of Securities Violations

Trading in shares of cryptocurrency firm is halted as the SEC questions stock sales

BY AARON BACK
AND JEAN EAGLESHAM

The wild ride of cryptocurrency company Longfin Corp. came to an abrupt standstill on Friday, when its shares were halted and the Securities and Exchange Commission accused the company and its chief executive of violating securities laws.

Longfin was listed on Nasdaq in December under post-financial-crisis rules that made it easier for small companies to do initial public offerings. Within days, the shares soared 13-fold, valuing the company at \$5.5 billion. The SEC alleges that Longfin's chief executive and associates effectively sold shares after the stock soared, in violation of securities rules, and it obtained a court order to freeze \$27 million of the proceeds.

Longfin shares have been on a roller coaster, surging after the company said it acquired a cryptocurrency company and subsequently falling 85% over six days following its removal from the Russell 2000 small-cap index. Its shares rose 185% in the last three days of this week, including a 47% rise on Friday before they were halted. At the time of the trading halt, Longfin's market valuation stood at \$2.1 billion.

On Monday, the company disclosed an SEC probe while also reporting material weak-



The firm made its Nasdaq debut in December. The SEC alleges shares were illegally sold and moved to freeze \$27 million in proceeds.

nesses in its financial controls. A review of the company's securities filings, detailed in a Wall Street Journal article on Monday, found failures to disclose important information and misstatements of facts.

Nasdaq said Friday it was halting Longfin shares until the company satisfied its request for unspecified additional information.

Longfin said in a statement that it would cooperate with Nasdaq and the SEC.

The SEC on Friday said Longfin's founder and CEO, Venkat

Meenavalli, had the company issue more than two million shares to Andy Altahawi, who is described in filings as an adviser to Longfin, and tens of thousands of shares to two other individuals, Dorababu Penumarthy and Suresh Tammineedi. The SEC, in its civil action, alleges that Messrs. Penumarthy and Tammineedi were acting as "nominees" for Mr. Meenavalli, or holding shares on his behalf.

After the company's share price rose sharply, the SEC alleges, these three individuals il-

legally sold large blocks of shares, even though the shares weren't registered for sale. In its complaint, the SEC didn't say exactly when the shares were sold, but that the sale occurred when the stock price was "highly elevated." The SEC said it has obtained a court order to freeze \$27 million of proceeds from those sales to prevent the funds from being transferred out of the country.

According to its filings, Longfin is based out of a shared office space in Manhattan that had three desks and no comput-

ers when the Journal visited. Mr. Meenavalli, an Indian entrepreneur, previously told the Journal he is based out of Dubai. The bulk of the company's revenue comes from a Singapore-based subsidiary, according to its filings.

Mr. Altahawi was listed on Longfin's website as a director until September, but he later told The Journal that was untrue. According to the company's pre-IPO prospectus, he was issued just over two million shares in exchange for "legal and business development advi-

sory services" related to the IPO. In a recent interview with The Journal, Mr. Altahawi suggested that he hasn't sold his shares even though their lockup expired in March. "I'm not really a seller...I might sell a small amount," he said.

Messrs. Meenavalli and Altahawi didn't reply to requests for comment on Friday. Mr. Meenavalli earlier told The Journal he rejects any suggestion of financial misconduct.

The Longfin prospectus doesn't mention Messrs. Penumarthy or Mr. Tammineedi. But Mr. Tammineedi was a director of Stampede Capital, a company based in Hyderabad, India, that was founded by Mr. Meenavalli and owns 37% of Longfin shares. Mr. Tammineedi resigned as a Stampede Capital director, effective Feb. 14, according to a Stampede Capital statement. Neither man could be reached for comment.

Despite disclosure of the SEC investigation, Longfin shares soared in recent days, until being halted Friday.

Short sellers had bet heavily against Longfin shares and Mr. Meenavalli had criticized them. The shares are down 60% from their closing high in late March, but up more than 460% from the IPO price.

The stock's rebound this week began around the time that CNBC said Mr. Meenavalli would appear for an interview. During that Wednesday interview, Mr. Meenavalli said Longfin is profitable after stripping out shareholder compensation expenses and he plans to expand the company's U.S. operations.

regulates. Many broker-dealers operate licensed electronic trading systems, which are alternatives to exchanges that face less extensive regulation.

Still, the step would expose Coinbase to a new type of regulatory risk. The SEC can examine broker-dealers for compliance with the extensive array of rules that brokers face. SEC examiners could comb through the company's trading records, the systems it uses to protect customers from cybersecurity threats, as well as its policies for defending against insider trading and market manipulation.

Coinbase faced manipulation-related allegations last year after the price of a bit-coin offshoot called Bitcoin Cash climbed in value before the platform began facilitating trades in the alternative currency. The company said it would investigate the matter.

As a broker, Coinbase's platform would only be allowed to offer tokens that comply with securities laws. That would mean token issuers would have to register their sale with the SEC, providing investors with an extensive set of financial disclosures. Token issuers can avoid those disclosures if they limit the sale to institutions and millionaires.

At least one other firm involved with virtual currency trading has registered with the SEC as a brokerage firm. Templum LLC operates a licensed brokerage firm and alternative trading system and plans to offer startups a platform for selling regulated tokens as well as a market for trading them.

enact restrictions on trading and fundraising.

As regulators encroach more on the asset class, they are testing what many consider its main appeal: the perceived lack of government and central bank involvement. That's one of several reasons the prices of bitcoin and other digital currencies have slumped in 2018.

Late Friday, bitcoin was trading at \$6,602.93, according to research site CoinDesk. It has lost half its value since surging over 1,300% in last year's frenzied cryptocurrency mania, peaking near \$20,000 in December.

India's central bank said the currencies' underlying block-chain technology made it difficult to protect consumers from scams and to prevent money laundering. The central bank is also exploring issuing its own digital currency as part of its efforts toward financial inclusion.

—Steven Russolillo

and Gregor Stuart Hunter

Advising Firms, Watching Politics

BY DANIEL KRUGER

A decade after the financial crisis, The Wall Street Journal has checked in on dozens of the bankers, government officials, chief executives, hedge-fund managers and others who left a mark on that period to find out what they are doing now. Today, we spotlight former Attorney General Eric Holder and former Treasury Secretary Timothy Geithner.

Eric Holder has gone from serving as the nation's top prosecutor to being one of the business world's leading advisers.

He was sworn in as U.S. attorney general in February 2009 as policy makers were straining to support financial markets after the collapse of Lehman Brothers a few months earlier.

Under his leadership, the Justice Department negotiated several billion-dollar settlements for fraud tied to the mortgage market. But Mr. Holder has faced criticism for not prosecuting anyone on Wall Street for their roles in the financial crisis.

He stepped down in 2015 to return to Covington & Burling LLP, a Washington law firm known for representing banking clients, where Mr. Holder is part of a unit charged with in-



Former Attorney General Eric Holder is at a Washington law firm.

ternal corporate investigations.

The 67-year-old attorney recently took on the case of ride-hailing company Uber Technologies Inc., which had been dogged by allegations of gender bias and sexual harassment.

Mr. Holder's team in June 2017 recommended that the company reduce founder Travis Kalanick's leadership role and that it make executives more accountable for fixing problems.

Mr. Kalanick stepped down as chief executive later that year under pressure from Uber shareholders.

Mr. Holder declined a request for an interview.

He has recused himself from working on matters that were the subject of Justice Department litigation during his time in office. But he still gets blamed for not prosecuting any individuals from companies at the heart of the financial crisis.

"A lot of Americans felt they were screwed, and all the fat cats that got them into the situation got off scot-free," said Alan Binder, a Princeton University economics profes-

sor and former vice chairman of the Federal Reserve.

The former attorney general has said the view that he went easy on banks is "misplaced." At a Democratic Platform Drafting Committee hearing in June 2016, he said, "we had in some cases statutory and sometimes factual inability to bring the cases we wanted to bring."

Mr. Holder, who also served as deputy attorney general under President Bill Clinton, maintains a toehold in politics.

He heads the National Democratic Redistricting Committee, where he is pushing states to redraw legislative district maps that the group says have been used to help protect Republican majorities.

He has criticized President Donald Trump's administration, saying that the president's broadsides against the Justice Department and the Federal Bureau of Investigation undermine the credibility of law-enforcement agents.

Mr. Holder hasn't said whether he plans to seek office.

"I think I'll make a decision by the end of the year about whether there is another chapter in my government service," he told reporters at a Christian Science Monitor breakfast in February.

COIN

Continued from page B1

harder for platforms to continue shunning regulation. SEC Chairman Jay Clayton has said that most tokens issued through ICOs are securities, meaning they can only be traded legally on a licensed exchange or electronic trading venue. Businesses raised \$4 billion during the first quarter through ICOs, more than half of the \$6.5 billion raised in ICOs for all of 2017, according to Token Report.

The SEC has issued subpoenas or requests for information to dozens of companies that conducted ICOs, according to people familiar with the matter, as the regulator tries to sort out which deals evaded securities laws and which tokens may have a valid excuse from regulation.

The threat of a regulatory enforcement action has scared Coinbase and some other bit-coin-related firms from listing new tokens. But Coinbase said in March that it planned to support tokens in the future, although it declined to disclose which assets it might add. The company has already launched a service for storing customer assets.

Coinbase, whose backers include venture-capital firms Greylock Partners and Andreessen Horowitz, could seek a license from the SEC as an exchange, but registering as a broker-dealer is viewed as a less cumbersome step that would allow the company to move into markets the SEC

From U.S. Treasury to Private Equity

BY RYAN DEZEMBER

Since helping steer the U.S. through the global financial crisis, former Treasury Secretary Timothy Geithner has been cashing in.

He signed a book deal and hit the six-figure-speech lecture circuit. He so impressed one audience, at Warburg Pincus LLC's annual meeting, that the Manhattan investment firm hired him as its president.

In March 2014, he started at the firm known for staking oil explorers and multibillion-dollar buyouts of retailer Neiman Marcus and eye-health company Bausch & Lomb. He wasn't the first former Treasury secretary to go from Washington to Wall Street. Unlike predecessors, however, his arrival wasn't a homecoming. He had never worked for a financial firm or a bank.

Mr. Geithner was a civil servant who had climbed the technocratic career ladder one financial crisis after another—Mexico, Asia, Russia—until he became head of the Federal Reserve Bank of New York in 2003.



Timothy Geithner has become president of Warburg Pincus.

years later when financial markets began to implode and he was tapped, in the middle of the maelstrom, by President-elect Barack Obama to see through the financial system's rescue as Treasury secretary.

His confirmation hearing revealed him to be very different from the banking titans who typically held the post, never mind his boyish looks: He was well-off enough to afford household help, yet

used TurboTax to prepare his returns.

When he joined Warburg, New York state records show, he had to borrow the cash that the firm requires its executives to invest in its private-equity funds. So-called skin-in-the-game can amount to millions of dollars up front but can return staggering wealth over time.

Mr. Geithner, 56 years old, declined to comment, and a Warburg spokeswoman said

the firm doesn't discuss the particulars of his days. Generally, she said, Mr. Geithner strategizes with the firm's co-chief executives, meets with investors and, sometimes, gets involved with particular investments, usually in Asia or involving financial firms. A Warburg spokesman added that Mr. Geithner also lectures at the Yale School of Management.

Mr. Geithner refers to himself as a "backstage guy" in his 580-page memoir, "Stress Test: Reflections on Financial Crises." He found the spot-light glaring and felt he sometimes struggled to articulate his rescue plan.

"I'd somehow managed to convince the public we'd be overly generous to Wall Street while convincing the markets we wouldn't be generous enough," he wrote of his first speech as Treasury secretary.

Some—by no means all—of the anger over bank bailouts could have been soothed had he better explained his unpopular but necessary decisions, he wrote: "We did save the economy, but we lost the country doing it."

India Is Latest To Enact Limits

The regulatory clampdown on cryptocurrencies is gaining momentum around the world, adding pressure to asset values as governments intensify efforts to rein in speculative trading and criminal activity.

The latest country to take action is India, which this past week vowed to prevent banks and financial institutions from engaging in cryptocurrencies. Regulated firms "shall not deal with or provide services to any individual or business entities dealing with or settling" digital currencies and should exit any existing relationships within three months, the Reserve Bank of India said.

Indian authorities stopped short of a total ban on digital currencies. But the clampdown on banks is another blow to the market, which has already seen regulators in the U.S., Japan, South Korea and China

enact restrictions on trading and fundraising.

As regulators encroach more on the asset class, they are testing what many consider its main appeal: the perceived lack of government and central bank involvement. That's one of several reasons the prices of bitcoin and other digital currencies have slumped in 2018.

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—Steven Russolillo

and Gregor Stuart Hunter

MARKETS



China's big firms are driving earnings growth. An Alibaba concept seafood store in Hangzhou.

In China, Profits Swell

By KENAN MACHADO

Profits at China's largest publicly listed companies last year increased at their fastest clip since 2010, but the outlook for 2018 isn't so bright.

Earnings per share of companies in the MSCI China Index—which includes 152 large- and midcap stocks mostly listed in China, Hong Kong and the U.S.—likely increased about 26% in 2017, according to research from Nomura.

The main drivers were big tech companies like **Alibaba Group Holding Ltd.** and **Tencent Holdings Ltd.**, whose profits surged, as well as energy, industrial and real-estate companies that benefited from higher oil and property prices.

The country's top banks also did better thanks to strong interest-income growth. Some companies haven't reported yet.

China's economy expanded 6.9% last year, in line with the previous two years but down from a more than 10% increase in 2010. Last year's profit gains helped power a 37% increase in the MSCI China In-

dex, far exceeding the 19% increase in the broader MSCI Emerging Markets Index.

Numerous industrial sectors were emerging from low or even negative profits in 2016, hence an elevated jump the following year, said Mixo Das, Asia portfolio strategist at J.P. Morgan.

Large state-owned enterprises benefited from Beijing's campaign to tackle excessive capacity and curb supply in sectors like coal and steel last year, said Jacky Zhang, an analyst at BOC International in Shanghai.

For 2018, prospects aren't looking so robust.

China's crackdown on speculative investing, off-balance-sheet lending and its campaign to reduce leverage in the financial system could damp profit margins and growth opportunities for some companies.

A possible trade war between the U.S. and China, meanwhile, has weighed on stocks in recent weeks. It is too soon to gauge the impact on corporate earnings, as it remains unclear which tariffs

will be enforced. But China's planned 25% tariffs on selected U.S. goods would hurt 2.7% of the Asian country's total imports, Morgan Stanley said in a recent note.

Wendy Liu, Nomura's head of China equity research, said she expects earnings at Chinese internet firms to rise 16% in 2018 after expanding the previous year. Profits of hardware technology firms could slow to 20% after surging 121% in 2017.

"There will likely be a moderation in top-line growth from 2017's high base," she said, noting that investments and expenses in tech are likely to increase.

Beijing's efforts to cut debt in the economy have forced some ailing or heavily indebted firms out of the market, helping rivals gain market share and pricing power, Ms. Liu said. Overall, she expects growth in earnings per share at companies in the MSCI China Index to slow to 15% in 2018 and 16% next year.

—Stella Yifan Xie
and Gregor Stuart Hunter
contributed to this article.

MARKETS

Reason for Optimism: Bearish Investors

By RIVA GOLD

Investor sentiment has quickly shifted from extremely optimistic to outright bearish—an encouraging contrarian signal for those market participants who have long worried that Wall Street was overly bullish.

As concerns about trade and technology stocks heat up, investors are at their most pessimistic in more than seven months, according to the American Association of Individual Investors' most recent weekly sentiment survey, which measures participants' outlook for the stock market over the next six months. In January, survey participants were at their most bullish since late 2010.

The swift turnaround comes as investors pull money out of equity funds, stock-market valuations drop and an increasing number of put options are taken out on the S&P 500 to protect against declines relative to call options that bet on gains. Meanwhile, the Cboe Volatility Index, known as Wall Street's "fear gauge," is up 95% for the year so far.

"There's more of an extreme fear reaction now," said Edmund Shing, global head of equity derivative strategy at BNP Paribas. "As a contrarian indicator, that makes me actually bullish," he said.

Investors often worry most when everybody else in the market gets very bullish, with many analysts noting that Wall Street optimism has often reached its highs right before big market falls.

When the mood among investors sours, many market participants think that it indicates selling pressure is bottoming out and that more money could enter the market, providing the potential for gains as long as the economy remains on track.

The S&P 500 is down 2.6% so far this year, even as corpo-

Market participants have become more cautious in recent weeks, with funds dialing down holdings in stocks and sending equity-market valuations back to their lowest since 2016.

All Sentiment Survey*



NAIM Exposure Index†



*Data represent expected direction of the stock market over the next six months.

†Active money managers' average exposure to U.S. equities

Sources: American Association of Individual Investors (sentiment survey); National Association of Active Investment Managers (exposure index); FactSet (P/E ratios, volatility index)

rate-earnings expectations have climbed, share buybacks have risen and the economy has continued to grow.

Mr. Shing said signals from options markets, equity flows and sentiment gauges are collectively the most downbeat he has seen since shortly before the U.S. presidential election in November 2016. U.S. retail investors appear to be the biggest sellers of stocks, while institutional fund managers have largely bought more protection against further falls or shifted some money out of equities and into short-term debt, he added, based on his analysis of fund redemptions

and options markets.

Investors have redeemed a net \$25 billion from the popular SPDR S&P 500 exchange-traded fund so far this year, according to FactSet. More broadly, U.S. equity funds overall haven't had net retail inflows for any week since 2017, according to fund-tracker EPFR Global.

Meanwhile, the National Association of Active Investment Managers Exposure Index, which tracks active money managers' average exposure to U.S. equity markets, fell to 55.57 this past week, down from an average of 71 in the first quarter of the year

and an average of roughly 63 since mid-2006. It was as high as 121 in December.

To be sure, some metrics continue to suggest that sentiment is far from extremely bearish.

Options and derivatives on the S&P 500 currently show that investors expect more volatility ahead, but not necessarily a huge decline for the index, said Randy Frederick, vice president of trading and derivatives at the Schwab Center for Financial Research.

"I'd expect the put-call ratio [on the S&P 500] to be a lot higher than it is now if there were concern of a much bigger

downturn," he added.

Still, the moves mark a sharp turnaround from the mood in late 2017 and most of January, when investors poured record amounts of money into equity funds and the amount of cash squirrelled away by institutional fund managers reached five-year lows, according to Bank of America Merrill Lynch's monthly survey.

Ed Keon, chief investment strategist at investment firm QMA, recalls speaking at an investor conference in January, when the market was already up 7% for 2018. "I remember saying the S&P 500

expected return was 10% for the year, and people mocked me for being overly cautious," he said.

"Expectations have tempered a bit," Mr. Keon said.

Many investors think the caution is warranted, given rising interest rates, increasing concerns about a possible trade war between the U.S. and China and mounting pressure on the technology sector.

But some view the shift in investors' mood as a reassuring sign about the health of the market.

"With investor optimism lower now, it should be easier for equity markets to make further gains from here if global growth remains healthy," said Mike Bell, global market strategist at J.P. Morgan Asset Management.

The firm is maintaining its sizable allocation to U.S. and emerging-market equities despite the recent downturn. The exuberance is gone, and stocks have gotten cheaper, Mr. Bell said.

Equity valuations remain elevated compared with their historical averages, but they have come down.

The forward price/earnings ratio of the S&P 500 has fallen to 16.5—it's lowest since November 2016—from as high as 18.6 in late January.

The Stoxx Europe 600 and Japan's Nikkei Stock Average are also trading around their lowest forward P/E ratios since 2016.

"You've seen a correction that has taken valuations back to less stretched levels and taken sentiment back to less stretched levels," said John Stopford, head of multiasset income at Investec Asset Management.

After an unusual period of extreme bullishness, the market mentality is now back to "climbing a wall of worry," he said, a supportive factor in his belief that stocks have more room to climb.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

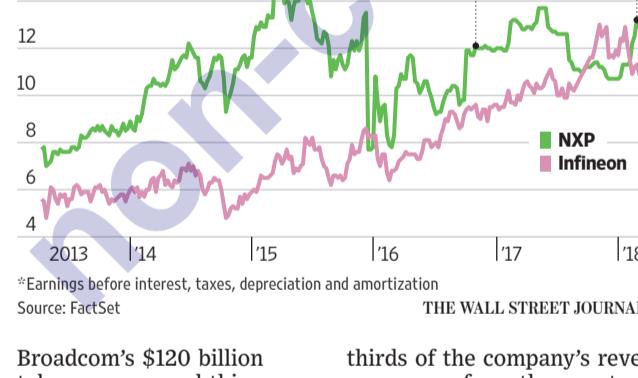
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Deal or Not, NXP Worth the Risk

Bargaining Chip

Enterprise value to Ebitda*



*Earnings before interest, taxes, depreciation and amortization

Source: FactSet

Broadcom's \$120 billion takeover proposal this year.

The White House's decision to block the Broadcom bid on national security grounds could make it hard for Qualcomm to propose remedies in China that involve sharing technology or selling assets. Almost two-

thirds of the company's revenue comes from the country.

Car chips are likely also of strategic importance to China. This gives it a reason to find ways to promote its own chip industry as part of any package of remedies.

If investors' concerns are understandable, particularly

in light of this week's escalation of tensions over technology sharing and trade, the risks of the Qualcomm bid collapsing may be priced in.

NXP now trades at roughly 12 times earnings before interest, taxes, depreciation and amortization, compared with 11 times for Infineon Technologies, the second-largest player in car chips. Arguably the market leader deserves a premium; if traded at one in the past. If the deal breaks down Qualcomm will need to pay NXP a breakup fee valued at roughly \$5 a share.

It is easy to see how China might use its ability to block Qualcomm's bid for NXP as a bargaining chip. But even if it did, the downside for NXP stock looks limited. This could be a bet on an easing of trade tensions worth taking.

—Stephen Wilmot

Jobs Take a Gut Punch And Trade Is a Culprit

There are good reasons to brush off the weak March jobs number. It was payback from a rousing February, the weather was miserable and economists have been way too optimistic about the March figures in recent years.

Investors can be somewhat comforted by those explanations. But they shouldn't ignore two other possible reasons why the economy created just 103,000 jobs, down from a revised 326,000 in February and the second-lowest figure of the past 12 months.

President Donald Trump began his trade tirade right at the start of March with tweets about putting tariffs on steel and aluminum, which he quickly followed with an announcement about the penalties. That set off a month of dueling threats and actual tariffs that has only gotten more heated.

Mr. Trump's first actions sent stocks tumbling, setting up March to be a volatile and down month for the market and leading to the first quarterly decline in nine quarters.

The combination of a trade dispute and a volatile

stock market could make executives, who have been struggling to hire in a tight job market, a bit nervous. It wasn't too long ago that executives were too worried about weak economic growth to hire more than absolutely necessary. Deutsche Bank economist Torsten Slok says nervousness about trade was jarring to executives because of the strong, pro-business sentiment that prevailed until early this year.

The evidence for that is most clear in employment by goods producers, which was up just 15,000—compared with a gain of 106,000 in February—largely because of a 15,000-job decline in construction hiring. It is no coincidence that builders use lots of aluminum and steel, though they also were hit by weather. While goods producers are a smaller part of the economy than the service sector, they had been big drivers of job growth in recent months after choppy gains last year. It is just one month of data from a miserable month, weatherwise, but the overlap with the start of a possible trade war may not be a coincidence.

—Ken Brown

Commodities Flash a Warning Sign

Stuttering

Manufacturing purchasing managers indexes



Note: Over 50 indicates expansion on the month

Sources: Thomson Reuters; CEIC

year, while Caixin's alternative index has also trended sideways since then.

What's new is that other major indexes are now following suit.

Markit's eurozone PMI is down four points since December, although it remains comfortably above the 50-point mark separating expansion from contraction. Japanese and Korean PMIs have also nudged lower.

Even in the U.S., strong headline numbers have masked slowing growth in new orders since the fourth quarter of 2017, along with a rebound in inventories.

Although oil has held up relatively well on the back of rising geopolitical concerns, copper and coal prices have shed over 5% since late December.

be close to—peaking. Slowing momentum in China has been evident for months. A modest bounce after February's Lunar New Year notwithstanding, China's official manufacturing purchasing managers index appears to have peaked in the third quarter of last

Aluminum prices are down over 10%, and iron ore is off nearly 9%.

Their weakness is particularly striking given that the dollar has continued to slide over the period, which usually helps commodities.

Some of that weakness is likely related to rising trade tensions and rebounding Chinese production.

But the fact that the sell-off is so broad-based, and started around the time global PMIs began peaking, suggests slowing industrial growth is the main culprit.

Investors hoping comforting tales of a synchronized global uptick will protect their portfolios from severe damage even if trade tensions keep rising should think again.

—Nathaniel Taplin

OVERHEARD

President Donald Trump, who has said that ending the North American Free Trade Agreement will make all three signatories "stronger and better," just got some surprising backup from an academic study.

A study published in the American Journal of Preventive Medicine asserted that joining the agreement coincided with a rise in the caloric intake of Canadians from 1989 to 2006. During those years, imports of

U.S. food and beverages rose by \$526 billion. The added calories could lead to a weight gain of 4 to 20 pounds for a man over the age of 40, the researchers said.

One U.S. proposal in renegotiating Nafta would have been to ban "front-of-pack" nutrition labels in Canada spelling out calorie counts and the like. The U.S. has dubbed the labels "protectionist."

Canada rejected the proposal.

Hapless cutie or
scary, macho
bear? The real
panda story is not
black and white



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REVIEW



The womanly art
of having an
opinion: a lively
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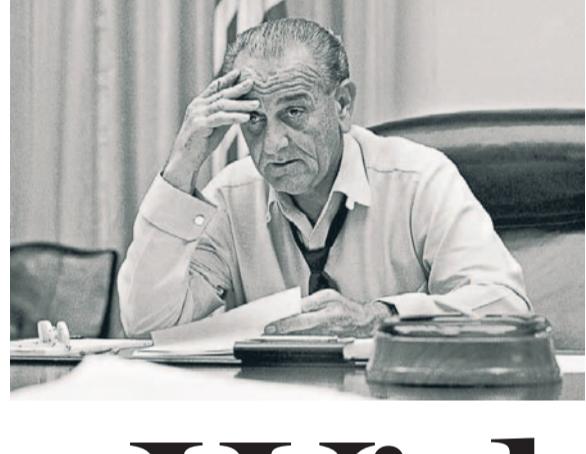
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THE WALL STREET JOURNAL.

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REPUBLICAN NOMINEE Richard Nixon, above, campaigning in Denver. Below, left to right: Lyndon Johnson readies his speech declaring that he won't seek reelection; Chicago police crack down on protesters outside the Democratic National Convention; Robert Kennedy campaigns in Portland, Ore., weeks before his assassination. Bottom: A captured Viet Cong fighter during the Tet Offensive.



CLOCKWISE FROM TOP: HULTON ARCHIVE/GETTY IMAGES; BETTMANN ARCHIVE/GETTY IMAGES; BOB DAUGHERTY/ASSOCIATED PRESS

With Nixon in '68

Fifty years ago, American politics was upended by war, protest, assassination and riot, creating cultural divides that are still with us today. It was the year the country came apart, writes **Patrick J. Buchanan**.

On the night of Jan. 31, 1968, as tens of thousands of Viet Cong guerrillas attacked the major cities of South Vietnam, in violation of a Lunar New Year truce, Richard Nixon was flying secretly to Boston. At 29, and Nixon's longest-serving aide, I was with him. Advance man Nick Ruwe met us at Logan Airport and drove us to a motel in Nashua, N.H., where Nixon had been pre-registered as "Benjamin Chapman." The next day, only hours before the deadline, Nixon filed in Concord to enter the state's Republican primary, just six weeks away.

On Feb. 2, the New York Times story "Nixon Announces for Presidency" was dwarfed by a giant headline: "Street Clashes Go On in Vietnam; Foe Still Holds Parts of Cities; Johnson Pledges Never to Yield." Dominating the page was the photograph of a captured Viet Cong, hands tied, being executed on a Saigon street by South Vietnam's national police chief, firing a bullet into his head from inches away. Eddie Adams's photo would win the Pulitzer Prize.

America's most divisive year since the Civil War had begun.

Nixon's lone opponent for the Republican nomination was George Romney, three-term governor of Michigan and a legend at American Motors, where he had promoted the Nash Rambler. Romney had led in the polls in December 1966 and seemed the clear favorite, but by now he was not.

After campaigning in 35 states in 1966, leading the GOP to its greatest off-year victory in congressional races since



would do to Romney, Nixon told me, "Let 'em chew on him for a little while."

Nixon's instincts proved right. Romney was unprepared. On pre-campaign swings in 1967 he bickered with the press, and that August he made a fatal blunder. Explaining on a TV show why he was changing his position on the war, Romney said that on a previous visit to Vietnam, "I just had the greatest brainwashing anybody can get" from U.S. generals and diplomats.

The ridicule and mockery were ceaseless and universal. Sen. Eugene McCarthy said that, in Romney's case, a full brainwashing was unneeded, as "a light rinse would have sufficed." Romney plummeted in the polls, never to recover.

As Romney spun his wheels in New Hampshire, Nixon ignored his calls to debate, declining even to mention his name. Our polls showed us heading for a 5-1 landslide that would erase the "loser" image that had clung to Nixon since his loss to JFK in 1960 and his defeat in the California governor's race in 1962.

With humiliation ahead, Romney abruptly ended his candidacy on Feb. 28, 1968, robbing Nixon of his triumph. What historians call "crazy March" now began. In the Democratic primary in New Hampshire, Sen. McCarthy, running an antiwar protest campaign, got 42% of the vote.

Please turn to the next page

Mr. Buchanan, a former presidential candidate, served as an aide to Richard Nixon from January 1966 to August 1974. His books "The Greatest Comeback" and "Nixon's White House Wars" describe those years.

INSIDE



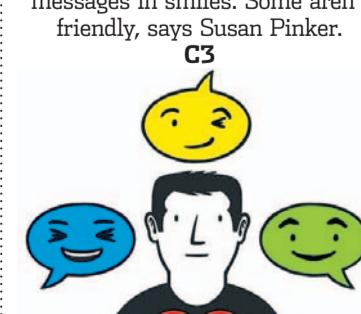
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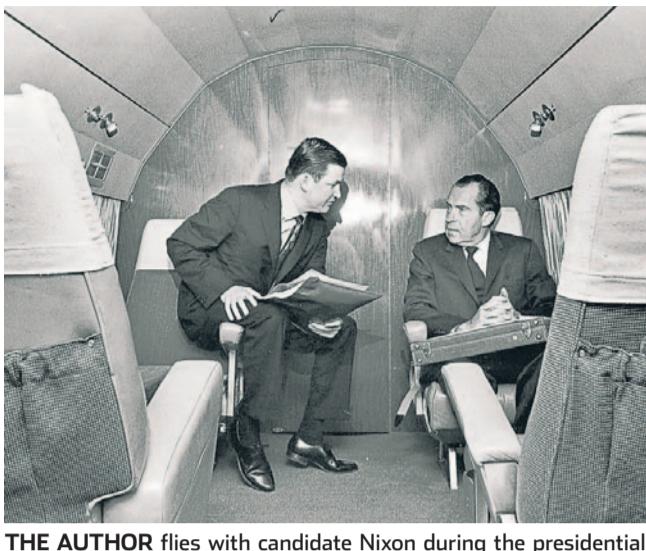


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Blossoms and bloodshed: Amanda Foreman on spring as the season of war.

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REVIEW

The Year America Came Apart



COURTESY NIXON PRESIDENTIAL LIBRARY
THE AUTHOR flies with candidate Nixon during the presidential campaign in September 1968.

Continued from the prior page

Lyndon Johnson won with 49%, though his name was not on the ballot. Inexplicably, the president of the United States had run as a write-in candidate.

Half the McCarthy voters were later identified as pro-war but fed up with LBJ's indecisive leadership. In January, North Korean commandos had assaulted the Blue House in Seoul and come close to assassinating President Park Chung-hee, and the U.S. spy ship Pueblo had been hijacked and its crew taken hostage by North Korean gunboats. Johnson had done nothing.

The press read into the McCarthy vote a repudiation of the war, and Johnson was now wounded. On March 16, Sen. Robert Kennedy leapt into the race. Speaking a week later in Los Angeles, he stuck the knife deep into his old antagonist, accusing President Johnson of "calling upon the darker impulses of the American spirit."

On March 21, Gov. Nelson Rockefeller of New York stunned the political world by declaring that he would not challenge Nixon. The anticipated battle inside the Republican Party seemed suddenly settled, just as a three-sided war broke out inside the Democratic Party. Alabama's Gov. George Wallace had announced he would run as a third-party candidate in the fall, while Kennedy and McCarthy battled for the nomination as they assaulted their own president.

The Tet Offensive proved a strategic disaster for the Viet Cong, who suffered tens of thousands of dead. But U.S. media portrayed Tet as an American defeat. On "The CBS Evening News," Walter Cronkite declared Vietnam a "stalemate."

Nixon moved to update his position. As his writers Ray Price, Dick Whalen and I argued in front of him at his Fifth Avenue apartment in New York on March 30, we got a call from our media folks: LBJ had asked to speak in prime time that Sunday night. Nixon canceled his prepared speech and, leaving for a Wisconsin event, told me to be at the private terminal at La Guardia Sunday to brief him on LBJ's address to the nation.

As Johnson was announcing that he would not run, Nixon's private jet was landing. I reached the airplane door ahead of the press and told him what LBJ had said. Nixon stepped out into the cameras to declare 1968 "the year of the dropout."

Four days later, the nation was stunned again. Martin Luther King, Jr., in Memphis to support a strike by garbage workers, had been assassinated on a motel balcony. A hundred U.S. cities exploded in rioting, looting and arson. The National Guard was out everywhere.

The weeklong rampage caused a backlash across Middle America, and Wallace's poll numbers vaulted. Support for Nixon, who went to Atlanta for King's funeral, sank.

As the race riots burned out, the worst campus riot of the decade erupted. At my alma mater, Columbia University, student radicals occupied Low Library and Hamilton Hall. They ransacked professors' offices and took a dean hostage. After a week, the NYPD, with clubs and sweeping arrests, recaptured the university. Nixon declared

the uprising "the first major skirmish in a revolutionary struggle to seize the universities of this country and transform them into sanctuaries for radicals and vehicles for revolutionary political and social goals."

Rockefeller denounced Nixon, reversed himself and entered the race. But polls showed that America's patience with radicalism was exhausted. The country was with the cops wielding the clubs. Nixon had captured the law-and-order issue. When the Kerner Commission, set up to study the causes of the

riot that night.

A week later, I was awakened at 3 a.m. by Jeff Bell, a young aide at Nixon's campaign office. Bobby had been shot in a Los Angeles hotel kitchen after winning the California primary. Vice President Hubert Humphrey, the favorite after LBJ stood down, was now assured of the nomination.

The surging antiwar movement was demoralized, bitter and angry. Humphrey was seen as a Johnson lackey who would continue the war. Then, just days after Bobby was buried beside JFK at Arlington, Earl Warren resigned as chief justice, and LBJ named his old crony Justice Abe Fortas to replace him. All three wanted to prevent a President Nixon from naming the next chief justice. Senate Republicans aborted the insiders' deal and rejected Fortas. The Supreme Court wars that would endure into the 21st century had begun.

One week before the Democratic convention in Chicago, the Soviet Union sent hundreds of Warsaw Pact tanks and 250,000 troops into Czechoslovakia to crush the Prague Spring. As with the seizure of the Pueblo, President Johnson, with a half million U.S. troops now in Vietnam, did nothing.

The stage was set for an explosive Democratic convention in Chicago. I asked Nixon to send me. He agreed. Our listening post was on the 19th floor of the "Comrade Hilton." I was



A DIVIDED Democratic convention nominated Hubert Humphrey, who hadn't run in the primaries.

gates cursed one another on the floor as their partisans brawled with police in the streets.

I came back from Chicago and told Nixon that we should side with Daley and the cops. Nixon's first campaign stop that fall was a motorcade through downtown Chicago, where huge crowds cheered him.

The Gallup poll in September had Nixon at 43, Humphrey at 28, Wallace at 21. At every campaign stop, Humphrey was shouted down with chants of "Dump the Hump!", until he came close to breaking down, denouncing his tormentors as "fascists."

Desperate, Humphrey rolled the dice on Sept. 30 and pledged to halt all U.S. bombing of North Vietnam. The impact was immediate. The heckling and abuse subsided. He began a steady ascent in the polls. His optimism returned, and he staged one of the great comebacks in presidential politics.

Then he caught a break. On Oct. 3, Wallace introduced his running mate, Gen. Curtis LeMay, who had led the firebombing of Tokyo and who told a stunned press that we Americans have "a phobia about nuclear weapons." To achieve victory in Vietnam, LeMay said, "I would use anything...including nuclear weapons." Wallace's voters began to abandon him and move back home to the Democratic Party.

The election ended in a virtual tie, with both candidates receiving roughly 43% of the popular vote. But Nixon had won in the electoral college and was now president-elect of the United States.

What had 1968 wrought?

The American establishment, "the best and the brightest," had been broken on the wheel of Vietnam. Liberal elites would move to ally themselves with the antiwar left and to denounce as "Nixon's war" the cause into which they themselves had led the country.

The Cold War consensus that had existed from the Berlin blockade of 1948 through the Cuban missile crisis was no more. The Democratic candidate in 1972 would run on the slogan "Come home, America!" Foreign policy leadership passed from the party of Truman and Kennedy to the party of Nixon and Reagan. After 1968, the word "victory" was rarely heard. The goal now in Vietnam was "peace with honor" or "an end to the war."

Massive civil disobedience and violent protests would become the new normal. Failed and frustrated extremists would turn to bombings and terrorism. Nixon and Vice President Spiro Agnew would use the radical left and its media enablers as foils to drive a wedge right through FDR's Democratic coalition, with Nixon calling out his "Great Silent Majority" and Agnew tabling the issue of press power and media bias.

Nixon would be re-elected in 1972 in a 49-state landslide. In four of the five presidential elections after 1968, Nixon's new majority would crush the Democratic Party. By 1970, six years after Goldwater's defeat, twice as many Americans would call themselves conservatives as liberals.

As the political wars of 1968 turned American politics upside down, a cultural war had broken out as well. Moral and social issues—abortion, affirmative action, busing, crime, drugs, feminism, gay rights—would tear apart families, communities and the entire nation. The culture wars had begun.

We are another country now, another people. The unity we knew in the Eisenhower-Kennedy era is gone. 1968 was the great divide. 1968 was the turning point.

WHEN WOMEN'S EMPOWERMENT WORE A GO-GO SKIRT

BY MARC MYERS

FIFTY YEARS AGO, between the Beatles' arrival in New York in 1964 and the coalescing of the women's liberation movement in 1968, go-go dancing transfixed the nation, influencing music, television, fashion and advertising. Unlike Beatlemania, which captivated screaming adolescents, the go-go craze was driven by young adults who liked to dance and were old enough to drink.

The go-go trend dates back to Paris in 1963, when Elmer Valentine, a Los Angeles restaurant owner, visited a Left Bank discotheque. Once back in L.A., he sold his eatery and used the proceeds to lease and renovate space on the Sunset Strip. He named the club after the Paris nightspot—Whisky à Go Go. It opened on Jan. 15, 1964.

To attract a young crowd, Valentine immediately signed the soulful rock singer Johnny Rivers to a year-long performance contract. He also had a female DJ spin records between Rivers' live sets to provide continuous music and keep couples dancing and in the club.

His first DJ was the club's cigarette girl, Patty Brockhurst. One night, after she put on a record in the glass DJ booth, Ms. Brockhurst began to dance provocatively in place. Club-goers below watched in awe.

The dancing DJ was such a hit that Valentine hired additional women to dance in glass booths above the dance floor. One of the dancers, Joanie Labine, designed an outfit for her

A craze that degenerated into a sexist punch line.

self and the other go-go dancers—a fringed top and mini skirt with white patent-leather boots.

Within days, the club was jammed. Dancing couples moved independently of each other, blending elements of the frug, the watusi, the skate, the boogaloo and other seductive freestyle dances.

"Discotheque dancing freed women to dance on their own without following a male lead—or worrying about wandering hands," said Gloria Steinem, the feminist writer and co-founder of Ms. magazine. "You could dance and express yourself, without caring about who was leading or who was watching—which was empowering."

At the Whisky, go-go dancing not only leveled the sexual playing field but tilted it slightly in women's favor. Women could dance alone or with female friends.

Word traveled fast. By the spring of 1964, the club had become a full-blown scene, with young movie stars and recording artists mingling with models and dancers. Even the Beatles showed up that August.

Before long, the paparazzi turned the Whisky into an epicenter of cool. That fall, the go-go concept was copied by dance clubs across the country. Then the jukebox industry took notice and in 1965 introduced machines with more powerful speakers, marketing them to smaller clubs that didn't have room for DJs.

As clubs and go-go jukeboxes caught on, doz-

alone in the suite one night when Norman Mailer walked in with the light-heavyweight champion Jose Torres. As we talked, a commotion erupted outside. A phalanx of cops had marched up Balbo Drive to Michigan Avenue and halted. Suddenly, the cops took off into Grant Park, clubbing the radicals and dragging them to patrol wagons. Mailer and I saw it all from our 19th-floor window. On and on it went, as Torres cursed the cops and I stayed mute. I had been down there at night among the protesters, who were as ugly a crowd as I had seen in the Vietnam era.

When Humphrey left Chicago, the Democratic coalition that had given LBJ a historic landslide in 1964 was shattered. Wallace seemed certain to shear off the electoral votes of the Deep South. The McCarthy-Kennedy wing was enraged over how Mayor Richard Daley's cops had beaten the protesters. The nation had seen a convention where Democratic dele-



DANCING at L.A.'s Whisky à Go Go, Sept. 1964.

"Go-go dancing initially allowed young women to rebel against the repressive 'bad girl-good girl' double standard of the 1950s," said historian Stephanie Coontz, the author of books on women of the era. "They could dance exuberantly and show off their sexuality without having to 'put out.'"

By 1967, go-go dancers became a way for TV variety shows to lure male viewers. But the women were increasingly objectified. White-booted dancers were routinely parodied as dim and used as sexist punch lines by male hosts.

Finally, in 1968, the go-go craze fizzled. The Vietnam War had drained clubs of draft-age men, and many young women began to think differently about themselves and their roles and rights. Go-go dancing lost much of its original allure as it was absorbed by commercial culture.

But the go-go look didn't fade with the fad. In the early '70s, miniskirts and white boots became de rigueur for young flight attendants employed by airlines such as Southwest and PSA.

"I remember flying National in the early '70s when they had that horrible ad campaign where flight attendants wore buttons that featured their first names followed by 'Fly Me,'" said Ms. Steinem. "One day, I boarded a flight and saw an attendant wearing a button that said, 'I'm Mary. Fly Yourself.' I thought, 'Hmmm, maybe we're getting somewhere.'"

Mr. Myers, a frequent arts and culture contributor to the Journal, is the author of "Anatomy of a Song" (Grove).

REVIEW



Stop Propping Up Small Business

Government aid for firms with few employees has long enjoyed bipartisan support, but it's bad economics and bad policy

BY ROBERT D. ATKINSON AND MICHAEL LIND

IN OUR AGE of political polarization, the right, left and center agree on one thing: Big business is wicked, and small business is noble. President Donald Trump has declared: "We're going to create an environment for small business like we haven't had in many, many decades!" His enthusiasm echoes his predecessor, President Barack Obama, who claimed that "small businesses are the backbone of our economy and the cornerstones of America's promise." Indeed, politicians and pundits of every stripe argue that we can solve a host of problems, from creating jobs to boosting productivity to unleashing innovation, with hefty doses of the same miracle cure: aid to small business.

But this alleged miracle cure is really snake oil. That is because, compared to large firms, small firms pay lower wages and provide fewer benefits, injure and lay off their workers more frequently, spend less to protect the environment, are less productive and less innovative, and create a

smaller share of net new jobs.

After World War II, as big firms emerged in industry after industry (hotels, banks, restaurants, retail), small firms began to cast themselves as victims and to ask public officials for relief. In 1953, Congress established the Small Business Administration to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." But fairness was a relatively weak reed on which to build an elaborately discriminatory economic policy. What was needed was a positive rationale for giving preferential treatment to small businesses.

Job creation became the new banner. Economist David Birch of the Massachusetts Institute of Technology claimed in the late 1970s—incorrectly, as it turned out—that small businesses were the jobs engine of the economy, which allowed advocates to argue that aid to small businesses was a driver of economic growth. This narrative was reinforced by the wave of startups in the tech sector in the 1980s and 1990s. By 2000, all new businesses, no matter how technologically prim-

itive or undercapitalized, were being called startups. A new biotech company was a startup, but so was a new three-person lawn-mowing business. Only child-labor laws prevented lemonade stands from being classified as startups, too.

A 2010 study published by the National Bureau of Economic Research showed, however, that it is the age of a firm, not its size, that matters for job creation. Just as children grow faster than adults, young firms grow faster than mature ones.

Over the decades, lawmakers have conferred an array of valuable benefits and exemptions on small firms. In the years since the SBA's founding, Congress has passed at least 68 pieces of legislation explicitly favoring small business, including the Small Business Prepayment Penalty Relief Act of 1994, the Small Business Job Protection Act of 1996 and the SEC Small Business Advocate Act of 2016.

It's time to get rid of privileges based on a firm's size.

As a result, firms with fewer than 11 employees are exempt from most workplace safety requirements. The Family and Medical Leave Act does not apply to small firms, and many civil rights laws contain exemptions for small firms. A firm with fewer than 20 employees can legally discriminate against workers on the basis of age; if it has fewer than 15 employees, it can discriminate against qualified individuals with disabilities. Only federal contractors with 50 or more workers are required to use affirmative action plans when hiring.

The tax code also lavishes benefits on small firms. Profits from publicly traded companies (most of which are large) are typically taxed twice, once at the corporate level and again when shareholders accrue capital gains or dividends. By contrast, pass-through firms such as sole proprietorships, partnerships and LLCs—the lion's share of which are small—are taxed only once, on the owners' incomes.

In addition, many tax incentives either apply only to small firms or are more generous for small firms, including (at least before recent tax-reform legislation) the ability to expense investments in new equipment, exemptions from imputed interest obligations, completed-contract rules, expensing of agricultural costs and a host of others.

To give small businesses a leg up, federal agencies are required to buy goods and services from them even when their prices are higher. Federal agencies also provide a variety of special subsidies to small firms. Small firms get discounts when buying rights to use the radio spectrum and pay lower patent fees. And they get cut-rate financing, too. In 2016, the SBA supported loans to small businesses across the nation: \$105 million for car dealers, \$118 million for residential building construction, \$312 million for liquor stores, \$742 million for gas stations and \$760 million for dentists.

Advocates for small businesses often argue that such firms deserve special breaks because it is harder for them to bear the costs of complying with government regulation. After all, every firm must devote time and resources to filling out a given form, and big firms have the advantage of spreading those costs over a larger business. There's some validity to this point.

But most special favors for small businesses—lower tax rates, tax incentives, direct subsidies, cheap financing—have nothing to do with their difficulty in coping with regu-

lation. And requiring small firms not to discriminate on the basis of age, gender, race or religion imposes no special regulatory burden.

Some regulations do, in fact, create a competitive disadvantage for small firms. But why shouldn't big firms enjoy lower costs from economies of scale in complying with regulations? If small businesses cannot handle the costs of regulation—or any other business cost for that matter—they must choose between growing to a more efficient size or losing market share.

Government at every level can certainly do more to eliminate unnecessary regulations and to streamline those regulations that serve crucial public ends. But such reforms should benefit all businesses, regardless of size.

Don't all the breaks for small businesses at least help "the little guy"? No, in fact, they go mostly to the wealthy. In 2016, according to the nonpartisan Tax Policy Center, the top 1% of pass-through businesses earned 50.8% of the income for such firms. A mere 13.4% of all pass-through income went to the bottom 60%. A 2015 study by the Federal Reserve Bank of New York concluded, "More wealthy individuals are small-business owners than poor individuals. The subsidy on small-business ownership just transfers resources to the wealthy from the poor."

Beyond the injustice of it, small-business favoritism reverberates throughout the economy, slowing growth in two ways. First, subsidies and other size-based industrial policies slow productivity growth by enabling less efficient small firms to gain more market share than would otherwise be the case. Second, discriminatory policies provide an incentive for small firms to remain small. Why add five more workers when doing so would subject you to a host of new regulations and restrict your access to government handouts?

Today, with the U.S. economy facing intense global economic competition and suffering from stagnant productivity and sluggish wage growth, we can no longer afford the luxury of tilting the economic playing field toward small business owners. To end the misallocation of resources caused by small-business cronyism, public policy should be guided by the principle of size neutrality. Policymakers should repeal virtually all special preferences for small business in the tax code and in government procurement policy and eliminate targeted subsidies, regulatory exemptions and exemptions from civil rights laws.

Will size-neutral policies result in fewer small businesses? In cases where small firms can't live without special treatment, we hope so. Consumer demand suggests that a similar number of jobs is likely to be created in the same sectors by fewer but larger and more productive firms.

Heaping praise on small business may garner applause from the peanut gallery, but showering privileges on firms because of their size is bad economics and bad policy.

Mr. Atkinson is the president of the Information Technology and Innovation Foundation. Mr. Lind is a visiting professor at the University of Texas Johnson School of Public Affairs. This essay is adapted from their new book, "Big Is Beautiful: Debunking the Myth of Small Business," published by the MIT Press.



MIND & MATTER: SUSAN PINKER



A Smile's Many Messages—Some Unfriendly

SMILE while your heart is breaking, put on a happy face, say cheese. We're so used to smiling on demand that to do otherwise can seem antisocial. Even going through the motions of a smile, scientists have found, can make us feel happy.

But smiles take many forms, and not all of them sound a single, upbeat note. According to recent research, smiles are more like Morse code, silently broadcasting distinct, nuanced messages. A smile might be signaling "Do that again" (reward), "I want to get along with you" (affiliation) or "I'm No. 1 around here" (dominance). Most of us receive these nonverbal signals loud and clear; they register in the chemical cocktail infusing our saliva and the thrum of our heartbeat, says a study published last month in the journal *Scientific Reports*.

Different smiles have different

Signs of affiliation, reward or dominance.

impacts on people's bodies," said Jared D. Martin, a doctoral student who led the study in the lab of University of Wisconsin psychology professor Paula Niedenthal, working in collaboration with Eva Gilboa-Schechtman of Israel's Bar-Ilan University. Along with poker players, psychologists have long known that our facial expressions can betray our emotions. But no one has demonstrated exactly how this works, Mr. Martin said.

To explore whether certain types of smiles provoke distinct physiological responses, Mr. Martin's team set up an experiment based on public speaking. Research shows that most people would rather get zapped with an electric shock than give a five-minute speech about themselves. It's a handy way to examine how our bodies register stress. So in this experiment, 90 healthy male

undergraduate students delivered three spontaneous speeches about themselves, each to an audience of one. The listener smiled away on Skype while they were talking.

That listener was supposedly chosen randomly but in reality was a plant trained to smile in one of three ways during the other's short spurs: to signal reward, affiliation or dominance. The dominance smile is mildly lopsided, with closed lips and one or both eyes squeezed shut, whereas reward smiles show upturned lips exposing a row of teeth and crinkled eyes. Affiliation smiles feature pursed lips, the whites of the eyes and raised eyebrows.

The research team measured the

impact of these three types of smiles by continuously monitoring the speaker's heart rate and periodically assessing his salivary levels of cortisol, a hormone often used as a marker of stress.

The researchers found that there was eight times as much cortisol in the saliva of students facing a dominance smile as in those facing affiliative smiles and 16 times as much as in those facing reward smiles.

There were also intriguing differences in how people reacted to the different smiles. "Your heart doesn't beat like a metronome," Mr. Martin said, and "people with higher variability in their resting heart rate had more extreme cortisol responses to dominance

smiles." These new results are in line with a 2017 German study showing that people with more variable heart rates are much better at reading others' mental states in their facial expressions—what psychologists call mind-reading.

The current study tells us that the people with higher heart-rate variability are not only more stressed out by dominance but also more comforted by affiliative smiles. "They're more attuned," said Mr. Martin.

The study was on the small side, the subjects restricted to men, and each student received just one type of smile, so the experimenters couldn't compare how a particular student would respond to different expressions.

But the study helps us to understand the arcane signals exchanged by our intensely social species. The sense of how others view us is read not just by the head but by the hormones coursing through our bodies and the rhythm of our hearts.



TOMASZ WALĘTA

REVIEW



THOMAS MARENT / MINDEN PICTURES

PANDAS ARE NOT the hippie vegetarians of the ursine kingdom, as we tend to think of them. Like most bears, they are opportunistic omnivores.

THE UN-CUDDLY TRUTH ABOUT Panda Lives

In their shrinking natural habitat, the bears are tough, sexually potent survivors, not the hapless bunglers we have created as zoo attractions

BY LUCY COOKE

THE PANDA is often considered a joke of a bear. "Pandas are bad at sex and picky about food," jeered the Economist in 2014. "These genetic misfits might have died out long ago, had they not been so adorable." Without our help, so the narrative goes, pandas surely would have joined the dinosaurs and the dodo on evolution's scrap heap.

Or would they?

The image of the pathetic panda—a benign, bumbling creature who needs human help to survive—is a very modern myth, conjured more from human desires than from biological facts. The panda is, in fact, a splendid survivor. It has been around for some 18 million years (three times longer than we hominins) and is perfectly adapted to its admittedly eccentric lifestyle.

The real panda is a secret stud, with a taste for flesh and a fearsome bite, at least in its natural habitat. But that habitat is withering thanks to human encroachment. Once a wide swath of southeast China and bordering nations, panda country is now a patchy strip, mostly through the forests of just two mountain ranges.

The most recent Chinese census of wild pandas, conducted in 2015, put the total number at 1,864—up by a few hundred from previous counts and enough to officially downgrade the animal from "endangered" to "vulnerable"—a move criticized by many respected panda conservationists who don't believe the optimistic figures. Meanwhile, the captive panda population has more than doubled since 2005 to over 500 in 20 countries. Our image of pandas has been formed primarily by these zoo ambassadors, which have become a cartoon of our own creation.

We have misunderstood pandas in large part because they are so ridiculously cute. Humans are preprogrammed to want to nurture anything with baby-like features—namely, a big bulging forehead, large, low-set eyes and round cheeks. It's a neurochemical insurance policy to ensure that we take good care of our unusually vulnerable offspring.

With their unique markings and decidedly humanlike way of sitting and eating, pandas could have been genetically engineered as the perfect trigger for this nurturing instinct. They set off our brain's reward center, the same part that responds to sex and drugs. Baby pandas are basically cuteness crack.

able big round head, evolved to force their way through bamboo's tough sheath; the strength of their bite is somewhere between that of a lion and a jaguar. In 2008, a tourist required 45 stitches to her hand after trying to pet a panda at a sanctuary near Xian in China. An elderly Chinese man whose leg was ravaged by a wild panda near the Baishuijiang National Nature Reserve in 2014 was hospitalized for more than 50 days.



THREE-MONTH-OLD Xing Bao is displayed at Madrid's zoo in 2013.

We like to think of pandas as the hippie vegetarians of the ursine kingdom. But like most bears, they are opportunistic omnivores. The panda dines almost exclusively on bamboo, but it hasn't lost its taste for flesh. When the eminent field biologist George Schaller studied pandas in the wild in the 1980s, he found that the best way to attract them was to bait their traps with goat meat. I've seen footage of a wild panda chowing down on a dead deer. "Panda eats Bambi" is decidedly not a Disney feature.

It is the giant panda's sexual appetite that is the most misconstrued, thanks to the parade of pandas parachuted into foreign zoos over the last half-century. There, thanks to us, they've acted out a sexual farce worthy of a 1970s sitcom.

The first pandas landed in the U.S. just before World War II. First came a roly-poly baby named Su-Lin, meaning "a little bit of something cute," then Mei-Mei, her "little sister," and finally a potential beau named Mei Lan. But the pitter patter of tiny panda feet was not forthcoming, which was hardly surprising, given that all three were male, the zoologists later discovered. A similar fate befell the

Bronx Zoo's "breeding pair," which arrived to much fanfare in 1941. Pan-dee and Pan-dah were not a little boy and girl but two females. In the days before genetic testing, sexing pandas proved to be a notoriously difficult art, since the panda penis is virtually indistinguishable from female genitalia.

Breeding animals in captivity is rarely easy. A concrete enclosure is not a sexy place for a wild creature. As with most animals, the desire of pandas to procreate is stimulated by a complex set of cues—the animal equivalent of a nice glass of wine and a bit of Barry White. In zoos, two pandas are expected to mate in isolation. But pandas are anything but loners when it comes to sex in their natural habitat.

Pandas occupy territories of up to 4 square miles, and they sniff out sexual opportunities by leaving scented status updates advertising their identity, sex, age and fertility on specially designated trees—the panda equivalent of Tinder. When a female comes into season, she rubs her scent on one of these communal message boards, attracting males who then compete for her affections in a sort of urinary Olympics. Female pandas prefer the males that leave their scent marks the highest up a tree. Scientists have described males adopting various athletic poses—"squat," "legcock" and, most remarkably, "handstand"—in order to squirt their pee as high as possible.

The winning male celebrates his victory by having sex over 40 times in a single afternoon. Panda sex itself is a rough-and-tumble affair with plenty of biting and barking. Male pandas are incredibly potent: The semen of the giant panda contains 10 to 100 times more sperm than a human male. The female's short fertility window—under two days each year—may even be an evolutionary adaptation to control population size, precisely because male pandas are so accomplished at procreating.

In recent years, the Chinese have achieved a high success rate in breeding pandas in captivity, primarily through artificial insemination. These "panda mills" are no conservation success story, however. The black-and-white balls of fluff might look like pandas, but raised as they are in a man-made environment, they don't grow up to behave like pandas. In 2007, a young male named Xiang Xiang, Chinese for "lucky," became the first captive-bred panda to be released in his natural habitat. He was savaged to death by wild pandas.

Though the captive panda population is booming, their natural habitat is under severe pressure. China has set aside 67 panda reserves, but commercial logging, tourism and agriculture continue in these "protected" areas. A 2017 study found that, despite conservation efforts, panda habitat covered less area and was more fragmented in 2013 than in 1988, when the species was first listed as endangered. Current populations are divided into 30 isolated groups, with 18 of them comprising less than 10 individuals and facing a high risk of extinction.

The real threat to pandas isn't their incompetence but our mythology. We have bought into the narrative that the only way to save them is for humans to take control. Instead the reverse is true: We need to let the pandas take care of themselves, something they can only do if we leave them with enough forest to live their secretly sexy lives.

This essay is adapted from Ms. Cooke's new book, "The Truth About Animals: Stoned Sloths, Lovelorn Hippos and Other Tales from the Wild Side of Wildlife," which will be published on April 17 by Basic Books.



WORD ON THE STREET: BEN ZIMMER

'Caravan' Rides Into Border Battle

EARLIER THIS WEEK, President Donald Trump took to Twitter to lash out about U.S.-Mexican border security, warning ominously that "caravans" were coming. He was alluding to media reports of a large group of mostly Honduran migrants who were making their way across Mexico, some with the goal of continuing on to the U.S.

This "caravan" was actually an annual protest march organized by the advocacy group Pueblos Sin Fronteras (People Without Frontiers), seeking to draw attention to the plight of Central American asylum seekers. The caravan began to disband on Thursday, with migrants dispersing into smaller groups and seeking permission to stay in Mexico.

This is only the latest twist on a peripatetic word that has traveled through many lands and languages. "Caravan" ultimately goes back to a Persian word, "karvan," for a group of travelers banding together for a desert journey, typically using camels for transportation. (While some etymologists relate it to "karabhabh," a Sanskrit name for a camel, the word likely goes back to an Indo-European root, "ker-," meaning "army.") Resting places along a caravan route were known as "caravanserais."

From Persian the word passed into Arabic, and it then moved into medieval Latin at the time of the Crusades. Scribes used the word when recording an attack on a Muslim caravan by the crusader Raynald of Châtillon in 1187, breaking a fragile truce with the sultan Saladin. (The 2005 film "Kingdom of Heaven" dramatized

From camels to pilgrims to protesters

the caravan raid.)

"Caravan" entered English via French and Italian in the late 16th century. The poet William Warner, in verse detailing the journeys to Russia by the explorer Anthony Jenkinson, wrote of "merchants traveling by caravan, that is, great droves of laden camels." The word got applied to various traveling groups such as pilgrims, and John Milton even extended it into the animal world in "Paradise Lost," describing birds that "set forth their airy caravan, high over seas."

On the American frontier, "caravan" came to be used for groups traveling with their pack animals or wagons, often in a single-file procession. The word also moved in another direction as a name for a type of horse-drawn carriage that allowed people to travel together—a means of transportation eventually shortened to "van."

More recently, "caravan"—along with its Spanish equivalent "caravana"—has been pressed into service in Latin American countries, particularly Mexico, to describe a kind of moving protest. In 2011, for instance, a group known as the Caravan of Central American Mothers toured Mexico to bring attention to migrants who had disappeared making their way to the U.S. from Nicaragua, Honduras, El Salvador and Guatemala. Along with searching for lost relatives, the group demanded action by the Mexican government to protect migrants from kidnapping and other crimes.

Pueblos Sin Fronteras has likewise used the caravan model of protest for several years to shine a spotlight on migrants fleeing oppression from Central America, but their cause went largely unnoticed in the U.S. before media accounts of this year's caravan in BuzzFeed and elsewhere. Now that the word "caravan" has entered Mr. Trump's tweets, it promises to be a contentious term in debates about cracking down on illegal immigration.

Answers
to the News Quiz on page C13:

1.C, 2.A, 3.B, 4.D, 5.C, 6.B, 7.B,

8.D

BOOKS

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* * * *

American Medicis

A married team of aristocratic French immigrants turned Houston into a world capital of art

Double Vision

By William Middleton

Knopf, 760 pages, \$40

BY MERYLE SECREST

WEALTH AND NOBILITY, appealing though they may be, are seldom conducive to family unity. There are few husband-and-wife teams in the arts among the very rich, and even fewer with aristocratic European backgrounds, who can lay claim to as many accomplishments as Dominique and Jean de Menil. In "Double Vision," a scrupulously detailed and admiring biography, William Middleton chronicles the achievements of this couple whose mission in life was to share their passion for art. Their joint view was that "the gifted artists are the great benefactors of the world."

After emigrating to the U.S. in the 1940s, the de Menils spent their lives nurturing artists and building an immense collection of works, then a museum in which to house them, then university departments that would foster a love of art, while making it their business to build relationships between artists and dealers, curators and museum directors. They were seen everywhere, in New York, London and Paris, as well as in their adopted city of Houston. Wherever and in whatever form the avant-garde chose to appear, the de Menils followed, from French Impressionism and Cubism to Abstract Expressionism to Pop Art and Minimalism. Their benign enthusiasms were always tempered by what the composer Morton Feldman called Jean de Menil's "gentle radar for the unusual. A crazy idea, a beautiful idea, an irreverent or a religious idea, as long as it had some 'guts and personality' behind it, got immediate attention." They were, as Mr. Middleton states, "avatars" looking for innovation, if not a social metamorphosis. Perhaps a personal one, as well.

Dominique de Menil was born in Paris in 1908. Her parents, Conrad and Louise Schlumberger, owned a château, the Val-Richer, in the rolling Normandy countryside, and there she grew up. One ancestor was François Guizot, a politician, prime minister, historian and author. After being swept from power in the revolution of 1848, Guizot became even more famous as a writer and lecturer on French history who taught Alexis de Tocqueville.



TO THE LEFT Dominique de Menil watching workers install Barnett Newman's painting 'Now II' (1967) at the Menil Collection, 1986.

In the years around World War I, Dominique's father was experimenting in the exciting new world of electricity and came up with a brand-new application for it. Why not use electricity to detect minerals underground, specifically formations associated with oil? He rigged up a homemade detector, testing it with the large copper *baignoire* in which Dominique was bathed, and went to work. His achievement would revolutionize the world's oil industry and, incidentally, make him and his heirs very, very rich.

As for his daughter, two anecdotes illustrate her fearless, try-anything attitude toward life and the leading role she was destined to play. The first finds her on a beach with some playmates. Presumably they were all getting bored; at any rate, Dominique was dared to eat the little sand hoppers skittering across the beach everywhere. She calmly popped them into her mouth: "They tasted like grasshoppers," she recalled. Another anecdote concerns the family car, which had no headlights. One evening,

returning to the château, it was getting dark. Conrad lashed Dominique to the front bumper with a lantern to light the way ahead.

The Schlumbergers were committed Protestants in a Catholic country.

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The Schlumbergers were committed Protestants in a Catholic country.

The de Menils' collecting was fueled by proceeds from the oil business that Dominique's father founded and John joined. It was John who coined the company slogan: 'Wherever the drill goes, Schlumberger goes.'

The de Menils, whose military heritage stretched back to Napoleon, were equally distinguished members of the haute bourgeoisie. Dominique's future husband, Jean, who inherited the title of baron, was the sixth of eight children of Col. Georges Menu de Menil and his wife, Madeleine. The family lived on the *étage noble* (second floor) of an 18th-century mansion in the rue de Vaugirard in Paris. The difference was that they were commit-

ted Catholics. They were also in financial difficulties as a result of the depreciation of the franc that followed World War I. Mr. Middleton observes that within the French bourgeoisie daughters without dowries

sailies one evening in 1930 and were at once attracted, Mr. Middleton tells us; it was a "coup de foudre." She found his looks, his strength of personality and "sheer panache" irresistible. He felt the same about this serious-minded girl with blond hair and vivid blue eyes. They took long drives around Paris and whispered in the back seat while her 18-year-old sister acted as their chauffeur, or they wrote each other long, frank letters about their inner thoughts.

That summer they met again for mountain climbing in Chamonix, joining a party of friends and relatives. Dominique arrived first. The day she knew Jean was due to arrive she spent the afternoon looking for him in the town without success. In the early evening she decided to take a hike across the Mer de Glace, a famous glacier. But the light was failing, the safe path was becoming hard to find and she was beginning to panic when she suddenly saw him coming from the opposite direction, looking for

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The Cherokee vs. the Cherokee

Blood Moon

By John Sedgwick

Simon & Schuster, 487 pages, \$30

BY H.W. BRANDS

A FIRST LESSON of history, for anyone paying serious attention, is that history is more complicated than you think. This is true almost regardless of how complicated you think it is; it's more complicated than that. Casual visitors to the past often pose binary questions: Was the Civil War about slavery or states' rights? Was the New Deal a good deal or a bad deal? Was Richard Nixon a conservative or a liberal? Such questions aren't worthless as discussion-provokers, but the correct answer is always both. And when offered more than two choices, the honest student of history responds: All of the above.

The history of relations between the indigenous peoples of North America and interlopers from Europe is more complicated than you think, as John Sedgwick demonstrates in his engrossing book on the Cherokee, "Blood Moon." Actually, it's more complicated than he thinks, or at least than he portrays it to be. This isn't his fault; a story has to start somewhere, and it can't move forward without omitting many details. But even posing the conflict in terms of indigenous peoples and interlopers oversimplifies. Mr. Sedgwick likens



John Ross

of the Iroquois people; they had migrated to what would become the American Southeast from a region farther north, not arriving until after

the English established Jamestown. And when the Cherokee reached their new home, they took the land from its occupants by the same means Americans whites would employ against them: force. The clash between the Cherokee and the Scots-Irish who formed the cutting edge of white settlement in the 18th and 19th centuries was basically another round of the tribal fighting that has marked human history from its start. And it was characterized by the complications exhibited in all such clashes.

When Indians and whites went to war, only rarely did whites fight exclusively on one side and Indians on the other. The French and Indian

on Mountaintops) and John Ross. Each was of mixed ancestry, with The Ridge looking more like his Cherokee father than his Scots grandfather, and Ross resembling the seven of his eight great-grandparents who were white. The Ridge never learned to speak fluent English; Ross never mastered Cherokee. For decades the two battled



The Ridge

War wasn't the French against the Indians; it was the French and their Indian allies against the British and Americans and their Indian allies. This mixing of sides would prove the rule. George Custer counted Crows and Arikaras as allies when he fought the Sioux in the last major campaign of the American West.

In the case of the Cherokee, it was often difficult to tell who was white and who Indian. Mr. Sedgwick deftly hangs his tale on two remarkable individuals: The Ridge (He Who Walks

whites, collaborated with whites and eventually fought against each other for the future of the Cherokee nation. The question that finally drove them

apart was the one that confronted every Indian tribe sooner or later: retreat in the face of white pressure, or fight to the bitter end?

Mr. Sedgwick's account is filled with riveting, often gory details. He describes a showdown between The Ridge and an early rival for leadership named Doublehead. "With a roar, Doublehead closed on The Ridge, and wrapped his meaty arms around him. He pushed him backward onto the floor, reaching with his good hand for an eye to puncture, or flesh to claw, lifting his knee into The Ridge hoping to jam it into a soft place. Doublehead smeared The Ridge everywhere with his hot blood." At the critical moment an ally of The Ridge came to his rescue. "Saunders tossed his gun aside, drew back his tomahawk, and crashed it down on Doublehead's forehead. The blow struck straight up from his nose, and split the skull down the middle, releasing a torrent of blood."

The harrowing parts of the story add not simply drama but insight into the self-righteous attitudes both sides brought to their struggle for the land. The Cherokee, like other Indian tribes, understandably felt ill-used by the whites. The federal and state governments bribed Indian leaders to sign treaties surrendering tribal lands, despite knowing that the chiefs in question couldn't bind whole tribes, given the dispersed nature of tribal governance. When the Indians resisted, they were often slaughtered.

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JOHN NEAGLE PHIBROOK/MUSEUM OF ART: GETTY IMAGES

BOOKS

'Do not try to do too much with your own hands. Better the Arabs do it tolerably than that you do it perfectly. It is their war, and you are to help them.' —T.E. Lawrence

Picking Sides in the Middle East

Behind the Lawrence Legend

By Philip Walker

Oxford, 284 pages, \$34.95

BY ANTHONY SATTIN

ON JUNE 10, 1916, a 62-year-old Arab by the name of Hussein bin Ali leaned out of a window in his palace at Mecca and fired a round from his rifle. With Turkish forces occupying what is now Syria, Lebanon, Jordan, Iraq, Israel, Palestine and the whole of the Arabian peninsula, shooting into the air might have seemed futile. But Hussein was the head of the Hashemite clan, keeper of Islam's holy places and a man with good claim to the title of caliph, leader of Muslims. His shot launched the Arab Revolt against Turkish occupation, as well as a debate among historians and observers of the Arab world that continues to this day.

The revolt—the uprising of tribes on the Arabian peninsula against Ottoman occupation—would lead, with outside help and a hoard of British gold, to the reshaping of the Middle East. It would also redefine relations between Arabs and the British and French, in part because, unknown to the Arabs who thought they were fighting for their independence, the latter two had reached a secret agreement for the postwar division of the Turkish provinces.

The centenary of the outbreak, in 2016, was marked by the publication of a number of books with an image of T.E. Lawrence on the cover, usually in native robes, often riding a camel. The reason is obvious: Of all the characters who took part in the revolt, only "Lawrence of Arabia" now has any name recognition outside of specialist circles, although in the Arab world Hussein's son Faisal, later king of Iraq, is still revered.

But we live in an age of revision in which many assumptions behind the history that we were taught and told from school onward are being challenged or overturned. Lawrence has not escaped this trend. Among recent books, Scott Anderson's "Lawrence in Arabia" puts Lawrence's story into the context of other agents—German, American and Zionist—who were active at the same time in the Hejaz. In "Faisal I of Iraq," Ali Allawi uses Arab and Turkish sources to tell the king's story from the "other" (i.e., Arab) side and the result is indeed a "reassessment": In Mr. Allawi's telling, neither Lawrence nor his European colleagues had much influence over the man or the revolt.

Philip Walker's first book, "Behind the Lawrence Legend," promises a "fresh interpretation" on the Arab Revolt, one that will "set the record straight." If your understanding of the uprising goes no further than David Lean's classic movie "Lawrence of Arabia," you might think there



END OF THE BEGINNING A photo by Lt. Lionel Gray of Arabs in Jeddah celebrating with a captured Ottoman flag, 1918.

COURTESY OF ANTHEA GRAY

was very little British, French or American involvement in the campaign beyond Lawrence going native. But this was obviously not the case. Lawrence's own published account, the extraordinarily passionate and evocative "Seven Pillars of Wisdom" (1926), names hundreds of colleagues who fought alongside the Arabs or provided logistical support. They ranged from the eccentric diplomat Ronald Storrs, "the most brilliant Englishman in the Near East," and the traditionalist Col. Cyril Wilson, a leader "of the honest, downright Englishmen," to 40 others who "could each tell a like tale." Lawrence's version of the tale also lists those who served with the Hejaz

Armoured Car Company and the 10-pounder Talbot Battery.

Mr. Walker has taken for his subject the exploits and opinions of some of the less known British servicemen involved in launching and sustaining the Arab Revolt. They include Capt. Thomas Goodchild, an "amiable" veterinary officer tasked with acquiring herds of camels, which he procured, Mr. Walker writes, with £14,000 in gold and silver coins." This purchase was necessary in part to provide transport for the Imperial Camel Corps, who used them to advance on Jerusalem but also to keep them away from the Turks. Four of Mr. Walker's subjects were based in the Red Sea port of Jeddah (Jidda), in

the western region of the Arabian peninsula known as the Hejaz. Col. John Bassett, Col. Hugh Pearson and Lt. Lionel Gray all served with Wilson and fulfilled crucial duties.

These and most of the other characters here have appeared in histories and biographies of the period, including Jeremy Wilson's 1989 authorized biography of Lawrence. But Mr. Walker, a British retired archaeologist, is right in claiming that most have fallen through the cracks and he does a good job at bringing them back toward the light, providing focus and detail, the latter being the result of extensive research in libraries on several continents and over many years. He has also tracked

down the families of some of his subjects, most notably of Lt. Gray, a cipher officer. Gray's daughter gave the author access to a cache of documents, as well as to Arab robes and a Turkish pistol given to her father by Lawrence. She also supplied a quantity of photographs from the revolt, many reproduced here for the first time and providing rare glimpses from the sidelines.

It is unfortunate that the author devotes time and words trying to reduce Lawrence's stature. Lawrence stands out for several reasons. He was unlike most British, American or

British support for the Arab Revolt included cash, advice, soldiers and £14,000 worth of camels.

French officers active in Arabia at that time for he had already spent four years working as an archaeologist on what is now the Turkish-Syrian border, had traveled widely on foot through the Levant and had acquired a deep understanding and affection for the people of the region and their way of life.

While Col. Wilson in Jeddah objected to the idea of wearing an Arab headdress, Lawrence wore his full robes with some pride, even during the postwar conference. Lawrence spoke Arabic (although, it seems, not brilliantly), understood tribal mentality and felt more of a kinship with Arabs than he did with many Westerners. On occasions Mr. Walker questions the accuracy of "Seven Pillars," as if he did not know that it was created mostly from memory and written at great speed by a man who was suffering from a severe case of what we know as post traumatic stress disorder. Lawrence was a "master of half-truths, denigration by inference and omission," he stresses, and the book "has sometimes given rise to confusion and red herrings—Lawrence's favourite fish." In "Seven Pillars," Lawrence claims the credit for identifying Emir Faisal as the future leader of the revolt, but Mr. Walker rightly finds this doubtful. Instead he suggests that Capt. Norman Bray identified Faisal as a likely leader in October 1916, but he fails to mention that Bray's superior, Col. Wilson, had expressed this opinion in August of that year.

In the end, "Behind the Lawrence Legend" doesn't quite set the record straight about the Arab Revolt. What its fine and complex narrative does do is provide a more richly detailed and nuanced background than we have had till now to the unfolding of one of the most colorful theaters of World War I.

Mr. Sattin is the author of "The Young T.E. Lawrence."

The Cherokee Nation's Fateful Choice

Continued from page C5

The whites, for their part, deemed the Indians a mortal threat. Andrew Jackson, a large figure in Mr. Sedgwick's story, launched his first important Indian campaign following the massacre of 500 men, women and children by Creek Indians at Fort Mims near Mobile, Ala. Jackson's reprisal culminated in the Battle of Horseshoe Bend, in which The Ridge and a band of Cherokees fought alongside Jackson and helped turn the Tallapoosa River red with the blood of the Creeks.

Despite the complications of the history he recounts, a single sentence in Mr. Sedgwick's book summarizes the intractable dynamic underlying the struggle over the Cherokee lands. "The population"—of the Cherokee—"had increased only slightly to just under 14,000," Mr. Sedgwick writes of an 1826 census, "and they were surrounded by well over 1 million whites."

The fate of the Cherokee was the unavoidable result of this imbalance of numbers. Even with the best of intentions, the government of the whites could not have kept the Cherokee on their land. At times government did take the side of Indians. But it was never successful for long. Britain's 1763 ban on western settlement was meant to preserve Indian lands; instead it helped trigger the American Revolution. President Ulysses Grant's attempt to safeguard Sioux rights to the Black Hills of South Dakota failed after the discovery of gold there.

Gold was what doomed the Cherokee in their homeland, as well. The 1828 discovery of gold in Georgia in-

tensified the pressure on the tribe dramatically. "Once the gold appeared," Mr. Sedgwick writes, "the Cherokee hills of northern Georgia no longer belonged to the Cherokee; they belonged to just about anyone with a shovel. No law, no religion, no morality could ever hold back gold fever." Neighboring

never for a moment been arrested, and one by one have many powerful tribes disappeared from the earth," Jackson said. "To save him from this alternative, or perhaps utter annihilation, the general government kindly offers him a new home, and proposes to pay the whole expense of his re-

The cost of holding proved impossibly high. Jackson had retired to the Hermitage by the time the U.S. Army compelled all the Cherokee to leave. The removal, along what came to be called the Trail of Tears, was a humanitarian disaster. Today it would be labeled ethnic cleansing. Of 15,000 Cherokee who embarked on the winter journey, some 4,000 died of disease, exposure and starvation.

It was a tragic story that reflects badly on what Americans like to think their country stands for. Yet it's difficult, given the imbalance in numbers and the temper of the times, to devise a credible scenario that turns out much differently. Andrew Jackson was a hard man—the Indians called him Sharp Knife—and many modern Cherokee understandably liken him to Hitler. But he—and The Ridge—were probably right in saying that the only hope for Cherokee survival was for them to get out of the way of the juggernaut.

For Jackson the reward was enhanced popularity. A few reformist types, who generally lived far from the frontier, wanted the government to protect the Cherokee in place, but most Americans thought Jackson was doing the right thing in compelling their removal. He remained hugely popular far into the 20th century, a patron saint of the Democratic Party, honored with the party's other demigod, Thomas Jefferson, in annual Jefferson-Jackson Day dinners.

The Ridge encountered a different fate. He understood he was taking his life in his hands by defying John Ross

SMITHSONIAN AMERICAN ART MUSEUM



MEETING John Mix Stanley's painting of the 1843 International Indian Council.

whites had previously coveted Cherokee land; now they simply took it.

The U.S. government abetted the taking. In 1830 Congress approved and President Andrew Jackson signed the Indian Removal Act. Jackson cast the measure as an exercise in liberality. "Humanity has often wept over the fate of the aborigines of this country, and philanthropy has been long busily employed in devising means to avert it, but its progress has

removed and settlement." Yet the president made clear that the move wasn't optional. The Cherokee had to go.

The law split the Cherokee. One party followed The Ridge, who reluctantly agreed with Jackson that staying in Georgia risked the annihilation of the tribe, and this group sought the best terms in bowing to the government's mandate. The other party followed John Ross and determined to hold the land, no matter the cost.

and urging his people to give up their home. Upon affixing his mark to a treaty ceding Cherokee land, he predicted, "I have signed my death warrant." His prophecy proved true when followers of Ross, judging him a traitor to the Cherokee nation, murdered him.

The Cherokee troubles didn't end with the forced march west. Mr. Sedgwick carries his story through the Civil War, which again split the tribe, with some members fighting on the side of the Confederacy and others fighting for the Union. The Reconstruction era brought its own set of problems. Nor did the Cherokee story end even then. History doesn't stop; it simply adds layers of complexity. The divided, decimated Cherokee surprised nearly everyone, except perhaps the ghosts of The Ridge and Andrew Jackson, by making a 20th-century comeback in their new home.

Today the Cherokee Nation comprises more than a quarter-million citizens, of whom about half live under tribal jurisdiction. Credit their resilience, credit belated guilt on the part of whites, credit the creative tension embodied in the struggle between John Ross and The Ridge—but a 10-fold increase in numbers is no small thing. Mr. Sedgwick's subtitle calls the Cherokee story an "American Epic," and indeed it is.

Mr. Brands teaches history at the University of Texas at Austin. His next book, "Heirs of the Founders," on Henry Clay, John Calhoun and Daniel Webster, will be published in November.

BOOKS

'La science qui rapproche l'homme de Dieu.' ('Science brings men nearer to God.') —Louis Pasteur

A Longing for Truth and Meaning

**Searching for Stars
on an Island in Maine**By Alan Lightman
Pantheon, 226 pages, \$24.95

BY ALAN HIRSHFELD

FROM THE ASTRONOMER'S perspective, to look outward is to look inward. The lines of sight into space, taken together, converge back onto oneself, creating an inescapable impression of centeredness. No wonder the prospect of a star-studded sky elicits a sense of connection with the universe, weaving one's consciousness into the cosmic matrix. Some astronomers report a rush of spiritual feeling that conjures planes of existence distinct from the material world. Perhaps the most solemn facet of the glittering celestial vault, besides its looming presence, is its utter silence: The soundless austerity of the cosmos calls forth our prehistoric forebears, who confronted the starry realm with incomprehension, if not fear. Surely some primeval part of our brain is instinctively attuned to the inspirational allure of the night sky.

At a higher level, we humans experience the natural world through sensory blinders, our faculties adapted to survival, not scientific detection. Yet the technology of recent decades has endowed us with the means to envision pseudo-images and mathematical constructs of phenomena beyond naked perception: atomic nuclei, stellar infernos, contours of space-time. Nor are we constrained by the metronomic passage of time; we can jump into the long-ago cauldron of the Big Bang or witness the future incineration of our planet by the red-giant sun. While "seeing" the unseeable, free of physical or temporal limits, has revealed much about the workings of the universe, it leaves plenty of room, even among scientists, to ponder some of the core mysteries of human existence: Why are we here? What, if anything, is the meaning of existence? Is there a God? Is there life after death? Whence consciousness?

In a delightful collection of essays titled "Searching for Stars on an Island in Maine," MIT astrophysicist Alan Lightman, the author of the best-selling novel "Einstein's Dreams" (1992), examines his own conflicted views on life, death and the nature of reality and tries to reconcile the primacy of his inner, evidence-driven scientist with his longing for spiritual transcendence. We follow Mr. Lightman on his perambulations about tiny Pole Island, a meditative oasis a million miles from the hurly-burly of daily life. "If one listens," he tells us, "there's always



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music on this island. The waves rolling into the shore make cascades of sound, sometimes regular rhythms and sometimes duples and triples and offbeat syncopations—all set against the arpeggios and glissandos of the birds."

Each twig, ant hill or rounded stone—as well as the starry backdrop of the book's title—serves as muse for Mr. Lightman's speculations about the physical and metaphysical realms. The elegant and evocative prose draws in the reader, and I felt as if I were strolling alongside the author while he thought aloud. Indeed, it was a challenge to keep pace, as I repeatedly wandered off into reveries triggered by the narrative.

Here is a book in which even a colonoscopy becomes grist for the philosophical mill: "I am just mate-rial stuff," Mr. Lightman informs us as a videocam splices through his innards, but he hedges: "I know this intellectually, yet I recoil from the idea." The coverage of scientific versus speculative subjects varies from essay to essay. The chapter titled "Hummingbird" details the creatures' wondrous aerodynamic and meta-

bolic features—period. "Stars" opens with Galileo's assertion, inspired by his observations of sunspots, that stars are material bodies, proceeds to the principle of conservation of energy, and closes with the observation that our bodies' atoms are the detritus of stellar explosions. By contrast, "Ants" is a philosophical meditation on temporality versus permanence, while "Laws" lays out the essential difference between the provisiveness of science and the permanence of core religious beliefs.

Viewing the world through the scientist's lens, Mr. Lightman reminds us that the universe is made of tangible bits of matter and energy, all governed by a set of fundamental physical laws. Whatever aspects of nature have escaped detection or explanation, he adds, will be revealed (eventually) through experiment and observation. In keeping with his "Central Doctrine of Science," he eschews unprovable hypotheses, most significantly the existence of God and the afterlife. Yet the expansive feelings aroused by his island wanderings continually sow dissonant seeds in the scientific furrows he has culti-

vated for decades. Mr. Lightman's cognitive turmoil is summed up in a reflection on the death of his parents, in which he reluctantly accepts the "impossible truth" that they no longer exist. "I wish I believed," he adds poignantly.

An astrophysicist tries to reconcile his work as a scientist with his thirst for spiritual transcendence.

Mr. Lightman explores the dimly lit landscape of human consciousness, motivated in part by his own family's experience with dementia. "Self," he writes, "is the name we give to the mental sensation of certain electrical and chemical flows in our neurons." Might cessation of these neurochemical currents—essentially, the erasure of self—some day provide a biochemical marker of the onset of death, so defined? Mr. Lightman admits that, at present, we are better at gauging the gradual

diminishment of self than at pinpointing the moment it is extinguished. Contemplating his own end, he takes solace in knowing that some of the atoms he has shed might linger on Pole Island for a thousand years.

Thus, according to Mr. Lightman, a precipice looms for each of us: an eventual plunge into nonexistence. A depressing prospect, for sure, yet the inevitable judgment of those for whom religious or spiritual alternatives carry no resonance. We can await that reckoning gripped with fear, bemoaning the unfairness of it all—or we can embrace whatever time we have left and gaze with gratitude at the splendid starscape above. For us, the wisest course of action—indeed the only course of action—was sung memorably by Peggy Lee back in 1969: "If that's all there is my friends, then let's keep dancing."

Mr. Hirshfeld, a professor of physics at UMass Dartmouth, is the author of "Starlight Detectives: How Astronomers, Inventors, and Eccentrics Discovered the Modern Universe."

The Medicis of Modern Art

Continued from page C5

her. They felt fated to spend their lives together.

But there were obstacles. First, there was a malicious letter, apparently designed to ruin the love affair. It was discredited but not before Dominique's parents had forbidden her to see him. Then there was the matter of their religious differences. It took some time to hammer out an agreement that allowed each of them to retain their affiliations and their future children to decide for themselves. The marriage took place a year later, in 1931. The stage was set for Jean to join the Schlumberger enterprise, or Société de Prospection Électrique, Procédés Schlumberger, where his talents were found to be exactly suited to his new role as a prospector for oil. He "even coined the company slogan," Mr. Middleton notes: "Wherever the drill goes, Schlumberger goes." His charm, talent and tact had found an appreciative response in his father-in-law; Jean was, Dominique said, the son that her father, who had only daughters, never had. Dominique and Jean's marriage produced five children (some of whom became art patrons in their own right) and lasted until his death in 1973.

As World War II began, Jean de Menil (who became "John" and dropped his baronial title) was traveling constantly for the company in Europe, the Middle East, South America and the U.S., primarily to Houston and New York. Dominique remained with the children in France until the Nazis took over in 1940.

Since John could not enter France, Dominique and the children had to leave somehow. They took passage on

a boat from Bilbao, Spain, met John in Cuba after a 14-month separation, and arrived in New York in 1941. "I have been seduced by New York," she wrote to her mother. "Expecting to have a feeling of being overwhelmed, I have been surprised to find a city that is so inviting."

HICKIE ROBERTSON/COURTESY OF MENIL ARCHIVES

great epiphany to the de Menils. "Life flows from [artists'] souls, from their hearts, from their fingers," Dominique said. "They invite us to celebrate life and to meditate on the mystery of the world, on the mystery of God. . . . They bring us back to the essential." Father Couturier, who was al-

Robert Rauschenberg's "Crucifixion and Reflection," composed entirely of rectangles in shades of gray. Even their friends, who marveled at their eclectic tastes, were surprised to see the ease with which they viewed Andy Warhol's entourage. Of Dominique, the art historian John Richardson remarked: "She was pretty unshockable. . . . Which comes as something of a surprise that someone so restrained, so delicate in many ways, could take the Warhol Factory . . . at its worst, with junkies all over the place and people in drag and God knows what going on."

Dominique, with her liberal political interests, was as openhanded a hostess as she was a collector, entertaining nonstop in their curious ranch-style house in Houston (home of Schlumberger's U.S. headquarters), designed for them by Philip Johnson. Its interiors were the work of Charles James, the singular couturier whom she patronized at this stage. Their guests included writers, composers and filmmakers such as Susan Sontag, Norman Mailer, Philip Glass and Michelangelo Antonioni, as well as the artists Magritte, Duchamp and Max Ernst.

At one dinner party in Houston attended by Antonioni, a drunken neighbor kept addressing a fellow guest who had campaigned for desegregation as a "n— lover." Another guest brusquely told him to stop, at which point the offender hauled off and knocked him out of his chair. The evening threatened to become a free-for-all but was saved by John in the nick of time. The drunken neighbor stormed out. No doubt Dominique took it in her stride.

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To determine the ideal height for the building's roofline, she walked the site with a balloon on a string. Before she, too, died, in 1997, Dominique said of her late husband: "He leaves me with a mission that I must complete." Complete it she did.



A HOME FOR MASTERPIECES The Menil Collection in Houston.

ready in New York, became their constant guide and interpreter, even for artists they disliked. The latter, however, were very few.

As this wonderfully illustrated narrative records, the de Menils maintained their benevolent willingness to suspend disbelief, whether buying René Magritte's famous cityscape raining identical little men in black overcoats and bowler hats, or an African sculpture from the Congo, or

Ms. Secrest, recipient of the National Humanities Medal, is the author of many biographies in the fields of art, architecture and music.

BOOKS

'It is difficult to write a *paradiso* when all the superficial indications are that you ought to write an *apocalypse*.' —Ezra Pound

Naples Painted Black

Neapolitan Chronicles

By Anna Maria Ortese

New Vessel, 192 pages, \$16.95

BY BEN DOWNING

DON'T MESS WITH Naples. The investigative journalist Roberto Saviano learned that lesson in 2006, when his organized-crime exposé "Gomorrah" got him targeted by the Camorra and taken into police protection, where he remains to this day. A previous writer who portrayed the city unfavorably and then paid for it was Anna Maria Ortese. In 1953, the 39-year-old Ortese, a native Roman who had spent much of her life in Naples, published a mixed-genre book (three short stories, two pieces of reportage) that enraged many locals, particularly among the intelligentsia. Such was the reaction that Ortese, feeling ostracized, left Naples for good.

Sixty-five years later, the book has finally been translated into English, under the title "Neapolitan Chronicles." Why now? Clearly it has something to do with the best-selling novelist Elena Ferrante, who praised the book in her collection "Frantumaglia." (Ms. Ferrante's English translator, Ann Goldstein, co-translated "Neapolitan Chronicles" with Jenny McPhee.) Not that she's alone in thinking it special. The book, Ortese's third, won a major prize and kick-started her career; according to New Vessel Press, her American publisher, she became "one of the most celebrated and original Italian writers of the 20th century."

Though Ms. Ferrante's enthusiasm made me a bit wary—while admiring her intelligence, I'm not a fan—I was curious to read "Neapolitan Chronicles." The furious local response suggested that Ortese had nailed an unpleasant truth or two, and I assumed that the book would evoke the distinctive atmosphere of postwar Naples; at a minimum, I expected to find it vivid and revealing.

How wrong I was. Though it has patches of satisfactory writing, "Neapolitan Chronicles" is a shallow, obtuse, insufferable book, its faults so glaring and pervasive that I fail to understand how anyone can overlook them.

These flaws first become prominent in "Family Interior," the book's second story. Anastasia, a 40-ish spinster who supports her whole family, briefly indulges a romantic fantasy before resigning herself to loneliness and self-sacrifice. The problem isn't Ortese's well-worn theme but her ham-fisted handling of it. Devoid of nuance and often hackneyed, her language is also numbingly repetitive. On page 37, we learn that Anastasia's "life had been nothing but servitude and sleep"; on page 44, that her aunt "had to resign herself... to a servile and silent life"; on page 50, that her mother "led a servile life." "Life," in fact, is used dozens of times, almost always tritely.



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(One sentence runs, in its entirety: "Life... it was a strange thing, life.") Then there are Ortese's physical descriptions. One character has "a small green face," another a "putrid-yellow face," a third an "ugly smiling face," a fourth a "horrible body" and a "waxy smiling face" that later becomes a "horrible, crimson-colored face."

If you sense humorless misanthropy here, you're exactly right. In a preface written for a later edition, Ortese recalls that her book was "judged to be 'anti-Naples,'" but really it's anti-people. Her disdain and revulsion are triggered by individuals and whole populations alike. In her story "The Gold of Forcella," she characterizes the residents of a neighborhood (a real one) as "a race devoid of all logic and reason." "Humankind," she continues, "was now a shadow of itself, weak, neurotic, resigned to fear and impudent joy.... In this dark pit only the fire of sexuality burned bright under an eerie black sky."

Ludicrous in fiction, this kind of language is inconceivable in journalism. Ortese, however, saw no problem with it. In "The Involuntary City," an article about a notoriously squalid building crammed with desperately poor tenants, Ortese describes an elderly woman as "completely bloated, like a dying bird," and "only an enormous flea." Another woman is "bloated, horrendous, the fruit... of profoundly defective creatures." When ground-floor tenants react mutedly to a child's death, Ortese declares: "Down there no possibility of emotion survived. There was darkness, and nothing else." Not only does she sound like a eugenicist, she repeatedly credits herself with the god-like power to read hearts and minds. "Behind that deplorable forehead, a measure of hope existed," she writes of the "bloated, horrendous" woman. She can tell just by looking.

For all their venom and contempt, these three pieces are merely a

warm-up for "The Silence of Reason," a ghastly series of articles that make up half the book. For 90 interminable pages, Ortese attempts to expose a group of writers and editors who once worked with her at Sud, a Neapolitan literary magazine, as pathetic, insecure, mean-spirited narcissists. So they may have been, but I wouldn't take her word for it. Her de-

Ortese was shattered by the 'horror' of life. Naples was the scrim on which she projected her despair.

scriptions are suspiciously similar. Over and over, she describes her subjects as "cold," "indifferent" and full of "rage," "fury," "malice" and "hostility," which they hide—though not from her!—behind fake smiles. She habitually compares them to children ("Once again, like a stubborn child, he blew his nose, in order not to answer me") and deems them mentally and morally defective: One is "incapable of conceiving the word death," another lacks "the courage... to think clear and logical thoughts."

Interspersed with these put-downs are risible, often mystifying passages in which Ortese pontificates on class, politics and the afflictions of Naples and southern Italy. In the Mezzogiorno, she discloses, "a secret ministry exists for the defense of nature from reason." As for the Neapolitan bourgeoisie, it has "renounced the ability to see the common people as living beings" and is incapable of "believing that humankind [is] different from nature." Maybe it was brainwashed by the secret ministry?

The irony is that Ortese, who claims to see what others don't, is so blind to her own flaws and prejudices that she unwittingly ascribes them to

everyone else. When she says a writer "dictated in a voice that was incredibly cold, mechanical, monotonous, yet transparently still full of hate and pain," her words fit a certain someone to a T. In her preface, she concedes that she attributed her own "horror" and "authentic neurosis" (as opposed to inauthentic neurosis?) to Naples, and expresses regret. Then, in the next paragraph, she refers to herself as "the person accused of having invented a terrible neurosis for the city." Her prickly self-contradiction says it all.

What makes "Neapolitan Chronicles" a truly bad book isn't its misanthropy—hatred for the species can be magic in the right hands—but its tediousness and immaturity. In her apparent wish to shock, her unconscious projection of feelings onto others, her tendency to, as the Italians say, "see everything black" (*vedere tutto nero*), her limited, hyperbolic, cliché-ridden means of expression and love of words like "putrid," Ortese is a fundamentally adolescent writer. No wonder she dismissed her peers and rivals as juvenile.

After finishing "Neapolitan Chronicles," I found myself thinking of two books that actually deserve their acclaim, Carlo Levi's "Christ Stopped at Eboli" (1945) and Norman Lewis's "Naples '44" (1978). Both authors washed up briefly in southern Italy (Levi was exiled by the fascists, Lewis was an intelligence officer with the Allies) and wrote about it with insight, affection, pity, humor and harrowing precision. Ortese spent decades there and seemingly learned nothing. The book that resulted, ostensibly a panorama of the material and spiritual poverty of Naples, is really about little more than her own destitution.

Mr. Downing is the author of "Queen Bee of Tuscany: The Redoubtable Janet Ross."

MYSTERIES: TOM NOLAN

Surviving A Trifecta Of Traumas



BOSTON'S KATE

Wolfe, the 32-year-old child psychiatrist at the center of Alice Blanchard's terrifying thriller

"*A Breath After Drowning*" (Titan, 441 pages, \$14.95), endured a grim childhood. Her mother was committed to an asylum when Kate was 10—and later committed suicide. Kate's younger sister was kidnapped and murdered in a horrific way. Her father retreated into solitude soon after.

But Kate survived her "trifecta of traumas" to devote her adult life to a career helping young people negotiate similar crises—in part as a way of assuaging the guilt she still feels for having left her sister alone the night she was abducted. It is all the more distressing, then, when an emotionally vulnerable teenage patient hangs herself as soon as Kate prepares to leave on a long-deferred vacation.

"None of this was your fault," her old mentor tells her. "Sometimes the darkness takes over." In this case, the darkness won't let go. At her patient's funeral, Kate encounters Palmer Dyson, a retired police detective from her hometown back in New Hampshire. Palmer shares his doubts that the man convicted of killing Kate's sister—and soon to be executed—is actually guilty. After meeting the condemned man, Kate begins to have doubts of her own. It could be that the real killer is still at large.

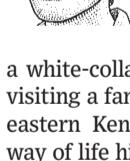
A damaged woman takes on a cold case—the abduction and murder of her younger sister.

With the ex-cop's guidance, Kate is soon acting like a detective in her own right: poring through old police files, considering alternative scenarios and using her psychiatric training to deduce the identity of someone Palmer is convinced is an undetected serial killer.

Bizarre coincidences and shocking revelations concerning former neighbors and Kate's own family members, as well as the murder of the mother of another one of her patients, cause Kate to question her own hard-earned sanity. But she'll need all her wits about her, and then some, to eventually do battle with one of the most memorable genre villains since Hannibal Lecter.

FICTION CHRONICLE: SAM SACKS

A Moonshine-Lit Kentucky Noir



EARLY IN Chris Offutt's novel "Country Dark" (Grove, 231 pages, \$24), his first work of fiction in nearly two decades, a white-collar social services officer visiting a family in the backwoods of eastern Kentucky thinks about the way of life hidden down those rutted dirt roads. "Something existed in the hills he didn't want to disturb. It scared him and the fear made him angry. He wondered what kind of people lived here."

You expect descriptions like this to be accompanied by eerie banjo plucking from "Deliverance." But Mr. Offutt impressively inhabits this impoverished, fiercely private world without condescension or romance, fashioning a lean, atmospheric story that moves fluidly between the extremes of violence and love.

The book begins in 1954, following a decorated Air Force veteran called Tucker, who returns to Kentucky from Korea at the age of 18 (having lied about his age to enlist), hardened to granite by his combat behind the lines. Tucker marries a teenage girl named Rhonda, gets a job running moonshine for the local bootlegger and tries to stay as far out of sight of civilization as possible. But as Mr. Offutt writes, trouble seems to come his way "like sideways wind in winter." Inexplicably, Rhonda gives birth to a sequence of mentally disabled children, prompting

the visit from the state official, whose heavy-handed interference triggers a domino run of murders.

The rumblings of Southern Gothic horror are audible in the distance of "Country Dark," but Mr. Offutt is such a measured and unexcitable stylist that the story never wallows in the grotesque. Tucker lashes out only when he feels cornered—the novel builds to a superbly orchestrated showdown with the double-crossing bootlegger—yet his standout quality is his loyalty to Rhonda throughout surpassing hardship, as though "the two

of them were a single tree split by weather." That image—natural, understated yet profound—exemplifies Mr. Offutt's fine homage to a pocket of the country that's as beautiful as it is prone to tragedy.

Eliza Robertson's coming-of-age novel "Demi-Gods" (Bloomsbury, 230 pages, \$26) takes place mostly in the 1950s, and like "Country Dark" it generates some of its friction by chafing against the postwar decade's reputation for innocence. When Joan and Willa's dissipated mother re-

marries, the sisters begin to vacation either in San Diego or on an island off British Columbia with their newly minted stepbrothers, Kenneth and Patrick, California boys with golden tans and "eyes glimmering blue like the sun on oiled nickels." Joan and Kenneth, the oldest and most attractive, pair off and eventually marry. In the shadow of their shining siblings, Willa and Patrick forge a relationship both more secretive and more unsettlingly transgressive.



GETTY IMAGES

Sadism is the unwritten word at the heart of "Demi-Gods." Patrick, the sort of boy who sets fire to moths and decapitates small animals, finds in Willa a captive partner for sexual experimentation. Their summer interludes are few but formative and they lend an almost hyper-real clarity to Willa's recollections as she narrates from the distance of middle age.

"Demi-Gods" reminded me favor-

ably of novels like Deborah Levy's "Swimming Home" and Emma Cline's "The Girls," where a hazy, swollen summer ambience is sliced through by the razor-wire of menace and illicit arousal. Ms. Robertson's writing is compact, barbed and often startling. She has a flair for finding a perfectly apt yet wholly unexpected verb for each moment. We see "bricks fleeced with algae" and birds' eggs "murmured with black splashes." We hear the "chortle" of a coffeepot and the

sound of Joan's feet as they "kiss down the hall." The morning sun "roasted higher in the sky"; a dancing couple's "hips jangled"; as he pretends to sleep, Patrick's "eyeballs hummed beneath his lids."

"A breeze wafted over us," Willa remembers, "rustling the ivy on the fence so the vines looked alive, sucking termites from the wood." Her uncanny recall, disturbing all the senses and making the past seem more vivid than the present, makes this one of the most memorable first novels I've read in 2018.

"A plane is no place for screaming," the nameless narrator of Noémi LeFebvre's "Blue Self-Portrait" (Transit, 143 pages, \$15.95) reminds herself as she takes the short flight from Berlin

to Paris. Her agitation grows from the memory of her behavior in Germany with a would-be lover, a gloomy pianist obsessed with the modernist Austrian composer Arnold Schoenberg (whose little-known painting gives the novel its title). Instead of acting cool and sophisticated our narrator prattled like a flibbertigibbet. "I'd blitzed the pianist with a blizzard of shameless data," she thinks in dismay, and in the 90-minute span of the flight she compulsively cycles through the discussions, themes and misunderstandings of their awkward tête-à-têtes.

Stream-of-consciousness novels reproduce the motions of the mind by funneling discrete time periods into a single narrative flow. The narrator's impressions on the plane close over her memories of her coffee dates with the pianist, which further enfold her apprehension of his ideas about Schoenberg and other Nazi-era artists who placed the integrity of their private visions over "collective morals." Her thoughts are spiraling and recursive, returning again and again to the same moments but presenting them with slight variations, a borrowing from Schoenberg's theory of atonal development.

That sounds fussy and intimidating, but "Blue Self-Portrait" wraps its difficulties in mercurial humor and wordplay, gamely translated from the French by Sophie Lewis. It's inviting enough to read and re-read, and dense enough to provoke different responses each time.

BOOKS

'The most courageous act is still to think for yourself. Aloud.' —Coco Chanel

The Womanly Art of Having an Opinion

Sharp

By Michelle Dean

Grove, 362 pages, \$26

BY MAUREEN CORRIGAN

SOME YEARS AGO, I introduced a new course at my university. It was called "Public Intellectuals in America" and it attracted a small band of students, fit though few, to read the likes of Edmund Wilson, Dwight Macdonald, James Baldwin, Susan Sontag and Christopher Hitchens. After teaching the course for several semesters, I remember remarking to a colleague about its unusually sparse enrollment. "Change the title," she urged. "The word 'intellectuals' is intimidating." I took her advice and redubbed the course "Writing to Be Heard." Enrollment that year shot up and has remained consistently high ever since.

Even smart, college-educated Americans are leery of intellectuals. We have a long tradition in this country of prizes doers over thinkers, dismissing intellectuals as "ineffectuals" and pretentious eggheads. Consequently, the suspicion Michelle Dean must allay in "Sharp," her cultural history of ten women who "talk[ed] about thinking, in public," is that she's going to lead readers on a dutiful plod through the brain folds of, among others, Rebecca West, Hannah Arendt, Renata Adler, Joan Didion, Janet Malcolm and the aforementioned Sontag. The danger, of course, is that in the effort to "sell" these thinkers to a wider audience, Ms. Dean might err on the side of peppiness, going light on analysis in favor of anecdote. After all, there are so many stories to tell, so much bad behavior on the part of these otherwise brainy women and their male contemporaries to revel in, and so many zingers to quote.

Take, for instance, critic Lionel Abel calling Hannah Arendt "Hannah Arrogant" behind her back and Delmore Schwartz dissing her as "that Weimar Republic flapper." Consider Pauline Kael's backhanded compliment about Joan Didion's writing: "The smoke of creation rises from those dry-ice sentences." Or, mull over the very first conversation between a young Sontag and the venerable Mary McCarthy at a party at Robert Lowell's home in 1964. McCarthy remarked to Sontag that it was clear she wasn't from New York. Sontag recalled that she said:

"No, actually I'm not. Although I've always wanted to live here. . . . But how did you know?"

"Because you smile too much," McCarthy said.



OUTSPOKEN Clockwise from upper left: Hurston, Adler, West, Arendt, McCarthy, Malcolm, Didion, Parker and Sontag.

How easy it would be to assemble a coffee table compendium of such dazzlingly awkward moments in American intellectual history.

In "Sharp," however, Ms. Dean has pulled off a much rarer achievement: She's written an entertaining and erudite cultural history of selected female thinkers who "came up in a world that was not eager to hear women's opinions about anything." Indeed, Ms. Dean herself performs the work of a public intellectual by doing justice to the substance of her subjects' work, while also conveying—through her own wit and lively opinions—why their work matters. This is a book designed to stir up discussion and dissension in its readers, beginning on the very first page of its preface, where Ms. Dean states the criteria that guided her selection process: "I gathered the women in this book under the sign of a compliment that every one of them received in their lives: they were called sharp. The precise nature of their gifts varied, but they had in common the ability to write unforgettable." One can already anticipate the objections sure to erupt in book clubs and seminar rooms across the land. Why does Mary McCarthy deserve a chapter and not Lillian Hellman? Rebecca West, but not Gertrude Stein? What does that

blandly capacious phrase, "write unforgettable," mean?

Even more potentially controversial is Ms. Dean's acknowledgment that her chosen subjects don't constitute "a perfect demographic sample. These women came from similar backgrounds: white, and often Jewish, and middle-class." There's good reason for that exclusivity. As Ms. Dean reminds readers in a very brief chapter partly devoted to Zora Neale Hurston: "The intellectual situation in the America of her time, and for many years after, was a very white background. . . . Black writers were not invited to contribute to the *New Republic*, or the *New Yorker*. Making a living solely as a literary journalist would have been impossible for her."

But let's leave off gnawing on these questions of methodology and, instead, acknowledge the intellectual and, yes, even inspirational bounty that "Sharp" offers its readers. Along with incisive readings of their most emblematic work, Ms. Dean skillfully encapsulates each of these women's life stories, focusing on their mostly roundabout and bumpy paths to a public career. ("Late bloomers" Pauline Kael and Janet Malcolm didn't come to prominence until their 40s.)

What becomes evident as Ms. Dean considers these female thinkers collectively, instead of viewing them as

"one off" cultural phenoms, is how important not only "tony" outlets like the *New Yorker* and *Partisan Review* were to giving these women a perch but also women's magazines such as *McCall's*, *Vogue* and *Madeleine*. Also striking is the many ways their paths intersected: Mary McCarthy became Hannah Arendt's

Female thinkers who came up in a world that was not eager to hear women's ideas about anything.

literary executor; Renata Adler (who was at one time engaged to McCarthy's son) attacked Pauline Kael in the pages of the *New York Review of Books*; Kael, in turn, was antagonistic to Sontag in the introduction of her surprise best seller "I Lost It at the Movies." Ms. Dean also explores the seeming paradox that some of these extraordinary women did not call themselves "feminists," and she explores the reasons why even those who were more comfortable with the label "wavered."

Ms. Dean is especially "sharp" herself when it comes to nailing her subjects' distinctive gifts as writers. About Dorothy Parker, who kicks off

this book and is in many ways its presiding deity, Ms. Dean observes, "This was her gift: to shave complex emotions down to a witticism that hints at bitterness without wearing it on the surface." Reflecting on Mary McCarthy, who famously wrote in "Memories of a Catholic Girlhood" about being orphaned when her parents died in the 1918 flu epidemic, Ms. Dean says: "What McCarthy got in exchange for that lost other existence was the inquisitive detachment that became known as characteristic for her writing."

There's so much more to savor, ruminante on, learn from and, certainly, argue with in this splendid book. "Sharp" embodies the work of its subjects and manages the difficult intellectual and narrative feat of linking a bunch of disparate women writers, not via their topical interests, but by their sensibility: that of writers, with one foot in the mainstream of the American intellectual culture that men made, and one foot outside, sometimes by their own decision, and sometimes not. And each one of them, in this wonderful telling, is very much an intellectual and a writer to be heard.

Ms. Corrigan, who teaches literature at Georgetown University, is the book critic for the NPR program "Fresh Air."

CHILDREN'S BOOKS: MEGHAN COX GURDON

The Many-Storied Past



'ALL ARTEFACTS, however humble, have a story to tell,' Brian Fagan writes in the opening pages of *A Little History of Archaeology* (Yale, 277 pages, \$25), an engaging tour through a discipline that, for all the antiquity of its subject matter, has been around for a surprisingly short time. Archaeologists have been digging into the earth to learn about past human societies for only about the last 250 years, and, as readers ages 13 and older will learn, many explorers in the early days were adventurers who inadvertently damaged as much as they discovered.

In short chapters packed with color and context, alongside occasional illustrations (see right), Mr. Fagan takes us to celebrated sites in Egypt, Syria, Cambodia, China and Crete but also to fascinating and less widely known archaeological marvels, such as Doggerland, where a 9,000-year-old Ice Age fishing culture now lies beneath the North Sea (on what was once marshland), or Must Farm, a 3,000-year-old Bronze Age village that, thanks to a covering of silt, is perfectly preserved. Mr. Fagan calls it "Britain's Pompeii."

A field of study that began with pickaxes and shovels now compasses sophisticated drones and aerial laser scanning, giving us thrilling glimpses of ancient wonders yet to be fully revealed. "Archaeology helps explain why we are similar and why we are different. It explains the ways

in which we adapt," Mr. Fagan writes in this learned and lively account. "And every year, new discoveries and technical advances make it easier to peer over the shoulders of ancient people—almost, sometimes, to talk to them."

Like artifacts, the names that parents give children often have stories to tell. In *Alma and How She Got Her Name* (Candlewick, 32 pages, \$15.99), author and illustrator Juana Martinez-Neal draws on her own girlhood perplexity with what, she confesses, "I thought was the most

A child's history of archaeology leads a pack of books about ancient customs all the world over.

old-fashioned, harsh, ugly, and way-too-Spanish name"—Juana Carlota Martínez Pizarro—"in all of Lima, Peru, where I grew up!" Like Ms. Martinez-Neal, little Alma cannot understand why she is burdened with such an impossibly long name as "Alma Sofia Esperanza José Pura Candela."

In soft graphite and colored-pencil illustrations, we see the little girl in her rose-striped playsuit complaining to her father. "Let me tell you the story of your name," he says, pulling out a photo album. "Then you decide if it fits." Every piece of Alma's name, she discovers, comes to her from someone in her family, and, as she and her father talk, Alma

feels a new sense of connection. She is named for her grandmother, Sofia, who loved books and flowers ("I love books and flowers," Alma realizes); for her artist grandfather, José ("I draw a lot, too!"); and for her great-aunt Pura, who "believed that the spirits of our ancestors are always with us, watching over us." Touching on cultural themes central to the recent Pixar movie "Coco," this is a tender outing for children ages 4-8.

When Korean babies reach their

have a really long life." Thistle seeds, it seems, augur peace and plenty.

In dainty ink-and-watercolor illustrations, we see the festive preparations. Invitations go out by "mail snail" (literally, a snail toting a sack of letters). Hazel and her father make dandelion kimchi and fiddlehead soup. Hazel and Twig's mother puts out flowing pink traditional dresses, called *hanboks*, for the mouse-girls to wear. Gentle and joyful, the story is a celebration of

dent, Elliot, go on a field trip run by Professor Fauna, a teacher who wears a unicorn insignia and has a voice "like someone had put rocks in a blender." Fauna leads his students into the New Jersey pine barrens, a dry wasteland with a fascinating history where, in short order, Uchenna and Elliot encounter a tiny blue winged beast that the world believes to be mythological.

It's a fun, fast read marred, unfortunately, by political cheap shots that detract from the freshness of the project. The villains of the piece are two white billionaire industrialists, the Schmoke Brothers (get it?), who operate under the motto "Making the World the Way We Want It to Be." And out of the blue—presumably to scratch a political itch—a venerable old woman in the barrens, whose heritage, we're told, is black, Irish, French, Jewish and Lenni-Lenape Indian, lectures the visiting schoolchildren about early American hypocrites. "You had all these rich men, Washington and Jefferson and all, running up and down the East Coast, saying they were fighting for a place where people could live free," when of course not everyone could. "The Founding Fathers thought they were inventing America," the woman continues. "But we were the ones inventing America. And you know what America looks like? It looks like me." In these politicized times, kids aren't even allowed to enjoy a page-turner about freaky teachers and magical creatures without being made to swallow a dose of ideological cod liver oil. It's so tedious.



YALE UNIVERSITY PRESS

first birthdays, tradition calls for a fortune-telling ceremony known as the *doljabi*. This happy occasion finds a woodland setting in *Hazel & Twig: The Birthday Fortune* (Candlewick, 40 pages, \$15.99), a picture book by Brenna Burns Yu about a mouse family's upcoming celebration. It is almost Twig's first birthday, and it falls to her big sister, Hazel, to explain all: "We'll put out lots of things, like a lute and a ball of yarn and some toasted thistle seeds. Then you'll go pick one—only one, OK? If you pick the lute it means you'll be a musician, and the yarn means you'll

Korean customs even as, for many readers ages 3-7, it will also serve as an introduction.

Writer Adam Gidwitz and illustrator Hatem Aly, fresh from "The Inquisitor's Tale," their 2017 Newbery Honor-winning collaboration, have turned their talents to "The Unicorn Rescue Society," a new series for readers ages 7-10 about a cadre of eccentrics dedicated to protecting exotic creatures of myth and legend. In the first volume, *The Creature in the Pines* (Dutton, 163 pages, \$14.99), a fearless girl, Uchenna, and a diffident new stu-

BOOKS

'Music straitjackets a poem and prevents it from breathing on its own, whereas it liberates a lyric. Poetry doesn't need music; lyrics do.' —Stephen Sondheim

Maps With Gaps

The Phantom Atlas
By Edward Brooke-Hitching
Chronicle, 256 pages, \$29.95

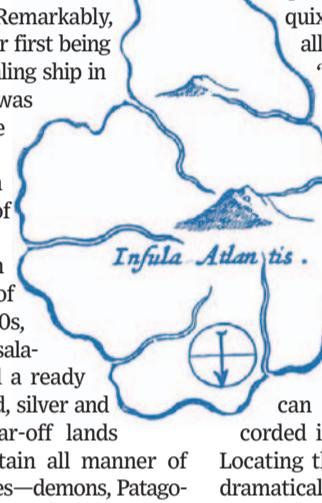
BY A. ROGER EKIRCH

IN THE SPIRIT of modern treasure hunters in quest of lost shipwrecks, early explorers scoured the seas for islands and continents born of legend, delusion and deception. Maps and navigation charts afforded their only guidance, and many are colorfully reproduced in Edward Brooke-Hitching's "The Phantom Atlas: The Greatest Myths, Lies and Blunders on Maps." The author details over 50 instances of fake cartography, including their reputed coordinates: from the Strait of Anian to the Phantom Lands of Zeno.

As Mr. Brooke-Hitching describes, honest mistakes, grounded in religious dogma and classical mythology, were often to blame for inaccuracies. (Plato was among the first to record the myth of the Island of Atlantis, whose destruction, he wrote, had left a "shoal of mud" that rendered the sea "impassable and impenetrable.") But navigators were also fooled by optical illusions arising from mirages, icebergs and low-lying clouds dubbed "Dutch Capes." In the meantime the persistence of fictitious claims led innumerable generations of mariners astray. Remarkably, not until 2012, after first being "sighted" by a whaling ship in the late 1800s, was Sandy Island in the Coral Sea "undiscovered" by an Australian team of marine scientists.

In time, with the proliferation of printing in the 1500s, the publication of salacious tales turned a ready profit. Besides gold, silver and precious gems, far-off lands were said to contain all manner of forbidding creatures—demons, Patagonian giants and human-shaped fruit. As Jonathan Swift mocked: "So geographers in Afric-maps / With savage-pictures fill their gaps." Few scribes were as infamous as the 18th-century French impostor, George Psalmanazar, who claimed to be a native of the primitive island of Formosa, brought against his will to Europe by a Jesuit priest. Years after the appearance in 1704 of his adventures, a spurious publication featuring no shortage of gruesome tales, he remained a celebrity. When asked why he had befriended the scoundrel, Samuel Johnson avowed, "I should as soon have thought of contradicting a bishop."

Contrary to the author's assertion that the book's lands and waterways "are all entirely fictitious," he allows, in a few instances, for the possible impact of seismic shocks, volcanic eruptions and catastrophic erosion. San Nicov Island, "discovered" around



Islands that never existed inspired adventurers to undertake quixotic trips with tragic consequences.

in diameter—the victim, speculates Mr. Brooke-Hitching, of "some act of geologic violence centuries ago."

It would be wrong to dismiss "The Phantom Atlas" as an exotic side-show. Cartographic errors sowed real anxiety and confusion among mariners. They influenced shipping routes and inspired adventurers to undertake quixotic expeditions, occasionally with tragic consequences.

"These phantoms," the author tartly observes, "were considered a plague on navigational charts."

And there have been geopolitical reverberations. Just nine years ago, in the Gulf of Mexico, a controversy was finally resolved over the reputed island of Bermeja, a Mexican possession originally recorded in 1539 on a Spanish map. Locating the tiny island promised to dramatically extend Mexico's nautical sovereignty to include precious oil rights in the Gulf. Despite a last-ditch effort, neither aircraft nor a Mexican research vessel succeeded in finding Bermeja. Diehard believers, ceding no ground, cited global warming or the possibility of an undersea earthquake—thin satisfaction at best. Because billions of barrels of oil were at stake, the CIA was also blamed for the island's destruction.

"The Phantom Atlas" will prove rewarding for armchair adventurers and nautical historians. For more intrepid souls, it affords an indispensable guide to legendary sites or, just possibly, remote realms waiting to be reclaimed. Don't forget to bring a camera.

Mr. Ekirch, a professor at Virginia Tech, is the author of "American Sanctuary: Mutiny, Martyrdom, and National Identity in the Age of Revolution."

1810 in the Arctic Ocean by a Russian geographer, spurred later expeditions, all in vain, before being omitted from maps beginning in 1937. Possibly it had sunk, a common calamity for shoals saturated by permafrost in northern latitudes.

No less baffling was the fate of Mayda, an island in the North Atlantic that cartographers officially expunged after it had appeared on maps for more than five centuries. Yet in 1948, in the reputed vicinity of Mayda, where ocean depths reached 2,400 fathoms, the captain of a freighter noticed a seeming change in the sea's color and took a sonar reading that revealed a depth of only 20 fathoms and a submerged land mass 28 miles

in diameter—the victim, speculates Mr. Brooke-Hitching, of "some act of geologic violence centuries ago."

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Mr. Ekirch, a professor at Virginia Tech, is the author of "American Sanctuary: Mutiny, Martyrdom, and National Identity in the Age of Revolution."

Best-Selling Books | Week Ended April 1

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
12 Rules for Life Jordan B. Peterson/Random House Canada	1	3
Embraced: 100 Devotions to Know Lysa TerKeurst/Thomas Nelson	2	New
Secret Empires Peter Schweizer/Harper	3	1
Russian Roulette: The Inside Story Michael Isikoff & David Corn/Twelve	4	2
The Subtle Art of Not Giving a F*ck Mark Manson/HarperOne	5	6

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
All-American Murder James Patterson & Alex Abramovich/Little, Brown & Co.	1	—
12 Rules for Life Jordan B. Peterson/Random House Canada	2	8
Tiger Woods Jeff Benedict & Armen Keteyian/Simon & Schuster	3	New
Walking with God... Timothy Keller/Penguin Publishing Group	4	—
Easy 5-Ingredient Healthy Cookbook Toby Amidor, MS, RD, CDN/Callisto Media Inc.	5	New
Dear Madam President Jennifer Palmieri/Grand Central Publishing	6	New
Secret Lives of the First Ladies Cormac O'Brien/Quirk Publishing	7	—
Flags of Our Fathers J. Bradley & R. Powers/Random House Publishing Group	8	—
The Year of Less Cait Flanders/Hay House, Inc.	9	—
Educated Tara Westover/Random House Publishing Group	10	7

Nonfiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
12 Rules for Life Jordan B. Peterson/Random House Canada	1	4
The Easter Story Patricia A. Pingry/Worthy Publishing	2	—
Last Week Tonight with John Oliver Jill Twiss/Chronicle Books	3	3
Secret Empires Peter Schweizer/Harper	4	1
Baby Touch and Feel: Animals DK/DK Publishing	5	—
Russian Roulette: The Inside Story Michael Isikoff & David Corn/Twelve	6	2
Embraced: 100 Devotions Lysa TerKeurst/Thomas Nelson	7	New
The Subtle Art of Not Giving a F*ck Mark Manson/HarperOne	8	7
A Brief History of Time Stephen Hawking/Bantam	9	—
Dear Madam President Jennifer Palmieri/Grand Central Publishing	10	New

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Dog Man and Cat Kid (Dog Man 4) Dav Pilkey/Graphix	1	2
Red Alert: An NYPD Red Mystery James Patterson & Marshall Karp/Little, Brown & Company	2	New
The Disappeared C.J. Box/G.P. Putnam's Sons	3	New
Pete the Cat: Big Easter Adventure James Dean/HarperTorch	4	8
God Gave Us Easter Lisa Tawn Bergren/WaterBrook Press	5	7

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Red Alert: An NYPD Red Mystery James Patterson & Marshall Karp/Little, Brown & Company	1	New
Shock Wave Clive Cussler/Little, Brown Book Group	3	—
Savage Prince Meghan March/Meghan March	4	New
The Return of Rafe Mackade Nora Roberts/Silhouette	5	—
The Great Alone Kristin Hannah/St. Martin's Press	6	5
Ready Player One Ernest Cline/Crown/Archetype	7	—
Twice Bitten: An Argeneau Novel Lynsay Sands/HarperCollins Publishers	8	New
River's End Nora Roberts/Penguin Publishing Group	9	—
Hot and Badgered Shelly Laurenston/Kensington	10	New

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Mother Bruce Ryan T. Higgins/Disney-Hyperion	6	4
The Getaway (DWK #12) Jeff Kinney/Amulet Books	7	—
Green Eggs and Ham Dr. Seuss/Random House Books for Young Readers	8	3
Accidental Heroes Danielle Steel/Delacorte Press	9	1
Last Week Tonight with John Oliver Jill Twiss/Chronicle Books	10	New

Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Red Alert: An NYPD Red Mystery James Patterson & Marshall Karp/Little, Brown & Company	1	New
A Wrinkle in Time Madeleine L'Engle/Square Fish	2	1
The Disappeared C.J. Box/G.P. Putnam's Sons	3	New
Ready Player One Ernest Cline/Broadway Books	4	8
Dog Man and Cat Kid (Dog Man 4) Dav Pilkey/Graphix	5	—
The Great Alone Kristin Hannah/St. Martin's Press	6	5
Twice Bitten: An Argeneau Novel Lynsay Sands/Avon Books	7	New
Accidental Heroes Danielle Steel/Delacorte Press	8	2
Simon vs. the Homo Sapiens Becky Albertalli/Balzer & Bray/HarperTeen	9	9
Camino Island John Grisham/Dell	10	7

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 Walmart) 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

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REVIEW



AUSTIN HARGRAVE FOR THE WALL STREET JOURNAL

WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

David Chang

The chef on his Netflix show, mash-up cuisines and the stress of expansion

LAST YEAR, chef David Chang went on a global “taco crawl” to more than a dozen places around the world as part of his new documentary series, “Ugly Delicious,” which is currently streaming on Netflix. He and his cast sampled the Mexican staple everywhere from the Yucatán to Copenhagen.

One of his favorite tacos came from a food truck in L.A. It featured ingredients usually associated with the Middle East—shawarma (meat sliced from a turning spit) and a thick, pita-like flour tortilla. In the show, he traced the history of these “Arab tacos” back to the city of Puebla, about 80 miles southeast of Mexico City. There, Mr. Chang learned, immigrants from the Middle East helped to create the tacos decades ago.

He came across plenty of other cross-cultural connections in exploring other iconic dishes for the show. In Houston, he tasted Viet-Cajun crawfish, a combination of a New Orleans Creole dish with Vietnamese seasoning. In Italy, he noted how much tortellini look like wontons. “Every type of food came from somewhere else,” he says. “There’s nothing that just sprouted from someone’s head.”

Mr. Chang, 40, is best known for founding the Momofuku Group, with over a dozen Asian-inspired

restaurants around the world, as well as six locations of the fast-casual chain Fuku and 13 Milk Bar dessert stores. He’s still expanding his restaurant empire, which offers indulgent, sometimes oddball dishes such as kimchi bacon burgers and his much-imitated barbecued pork-belly buns. The chef and his restaurants have won five James Beard Awards, and one of the New York locations, Momofuku Ko, has carried two Michelin stars since 2009.

“I think Momofuku has always tried to be a merger of things that don’t always go together,” Mr. Chang says. As for his show, “when you say the word ‘ugly delicious’ it made sense.” Many of his favorite dishes, such as curries and noodles, look ugly, he says.

The show’s eight thematic episodes range from fried chicken to pizza to barbecue. The series asks why some cultures and not others readily assimilate new foods and dishes from afar. An area’s tradition and its immigration history are major factors, Mr. Chang discovered. New Orleans, he found, was hesitant to accept new flavors and experimentation, in part thanks to a proud Creole culinary past. Houston, on the other hand, embraced waves of immigrants and their cooking techniques.

For Mr. Chang, such stories have

a strong personal resonance. The son of Korean immigrants, he grew up outside of Washington, D.C., in suburban Virginia. His mother made fried rice and chicken soup and his grandmother would make Korean dumplings, he remembers. His father used to take him to local pho and ramen spots, where Mr. Chang would watch in wonder as the chefs worked the dough and pulled it into

‘Every type of food came from somewhere else,’ he says.

long strands. “That’s how my dad expressed love to me, by going out to eat,” he says.

His parents were in the restaurant business for a time, but their two establishments served American fare—salads, soups and steaks. Mr. Chang never thought he would grow up to be a chef. “I knew restaurants were in my dad’s blood,” he says. “I didn’t understand until later that it could be a profession.”

Mr. Chang was a champion golfer in high school, and his father wanted him to try being a profes-

sional, but he didn’t enjoy the sport. Unsure of a career, he spent two years after college teaching English in Japan, where he fell in love with the local ramen shops. He kept copious notes of what he saw there, right down to the flavorings in the first slurp of soup.

When he returned to the U.S., he took a desk job in finance—and hated it. He quit after six months and enrolled at the French Culinary Institute (now the International Culinary Center) in New York, with stints afterward at high-end restaurants in the city such as Craft and Café Boulud.

When he finally decided to strike out on his own, it was to embrace the Asian food of his childhood: “I think part of it is accepting being me.” He now appreciates his own culture more, he says, partly because he “ran away from it to begin with.”

In 2004, Mr. Chang started Momofuku Noodle Bar as a casual ramen spot. In six months, once he adjusted the menu to his liking, lines started forming out the door. His restaurant empire has expanded relentlessly since then.

Critics heaped praise on Mr. Chang’s early restaurants but have not been as enthusiastic about one recent venture. A 2016 review of his new Italian-inflected restaurant by

New York Times food critic Pete Wells was headlined: “David Chang’s Magic Shows a Little Wear.”

Mr. Chang responded to the review in a New Yorker profile of Mr. Wells, saying, “He’s being a [expletive] bully.” These days, Mr. Chang thinks that customer reviews on services such as Yelp carry just as much weight as the opinions of professional critics.

Mr. Chang has experienced some failures as his business has expanded. Last year, he attempted to launch his own meal-preparation and delivery service, and a few years before that he invested in another. Both have since closed. Mr. Chang has said that delivery services were difficult to get right.

But the chef is still creating new concepts for restaurants and figuring out where to start them. Major-domo, which opened earlier this year in L.A., offers creative takes on basics and recently included short ribs with beef rice and shiso rice paper, and macaroni and chickpeas with black pepper.

Mr. Chang remains committed to experimenting and expanding. “It’s this giant thing, and I don’t know how it grows, but I’m sure it’s going to grow.” But he worries, too: “Every day feels like it’s all going to end simultaneously.”

MOVING TARGETS: JOE QUEENAN



My \$100 Million Problem With the IRS

I WAS hoping that the big tax reform just signed into law would bring some fast relief by simplifying this year’s forms as well. But nope, the same old problems are rearing their ugly head.

What annoys me most is that the IRS will still not accept checks of more than \$100 million in payment for taxes. Form 1040 ES/V OCR, the one that self-employed individuals fill out, warns taxpayers not to send in a check of \$100 million or more. This is probably because IRS pocket calculators don’t go that high. So if you owe more than \$100 million in taxes, the IRS says to send in two or more checks, each for less than \$100 million. Otherwise they’re going to return your check uncashed.

Like a lot of self-employed people, I lose track of my income. I earn an extra \$45 million here, an extra \$72 million there, but I forget to write it down. Then, come Tax Day: kerpowee!!

This created huge problems a couple of years ago when I unexpectedly won \$365 million playing fantasy-league badminton and found myself owing more than \$100 million in estimated taxes. I grudgingly sent in the check for \$100 million, not knowing the new policy. The check got sent back to me, and I had to write two new checks and pay a substantial penalty for filing estimated taxes late.

I swore that I wouldn’t let that happen to me again. But when I unloaded my mint condition set of Iron Butterly LP’s on eBay, it brought in hundreds of millions of dollars in unanticipated income and once again that put me over the \$100 million threshold. I didn’t realize this until 10 minutes before last year’s filing deadline.

Unfortunately, I only had one check left in my checkbook, which meant that I was again going to get clobbered with a huge late-fil-

An extra \$45 million in income here, an extra \$72 million there.



ing penalty. So I rushed down to the local Quik Mart to get two money orders, one for \$98,999,999.21, the other for \$1,000,000.79. But the Quik Mart guy told me that he couldn’t print a money order that large.

“Why not?” I demanded. “We only get \$1.25 for each money order, no matter the size,” he replied. “So there’s just no mileage in it for us. Tell you what I can do; I’ll print up a hundred money orders for a million bucks apiece. That way I can make a few clams off the deal.”

I wrote the guy a check for \$100 million, covering the service charge with cash. But two of the money orders got lost in the mail, and once again I got hammered with late filing fees.

So here I am again, facing the same IRS policy. They still won’t take a check for \$100 million. Next year, I don’t want to go through this again. The only solution is to

whittle down my 2018 income so that I pay less than \$100 million in taxes.

I’ve started out by giving away \$350 million to charities: the Red Cross, Doctors Without Borders, the New York Jets. Then I plan to write off \$35 million in tips because I always get my Porsche valeted. And I’m giving back the \$39 million I won when I picked Michigan to get to the Final Four. I’m also refusing the \$234 million in royalties I earned off my last book, *Aw, Shucks: Why Cornfields Still Matter.*

In all likelihood, that still won’t do the trick. So OK, I’ll bite the bullet and send in two checks for \$50 million next year. But I’m not happy about it. With as many problems as this society has, you’d think the IRS would be tickled pink to get a check for \$100 million every year. Not these guys. And then they wonder why everybody hates them.

REVIEW

HISTORICALLY SPEAKING:
AMANDA FOREMANTHE BATTLES
OF SPRINGTIME

'WHEN BIRDS do sing, hey ding a ding, ding; Sweet lovers love the spring,' wrote Shakespeare.

But the season has a darker side as well. As we're now reminded each year when the Taliban anticipate the warm weather by announcing their latest spring offensive in Afghanistan, military commanders and strategists have always loved the season, too.

The World War I poet Wilfred Owen highlighted the irony of this juxtaposition—the budding of new life alongside the massacre of those in life's prime—in his famous "Spring Offensive": "Marvelling they stood, and watched the long grass swirled / By the May breeze"—right before their deaths.

The pairing of rebirth with violent death has an ancient history. In the 19th century, the anthropologist James George Frazer identified the concept of the "dying and rising god" as one of

**Modern
spring
assaults
are meant
to rout an
enemy
quickly.**

the earliest cornerstones of religious belief. For new life to appear in springtime, there had to be a death or sacrifice in winter. Similar sacrifice-and-rejuvenation myths can be found among the Sumerians, Egyptians, Canaanites and Greeks.

Mediterranean and Near Eastern cultures saw spring in this dual perspective for practical reasons as well. The agricultural calendar revolved around wet winters, cool springs and very hot summers when almost nothing grew except olives and figs. Harvest time for essential cereal crops such as wheat and barley took place in the spring. The months of May and June, therefore, were perfect for armies to invade, because they could live off the land. The Bible says of King David, who lived around 1,000 B.C., that he sent Joab and the Israelite army to

fight the Ammonites "in the spring of the year, when kings normally go out to war."

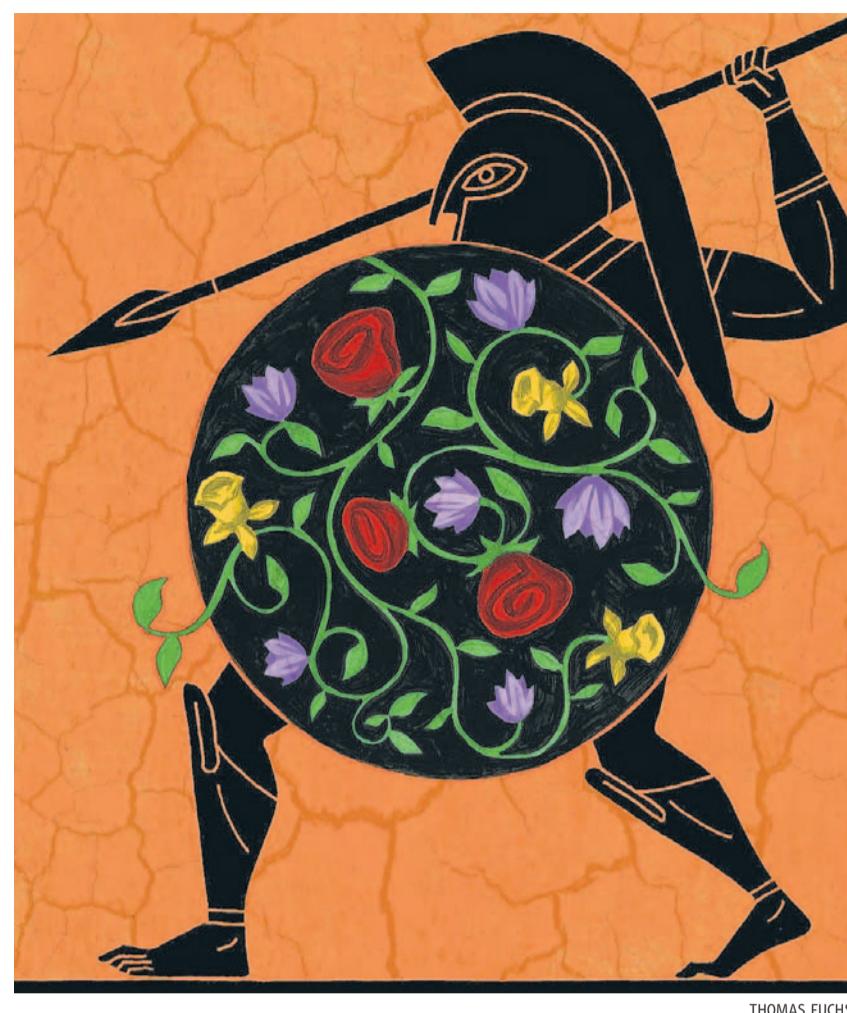
It was no coincidence that the Romans named the month of March after Mars, the god of war but also the guardian of agriculture. As the saying goes, "An army fights on its stomach." For ancient Greek historians, the rhythm of war rarely changed: Discussion took place in the winter, action began in spring. When they referred to a population "waiting for spring," it was usually literary

shorthand for a people living in fear of the next attack. The military campaigns of Alexander the Great (356-323 B.C.) into the Balkans, Persia and India began with a spring offensive.

In succeeding centuries, the seasonal rhythms of Europe, which were very different from those of warmer climes, brought about a new calendar of warfare. Europe's reliance on the autumn harvest ended the ancient marriage of spring and warfare. Conscripts were unwilling to abandon their farms and fight in the months between planting and harvesting.

This seasonal difficulty would not be addressed until Sweden's King Gustavus Adolphus (1594-1632), a great military innovator, developed principles for the first modern army. According to the British historian Basil Liddell Hart, Gustavus made the crucial shift from short-term conscripts, drawn away from agricultural labor, to a standing force of professional, trained soldiers on duty all year round, regardless of the seasons.

Gustavus died before he could



THOMAS FUCHS

fully implement his ideas. This revolution in military affairs fell instead to Frederick the Great, king of Prussia (1712-1786), who turned military life into a respectable upper-class career choice and the Prussian army into a mobile, flexible and efficient machine.

Frederick believed that a successful army attacks first and hard, a lesson absorbed by Napoleon a half century later. This meant that the spring season, which had become the season for drilling and training in preparation for summer campaigning, became a fighting season again.

But the modern iteration of the spring offensive is different from its ancient forebear. Its purpose isn't to feed an army but to incapacitate enemies before they have the chance to strike. The strategy is a risky gambler's throw, relying on timing and psychology as much as on strength and numbers.

For Napoleon, the spring offensive played to his strength in being able to combine speed, troop concentration and offensive action in a single, decisive blow. Throughout his career he relied on the spring offensive, beginning with his first military campaign in Italy (1796-7), in which the French defeated the more-numerous and better-supplied Austrians. His fi-

nal spring campaign was also his boldest. Despite severe shortages of money and troops, Napoleon came within a hair's breadth of victory at the Battle of Waterloo on June 18, 1815.

The most famous spring campaign of the early 20th century—Germany's 1918 offensive in World War I, originated by Gen. Erich Ludendorff—reveals its limitations as a strategy. If the knockout blow doesn't happen, what next?

At the end of 1917, the German high command had decided that the army needed a spring offensive to revive morale. Ludendorff thought that only an attack in the Napoleonic mode would work: "The army pined for the offensive...It alone is decisive," he wrote. He was convinced that all he had to do was "blow a hole in the middle" of the enemy's front and "the rest will follow of its own accord." When Ludendorff's first spring offensive stalled after 15 days, he quickly launched four more. Lacking any other objective than the attack itself, all failed, leaving Germany bankrupt and crippled by July.

In this century, the Taliban have found their own brutal way to renew the ancient tradition—with the blossoms come the bombs and the bloodshed. .



BENJAMIN RASMUSSEN FOR THE WALL STREET JOURNAL

The DIY
Robot
Assistant

MEET MISTY, a robot that users are meant to be able to program and re-program without any expertise. The 14-inch machine runs on a simple software language similar to those used to teach computer coding to children. It is the first offering from Misty Robotics, spun off last year from Sphero, maker of the toy version of the Star Wars robot BB-8 (and of previous robotic rolling balls on

THE
FUTURE
OF
EVERYTHING

which it was based).

Beta testers are working with the handmade Misty I Developer Edition, which was made available to them in March for \$1,499, to teach it activities that range from following people around offering schedule reminders to acting in a robot version of a soap opera. It's not clear yet what skills a mass-market version would have—or not have. But later this year the company plans to release factory-made Misty II, pictured above, to consumers; no price has been announced. —Leigh Kamping-Carder



PLAY

NEWS QUIZ: Daniel Akst

From this week's
Wall Street Journal

1. Winnie Madikizela-Mandela, who fought for the rights of black South Africans, died at 81. Where was she born?



- A.** Brandfort
- B.** Bityi
- C.** Bizana
- D.** Boipatong

2. Three U.S. senators want to know why the price of a 40-year-old cancer drug has risen 1,400%. Which drug do they mean?

- A.** Lomustine
- B.** Lomacil
- C.** Lanarex
- D.** Langoustine

3. What could be the next big thing in animal husbandry?

- A.** Multilingual roosters
- B.** Smart collars for cows
- C.** Online mating
- D.** Divorce

4. As a challenge, young people are sleeping someplace offbeat (and uncomfortable). Where?

- A.** Classrooms
- B.** Subways
- C.** Atop water towers
- D.** Overnight in chain stores and restaurants

5. European Union antitrust chief Margrethe Vestager has become the de facto global regulator—of what?

To see answers, please turn to page C4.

- A.** Tax evaders in Italy, Spain and Greece
- B.** The global auto industry
- C.** Some big American tech companies
- D.** Giant pharmaceutical firms

6. Villanova beat Michigan to win the men's NCAA basketball tournament. Who starred for the winning Wildcats?

- A.** Donte Moncrief
- B.** Donte DiVincenzo
- C.** Dante Alighieri
- D.** Danté Exum

7. In China, Alibaba is disrupting auto retailing with what new technique?

- A.** Honesty
- B.** Car vending machines
- C.** Home delivery of vehicles ordered online
- D.** Do-it-yourself assembly

8. Cereal makers are abandoning the low-sugar approach to get sweet again. Which of these is an actual new offering?

- A.** Chocolate Peanut Butter Cheerios
- B.** Lucky Charms Frosted Flakes
- C.** Cinnamon Toast Crunch shredded wheat
- D.** All of the above



FROM TOP: CHRISTOPHER FURLONG/GETTY IMAGES; ISTOCK

VARSITY MATH

Provided by the National Museum of Mathematics

Two puzzles with numbers are on the coach's workout for today.

1234



Maximization

Use the digits 1, 2, 3 and 4 once and only once to make a mathematical expression. You may use +, -, ×, ÷, exponents, decimal points and parentheses. No roots, factorials, repeating decimals or other mathematical functions are permitted.

What is the largest mathematical expression possible using these rules?

LUCI GUTIÉRREZ

For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

Multiplication Table

Each digit in the multiplication table at right represents a digit other than itself.

Create a new table with correct digits.

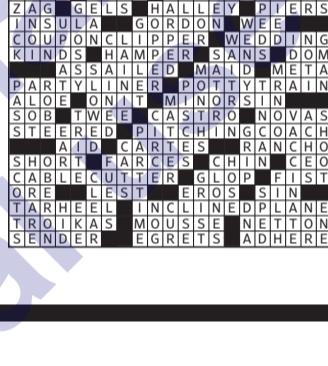
	1	2	4	8
1	31	71	51	29
2	71	4	30	76
4	51	30	67	15
8	29	76	15	28

+ Learn more about the National Museum of Mathematics (MoMath) at momath.org

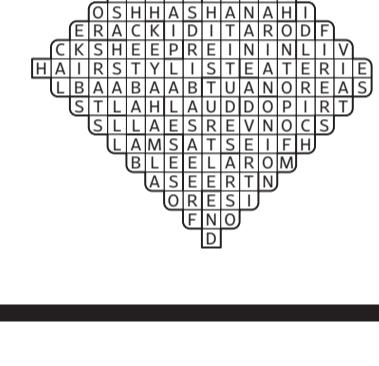
SOLUTIONS TO LAST WEEK'S PUZZLES

Varsity Math
In Maximizing Links, the maximum number of links is 9. For a diagram of the solution to Seven Points, go to WSJ.com/puzzle.

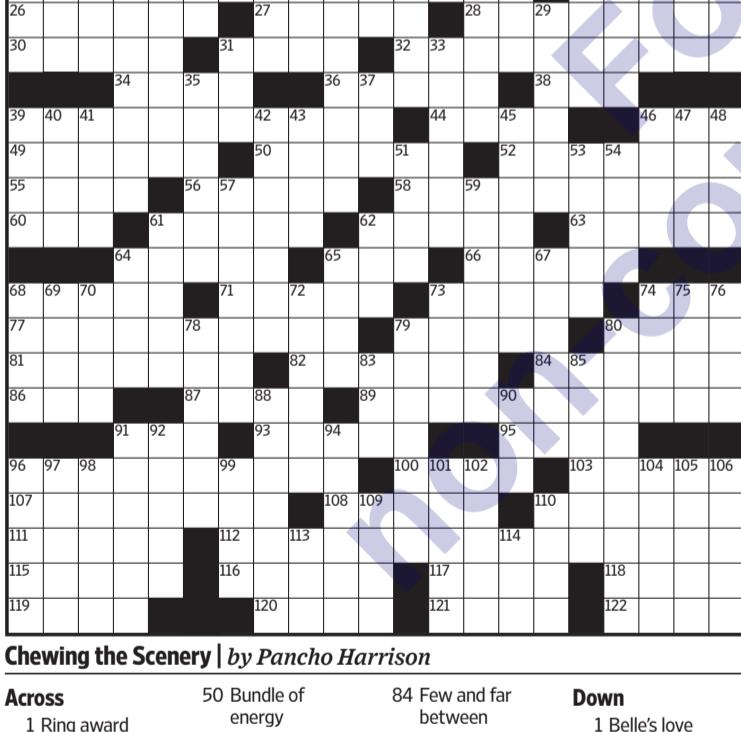
Way to Go!



Spell Weaving

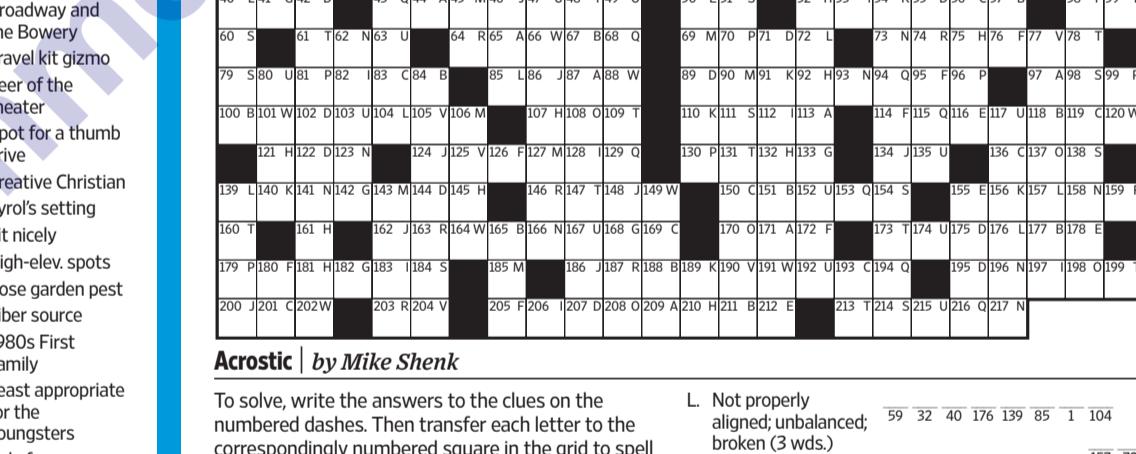


THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk



Chewing the Scenery | by Pancho Harrison

- Across**
- 1 Ring award
 - 5 Act the itinerant
 - 9 Fat unit
 - 13 Bloke
 - 17 "On the Waterfront" director Kazan
 - 18 Between jobs
 - 19 Postsurgical program, briefly
 - 21 Bow on screen
 - 22 The mischievous actor winked at the audience and delivered an —
 - 25 Levels
 - 26 Greek goddess of the moon
 - 27 Move smoothly
 - 28 Colonel's charge
 - 30 Lock
 - 31 Shortly, to Shakespeare
 - 32 The actor starred as twins in the —
 - 34 Frosty coating
 - 36 Loses it
 - 38 Paid spots
 - 39 The semiretired actor was appearing on his —
 - 44 Sound right after a knockout punch
 - 46 Flow stopper
 - 49 Forgoes a ceremony
- Down**
- 50 Bundle of energy
 - 52 Alexander Calder creation
 - 55 "Off the Court" autobiographer
 - 56 Chimp's cousin
 - 58 The actors in the fast-moving drama used —
 - 60 Chinese path
 - 61 Moved with stealth
 - 62 Ready for drawing
 - 63 Tyrannical
 - 64 Occupied, as a desk
 - 65 Young — (tots)
 - 66 Secretary of state between Madeleine and Condoleezza
 - 68 "The Crucible" setting
 - 71 Painter's base coat
 - 73 Overstimulated
 - 74 Emissions-monitoring org.
 - 77 The actors with insignificant roles complained about their —
 - 79 Sorority letter
 - 80 Imitation
 - 81 Recent arrival
 - 84 Few and far between
 - 86 Radical 1960s org.
 - 87 Org.
 - 89 The actor in the wartime drama had a lot of —
 - 91 " — live and breathe!"
 - 93 Tough question
 - 95 Gas leak indicator
 - 96 The actors portraying pro athletes made up the —
 - 100 Wee
 - 103 Contending
 - 107 Grinning measure?
 - 108 Genesis
 - 110 President, at times
 - 111 Writer Horatio
 - 112 The actor portraying a lowly GI made a —
 - 115 Visibly upset
 - 116 Sticks
 - 117 Nothing more than
 - 118 Reminiscent of
 - 119 Maker of Xperia smartphones
 - 120 Setting setting
 - 121 Reach across
 - 122 Rising setting
 - 184 Few and far between
 - 186 Radical 1960s org.
 - 187 Org.
 - 189 The actor in the wartime drama had a lot of —
 - 191 " — live and breathe!"
 - 193 Tough question
 - 195 Gas leak indicator
 - 196 The actors portraying pro athletes made up the —
 - 197 100 Wee
 - 198 103 Contending
 - 199 Grinning measure?
 - 200 108 Genesis
 - 201 110 President, at times
 - 202 111 Writer Horatio
 - 203 112 The actor portraying a lowly GI made a —
 - 204 115 Visibly upset
 - 205 116 Sticks
 - 206 117 Nothing more than
 - 207 118 Reminiscent of
 - 208 119 Maker of Xperia smartphones
 - 209 120 Setting setting
 - 210 121 Reach across
 - 211 122 Rising setting



Acrostic | by Mike Shenk

- To solve, write the answers to the clues on the numbered dashes. Then transfer each letter to the correspondingly numbered square in the grid to spell a quotation reading from left to right. Black squares separate words in the quotation. Work back and forth between the word list and the grid to complete the puzzle. When you're finished, the initial letters of the answers in the word list will spell the author's name and the source of the quotation.
- A.** Sweaters and the like 113 171 209 87 97 26 44 65
- B.** Clifford Odets play set in the Bronx (3 wds.) 118 30 151 177 57 211 8 84
100 165 67 188
- C.** Outset; beginning point 119 136 193 83 169 150 201 56 21
- D.** Comprehensive 207 122 89 5 71 33 175 195
42 144 55 102
- E.** Instrument for Klaus Thunemann or Judith LeClair 155 116 178 16 31 50 212
- F.** Symbolist painter born in a town north of Oslo (2 wds.) 180 9 126 205 58 172 159 95
76 114 25
- G.** Setting for the annual Henley Royal Regatta 24 41 182 133 142 168
- H.** Product that its creator originally packaged in discarded cologne bottles (2 wds.) 39 121 11 107 52 210 92 145
161 75 181 132
- I.** Pistols, carbines and rifles, e.g. (2 wds.) 128 206 17 82 112 53 197 183 37
- J.** British rocker whose 2014 autobiography was titled "Dancing With Myself" (2 wds.) 162 148 46 124 200 86 18 134 186
- K.** Attracts, as customers (2 wds.) 140 189 156 91 110 36 20
- L. Not properly aligned; unbalanced; broken (3 wds.) 59 32 40 176 139 85 1 104
157 72
- M. Volcanic glass used by the Aztecs and Mayas for blades 90 69 106 45 34 127 185 143
- N. NBA's Rookie of the Year in 2008 and MVP in 2014 (2 wds.) 15 217 35 141 166 123 196 93
158 62 73
- O. Rich ring-shaped cake usually soaked in rum 49 7 198 170 208 137 108
- P. Material carried to improve stability 179 23 81 96 70 6 130
- Q. Madonna album awarded Best Pop Vocal Album at the 1999 Grammys (3 wds.) 115 27 194 13 94 216 153 68
129 43
- R. Prominent in an unwelcome way 203 64 146 74 163 10 99 54 187
- S. Unexpected and often unfortunate development (3 wds.) 29 60 111 138 214 14 79 51
98 154 184
- T. Dealers in men's clothing and accessories 147 61 173 199 48 109 19 78
131 160 4 213
- U. 1982 #1 hit duet by Paul McCartney and Stevie Wonder (3 wds.) 167 152 103 135 215 192 3 63
80 117 47 174 22
- V. Contemptible person; stoolie (2 wds.) 12 125 105 204 38 190 77
- W. Women's garment styled after a men's garment 149 88 66 202 101 191 28 2
164 120

► Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at WSJ.com/Puzzles.

REVIEW



'COUNTRY DANCE' fan, left, made in Germany around 1760. Below, an ivory-and-silk fan based on a painting from about 1730 by Nicolas Lancret.

ICONS

When Fans Were in the Air

In two 18th-century exhibitions, images of celebrity, myth and mourning; beckoning and bashing Casanova

BY J.S. MARCUS

FANS ARE GETTING their day in the sun.

At the de Young Museum, part of the Fine Arts Museums of San Francisco, "Fans of the Eighteenth Century" showcases 34 rare pieces from such places as France and Italy, fashioned out of everything from ivory and mother-of-pearl to silk and paper.

At the nearby Legion of Honor Museum, the de Young's sister institution, more fans of the era unfold in a show that uses Giacomo Casanova, the Venetian rake and raconteur, as a tour guide through the 18th century. His memoirs of more than a million words give readers the lowdown on the high life of the time. The museum evokes Casanova's era through rococo paintings and refined objects like porcelain soup tureens and agate snuff boxes.

"Casanova: The Seduction of Europe" runs through May 28, then travels to Boston's Museum of Fine Arts from July 8 through Oct. 8. The de Young fan display, shown in two rotations with the second beginning later this year, runs through next spring.

"Now we see fans as an outdated accessory," says Max Hollein, director and CEO of San Francisco's Fine Arts Museums, but back in the 18th century "they were objects of artistic excellence and vitality." He adds that the arts of the 18th century were "intertwined"—with a painter of porcelain often having the same status as a painter of canvas.

The de Young's Laura Camerlengo, associate curator of costume and textile arts, says we should think of fans as "luxurious necessities," often created out of semiprecious materials and signaling the status and tastes of their owners. Early in the 17th century, Italy was the center of fan-making, she says. By 1700 France had taken the lead, and then Protestants escaping French intolerance spread the art to England and elsewhere. A single fan, she adds, could involve dozens of craftspeople—including highly skilled artists who often decorated fans for specific uses. Ms. Camerlengo cites a colorful 1773 French calendar fan illustrating ecclesiastical events that would remind its owner of the dates of holidays, like Pentecost, that varied from year to year.

An English mourning fan, made of white paper and illustrated with black ink, was meant to express sorrow for someone who has died. On one side, the piece, created between 1760 and 1770, "shows a young man taking leave of a young woman," says Ms. Camerlengo, but "flip it over, and there are two little graves marked with crosses."

Fan painters also used pictures on canvas by well-known artists as sources, says Ms. Camerlengo. For example, around 1730, French painter Nicolas Lancret, a follower of Antoine Watteau, had depicted Marie-Anne de Cupis de Camargo, a celebrated ballerina at the French

court, dancing in a forest setting for a group of elegantly dressed admirers. Later, the motif appeared on an ivory-and-silk fan, on view in the de Young's current rotation.

Similarly, the décor on a fan in the show's second rotation comes from "The Marriage of Bacchus and Ariadne," a high-baroque painting by the Italian Guido Reni. Only a fragment survives of the painting, which illustrates the union of the god of wine and the princess who helped the Greek hero Theseus escape the Minotaur. But admirers of Reni can consult the hand fan to find out what the original might have looked like.

As for the Casanova exhibition, it creates whole scenes, combining a full range of fine and decorative arts with mannequins wearing period clothing. Among the highlights of the 200-item show is the reunion of six related mythological paintings by François Boucher, a rococo painter who made them for a Parisian mansion. The show has gathered the paintings, lent from museums in Los Angeles and Fort Worth, to display them together, as originally intended.

Casanova, the son of a Venetian ac-

tress, claimed that he had given up a career in the church after making love to two teenage sisters and went on to become a soldier, a lawyer's assistant, a financier, a gambler and, of course, an inveterate lover. The show conjures up his era, crisscrossing Europe with objects like an English card table and a French tricorn hat trimmed with ostrich feathers.

The fans, on loan from Boston's Museum of Fine Arts, aren't just for show. Fans, as the accounts of Casanova and others made clear, got right to the heart of the language of love, says Ms. Camerlengo. In his memoirs, Casanova says women used fans to beckon to him or otherwise draw his attention, she adds. Once, a woman even struck the author with her fan—because he had failed to recognize her from a previous encounter.



FINE ARTS MUSEUMS OF SAN FRANCISCO (2)

MASTERPIECE: '2001: A SPACE ODYSSEY' (1968), BY STANLEY KUBRICK

AT 50, A QUIET FILM STILL MAKES A BIG BANG

BY BRIAN P. KELLY

IN 1968, America had its eyes turned to the stars, but its extraterrestrial gaze had as much to do with earthbound worries as excitement about interplanetary exploration. Fears about the Bomb had led to the signing of the Outer Space Treaty the previous year, in which the U.S. and U.S.S.R. agreed not to put weapons of mass destruction into orbit. Looking to the future, President John F. Kennedy's goal, set earlier in the decade, of landing a man on the moon seemed within reach.

It was into this age of concern about mutually assured destruction and exhilaration at the prospect of the "giant leap for mankind" that Stanley Kubrick's "2001: A Space Odyssey" was released. Now a cornerstone of cinema, the film's place in history was far from certain. At its premiere in April, walkouts were plentiful and leading critics like Pauline Kael disdainful.

Kubrick's film is a meditation on man's enlightenment in four movements. In the distant past, a troop of hominids encounters a mysterious monolith and realizes that the bones littering its habitat are more than refuse, they're tools—or weapons. They go to a watering hole and attack another group with their newfound technology. Victorious, the hominids' leader tosses his primitive club into the air and it transforms into a satellite.

In the second act, a scientist makes his way to a moon base to investigate a recent discovery: another monolith. This time, the slab emits a signal pointing to Jupiter. In the next section, a group journeys toward the planet. Their guide,

The movie is just as radical today as when it opened in 1968.

an allegedly infallible AI named HAL, seems to be making errors in his calculations. When the astronauts decide to disconnect him, HAL goes on a rampage, exterminating all of the crew but one, Dave, who manages to give the computerized killer a digital lobotomy.

Finally, as Dave approaches the signal's coordinates, he's pulled into a cosmological maelstrom, zooming through space and time in a surreal, kaleidoscopic sequence. He suddenly finds himself in an ornate room, and sees himself quickly age. At the foot of his deathbed, another monolith looms over his decrepit body, and he is transformed into a fetus in an amniotic sac, hovering over the Earth with his eyes wide open.

It was a minor miracle such an odd film even got made. With a minimum of dialogue—the first line doesn't come until 25 minutes in, and the 2½-hour film has less than 40 minutes of actual dialogue—and confounding meaning, "2001" was unlike anything seen before. MGM was betting big on an unproven genre. Way behind schedule and over budget, the expansive production seemed less like a film shoot and more like an actual space mission.

Kubrick wasn't easy to work with, either. He wrote "2001" with sci-fi paragon Arthur C. Clarke, but the mercurial director was dissatisfied with the collaboration and approached authors like J.G. Ballard to replace his co-writer. While Clarke was never dropped, many of his contributions were: In the end, Kubrick cut so

much of his material that at the screening, close to tears, the writer left at intermission. A similar fate befell composer Alex North. Kubrick hired him to write an original score for the film, then replaced it entirely in postproduction.

We can be grateful that Kubrick's vision for the movie, what he described as "a nonverbal experience," survived. For all that's come since



A SCENE from '2001: A Space Odyssey'

void. We still hold our breath as HAL quietly takes over one of the ship's pods, creeps up on an astronaut performing a spacewalk, and uses it to send him silently hurtling to his death.

With the film's soupçon of sound, we're compelled to grab onto any noise we can and hold tight. This may be why Kubrick's pairings of images and sound registered so powerfully in the collective imagination, and continue to do so. It's impossible to watch a sunrise and not hear Richard Strauss's "Also sprach Zarathustra." And who can separate Johann Strauss II's "Blue Danube" from a gently pirouetting space station?

This cinematic take on the silence between the notes also gives us plenty of time to think about the movie's slippery meanings, and the film's openness to interpretation means our discussions about "2001" will never end. Theories abound about every aspect of the movie: Is it a Nietzschean allegory? Are the formidable monoliths purely technological? What are we to make of the floating "Starchild" at the movie's conclusion?

There's no straightforward answer to any questions one might have—Kubrick was insistent about the ambiguity: "I intended the film to be an intensely subjective experience that reaches the viewer at an inner level of consciousness."

Unsurprisingly, then, that "2001" was panned by some of its day's biggest names. Lucky for us that when watching this moonshot of filmmaking, audiences were able to appreciate the silence despite the critical noise.

Mr. Kelly is the Journal's associate Arts and Review editor. Follow him on Twitter @bpkelly89.

Lettie Teague
on the shadowy
world of wine
fraud



D7

OFF DUTY



The pink badge
of courage:
Menswear's
gutsy new hue

D3

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE WALL STREET JOURNAL.

Saturday/Sunday, April 7 - 8, 2018 | D1



BEN GILES

Farm-and-Table

Sourcing local produce is one thing. Now, restaurant chefs are taking 'farm-to-table' to a new level—overseeing the growing themselves and plotting menus by the quirks of the agricultural cycle

BY ELIZABETH G. DUNN

IT BEGAN for Matthew Accarrino, the chef at SPQR in San Francisco, when he grew weary of sifting through farmers' markets, vying with other chefs for the same carrots and tomatoes. Truly unusual produce, he realized, wasn't sold this way—it wouldn't make financial sense for a farmer. So he started ordering and buying directly from farms, but he struggled to come up with crops to request. Then, in 2011, he got to know a regular diner at SPQR named Peter Jacobsen, who owned a small farm in Yountville, Calif.

Regular trips to the farm began to shape Mr. Accarrino's menu. He found an old crab-apple tree that yielded mediocre fruits but "transcendent"

blossoms, which he could pick by the basketful and candy. He noticed that squirrels raided the ripe nuts from a couple of walnut trees but left the green ones, so he harvested them green and made his own version of the Italian liqueur *nocino*. Mr. Accarrino also asked Mr. Jacobsen to try cultivating uncommon items, from finger limes (no luck) to habenada peppers (couldn't use them fast enough).

It's one thing for a restaurant to slap some locally grown kale on the menu and call itself farm-to-table, or to refuse to serve strawberries in winter as a nod to seasonality; it's quite another to shape the menu according to the quirks and vicissitudes of an actual farm. But that is precisely what chefs like Mr. Accarrino have begun doing, establishing their own farms or forming long-term partnerships with existing ones to connect

more tightly with the agricultural underpinnings of their cuisine. Call it farm-to-table 2.0.

"It's been a way to bring greater depth to my food, to establish rhythms and customs that have some sort of meaning," Mr. Accarrino said of his relationship with the farm. Sustainably farmed operations like Mr. Jacobsen's often employ a "cover crop" to restore nitrogen to the soil between plantings; Mr. Accarrino and Mr. Jacobsen have devised an edible mix of arugulas, mustard greens, pea shoots and bell beans that can be clipped and served at SPQR. One day, Mr. Jacobsen walked into the restaurant with loads of wild fennel, marjoram and dill—"Literally, garbage bags full," said Mr. Accarrino—that had been ripped out to make way for planting. The chef hung it all to dry and used it as the basis for a

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ISLANDS THAT SHOULD BE DESERTED

A new plan for America's kitchens D10



PEACE, LOVE AND SCREAMING

White-water rafting on the Ganges—where the Beatles once sought enlightenment D5



A SPRING DENIM PRIMER

Our A-Z guide to the blues D4



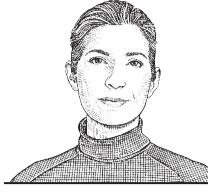
HIGHER TENTS OF PURPOSE

Up your camping game with shelters that rise from the roof of your car D11

STYLE & FASHION

FASHION WITH A PAST NANCY MACDONELL

A NEW MONTHLY COLUMN



Department Stores: Is the Party Over Forever?

IN HIS DEFINITIVE 1883 novel of department-store life, "The Ladies' Paradise," about a Second Empire grand magasin, Émile Zola listed the enticements invented by management to lure customers, among them a velvet-lined elevator, a reading room and a free buffet of fruit syrups and biscuits. Zola based his fictional emporium on Le Bon Marché in Paris, one of many department stores that sprang up in European and North American cities in the mid-19th century as a result of the middle-class expansion, rapid urbanization and the dazzling new concept of leisure time.

The department store offered an opportunity for middle-class women to socialize in public at a time when such options were very limited. To further entice them, just as Zola described, stores devised all sorts of diversions, from the first elevator in New York City—installed in Haughwout's Emporium in 1857—to the flamingos that wandered the rooftop garden of Big Biba in London in the late 1960s.

I was reminded of these long-lost flourishes when I read that the Selfridges & Co. Oxford Street store had recently set up a boxing ring in its basement, part of "Lamaland," a collaboration with fashion eccentric Michèle Lamy. In offering shoppers a chance to don gloves and step into the ring, Selfridges was doing what Zola's store and its real-world counterparts have always done: framing shopping as entertainment.

This effort may be too late. Given the ease of e-commerce, shopping as social entertainment is ending, and with it, it seems, the department store itself. Lord & Taylor's Fifth Avenue flagship in New York will become the corporate headquarters for WeWork, the thriving purveyor of shared workplaces. If Lord & Taylor represents an outdated way to spend leisure time, WeWork epitomizes the modern idea of work as life.



VICTORIA TENTLER-KRYLOV

Despite Selfridges's attempt to lure customers from the comfort of their homes, buying a sweater on your laptop is infinitely easier than traipsing to a store and searching nine floors. But online shopping is also lonelier, less fun, and for anyone who stares at a screen all day, suspiciously like work. It's convenience at the cost of pleasure.

Going to a department store might seem like simply shopping, but it's also a chance to practice civil behavior, to appreciate beauti-

ful things, to feel a connection to others. In the 1970s, Bloomingdale's was considered a New York City attraction on par with the Metropolitan Museum of Art, which, according to Robert Hendrickson, author of "The Grand Emporiums," was Bloomie's only real competition when it came to meeting a possible romantic partner.

To watch the customers clustering around the makeup counters in the idealized version of B. Altman, the grand New York City Department store, in the Amazon series "The Marvelous Mrs. Maisel," is to feel a little wistful for the days when shopping was an occasion. "It was a club experience," said Phyllis Magidson, the curator of costumes at the Museum of the City of New York, who remembers being welcomed by Henri Bendel's doorman, Buster—"he knew everyone's name"—even as a teenager, when she and her friends had no money and went for the "sheer pleasure of browsing."

Last spring, inspired by memories of the excitement of shopping in New York in the 1980s, Bergdorf Goodman's fashion director Linda Fargo opened Linda's at BG, an in-store boutique stocked with her picks in everything from high heels

to squirrel nuts. "Online is efficient," Ms. Fargo said, "but nothing can replace touching things, looking in people's faces. Sensuality—that's what we can offer people."

Nordstrom executives appeared to be thinking along similar lines in 2013 when they hired Olivia Kim, formerly of New York-based Open-

To entice people, stores devised diversions, like the flamingos that wandered the rooftop of Big Biba in the 1960s.

ing Ceremony, to make the store more relevant to younger customers. As Nordstrom's vice president of creative projects, Ms. Kim has initiated a series of pop-up boutiques and brought in buzzy, Instagram-friendly designers like Marine Serre and Jacquemus. But her proudest achievement, she said, is seeing Nordstrom used as a hang-out space by customers: "Not everything needs to be transactional. I'm more interested in that they've learned something, that they feel

energized and excited."

In Zola's novel, the department store triumphs over the smaller stores it has displaced, a victory of progress over tradition. Today, it's the department stores that represent tradition. Whether they will once again prove their adaptability—as they did in the 1960s when, in response to the boutique movement, they opened in-store boutiques of their own—will depend not just on their ability to change but on customers' willingness to believe in the importance of pleasure and discovery over convenience.

The one area of retail where this seems to be the case is the drop, the process by which brands release new merchandise as a "spontaneous" event, declining to march in lockstep with fashion's rigid seasonal schedule. The streetwear brand Supreme is well-known for convincing customers to show up in person and queue, usually outside, for a chance to acquire the latest limited-edition merchandise. They come not just to shop, but to mingle and talk—proof that shopping can be about more than acquiring stuff. As Harry Gordon Selfridge, founder of Selfridges, once said, "a store should be a social center." Department stores are taking note.



SHOW PONIES A 1940s in-store fashion show at Bergdorf Goodman

A ROBE, WHEREVER YOU ROAM

WITH THE NEW vogue for kimono-esque wraps that are designed to be worn outside, the seductive silk robe has officially slunk out of the boudoir and onto the street. Beyoncé, naturally ahead of the pajama game, wore a floor-length floral Gucci robe courtside at last year's NBA All-Star Game. And it-girl-types like Veronika Heilbrunner have adopted robes as the go-to layer over jeans, replacing the somewhat lackluster leather motorcycle jacket.

Those who are more accountant-off-duty than model-off-duty might particularly welcome this it-piece's voluminous sleeves. If you're looking for an elegant way to cover your arms, the street kimono does just that less boringly than the alternatives. "A lot of women don't like to show their arms so it's something fun to throw over a sleeveless dress that's not a cardigan or a jacket or pashmina," said Stacy Smallwood, owner of Hampden Clothing, a Charleston, S.C.-based boutique.

Options range from sur-



WRAP PARTY From left:
Forte Forte Coat, \$950,
hampdenclthing.com;
Elizabeth and James Jacket,
\$495, net-a-porter.com; Dries
Van Noten Robe, \$1,420,
barneys.com; Giorgia Tordini
of Attico wears a robe of her
own design in Paris

prisingly democratic to indulgently haute. Mary-Kate and Ashley Olsen's accessibly priced line Elizabeth and James offers youthful, vintage-inspired robes, while master Belgian designer Dries Van Noten poshly pro-

poses a lightweight silk version with boldly patterned sleeves. Even fancy robes can be dressed down. According to Ms. Smallwood, "My more fashion-forward customers want to wear it with jeans, a T-shirt and

Golden Goose sneakers."

With a piece like this whose style quotient relies on the textile, go for a substantial silk in a rich print. Flimsy peignoirs belong in the bedroom.

—Rebecca Malsky

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STYLE & FASHION

Gritty in Pink

Why stop at the safe pastel button-down? Gutsy men are thinking pinker

BY MAX LAKIN

PINK MAY be one of the biggest colors in menswear at the moment, but brands still treat it like a dirty word. Todd Snyder's elevated sweat separates come in "rose quartz." Steven Alan makes Japanese cotton T-shirts in "putty." The Gap offers chinos in "dusty mauve." Officine Générale sent a shirt down its spring runway that is being marketed as "faded rose." Theory is selling a fleece hoodie in "galah," which, as any amateur birder knows, is a pinky-gray-breasted cockatoo native to Australia.

No matter what you call the color or how persistently it infiltrates fashion, it remains a hard sell for certain men. While most women can comfortably think pink, as the 1957 musical "Funny Face" urges in song, guys tend to feel more like Steve Buscemi in "Reservoir Dogs," protesting, "Why am I Mr. Pink?"

Still, our notion of pink as a feminine color is a fairly recent construct. Throughout the Victorian era, pink and blue were interchangeable nursery colors, and a 1918 article in Earnshaw's Infants' Department, a clothing trade publication, advised, "Pink, being a more decided and stronger color, is more suitable for the boy."

Today, bold guys are reclaiming the color's more gender-neutral roots. Across pop culture, men like John Legend and Wes Anderson are going beyond the classic pink oxford shirt—a Brooks Brothers staple since the early 1900s and a ubiquitously safe way for men to wear the color—to flaunt pieces from bright pink ties to full pink suits. At this year's Australian Open, athletes including Rafael Nadal wore hot pink Nike gear designed to project aggression. As Sam Shipley, apparel



BLUSHING BROS From left: Idris Elba, Wes Anderson, Donald Glover, Armie Hammer, Pharrell Williams, Dev Patel, Rafael Nadal and Russell Westbrook

design director for Nike Court, put it, "We talked a lot about driving energy through confidence in pink."

Men who subvert pink's gendered stereotype appear assured because they're going against the grain. Stylist Ilaria Urbinati, who dresses men including Dwayne Johnson and Donald Glover, said, "I think it takes a really masculine guy to wear pink." Ms. Urbinati's clients feed off the rewards of taking the risk: "I push them into things, but

then they go out into the world and they get compliments and they're like, 'What else you got?'" Recently Mr. Glover rose to the rosé challenge by successfully wearing a sweater the color of poached shrimp on "The Late Show with Stephen Colbert," with maroon pants, no less.

For men who are ready to take a chance on pink (or "gypsum" or "roseate spoonbill"), Ms. Urbinati counsels putting a blush sweater

with navy or slate wool pants. Combining the color with black can read '80s New Wave. "There is nothing cooler than a pink hoodie under a topcoat, worn with sneakers," suggested designer Todd Snyder (who said he pairs his with a camel coat). Don't go monochromatic: Wearing one pink piece at a time avoids an unfortunate all-over bubble-gum look.

The most current shade—soft "millennial" pink, familiar to anyone

Wilder Roses



Todd Snyder & Champion Jacket, \$328, toddsnyder.com



Sweater, \$335, amiparis.com



Cardigan, \$20, uniqlo.com

TOE THE RETRO LINE

As orthopedic as your old New Balances but cooler, these '70s-inspired sneakers can comfort pavement-plagued feet



'THREE'S COMPANY'

Modern versions of shoes you could have spotted on the '70s sitcom. From left: Spalwart Sneakers, \$300, doverstreetmarket.com; Pronto Sneakers, \$199, greats.com; Techno Sneakers, \$310, A.P.C. 212-966-9685.

WHEN JEAN TOUITOU, founder and creative director of clean-cut Parisian clothing line A.P.C., attended the Élysée Palace at the invitation of French president Emmanuel Macron, he wore sneakers. Most of us would reflexively lace on dressier footwear for such an occasion, but Mr. Touitou went with his everyday look. "I don't see myself in formal shoes anymore," he said. "Even if I have something very formal on I will wear a neutral sneaker." Unsurprisingly, when launching his brand's first sneaker line this spring, he chose just such a neutral shoe as its signature style: understated in gray and white, minimal and retro-looking.

Uncomplicated sneakers like A.P.C.'s new model are causing a quiet riot in the sneaker world. Somewhere between puritanically plain Adidas Stan Smiths and fussy neon Nike Flyknits,



1 British runner Brendan Foster conquers a 1980 race in streamlined gear.

these trainers occupy an aesthetically pleasing middle ground. Employing '70s-inspired details like mesh panels, sturdy tread soles and tapered toes, the shoes hark back to the trainers that jogging enthusiasts relied on back then, without looking cloyingly retro. Rendered in neutral palettes,

these throwbacks offer a stylish step up from your old clunky running shoes.

Which is not to say these shoes are blah. Like a runner's vest, the laces on A.P.C.'s sneakers are highlighted by reflective material. Brooklyn-label Greats added pops of mustard and navy blue to its sizably soled sneaker, and Spalwart's shoes elevate a familiar nylon and suede composition with a tasteful color scheme of grays.

When Tyler Haney, the founder of easygoing active brand Outdoor Voices, first saw Spalwarts on a passerby in Paris a few years ago, it was the waffle-tread sole that first drew her in. The eagle-eyed Ms. Haney liked that the sneaker "felt a little bit nostalgic," and was a "recreational shoe" not solely for athletics: "It doesn't scream or shout, I am just for running."

—Jacob Gallagher

FINE JEWELRY

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PREVIEW

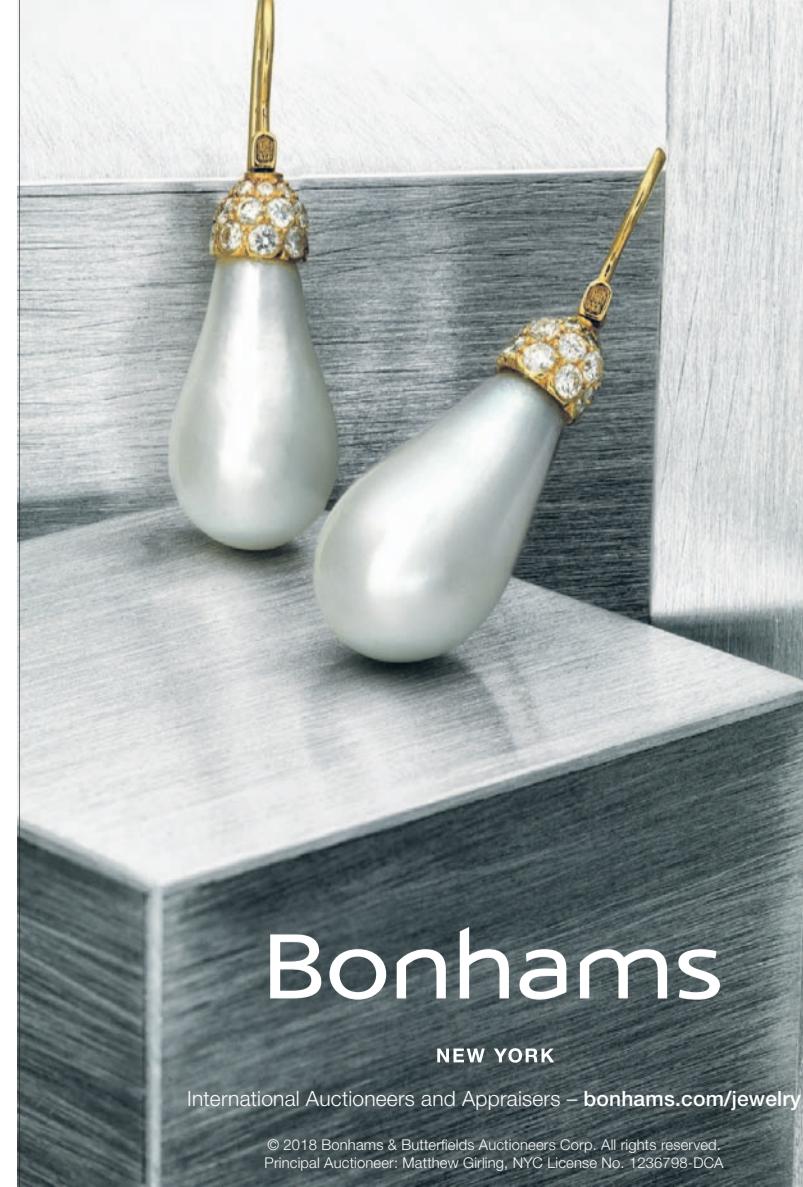
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STYLE & FASHION

A

is for Acid Wash
An '80s favorite gets a 2018 upgrade with a skinny silhouette in a pinkish hue. Ignore taboos and pair these with a match-y pink silk blouse.
La Vie Jeans, \$250, rebeccataylor.com

B

is for Blouse
Chambray tops are a spring wardrobe staple. For a rakish vibe, try a version that ties in front and, for good measure, make it striped.
Citizens of Humanity Blouse, \$268, shopbot.com

C

is for Culotte
Ease and comfort is the name of the game when it comes to chic culottes. Rachel Comey's version is the jean that launched a thousand imitators. Culottes, \$345, rachelcomey.com

D

is for Dress
Button-front please: Few pieces are easier to throw on and go. Wear yours on its own or partially unbuttoned over a simple top and a pair of lighter-wash jeans. Dress, \$298, levi.com

E

is for Embroidery
Denim shoes have been scoring style points for seasons, but exquisite stitching takes this pair of Palm Beach-inflected slides into a league of their own. Sandals, \$395, isatapia.com

F

is for Faded
When it comes to artfully faded jeans, the key is finding a pair that looks naturally worn, not beaten up by a machine—and the Row has it down to a science. Jeans, \$550, [The Row](http://TheRow.com), 212-755-2017

G

is for Girlie
While borrowed-from-the-boys denim is always a strong look, when you want something a bit flirty there's no better answer than a dainty prairie skirt that moves with you. Skirt, \$98, madewell.com

H

is for High-Waisted
There's something especially flattering about a good pair of high-waisted skinny jeans, and this interpretation from Khaite is the height of that particular fashion. Jeans, \$340, khaite.com

I

is for Industry Favorite
Brock Collection's Wright jean has become the insiders' go-to for a reason: The designers spent years developing a cut that looks good on pretty much everybody. Jeans, \$475, barneys.com

J

is for Jacket
When it comes to finding your dream jean jacket, the consensus this season is that it should be slightly oversize, all the better to layer. Saint Laurent by Anthony Vaccarello Jacket, \$890, ysl.com

K

is for Kick Flare
The slightest crop at the hem is all that's needed to make flares feel current. Look for something that hits just above the ankle and get ready to kick up your heels. Jeans, \$290, proenzaschouler.com

L

is for Legendary
We all know that nothing comes between Brooke Shields and her Calvins, and this pair features the icon's image in lieu of a belt loop. Calvin Klein 205W39NYC Jeans, \$495, calvinklein.us

M

is for Mini Skirt
The dark wash is key to elevating the look of this clean and polished little number. Skirt, \$209, frame-store.com

O

is for Overalls
Updated with a slimmer bib, those denim Gap overalls you lived in throughout the '90s are back, amazingly. Overalls, \$70, gap.com

Q

is for Quilted
For the woman whose vast denim collection is missing only a sculptural statement piece. Bag, \$5,800, [Chanel](http://Chanel.com), 212-355-5050

S

is for Shorts
No, jean shorts aren't just for the music festival set, especially when they come in tailored, urbane iterations like this contrast-stitched Chloé pair. Shorts, \$795, matchesfashion.com

W

is for Western
Asymmetically pointed pockets and pearlized snap buttons are cowgirl-cut signatures. Rag & Bone's version feels discreet, not costume-y. Shirt, \$350, rag-bone.com

T

is for Two-Toned
Desperately seeking statement jeans this spring? Look no further than this bleach-dipped pair, which will turn heads on the street while still looking clean-cut. Jeans, \$285, dereklam.com

U

is for Utilitarian
The workman pant gets a high-fashion yet still amply pocketed upgrade in M.i.h Jeans's luxurious fabrication. A frayed hem adds a chic note of carelessness. Jeans, \$280, mih-jeans.com

V

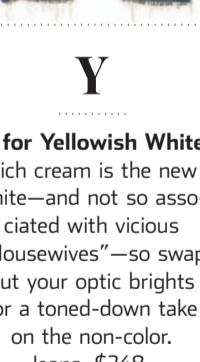
is for Vest
A perfect foil for the sweet floral dresses that sing "spring," a denim vest is an easy way to update the items already on heavy rotation in your wardrobe. Raey Vest, \$212, matchesfashion.com

Z

is for Zipper
In lieu of your standard zipper-at-the-hem fare, try a pair that uses the closure as a decorative detail at the waist, like this zippy example from Alexander Wang. Jeans, \$295, alexanderwang.com

X

is for XL
Sometimes, bigger really is better. Case in point: these drawstring, paper-bag-waisted denim pants, which will give any ensemble voluminous drama. Jeans, \$825, [Stella McCartney](http://StellaMcCartney.com), 212-255-1556

Y

is for Yellowish White
Rich cream is the new white—and not so associated with vicious "Housewives"—so swap out your optic brights for a toned-down take on the non-color. Jeans, \$248, jbrandjeans.com

K + Q

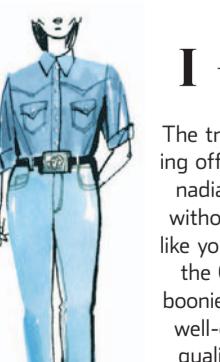
Just like Grandma said, don't neglect to match your handbag to your outfit. In this case: A cute cropped jean brings out the blue in your snazzy patchy purse.



While the concept of a dress over pants may conjure uncomfortable memories of your college-era riot-grrrl band, this button-up smock layers elegantly over off-white-cuffed jeans.

B + S

All outfits involving denim shorts need not evoke Britney Spears in a gas station parking lot. This nipped-waist chambray blouse and tailored shorts look is more Audrey than Britney.

I + W

The trick to pulling off a true Canadian tuxedo without looking like you belong in the Canadian boondocks? Choose well-cut, high-quality denim pieces that coordinate while contrasting slightly.

J + P

One of the many benefits of quilting-inspired patchwork pants like these is that their wackiness facilitates mixing and matching. We'll add this slouchy denim jacket and stand tall.

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ADVENTURE & TRAVEL

BY PATRICK SCOTT

SWEPT overboard by the churning rapids of the Ganges River, our rafting mate struggled in his life jacket and helmet to get back to our boat, terror flashing in his eyes. I sat closest to his flailing hands and the rest of the rafting group shouted for me to get a hold of him.

Just moments before, the scene had been anything but frantic. We'd all been drifting in the raft in calm emerald-colored water in the foothills of the Himalayas. On one bank of the river was a long beach of beige stones leading to a pink Hindu temple, and on the other were mossy boulders and towering slabs of rust-colored rock. All around us were lush peaks rising from the river valley.

As we heard the sound of water rushing down into our first major rapid of the day, adrenaline kicked in. "Let's pull forward, guys," shouted the river guide from the back of the raft. The seven of us stabbed our paddles into the waves, exhilarated.

The thrill of riding white-water rapids on one of the world's legendary rivers, and taking a plunge in its sacred waters, draws around 50,000 rafters to the mountain town of Rishikesh during the paddling season, which runs September to June. Think of the Ganges, and images of a dark soup of industrial and human waste, and the funeral fires on the banks of Varanasi, come to mind. But as it passes through

We were swept into a rapid known as the Three Blind Mice.

Rishikesh, the river is still close to its glacial source, relatively clear and stunningly green. It is wide with long sections of flat but swift-moving water interrupted by a handful of class 3 rapids—sometimes strong enough to flip an eight-person raft.

Not shy of self-promotion, Rishikesh, a town of about 100,000 people a six-hour drive north from Delhi, bills itself as the yoga capital of the world and the rafting capital of India. It's also popular with Hindu pilgrims, drawn to its sacred shrines, and Beatles' worshipers—the Fab Four arrived in 1968 and spent several weeks at one of the hillside meditation retreats.

In the decades since, rampant construction of yoga and meditation ashrams, guest-houses and hotels, cafes and shops, and headquarters for rafting and trekking companies has cluttered the hills.

Spirituality and the Ganges

THE LOWDOWN // RAFTING IN RISHIKESH, INDIA

Getting There Land in New Delhi and hire a car for the 6-hour drive north to Rishikesh. The travel service India Package Tour charges about \$125 one way for up to three people. indiapackagetour.in.

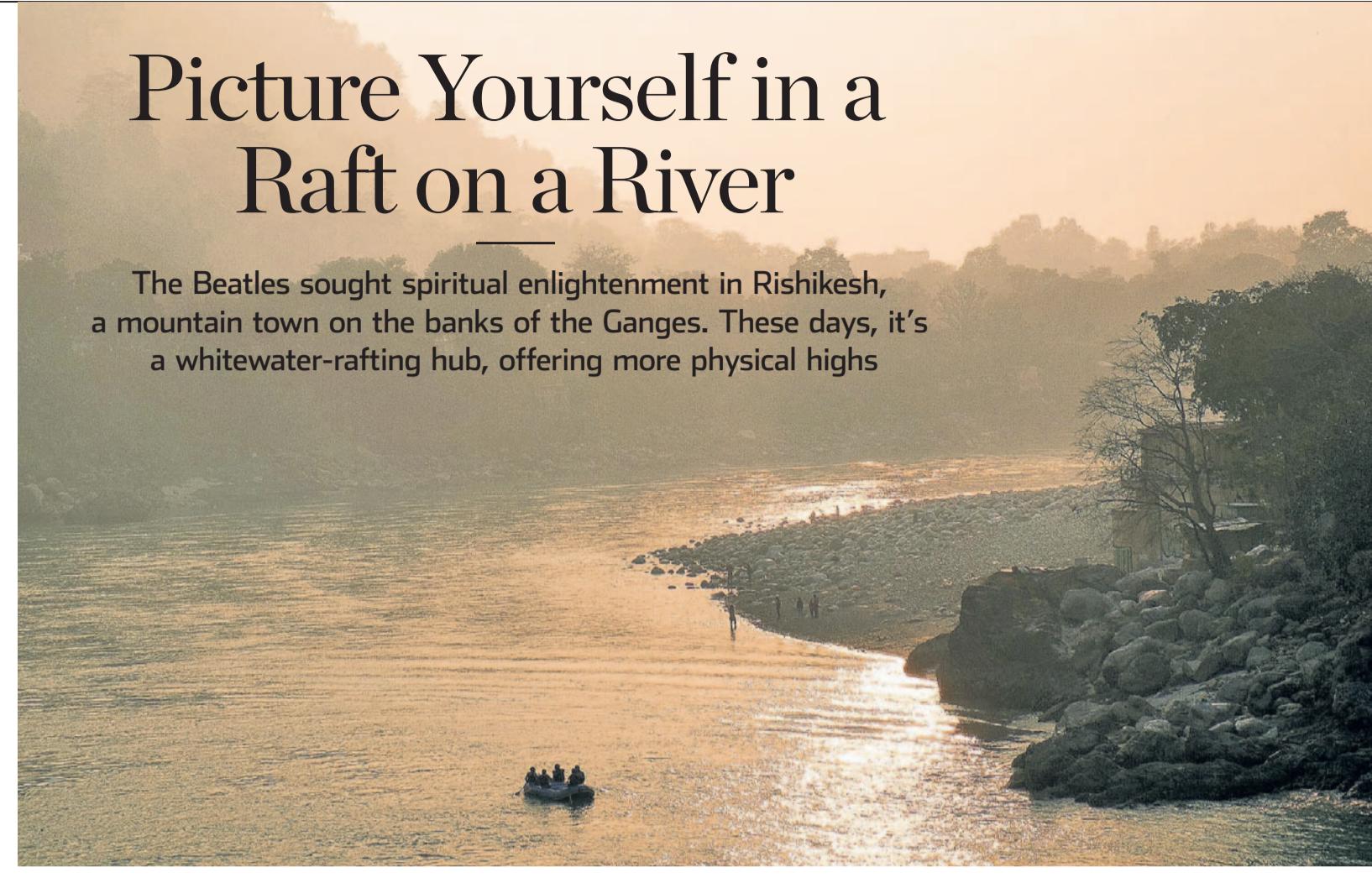
Staying There Yoga and meditation ashrams like Parmarth Niketan or Rishikesh Yog Peeth, rent rooms with vegetarian meals included, but without TVs or carpets, for about \$20. parmash.org, rishikeshyogpeeth.com. Among the higher-end hotels overlooking the Ganges, Atali Ganga offers 22 handsome cot-



PORTAGE PERK A stay at Atali Ganga includes a rafting trip.

Picture Yourself in a Raft on a River

The Beatles sought spiritual enlightenment in Rishikesh, a mountain town on the banks of the Ganges. These days, it's a whitewater-rafting hub, offering more physical highs



have been commodified, with entrancing but chaotic results. Lining the switchback lanes, shops and lean-to stalls overflow with tunics, incense, boiling pots of milky tea and statues of Hindu gods. The town's two suspension bridges, wide enough for a few people, are clogged with Indians in saris, Westerners in harem pants, honking motorbikes, dung-dropping cows and mooching monkeys.

For adventure travelers, it's difficult to know which rafting business to choose. Tourism officials have licensed about 250 of them. Most offer half-day paddles down river, but you can also book overnight camping and rafting trips, as well as multiday excursions.

According to longtime rafting operators, the vast majority of tourists on the river are Indian, rafting for the first time and not strong swimmers. The combination of their inexperience and the power of the river can be deadly. In the last five years, the local media has reported five rafting deaths,

and while I was there, a woman died after her group's raft capsized. Veteran guides

say that about half of the operators are not properly trained or equipped. It's wise to choose a company with seasoned guides and safety kayaks that accompany the rafts and can quickly reach castaways.

With recommendations from an Indian white-water rafting association and several guides, I selected Aquaterra Adventures. The owners have been rafting since the 1990s and run an elegant hotel called Atali Ganga, a 35-minute drive from Rishikesh, tucked in a peaceful, forested mountainside. For about \$200

a night, you get three delicious buffet meals and a choice of two activities such as rafting, kayaking or hiking.

I rafted on two of the three days of my stay, starting with a 7.5-mile paddle with a group of young technology workers who were staying at the hotel on a retreat. After a tranquil start, the seven of us were swept into a rapid known as Three Blind Mice. It was like a washing machine, tall waves rising up, curling back. The raft buckled into them as the bracing water washed over us.

Soon, we were slamming into even bigger waves, at least 10-feet high, and Anupam Dubey took his detour into the water. We couldn't spot him at first, because he was under the boat. And then he surfaced, a few feet away. I grabbed his hand and, remembering our briefing, latched onto his life jacket lapels, dragging him into the raft on top of me.

"It was scary," Mr. Dubey, 27, who works in sales for a mobile payments company in Delhi, told me later. "One moment I'm paddling and another moment, 'Oh, this boat is going around my head.'"

The second day was a longer ride, 16 miles, with three other passengers—a husband and wife and a college student, all from Mumbai. After we successfully navigated Three Blind Mice, our guide asked if we wanted to hop out in our life jackets. He assured us it was safe, and I leaned back and splashed in, not noticing the chill of the 65-degree water. I bobbed downstream feet first, enthralled by the forested hills. A glimmering sandy beach on the shore seemingly zipped by.

For many Indians, the dip is divine in another way. Hindus believe that the goddess Ganga descended to earth in the form of the river. Bathing in her is said to wash away sins, and if your cremated remains are scattered into the water, it's believed your soul can be freed from the cycle of reincarnation. The river carries thousands of years of prayers, meditation and liberation, according to Hindus, and its inner vibration is the cosmic sound of the universe, Om.

"Ganga maiya ki jai" or "Glory to mother Ganga" cheered the raft-full of Indians as we paddled by, shaking off the chill of our swim.

Over the course of the day, our raft was sometimes the only boat on a bend of the river; other times, it was one of half a dozen floating downstream. Toward the end of the run, a flotilla of rafts had put in and paddlers waited in line to jump 20 feet from a shelf of rock into the water.

The couple from Mumbai, Rahul and Meenal Vaidya, knew about the risks, but he was keen on rafting for the first time, and she was returning for a second white-water ride. "It's a place where you actually go very close to nature," Meenal said. "A good place to look into yourself."



CURRENT AFFAIRS From top: Rafting the Ganges just below Trayambakeshwar Temple in Rishikesh; a white-water excursion with seasoned outfitter Aquaterra Adventures.



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ADVENTURE & TRAVEL

Downtown's Upswing

After a post-9/11 building spree, New York's Financial District is flush with new diversions. Here, a walking guide

BY CHRISTIAN L. WRIGHT

OLD NEW YORK is the city's newest hotbed. South of Chambers Street and the urban grid, the streets of Lower Manhattan wiggle and bend, packed with glistening skyscrapers, a mix of office workers (from Wall Street and the recent influx of media and tech companies), a well-clad local stroller brigade and an international flow of tourists. Here you can have a historically significant beer at Fraunces Tavern, where George Washington said goodbye to his Continental Army officers in 1783. Or if you favor a more futuristic atmosphere, enter the Fulton Center, a dazzlingly modern transit hub, born out of the 1889 limestone Corbin Building, that connects nearly all subway lines. Beyond Wall Street's metal mascots, Charging Bull and Fearless Girl, there's enough public art to make an open-air museum—Louise Nevelson's great steel "Shadows and Flags" on Maiden Lane, Jeff Koons' "Balloon Flower (Red)" at 7 World Trade Center and Jean Dubuffet's "Group of Four Trees" at 28 Liberty Street. Once a ghost town after dark, Lower Manhattan has also become an unlikely food destination. Restaurant titans Danny Meyer, David Chang and Nobu Matsuhisa have all established footholds, with more big names in the pipeline. Read on for a guide to the hood's newest draws and oldest landmarks.



ACCOUNTING FOR TASTE Steak and frites at Augustine.

STAY

THE BEEKMAN

Completed in 1883—the same year as the Brooklyn Bridge, a stone's throw to the north—this American Queen Anne behemoth was one of the city's first skyscrapers yet was all but derelict by the end of the 20th century. Reimagined as a hotel by Martin Brudnizki, a lauded interior designer, the Beekman now anchors the new downtown scene. Set between the two perennially packed restaurants, the bar under the nine-story atrium is standing-room-only in the evening. Guest rooms have high ceilings, vintage furnishings and original artwork chosen to reflect the building's history. From about \$285 a night, thebeekman.com

MR. C SEAPORT

Fourth-generation hoteliers Ignazio and Maggio Cipriani took over a historic redbrick corner building, an erstwhile Best Western, and renovated it into their first New York City hotel, slated to open in June. Joining an outpost of the Milanese design emporium 10 Corso Como and a fish-centric food market by Jean-Georges Vongerichten in the rapidly revitalizing waterfront district, Mr. C Seaport adds to the European glamour quotient. It will offer 66 teak and polished concrete guest rooms, six suites with terraces that catch the breeze off the East River, a pale pink restaurant called Bellini (naturally) and a bar that lets crowds spill out onto cobblestoned Front Street. From \$689 a night, mrcseaport.com

EAT & DRINK

AUGUSTINE

The seventh in Keith McNally's empire of atmospheric restaurants, this brasserie inside the Beekman hotel has the floral painted tiles, big tarnished mirrors and honey glow of a Parisian period drama. The menu hits notes old and new—from the pressed juices at breakfast to the late-night steak frites—and the bar has a continental air: It's always cocktail hour somewhere. 5 Beekman St., augustineny.com

HOLE IN THE WALL

Go to this neighborly Australian cafe for breakfast when the wooden-topped tables fill up with travelers studying apps

and local whippersnappers plotting ways to disrupt industry. The simple menu features modern-day comfort food: from avocado toast with poached egg to a green bowl with kale, quinoa and hummus. 15 Cliff St., holeinthewallnyc.com

DEAD RABBIT

Housed in a landmark, circa-1858 building, this watering hole is actually three in one. On the ground floor is the Taproom, a classic Irish pub with sawdust underfoot; on the second floor is the Occasional, a snug moody boîte that can be reserved for private affairs; and upstairs, the Parlor, a skinny and ambitious cocktail bar. 30 Water St., deadrabbithnyc.com

BLUE RIBBON FEDERAL GRILL

A chic dining room with a small, sexy, partitioned-off bar, the restaurant hides in the shadow of the Federal Reserve. You can spend your personal fortune on 50 grams of Siberian caviar (\$725). Or instead, sit at the bar, have the perfectly modest 6-ounce bar burger on its buttery bun (\$18), and take advantage of the well-crafted wine list. It's not show-offy but full of unusual values. 84 William St., blueribbonrestaurants.com

SHOP

EATALY

Like a newfangled Italian village on the third floor of a commercial tower, this 48,000-square-foot food emporium has garlic and fennel opposite a wine bar,



WHEELS OF FORTUNE If you tire of strolling through the financial district, the city's bike-loan program lets you change up your view.



acres of breads and olives, kitchenware and books by the gelato station, three restaurants (sit by the window at Osteria della Pace for a bird's-eye view of the skyline), and a roster of events such as child-friendly pasta-making classes. 101 Liberty St., eataly.com

PASANELLA & SON VINTNERS

Waiting for you inside this vast shop—with a tasting room that opens into a garden in back—are more than 400 wines, eclectic spirits (like Don Amado mescal from Oaxaca) and a vintage Fiat 500 with a picnic hamper in the back seat. The 1839 building is steeped in history, too: You can see the waterline from the flooding of Hurricane Sandy on the store's exposed brick walls. 115 South St., pasanellaandson.com

NEXT CENTURY

A high-fashion boutique in the northwestern corner of Century 21, the discount department store, it's prime off-price hunting ground for funkier pieces from designer labels (Alaia, Celine, Jeremy Scott), vintage Helmut Lang jeans, Balenciaga handbags and Ferragamo wallets, plus mini collections from up-and-coming names. 21 Dey St., c2lstores.com

NORTHERN GRADE

This raw, whitewashed space is a marketplace for unique products—from cable knit throws to stripy T-shirts—all made in the U.S. 117 Beekman St., northern-grade.com

THE WESTFIELD AND BROOKFIELD MALLS

Rather oddly, the sobering 9/11

Memorial is now surrounded by a shopping mecca. Even if you're not planning to spend a dime, you may want to gawk at the Westfield Mall's centerpiece, Santiago Calatrava's white Oculus, which looks like the skeleton of a giant bird about to take flight. It holds two levels of shops and leads via underground passageways to the Fulton Center transit hub and another higher-end mall, Brookfield Place, with a fancy food court and French-style market. 185 Greenwich St., westfield.com; 230 Vesey St., brookfieldplacenyc.com

THE SPA AT FOUR SEASONS NEW YORK DOWNTOWN

Tucked into a slender tower housing 189 guest rooms and 157 condo units, the Four Seasons' all-beige spa is a snazzy spot for a pedicure or an "Intense Glow" body treatment that combines massage with glycolic acid. The spa packs a 75-foot heated lap pool and a gym in with the seven treatment rooms and, rare in these parts, a sun-deck. Open to the public, except the pool and gym. 27 Barclay St., fourseasons.com

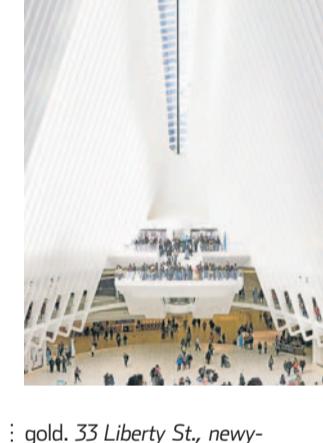
SEE

EARLY AMERICAN HISTORY

Built in 1700, the original Federal Hall was the site of George Washington's inauguration and is now a museum cater-cornered to the New York Stock Exchange. 26 Wall St., nps.gov; the Federal Reserve, the central bank conceived by Alexander Hamilton, the first U.S. Secretary of Treasury, contains a vault full of



LIGHT AND SHADOW Above: a corner of the Dead Rabbit bar. Below: architect Santiago Calatrava's Oculus, a modern riff on the cathedral.



gold. 33 Liberty St., newyorkfed.org. Lately a magnet for fans of the Broadway smash, Hamilton's grave can be found in the Trinity Church cemetery. 75 Broadway. All are open to the public; check hours for Federal Hall and reserve in advance for the bank.

CITY HALL PARK A little oasis of green with benches, gas lamps and a fountain in the middle, this small park lies at the doorstep of the Woolworth Building. In the 1600s, it was a communal pasture for livestock; now sculptures pop up on the grass in revolving Public Art Fund exhibitions. Enter via iron gate at Park Place and Broadway.

ONE WORLD OBSERVATORY

The trip to the top of the Freedom Tower—at 1776 feet, the tallest building in the U.S.—takes less than a minute in a surround-sound elevator with a film documenting the city's history projected all around. But that's nothing compared with the unobstructed 360 degree views at the top. Tickets from \$26. 280 Fulton St., oneworldobservatory.com

PROMENADE AT PIER 17

Leave time to walk around the southern tip of Manhattan, from Pier 17 along the East River promenade past the heliport and Staten Island Ferry to Battery Park—with its community gardens, Sea Glass Carousel and fishermen tossing their lines into the harbor. The promenade continues after Pier A and parallels the Hudson River, through the suburban enclave of Battery Park City, from which you can cut back again, across the West Side Highway, to the falling waters of the 9/11 Memorial.



DRIVEN TO DRINK A vintage Fiat 500 among the vintages at Pasanella & Son Vintners.

EATING & DRINKING

ON WINE LETTIE TEAGUE



What It Takes to Out-Sleuth Wine Fraud

The first in a two-part series on wine fraud.

A FEW WEEKS AGO the French police discovered a cache of fake Côtes du Rhône wine so large it would have equaled 15% of the output of the entire appellation over almost two and a half years—had it been real. It was bulk stuff of no particular distinction, and the CEO of the company was charged with fraud. This was just the latest in a long series of such discoveries in recent years, and further proof that counterfeiters target cheap wines just as readily as grand crus. As Maureen Downey, a San Francisco-based expert on wine fraud, observed, “Fake wine hits the entire gamut of wine.”

Eager to know what a wine drinker can do to protect herself and avoid possibly lining the pockets of counterfeiters, I attended a wine fraud and authentication seminar last month run by Ms. Downey at the Four Seasons Hotel San Francisco. Attended by wine professionals and passionate amateurs, the two-day session cost \$5,000 per person. It was the first such seminar Ms. Downey, proprietor of Chai Consulting, a wine collection management company, has held in the U.S. (She has held several such seminars in Hong Kong and London.)

Some participants brought along bottles of their own for authentication. Susan Lin, a Master of Wine candidate and business development manager of the Belmont Wine Exchange in Hayward, Calif., presented bottles from great producers: Chave Hermitage and Domaine Ponsot Chapelle-Chambertin. She thought the wines were real, but she wanted to be certain.

The name Domaine Ponsot will ring a bell with those who follow wine-fraud news. In a story made famous by the documentary “Sour Grapes” and the book “In Vino Duplicitas,” the domaine’s proprietor, Laurent Ponsot, attended a 2008 wine auction in New York where fake bottles of Ponsot wines were offered for sale. The consignor was Rudy Kurniawan, a high-profile collector from California.

An investigation into Mr. Kurniawan’s dealings culminated in a search of his Arcadia, Calif., home, which turned out to be filled with tools of wine fakery: counterfeit labels, blank corks and empty bottles to be filled. Mr. Kurniawan went on trial in New York for counterfeiting and was convicted in 2014. He was ordered to pay \$28.4 million in restitution to seven of his victims and to forfeit \$20 million in property, and is serving a 10-year sentence in a federal prison.

On the day of our seminar, Ms. Downey noted that though hundreds of “Rudy” bottles were ultimately destroyed, many more of



trade, but the wine world has yet to embrace such a safeguard.

For the meantime, Ms. Downey offered advice and provided counterfeit-detection tools for seminar participants, including a jeweler’s loupe, a measuring tape, a UV light and UV-visible pens. She outlined her authentication process, which begins with careful scrutiny of the wine bottle—the loupe proved handy here—notably the label, the paper it’s printed on and the printing method and ink, as well as other components such as the capsule and the cork. Ultra-white paper, detectable under UV light, wasn’t in commercial use until the 1960s. With the aid of a microscope, one could detect if the paper was recycled, which would mean the wine couldn’t have been produced before the 1980s, when recycled paper was introduced for labels.

“Authenticating a wine is like authenticating a work of art,” said Ms. Downey. She instructed participants to go slowly and to “look at the whole thing” first before zooming in on details. We split into groups and pored over the fake bottles Ms. Downey had assembled, as well as the bottles participants had brought along.

We checked the labels’ paper with pens to ensure it wasn’t the modern recycled stuff not in use at the time of the purported vintage. We also checked the printing and saw that some letters were slightly off—a possible counterfeit clue. After close scrutiny of her bottles of Chave Hermitage and Domaine Ponsot Chapelle-Chambertin, Ms. Lin was relieved to receive confirmation that they were indeed real.

As I was writing this column, news of another large-scale wine-fraud story broke. The Bordeaux négociant Grands Vins de Gironde was accused of faking the equivalent of almost 70,000 cases of wine over several years, “recreating” cheap wines as Bordeaux; just this week the company was fined 200,000 euros by a criminal court in Bordeaux. When I mentioned the case to Ms. Downey, she praised the French police and said she believed the increased attention to counterfeit fine wine had resulted in an increased number of arrests related to the counterfeiting of all kinds of wines.

Above all, she emphasized that wine fraud isn’t a victimless crime. “It affects people who work very hard to make good wine, who are proud of their wines and their appellation,” she said. “It ruins their reputation and it destroys all their hard work.” With the right tools and a gimlet eye, she believes, we can all play a part in protecting that work.

► Email Lettie at wine@wsj.com.

SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

Catfish Tagine With Chermoula

UPON MOVING to Savannah, Ga., to open the Grey, chef Mashama Bailey had to hit the ground running. “The first year, I missed all the seasons,” she said. Eventually, though, her cooking fell in step with local rhythms, and this dish was born.

“We get peppers from spring through September, and catfish is super available and sustainable down here,” Ms. Bailey said. She decided the way to make the most of both was in a North African-style tagine. The recipe calls for cooking catfish

fillets on a bed of stewed peppers. Chermoula, a paste of herbs, cumin and paprika, does double duty as marinade for the fish and condiment to serve with it.

The catfish steams gently as its drippings mingle with the vegetables to make a flavorful stew that regulars at the Grey have come to look forward to at this time of year. “People have started asking about this dish again,” said Ms. Bailey. “We’ll be putting it back on the menu soon.”

—Kitty Greenwald

TOTAL TIME: 40 minutes SERVES: 4

1 red bell pepper, halved lengthwise, cored and seeded
½ cup plus 2 tablespoons olive oil and more for broiling peppers
4 catfish fillets
Kosher salt

1 serrano pepper, stemmed and seeded
1 carrot, grated
2 green bell peppers, julienned
2 yellow or orange peppers, julienned
1 yellow onion, thinly

sliced
2 cloves garlic
1 tablespoon cumin
1½ tablespoons sweet paprika
½ cup flat-leaf parsley
½ cup cilantro
Juice of 1 lemon

- Set broiler to high. Rub red bell pepper with oil and set under broiler, cut-side down. Broil until charred in spots, 5–7 minutes. Meanwhile, season fish with salt and refrigerate.
- Preheat oven to 375 degrees. Scrape any loose, charred skin from red pepper and place in a food processor. Add serrano and pulse to a smooth paste. Swirl ¼ cup oil into a large, lidded pan and set over medium heat. Stir in pepper paste, grated carrot, julienned peppers, and onions. Season with salt. Sauté until pep-

- pers soften fully, about 20 minutes.
- Meanwhile, make chermoula: In clean bowl of food processor, combine garlic, cumin, paprika, parsley and cilantro. Pulse to finely chop. Transfer to a bowl, stir in remaining olive oil, and season with salt and lemon juice.
- Spread half the chermoula over fish. Place fish on sautéed peppers in pan and cover with lid. Transfer to oven and cook until fish is opaque and flaky, about 10 minutes. Serve tagine with reserved sauce on the side.



ZIP IT UP Like a pesto or a salsa verde, chermoula is a zesty paste of herbs and spices that makes a delicious marinade and sauce for fish.



The Chef
Mashama Bailey

Her Restaurant
The Grey, in
Savannah, Ga.

What's She's Known For
Carrying the legacy of the great Southern cook Edna Lewis into the 21st century, with a focus on regional ingredients. Elevating comfort food in a way that remains rooted in tradition.

EATING & DRINKING

WHAT COMES AFTER 'FARM-TO-TABLE'?

Continued from page D1

ground herb mixture he dubbed "lasagnette spice," now a staple seasoning in his pantry.

A shift this fundamental—from simply sourcing locally to becoming the source—takes time. Perhaps the godfather of this next-level locavorism is chef Dan Barber. Since 2004, he's been cooking food raised in the fields around his Pocantico Hills, N.Y., restaurant, Blue Hill at Stone Barns. Melissa Kelly, another pioneer, built farming into her restaurant's business model when she opened Primo restaurant on the Maine coast in 2000. Since 2013, Joshua Skenes has grown the lion's share of the produce and meat used at his three-Michelin-starred San Francisco restaurant, Saison, on farmland in Marin County, where he can control everything from the seed stock through the handling at harvest.

When a restaurant takes responsibility for growing ingredients, it provides diners an extra measure of confidence in their provenance at a time when local-sourcing claims are increasingly in doubt and the descriptor "farm-to-table" has become so overused as to be almost meaningless. (See, for example, the 2016 investigation by Laura Reiley in the Tampa Bay Times revealing widespread fraud in restaurants' claims to buying local.) But the value of growing your own goes well beyond ensuring truth in advertising. It guarantees the restaurant a supply of ingredients that are unique, in type or quality, compared with what is commercially available. And it transforms the restaurant from an on-demand buyer of ingredients to a vehicle for supporting, and showcasing, the whole ecology of a sustainable farm—not just peak-season tomatoes and rib-eye steaks but forgotten and beautiful foodstuffs, from cover crops to wild herbs to underutilized, tasty cuts of meat.

Before opening Woods Hill Table in Concord, Mass., restaurateur Kristin Carty was adamant about serving meat raised to rigorous environmental and ethical standards, but she couldn't find enough being produced in New England. So she purchased land in New Hampshire and hired a farmer. At the restaurant, chef Charlie Foster uses every part of the animals they raise; beef tartare, Bolognese sauce and charcuterie are some of the ways Mr. Foster works his way through entire pigs and cows. "That structure, though it may seem limiting, is actually extremely liberating because there's a larger purpose to why I'm serving what I'm serving," he said. To make even better use of all the "off cuts" and trim, Ms. Carty and Mr. Foster recently opened a Mexican restaurant called Adelita, where these flavorful bits come tucked inside tacos.

The rewards are in superior control and freshness, and being so intimately involved.

In 2009, Ken Myszka, Nanam Yoon Myszka and Stu Hummel started farm/restaurant hybrid Epiphany Farms in Mr. Myszka's hometown of Bloomington, Ill. Amid large-scale commodity farms and a density of fast-food chains, with a shortage of local farms that fit their vision of sustainability, they took matters into their own hands. Now they have four restaurants that draw from the farm's bounty. Mr. Myszka spends a lot of time training cooks to work with the wonky specimens organic methods tend to yield. "We're taught as cooks that we can always order something exactly to spec. Then you start farming and you realize that the vast majority of cucumbers are not straight, and a lot of them have pest damage," Mr. Myszka said. "Now I know that you can work around all that."

It's a common misconception—one that provoked plenty of wry laughter from the restaurant owners I spoke with—that producing your own ingredients might cut costs. The hefty startup investment and years it takes to build up to maximum efficiency mean that a do-it-yourself approach is often more expensive than conventional buying options. But many chefs believe that as their operations mature, the costs will come down to rival farmers' market prices. Even Ms. Kelly, who has 18 years under her belt at Primo, thinks her food cost works out to about what she would pay small local purveyors to do it for her. The rewards are in the superior control and freshness, and the pleasure of being so intimately involved.

Even for chefs unable to go whole-hog (so to speak) into farming, small-scale efforts can have an outsize influence. Danielle and Justin Walker opened Walkers Maine last month in Cape Nedick, south of Portland. They grow fruits and vegetables organically on their nearby 15-acre farmstead, which has been in Ms. Walker's family for six generations. Though it barely makes a dent in their overall purchasing, the farm shapes their cooking in fundamental ways. The Walkers keep a herd of goats to clear and fertilize fields, and the milk they produce has led to a proliferation of fresh cheeses and ice creams on the menu. Wild cranberries contribute to cocktails and preserves. Mr. Walker said that running the farm helps him understand the right questions to ask his suppliers. Ms. Walker, who does the bulk of the farm work and is the restaurant's general manager, takes every opportunity to transmit to guests her enthusiasm for farming. "Even if it's just talking about my early morning hour in the garden, they may adopt that," Ms. Walker said. "The romanticism of the whole process is contagious."

GREEN ACRES A field of kale at Epiphany Farms in Central Illinois. This farm's crops supply and inspire the menus at four partner restaurants.



FARM FRESH // RESTAURANTS THAT GROW THEIR OWN

Maine

PRIMO

2 Main St., Rockland, primorestaurant.com
The restaurant is surrounded by a 5-acre farm boasting two greenhouses, roaming pigs, and chickens raised and slaughtered on-property.

The dish Olive oil confit pork shoulder from Primo Farm pigs, with wild dandelion and mustard greens and a preserved farm egg grated on top.

WALKERS MAINE

1273 U.S. Route 1, Cape Nedick, walkersmaine.com
Justin and Danielle Walker cultivate their 12-acre backyard, grazing 30 milking goats and foraging ingredients like wild peas and blueberries.

The dish The restaurant's sourdough focaccia, made using goat's whey leftover from cheese making.

Massachusetts

WOODS HILL TABLE

24 Commonwealth Ave. West, Concord, woodhilltable.com
Kristen Carty produces all the meat used here, and at sister restaurant Adelita, to impeccable organic standards at Woods Hill Farm in New Hampshire.

The dish On the brunch menu, fried Woods Hill Farm chicken leg served with a long-fermented sourdough waffle, jam from local peaches and syrup tapped from Woods Hill Farm maples.

New York

BLENHEIM

283 W. 12th St., Manhattan, blenheimhill.com
Morten Sohlberg and Min Ye grow fruits and vegetables and raise heirloom sheep, pigs and poultry three hours north of New York City at Blenheim Hill Farm.

The dish The restaurant's green salad is made from a dozen varieties of greens, grown together hydroponically and clipped to form an instant salad mix.

BLUE HILL

75 Washington Place, Manhattan, and 630 Bedford Rd., Pocantico Hills, bluehillfarm.com
The restaurants draw from both the Stone Barns Center for Food and Agriculture and Blue Hill Farm, Dan and David Barber's family farm in Massachusetts.

The dish Blue Hill Farm supplies the restaurants with beef from retired dairy cows that have been 100% grass fed for nearly a decade, which Mr. Barber describes as offering "a taste experience that's transcendent."

Kentucky

PROOF ON MAIN

702 W. Main St., Louisville, proofonmain.com
Steve Wilson and Laura Lee Brown own both Proof on Main and Woodland Farm, which provides the restaurant with whole heritage pigs, grass-fed bison, hen eggs and dozens of varieties of fruits and vegetables.

The dish Bison heart pastrami, house-cured in sorghum brine for two weeks.

Illinois

EPIPHANY FARMS RESTAURANT

220 E. Front St., Bloomington, epiphanyfarms.com
The company's own sustainable farm supplies its four restaurants with over 500 varieties of vegetables plus eggs, chickens, pork and mushrooms.

The dish The "pork feature," offering different



THE LOCAVORE'S DILEMMA

From left: Wagyu beef cooked over eucalyptus with chestnut purée and greens at Single Thread in Healdsburg, Calif.; honey meringue at Blenheim in New York City.

cuts from the farm's pigs each day, allowing the restaurant to utilize every bit of the beast.

California

QUINCE

470 Pacific Ave., San Francisco, quincerestaurant.com

"It's like a springboard for the cuisine here," chef Michael Tusk said of his exclusive partnership with Peter Martinelli's Fresh Run Farm, which cultivates the likes of white asparagus and Malabar spinach on 20 acres across the Golden Gate Bridge for use at Quince and sister restaurant Cotogna.

The dish Freshly-dug La Ratte potatoes served alongside crumbled brioche "soil" and a poached local oyster, the shells of which are used to fortify Fresh Run Farm's potato fields.

SPQR

1911 Filmore St., San Francisco, spqrslf.com

Peter Jacobson's Yountville smallholding provides

the restaurant a wide range of esoterica, from green walnuts to quinoa leaves.

The dish Peach-leaf gelato, with a flavor like marzipan, made by infusing cream with leaves of peaches from Mr. Jacobson's heirloom orchard.

SAISON

178 Townsend St., San Francisco, saisonsf.com

The restaurant owns 90 acres in Marin County, which provide ingredients from wild boar to edible flowers. "Our entire menu is built around the idea of 100% utilization," said chef Joshua Skenes.

The dish Beets roasted three days over fire, then grilled and basted with butter from Saison's cows.

SINGLE THREAD

131 North St., Healdsburg, singlethreadfarms.com

Husband and wife Kyle and Katina Connaughton farm 5 acres on the Russian River, specializing in heirloom vegetables rarely seen outside Japan.

The dish The tasting menu starts with a dozen different bites—a snapshot of the day's harvest.

DESIGN & DECORATING

The State of The Secretary

A casualty of everyday antiques' fall from hipness, the compact desk is regaining relevance

BY CATHERINE ROMANO

THE SECRETARY desk has waited patiently for us to notice its clever beauty again. Once rendered obsolete by the space demands of hulking desktop computers and printers, the quaintly compact desks with enclosed storage were stockpiled in attics and used-furniture store rooms. But the stars have aligned to bring these almost-antiques back to relevance.

'Perfect for laptops, these vintage pieces are more modern than a large desk.'

"These vintage pieces are more modern than a desk these days," said Los Angeles architect Raun Thorp. As more people store documents on a cloud and reduce their computer hardware to a laptop, big working surfaces have become the relics. "Secretaries are like a tiny multiuse building in a room," said Ms. Thorp, who noted that their height can bring an unexpected dynamism to a room.

The modest scale of most vintage models, neither very deep or wide, makes them especially versatile. Richmond, Va., designer Janie Molster said of the chinoiserie-style piece she bought in her 20s, "I have used it in a bedroom, dining room, living room, kitchen and currently my foyer." The secretary's lower drawers can store linens, photo albums or clothes; shelves above,

usually enclosed by glass doors, can house books or display anything from pottery to Matchbox cars. Rachel Cannon, a designer in Baton Rouge, La., recently tucked one in a stair landing to create a miniature home office. Kari McIntosh, a designer in San Mateo, Calif., used a contemporary West Elm model in a nursery-cum-office in her own two-bedroom apartment.

Slots, shelves and drawers (and secret compartments, if you're lucky) store vestiges of pre-digital life such as staplers and pens, and, brilliantly, the desk fronts close up, "hiding contents elegantly," said New York designer Phillip Thomas, who placed a 1950 green-blue lacquered French number in a corner surrounded by floor-to-ceiling glass windows. Mr. Thomas favors antique and 20th-century versions, he said. "I am drawn to their history, the fine materials and the craftsmanship."

That 20th-century pieces are still around testifies to their quality, said Anna Brockway, co-founder of vintage site Chairish, which was hosting 110 secretaries for \$1,000 or less in early April. "They're a great example of a category of brown furniture becoming relevant again," she said, referring to the traditional wood furniture of the 20th and late 19th century that has fallen out of fashion. "When a piece is the right choice and you match it with accessible pricing, it becomes a hit."

Beyond practicalities, secretary desks can charm. "They seem to embrace you a little," said retired businessman George Entin, whose Atlanta designer Melanie Millner found an 18th-century mahogany beauty, now in his study. "You sort of fall in love with them."



WILLIAM ABANOWICZ (ROOM)



Reproduction
19th Century
French Iron
Secretary,
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DESIGN & DECORATING

A MATTER OF LIFE AND DÉCOR MICHELLE SLATALLA

A NEW MONTHLY COLUMN



The Day I Defied the Kitchen-Island Mafia

A THOUSAND YEARS from now, archaeologists sifting through the rubble will be able to identify early 21st-century homes by their kitchens. The kitchen island will be as recognizable an artifact as the Doric column. But they won't find one in my kitchen in Mill Valley, California.

When I remodeled recently, I wanted an airy kitchen with white-tiled walls, a big window over the sink and a human-scale table, the kind where my grandmother sat when she chopped onions and where families gathered convivially—before the whole world turned into something that looks like a sports bar. But little did I know that dark forces would try to persuade me to incorporate a hulking Brutalist monolith designed to house a second sink and a spare dishwasher no one needs.

"Where's the island?" my husband asked, poring over the blueprints at a meeting with the architect. "Where will we put the Cuisinart, the KitchenAid—my immersion blender, for God's sake?"

He turned accusingly to the architect, Mark Fischbach.

"All my clients are asking for islands," Mr. Fischbach said, tossing the live grenade back to me.

"We'll have plenty of storage without an island," I said, putting my finger on the spot where a wall of cabinets would go.

"What about undercounter wine storage?" my husband asked. "A separate freezer drawer? A trash compactor?"

"A trash compactor?" I replied. "Where do you come up with these things?"

Kitchens have gotten too complicated—and the island isn't helping. In simpler, less cluttered times, kitchens had a cutting board, a knife, some onions—and a table where you could sit and chop them before tossing them into a pan with a little butter. This gave Americans everything we needed to fill the house with a lovely smell to reassure everyone that dinner was pending.

The kitchen has evolved from a humble household room to become the main public space in the house. I love that about the kitchen. But I don't see how having a monstrous, multipurpose, built-in storage bin makes it a better family, entertainment or work area. The kids are better off doing homework at a table than banging



KATIE CAREY

their knees against an island.

Drop-in guests can be more easily put to work at an elevation where their feet don't dangle and lose circulation. And cooks of an average height (like, say, me), get more leverage rolling out dough on a 30-inch-high table than on a 36-inch-high island.

Sadly, I know I am in the minority (for now) on this design issue. Among renovating homeowners, a built-in island is the most sought-after kitchen feature after pantry cabinets, according to a 2017 Houzz kitchen-trends survey of 2,707 people. Demand is so high that celebrity chefs are jumping into the game. Rachael Ray, Paula Deen and Trisha Yearwood all have furniture collections that include free-standing islands which, like higher-end versions of the IKEA cart, are designed to add instant storage. "Rachael Ray's island has functional features such as a well on the work surface, so you can scrape bits and pieces into it," said Patricia Bowling, a spokeswoman for the American Home Furnishings Association in High Point, N.C.

The island trend, which started

gathering momentum in the 1980s, is the latest in a long list of design fads to hit the kitchen during its transition from scullery to showroom. The idea of the kitchen as a designed space dates to the introduction in 1898 of the Hoosier cabinet, which with its clever cubbies and work top was marketed as the

I wanted a human-scale table, the kind that my grandmother sat at when she chopped onions.

first all-in-one cook's prep space. Between then and now, checkered linoleum floors, chrome dinette sets, and massive hanging pot racks all had their moment.

Decades of affluence and an increase in the average American home's size (which grew to 2,466 square feet in 2017) have created a fertile environment for the kitchen island. "It grew along with the me-

gamansion movement," said Dallas architect Bob Borson. As walls started to disappear and "open" kitchens began to bleed into living rooms, Mr. Borson's clients started asking for islands to delineate spaces. "I am trying to remember the last time I did a kitchen that didn't have an island—and I can't think of one," he said.

Islands are so ubiquitous that they are rewriting the rules of kitchen design. "We used to design around the three points on a work triangle—the refrigerator, stove and sink," said Elle H-Millard, a Pennsylvania-based kitchen designer and a trends specialist for the National Kitchen and Bath Association. But these days she's designing more kitchens in which all the appliances are built into an island: "With an undercounter refrigerator, a cooktop, and a sink, you can place the three points in a linear path instead of a triangle. An island lets you work in a very small footprint."

Not everybody considers a dining table a dinosaur, however. In a big kitchen, homeowners want both an island and a dining table

these days, architects and designers say. "There's a casual aspect to the island, but there's a more relaxed and intimate air to meals shared at the table," said Steven Gdula, author of "The Warmest Room in the House: How the Kitchen Became the Heart of the Twentieth-Century American Home" (Bloomsbury).

In the end, our architect brokered a settlement in the Kitchen War: My husband got a dedicated nook for his cappuccino maker and coffee-bean grinder. And I got my table—sans island. With a reclaimed elm tabletop, its distressed look is impervious to stains, spills and the occasional scorch mark. And the table's metal frame has wheels, tempting us to wheel it outdoors, where we eat on the patio in nice weather. We can seat eight comfortably in caned wooden chairs—and 12 when we bring up from the basement a folding extension my husband built. If we need it, we drag in the piano bench for two people to share.

► Ms. Slatalla is an editor for Remodelista, which, like The Wall Street Journal, is owned by News Corp.

THE MEDIATOR

Can East and West Coexist?

The Challenge An antique Chinese chair must settle in with a brand new Scandinavian bookshelf. Three designers broker a stylistic peace

► HAY Ypperlig Shelf Unit by IKEA, \$110, ikea.com

▼ Chinese Bamboo Chinoiserie Armchair from Erin Lane Estate, \$750, 1stdibs.com



Solution 1

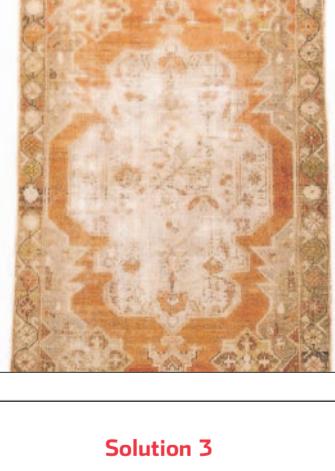


Hang a simple, Asian-inflated light. This lantern's Asian feel, said Mia Jung, director of interiors for bicoastal firm Ike Kligerman Barkley, links it to the Qing-dynasty bamboo seat, while its simplicity speaks to the bookshelves' minimalism. The solid banana-fiber shade, laid over copper wire, contrasts nicely with the airy bookshelf and the chair back's open fretwork. Pinch Soren Lamp, \$2,150, thefutureperfect.com

Solution 2



Couple the pair's colors in a rug. The rust shades in this Oushak carpet agree with the armchair's similarly hued frame, said Newton, Mass., designer Erin Gates, while the rug's worn areas sync with the grays and creams of the IKEA piece. The vintage carpet provides visual warmth as well and, if laid under the seat and shelf, would physically unite the two pieces. \$1,410 for 4'5" by 7'7", oldnewhouse.com



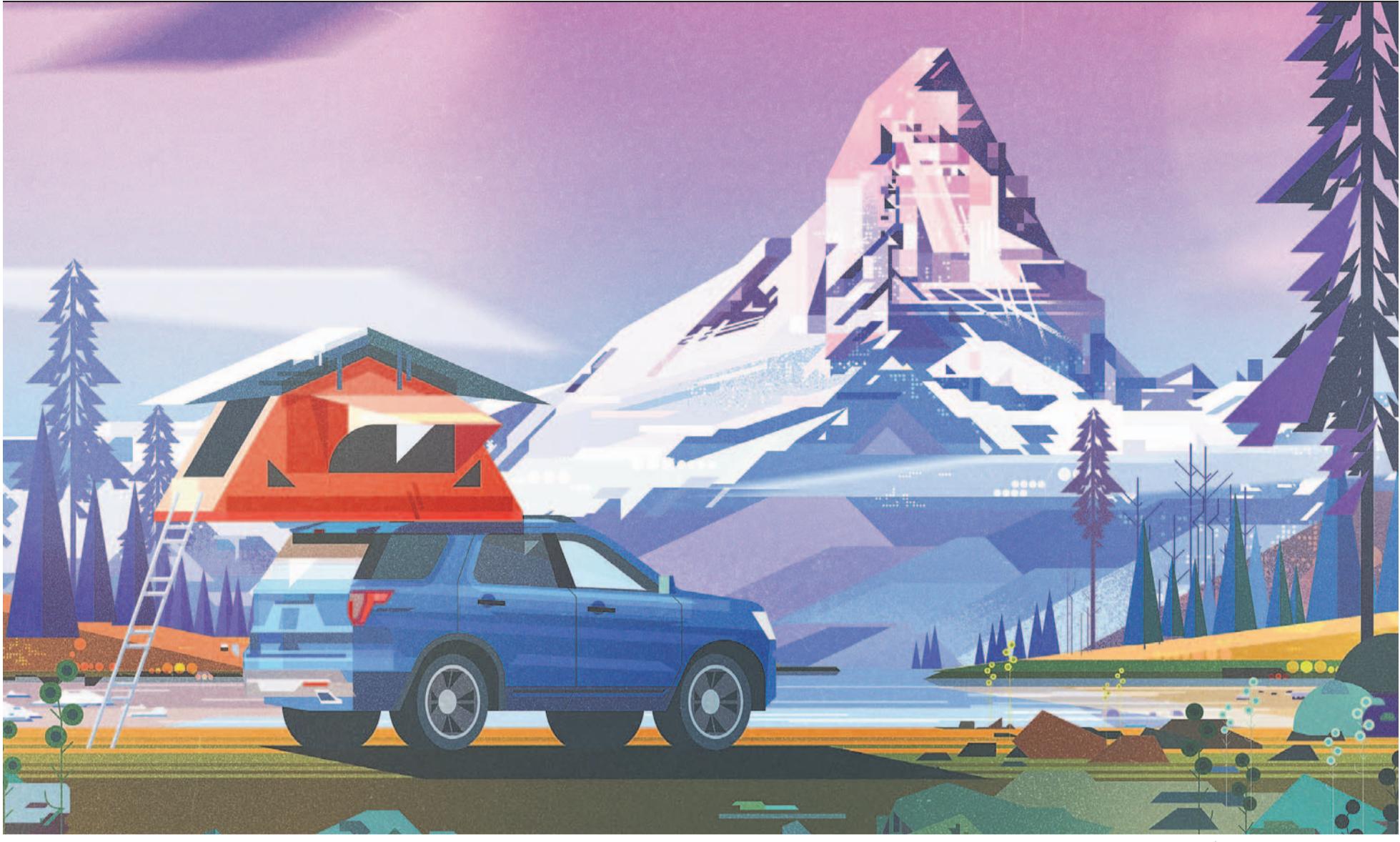
Solution 3



Plop down a classic but modern planter. Fauzia Khanani of New York's Studio For selected a hand-painted porcelain "fishbowl" to be used as a planter. Its traditional Chinese shape and geometric pattern jibe with the antique armchair; its high-contrast color scheme reads contemporary, like the shelving. Hand-Painted Porcelain Fishbowl, \$439, houzz.com

—Kelly Michèle Guerrotto

GEAR & GADGETS



JAMES GILLEARD

Elevated Adventures

Roadtrippers are camping out on car rooftops to avoid critters, range more widely and slightly heighten the breathtaking views

BY BRIGID MANDER

THE GREAT AMERICAN road trip still embodies that freedom so deeply rooted in our culture: uninhibited, spontaneous, independent—until you have to sleep, that is. Various options exist for roadside snoozing, from cookie-cutter motels to lumbering RVs. Lately, however, more travelers are embracing an old-school solution with a twist: perching tents atop of vehicles instead of pitching them deep in the woods.

Spending the night on the roof of the car isn't quite as precarious as it sounds. Years of engineering have refined these tents, originally made for overlanding expeditions in South Africa and Australia. The mini pop-up sleeping quarters are specifically designed to sit steadily on platforms anchored to the vehicle's roof rack. Stowed, the tents collapse into slim cases about 8 inches high, like a cargo box. But when intrepid roadtrippers call it a day, they simply park, unlatch the tent, prop it up and climb in for the night, much easier than preparing a campsite.

Over the last five years, a number of factors have led to rooftop tents' rise in popularity in the U.S. These include the tiny-house craze, the #vanlife movement (social media users who document their ad-

ventures in vans retrofitted as living spaces), and a renewed interest in small travel-trailers among free spirits who seek unconventional vacations.

Roof tents come in two categories. Soft shells are akin to your basic forest-floor tent but are typically crafted with tougher fabrics, like ripstop canvas. Hard-shell dwellings, on the other hand, cost more but feature sturdier, aerodynamic casings you can open more easily and quickly with help from hydraulic struts.

Most rooftop tents come with folding access ladders and foam mattresses, which crucially elevate the comfort level compared to the bumpy slumber of sleeping on the

ground. They don't offer much more than sleeping space, but they free up the area near the vehicle for setting up chairs, building a campfire and the occasional Three Dog Night singalong.

Though roof tents are still a fledgling market compared to RVs or traditional tents, U.S. sales increased fivefold in 2017, according to NPD Group, a market research firm that recently began tracking the category. Antonio Martins, export sales manager of Portugal-based James Baroud, said popularity of its tents is booming in the states and in Europe, where German motorists have become the brand's largest customer base. In 2017, roof-rack giant Yakima ea-

gerly joined the game, releasing a model of its own after assessing the potential market.

These rooftop tents offer a degree of convenience for millennials who are looking to execute easy weekend getaways without investing in gas guzzlers or buying trailers that require storage and maintenance, said Andrew Pasquella, a representative for Front Runner Outfitters. Most weekend explorers can install these tents on their current cars.

Beyond their ease of use, rooftop tents have another key advantage: They let you access territory nowhere near the beaten path. On a whim you can pack the car, grab a map and head out without being

confined to paved roads as you are in an RV. These tents go wherever nimble cars can: bumping up dirt roads in U.S. National Forests or exploring hard-to-access mountain passes, lakes and trailheads. The roof-level offers just enough elevation from dirt and critters to calm most nervous campers in need of a restful night.

Snug and protected in your perch on the roof, you can enjoy nature from a new vantage point. The scenery is surprisingly different just 6 feet extra off the ground. And when the adventure is over, the tent can simply be unmoored from the vehicle's roof rack and propped against a garage wall until the next time nature calls.

GIMME SHELTER // FOUR ROOFTOP TENTS THAT RISE TO THE OCCASION

Tepui White Lightning

Tepui developed their newly released hardshell roof tent specifically for action-sports enthusiasts looking to create a homebase for their adventures. The two-person White Lightning tent can support a roof rack to securely fasten gear like bikes, kayaks or surfboards on top of the shell. \$3,800, tepui.com

Yakima Skyrise

Designed for weekend road trippers and vacationers with small cars, the nylon Skyrise most closely resembles a traditional ground tent. Once you reach your destination, it flips open and sets up in minutes, and the Yakima rack system makes for quick installation and removal from roofs in the off-season. From \$1,099, yakima.com

Front Runner Feather-Lite

Made from heavy-duty ripstop canvas, the Feather-Lite is crafted to hold up in hostile conditions. Campers can add a drop-down annex that forms a second room on the ground. The main tent opens easily in one motion and is about 8 inches high when closed. From \$1,307, frontrunneroutfitters.com

James Baroud Evasion

Designed for hard-core overlanders (who want relative luxury), the Portuguese-made Evasion won't seem like overkill for casual campers. Using hydraulic struts, its fiberglass shell opens in 30 seconds. A 360-degree window offers panoramic views; the XXL size sleeps three. From \$3,800, jamesbaroud.com



POP-UP SLEEPER Front Runner's Feather-Lite.

CARDBOARD, YES. BORING, NO

Nintendo LABO rethinks how people interact with videogames, and what happens with toys when the fun is over

INVESTIGATE THE ATTIC of most videogame enthusiasts and you'll find a battalion of plastic guitars, guns, steering wheels and racks—peripherals once designed to close the distance between an activity and its digital representation—now collecting dust.

But with LABO, Nintendo has reimagined the videogame accessory for a craft-minded, environmentally conscious generation. Designed to house the Switch, the Japanese brand's hit game system, each kit of perforated cardboard sheets—recycled in part—can be constructed much like IKEA furniture, and decorated with pens and stickers before, once its life ends, it's recycled again.

With each kit, follow instructions displayed on the Switch to perform the sequence of pops, folds and slotting necessary to build a remote-control car, fishing rod, set of handlebars, a doll's house or a mini-piano. Once the structure is complete, you typically insert the Switch (which looks a little like an iPad) and its controllers, and your

creation blinks to life, presenting a suite of minigames to play.

Construct the fishing rod, for example, and you'll be able to unspool a bright orange line into a digital sea, jostling the bait as you waggle your creation to reel in a fish (caught specimens are kept in a virtual tank). Simple tunes can be played on the piano, whose cardboard keys press with a pleasing clunk, while a multitrack recorder allows you to build up a song.

It's clear from the design, which makes use of arcane functions hidden in the Switch (e.g., an infrared camera built into the right controller), that LABO has always been part of the master plan at Nintendo.

The late Gunpei Yokoi, inventor of the Game Boy, once explained his design philosophy as "lateral thinking with withered technology"—the repurposing of anachronistic materials in unusual, delightful ways. It's a legacy upheld by LABO, a series of craft projects that reward creativity in kind.

From \$70, labo.nintendo.com

—Simon Parkin



GEAR & GADGETS

FOUND IN TRANSLATION

Kia hired some of the best European automakers to help craft the new Stinger GT2.



RUMBLE SEAT: DAN NEIL



2018 Kia Stinger GT2: A Bid for Respect

THE 2018 KIA STINGER was in development almost seven years. In that time thousands of product designers, engineers and suppliers must have sat in mock-ups, prototypes and pre-builds of the rakish fastback sedan, the South Korean company's new halo car and performance flagship. But nobody saw it.

At some point Kia board members must have trooped down to the design center in Namyang for a formal signoff. Still not a word.

Now a Stinger—a GT2 version *deluxe* (\$50,100, as tested), with a throat-singing V6, rear-wheel drive, adaptive suspension, brakes for days—is sitting in front of my house, giving local dads the vapors. The want is strong. The first time Kia tried to bootstrap itself into the premium/entry luxury space was in 2012, with the K900 sedan. But it presented as overstuffed and cut-rate, a large sedan with unsexy, front-drive proportions.

It's a mistake the Stinger doesn't make. It is *extra* rear-drive looking, with the front wheels thrust into the nose of the car (a long axle-to-dash) and rears slung under a fastback hatch. This car practically gyrates its hips at you.

And still, when I sit in the driver's seat, my eye is irresistibly drawn to this one, centrally located blemish, as if it were a blackhead on a co-worker's nose.

It's the steering wheel hub cover. Not even the rim, which is flat-bottomed and wrapped in stitched and perforated leather; but the hard, plasticy hub cover, under which resides the driver air bag. Against the backdrop of Nappa leather seats, lustrous aluminum trim and soft-touch materials, the wheel hub feels like an overturned Tupperware bowl. Mr.

Kia, your slip is showing.

Does it matter? Strictly speaking, no. It's not like anyone is going to walk away from the 167-mpg Stinger GT peed about the hub cover. And there is always tape. But insofar as the Stinger was built to make you forget previous Kias, and largely does, the steering wheel only reminds you.

Some housekeeping: The Stinger is officially a midsize hatchback sedan, with four doors and a rear liftgate. But this is a fairly big car: 190.2 inches long over a 114.4-inch wheelbase, 60% of overall length. It's also low (55.1 inches at the roof). These louche proportions disguise an unexpected usefulness: 23.3 cubic feet of cargo room and a spacious rear cabin.

The brand has become typecast as down-market and generic. Kia needed some heat in the britches. Enter the Stinger.

Our GT2 test car squatted on 19-inch alloys wrapped in 40-series summer Michelin. Bang.

The bones are in the right place: a longitudinally mounted front engine, rear-wheel drive, near 50/50 weight distribution, front strut and rear multilink suspension. Under that wealth of hood is either a turbocharged 2.0-liter 255 hp four or 3.3-liter 365-hp V6; an eight-speed transmission with paddle shifters; and rear-wheel drive. Torque vectoring all-wheel drive is a \$2,200 option with either engine. There are five trim levels, priced from

\$31,900 (2.0L) to \$51,400 (GT2 with all-wheel drive), plus \$900 destination.

So are we to expect Kia to take on the Germans at their own game? Yeah, no. South Korea's second-largest carmaker, behind corporate partner Hyundai, is a master of mass-market, value-priced automobiles. The company's offerings dominated J.D. Power's 2017 U.S. Initial Quality Study, for example.

But in all that success the Kia brand has become a bit shopworn, typecast as down-market and generic. Kia needed some heat in the britches. Enter the Stinger.

The Stinger is certainly the best German car ever to come out of South Korea. The pedigree starts with Kia chief design officer Peter Schreyer, formerly of Audi. Kia European design chief Gregory Guillaume, based in Frankfurt, penned the exterior. The chassis tuning and dynamics fell to Albert Biermann, the former director of BMW's M performance division, who was poached/joined the company in late 2014.

Here and there, the Teutonic influence reaches comic proportions. The rear hatch and taillamp assemblies are frankly derivative of the Audi Sportback. The flash of brightwork at the doors' leading edges is very like a BMW. The Kia's cabin design is a pastiche of the Mercedes-Benz, with three eyeball air outlets, tablet-style center screen, and banded aluminum switches. Talk about great minds thinking alike.

It drives pretty Germanically too. Herr Biermann's elastomeric choices have yielded a firmly sprung sport sedan, but it's no track-day monster. There is a thoughtful amount of ride comfort

dialled in to the chassis. The GT2 feels a tiny bit soft at the edges, to me. Nor is it exactly light—3,829 pounds in test trim. It exhibits more transient body roll than I prefer in my look-at-me man toys.

The electric power steering is very quick—2.2 turns, lock to lock, just the way I like it—but doesn't have a lot of road feel in it. The big Brembo brakes are strong and sure if a bit touchy at first.

The Stinger will stand up. Zero to 60 mph sprints pass in less than 5 seconds—Kia says 4.7 seconds but Car and Driver wrung a 4.4 out of it—and if you keep standing on the gas, a quick succession of

gear changes and revving arpeggios take you to the quarter-mile stripe in about 13 seconds. The powertrain engineers also did right by the engine sound: The 3.3-liter turbo engine puts out a nice low burble, surprisingly resonant for a turbo engine, that rises to a heated warble at 6,000 rpm.

Kia's sport-sedan bananas are still a little green: Around-town and at part-throttle, the eight-speed transmission has moments of dithering delay (the mapping is much better in Sport mode). The car could use some stiffer springs.

But, man oh man, the price is hard to beat. Where's that tape?



2018 Kia Stinger GT2

Price as Tested \$50,100

Powertrain Turbocharged, direct-injected 3.3-liter DOHC V6; eight-speed automatic transmission with manual-shift mode; rear-wheel drive with limited-slip differential

Power/Torque 365 hp at 6,000 rpm/376 lb-ft at 1,500-4,500 rpm

Curb Weight 3,829 pounds

Length/Width/Height/Wheelbase

190.2/73.6/55.1/114.4

O-60 mph 4.7 seconds

Top Speed 167 mph (electronically limited)

EPA Fuel Economy 19/25/21 mpg, city/highway/combined

Cargo Capacity 23.3/40.9 cubic feet, rear seatback up/folded

TECH NOSTALGIA

KEYS TO THE PAST

The new Quirkywriter S keyboard reproduces the clatter of a classic typewriter—making you feel like a high-tech Hemingway



THEN



NOW

With its knobs and return lever, the Quirkywriter S echoes this 1920s Remington Portable 2.

TYPEWRITERS HAVE maintained a devoted following despite their obsolescence, and you need only use one once to understand why. It's not just the appeal of machinery in our digital times but a suspicion that only the old-fashioned, the by-gone, the traditional can coax genius from the back corners of our brains. It's the same reason people still drive stick.

"Americans were pioneers in the typewriter's development," said Helmut Schulze, owner of Rees Electronics, one of the last stores in Los Angeles that still sells and repairs vintage machines. "Today, and in the past two years especially, you see many people with an interest in typewriters. My youngest customer is five years old."

Still, conveniences like internet access and the ability to edit on-the-fly are tough to leave behind. An appealing synthesis of old and new: the polished

Qwerkywriter S, a modern keyboard designed to look, sound, and feel like a classic typewriter.

As far as gimmicks go, it's a charming one. The Quirkywriter's loud clacking, created by mechanical switches under its chrome-rimmed keys, adds a sense of consequence to typing that's missing when I use stealthily silent computer keyboards. The words matter more. I think of Sean Connery in "Finding Forrester" encouraging a young timid writer: "Punch the keys, for God's sake!" The sturdy Qwerkywriter can certainly take it, and its hefty, aluminum chassis keeps it from sliding around. You'd think you were using a typewriter if not for computer-specific keys and the fact that it's connected, either by Bluetooth or USB, to a brightly glowing screen.

Classic typewriter accoutrements are cleverly repurposed for computer use: The scroll

knobs, which on a typewriter adjust the paper's position, control volume (right) and double as a mouse scroll (left). The return lever operates as an alternative "enter" key. A slot where paper might traditionally go works as a tablet stand.

You can see hints of creator Brian Min's old Olympia typewriter in the design. Mr. Min said he wanted it to be something "you fall in love with, rather than something that just serves a function." If the notion of making your screen time feel a bit anachronistic—a bit "All the President's Men"—appeals, this will scratch that itch. If you find that notion "silly," as Mr. Schulze does, the Quirkywriter will never win you over.

After clacking several thousand words out, I'm content with what it brings to my workspace, though it hasn't unlocked any secret genius. Yet. \$299, qwerkywriter.com —JF Sargent