

REVIEW

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What's News

World-Wide

Texas braced for Hurricane Harvey as it barreled into the state with winds of more than 100 miles an hour. **A3**
Seaports along the state's coast shut down as they prepared for the storm. **A3**

◆ **Trump** pardoned former Arizona sheriff Arpaio, who had been convicted of disobeying a court order to halt immigration raids. **A1**

◆ **Military officials** warned about overworked sailors and shortened training schedules in the years before the recent Navy ship collisions. **A4**

◆ **Mueller** is examining what role Flynn may have played in an effort to obtain Clinton's emails from Russian hackers. **A5**

◆ **Thailand's Prime Minister** ordered security forces to search for his predecessor, after she failed to appear in court. **A8**

◆ **An American pastor** detained in Turkey for nearly a year on terrorism-related charges, now faces espionage charges. **A6**

◆ **Belgian officials** are treating a knife attack on soldiers in Brussels as terror. **A6**

Business & Finance

◆ **Yellen and Draghi** delivered warnings against steps they fear could unravel a fragile global economic expansion by undoing postcrisis banking rules or pursuing protectionist trade measures. **A1**

◆ **Samsung's Lee** was found guilty of bribing South Korea's former president and sentenced to five years in prison. **A1**

◆ **Companies are** ordering more computers and electrical appliances, a sign businesses are growing more confident in the economic outlook. **A2**

◆ **Broad advances** across sectors helped offset a slide in retail stocks, lifting the S&P 500 to its first weekly gain in three weeks. **B10**

◆ **Bond investors** expressed relief after new U.S. sanctions against Venezuela didn't ban trading of the country's existing bonds. **B1**

◆ **Google** is issuing refunds to advertisers for ads bought through its platform that ran on sites with fake traffic. **B1**

◆ **Ford's financing** unit is changing its approval process to look beyond credit scores to pump up sales. **B1**

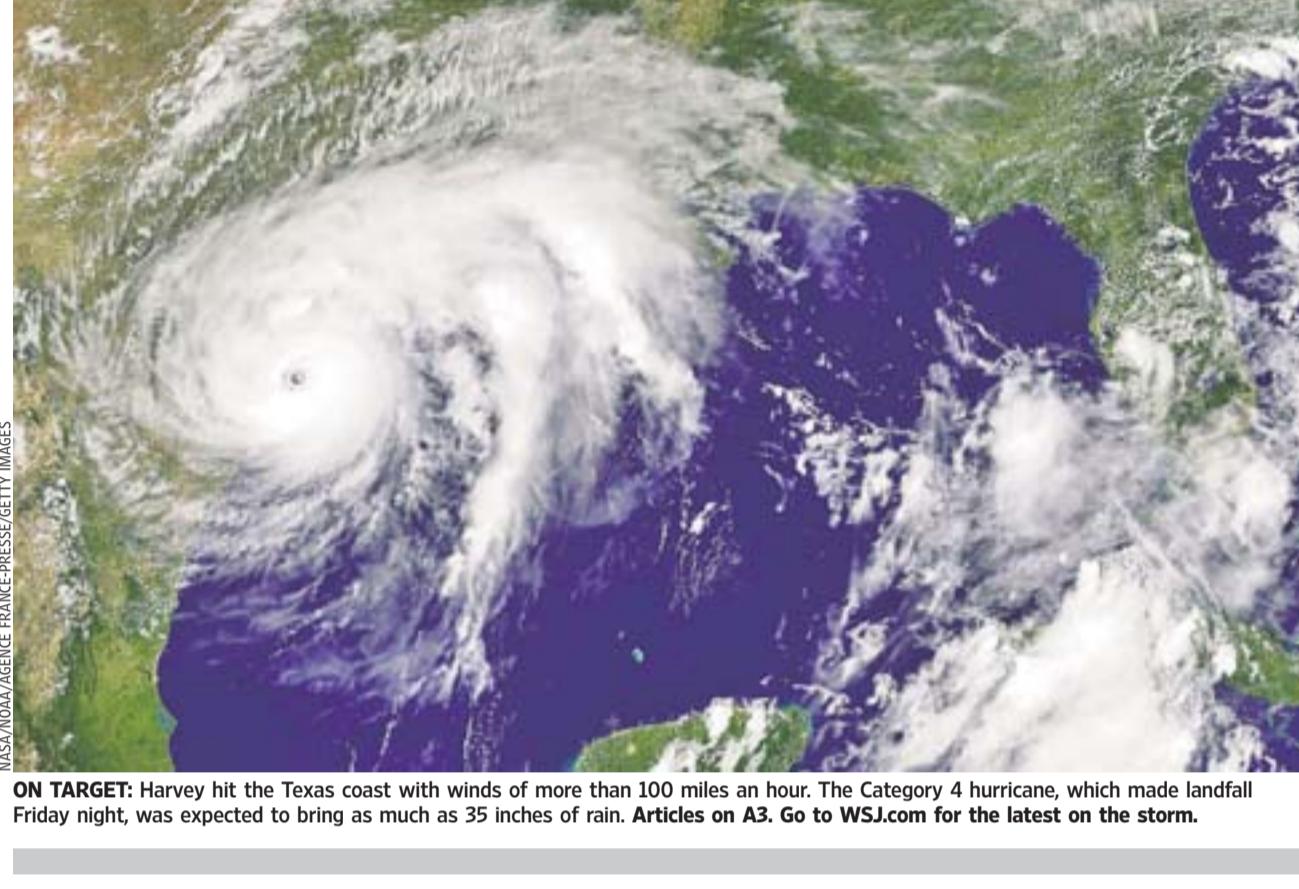
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Texas Battens Down as Harvey Barrels In



ON TARGET: Harvey hit the Texas coast with winds of more than 100 miles an hour. The Category 4 hurricane, which made landfall Friday night, was expected to bring as much as 35 inches of rain. **Articles on A3. Go to WSJ.com for the latest on the storm.**

Trump Pardons Ex-Sheriff

Former Arizona official was tough on illegal immigrants; critics call the reprieve 'disgraceful'

President Donald Trump granted a pardon on Friday to Joe Arpaio, a former Arizona sheriff who built a national reputation as an immigration hard-liner before he was convicted last month of disobeying a court order to halt the immigration raids that made him famous.

Mr. Trump hinted on Tuesday night at a rally in Phoenix

that a pardon would be forthcoming. The pardon marks the GOP president's first clemency grant since he took office in January.

Mr. Arpaio rose to fame on

By Laura Meckler,
Ted Mann
and Alicia A. Caldwell

his rigid approach to criminal justice, including holding county inmates outdoors in the sweltering Arizona heat, and making them wear pink underwear. He also spent years promoting the false claim that for-

mer President Barack Obama wasn't born in the U.S.

But Mr. Arpaio, who served in Maricopa County, is best known for his aggressive efforts to combat illegal immigration, which drew high praise from some and intense criticism from others. He was convicted of violating a 2011 federal court order to stop immigration raids.

Mr. Trump said in a statement that Mr. Arpaio "is worthy of a presidential pardon" and cited his background as a former Drug Enforcement Administration agent.

"Throughout his time as sheriff, Arpaio continued his

life's work of protecting the public from the scourges of crime and illegal immigration," Mr. Trump said. "Sheriff Joe Arpaio is now 85 years old, and after more than 50 years of admirable service to our nation, he is worthy of a

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Flynn in Focus
Special counsel Robert Mueller is examining whether Trump's former national security adviser Michael Flynn played a role in an effort to get Clinton emails..... A5

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Samsung Faces Void As Leader Lands in Jail

By TIMOTHY W. MARTIN
AND EUN-YOUNG JEONG

SEOUL—Samsung, one of the world's biggest business empires, faces a deepening leadership crisis after its heir and de facto head Lee Jae-yong was found guilty of bribing South Korea's former president and sentenced to five years in prison.

While less than the 12 years sought by prosecutors, the jail term for the 49-year-old grandson of Samsung's founder, and the vice chairman of Samsung Electronics Co., risks holding back a conglomerate that relies heavily on its top leadership for direction.

Samsung Electronics is still deliberating who, if anyone, will take Mr. Lee's place, according to people familiar with the matter. As recently as this week, the full board of Samsung Electronics hadn't been briefed on scenarios in which Mr. Lee would remain behind bars for an extended amount of time, according to a person familiar with the board's thinking.

Since Mr. Lee's February detention, Samsung hasn't pursued a major deal, according to people familiar with the company's thinking. That followed a string of acquisitions in 2016 that included the \$8 billion purchase of auto-parts maker Harman International Industries Inc.

The Lee family has shaped the company's vision and made major strategic decisions, such as moves into chips and phones that initially were loss-making

CORNERED IN RAQQA: THE LAST DAYS OF ISIS

Militants loosen enforcement of religious edicts and scrounge for cash

BY RAJA ABDULRAHIM

RAQQA, Syria—Before launching the battle to capture Islamic State's de facto capital, the U.S.-led military coalition dropped leaflets calling on extremists to surrender. On the ground, militants were going door to door, demanding that residents pay their utility bills.

Islamic State, long bent on expanding its religious empire with shocking brutality in the form of public executions, crucifixions and whippings, is desperately focused on its own survival.

Raqqa has been a crucial part of the terror group's self-declared caliphate. Until a few months ago, public squares were lined with decomposing bodies of those who had

run afoul of Islamic State's religious rules or bureaucracy.

Instead of ruthlessly enforcing no-smoking decrees and dress codes, though, militants now are doing whatever they can to hold on to areas still controlled by the group—and revenue needed to help keep Islamic State afloat financially.

They are so preoccupied that some women in Raqqa dare to uncover their faces in public. A few men defiantly smoke in the streets and shave their beards, current and former residents say.

When the call to prayer sounds from mosques, some residents no longer bother to

Please see RAQQA page A10

◆ Spanish investigators probe siblings' ties..... A7

New Departure At White House



SHIFTING STAFF: Sebastian Gorka, a Trump national security adviser, left his post. **A4**

Hot Wings

Chicken-wing wholesale prices



Week ending Aug. 21, 2017

Source: Urner Barry

CHICKEN RUN: Restaurant promotions may be working too well, squeezing supply and sending wing prices soaring. **B3**

Nice New Kitchen! What About the Fridge Magnets?

* * *

Stainless steel looks sleek but can't hold up children's art, lists

BY NATALIE ANDREWS

Holly Bonner spent \$30,000 upgrading her kitchen to incorporate today's sleek modern design. Now, she's slowly ruining it. The reason: Her \$2,700 stainless-steel refrigerator isn't magnetic.

To show off her children's artwork, she's been taping it to her wooden cabinets, which is destroying the finish, she said. To hang an American flag for July 4, the mother of two from Staten Island, N.Y., rigged the fridge with a stick-on plastic hook, but can't figure out how to remove it. Her radiator and oven hood have ugly marks and mangled paint from nickel.

nets she fixed to them.

The one thing Ms. Bonner said she won't do is surrender the personal touches. "It makes me feel like my kitchen is more homey."

Refrigerator magnets—the ubiquitous keepers of appointment reminders, to-do lists and school certificates of accomplishment—are being rendered useless by the ruthless tyranny of stainless-steel products, whose magnetism is compromised by high levels of nickel.

Fridge magnets

An empty, clutter-free fridge may be hailed as a cleaner design aesthetic. New lines of smart refrigerators can order groceries via Amazon's Alexa and keep track of food-expiration dates. As for kitschy magnets from the Grand Canyon—not so much.

Isaac Baker, 37, of Washington, D.C., had taped a friend's wedding invitation to his stainless-steel fridge. "It did not come off easily," he said. "I had to do some extra peeling."

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U.S. NEWS

Durables Orders Signal Investment

By SARAH CHANEY

U.S. business investment is catching a second wind after years of wobbly performance.

Companies are ramping up orders for computers, machinery and electrical appliances, a sign businesses are growing more confident in the economic outlook eight years into an economic expansion.

Durable-goods orders fell 6.8% in July, but the decline was driven by aircraft orders, which had surged the month before. Stripped of the volatile transportation category, orders were up 0.5% from a month earlier and up 5.6% from a year earlier.

5.2%

Pace at which U.S. business investment rose in second quarter

Orders for core capital goods, which exclude aircraft and defense and which many economists use as a proxy for broader business investment, rose 0.4% in July. They bottomed in June 2016 and have risen six times in seven months. That pickup in business investment marks the best run since 2010, when the U.S. was coming out of the recession.

Business investment is now rising at a faster rate than overall economic growth for the first time since late 2014, evidence of momentum in an expansion that has been restrained by slow productivity growth that is sometimes the result of underinvestment. U.S. business investment rose at a 5.2% pace during the second quarter, following a 7.2% increase in the first quarter.

"Business equipment investment is on track to post another big gain in the third quarter," said Michael Pearce, U.S. economist at Capital Economics, in a note to clients.

The rise in spending comes after particularly weak investment from 2014 to 2016, resulting from a confluence of factors, including weak global demand and falling energy prices.

Now, with the unemployment rate hovering near a 16-year low, businesses may be likely to shift from spending on labor—which was relatively inexpensive for many years during the expansion—to capital.

Outside of a rebound in the oil and gas sector, solid fundamentals—including strong manufacturing activity—are further propelling companies to pour money into technology, research and development and new buildings.

Target Corp. executives noted in a second-quarter earnings call this month that the company had increased spending in a rollout of hundreds of remodeled stores.

Manufacturing data have signaled a positive growth trajectory for the overall economy. U.S. factory activity expanded for the 11th consecutive month in July, according to the Institute for Supply Management.

The Business Roundtable's gauge of chief-executive plans for capital spending and hiring and projections for sales over the next six months reached its highest level in three years in the second quarter.

Renewed Strength

Manufacturers' new orders for durable goods, change from a year earlier

■ Nondefense capital goods excluding aircraft

■ All durable goods

40%



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THE NUMBERS | By Jo Craven McGinty

Pay Down the Mortgage, Forgo Gains?



Here's a personality test masquerading as a financial question:

Suppose you are a homeowner who has a substantial amount of money sitting in a traditional savings account. Should you use it to pay down your mortgage?

"The surprise here is that when deciding whether or not to use long-term savings to pay down your mortgage, you can simply compare the interest rates to one another," said Andrew F. Siegel, a statistics and finance professor at the University of Washington Foster School of Business, in Seattle.

"If your mortgage rate is bigger than your savings rate, then you should reasonably consider paying down the mortgage."

That sounds sensible, especially with savings accounts currently earning about 1% in interest on average and mortgages costing around 4%.

But in real life, there's more to the question.

It may make more sense to pay down credit-card debt or an automobile loan that carries a higher interest rate than a mortgage. Or it could be more advantageous, though riskier, to seek greater financial reward in the stock market.

"There's really no cookie-cutter answer," said Erin Lantz, vice president of mortgages at Zillow, an online real-estate marketplace.



LUKE SHARRETT FOR THE WALL STREET JOURNAL

Homeowners often agonize about whether to pay down a mortgage early. Shown, Spring Hill, Tenn.

"On one hand, it can be attractive to pay off debt. Another way to think about it is to compare what you pay on your mortgage with other investment opportunities."

Mrs. Lantz suggested asking yourself the following questions.

How much cash do you want to have on hand in case of an emergency? Are you paying a higher interest rate on other debt than you are paying on your mortgage? And what is your appetite for risk?

"The question is closely related to the concept of portfolio choice," said Pedram Nezafat, a professor of finance at Michigan State University.

The historical annual average return for the equity market, Dr. Nezafat said, has been about 9.5%, while the return for the bond market has been about 3.5%. These two asset classes have different risk profiles, and depending on risk tolerance and the investment horizon, investors will allocate different amounts to each class.

Likewise, a portfolio that contains both cash and a home is more diversified than one with only a home.

"It is true that the expected rate of return in the bond market is smaller than the one in the equity market, but you hold bonds because they are not as risky as equities," Dr. Nezafat said. "You may want to hold on to your

cash and not increase your ownership in the house because cash is more liquid."

Homeowners also may weigh whether the benefit of deducting mortgage interest from federal income tax outweighs the benefit of paying down or paying off the debt with savings.

"The question is does the tax deduction fully make up for the loss," Dr. Siegel said, referring to the difference between the interest paid on the mortgage and the interest earned on the savings.

"The answer is no."

If a homeowner has a marginal tax rate of 35%, the tax deduction essentially lowers a 4% mortgage interest rate to 2.6%—still higher than the average rate of re-

turn on a standard savings account, which will also be taxed.

Because financial decisions involve many moving parts, Dr. Siegel said it can be helpful to separate out the effects of each one.

In this case, to isolate the issue of the cost of mortgage interest versus the rate of return on savings, he uses this scenario:

The savings account and mortgage start with the same amount of money—say \$200,000 each. Each has a fixed rate of interest, and the tax rate is constant. As the savings are used to pay down the mortgage, the two figures will be depleted at the same rate, and if the interest rates are the same, the taxes will be a wash.

If they aren't the same, as is typically the case, using savings to pay down the mortgage may still be beneficial. "In effect, you can think about any mortgage prepayment as being invested in an ordinary savings account earning your mortgage rate over the remaining life of your mortgage loan," Dr. Siegel said—assuming a real-estate bubble doesn't lead to a market crash, as it did in 2008.

The decision to pay down a mortgage, sit on savings or spend the money may hinge on personality. "If having a peace of mind is important to you, then you may want to pay off your mortgage early," Dr. Nezafat said. But you may be giving up on better opportunities.

BANKS

Continued from Page One
or economic growth."

Congressional Republicans and the Trump administration have said banking and consumer-protection rules have made it harder for families and business to borrow money, hurting growth.

Ms. Yellen was careful to note areas where the Fed should seek to improve and possibly roll back regulation, particularly on smaller banks that weren't seen as major contributors to the 2008 global financial crisis. The new rules' scope and complexity "demand that policy makers and researchers remain alert to both areas for improvement and unexpected side effects," she said.

Still, Ms. Yellen said even those areas where credit had become harder to access—particularly in the mortgage market, the epicenter of the financial crisis—weren't primarily due to new bank-capital or liquidity standards. Instead, they reflected other forces that had prompted a rethink of the risks associated with such lending.

Financial stability has emerged as a growing issue for the Fed to watch in part because the unemployment rate has fallen to 4.3%, a 16-year low. Yet weak inflation pressures have suggested there may be less urgency to raise short-term rates.

Ms. Yellen's term as Fed chairwoman expires next February, and Mr. Trump has said he is considering asking her to serve a second term because she has done a good job. Mr. Trump has signaled he prefers a low-interest rate policy, which he has said he believes Ms. Yellen supports, but Friday's address showed he may be less in sync with her views on regulatory policy.

A White House spokeswoman didn't respond Friday evening to a request for comment about the two speeches.

Mr. Trump has nominated Randal Quarles, an investment-fund manager and ex-Treasury official, as the Fed's vice chairman of supervision, a powerful post that was created in 2010 but never formally filled by President Barack Obama.

Mr. Quarles, who told lawmakers last month that post-crisis financial rules require "some refinements," is awaiting confirmation by the Senate.

Mr. Draghi, meanwhile, criticized a tilt toward protectionism that he said could jeopardize the recent upturn in synchronized global growth.



From left, Governor of the Bank of Japan Haruhiko Kuroda, Federal Reserve Chairwoman Janet Yellen and European Central Bank President Mario Draghi at the Fed's annual retreat in Jackson Hole, Wyo., on Friday.

"To foster a dynamic global economy we need to resist protectionist urges," he said. He praised multilateral organizations like the World Trade Organization and the Group of 20 for helping to ensure global trade is fair and equal.

The ECB chief also warned that loosening financial regulations as central banks are providing easy money risks stoking financial imbalances and could re-create incentives that led to the financial crisis.

The focus on regulation and trade moved monetary policy out of the spotlight of the economic-policy symposium held every year in the Grand Teton National Park. Central bank chiefs "opted for coordinated silence at Jackson Hole" about monetary moves, said Lena Komileva, chief economist at G+ Economics in London.

Mr. Draghi said the ECB's €60 billion-a-month (\$71 billion) bond-buying program had been "very successful," but said a "significant degree of monetary" stimulus was still needed to support the 19-nation eurozone economy.

That echoes the language used by the ECB chief after the bank's latest policy meeting in July. Still, the euro jumped to a 2½-year high of \$1.1930 against the dollar Friday afternoon after Mr. Draghi didn't mention the single currency's recent strength. Traders took that as an invitation to buy it,

betting that ECB officials don't object to the euro's current level.

Investors are watching closely for any signal that the ECB will start winding down its so-called quantitative-easing program, which is due to run at least through December. Mr. Draghi has said policy makers will discuss the future of QE in the fall, which could include its next policy meeting on Sept. 7.

Markets also expect the Fed to announce at its next policy meeting, Sept. 19-20, when it will start to shrink its \$4.5 trillion balance sheet of Treasury

and mortgage bonds.

The relative silence on monetary policy from Ms. Yellen and Mr. Draghi "was probably not random," said Roberto Perli, an analyst at Cornerstone Macro. "When central bankers avoid a certain topic, it's often because they are comfortable with what markets are expecting."

In a question-and-answer session, Mr. Draghi acknowledged that the eurozone's economic recovery is gaining ground, but said policy makers still hadn't seen the "self-sustained convergence" of inflation toward the bank's me-

As of 12:30 p.m. Eastern time Thursday, personnel were evacuated from 5% of manned crude-oil-production platforms in the Gulf of Mexico. In some editions Friday, a Commodities article about energy markets ahead of Hurricane Harvey didn't make clear the time of day.

The Ferrari 812 Superfast has a 65-degree V12 engine. The Rumble Seat column on Aug. 19 about the car incorrectly said it has a 60-degree V12 engine.

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

Architect Lina Ghomeshi is a citizen of both France and Lebanon. An article in the September Women's Style issue of WSJ. Magazine about Les Grands Verres, a new restaurant in Paris, incorrectly referred to her as Lebanese.

For the portrait of Ruth Rogers with an article about the chef in the September Women's Style issue of WSJ. Magazine, hairstyling was by Gianni Scumaci and makeup was by Clare Read. These credits were omitted.

dium-term objective. Several factors are slowing that process, he said, mostly having to do with the labor force.

"We see the recovery is proceeding," he said.

—Nick Timiraos contributed to this article.

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U.S. NEWS

Hurricane Snarls Key Trade Link For Energy And Cargo

BY ERICA E. PHILLIPS
AND BRIAN BASKIN

Seaports along the Texas coast shut down Friday as they prepared for heavy rains and winds from Hurricane Harvey, disrupting shipments of energy products and consumer goods along one of the nation's busiest shipping corridors.

By midday, terminals at Port Houston, a major shipping hub for petroleum products and container cargo, were no longer accepting arriving vessels or any deliveries by truck. Port facilities in Galveston, Corpus Christi, and elsewhere along the coast were also closed.

The stretch of coastline from Corpus Christi up to southwestern Louisiana is normally crowded with tankers bringing oil, gasoline and other products into and out of the area's ports, as well as container ships.

Container cargo ships expected at Texas ports may simply slow down to wait out the storm or be rerouted to alternative ports of entry in Louisiana, Florida or Georgia, said Foster Finley, a managing director at consultancy AlixPartners. But delays in oil and fuel shipments can quickly drive up prices because so much of the nation's refinery capacity is in the region.

Since the region's last hurricane in 2008, Houston has become an increasingly important destination for imports. The city's port is an early stop for ships passing through the Panama Canal, which was widened last summer to allow bigger vessels to pass through.

Many companies now bring in goods from Asia through Houston instead of the West Coast, with Chinese container imports surging 35% in July compared with a year earlier, according to trade data service Panjiva. Houston's new role in the global supply chain means any extended delays would ripple up and down the East Coast and could be felt as far away as Europe, said Chris Rogers, a Panjiva analyst.

Harvey Hurls Into Texas Coast

Storm makes landfall with 102-mile-an-hour winds as towns in path are evacuated

BY DAN FROSCH
AND ERIN AILWORTH

CORPUS CHRISTI, Texas—Hurricane Harvey slammed into Texas Friday night, arriving as a powerful Category 4 hurricane and lashing the shore with intense rain and 102 mile-per-hour winds as its eye approached land.

The storm had picked up strength churning toward the Gulf Coast Friday, and is expected to drench the state with as much as 35 inches of rain in some areas, according to the National Hurricane Center. Even before the center of the storm made landfall Friday night, hurricane force winds were being reported along the coast, according to the National Hurricane Center.

The storm is the first substantial hurricane to hit Texas since Hurricane Ike struck the Gulf Coast in 2008; the last Category 4 storm to hit Texas was Hurricane Carla in 1961, according to the National Weather Service.

"This is going to be a very major disaster," Texas Gov. Greg Abbott said Friday.

Friday night 104,000 people had already lost power, according to a tweet from a state power grid operator.

Late Friday, Gov. Abbott said that the Federal Emergency Management Agency had granted his request for a Presidential Disaster Declaration in response to Harvey. President Trump also tweeted that he had signed the declaration, making more federal aid available to the state.

Earlier in the day, thousands of people had already fled inland, leaving behind deserted coastal communities with boarded-up homes and businesses, and barren grocery stores.

The U.S. Geological Survey forecast that the storm's power could rearrange 65% of the state's coastline.

Mr. Abbott said in addition to strong winds, officials are concerned about flooding caused by the storm hovering over the coastal bend of Texas.

"We are going to be dealing with immense, really record-setting flooding in multiple regions across the state of



Crews worked to install a surge wall in Aransas Pass, Texas, on Friday, as Hurricane Harvey churned toward the Gulf Coast.

Texas," Mr. Abbott said.

Mr. Abbott said people who live in the hurricane's path should "strongly consider" heading away from the coast.

White House officials said President Donald Trump had been briefed on storm preparations and that he would have access to any staff or resources he might need while spending the weekend at Camp David, the presidential retreat in Maryland.

Thomas Bossert, the White House homeland security adviser, said the federal government was reviewing a request from the Texas governor for a presidential disaster declaration, which would prompt additional federal assistance.

Mr. Trump intends to visit Texas early next week as part of his response to the hurricane, White House press secretary Sarah Huckabee Sanders said.

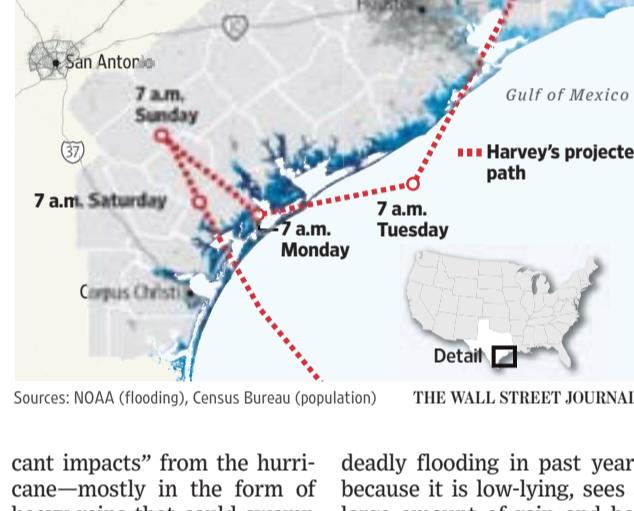
From small coastal communities to major ports like Houston and Corpus Christi, which handled hundreds of billions worth of cargo last year, emergency officials scrambled Friday to make final preparations before Harvey hit.

Houston officials said the city "is preparing for signifi-

Flood Potential

Potential storm surge flooding above ground
More than: ■ One foot ■ Three feet ■ Six feet ■ Nine feet

■ Counties declared disaster areas □ Each dot = 300 people



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cant impacts" from the hurricane—mostly in the form of heavy rains that could swamp the city. Police and fire officials started preparing evacuation boats, high-water-rescue vehicles and supplies in anticipation.

Residents were being urged to have a week's worth of food and water on hand.

Houston has been prone to

deadly flooding in past years because it is low-lying, sees a large amount of rain and has poor drainage.

Houston officials said Friday that no mass evacuations will be called for the Houston region, despite expectations the area will see a massive amount of rain over the next several days. Officials say flooding is

likely, especially as rainfall builds up in the local bayous.

Mandatory evacuations were ordered Thursday afternoon for residents of Calhoun and Victoria counties along the coast. By late Thursday night, a steady stream of cars choked highways heading north and inland.

In Corpus Christi, a city of roughly 325,000 that lies close to the storm's path, city officials said that people living in low-lying areas were being strongly encouraged to leave, but officials hadn't issued a mandatory evacuation order.

Mayor Joe McComb defended the city's decision not to order people out, saying he had consulted at length with local officials. He added that many residents had already heeded warnings to leave, though he didn't have any estimates on how many had actually left.

Corpus Christi's shoreline was eerily empty Friday as rain and wind whipped against now boarded-up hotels that line the street. Nearby, residents rushing to an H-E-B grocery store for last-minute supplies were turned away. The store, like many others here, had shut its doors early.

Erica E. Phillips and Alexa Corse contributed to this article.

Schools Receive Aid From Qatar

BY TAWNELL D. HOBBS

U.S. public schools eager to expand their Arabic language offerings have been receiving funding from a foundation in Qatar, a country embroiled in an intensifying diplomatic standoff over its alleged ties to terrorism.

The Qatar Foundation gave \$30.6 million over the past eight years to several dozen schools and supporting initiatives to create or encourage the growth of Arabic programs, including paying for teacher training, materials and salaries. The funding came through Qatar Foundation International, the foundation's U.S. arm.

"We are going to definitely look at ways to expand in the future," said Omran Hamad Al-Kuwari, executive director of the Qatar Foundation's CEO office. "We've been quite surprised about the interest."

Benefactors from foreign governments, including other Arab nations, have long made donations to American higher education, but the Qatar Foundation appears to be one of the few foreign organizations targeting K-12 public schools with lofty grants. It wants to ramp up spending. Still, the foundation's donations remain well below those from some major U.S. supporters of K-12 education, such as the Walton Family Foundation, which gave \$190.9 million last year.

Several participating schools reached for comment lauded the foundation's support. After Spanish, Arabic is the language most spoken by students learning English as a second language at U.S. public schools, and the percentage of speakers is growing, according to a review of data from the National Center for Education Statistics.

But some critics have voiced concern about the



A student gets help on his Arabic at Tucson's Cholla High School.

Dual Language

Change in students learning English in U.S. public schools for the five most popular native languages



Note: Years are end of academic calendar.
Source: National Center for Education Statistics

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Outcry Comes From Conservative Groups

Some parents and community members in cities like Houston and Portland, Ore., have raised concerns about Arabic programs supported by The Qatar Foundation, but the biggest outcry has come from groups, bloggers and activists with conservative views.

Two years ago, Sam Herrera, a Houston activist against illegal immigration, coordinated a protest over a public Arabic immersion school that received funding from the foundation.

"They hide under school districts wantonly taking the money," he said. "They're not going to overtly come out and tell you what they're doing." Mr. Herrera said he has concerns about the foundation's ties to Qatar, which he says supports the

foundation's ties to Qatar. Its co-founder and chairwoman, Sheikha Moza bint Nasser, is the mother of Qatar's emir, Tamim bin Hamad al-Thani.

Qatar said Thursday it is sending its ambassador back to Iran, intensifying a diplomatic row with a bloc of its Arab neighbors who have demanded it reduce ties with Tehran and claimed it has aided extremists and sheltered Islamist groups like the Muslim Brotherhood. Qatar has denied the allegations.

In June, President Donald Trump took credit for the move by the Saudi-led bloc and publicly criticized Qatar, a step that highlighted longstanding U.S. difficulties with Doha. While the U.S. maintains a regional military command at the base in the country, Washington has often accused Qatar of failing to crack down on the financing of militant groups.

The Qatar Foundation's first contributions in support of U.S. public schools were made in the 2009-10 school

year and totaled \$625,000. The organization gave \$3.8 million for the 2017-18 school year.

The Washington Latin Public Charter School in Washington, D.C., was among the first to sign on with the Qatar Foundation in 2009. Since then, it has received about \$1.04 million, according to the foundation.

"The program has grown every year," said Martha Cutts, who retired as headmaster last year. "I think it allows for our students to be better informed citizens."

States Push for End To 'Dreamer' Program

BY LAURA MECKLER

WASHINGTON—President Donald Trump is facing pressure to end an Obama-era program that protects young, undocumented immigrants, with a group of conservative states threatening to sue the administration if it doesn't act by Sept. 5.

The White House's decision on the Deferred Action for Childhood Arrivals, or DACA, program could come next week, an official familiar with the discussions said.

Options include ending the program outright, as well as phasing it out, perhaps by ending renewals of the two-year work permits, people familiar with the discussions say.

Another option is to allow the program to remain but not defend it in court.

Trump advisers are divided, with such immigration hardliners as Attorney General Jeff Sessions urging him to end the program as his campaign promised and more centrist advisers cautioning against that.

The five-year-old DACA program now offers a reprieve from deportation to nearly 800,000 people brought to the U.S. as children.

In his campaign, Mr. Trump called it an "unconstitutional

executive amnesty" but, after he took office, he softened his stance and has allowed the program to continue, with his administration approving applications and renewals.

Killing the program, which was created by executive action, would push the issue to Congress.

Some Republicans are hoping to use Democrats' desire to protect these young people, often called Dreamers, as a trade for funding Mr. Trump's promised border wall with Mexico, according to congressional aides and others familiar with conversations.

Democratic leaders say they won't do that, arguing Congress should pass legal protections for the DACA immigrants without any trade-off.

"Dreamers are not a bargaining chip for the border wall and inhumane deportation force. Period," Senate Minority Leader Chuck Schumer (D., N.Y.) said on Twitter this past week.

The administration's hand was forced by its allies in the states, led by Texas Attorney General Ken Paxton. In June, Texas and 10 other states threatened to sue the administration if it didn't end the program.



Immigration advocates protesting at Trump Tower in New York.

U.S. NEWS

Investigators Warned Navy

Reports have spelled out problems in Pacific fleet, from lapses in training to overwork

Congressional investigators and military officials warned repeatedly about overworked sailors, shortened training schedules and budget cuts in the years leading up to two fatal collisions involving U.S. Navy ships, government auditors, lawmakers and Pentagon officials said.

By Nancy A. Youssef,
Ben Kesling
and Jake Maxwell
Watts

The collisions in June and earlier this week, both Navy guided-missile destroyers operating in the Pacific, left 17 sailors dead or missing.

Three reports in the past two years by the Government Accountability Office, an independent watchdog agency, spell out endemic problems. They found through interviews and Navy studies that U.S. sailors overseas often arrive to their assigned ships without adequate skills and experience. They end up on duty for an average of 108 hours a week, instead of the Navy-standard of 80 hours, the reports found.

Experienced sailors routinely provide on-the-job training for less experienced sailors, so the time doing this must come out of sleep, personal time, or other allotted work time," according to a May 2017 GAO report.

John Pendleton, the Government Accountability Office official who wrote the three reports, is scheduled to testify Sept. 7 on Capitol Hill. Mr. Pendleton and Vice Adm. Thomas Rowden, the Navy's surface forces commander, plan to appear before subpanels of the House Armed Services Committee.

Congressional aides said they have long known about the stress on the Navy that has resulted from an erosion in training and equipment.

"We know that the Navy is less than half the size it was in the 1980s, but the operational



The USS John S. McCain, with a hole after a collision, was being escorted to Singapore on Monday.

demands have not declined," said a House Republican aide.

The problems have been notably acute overseas. A September 2016 GAO report concluded that while the Navy fleet has decreased by 18% since 1998, it still has maintained 100 ships overseas during that time.

"Consequently, each ship is being deployed more to maintain the same level of presence," according to the report, which also noted that maintenance has been reduced, deferred or eliminated.

A May 2015 report comparing U.S.-based Navy units to foreign-based U.S. counterparts found that U.S.-based cruisers and destroyers spend 41% of their time in training missions and 22% deployed. Their Japan-based counterparts, by comparison, spent 67% of their time—about three times as much—deployed during approximately the same period.

U.S. sailors based in Japan had no time dedicated to training, relying instead on training on the margins while under way at sea, according to Navy officials interviewed for the report.

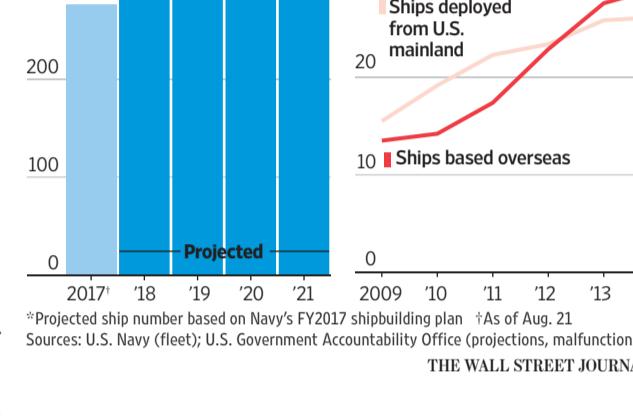
The U.S. Seventh Fleet, based out of Yokosuka, Japan, is among the most adversely affected by a shortage of personnel and the increasing demands for deployments.

The Seventh is the largest forward-deployed fleet in the

Water Woes

As the U.S. Navy's fleet continues to rise, so do reports of ship malfunctions.

Number of naval ships



*Projected ship number based on Navy's FY2017 shipbuilding plan †As of Aug. 21

Sources: U.S. Navy (fleet); U.S. Government Accountability Office (projections, malfunctions)

THE WALL STREET JOURNAL.

Navy, home to between 50 and 70 vessels at any one time. The fleet operates in a region with a large percentage of global shipping, dangerously crowded shipping lanes and where North Korea is seeking to threaten the U.S. with nuclear-tipped ballistic missiles. Both destroyers involved in the recent fatal collisions were Seventh Fleet ships.

The issues raised in the GAO reports haven't come as a surprise to the Navy, which has asked for more resources to maintain its fleet and personnel and in 2014 developed a plan to revamp its operational

schedules. The Navy received and responded to all the watchdog reports, agreeing with nearly all the conclusions.

In its response to the 2015 GAO report, Navy officials said the best way to meet demand and the nation's security threats was to maintain a grueling pace.

The Seventh Fleet conducts regular freedom of navigation patrols in disputed territory, such as the South China Sea, where Beijing has reclaimed and militarized islands claimed by other Asian nations.

—Gordon Lubold

contributed to this article.

It wasn't clear why Mr. Trump chose Friday to fire back at Mr. Corker. A White House spokeswoman addressed the comments for the first time on Thursday, at the first White House press briefing since Mr. Trump returned from vacation.

Asked Thursday about Mr. Corker's remark about the president's "stability," White House press secretary Sarah Huckabee Sanders responded: "I think that's a ridiculous and outrageous claim, and it doesn't dignify a response from this podium."

Mr. Trump has sharply criticized leading congressional Republicans in recent months, chastising Majority Leader Mitch McConnell of Kentucky on Twitter for his failure to engineer passage of a bill repealing the Affordable Care Act. He chided Mr. McConnell and House Speaker Paul Ryan of Wisconsin this past week over their strategy for passing an increase in the federal government's borrowing limit.

At a rally Tuesday in Phoenix, Mr. Trump criticized both of Arizona's Republican senators, John McCain and Jeff Flake, though he didn't name them. Mr. McCain has frequently criticized Mr. Trump and cast the "no" vote that doomed the Senate's attempt to repeal the ACA.

Mr. Flake has been even more direct in his criticism of Mr. Trump, calling him a threat to the Republican Party, in a new memoir.

Mr. Trump criticized Sen. Lindsey Graham of South Carolina on Twitter on Aug. 17, calling him "publicity seeking" and saying the senator had inaccurately accused Mr. Trump of saying there was "moral equivalency" between white supremacists and Heather Heyer, the counterdemonstrator who was killed in Charlottesville.

Continued from Page One

presidential pardon.

On Twitter, Mr. Arpaio wrote Friday that he was "humbled and grateful to President Trump" for the pardon.

Pardons early in a president's term used to be common, but the move has become rare in the years since former President Gerald Ford pardoned his predecessor, Richard Nixon, who resigned from office.

Four of the presidents who followed Ford issued no pardons during the years they were inaugurated. Former President George H.W. Bush granted nine, and former President Ronald Reagan granted two, according to statistics from the Office of the Pardon Attorney.

While Maricopa County doesn't touch the Mexican border, Mr. Arpaio took it upon himself to take on the cause of migrants living illegally in the area.

Immigration hard-liners applauded Mr. Arpaio's immigration approach, saying too

many officials ignore the problem of illegal immigration. But civil-rights groups in Arizona called his policies racist and unduly harsh to minorities and the poor; they staunchly opposed any effort to grant him a pardon.

Mr. Arpaio's tactics included hunting border-crossers in rural and remote parts of the county, and then turning over suspected illegal immigrants to federal-enforcement officials.

He launched workplace raids, a strategy normally employed by federal officials, and conducted traffic stops. His approach drew hundreds of lawsuits and a Justice Department investigation, which concluded that his office had engaged in systemic racial profiling.

Mr. Arpaio was Maricopa County sheriff for 24 years before losing his bid for a seventh term last fall. He faced up to six months in jail at his Oct. 5 sentencing, though it was unclear whether he would be incarcerated, partly due to his age.

California Attorney General Xavier Becerra, a Democrat, called Mr. Trump's pardon of Mr. Arpaio "disgraceful."

White House Aide Leaves His Position

BY REBECCA BALLHAUS

WASHINGTON—Sebastian Gorka, a national security adviser to President Donald Trump left his post on Friday, two White House officials said.

Mr. Gorka—who was close to former chief strategist Steve Bannon, who left his job at the White House earlier this month—said in a letter that "forces that do not support the [Make America Great Again] promise are—for now—ascendant within the White House."

"As a result, the best and most effective way I can support you, Mr. President, is from outside the People's House," Mr. Gorka wrote in the letter reported by The Federalist on Friday.

"Sebastian Gorka did not resign, but I can confirm he no longer works at the White House," one of the White House officials said late Friday.

Mr. Bannon, who was most closely aligned with the president's "America First" agenda, which he described as economic nationalism, was ousted by Mr. Trump earlier this month as newly minted Chief of Staff John Kelly sought to bring more order to an administration riven by infighting and power struggles.

Since his departure, some conservatives have criticized the White House advisers whose influence they perceive to be rising—including Gary Cohn, director of the National Economic Council, and Jared Kushner, the president's son-in-law—for their history of supporting Democrats.

Mr. Gorka, a terrorism researcher and conservative pundit, was a passionate and visible defender of the administration's travel ban and a regular spokesman on national-security issues. The travel ban, which is caught up in legal challenges, seeks to restrict travel to the U.S. from six Muslim-majority countries that the administration views as terrorism risks.

Mr. Gorka is one of several officials who have left the



Sebastian Gorka

White House recently in addition to Mr. Bannon. Others include Mr. Kelly's predecessor, Reince Priebus, and former director of communications Anthony Scaramucci.

For decades, the focus of Mr. Gorka's work has been the jihadist activity that he said was most prominent in the seven countries that Mr. Trump targeted in his initial travel ban earlier this year.

In blog posts and articles on Breitbart News, where he was national security editor, and elsewhere, in TV appearances and lectures, as well as in a book published last year, Mr. Gorka has described a theory of terrorism that he calls the "global jihadist movement," which he says takes its marching orders from the Quran and from manifestos by militants and terrorist leaders.

Mr. Gorka took that view into the center of power at the White House, where he served on the White House Strategic Initiatives Group, which has been described by some U.S. officials and experts as a parallel National Security Council.

Mr. Gorka is a rhetorical pugilist, and his eagerness to confront the counterterrorism policies of former President Barack Obama's administration made him a fixture on conservative talk shows and a frequent lecturer to law-enforcement and military groups.

—Shane Harris

contributed to this article.

President Lashes Out at Tennessee Senator

BY TED MANN

WASHINGTON—President Donald Trump criticized a prominent Republican senator on Friday, suggesting Bob Corker's Tennessee constituents were unhappy with him.

Mr. Corker, who is chairman of the Foreign Relations Committee, is the fifth senator from Mr. Trump's party the president has criticized in recent weeks.

"Strange statement by Bob Corker considering that he is constantly asking me whether or not he should run again in '18," Mr. Trump tweeted at 8:25 a.m. "Tennessee not happy!"

It couldn't be determined if the exchange described by the president had actually occurred. Mr. Corker couldn't be reached to comment.

Mr. Trump's comments came after the junior senator from Tennessee criticized the president last week. Speaking to reporters in his home state, Mr. Corker said the president "has not yet been able to demonstrate the stability, nor some of the competence, that he needs to demonstrate in order to be successful."

Mr. Corker said the president's initial response to a white-supremacist demonstration in Charlottesville, Va., in which Mr. Trump blamed vio-



Joe Arpaio, then the sheriff of Maricopa County in Arizona, joined then-GOP presidential hopeful Donald Trump, left, in Iowa in 2016.

PARDON

Continued from Page One

presidential pardon.

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Mr. Arpaio was Maricopa County sheriff for 24 years before losing his bid for a seventh term last fall. He faced up to six months in jail at his Oct. 5 sentencing, though it was unclear whether he would be incarcerated, partly due to his age.

California Attorney General Xavier Becerra, a Democrat, called Mr. Trump's pardon of Mr. Arpaio "disgraceful."

Phoenix Mayor Greg Stanton, a Democrat, said the pardon "is a slap in the face to the people of Maricopa County, especially the Latino community and those he victimized as he systematically and illegally violated their civil rights."

U.S. Sen. John McCain (R, Ariz.) said: "The president has the authority to make this pardon, but doing so at this time undermines his claim for the respect of rule of law as Mr. Arpaio has shown no remorse for his actions."

Others disagreed. Rep. Andy Biggs (R, Ariz.) praised the move and said the country is grateful for Mr. Arpaio's service.

"Sheriff Joe Arpaio made many enemies in the judicial system, the media and the left because he enforced laws that the federal government ignored," he said.

On Tuesday, Mr. Trump said during his speech in Phoenix that he wouldn't offer the former sheriff a pardon that night because he wanted to avoid controversy but hinted that Mr. Arpaio "had nothing to worry about." He said the former sheriff was convicted "for doing

his job."

Mr. Arpaio had said his disregard for the court order was unintentional and blamed aides for not properly explaining its importance. He also brushed off the conviction as a "petty crime."

The pardon rewarded one of Mr. Trump's earliest supporters and sends a clear message to local law-enforcement officials that the government will back up those who pursue aggressive enforcement policies.

Mr. Arpaio was quoted in the Arizona Republic on Friday saying he wasn't sure his political career was over now that he has been pardoned.

"I don't know what I'm going to do politically," he said moments after the pardon was publicly announced.

"I told my wife that I was through with politics," he said. "But now I've decided I'm not through with politics because of what's happening. I didn't ask for a pardon. It has nothing to do with a pardon. I've been saying this for the last couple of months. I've got a lot to offer."

—Rebecca Ballhaus contributed to this article.



Sen. Bob Corker criticized the president last week.

U.S. NEWS

WASHINGTON WIRE

MILITARY

White House Details Transgender Policy

The White House on Friday outlined its new policy on handling transgender service members in the military, reinstating many restrictions that had been lifted last year but giving Defense Secretary Jim Mattis discretion on how to handle transgender troops currently serving.

The White House directed the Pentagon to deny admission to transgender individuals and stop using government funds for medical treatment for those already serving in the military.

The new policy makes exceptions in some cases "to protect the health of the individual who has already begun treatment."

The details, reported by The Wall Street Journal on Wednesday, give Mr. Mattis until Jan. 1 to determine the fate of the transgender service members who are already serving.

—Gordon Lubold

ADMINISTRATION

Cohn Speaks Publicly About Charlottesville

Gary Cohn, the White House's economic policy director, said President Donald Trump's administration must do more to condemn hate groups, and he didn't defend the president's response to violence at a white-nationalist rally in Charlottesville, Va., two

weeks ago.

Mr. Cohn said he had come under "enormous pressure both to resign and to remain in my current position" but that he was reluctant to leave his post out of a patriotic duty. He addressed the Charlottesville controversy in an interview with the Financial Times published Friday.

Mr. Trump faced a backlash, including criticism from members of his own party, for what elected officials and business leaders said was a failure to provide moral leadership.

"Citizens standing up for equality and freedom can never be equated with white supremacists, neo-Nazis and the KKK," said Mr. Cohn in the interview.

—Nick Timiraos

POLICY AGENDA

President to Tout Tax Overhaul in Missouri

President Donald Trump plans to make a public push to overhaul the nation's tax system next week in Springfield, Mo.

The White House said the president will be making the stop to begin selling his administration's calls to change the tax system. Officials said Mr. Trump plans to hold events around the country in coming weeks to promote tax-code changes.

The White House has expressed hope that the changes can be approved in Congress by the end of the year.

—Associated Press

ANDREW HARRER/BLOOMBERG NEWS



Gary Cohn, the White House economic policy director

Flynn Probe Looks at Emails

Mueller examines potential role former adviser had in seeking Clinton messages

BY SHANE HARRIS

WASHINGTON—Special counsel Robert Mueller is examining what role, if any, former national security adviser Mike Flynn may have played in a private effort to obtain Hillary Clinton's emails from Russian hackers, according to people familiar with the matter.

The effort to seek out hackers who were believed to have stolen Mrs. Clinton's emails, first reported by The Wall Street Journal, was led by a longtime Republican activist, Peter W. Smith. In correspondence and conversations with his colleagues, Mr. Smith portrayed Mr. Flynn as an ally in those efforts and implied that other senior Trump campaign officials were coordinating with him, which they have denied. He also named Mr. Flynn's consulting firm and his son in the exchanges.

The special counsel is investigating potential coordination between Donald Trump's presidential campaign and Russia in the 2016 election.

Mr. Smith believed that some 33,000 emails that Mrs. Clinton said were personal and had been deleted had been obtained by hackers. Last year, in the final months of the presidential campaign, he made contact with what he said were five groups of hackers, two of which he believed were comprised of Russians, who claimed to have obtained the emails.

"We knew the people who had these were probably around the Russian government," Mr. Smith told the Journal in an interview in May.

Mr. Smith suspected the emails could reveal embarrassing details about Mrs. Clinton's involvement in the response to the Benghazi terrorist attacks, as well as her work with the Clinton Foundation, and wanted



Former national security adviser Mike Flynn is seen in February at the White House.

to release them publicly to harm Mrs. Clinton's candidacy. There is no evidence that the server was ever hacked.

Investigators working for Mr. Mueller have been conducting interviews and collecting information as they seek to determine whether Mr. Flynn was involved in Mr. Smith's effort, and if his son, Michael G. Flynn, and the consulting firm Flynn Intel Group had a role, the people said. At the time Mr. Smith was trying to find the emails, Mr. Flynn was a senior adviser to the Trump campaign and had been on a short list of potential vice presidential candidates.

A lawyer for Mr. Flynn and a lawyer for his son declined to comment. Mr. Flynn's firm has been dissolved.

The investigators' inquiries show Mr. Mueller considers Mr. Smith's effort to be potentially significant in the context of the wider probe into whether there was any collusion between people associated with the Trump campaign and the Russian government. Investigators had already been focused on Mr. Flynn, using a grand jury to as-

sist in a criminal investigation focused on his work in the private sector on behalf of foreign interests. Mr. Mueller's team is also inquiring about the nature of Mr. Smith's relationship with several Trump campaign advisers and aides to the president, the people familiar with the matter said.

U.S. intelligence agencies concluded that Russia interfered in the 2016 election in a campaign that was directed by the highest levels of its government. Its tactics included hacking state election systems; infiltrating and leaking information from party committees and political strategists; and disseminating through social media and other outlets negative stories about Mrs. Clinton, the Democratic nominee, and positive ones about Mr. Trump, according to an intelligence report in January.

The Russian government has denied any meddling. Mr. Trump has described the probe as a "witch hunt" and denied any collusion by the campaign. Peter Carr, a spokesperson for the special counsel, declined

to comment.

U.S. officials with knowledge of the intelligence said investigators also have examined reports from intelligence agencies that describe Russian hackers discussing how to obtain emails from Mrs. Clinton's server and then transmit them to Mr. Flynn via an intermediary. It isn't known if those hackers are ones that Mr. Smith contacted.

In a document Mr. Smith used to explain his efforts and recruit assistance, he named several Trump campaign officials he said were working "in coordination" with him, including Steve Bannon, the former chief strategist for the president, and Kellyanne Conway, the former campaign manager and now White House counselor. They both said they were unaware of Mr. Smith's work and played no role in it.

Mr. Smith's comments about his work are believed to be the only ones he gave to a journalist. On May 14, about 10 days after the interview, Mr. Smith died after asphyxiating himself in a hotel room in Rochester, Minn., according to local authorities. He was 81 years old.



BENTLEY



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WORLD NEWS

U.S. Curbs Venezuela's Access to Funds

Trading of new bonds issued by Caracas is prohibited, escalating economic crackdown

By IAN TALLEY
AND ANATOLY KURMANAEV

WASHINGTON—The U.S. on Friday restricted the ability of Venezuela to tap American debt markets for funding, marking a significant escalation in Washington's economic crackdown against Venezuelan President Nicolás Maduro's cash-strapped government.

President Donald Trump's executive order prohibits institutions in the U.S. from trading new bonds with Mr. Maduro's government, including through the state-owned oil company, Petróleos de Venezuela SA. It doesn't curb trading of existing Venezuelan bonds in secondary markets and allows short-term trade finance to facilitate oil transactions between Venezuela and the U.S.

The actions are aimed at limiting the government's ability to finance itself, undermining Mr. Maduro's legitimacy and estranging him from the leadership of his Socialist movement.

The Trump administration said it aims to return Venezuela to democracy and penalize the Maduro government for what it calls human rights

Nosedive

Oil prices once fueled Venezuela's rise but the economy has since plummeted. GDP change from the previous year:



Source: International Monetary Fund

THE WALL STREET JOURNAL.

abuses and state-led corruption. This is the third round of sanctions the administration has levied against Venezuela in half a year. It previously targeted 30 top officials in the Maduro government, including the president himself.

"Maduro may no longer take advantage of the American financial system to facilitate the wholesale looting of the Venezuelan economy at the expense of the Venezuelan people," said U.S. Treasury Secretary Steven Mnuchin.

The sanctions, reported by The Wall Street Journal early this week, also ban the oil company, known as PdVSA,



MIRAFLORES PRESS OFFICE/EPA/SHUTTERSTOCK

President Maduro met on Friday with military leaders in Caracas as Washington targeted his government.

and its refining company operating in the U.S., Citgo Petroleum Corp., from sending profit earned in the U.S. back to Venezuela. They do allow Citgo to continue to raise new debt and the trade of Citgo bonds. There is also an exemption allowing humanitarian assistance. Taken together, the actions effectively prohibit Venezuela from restructuring its debt with U.S. entities.

Bond investors expressed relief that the new sanctions didn't ban trading of all the country's existing bonds, an outcome that would have caused major disruptions in emerging debt markets. Vene-

zuela government bonds due in 2027 edged down 1.2% to 40.9 cents in Friday afternoon trading, according to traders. PdVSA bonds due on Nov. 2 were up 0.4% to 93.4 cents, following a 6% gain the day before, according to traders.

High risk premiums mean Venezuelan government already has been effectively shut out from new international debt issues. U.S. officials said the new measures are meant in part to hit the personal wealth of army officers, businessmen and ruling party officials who industry sources say own Venezuelan bonds and rely on them for income. This

will make it harder for them to make use of these resources in international markets.

"We urge those around Maduro to take note, to take heed, and to actively distance themselves from the violence and the dictatorship," a senior official said.

Venezuelan Foreign Minister Jorge Arreaza, speaking at the United Nations, called new U.S. financial sanctions "the worst aggressions to Venezuela in the last 200 years, maybe." Mr. Arreaza said his government wouldn't let the U.S. "create a humanitarian crisis."

Angel Alvarado, an opposition lawmaker in Venezuela's

congressional finance committee, said the measures weren't as restrictive as some expected. "The message from Washington is political, not financial...No one wants for the humanitarian crisis to get worse. This is a signal to the president to change course."

A second senior U.S. administration official said Washington would escalate its sanctions regime until "the Maduro regime holds free, fair, transparent and internationally-monitored elections, releases all political prisoners unconditionally and respects the authority of the legitimate national assembly."

Mr. Mnuchin said, "This is not about changing leadership per se, this is about restoring the democratic process and rule of law."

Washington has condemned Mr. Maduro's move to rewrite the country's constitution, his imprisoning of dissidents and the treatment of the former attorney general, as evidence "Maduro has fully embraced dictatorship," the second official said.

Venezuela is suffering from a deep, multiyear contraction. Inflation hit 700% this year and is expected to top 2000% next year amid a widespread shortage of food, medicine and other critical supplies.

♦ Bond investors show relief over the U.S. sanctions..... B1

Turkey Ups Ante in U.S. Pastor's Detention

ISTANBUL—An American pastor detained in Turkey for nearly a year on terrorism-related charges faces new charges including espionage, in a widening case that has become a priority in Turkey for the Trump administration.

By Nour Malas,
Erdem Aydin
and Yeliz Candemir

Andrew Brunson, a Presbyterian minister who had lived and preached in Turkey for two decades before he was detained last October, faces four new charges, according to people familiar with his case.

Turkey's state-run news agency reported the new charges Thursday. They include "gathering state secrets for espionage, attempting to overthrow the Turkish parliament and government, and to change the constitutional order." Mr. Brunson has denied the charges, Anadolu Agency reported.

The developments came just as President Recep Tayyip Erdogan increased his control over Turkey's main intelligence agency in a decree published early Friday. The decree consolidates government control under the state of emergency in effect since last year's failed coup.

Mr. Brunson was detained last October without charge, swept up in a broad government purge of public officials and civil society in Turkey after the coup attempt last summer. He was charged in December with being a member of a terrorist organization, which Turkish authorities later identified as the network of Fethullah Gülen, a Turkish cleric living in Pennsylvania.

"These are absurd charges, Andrew is not a spy," said İhsan Ozbek, a Turkish pastor who has known Mr. Brunson for years and heads the Protestant Churches Foundation in Izmir, with 46 member churches across Turkey. "It's a political case," he said, adding it would be unusual for a Christian pastor to find common cause with Mr. Gülen's Islam-based movement.

"The charges that are lev-



Members of Turkey's police force, standing with motorcycles, saluted Turkish President Erdogan in Istanbul on Friday.

eled against him are absolutely false," said Jay Sekulow, a lawyer who is representing Mr. Brunson and who is also part of President Trump's private legal team.

Mr. Brunson's case caught the attention of the Trump administration in its early months, with officials calling his detention wrongful. President Donald Trump raised Mr. Brunson's case with President Erdogan on his visit to the White House in May, according to U.S. officials. Vice President Mike Pence and Secretary of State Rex Tillerson have also taken an interest in the case.

Mr. Sekulow said U.S. and Turkish officials have discussed the possibility of swap-

ping Mr. Brunson in a prisoner exchange. "The increased charges are typical in these kinds of cases to up the ante, except the Turks are a NATO

Nauert said Thursday State Department officials are closely tracking Mr. Brunson's case. "Pastor Brunson has not been forgotten," she said. A State Department official said Friday that embassy officials last visited Mr. Brunson on Thursday and have had regular access to him.

Mr. Brunson, from Black Mountain, N.C., was a pastor of two Protestant congregations and involved in humanitarian efforts with refugees, according to Mr. Ozbek, the Turkish pastor. He and his wife raised three children in their two decades in Turkey.

Mr. Brunson appeared before a court via video from a maximum-security prison in

Izmir, the coastal city where he lived and was first detained, according to the Turkish news agency.

The news agency said Mr. Brunson denied all charges and said his only aim was "to disseminate Jesus' message."

The Turkish government accuses Mr. Gülen, the Turkish cleric living in Pennsylvania, of masterminding the failed coup in July last year. Mr. Gülen denies any involvement. Turkey has demanded his extradition, but U.S. officials have said Turkey's evidence isn't strong enough.

—Burcu Cura in Istanbul and Felicia Schwartz and Dion Nissenbaum in Washington contributed to this article.

Ine Van Wyndersch, a spokeswoman for the Brussels prosecutor's office.

Belgian officials wouldn't identify the assailant, citing the continuing investigation.

Belgium's Crisis Center, which coordinates the Federal terror response, announced a few hours after the attack that the situation was under control. Belgian Prime Minister Charles Michel said in a tweet that security forces would remain attentive.

Since the March 2016 terror attacks in Brussels there have been a number of knife attacks on police in Belgium. Some, like an attack on a police officer in Charleroi, Belgium, have been treated as a terror attack, while others haven't.

Meanwhile, the Associated Press reported, a man armed with a knife was detained outside London's Buckingham Palace Friday evening, and two police officers suffered minor

injuries while arresting him, police said.

Police said the officers did not require hospital treatment. No other injuries were reported. They said it was too early to say whether the incident was terrorism-related.

Police stepped up patrols around major U.K. tourist sites after two attacks with vehicles and knives earlier this year on Westminster Bridge, near Parliament, and London Bridge.

Brazil's President Moves to Privatize

BY PAULO TREVISANI

BRASÍLIA—Brazilian President Michel Temer, who has avoided a trial over corruption charges, is using the reprieve to push ambitious privatization plans to rekindle economic growth and lower government spending.

In a three-day span this week, Mr. Temer has opened an area larger than the state of Maryland in the Amazon rain forest to mining, in a controversial move, and launched discussions to privatize the country's largest power company and an additional 56 assets held by the state.

The government is struggling to narrow a budget gap that equals close to 10% of the country's output, hampering Brasília's ability to jump-start an economy that contracted for the past two years and is forecast to grow just 0.3% in 2017. The unemployment rate, meanwhile, has risen to 13%.

The recent privatization push is raising investor hopes that Mr. Temer's market-oriented economic agenda will plow forward. Previous administrations wanted to privatize but faced resistance from lawmakers in their own parties," said Jason Vieira, an economist from Infinity Asset, an investment firm in São Paulo. "This administration is different."

Local markets rallied on the privatization news. The Brazilian real appreciated against the dollar, and the benchmark Ibovespa stock market is approaching an all-time high.

After taking office last year following the impeachment of leftist President Dilma Rousseff, Mr. Temer pledged to overhaul the country's economy. But a graft scandal that erupted in May, when a leading businessman accused Mr. Temer of taking bribes, forced the president to focus on keeping his base in Congress together to ensure political survival. He denied wrongdoing. Early this month, Mr. Temer fended off corruption charges in a congressional vote.

On Monday, the government said it plans to reduce its stake in Centrais Elétricas do Brasil SA, one of Latin America's largest power utilities. On Wednesday, the administration announced plans to grant licenses for the development of oil and gas fields, and sell airports, seaports, the National Lottery, highways and the national mint.

Although the time frame for most of these sales isn't set, the government said it is hoping to raise some \$14 billion.

Knife Assault on Soldiers in Brussels Treated as Terror

By JULIAN E. BARNES

BRUSSELS—Belgian officials announced the opening of a terror investigation after soldiers patrolling in Brussels shot a man who attacked them with a knife Friday.

The assailant later died of his wounds, Belgian officials said.

One of the soldiers was wounded in the hand, they said.

Belgium's Crisis Center announced late Friday the attack was being treated as a terror-

ist incident and the investigation would be taken over by federal prosecutors.

Belgian officials said while the assailant was known to authorities for alleged criminal activity, he had no previously known terror ties. Authorities are now investigating the man's background and activity, officials said.

At 8:15 p.m. Friday, a man attacked two soldiers in the center of Brussels, on Emile Jacquemain Boulevard, said

Ine Van Wyndersch, a spokeswoman for the Brussels prosecutor's office.

Belgian officials wouldn't identify the assailant, citing the continuing investigation.

Belgium's Crisis Center, which coordinates the Federal terror response, announced a few hours after the attack that the situation was under control.

Belgian Prime Minister Charles Michel said in a tweet that security forces would remain attentive.

Since the March 2016 terror attacks in Brussels there have been a number of knife attacks on police in Belgium. Some, like an attack on a police officer in Charleroi, Belgium, have been treated as a terror attack, while others haven't.

Meanwhile, the Associated Press reported, a man armed with a knife was detained outside London's Buckingham Palace Friday evening, and two police officers suffered minor

WORLD NEWS

Macron in Clash Over EU Labor

The leaders of France and Poland sparred over the flow of cheap Eastern European labor to the west of the continent, amid broader political tensions between Warsaw and the European Union.

By William Horobin in Paris and Drew Hinshaw in Bemowo Piskie, Poland

French President Emmanuel Macron, visiting Austria, Romania and Bulgaria this week, has been pushing to put further restrictions on the hiring of Eastern European workers for less than their Western European peers.

Prime Minister Beata Szydlo of Poland, which wasn't on Mr. Macron's itinerary, intervened on Friday to say she opposed the changes.

A verbal clash followed.

"The statement from the Polish prime minister adds another error to the Polish strategy and shows how much the country has decided to marginalize itself," Mr. Macron said during a news conference with the leader of Bulgaria.

Mrs. Szydlo lashed back, describing the French leader

as "arrogant," according to Reuters. Representatives of Mrs. Szydlo and Poland's Foreign Ministry didn't respond to requests for comment.

The dispute stems from Mr. Macron's vow to deliver a "New Deal" for the EU that irons out the continent's economic imbalances and ensures the bloc's long-term survival. The strategy includes closing loopholes in EU rules that Mr. Macron says permit companies to hire Eastern Europeans to work in France and other countries west of the Danube without paying them higher Western European salaries.

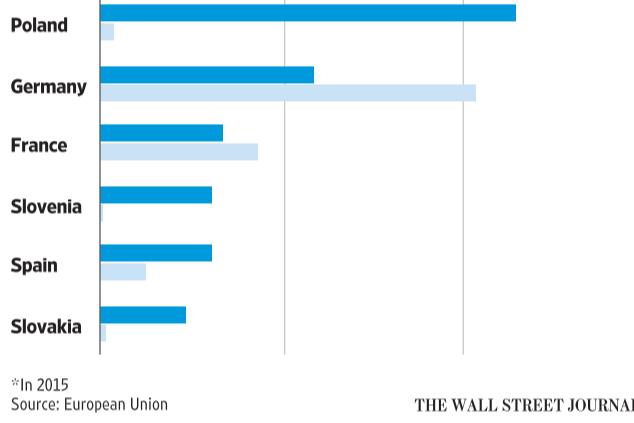
EU rules also allow so-called "posted workers" from Eastern Europe to relocate west without making them or their employers pay taxes that fund their host country's social-welfare system.

Putting an end to such "social dumping," Mr. Macron says, will make French job seekers more attractive to employers at home.

By cracking down on cheap labor from the East, the French president is trying to assuage workers and unions who are worried about his plans to overhaul labor rules in France.

Workers Flow West

EU's top exporters of temporary workers, thousands of workers*



*In 2015
Source: European Union

THE WALL STREET JOURNAL.



NATO Secretary-General Jens Stoltenberg, in Bemowo Piskie, Poland on Friday, called for more Russian transparency and predictability.

NATO Chief Slams Russia

Russia is preventing proper international observation of large military exercises near the Polish border next month, NATO Secretary-General Jens

By Drew Hinshaw in Bemowo Piskie, Poland and Julian E. Barnes in Brussels

Stoltenberg said Friday, echoing European governments' growing apprehension over troops massing on the tense geopolitical fault line.

Russia will send troops to Belarus, next to Poland, as part of an exercise called Zapad, or West. North Atlantic Treaty Organization officials said Russia is only allowing two NATO observers limited access, in what the officials said was a violation of an international agreement.

The agreement, the Vienna Document, is supposed to allow both sides to observe each other's military exercises, in-

cluding interviewing soldiers and conducting flyovers.

NATO typically invites Russian observers to spend weeks watching its exercises—a trust-building mechanism, its officials say. For Zapad, Russia has invited the observers for one so-called visitors' day, and Belarus is allowing five visitors' days, in which movements are restricted.

Alexander Grushko, Russia's ambassador to NATO, said Friday that Russia has no obligation to invite observers to Zapad because the number of troops participating will be under the threshold established by the Vienna Document. "In reality, we see another attempt to justify NATO's own activity and military buildup on the borders with the Russian Federation," Mr. Grushko said. Russia and Belarus have said the exercise will involve 12,700 troops.

Russia often stages smaller, linked exercises at the same

time, and gives them distinct names. U.S. officials said they believe 70,000 or more troops will be involved in total—above the Vienna threshold. The officials said the exercise could be one of the largest Moscow has conducted in recent years.

The Vienna agreement has no enforcement mechanism or

from the international rules.

"We call on Russia to fully comply with its international obligations," Mr. Stoltenberg said, after meeting with U.S. and European troops at a Polish army base.

Russia is today offering less access and transparency than the Soviet Union did in the closing days of the Cold War, said Ian Lesser, director of the Brussels office of the German Marshall Fund of the U.S. In the Cold War, said Mr. Lesser, "there was much more transparency and much more strategic understanding than there is today. Today, we don't know what Russia wants."

European governments have expressed frustration with the breakdown in military diplomacy between Russia and the West, and the Russian drills worry governments in the Baltic region because Moscow used military exercises as a precursor for incursions into Ukraine in 2014 and Georgia in 2008.

Moscow is blocking adequate observation of military exercises, Stoltenberg says.

Probes of Attacks Bring Out Sibling Ties as Central Theme

BY DONATO PAOLO MANCINI AND JON SINDREU

RIPOLL, Spain—As authorities piece together how a group of young Muslim men from a small town pulled off the deadliest terrorist onslaught in Spain in more than a decade, one relationship is emerging as central: brotherhood.

At least three sets of siblings were involved in last week's assaults, which killed 15 people and injured scores of others, police say, suggesting that fraternal bonds helped the group commit to their deadly plot and evade detection for months while conspiring under the noses of friends, neighbors and the security services.

Hours after Younes Abouyaaqoub, 22 years old, plowed down pedestrians with a van in Barcelona, his younger brother, Houssaine, 19, was part of a group that rammed a car into a police patrol and civilians in Cambrils, a coastal town 75 miles to the southwest. Both men were shot and killed by police.

Youssef Aalla, 22, was killed in an accidental explosion while trying to assemble bombs on the eve of the attacks. His brother, Said, 18, was one of the assailants in Cambrils, along with siblings Mohamed and Omar Hychami. All three, wearing fake suicide-bomb vests, died in a hail of police bullets.

Investigators are probing whether Abdelbaki Es Satty, a local imam who also died in the bomb-making blast, radicalized the men and what role kinship played. Those who knew the plotters said they had appeared well integrated in Ripoll, a community of 11,000 in the foothills of the Pyrenees.

Family ties can make a terror cell more cohesive and harder to penetrate. Relatives are loyal to each other and can communicate without rousing suspicion. They can also egg one another on, experts say, encouraging each other down the path to extremism.

Often, there is a group of brothers and friends that radicalize each other, generally un-



ALBERT GEA/REUTERS
People gathered this week to remember those killed in Barcelona.

der the influence of a guru," said Olivier Roy, who studies terrorism at the European University Institute in Florence.

It is a common theme. The Sept. 11 terrorists included four sets of brothers. The Boston Marathon bombers were brothers. Brothers Salah and Brahim Abdeslam were central players in November 2015 attacks that killed 130 people in Paris, police say. The list goes on.

Spanish authorities have been successful in preventing terror attacks by aggressively cracking down on early signs of extremism. But police said the men behind last week's attacks hadn't been on authorities' radar as possible terrorists.

Neighbors and friends in Ripoll say the siblings appeared quite close. The Hychamis lived in the same apartment building as 17-year-old Moussa Oukabir, one of the Cambrils attackers. They were cousins.

Mr. Oukabir's brother has also been arrested. Authorities

said he rented the van used in the Barcelona attack. He testified in court Tuesday he thought the van was going to be used to help a friend move. He was arrested after the attack while going to turn himself in to police, Ripoll's mayor said.

The Abouyaaqoub brothers also lived nearby. Houssaine Abouyaaqoub worked as a delivery boy for a local Pakistani restaurant.

Many of the men attended the same schools, and the younger ones played on the same youth five-a-side soccer team.

Arnaud Montforte went to school in Ripoll with four of the suspects, who were all of Moroccan descent. He said he never suspected them of clandestine activities. But they stuck together, he said.

Terrorism researchers say the dynamic can take a number of forms, such as younger brothers following older brothers whom they look up to and admire.



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WORLD NEWS

Thailand Seeks Ex-Prime Minister

Arrest warrant is issued after Yingluck Shinawatra fails to appear for trial verdict

BY WARANGKANA CHOMCHUEN

BANGKOK—Thailand Prime Minister Prayuth Chan-ocha ordered security forces Friday to search for his predecessor, whom he toppled in a coup three years ago, after she failed to appear in court to hear the verdict in her trial over a rice-subsidy scandal.

The Supreme Court issued an arrest warrant for the former prime minister, Yingluck Shinawatra, after her lawyers said she wasn't able to show up in court because she was ill. Thailand's defense minister said it was possible that she had left the country.

An official with Ms. Yingluck's Pheu Thai Party, who declined to be identified, told the Associated Press that she was no longer in the country. The official didn't provide further details. A lawyer for Ms. Yingluck said he didn't know her whereabouts.

"All I can do is to tell security officials to look into it and find out whether she is actually ill and where she is," Gen. Prayuth told reporters. "I also told them to carefully check the in and out points of the country."

Ms. Yingluck was scheduled to appear for a verdict on whether she was guilty of negligence in mismanaging a multibillion-dollar rice-subsidy program. If found guilty, the court could sentence her to up to 10 years in prison. She would have 30 days to appeal.

In 2015, the military-installed legislature formally impeached Ms. Yingluck over the program and banned her from politics for five years.

Under the program, the government bought rice from farmers for up to double the market price, seeking to boost incomes for the roughly 40% of the workforce that depends on agriculture.

The hope was to recoup some of the cost of the program by withholding grain from the global market to steer world prices higher. Instead, India entered the mar-



Supporters held a poster of former Thai prime ministers Yingluck Shinawatra, right, and Thaksin Shinawatra in Bangkok on Friday.

ket after a long absence and Vietnam expanded production.

Thailand was left with vast stockpiles that it had to sell at loss. Officials estimate it cost Thailand at least \$15 billion.

Prosecutors subsequently launched a case against Ms. Yingluck for negligence, saying she had deliberately ignored its problems. In October, the junta ordered Ms. Yingluck to pay nearly \$1 billion in civil damages. The government began freezing some of her bank accounts last month.

She has said the prosecution was politically motivated by the ruling junta, which overthrew her government in 2014. She has denied any wrongdoing and said her intention was only to help farmers.

In a Facebook post Thursday, she urged her supporters to stay away from the court to avoid clashes. Police said about 3,000 people turned up

under heavy security presence.

Her lawyer, Norravit La-laeng, told reporters he had informed the court an hour before the hearing that Ms. Yingluck was suffering an ear-fluid imbalance, which caused her dizziness, and couldn't at-

tend. The court, in issuing the warrant, noted no medical certificate had been presented to support the claim and that her failure to appear represented an intention to flee.

Later in the day, Ms. Yingluck's former commerce minister and 27 other defendants

were found guilty by the court for irregularities in their attempts to resell rice bought from farmers under the subsidy program. The former commerce minister, Boonsong Teriyapirom, was sentenced to 42 years in jail.

People familiar with the ruling junta's thinking have said one of its goals in pursuing Ms. Yingluck over the rice-subsidy program has been to get her to leave the country, like her brother. Thaksin Shinawatra was deposed as prime minister in a 2006 military coup and lives in self-imposed exile, contending that he wouldn't be fairly tried on a series of corruption charges filed against him after his 2006 ouster.

Ms. Yingluck has previously said she was determined to have her case tried in court.

Defense Minister Prawit Wongsuwan told reporters

that security forces haven't turned a blind eye to let her leave the country. Police, meanwhile, said immigration officers have been ordered to check if she has left the country, but said her residence hadn't yet been searched.

Whether she goes abroad or not is unlikely to heal the country's divisions or spell the end of the Shinawatras, who have a party network to tap into, said Paul Chambers, a lecturer in political science at the College of ASEAN Community Studies at Naresuan University.

"We will see her opponents saying that her flight demonstrates that she's guilty," Mr. Chambers said, while the junta will benefit from "legitimacy because this will enable the generals to say that they've cracked down on corruption that they have promised after the coup."

Pyongyang Launches Missiles Amid Drill

BY KWANWOO JUN

SEOUL—North Korea fired three short-range ballistic missiles off its east coast early Saturday, U.S. military officials said, as American and South Korean forces were conducting joint exercises on the peninsula.

The missiles were fired from a site near the city of Wonsan beginning at 6:19 a.m. Pyongyang time and traveled about 155 miles to the northeast, said the U.S. Pacific Command, which tracked the launches.

The first and third missiles failed in flight, while the second appeared to have blown up almost immediately, U.S. Pacific Command said. The statement added that the missiles didn't pose a threat to North America or to the U.S. Pacific territory of Guam, which Pyongyang recently threatened to target.

South Korea's Joint Chiefs of Staff said President Moon Jae-in was notified of the latest launches. Mr. Moon had called a National Security Council meeting to discuss the development, officials in Seoul said.

Tensions have remained high since North Korea last month tested two intercontinental ballistic missiles capable of hitting the U.S. mainland.

The U.S. and South Korea on Monday began annual military drills on the Korean Peninsula. Pyongyang has railed against the exercises, describing them as a rehearsal for an invasion, and in previous years has sometimes test-launched missiles in response to the drills.

Separately on Saturday, Pyongyang's state media said North Korean forces carried out military exercises simulating strikes on South Korea. Leader Kim Jong Un oversaw the "target-striking contest," according to the official Korean Central News Agency.

The United Nations Security Council this month imposed new sanctions on North Korea in response to the regime's continued weapons development.

—Jonathan Cheng contributed to this article.

FROM PAGE ONE

LEE

Continued from Page One but later helped drive record profits. The conglomerate spans smartphones, theme parks and biopharmaceuticals and accounts for nearly one-third of South Korea's stock-market value.

Samsung contains dozens of

affiliates, which each have their own CEOs and management teams. Samsung Electronics, the world's largest smartphone maker, generates much of its profits. Mr. Lee focuses almost entirely on that business, he has said, but he also serves as the unifying figure—and ultimate decision maker—for the disparate enterprise.

His time away threatens to temporarily halt Samsung's ef-

forts to modernize its hierarchical, secretive culture and pursue acquisitions, which Mr. Lee has made priorities. China is pumping billions of dollars into semiconductors, a threat to the South Korean company's current cash cow, while Samsung is also seen as being a step behind its Silicon Valley peers on software development.

Mr. Lee, the only son of

Samsung Chairman Lee Kun-hee, doesn't have an obvious successor within the family. He has two sisters who work for Samsung affiliates, but neither have much experience with smartphones or electronics.

If upheld, the verdict signals further progress in South Korea's efforts to depart from the traditionally close and symbiotic relationship between the government and large family-run conglomerates known as chaebols.

Before a packed courtroom in Seoul on Friday, Mr. Lee was found guilty of bribery, embezzlement, hiding assets abroad, concealing criminal profits, and perjury.

Samsung previously acknowledged it had agreed to pay about \$38 million to various entities, which Samsung said it didn't know at the time were linked to a close friend of the former president. The company previously denied the payments were in return for political favors including government backing of a merger.

Of the promised funds Samsung paid, the judge ruled \$7.9 million constituted bribery.

Under South Korean law, Mr. Lee would have to serve a third of his sentence term before he could win parole. Just after Friday's ruling, Mr. Lee's lawyer said outside the courtroom that he would appeal the ruling "immediately." Unless the appeals court changes the sentence, Mr. Lee's release could fall around autumn 2018 if his parole is granted.

Separately on Friday, the court convicted four other Samsung executives involved in the same case, with two receiving four-year sentences and two receiving suspended sentences. They faced similar charges as Mr. Lee, except for perjury; all had denied wrongdoing.

Samsung Electronics shares fell 1% on Friday, as investors had largely factored in an extended absence. Despite last year's Galaxy Note 7 recall and Mr. Lee's corruption trial, Samsung has delivered its biggest-ever quarterly profits and

Tech Rivals

Quarterly operating profits at Samsung Electronics and Apple

\$25 billion



Note: Samsung figures are converted from won

Source: S&P Global Market Intelligence; the companies (latest quarter)

THE WALL STREET JOURNAL.



Lee Jae-yong was sentenced to five years in prison on Friday.

shares are near record highs.

"It's rare to see the absence of a conglomerate head impact business performance," said Ryu Young-jae, head of Sustainvest Inc., a proxy advisory firm based in Seoul. "In most cases, business remains the same or improves."

During the four-month trial, Mr. Lee testified that about 95% of his role was dedicated to Samsung Electronics. Other lieutenants said during the trial that they handled conglomerate-wide matters—including organizational restructuring and most interactions with the South Korean government.

REUTERS

Few major moves advance without Mr. Lee's signoff and the Samsung heir's personal relationships with Silicon Valley leaders is critical given that the South Korean firm both competes with, and supplies electronics components to, their biggest rivals, according to people who know him.

Mr. Lee and Samsung now must grapple with whether a family-driven structure is appropriate for a global company like Samsung Electronics, whose shares are majority-owned by foreign investors.

"One person should not be making all the decisions," said Park Yoo-kyung, a Hong Kong-based director at a subsidiary of the Netherlands-based Stichting Pensioenfonds ABP, Europe's largest pension fund, which owns Samsung Electronics shares. "Jay Y. has to let something go," referring to Mr. Lee's Western-style name.

Mr. Lee himself would be significantly involved in any decision on his successor, according to people familiar with the matter.

Behind the scenes, Samsung Electronics Chief Executive Kwon Oh-hyun has taken a larger role in steady the company after Mr. Lee was first detained in February, say people familiar with the matter.

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OBITUARIES

DICK GREGORY
1932–2017

Comedian Turned Activist Took On Race, Politics

BY JAMES R. HAGERTY

Before Dick Gregory could establish himself as a night-club entertainer, he had to look like one.

In the late 1950s, when he wasn't washing cars or sorting mail, he bought clothes on credit and talked his way onto saloon stages on Chicago's South Side. "I was selling a talent that wasn't really mine yet," he wrote in his 1964 memoir, "nigger."

He watched other comedians. He scoured newspapers and magazines, listened to comedy records and went to the library for "musty old books of humor." He was seeking what people were thinking about and what made them laugh.

Reaching the top, he realized, required winning over white audiences, where he would face hostility from some and pity from others—neither conducive to laughter.

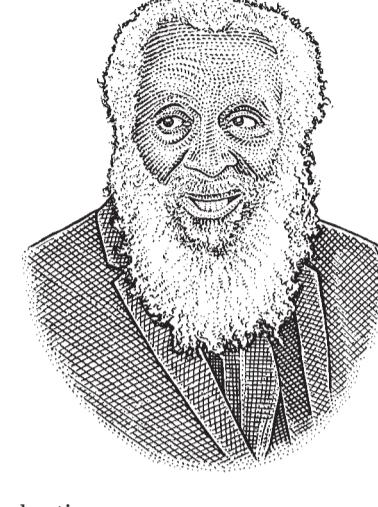
"I've got to hit them fast, before they can think," he wrote. "I've got to go up there as an individual first, a Negro second.... I've got to make jokes about myself, before I can make jokes about them and their society."

When someone yelled a racial epithet, he was ready: "You hear what that guy just called me? Roy Rogers' horse. He called me Trigger."

By 1961, Mr. Gregory was a star—celebrated in Time magazine, cracking edgy jokes on national TV, on stage with a cigarette as his only prop.

He could afford to take his family to Hawaii and pay cash for his new suits. He bought them "like jelly beans."

It wasn't enough. The civil-rights movement diverted him from the clubs to the streets. He joined marches across the South, was jailed with other demonstrators, was spat upon and endured a



beating.

Mr. Gregory died Aug. 19 in Washington after suffering what his family described as an aortic rupture. He was 84.

His stinging lines live on. "You know the definition of a Southern moderate?" he asked one audience. "That's a cat that'll lynch you from a low tree."

Richard Claxton Gregory was born Oct. 12, 1932, and grew up in St. Louis. His father was mostly absent. His mother cleaned houses and collected welfare to feed her six children.

He was a skinny boy, teased for being poor and not having a dad. His wit was a form of self-defense: "They were going to laugh anyway, but if I made the jokes they'd laugh with me instead of at me." Mocked for sharing a bed with siblings, he quipped: "When I get up to pee in the middle of the night gotta leave a bookmark so I don't lose my place."

He discovered another talent: running. As the star of his high-school track and cross-country teams, he was elected class president.

A coach helped him get an athletic scholarship at Southern Illinois University in Carbondale. As a college jock, he was furious when restaurants that served his white teammates wouldn't serve him.

Drafted by the Army in 1954, he entertained troops. After two years of service, he returned to the university but dropped out and moved to Chicago.

The big break came in January 1961 when a comedian performing at the Playboy Club fell ill. Mr. Gregory was called in as a substitute and faced a convention of frozen-food executives from the South. He told them about walking into a restaurant: "This white waitress came up to me and said, 'We don't serve colored people here.' I said, 'That's all right, I don't eat colored people. Bring me a whole fried chicken.'

Mr. Gregory ran unsuccessfully for mayor of Chicago in 1967 and was a write-in candidate for U.S. president in 1968, representing the Freedom and Peace Party. He befriended John Lennon and joined the chorus on "Give Peace a Chance." He held hunger strikes for various causes, gave up alcohol and cigarettes, promoted diet potions and spouted conspiracy theories.

Mr. Gregory is survived by his wife of 58 years, Lillian, two brothers, two sisters, 10 children, 16 grandchildren and five great-grandchildren.

He never let go of his hope for a better world or his conviction he could help find it.

"Some people say to me, 'America, love it or leave it,'" he told an audience in 1988, "and I say I won't love it because it's not a friendly country, and I won't leave it until I personally straighten it out."

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

CATHLEEN MORAWETZ
1923–2017

Science Medal Winner Influenced Plane Design

Cathleen Morawetz once joked she may have become a mathematician "because I was so crummy at housework." Perhaps more important, she had excellent mentors, starting with her parents, and a tenacity in solving tricky problems.

While working toward her doctorate in math at New York University in 1949, she had her second child. Closed in by a one-bedroom apartment in Brooklyn, she felt depressed. "I was afraid I would have to give up," she recalled later. "I didn't. I struggled along."

She drew notice a few years later with work examining how air flows around objects, such as the wing of a jet approaching the speed of sound.

Her calculations showed that although it might be possible in theory to design an airplane wing that would avoid creating shock waves and turbulence as the plane approached the speed of sound, in practice such a wing was unlikely to work: Even a tiny flaw in manufacturing would throw it off. That influenced wing designers to focus on minimizing rather than trying to eliminate shocks.

In 1984, she became director of the Courant Institute of Mathematical Sciences at New York University.

In 1998, she won the National Medal of Science.

Dr. Morawetz died Aug. 8 at home in New York. She was 94.

—James R. Hagerty

ROY LUNN
1925–2017

Ford Motor Engineer Put Stamp on Racing

Over a 40-year career, Roy Lunn oversaw the design of low-slung cars that dazzled the racing world and boxer ones that pleased soccer moms and dads in suburbia.

The English-born engineer led a team at Ford Motor Co. that came up with the GT40 race cars that won the 24 Hours of Le Mans race in France four consecutive years from 1966 through 1969, eclipsing rivals from Ferrari.

He later headed the design of the original Jeep Cherokee, a huge seller introduced by American Motors Corp. in 1983 and a forerunner of today's sport-utility vehicles. He also helped design a

prototype for what became Ford's Mustang sports car.

For Ford, victory at Le Mans in the 1960s was "a huge deal," Henry Ford III, head of marketing for Ford's racing activities, said in a 2016 interview recorded to mark Mr. Lunn's induction into the Automotive Hall of Fame in Dearborn, Mich. "It cemented us as a key player in the European auto industry. It cemented us as a key player in the racing industry."

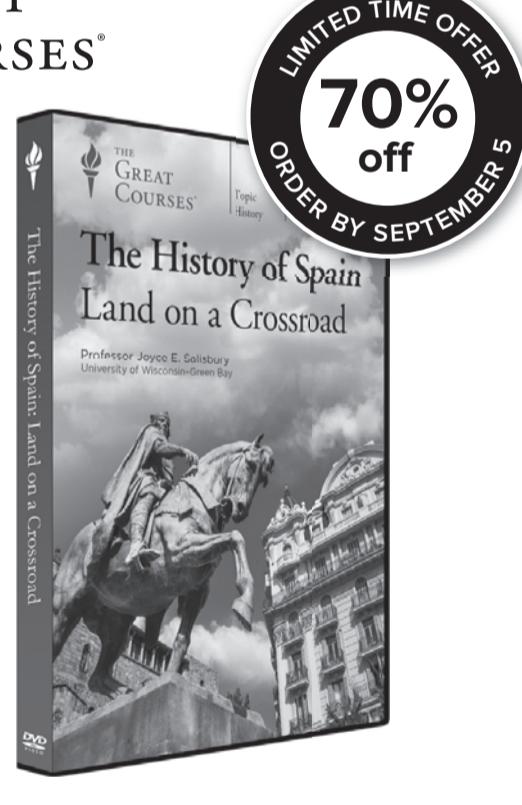
Mr. Lunn didn't hog the credit. "All the thinking doesn't come out of one head," he said.

Mr. Lunn died Aug. 5 after a stroke in Santa Barbara, Calif. He was 92.

—James R. Hagerty

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IN DEPTH

RAQQA

Continued from Page One
go. Islamic State used to force shops to close and people to pray.

Women accused of violating Islamic State's strict dress code were once whipped. In May, though, militants released two women unharmed after they were forced to buy new robes and all-covering face veils sold by Islamic State's religious police for 10,000 Syrian pounds each, or a total of about \$40, says Dalaal Muhammad, a sister and aunt of the women.

Ms. Muhammad, 37 years old, says her sister had to beg a family member to borrow the \$40 from friends.

"They didn't even have enough to buy bread," she said at a camp for displaced Syrians, wearing sandals held by twine. "They just wanted to get the money quickly because we were running out of time" to flee Raqqa.

An estimated 25,000 civilians remain trapped in Raqqa under Islamic State control, according to the United Nations, and more than 230,000 people have fled Raqqa and its suburbs since early April. On Thursday, the UN called for a pause in the assault so civilians can escape.

Fighters for the U.S.-backed Syrian Democratic Forces, leading the assault to oust Islamic State from Raqqa, say on some days they have helped dozens of civilians reach safety. Other days, no one makes it out. Militants execute smugglers helping civilians flee and those accused of collaborating with the coalition.

The Pentagon has estimated there are fewer than 2,500 Islamic State militants left in the city, down from 4,500.

Militants spent months girding for the long-anticipated assault before it began in June. They dug extensive tunnels beneath streets and homes, set up snipers' nests and planted improvised explosive devices everywhere to stop people from fleeing.

Human shields

"They wanted us as human shields," says Obaida Matraan, 33 years old, a taxi driver who escaped with his family one night just before the battle began. They carried a piece of white fabric to wave as they approached the SDF.

Before the escape, he saw on public display the bodies of executed men with signs that said "smuggler" as "a warning to others," he recalls.

In early 2014, Raqqa was the first city in Syria or Iraq to fall under Islamic State's complete control. The group has lost about 60% of the territory it held in January 2015, including its former Iraqi stronghold of Mosul, according to analysts at IHS Markit Ltd.'s Conflict Monitor.

Even as the self-declared caliphate crumbles, Islamic State has continued to claim responsibility for deadly terror attacks around the world, including in Spain last week, in a bid to project power.

The SDF has encircled Raqqa and says it has seized more than half the area of the city. But militants are capable of striking behind the coalition's front lines and are scrambling to hoard the little food and water left in areas they control. Much of Raqqa remains a battlefield.

The ground advance by the SDF has been aided by coalition airstrikes. At least 465 civilians have likely been killed in those airstrikes, independent monitoring group Airwars reported. The U.S.-led coalition said it investigates



Abdullah, 12 years old, above, is treated for wounds suffered when a mine exploded during his family's escape from Raqqa. The smuggler helping the family stepped on a mine and was 'ripped to shreds,' the boy said. Below, a hole smashed by Islamic State militants to help them move undetected between houses in the city.

civilian casualties. Monthly reports released by the coalition show far lower estimates of civilian casualties.

Syrian activist groups estimate that at least dozens more civilians were killed during the past week. Civilians in Raqqa say the airstrikes seem indiscriminate and kill more civilians than militants, who hide out in tunnels.

At the height of Islamic State's control, life in Raqqa and elsewhere in the group's territory was dictated by so many laws on everyday life that residents struggled to keep track of them.

Banned items ranged from men's skinny jeans (too Western and provocative) to canned mushrooms (made with preservatives) to bologna (because the group said it contained pork).

Enforcement slackened as the Syrian Democratic Forces advanced toward Raqqa through the Syrian countryside and eventually surrounded the city, according to residents who fled recently.

Checkpoints thinned out as Islamic State leaders and many militant fighters abandoned the city and headed to the eastern province of Deir Ezzour, residents said. The group still holds much territory in the oil-rich region and is expected to make its last stand there.

Islamic State fighters suddenly seemed to care more about money than morals.

People who have left Raqqa say militants suddenly seemed to care much more about money than morals. Islamic State's revenue—from oil production and smuggling, taxation and confiscation, and kidnapping ransoms—is down 80% in the past two years, IHS Conflict Monitor estimates.

For months, Islamic State ordered businesses and residents to use only the caliphate's own currency of gold and silver coins, current and former residents said. The move forced people to trade in their U.S. dollars and Syrian pounds



to Islamic State, which wanted those currencies as its territory shrinks.

Mr. Matraan, the taxi driver, says Islamic State made him pay \$30 for water, electricity and a landline telephone bill weeks before his family fled.

"They would go to people's homes and demand payment," said Mr. Matraan, who wore a San Jose Sharks cap under the searing sun at a camp for displaced Syrians in Ain Issa, a city north of Raqqa. "In the end, their main concern was money."

Abdulmajed Omar, 27, says militants began fining those caught violating Islamic State's smoking ban, rather than jailing or whipping them. Being caught with a pack of cigarettes brought a \$25 fine. The fine for a carton of cigarettes was \$150.

"They didn't bother with poor people," says Mr. Omar, who fled Raqqa before the battle and returned with the Kurdish YPG militia to fight Islamic State.

Before Ms. Muhammad fled the city, militants spent a month digging a tunnel underneath her home in the eastern neighborhood of al-Mashlab, she said. Like many of her neighbors, Ms. Muhammad was afraid to ask them what they were doing.

Inside one house in al-Mashlab, which has since been

captured by SDF forces, a tunnel opening cut through the living-room floor. The fighters filled the hole with broken furniture because they weren't sure where the tunnel led.

"We are suffering from snipers and tunnels," said Dirghash, a Kurdish YPG commander on the city's eastern front line who wouldn't give his last name. "The tunnels are all in civilian homes, and we suddenly find [Islamic State militants] popping up behind us."

On the western side of Raqqa, a warning painted in silver on the metal shutters of a motorcycle shop simply read: "There are mines."

New graffiti

In captured neighborhoods, the walls already are covered with new graffiti by the YPG, the Syrian Kurdish militia that is the dominant group in the SDF. Every conquering force that has swept through Raqqa since the Syrian conflict began more than six years ago has left its mark with cans of paint.

A hot breeze ruffled bed sheets hanging from doorways. The sheets were in keeping with Islamic State's decree to provide an extra barrier to prevent outsiders from seeing women inside their homes.

Outnumbered and out-

gunned, militants have turned their brutality on to civilians in Raqqa trying at last to escape from Islamic State.

Earlier this month, a 12-year-old boy named Abdullah said his family had tried twice to flee but was caught.

The first time, a Chechen fighter for Islamic State said he would arrest them unless they returned home. The second time, they were told: "If you try to leave again, we'll slaughter all of you."

Abdullah said the death threat came from a Chinese militant. His younger brother, Abdulrahman, interrupted: "He was a Pakistani."

The two boys debated the various ethnicities of Islamic State fighters who had helped turn their hometown into a rubble-strewn battleground, its streets lined with charred vehicles and pancaked roofs.

Militants blocked the family from drinking out of a neighborhood well, claiming they hadn't paid their water bill.

When the front lines approached the family home in the Old City, Abdullah and eight relatives made another harrowing escape attempt.

They spent a hungry, thirsty night dodging militants while coalition warplanes and mortar shells struck. By morning, they spotted a checkpoint for U.S.-backed forces.

"It bothers me," she said.

The new trend, Ms. Brannock said, is a docking drawer in the kitchen for cellphones.

Reminders are no longer necessary on the fridge, she said,

because they are on phones.

"We've kind of integrated that electronic device into how we communicate," she said.

Samsung has fashioned something of a compromise. The company's newest Family Hub refrigerator has a 21.5-inch touch screen that can showcase a calendar, recipes and photos. Report cards would have to be photographed and uploaded on it to be displayed.

In the meantime, entrepreneurs have sought to fill the void.

Dana Startt owns Chooopa-



AHMED DEEB FOR THE WALL STREET JOURNAL (2)

As they neared safety, the smuggler helping the family flee stepped on a mine and was "ripped to shreds," recalled Abdullah.

He didn't know how many of his siblings were still alive. His wounded father was stuck near the front lines because an Islamic State sniper prevented SDF fighters from pulling him to safety.

When Abdullah arrived in the back of a pickup truck at a villa in al-Mashlab now used as an SDF-run field hospital, his shoes and shirt were gone. He clutched a handful of chocolate bars. He had lost the backpack that he said saved his life by shielding him from shrapnel in the explosion.

Abdullah's right eye was bruised and swollen shut, gauze wrapped around his head, and his injured leg was propped up near a full ashtray on a sticky coffee table in the hospital's lobby. Dried blood caked the two brothers' faces.

Later, a nurse brought them chunks of bologna. It was the first time they had eaten bologna in years.

'Will it burn?'

As he narrated the escape, Abdullah's mature, emotionless demeanor broke only when a medic was about to clean his wounds, causing the boy to wince and cower in anticipation of the pain.

"Will it burn?" he asked.

Inside a room with a handwritten sign that said "Ambulance," Abdullah's mother laid on a stretcher on the floor, yelling deliriously. On a sheet of cardboard nearby was her 1-year-old son, Abdulkumin, who wore only a diaper and a new cast on his arm.

"Ayah, Ayah," the mother called out to her daughter, who held her hand. The mother asked about the fate of another son: "Where's Alawi?"

"Alawi is alive," Ayah said to her mother.

"Swear it," the mother demanded.

"I swear by God," said Ayah, but she didn't actually know. She gripped her mother's hand tighter and lowered her head. Tears streamed down her face.

"Did we make it?" the mother asked.

"Yes," Ayah assured. "We made it."

MAGNET

Continued from Page One

Mr. Baker's bachelor-era fridge was clutter-free for 10 years, he said, but after getting engaged recently, he felt nostalgic for the personalized family refrigerator of his childhood. "Moving in with someone and starting a life together motivated me to have a more homelike atmosphere in my kitchen," he said.

Taryn Brucia, a spokeswoman for the appliance-maker LG, said the lack of magnetism isn't the top issue she gets asked about, but it does come up.

When she discovered that her mother had stuck a dorm-

room-style half corkboard, half marker-board to her stainless-steel refrigerator using adhesive, "she got a talking to from me," Ms. Brucia said. "I was, of course, critical of her aesthetics."

Food blogger Kristin Porter spends hours in the kitchen and needed something to entertain her toddler son.

When she moved into her home in Des Moines in 2015, she used adhesive strips to stick two magnetic chalkboards to her fridge and freezer doors. A tutorial with instructions has generated several thousand hits on her blog.

When family members with stainless-steel fridges come over, Ms. Porter said, "their kids always want to play with the magnets."

Nicole Schultz-Kass, 37, of Woodbury, Minn., said she didn't realize that some fridges weren't magnetic when she moved into her new home four years ago. The mother of two girls, ages 12 and 5, said she adapted by hanging a magnetic board by the home's entry way to display a calendar and hold papers.

Because her Viking fridge isn't magnetic, Amy Harder, 31, displays photos of her three nieces and two nephews on her wall-mounted knife bar, instead of sharp utensils.

"I make sure that they are all represented," the Washington, D.C.-based journalist said, adding that space is tighter than it would be if the fridge was magnetic and "some are more represented than others."

Many customers prefer clutter-free fridges, said Sandra Brannock, a kitchen and bath designer in Amissville, Va.

Melanie Jackson, 40, of Fruit Heights, Utah, keeps her

kitchen clutter free. If her four children want to hang up art, it goes to their rooms. She was aware her stainless-steel fridge wasn't magnetic when she bought it. "I don't like things hanging on the fridge anyway.

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gunned, militants have turned their brutality on to civilians in Raqqa trying at last to escape from Islamic State.

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Dana Startt owns Chooopa-

Board, a business that launched in 2004 after her sister-in-law vented about not being able to put magnets on her high-end fridge. The magnetic boards are sold in two sizes.

The biggest complaint Ms. Startt gets is from customers who wake up in the middle of the night to the clashing of metal in the kitchen. Chooopa-Board has no research and development team—it just has Ms. Startt—who has discovered the suction cups don't work on more porous types of stainless steel.

Ms. Bonner, of Staten Island, has a new strategy.

"Now what I do, if I do go out to buy something stainless steel, I usually take something magnetic with me," she said.

OPINION

THE WEEKEND INTERVIEW with Richard A. Epstein | By Tunku Varadarajan

The First Amendment Is for Neo-Nazis, Too

New York

Unfazed by a stream of hustling residents, chatty doormen, leashed dogs and well-born children, Richard Epstein holds forth in the lobby of the building where he lives, just off Manhattan's Central Park. I worry about the background hubbub spoiling the recording of our conversation, but Mrs. Epstein—with good reason—has ruled their apartment out of bounds. She is packing and fussing for their son's wedding, to take place four days later, and doesn't want us underfoot.

The theme of our conversation is freedom of expression under the First Amendment, and there's relish in discussing the subject with a man who talks in long, long sentences uttered without pause for breath, as if expression were a form of physical exercise. Mr. Epstein, a professor at the University of Chicago and New York University, is among the Anglo-American world's foremost legal academics. Although often lauded as America's leading intellectual libertarian, he prefers to describe himself as a "classical liberal." With the violence

Curbs on 'offensive' speech are unworkable and would turn the public square into the grievance Olympics.

in Charlottesville, Va., still fresh in the mind, Mr. Epstein is concerned that the debate on free speech has taken an unwelcome turn. The American left, he says, is pushing hard for curbs on "offensive" speech, and "no good will ever come of that."

Mr. Epstein cites with evident distaste a recent New York Times op-ed by K-Sue Park, a fellow in critical race studies at the UCLA School of Law. Ms. Park lamented that the American Civil Liberties Union had defended the right of the white-supremacy group behind the Charlottesville protest to organize its march. The ACLU, Ms. Park argued, needs to "rethink free speech" and stop standing up for people with offensive views.

Perhaps you see the problems here. "There are certain harms that are nonactionable," Mr. Epstein says, "and offense is one of them. If I say something that you find duly offensive, you may protest, you may speak—but what you may not do is to sue me in order to silence me, or to get compensation from me." Counterspeech is "the appropriate 'remedy' under these circumstances; suppressing speech is not."

Mr. Epstein imagines a society in which "offensive" speech is curbed:

"Everybody offends everybody a

large fraction of the time. So, if I am insulting to you because you're a progressive and you're insulting to me because I'm a conservative, and if we allow both people to sue, then neither can talk." Those who advocate controlling speech, he says, tend to want only their sense of what's offensive to count, and nobody else's. Yet the fundamental tenet of classical free-speech law is that the rules ought to be "viewpoint neutral." Nobody can use force against anybody, regardless of his viewpoint; but anybody can express his opinion, irrespective of how offensive everybody else will want to regard it."

Even more complicating, controversial speech often isn't conducted between two people alone but is shouted from a soapbox. How much offense is required before government pulls the plug? "The moment people start to speak publicly," Mr. Epstein says, "there are 20 different views that you can take. Some will be deeply offended, some indifferent, others will be strongly pro. And the last thing you want to let the government do is to decide which of the two, the three, or the 10 interest groups is the one that ought to be able to dominate and to control the particular discourse."

Some on the left, purporting to be mindful of the First Amendment, insist that what matters is *severe* offense. Mr. Epstein points to "the weird incentive effects" this creates. "People now have every motivation to ratchet up their level of indignation in order to say, 'Look, you really hurt me,'" he says. "As a result, you make racial, ethnic, religious and social sensibilities an art form." One recent technique of doing this is calling out the "microaggression," by which he says people mean: "You may think that it's small, but it goes to the very core of my particular being, and so it's wrong and shouldn't be allowed."

Microaggressions make Mr. Epstein despair. Once you allow them, he asks, "are you going to allow them against everybody? At which point nobody can talk. So, you have to have preferences." He fears what will come next: "You drop the 'micro,' keep the 'aggression,' and announce that since you've aggressed against me, I can now use force against you in self-defense." This is part of the "modern left-wing First Amendment law," he says, which holds that "anything you say that offends me is a form of violence, to which I can respond by the use of force." The American left, he adds, "has become very solipsistic, and so all of their particular harms are enormous. And for those who are on the other side of this arrangement, they don't care at all."

In Mr. Epstein's view, the best response to this push is to continue



KEN FALLIN

to underline what free speech truly means in America. We need to "go back and look at what Justice Robert Jackson said about free speech in *Barnette* in 1943." That was the case in which the Supreme Court held that public schools could not compel Jehovah's Witnesses to recite the Pledge of Allegiance.

It was a reversal of precedent, Mr. Epstein explains. In a 1940 decision, *Minersville School District v. Gobitis*, Justice Felix Frankfurter, "the son of immigrants, very much a kind of American loyalist," said that it was a libertarian fantasy to assume that Jehovah's Witnesses could simply refuse to speak under the grounds of conscience." It showed, Mr. Epstein says, "a genuinely authoritarian streak in our friend Frankfurter."

Justice Jackson had a "more subtle mind, and he believed that if you're a Jehovah's Witness, and you thought that saluting the flag was a form of idolatry, you could stand aside." As Mr. Epstein sums up the principle: "It doesn't matter whether our views are high or low, this way or that—it's not the job of the government to tell us what they ought to be."

He contrasts *Barnette* with the temper of the present time. "Justice Jackson's wasn't the modern position, which says, 'Since one person dissents from it, nobody can say the Pledge of Allegiance in class.'" The older accommodation was that you were given "a painless pass, but you had to suffer the offense of watching other people do things that you did not want to do. Now, we basically shut everybody else down if you take offense."

Justice Jackson's view of free speech is "pretty well secure in the judiciary today," Mr. Epstein says. Judges are careful to distinguish between persuasion and communication on the one hand, and

right to use your own resources to advance your own causes. But it doesn't give you, in the name of free speech, the right to take somebody's telephone, somebody's house or somebody's anything in order to use it for your own purposes."

In effect, Mr. Epstein says, the notion of freedom of expression is embedded in a much larger and comprehensive system of property rights. Does the Supreme Court believe that? "In the case of individual speech, the answer is yes," he replies. "But there's another dimension to speech, which is the question of campaign finance and related topics. There's a very deep cleavage of opinion, with progressives thinking that big business in speech is every bit as bad as big business everywhere else, so you'll have to put limits on their ability to spend."

This progressive model typically assumes all big companies and rich people act the same way. "But one of the things we know," Mr. Epstein says, "is that there's absolutely no uniformity among the rich as to how they view and spend their money. There's New York liberals and Texas conservatives—and of course the American business community is undergoing a tectonic shift. The leadership of all the big tech companies is essentially of the left." He cites Bill Gates and Mark Zuckerberg, as well as Google's CEO, Sundar Pichai, whom Mr. Epstein calls "an economic illiterate."

He also mentions the provocateur Milo Yiannopoulos, who was run out of Berkeley in February by intolerant leftists. Although Mr. Epstein says he considers Mr. Yiannopoulos a "dreadful human being," he also doesn't think a peaceful speaker should face rioters—who, in this case, caused an estimated \$100,000 of damage.

The real question, Mr. Epstein says, "is not what we believe, it's what we're prepared to put on the line. The moment you start yielding to this sort of thing, it's just an encouragement for the other side to shut you down. Berkeley should have said: 'We'll call in reinforcements, we'll bring out the National Guard if necessary, but we're not going to allow any group to intimidate and change the way in which campuses work.'"

Still an active teacher at 74, Mr. Epstein tells me a joke he sometimes uses in class. It comes from a 1950s comic strip. "I go to the top when it comes to sources and material," he says slyly.

Jughead, a known mook, comes to Archie's house and asks: "Archie, do you believe in free speech?" Archie says sure. Jughead replies: "So you don't mind if I use your phone to make a long-distance call?"

"Why is this funny?" Mr. Epstein asks. "Because freedom of speech means that you have the

*M*r. Epstein reserves special ire for Google. He cites the case of James Damore, the engineer fired from the company this month for suggesting in a memo that biological factors might contribute to the lack of women in the tech industry. Mr. Pichai was "saved from greater embarrassment by Charlottesville," Mr. Epstein says. "People stopped talking about Google because they had more important things to talk about."

He thinks the Google firing illustrates that the notion of inadmissible "offensive" speech now permeates both the public and the private spheres. "Google is basically massively intolerant," he says. "There was a guy, the data analyst, who was not against diversity. He said he wasn't. So many Americans who are offended by the kind of 'diversity inclusion' methods you have at Google are not against diversity, nor against inclusion."

"They're against people telling them how to be diverse, and exercising a moral superiority over them which forces them to grovel."

Mr. Varadarajan is a fellow in journalism at Stanford University's Hoover Institution.

Republicans Won't Let Chicago's School Crisis Go to Waste



CROSS COUNTRY
By Alyssa Finley

Chicago Mayor Rahm Emanuel once observed shrewdly that a crisis is an "opportunity to do things you think you could not do before." His words ring especially true in Illinois, which is about to enact one of the largest private-school

scholarship programs in the country. The breakthrough has been made possible by a fiscal crisis in the nation's third-largest school district.

Chicago Public Schools expects to run a \$544 million deficit in the coming fiscal year and is at risk of defaulting on debt payments. Legislative leaders in Springfield have been working around the clock on a new school-funding formula that would bail out CPS. In return for his signature, Gov. Bruce Rauner, a Republican, has demanded a tax-credit scholarship program for poor kids to attend private schools. Seventeen states have similar programs, which provide tax credits for contributions to nonprofit scholarship funds.

In 2010 a voucher program passed the state Senate but died in the House primarily due to opposition from Chicago Democrats. But now the city's Democrats, including House Speaker Michael Madigan, are more receptive. That's because a straight-up bailout of Chicago schools would invariably reduce funding for downstate districts. It simply doesn't have enough support in the state House to pass.

Schools across the state, including those in Chicago, may not open on time if lawmakers don't pass a new funding formula next week. Democrats could blame the debacle

on Mr. Rauner, but shutting down schools statewide to force a bailout of Chicago schools isn't popular anywhere—not even in Chicago. And CPS desperately needs state cash to maintain access to credit markets due to its history of financial mismanagement.

In 1995, amid financial duress, the state established a block grant to help Chicago pay for special education, transportation and nutrition programs. In 2017, Chicago schools benefited to the tune of \$250 million. As part of the deal, the state handed control over Chicago teacher pensions to then-Mayor Richard Daley, who took a 10-year "holiday" from payments. According to the Illinois Policy Institute, this allowed the district to divert more than \$1.5 billion from teacher pensions to pay and other perks.

In 2011 Chicago suspended pension payments again for three years to prevent massive teacher layoffs and benefit reductions. After teachers went on strike for seven days in 2012, the district awarded the union a 17.6% pay increase over four years.

A few years later, facing a \$1.1 billion structural deficit, the Chicago Board of Education approved \$1 billion in borrowing. Last summer, the district increased property taxes by \$250 million to make an obligatory pension payment, but later agreed to a new contract boosting teacher salaries by 4.5%. Now pensions are underfunded by \$11 billion.

Mindful of the investment risk, creditors are charging junk-rated Chicago schools a premium to borrow. To pay its bills the district borrowed \$725 million at an 8.5% interest rate in March and another \$387 million at 6.4% in June. In July the school district issued \$500 million more in

debt at a rate of about 7.25% to repay creditors. The Chicago Board of Education is counting on a state bailout to repay all of this debt.

Meanwhile, student enrollment is plummeting, and not only because more kids are attending charter

In exchange for bailing out the Windy City, Illinois's Gov. Rauner wants a serious voucher program.

schools. Crime, high property taxes and lousy schools—only a quarter of eighth-graders scored proficient in math on the National Assessment of Educational Progress—are to blame for an exodus of black families. According to the U.S. Census Bureau,

schools. Crime, high property taxes and lousy schools—only a quarter of eighth-graders scored proficient in math on the National Assessment of Educational Progress—are to blame for an exodus of black families. According to the U.S. Census Bureau,

The soldiers and sailors commemorated in this park died because a

Chicago was the only major city to lose population in 2015-16.

While the status quo is unsustainable, the Chicago Teachers Union has demanded that state lawmakers hike property and business taxes to pay for their pensions. But even the union seems to realize that it has overplayed its hand. See its press release this week charging that "Mayor Rahm Emanuel and Gov. Bruce Rauner are knowingly sabotaging Chicago's public schools" and "supporting a plan that will give money to private schools that could be directed to our public school classrooms."

Illinois sources say a deal supported by legislative leaders could be announced this weekend that will provide \$100 million in tax-credit scholarships for low-income kids. This would represent the biggest first-year scholarship funding

among any tax-credit program in the country. Each scholarship would be worth up to \$12,280—roughly equal to Illinois's average per-pupil funding. Special-needs students could receive more. Families with incomes up to 300% of the poverty line would be eligible, but lower-income kids and those attending failing schools would have priority.

Until recently the focus in Springfield has been on shoring up the state fisc. But now that the state budget stalemate is over, the governor and legislature have an opportunity to turn Chicago's school crisis into a bipartisan victory helping thousands of low-income kids. As Mr. Emanuel once said, "you never let a serious crisis go to waste."

Ms. Finley is an editorial writer for the Journal.

Notable & Quotable: Monuments and Courage

From remarks by Robert M. Morgenthau, formerly Manhattan's district attorney, at the General Grant National Memorial, June 6, 2016:

In the aftermath of the Civil War, Mark Twain remarked upon this great mystery: how it could be that physical courage should be so common in the world, and yet moral courage so rare.

It is fit and proper that all communities remember those whose physical courage led them to sacrifice on the field of battle. But today I would like us all to pause to honor as well that rarer virtue: moral courage.

The soldiers and sailors commemorated in this park died because a

founding document told them, "all men are created equal"—and yet they knew that every day, somewhere in this nation, that principle was being violated by the master's lash. That violation they could not abide; and when their nation called them, they took up arms. That is what we mean by moral courage.

And so they won the war, and so

the Union was preserved; and so the Constitution received its crown, the Civil War amendments, outlawing slavery, along with every badge and incident of slavery—and indeed prohibiting any provision that might deny any American the equal protection of the law.

It was, by any measure, a great victory. And yet today, I sometimes

fear that, just as the great monument to the Union soldiers has fallen into disrepair, so have the principles for which that monument stands.

I worry that today we still see some flying the confederate flag, claiming that they do so only to honor the dead—but, in too many instances, slandering the living as well. . . .

It is not just monuments that must be restored. The ideals that they represent that must be restored as well. . . .

As we restore our monuments, let them inspire others as well, to find within themselves the courage—the moral courage—to preserve the ideals upon which the true greatness of this nation shall always rest.

OPINION

REVIEW & OUTLOOK

Talcum Tort Stick-Up

Plaintiff attorneys are naturally opportunistic, so it's not surprising that they're responding to tort reforms by searching for new vulnerabilities in the legal system. See the spread of talcum powder torts to California and other friendly forums.

A Los Angeles jury this week awarded a 63-year-old woman with advanced ovarian cancer a \$417 million verdict against Johnson & Johnson. The plaintiff claimed that the company's Baby Powder, which she had been using for more than 50 years, caused her terrible cancer. Her attorneys compared the company to the tobacco industry, which failed to warn consumers of cigarettes' carcinogenic risk.

Yet talc isn't a known carcinogen. Scientific, medical and regulatory bodies have failed to ascertain a causal link or correlation between talcum powder and ovarian cancer. The National Cancer Institute's Physician Data Query Editorial Board wrote in April that "the weight of evidence does not support an association between perineal talc exposure and an increased risk of ovarian cancer."

Some researchers and doctors have posited mechanisms by which talcum powder could cause cancer, and the American Cancer Society says that there have been "some studies reporting a slightly increased risk and some reporting no increase." But this is true of many products including soy and coffee.

It's easy to find a few witnesses who will contend that any product is a carcinogen. The plaintiffs and jury in this case appear to have relied heavily on the testimony of gynecology professor Daniel Cramer, who has studied talc and ovarian cancer for more than three decades. Yet none of his peer-review studies have asserted a causal connection.

Last year a New Jersey judge dismissed two talc cases because he found Dr. Cramer and other plaintiff experts' testimony lacking credibility. "Though both Plaintiffs' experts are emi-

No causal link between Baby Powder and cancer, but still a big payday.

nently qualified, their areas of scientific inquiry, reasoning and methodology are slanted away from objective science and towards advocacy," the judge noted. He found it especially troubling that Dr. Cramer "totally ignored laboratory research regarding the biology of cancer" and tried to use "epidemiology to prove specific causation" (the judge's emphasis).

Enter California, where trial judge Maren Nelson admitted the pseudo-scientific testimony because the state hasn't adopted the U.S. Supreme Court's *Daubert* standard. Under *Daubert*, trial judges must consider whether testimony is based on a valid scientific methodology, has been peer-reviewed and is widely accepted within a scientific community. Thirty-nine states have adopted *Daubert*, including Missouri, which this year passed legislation raising its evidentiary bar to curb talc torts.

The American Tort Reform Association found that two-thirds of talcum powder claims as of last year had been filed in St. Louis Circuit Court. Law firms saturated St. Louis airwaves with commercials that solicited plaintiffs and conditioned potential jurors by asserting a link between talcum powder and ovarian cancer. They also sought to import out-of-state plaintiffs. Last year St. Louis juries awarded three verdicts totaling \$197 million to plaintiffs from Alabama, South Dakota and California.

In June the U.S. Supreme Court issued an 8-1 ruling in *Bristol-Myers Squibb* that limits such forum shopping by barring out-of-state plaintiffs from joining local plaintiffs to sue out-of-state defendants. So now law firms are shopping for talc plaintiffs in California and non-*Daubert* states.

Johnson & Johnson plans to appeal the L.A. jury's verdict, which includes \$347 million in punitive damages. The plaintiff may not survive the appeal, and as always much of her award will go to the lawyers.

Hearing Aid Breakthrough

One reason health care is so expensive is that government rules often distort the price of care. Consider the market for hearing aids, which after decades of regulation will soon be open to competition and innovation that lowers prices for patients.

President Trump recently signed a Food and Drug Administration funding bill that includes a directive for the agency to develop standards for over-the-counter hearing aids. These will be sold like cough medicine or reading glasses, and the new category will cover technology for mild or moderate hearing loss. The idea, put forth by Reps. Joseph Kennedy (D., Mass.), Martha Blackburn (R., Tenn.) and others enjoyed bipartisan support in both chambers.

Current rules require a prescription for hearing aids, and one result is that many of the more than 30 million Americans with some impairment don't use the devices. Medicare and most private insurance plans don't cover the cost, which runs \$2,400 on average and often includes fees for adjustment and later evaluations. A patient's only alternative is to buy a cheap amplifier intended for hearing birds or hunting.

Last year the National Academies of Science, Engineering and Medicine recommended that FDA create a new class of devices that consumers could buy directly, and the bill follows this expert recommendation. The bill repeals an old

regulation requiring a medical evaluation before purchasing an aid. FDA will develop standards for safety and quality, as the agency does for all medical devices.

A menagerie of groups on the right say the plan gives the government too much authority over amplifiers, which under current law can't advertise as products that mitigate hearing loss. But that fear is exaggerated, and in part ginned up. The bill merely directs the government to clarify rules for these devices, and it's hard to imagine Health and Human Services Secretary Tom Price signing off on regulations that come after Uncle Jim's hunting gear.

The real gripe is that a few hearing-aid manufacturers will lose their current competitive advantage. Six companies, including the Danish company William Demant and the Swiss Sonova, control more than 90% of the market, and Congress's move allows new firms to jump in and offer lower-cost competition.

All of this will be great for consumers: Medical devices in many cases have lagged behind other electronics. A person can buy a Fitbit, noise canceling headphones from Bose and other sophisticated devices, yet simple products like hearing aids haven't improved nearly as much, and government interference is one reason. Few will notice this accomplishment by Congress, but it's a classic example of a market improvement that will expand choice and benefit public health.

How the Post Office Delivered for Hillary

Congress is digging into a report that the U.S. Postal Service (USPS) and its union broke federal law by engineering time off for employees to campaign for Hillary Clinton. With any luck, the probe will kick off a wider reform of taxpayer-subsidized union activity.

Senate and House committee chairmen Ron Johnson and Trey Gowdy this week sent letters to 10 cabinet departments, requesting information about their policies governing what's known as union Leave Without Pay. The letter follows a July report by the Office of Special Counsel (OSC)—the federal agency that investigates government employment practices—revealing that senior leaders of the USPS "improperly coordinated" with the National Association of Letter Carriers to engineer time off for nearly 100 employees for election purposes.

Federal employees can apply for leave without pay, but this case was a union-engineered job. The union provided management with lists of names, and the USPS sent these out in email "directives," telling local offices to grant specific leave requests.

The employees were sometimes granted leave over the objections of local postmasters, who faced staffing shortages and overtime costs. The employees then joined an AFL-CIO program to work for Mrs. Clinton and other candidates, and were paid for their time off with union funds.

OSC calls this a "systematic" violation of the Hatch Act, which governs the political activities of federal workers. Government employees are allowed to engage in politics, but on their own time, and federal agencies are re-

Charges of a 'systematic' effort to violate the Hatch Act in 2016.

quired to administer leave programs in a neutral fashion. In the USPS case, the OSC found an "institutional bias" in favor of union-backed candidates, meaning Democrats.

The Office of Personnel Management (OPM) separately looked at what is known as "official time," when federal employees can do union work in lieu of their regular assignments. According to figures from fiscal 2014, federal employees racked up 3.47 million hours of official time, at a cost to taxpayers of \$163 million. A January report from the Government Accountability Office found that at the Department of Veterans Affairs federal employees spent 1.1 million hours performing union duties on official time in 2012.

While federal law permits official time, agencies aren't required to track or report the hours. A 2012 GAO report implied that the actual number of official time hours, and the cost to government, was significantly higher than anything OPM reported. Not that OPM tries hard to keep track. Prior its March report, the last time it looked at official time was in 2012.

In May the House passed a bill sponsored by Rep. Dennis Ross (R., Fla.) that would require OPM to compile statistics on official time each year. Mr. Johnson should push it in the Senate while expanding his USPS probe to the broader misuse of government time.

The unions are howling about the Ross bill, and Senate Democrats may filibuster. But Republicans should be happy to stand on the side of more transparency and accountability. Taxpayers have a heavy enough lift without underwriting partisan politics.

LETTERS TO THE EDITOR

Who Gets the Wealth College Athletes Create?

Paying student athletes, while necessary, is insufficient to unlock the dynamic power of capitalism and allocate efficiently the resources of a nation again seeking greatness. As an ancient graduate of the University of Texas economics department, I offer four relatively simple public-policy proposals ("The Money Bowl," Re-

view, Aug. 19).

First, dissolve the NCAA. It is a rule-based cartel, the mortal enemy of price theorists. Second, accredited universities should ban all athletic scholarships. Third, revoke the 501(c)(3) exemptions of all college athletic departments and make them taxable as C corporations. Exemptions are nothing but disguised subsidies. Last, make all college athletic departments subject to the public company accounting and reporting requirements of the Securities Exchange Act of 1934.

Once college athletic departments are taxable, transparent, uniformly valued and relieved of their scholarship burdens, their packaging and sale is all but a done deal. The sale of UT, Texas A&M and Texas Tech will mean the Texas state legislature will never again have to appropriate the colleges' budgets, freeing public funds so Texas can build its own border wall. Student athletes' wages will rise, and pro athletes' will fall, until this robust market reaches equilibrium.

JOHN R. WILLIFORD

Austin, Texas

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Football players are about more than money, as we have so tragically learned at Baylor during the past 18 months. My father was a poor boy who went to college on a football scholarship (Washington & Jefferson, class of 1938). Football scholarships changed my father and raised him and his fellow players up in a way that few other things could have. Eighty years later, football scholarships are still changing and elevating poor boys. College football players aren't commodities who deserve to be

paid. They are uncut gems who need developing with a college degree that they can fall back on when the overwhelming majority of them fail to make it into the lucrative ranks of pro football or are tossed out prematurely due to an injury. In a quarter century of watching the football program at Baylor, I have seen how good players who couldn't make the pros have graduated and moved into a network of fellow coaches, sports media, business and other professions. Football players at Baylor get a lot of help from the university to finish their degrees in terms of special tutoring and monitoring. Graduation rates are a crucial indicator that needs constant attention. Paying football players a salary holds the danger of transforming an educational experience into a money-based recruiting system with the potential for corruption far beyond the amenities of a locker room.

EM. PROF. D.E. MUNGELLO

Baylor University

Waco, Texas

My son plays baseball for a team that competes in the Atlantic Coast Conference, and I found myself agreeing with most of Jason Gay's points. Last year on a road trip to Wake Forest University, I marveled at its baseball team's new \$14 million Baseball Player Development Center. When I drive my son back to his campus for the start of school, he will be sure to make a stop to check out his baseball team's new and expanded clubhouse.

TED KERSCHNER

New Berlin, Wis.

I disagree with Jason Gay, but his article is a perfect opening for the debate. Professionalism in college football wasn't unknown, but was rare until the '50s when TV erupted. I played at Stanford in the early '50s and have watched the corruption grow to this point, at which Mr. Gay openly suggests surrender. I hope he loses for the sake of college football.

DICK GANT

San Diego

Workers' Health for UPS's Financial Health

Regarding David Abney and Frederick W. Smith's "Business Rivals Agree On Policy" (op-ed, Aug. 14): As a long-time UPS employee, I'm proud that my CEO is standing up for policies to strengthen our industry, even if it means working with our main rival. That's why it's hard for me to understand how Mr. Abney can see the full picture there, yet be shortsighted and out of touch when it comes to his own company.

I represent the 1,200 aircraft mechanics who maintain UPS's air fleet

The Value They Add Is the Right Metric for CEO Pay

In "If the CEO Is Overpaid, Blame the Compensation Committee" (op-ed, Aug. 22), Robert C. Posen and S.P. Kothari spend most of their time decrying the inadequacy of the specific metrics on which CEO compensation targets are based. This is, unfortunately, like so many intelligent-sounding and totally specious arguments coming out of the academy. Any metric can be used as long as it can be controlled or influenced by the person on whose compensation it is based and one that, by achieving that metric, the goals of the organization are advanced. It could be GAAP or non-GAAP earnings, Ebitda, adjusted cash flow, revenues or any of myriad other measures.

The problem, which is largely ignored in the article, is that the metrics are used as a way to justify increasingly larger and larger compensation packages in sizes totally divorced from whatever true value the executives may add to the corporation or its shareholders. While addressing this question is dramatically more difficult, spending time and energy arguing over GAAP versus adjusted GAAP guarantees that you'll never answer it.

KENNETH BURKE

Wellesley, Mass.

and do backbreaking work to make sure packages are delivered on time. They've been working under an expired contract for years simply because Mr. Abney and other UPS executives want to slash their health benefits. Negotiations have dragged on, wasting shareholder dollars and countless hours of staff time, prompting an entire workforce to say they're ready to strike.

The holiday shipping season is around the corner, and UPS's ability to keep up with the e-commerce boom will be tested. UPS can't afford to have instability with its employees anytime, but especially not now. If Mr. Abney is going to push for stronger policies for the shipping industry, he should get his own house in order first.

TIM BOYLE

Louisville, Ky.

Mr. Boyle is president of Teamsters Local 2727.

Quarterbacks Should Be Hired for Potential to Win

Colin Kaepernick is not the Trojan horse portrayed in Jason Whitlock's "Is Colin Kaepernick Executing a Trick Play?" (op-ed, Aug. 17) attempting to stir up a progressive media attack on racist NFL ownership. He's not that conniving or calculating. Mr. Whitlock says: "Mr. Kaepernick's protest came seemingly out of nowhere." Why? Because he craves the spotlight. He took the 49ers to the Super Bowl his first year, but ever since he's been a subpar QB, with a lousy win-loss record as a starter. The reason no one picked him up is because his arm is not what it used to be. Besides, he will immediately saddle the owner with unwanted media attention, not to mention potential blowback from the team's hardcore fans. It's a risk the owners have decided isn't worth taking. Period.

PIETER STALENHOEF

Needham, Mass.

Pepper ... And Salt

Regarding Bart Elmore's review of Linda Civitello's "Baking Powder Wars" (Bookshelf, Aug. 11): We learn how baking powder in its evolving forms saved women a daily 30 minutes by eliminating the need for kneading dough. Everlasting freedom, if only the blow dryer had not been invented.

CYNTHIA TANNER

Peachtree Corners, Ga.

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"It's 'National Elevator Day.' I'm here to tell you its history."

OPINION

For a Day, Our Political Troubles Were Eclipsed



DECLARATIONS
By Peggy Noonan

In Manhattan on eclipse day I had planned to go by Central Park to witness how people would react to the big celestial event. But I didn't get there because of what I saw on Madison Avenue.

It was so beautiful.

Up and down the street, all through the eclipse, people spontaneously came together—shop workers and neighborhood mothers, kids and bank employees, shoppers and tourists. They'd gather in groups and look up together. Usually one or two people would have the special glasses, and they'd be passed around. Everyone would put them on and look up and say "Wow!" or "Incredible!" and then laugh and hand the glasses on.

It was beautiful: Up and down Madison Avenue, people stood together and looked upward.

Walking south I saw the clusters form and re-form. On Madison and 77th there were 10 people, including a neighborhood woman who'd brought a red plastic colander, which she held so that the shadow it cast on the sidewalk showed the changing shape of the sun. That was a hit with the kids. There were grade schoolers who'd made their own viewing devices from cardboard and cereal boxes. A young woman accepted a pair of glasses, looked up, and said: "Oh my freakin' God." Another said: "It's remarkable." "Beautiful," a woman added. "It is, isn't it?" asked a man walking by.

In front of E.A.T. by Eli Zabar, more than two dozen people filled

the sidewalk and street. Four had the special glasses that were being passed back and forth. A woman named Beatrice who works at a local real-estate office saw me taking notes and smiled. "Do you wanna see?" I did. She gave me the glasses, and I saw the sun half covered. I told her she would be in The Wall Street Journal on Saturday. Hi, Beatrice.

In front of St. James church small groups formed. A UPS man stood for a long time in the back of his truck on the loading step, looking up, rapt. On 67th Street there were more than two dozen people, everyone looking up, pointing. "Do you see it?"

There was a tattooed man in a heavy metal band T-shirt, with his teenage son. "You want?" the man said. He was lending his glasses to everyone who came by. "Are you doing this just to be nice?" I asked. "Yeah," he said. "We got them free." Something nice had happened to him so he was spreading it around.

So that's what I saw, uptown to midtown—sharing and wonder and friendliness, along with a continual refrain: *Here, take my glasses. Do you see?*

There was something about it that left me by the end quite moved. Witnessing spontaneous human graciousness and joy is stirring. And we were seeing something majestic, an assertion of nature and nature's God, together. It was tenderly communal.

And it was this: Everyone was normal. These were regular Americans being nice to one another and to whoever walked by. They were all ages, conditions, races, sizes. They were generous and kindly. No one kept their pleasure to themselves.

They were not fighting in the streets with scarfs covering their faces. They were not marching and chanting anti-Semitic or racist slogans. They were not shutting down speakers on campus. They were not ranting at a rally.

They were not even deciding that a man named Robert Lee shouldn't call a game down South on ESPN because



On Fifth Avenue, watching the eclipse over the Empire State Building, Aug. 21.

Americans are so stupid they'll think he's Robert E. Lee and cover him with tarp and knock him down.

They were normal, regular people. *They were who we are.*

That's what so moved me.

When the news is bad, as it has been lately, you can lose a sense of perspective. But we are a nation of 325 million. How many of us are neo-Nazi, KKK, Antifa or any other dreadful group? Maybe, in all, a million at most? It's not much. They're way outnumbered! You can lose this knowledge watching the news.

We are a great people in a nation founded on great beliefs, and though things are troubled at the very top, in Washington, on the levels below and beyond we tend to hash things out and make it all work.

* * *

And now, here, the dread political part.

Maintaining perspective is going to be useful in the future, because our national politics, the news of which pulses nonstop through our many platforms, is probably not going to get better anytime soon.

We are in a place we've never been. No matter how politically sophisticated you are, you've never

been to this particular rodeo.

We have a president half the country thinks is crazy, insufficient, not up to the job, unsuited for it by temperament, personality or character. But there's about a third of the country, among whom are some I love, that passionately supports Donald Trump, has faith in him, sees all the forces arrayed against him and pulls for him in the way an American roots for the little guy. If they see him removed and believe it was done unjustly—the swamp strikes back—they will be left embittered and will lose faith in the entire system.

This on its own is quite a division. It speaks of basic human perception. Congress will soon be back and is unlikely to get anything major done—not tax reform or infrastructure. The president deliberately insults and offends members of his own party. He thinks his core supporters will agree with his criticisms and blame congressional Republicans for what's not working. And he's right, they will. They don't like the Republican establishment. But this is not a winning strategy.

Mr. Trump has simply replaced the old dysfunction (the one that got him

elected) with a new dysfunction of his own making. If Republicans on Capitol Hill get nothing done and continue to be attacked by their party's president, their reelection will be endangered. Mr. Trump may be ensuring that Democrats retake Congress in 2018.

Does he understand that the first thing they'll do when they assume power is launch investigations and move to impeach him?

They'll do it for at least two reasons. One is that hating Mr. Trump is one of the few things that unites their party. The other is that busying themselves with impeachment will allow Democratic leaders to avoid hard fights over what their own party stands for. For it too is warring and riven. But Democrats don't have to face that while they're busy with the Trump Removal.

Quieting himself now would be wise. But he likely won't or can't. If Mr. Trump continues to be unable to get major legislation passed with a Republican Congress, he will become angrier. He'll hold more rallies to vent. These rallies and what he says at them may well contribute to disruptions, including in the streets.

So we're all stuck.

What will resolve this? I think a lot of a quote often attributed to Harold MacMillan about what dictates political fortunes: "Events, dear boy, events."

Maybe the special prosecutor will find impeachable offenses. Maybe not. Maybe Mr. Trump will get tired of it all. Maybe not. Maybe he will magically learn how to be president. Maybe not.

More likely, the grinding, scalding Trump wars will continue daily. Which will be hard on all of us.

What to do when the mess gets you low? One thing is to have perspective on who we are. We have gotten through much. We'll get through this. We are a great people and a good one who show this to one another every day. *Here, take my glasses. Do you see?*

With Every Alzheimer's Diagnosis, the Same Bleak Conversation

By Jeremy Abbate

On an overcast Tuesday morning last October in Northford, Conn., I sat in a second-row pew in a quiet church and watched my father tell a heartwarming story about his older sister, Martha. He recalled an incident from his childhood when, as he recovered from a bike accident that injured his jaw, Martha had baked him a chocolate cake and lovingly cut it into tiny pieces so he could eat it through his stitched mouth. My father told the story that morning as part of his eulogy for Martha, the fourth and final one he delivered for his nuclear family. His father, his mother and his two older sisters all succumbed to the ravages of Alzheimer's disease.

I was 11 years old when I first heard the name of this condition. It was at a bus station in Mount Laurel, N.J. Before departing on a trip to visit my grandparents in New Haven, my mother sat down next to me and explained that I shouldn't be surprised if Grandpa didn't remember my name. She then described to me the symptoms of Alzheimer's—tidbits from the little that was known at the time—and added that she hoped scientists could come up with a way to treat it very soon.

That was in 1982. At the time, I never would have believed we'd be stuck in the same place today. Researchers have made so many breakthroughs in fighting disease over the past century that progress can seem inevitable. Ailments that once were death sentences—diabetes, HIV/AIDS, many forms of cancer—have been transformed into chronic but manageable conditions.

But for Alzheimer's, as the old phrase goes, we got nothing. Every time a family member of mine received the dreaded diagnosis, the conversation always returned to what the latest medicine could do. The answer always was, and still is,

not much. The class of cognition-enhancing drugs known as cholinesterase inhibitors, which includes the popular brand Aricept, may ameliorate symptoms early on, but they do nothing to slow or treat the disease. My neighbor, a physician, recently confessed to me that he prescribes them for the family's sake, not the patient's.

Frustratingly, after all this time we do not even know what causes Alzheimer's or what new drugs should target. For years, the prevailing hypothesis was that a buildup of plaques called amyloids in the brain caused mental degeneration. Most of the promising clinical trials in recent years focused on these plaques, and all of them, to date, have failed.

A growing number of researchers are revisiting an older theory, which holds that microbes play a key role in the onset of Alzheimer's, and that the plaques are simply a byproduct when nerve cells fight the infection. Clinical trials based on antibiotics

and antivirals await funding, but at the moment there is no hard evidence to suggest that these remedies will be effective. Yet another theory holds that brain inflammation is a key actor in the disease, but it too has not faced rigorous testing.

Maybe scientists will find a treatment soon, I was told in 1982. Today I'm saying it to my kids.

A few rays of hope have emerged. New clinical data suggests that certain health and lifestyle practices—such as living with a partner and maintaining a diet high in unsaturated fats—can sometimes delay cognitive impairment. But that won't help the many patients already in decline. By 2050 the number of people suffering some form of

Alzheimer's in the U.S. alone may reach 130 million. Each of those men and women is robbed of personal memories and self-identity. Each case of the disease is an emotional, logistical and financial burden for the patient and loved ones.

As families dealing with Alzheimer's wait for new treatments, they'll continue to see their loved ones fade, just as I watched every member of my father's family forget who I was, lose communication and motor skills, and ultimately perish as shells of their former selves.

Three months after my Aunt Martha's funeral I noticed my dad struggling to respond to mundane questions. Before long he was having trouble remembering song lyrics, something he rarely had trouble with before, and was straining to walk. Within a few weeks he had lost his ability to process language quickly.

We put him through a series of neurological tests. I was praying for

it to be anything else—a stroke, severe Lyme disease, even brain cancer. Who was I kidding? The diagnosis came back: a condition related to Alzheimer's, something called frontotemporal dementia (also known as Pick's disease).

The future fills me with dread. I dread the discussions to come, the inevitable fights among my siblings. I dread seeing my sometimes fragile, dependent mom suddenly thrust into the role of care giver—and then, in time, left alone as my dad dies slowly, or maybe not so slowly.

Perhaps what I dread the most is the conversation I will need to have with my soon to be 11-year-old son and 8-year-old daughter. "Don't be surprised," I'll have to say, "if Grandpa doesn't remember your names. The treatments are limited. But I hope scientists come up with a way to treat it very soon."

Mr. Abbate is the publisher of Scientific American.

The Coming Global Car Wreck

BUSINESS WORLD
By Holman W. Jenkins, Jr.

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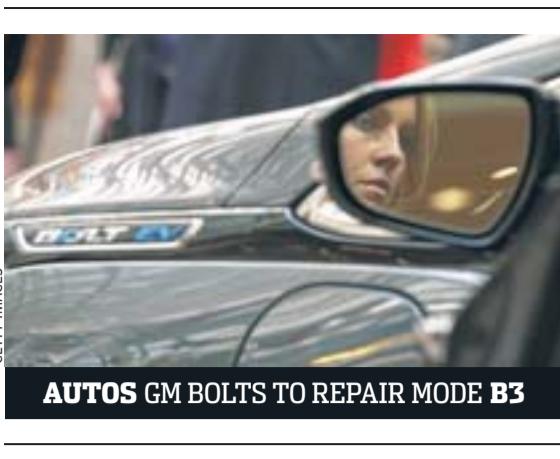
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AUTOS GM BOLTS TO REPAIR MODE B3

BUSINESS & FINANCE



METALS PALLADIUM SHINES B8

ILYA NAYMUSHIN/REUTERS

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THE WALL STREET JOURNAL.

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DJIA 21813.67 ▲ 30.27 0.1% NASDAQ 6265.64 ▼ 0.1% STOXX 600 374.07 ▼ 0.1% 10-YR. TREAS. ▲ 7/32, yield 2.169% OIL \$47.87 ▲ \$0.44 GOLD \$1,292.50 ▲ \$5.90 EURO \$1.1924 YEN 109.36

Google Pays Up for Fake Traffic

Refunds go to buyers of ads that surfaced on bogus sites; issue irritates marketers

By LARA O'REILLY

Google is issuing refunds for ads that ran on websites with fake traffic, people familiar with the situation said, as the web giant develops a tool to give marketers more transparency about the ads they buy through its platform.

In the past few weeks, the Alphabet Inc. unit has informed hundreds of marketers

and ad agency partners about the issue with invalid traffic, known in the industry as "ad fraud." The ads were bought using the company's DoubleClick Bid Manager over the course of a few months this year, primarily in the second quarter.

Google's refunds amount to only a fraction of the cost of the ads served to invalid traffic, which has left some advertising executives unsatisfied, the people familiar with the situation said. Google has offered to reimburse its "platform fee," which ad buyers said typically ranges from about 7% to 10% of their total

purchase.

The company says this is appropriate because it doesn't control the rest of the money spent. Typically, advertisers use DoubleClick Bid Manager to target audiences across vast numbers of websites in seconds by connecting to dozens of online ad exchanges, marketplaces that connect buyers and publishers through real-time auctions.

The ad spending flows through to the exchanges. The problems arise when ads run on publisher sites with fraudulent traffic, including those where clicks are generated by software programs known as

"bots" instead of humans. This is an issue of growing concern to marketers. It is difficult to recoup the money paid to those sites when the issue is discovered too late.

Advertisers often receive small credits from Google and their other ad-tech vendors when they detect discrepancies, but in this case, for some buyers, the instance of fraud discovered was larger than usual.

It's the latest evidence of how the complexity of the digital advertising ecosystem—an industry where marketers and ad sellers are separated by layers of middlemen and automation—can cause tensions between Madison Avenue and big players like Google. Just a few months ago, some marketers suspended their campaigns from Google's YouTube after revelations their ads appeared next to hateful or otherwise unsavory videos. YouTube has taken steps to assuage marketers' concerns, and many brands have now returned to the platform. Ad agencies, too, have battled with Google to let them access more of its extensive data to help them improve how ads are targeted and measure whether they are effective.

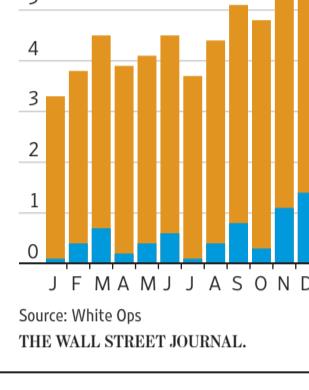
Scott Spencer, director of product management for Please see GOOGLE page B2

Mr. Robot

Estimated monthly digital ad spending and share lost to 'bot' fraud for 2017.

■ Ad spending ■ Lost to fraud

\$7 billion



Source: White Ops

THE WALL STREET JOURNAL.

Venezuela Bonds Move Up In Relief

BY CAROLYN CUI
AND MATT WIRZ

Bond investors expressed relief after new U.S. sanctions against Venezuela didn't ban trading of the country's existing bonds, an outcome that could have caused huge disruptions in the market for Venezuelan debt.

Prices of bonds from state-owned oil company Petróleos de Venezuela SA due 2021 were up 2% to 40.25 cents on the dollar, while PdVSA bonds due on Nov. 2 were up 0.4%, to 93.4 cents, following a 6% gain the day before, traders said.

While Venezuela hasn't issued public debt for years, the new sanctions on Friday include a number of restrictions intended to block the government's ability to finance itself, hoping to undermine President Nicolás Maduro's authoritarian regime.

Those include prohibiting most new debt issues and banning bond trading between the Venezuelan government and any institution in the U.S.

But the sanctions didn't include shutting down secondary-market trading for existing Venezuelan debt. Prices of Venezuelan debt skidded earlier this past week after The Wall Street Journal reported the Trump administration was considering a ban on bond trading.

"This has no impact on the secondary market for Venezuelan bonds," said AJ Mediratta, president of Greyluck Capital Management, a hedge fund specializing in distressed and high-yield emerging-market bonds.

Raymond Zucaro, chief investment officer at Florida-based RVX Asset Management LLC, said he took advantage of the sell-off and bought more Venezuelan bonds, believing an outright ban is impractical. "For all the lip service they talked about, it's sort of a lame step forward," he said.

Bonds rallied on Thursday after a Venezuelan news report said China is considering buying some discounted Venezuelan bonds through a joint fund of the two countries. Another news report said Russia's oil company, Rosneft, may also be involved in a deal that would raise cash for the Venezuelan government.

Prices for the PdVSA bonds due in November rose to their highest levels in three years, according to MarketAxess BondTicker. Still, some investors said that the ban on new issuance could begin to ripple through secondary-market trading. Bond investors would have to re-evaluate their Venezuelan holdings, taking into account the fact that there would be no channels for the government to access the capital markets.

China Clears General Aviation for Takeoff



LOOKING UP: China's leaders have decided to promote general aviation—air services spanning leisure and transportation, logistics and emergency services—and the reforms promise a bonanza for light-aircraft makers, air-base operators and infrastructure developers. B3

Ford Begins Car-Loan Push

BY ANNAMARIA ANDRIOTIS

A major auto lender has decided to change its approval process to look beyond credit scores in an effort to pump up sales.

The move by Ford Motor Co.'s financing unit, announced Friday, is expected to unfold in coming years, even as concerns mount about rising auto-loan losses in the industry.

Ford Motor Credit says it is looking at ways to increase loan and lease approvals for applicants with limited credit histories. These consumers are often denied credit because they lack a history of managing debt and as a result have low credit scores. Ford's credit division plans to review new data to try to determine whether these customers, as well as those with more robust borrowing histories, are likely to repay their loans.

Subprime auto lending industrywide has allowed consumers with missed loan payments and other blemishes on their credit reports to get financing. This helped fuel new U.S. car sales, which hit record highs in 2015 and again in 2016. But as losses have worsened, many lenders have pulled back on originations to risky borrowers.

Ford's U.S. sales were down 4.3% for the first seven months of the year compared with the same period a year prior, while total U.S. new auto sales fell 2.8%, according to Edmunds.com. Wells Fargo & Co.'s auto-lending volume fell 45% in the second quarter from a year earlier due to tightening underwriting standards. Ally Financial Inc.'s auto-loan originations fell 8.5% for the same period.

Some lenders are looking elsewhere to drive loan volume. One area of focus is borrowers who have low credit scores because they haven't used debt from banks and other mainstream lenders.

Ford Credit is among the largest U.S. lenders to say that it is looking at using alternative methods of underwriting, beyond the traditional factors that are mostly centered on credit reports. "No financial services firm would take that decision lightly," said Jim Moynes, vice president of risk management at Ford Credit.

A string of smaller financing providers, including credit unions and online lenders, have also been assessing factors outside of credit reports and scores for applicants with thin credit records.

Ford Credit is hoping the new ways to assess credit will better predict risk among a broad array of borrowers.

Please see FORD page B2

THE INTELLIGENT INVESTOR | By Jason Zweig

A Grand Inquisition in 19 Easy Questions



Getting all stockbrokers, financial planners and insurance agents to act in the best interests of their clients is a struggle that financial firms and their regulators still haven't resolved. That should be their job, but for now, it's yours.

The obligation of those who give investment advice to serve clients, not themselves, is called fiduciary

duty. That obligation is far from universal and, in some ways, is in retreat.

The Labor Department, which last year released a rule requiring brokers getting paid for investment advice on a retirement account to be fiduciaries, is reviewing the regulation. The rule is only partly in effect; the department has drafted a proposal to delay full implementation until 2019.

Meanwhile, the Certified Financial Planner Board of

Standards, which sets competency requirements criteria and ethical rules for the nearly 78,000 certified financial planners in the U.S., is seeking to compel them to act in clients' best interests "at all times" when "providing financial advice."

The board's proposed standards require its financial planners to "disclose and manage" such conflicts as gifts, bonuses or investment choices that can increase their compensation. Planners

would also have to provide additional details about how, but not how much, they are paid.

Some brokerage firms warn that they may put their interests ahead of yours regardless of whether your adviser happens to be a certified financial planner.

Until regulators and trade groups sort this out—and the next total solar eclipse may come first—the burden of finding someone who will

Please see INVEST page B4

Activist Investor Creates Niche

Cartica's Teresa Barger targets family-controlled businesses in emerging markets

By JULIE WERNAU

As Saudi Aramco prepares for one of the largest-ever initial public offerings, few investors have the same connection with the oil giant as activist investor Teresa Barger.

Ms. Barger lived in Dhahran, Saudi Arabia, until she was 14 years old. Her father was among the last Americans to run the Saudi-U.S. joint venture before the kingdom took full control in 1980. If it were purely for sentimental reasons, she would gladly buy a stake.

But as an investor, Aramco represents exactly the sort of company she has learned to avoid.

"The vast majority of

gettyimages

Cartica Management LLC, an activist fund that says it has \$3 billion in assets. "We typically stay away from government-controlled firms. As the patsy minority investor, you're at the mercy of their policies."

Aramco, officially Saudi Arabian Oil Co., didn't respond to requests for comment.

Ms. Barger is a self-described emerging-markets activist investor. While well-known activists such as Paul Singer and Carl Icahn in the past have waged campaigns against governments or companies in Latin America and Asia, she said her firm is the only one dedicated to activism exclusively in emerging markets. Activist Insight, a firm that tracks these efforts, said it was unaware of Please see BARGER page B2

Aramco will still be owned and controlled by the kingdom, and their goals may or

may not line up with that of shareholders," said Ms. Barger, chief executive of

Please see BARGER page B2

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BARGER

Continued from the prior page
any other emerging-market specialist in the field.

"You have a lot of government-controlled companies, so the ability to enact change is very limited," said Bob McCormick, partner with CamberView Partners in New York, which advises public companies on shareholder activism. "It calls for a high level of knowledge of the various markets. Mexico is very different from Colombia, which is different from Brazil."

Ms. Barger's goal: to persuade companies in the developing world that improving their corporate governance and treatment of minority shareholders will boost their stock price. She has a focused portfolio of 21 investments in nine countries where the firm is optimistic about the economy and governance. Most days, she can be found visiting one country or the other.

In the U.S., activists typically appeal to thousands of stockholders through the press

'Family businesses have more often been positive for us than negative,' she says.

or other public means in an effort to influence companies. But Ms. Barger usually focuses on one shareholder, the company's controlling family, and tries to persuade its members gently in private.

It doesn't always work, especially when allies can be hard to come by.

Ms. Barger was friendly with Alvaro Saieh Bendeck, a Chilean billionaire and the controlling shareholder of CorpBanca. Ms. Barger said Mr. Saieh assured her that a 2014 merger deal would treat minority shareholders as equals. When the bank announced the less-than-favorable terms for minority shareholders, Cartica sold its position at a small loss following a legal battle. Mr. Saieh and his attorneys didn't reply to a request for comment.

Ms. Barger's firm often targets companies that most U.S. investors tend to shun: businesses that are family controlled, with filings that aren't in English and stocks that aren't widely traded.

"You think of an activist as someone who kicks the door down and tells you what to do," said Anne Simpson, investment director, sustainability at California Public Employees' Retirement System, which was Cartica's first investor. "But in emerging markets, you can't go in as a minority shareholder and throw your weight around...So you have to use a charm offensive."

In 2010, for example, Ms. Barger said she helped persuade an executive at family-founded Graña y Montero of Peru to adopt policies that would attract more foreign investors to the thinly traded shares. The company devised a succession plan, released financial reports in English, created a dividend policy, sought analyst coverage and divested itself of noncore assets.



Michael Buerk/THE WALL STREET JOURNAL

Ms. Barger often targets companies others shun.

BUSINESS & FINANCE

VW Engineer Is Sentenced

BY ADRIENNE ROBERTS
AND MIKE SPECTOR

A Volkswagen AG engineer was sentenced to 40 months imprisonment and will pay a \$200,000 fine for his part in the German auto giant's emissions scandal, after cooperating with U.S. prosecutors in their criminal investigation of the yearslong conspiracy to defraud government officials and customers.

James Liang, 63 years old, received the sentence from U.S. District Judge Sean Cox on Friday during a hearing in a Detroit federal court. Mr. Liang in September pleaded guilty to one count of conspiring to defraud the U.S., commit wire fraud and violate the Clean Air Act for his role in helping Volkswagen evade emissions requirements with



Virginia Lozano/ASSOCIATED PRESS

James Liang after pleading guilty last year in Detroit.

diesel-powered vehicles.

Mr. Liang, a German national, has agreed to be removed from the U.S. following his prison term, according to prosecutors. He moved to and settled in the U.S. with his

family in 2008 to help Volkswagen launch diesel-powered vehicles and handled certification, testing and warranty issues, prosecutors said.

The penalty the judge imposed exceeded prosecutors' recommendation. They had asked that Mr. Liang receive three years imprisonment and a \$20,000 fine.

Mr. Liang is one of eight individuals charged in a U.S. Justice Department probe of Volkswagen's nearly decade-long conspiracy to rig nearly 600,000 diesel-engine vehicles with illegal software that allowed them to cheat on government emissions tests while polluting far beyond legal limits on the road.

Volkswagen, which has acknowledged the software is on about 11 million vehicles globally, earlier this year pleaded guilty to criminal charges in

the U.S. stemming from the deception and agreed to pay billions of dollars in penalties.

Speaking on his behalf, Mr. Liang's counsel Daniel Nixon, said Mr. Liang has taken the right steps by cooperating with the U.S. government.

He is "not a greedy man, he's not a criminal in the sense of preying on others," Mr. Nixon said. "We're not saying he didn't commit a crime, but he's a good and decent person. He blindly executed a crime because of a misguided loyalty to his employer."

Judge Cox said Mr. Liang was an "important member of a long-term conspiracy involving Volkswagen engineers and senior management. This is a stunning fraud on the American consumer. This is a very serious and troubling crime against our economic system."

Case Against Subway Falls Short

BY JACOB GERSHMAN

In a case alleging Subway restaurant customers got too little dough, judges now say plaintiffs' lawyers got too much.

The legal saga over Subway's "footlong" sandwich took an unexpected turn Friday when a federal appeals court in Chicago threw out a settlement that paid lawyers but not sub purchasers and ruled that the case should never have become a class action.

The dispute goes back to 2013 when an Australian teenager posted a photo of a Subway footlong sandwich lined up against a tape measure, showing it to be an inch shorter than advertised.

Within days, lawsuits were filed. "Plaintiff and the class members received less food than they were promised by defendant," read one of the complaints filed in various courts.

The litigation was consolidated in a Wisconsin federal court. In 2014, the lawyers who had brought the case struck a deal with Subway owner Doctor's Associates Inc. that was thought to bring the matter to a close.

A U.S. District judge ap-



JOE RAEDLE/GETTY IMAGES

An appeals court threw out a settlement that paid lawyers.

proved a settlement that awarded \$525,000 in plaintiffs' attorney fees. Subway also agreed to quality-control measures regarding bread length and to posting a disclaimer on its website and in restaurants informing consumers that "due to natural variations in the bread baking process, the size and shape of bread may vary."

On Friday, a three-judge panel of the Seventh U.S. Circuit Court of Appeals intervened, mocking a case it described as half-baked.

The court said impossible-to-prove injury doomed the class action, the court said.

Sandwich measuring was a "fleeting social-media meme" and few Subway consumers are stretching out tape measures before eating, the opinion said.

What's more, the court said, "the vast majority of Subway Footlong sandwiches are, as the name implies, at least 12 inches long." And those that fall short actually contain no less bread but reflect natural "vagaries in the baking process."

The court said the only ones benefiting from the settlement were the lawyers. "A class settlement that results in fees for class counsel but yields no

meaningful relief for the class 'is no better than a racket,'" wrote Circuit Judge Diane Sykes, the opinion's author.

A lead lawyer for the plaintiffs, Chicago attorney Thomas A. Zimmerman, didn't respond to a request for comment. A Subway spokesman said the company was pleased that the court made clear that "the Subway brand did not misrepresent its product."

The spokesman said Subway never believed the case had merit but "made the business decision to settle to put the matter behind us."

Plaintiffs' lawyers had argued in a brief that the settlement provided "meaningful injunctive relief to class members," specifically in the form of the quality-control measures agreed to by Subway.

The ruling was a victory for Theodore Frank, a lawyer with the Competitive Enterprise Institute and a longtime critic of the class-action system. Mr. Frank was a member of the class and objected to the settlement's approval.

Mr. Frank on Friday called the Subway case an "abuse of the class-action process," praising the Seventh Circuit judges for refusing to rubber-stamp the settlement.

FORD

Continued from the prior page

While its charge-off rate is lower than the industry average, losses are rising. The company wrote off \$82 million in U.S. consumer loans and leases as a loss in the second quarter, up 30% from a year prior.

Ford Credit says it doesn't think its decision will lead to more losses because it will be reviewing more data than it currently checks on loan applicants. While the overall result will likely be more loan approvals, there will be some tightening as well as because some borrowers who currently get approved might not under the new model.

The origins of the shift date back to last year when Ford Credit entered into a contract with fintech firm ZestFinance to conduct a study of alternative data's ability to assess the likelihood of loan applicants defaulting. That study was based on a pool of existing Ford Credit borrowers.

Ford Credit decided to ex-



ALAN DIAZ/ASSOCIATED PRESS

tend this new type of underwriting to all applicants, including those with thin credit records.

Factors such as whether applicants supplied the same cellphone number on previous

loan applications and whether they have occupational licenses could help to green-light their loan applications, said Mr. Moynes.

Proponents of the strategy say would-be borrowers with

GOOGLE

Continued from the prior page

Google, acknowledged that refunds have been paid, but he declined to provide a dollar figure for the amount being returned. Some ad buyers said the refund amounts range from "less money than you would spend on a sandwich" to hundreds of thousands of dollars.

Even though Ms. Barger has been burned by some campaigns, she hasn't changed her views on investing in family-founded firms.

"Family businesses have more often been positive for us than negative," Ms. Barger said. "There's one interlocutor, there's one person to work with and that person is usually very sincere about wanting to do the best for the company that they can."

MICHAEL BUCHER/THE WALL STREET JOURNAL

Ms. Barger often targets companies others shun.

are responsible for issuing refunds. It is also working on technology to ensure advertisers automatically receive a full credit back from Google and its partners if incidents occur.

The company said it is entering discussions with the 100-plus exchanges, ad networks and publishers that DoubleClick Bid Manager plugs into, asking them to display to ad buyers whether they are willing to refund the entire media spend if ad-fraud instances occur. Buyers could then opt to filter out the sources of inventory that don't have such a policy.

Mr. Spencer said Google expects "high rates of adoption" among exchanges, and that the ones it had spoken to so far had been "very supportive" of the effort.

Google is working on a fix it hopes will provide some clarity over which technology providers in the ad-buying chain

ware to form a "botnet" that clicks on ads on bogus sites.

Fraudsters are often adept at covering their tracks, which can make their activity difficult to spot until after the event has occurred.

For years, Google has had teams dedicated to filtering out fraud before an advertiser makes a bid on an ad. Those teams can also prevent exchanges from being paid if an ad has already been bid on but invalid traffic is quickly detected.

The teams also work to discover historical instances of fraud, which is what happened in this particular case.

In the recent cases Google discovered, the affected traffic involved video ads, which carry higher ad rates than typical display ads and are therefore an attractive target for fraudsters.

—Alexandra Bruell contributed to this article

BUSINESS AND TECHNOLOGY

In China, Skies Clear for Light Aircraft

Restriction of general aviation turns into its promotion; companies expect business boom

BY TREFOR MOSS

SHANGHAI—Above Shanghai's skyline, things are eerily quiet: the helicopters and small planes that whir over other cities in the world are hardly ever seen here or elsewhere in China, thanks to decades-old airspace restrictions and a dearth of airstrips and heliports.

China has fewer than 4,000 helicopters and light aircraft, according to the U.S.-based General Aviation Manufacturers Association—fewer than New Zealand, and a fraction of the 210,000 aircraft operating in the U.S.

But that is changing. China's leaders have decided to promote general aviation—air services spanning leisure and transportation, logistics and emergency services—to benefit the world's second-largest economy.

The reforms promise a bonanza for aircraft makers, airbase operators and infrastructure developers.

Orders are rolling in. Textron Aviation Inc.'s Bell Helicopter has this year snared two big China orders for 150 aircraft, potentially worth \$350 million at list prices. Last year, Airbus Group Inc.'s helicopter division secured a 100-aircraft contract worth \$790 million, and agreed to set up a local assembly line in the northeast city of Qingdao. Tex-



Local aviation operators are beginning to sell a variety of services, including midair weddings.

tron's Cessna Aircraft Co., which established local production for its Caravan utility airplane in 2013, recently announced its 100th delivery in China.

Also last year, Leonardo SpA, the helicopter unit of Italy's Finmeccanica SpA, sold 55 aircraft worth roughly \$350 million at list prices to help local operator Shanghai Kingwing General Aviation Co. establish what it said would be China's largest airborne emergency medical service.

The trigger for change came last year when the State Council, China's top policy-making body, published a blueprint signaling the transformation of general aviation into a \$150

billion industry by 2020.

It said China would liberalize airspace below 3,000 meters (nearly 10,000 feet), buy thousands of aircraft and build 500 new general-aviation airports within four years (the country has 300 today). That sounded ambitious enough, but when a local newspaper recently counted the airport projects already under way it found 934 of them.

The recent spate of aircraft orders suggests growth is accelerating. China's helicopter fleet nearly doubled to 907 aircraft between 2013 and 2016, according to Asian Sky Group, an aviation research company.

At China's first privately

run heliport on the outskirts of Nanjing, trainee pilots—mostly young men and women dreaming of a career in the aviation industry—were being schooled on a bright-blue U.S.-built Robinson Helicopter Co. R-44 Raven II that sat primed for takeoff.

Besides flying lessons, the facility offers transportation services, aerial tours of Nanjing and even midair weddings.

The heliport, owned by Ruohang Group, hasn't turned a profit since opening eight years ago, but the new national focus on improving air services should soon change that, said manager Zhang Weidong.

"We are at an important

Still Taxiing

China trails in general aviation, including helicopters and light aircraft.

| Active general-aviation aircraft | Aircraft per 10,000 people |
|----------------------------------|----------------------------|
| U.S. | 210,030 |
| Canada | 36,436 |
| France | 34,506 |
| Brazil | 23,984 |
| Australia | 15,290 |
| South Africa | 12,128 |
| New Zealand | 5,117 |
| China | 3,857 |

Note: Data are latest available for each country.

Source: General Aviation Manufacturers Association

THE WALL STREET JOURNAL.

point. Demand is increasing, we have policy support, investment funds and institutions have money to invest," he said. "There will be explosive growth."

Ruohang recently bought 29 aircraft from Robinson and Airbus to boost its 11-strong fleet, and to serve its three local heliports, plus a new facility in Tibet, Mr. Wang said. Aspiring pilots and local companies seeking transportation services are fueling demand, he said.

Ruohang is among several local operators, including Kingwing and Reignwood Aviation Co., and it has emerged as one of Bell's largest regional customers investing in aircraft and infrastructure to capitalize on the regulatory changes.

General aviation adds a bit more than 1% to U.S. gross domestic product, and China is seeking to tap that same source of growth, said Michael Shih, China head for Textron,

whose stable also includes U.S. aircraft makers Beechcraft and Hawker.

"We're expecting substantial growth," said Mr. Shih. "It's a whole chain of industries that they're trying to develop from zero."

China's aviation enthusiasts don't expect takeoff to happen overnight.

"China is building all these so-called aviation townships and aviation development zones," said Francis Chao, the managing director of Uniworld LLC, a consultancy that helps American aviation companies operate in China. "But nobody is talking about who's actually going to use them."

Some fear local officials are jumping on the general-aviation bandwagon because they see new airports primarily as lucrative real-estate projects.

"My worry is that property development comes first, and aviation is a side business," said Mr. Chao.

Duke Energy Drops Nuclear-Power Plan In South Carolina

BY RUSSELL GOLD

tors to pass these costs on to electricity customers.

The decision to pull the plug was driven in part by large cost overruns to build other Westinghouse AP1000 nuclear reactors. Late last month, Scana Corp. decided to abandon work on a half-built AP1000 as costs swelled from \$14 billion to a projected \$25.7 billion. Southern Co. is struggling with rising costs at a half-built nuclear power plant in Georgia.

Duke said its decision was partly driven by the cost increases and time delays at the Scana project. It will maintain the South Carolina site and take "minimal steps" needed to keep the federal license. The decision to stop work at the Lee facility was cheered by critics who worry that building a nuclear power plant is too costly and unpredictable.

"This is absolutely the right decision. The issues in South Carolina should make new nuclear reactors radioactive, particular Westinghouse new nuclear reactors," said Stephen Smith, executive director of the Southern Alliance for Clean Energy. "It is a bad deal for consumers and it's a bad risk for utilities and utility shareholders."

In 2017, though, wholesale prices for chicken wings have climbed by almost 20%—to a record \$2.09 a pound in August for jumbo whole wings, according to market-research firm Urner Barry.

Insatiable Demand Clips Wings

BY BENJAMIN PARKIN

The party may be over for chicken-wing lovers, as months of red-hot demand and aggressive restaurant promotions have squeezed supplies.

With football season and the much-hyped Floyd Mayweather-Conor McGregor bout just ahead, sports bars and restaurants are facing record-high wholesale prices for chicken wings—and many are having to choose between raising menu prices, reigning in promotions or cutting portion sizes.

"It's all over," said Bonnie Riggs, a restaurant analyst at NPD Group Inc. "It's a very big deal for everyone that has wings on their menu."

America's favorite spicy, sticky appetizer has been a rare bright spot for casual-dining restaurant chains, which are struggling with declining traffic.

A wave of chicken wing-themed deals and promotions has led to lower restaurant prices: The price of an average chicken-wing order at a full-service restaurant fell 18% in the 12 months through June to \$7.23 from \$8.85, according to NPD.

In 2017, though, wholesale prices for chicken wings have climbed by almost 20%—to a record \$2.09 a pound in August for jumbo whole wings, according to NPD. Servings at casual-dining restaurants rose 5%.

And people ate more wings at home: Sales of frozen chicken wings rose 12% by volume in the past year, Nielsen said, with average prices rising 15%.

Buffalo Wild Wings Inc. said its wing costs rose to "a

historic high" for the second quarter—and its earnings tumbled 60%—while menu prices have held steady over the past year. Wingstop Inc. said wholesale wing prices rose 11% in the first half of 2017, and it expects them to keep rising through year-end.

Meanwhile, commercial freezer stocks of chicken wings for July fell to more than a third below year-earlier levels, according to the U.S. Department of Agriculture.

It all adds up to a supply crunch for chicken wings at the kickoff of the all-important football season.

Americans ate more than one billion restaurant orders of chicken wings in the 12 months ended in June, according to NPD. Servings at casual-dining restaurants rose 5%.

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Buffalo Wild Wings said its company-owned restaurants are replacing its year-round half-price chicken-wing Tuesdays with a buy-one-get-one-free boneless-wing deal. "Boneless wings" are actually made from cheaper chicken breasts. Wingstop is lowering its prices for boneless items to draw customers away from more-expensive bone-in products.

Restaurants are wary of alienating customers who come in for the chicken-wing deals.

"They've got to walk a really fine line," said Joe Pawlak of restaurant consultancy Technomic. "Consumers are starting to question the high prices on menus."

Demand for chicken wings usually takes off in fall and doesn't let up until spring, af-

ter college basketball's March Madness ends. Typically, prices fall in the off-season and chicken-wing wholesalers will stock their freezers—but this year prices never dropped. And the flurry of restaurant promotions kept demand high through the summer, analysts said.

Some poultry producers are relishing the wing boom. Executives at Sanderson Farms Inc., based in Laurel, Miss., said on their earnings call Thursday that quarterly profit more than doubled from a year earlier, in part because of higher market prices for chicken wings. Strong demand has kept reserves sharply lower.

"There are no wings in the freezers," said Joe Sanderson, chief executive of Sanderson Farms. "Wing [restaurants] in particular and maybe some other restaurants are going to need to use boneless wings and chicken tenders to supplement during the football season."

Once lumped with chicken bones and feathers as undesirable poultry byproducts, wings have had a fast rise to delicacy status. Industry observers say the shift happened in just the past couple of decades, as restaurants persuaded diners to view wings slathered in spices and sauce as a celebratory group appetizer.

"People like going out, watching football, having an adult beverage and eating wings," said Mr. Pawlak. "It's almost a rite of passage."

GM Detects Problem With Bolt Remotely

BY JOHN D. STOLL

General Motors Co. is taking an unconventional approach to repair batteries in some of its new Chevrolet Bolt electric cars: It is using the Onstar telematics service to remotely detect the problem and notify only those owners potentially affected.

The Bolt is advertised as getting 238 miles of driving range on a single charge. In certain vehicles, the information system indicated far more juice remaining in the battery than it actually had, resulting in unexpected power loss.

Chris Bonelli, a General Motors spokesman, said most Chevy Bolt owners allow GM to perform remote diagnostic tests through the company's OnStar system, making it easier for the auto maker to locate and contact customers who have a defective vehicle and need a battery repair or replacement.

GM is banking on the \$37,500 Bolt to help it catch up to Tesla Motors Inc. in the small but growing U.S. electric-vehicle market. Mr. Bonelli said more than 10,000 Bolts have been sold since the car went on sale in January.

Less than 1% of buyers have experienced an unexpected loss of power while operating, he said.

At this early stage, any problems with the Bolt, even minor ones, could be seen as a setback because of both

Tesla's sizable lead in sales of pure electric vehicles and wide skepticism about the range and costs associated



Some Bolt electric cars have had faulty readings of battery power.

for decades as a subscription-based service for its owners and has added diagnostic tools to the program over the years. In the case of the battery, Bolt customers who opted out of the OnStar diagnostic service won't be notified of potential problems, the spokesman said. The affected Bolt vehicles were likely built early in the production-launch process.

GM has been using OnStar



Duke's existing plants in South Carolina include one at Hartsville.

WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

This Much Is Clear: No Clarity Over Bitcoin



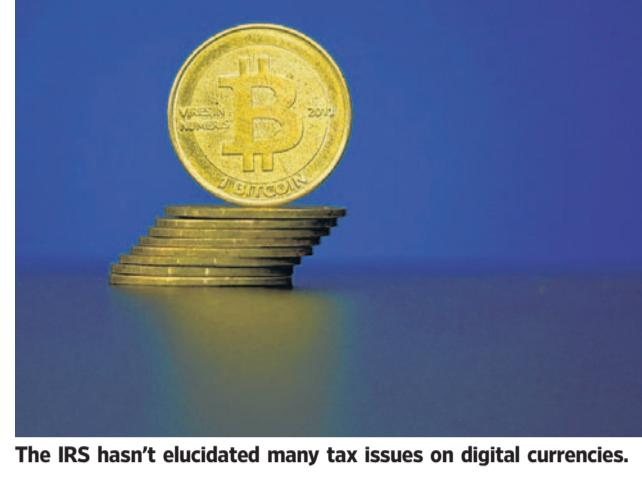
Before rejoicing over a Bitcoin Cash windfall, here's a warning: You may owe taxes on it.

After years of discord over bitcoin's future, the digital currency recently split into two competing versions: one called bitcoin and an alternate called Bitcoin Cash. As a result, each bitcoin owner received an equal amount of Bitcoin Cash, or the right to it.

But tax specialists say there has been no guidance on how to treat the sudden receipt of Bitcoin Cash.

The Internal Revenue Service declined to comment. It hasn't clarified many tax issues pertaining to digital currencies since it issued bare-bones guidance in 2014.

Jim Calvin, a buy-side tax specialist at Deloitte, thinks the receipt could be taxable this year for technical reasons. If so, recipients would have ordinary income, although the amount isn't clear. It could be based either on the value of Bitcoin



The IRS hasn't elucidated many tax issues on digital currencies.

Cash when issued or when investors could trade it, which wasn't immediately. One source quoted the price of Bitcoin Cash on Aug. 1 as ranging from \$210 to \$426.

Thus, Bitcoin Cash recipients could owe tax this year at rates as high as 39.6%. It's unclear whether the 3.8% net investment income tax would also apply, says Mr. Calvin.

Then again, the IRS could say that the receipt of Bitcoin Cash isn't taxable because it's a "property division." In this case, no tax

would be due until the holder sells or transfers the Bitcoin Cash. But the cost basis of both bitcoin holdings would need to be adjusted to account for the split. (Cost basis is the starting point for measuring taxable gain after a holding is sold.)

"Investors need clear guidance from the IRS so they'll know what they owe and when," says Mr. Calvin.

As tax specialists debate how to classify the split, the IRS appears focused else-

where when it comes to digital currencies. The top of its agenda is to root out those who use these currencies for tax evasion.

All IRS criminal investigators have received training in virtual currency crimes over the past few years. The agency has agreements with Chainalysis, a provider of bitcoin investigation software, to detect money laundering, according to an IRS spokesman.

And it is sending a strong message by seeking customer-account information from Coinbase, a San Francisco-based digital-currency-services company. Last month, the IRS narrowed the summons after some lawmakers protested that it was too broad.

The latest version asks for accounts held between 2013 and 2015 with transactions of \$20,000 or more. It also excludes customers who bought bitcoin but didn't sell it. Observers say the summons will stick.

"The IRS got the information it wanted on Americans hiding money in offshore accounts, and it will get the in-

formation it wants on Americans evading taxes through virtual currencies," says Bryan Skarlatos, a criminal tax attorney with Kostelanetz & Fink in New York.

In the absence of IRS guidance, here are tax specialists' best guesses on other tax issues for digital currencies:

Lot identification. Investors can instruct brokers which shares they intend to sell of stock held in a taxable account. This choice often affects the taxes due on a sale.

The rules hold true for bitcoin, says Mr. Calvin, except there's no broker to instruct. He suggests bitcoin investors keep careful records and inform a third party, such as an adviser, how lots are to be chosen for sale ahead of time.

Nondeductible losses. When bitcoin is held for investment, gains are typically taxable and losses can offset gains.

But there's an exception: If the bitcoin is for personal use—say, to buy a meal or a boat—then gains on it are taxable but losses aren't deductible, says tax strategist

Bob Gordon of Twenty-First Securities Corp. This long-standing rule also applies to houses, he notes.

Wash-sale rules. These rules penalize taxpayers who sell shares at a loss and buy them within 31 days before or after the sale.

Mr. Gordon says wash-sale rules don't apply to digital currencies because they aren't securities. But investors should avoid simultaneous transactions solely to capture losses, he warns. "Sales need to have a nontax as well as a tax reason."

Like-kind exchanges. Section 1031 allows taxpayers to defer taxes on exchanges of similar assets, sometimes for decades.

While the rules apply to digital currencies in theory, Silicon Valley tax attorney Roger Royse, of Royse Law Firm, urges caution. Exchanging one digital currency for another to diversify risk may work, but more complex swaps may not.

Taxpayers with like-kind exchanges have to file a special form, he says, "and it's like waving a red flag at the IRS."

INVEST

Continued from page B1
act in your best interest is on you.

That means asking an adviser the right questions (and listening for the best answers). I encourage you to clip or print out this column and bring it to your next meeting with your financial adviser.

1. Are you always a fidu-

cary, and will you state that in writing? (Yes)

2. Does anybody else ever pay you to advise me and, if so, do you earn more to recommend certain products or services? (No)

3. Do you participate in any sales contests or award programs creating incentives to favor particular vendors? (No)

4. Will you itemize all your fees and expenses in writing? (Yes)

5. Are your fees negotiable? (Yes)

6. Will you consider charging by the hour or retainer instead of an annual fee based on my assets? (Yes)

7. Can you tell me about your conflicts of interest, orally and in writing? (Yes, and no adviser should deny having any conflicts.)

8. Do you earn fees as adviser to a private fund or other investments that you may recommend to clients? (No)

9. Do you pay referral fees to generate new clients? (No)

10. Do you focus solely on investment management, or do you also advise on taxes, estates and retirement, budgeting and debt management, and insurance? (Here, the best answer depends on your needs as a client.)

11. Do you earn fees for referring clients to specialists like estate attorneys or insurance agents? (No)

12. What is your investment philosophy?

13. Do you believe in technical analysis or market timing? (No)

14. Do you believe you can beat the market? (No)

15. How often do you trade? (As seldom as possible, ideally once or twice a year at most.)

16. How do you report investment performance? (After all expenses, compared with an average of highly similar assets that includes dividends or interest income, over the short and long term.)

17. Which professional credentials do you have, and what are their requirements? (Among the best are CFA (chartered financial analyst), CPA (certified public accountant) and CFP (certified financial planner), which all require rigorous study, continuing education and adherence to high ethical standards. Many other financial

certifications are marketing tools masquerading as fancy diplomas on an adviser's wall.)

18. After inflation, taxes and fees, what is a reasonable estimated return on my portfolio over the long term? (If I told you anything over 3% to 4% annually, I'd be either naive or deceptive.)

19. Who manages your money? (I do, and I invest in the same assets I recommend to clients.)

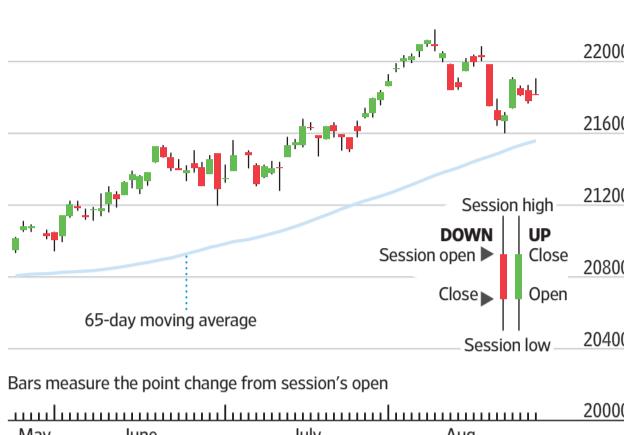
Are there other questions you would add to the list? Please send them my way at intelligent.investor@wsj.com and I'll write another column with your best recommendations.

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

21813.67 ▲ 30.27, or 0.14%
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open
May June July Aug. 20000

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2443.05 ▲ 4.08, or 0.17%
High, low, open and close for each trading day of the past three months.



May June July Aug. 2300

Nasdaq Composite Index

6265.64 ▼ 5.68, or 0.09%
High, low, open and close for each trading day of the past three months.



May June July Aug. 5800

Major U.S. Stock-Market Indexes

| | Dow Jones | | Latest | | 52-Week | | YTD | | % chg | |
|--------------------|-----------|----------|-----------------|---------|---|----------|----------|-------------|------------|-------------|
| | High | Low | Close | Net chg | % chg | High | Low | % chg | 3-yr. ann. | |
| Industrial Average | 21906.86 | 21812.81 | 21813.67 | 30.27 | 0.14 | 22118.42 | 17888.28 | 18.6 | 10.4 | 8.5 |
| Transportation Avg | 9171.70 | 9042.50 | 9133.75 | 112.63 | 1.25 | 9742.76 | 7755.40 | 16.7 | 1.0 | 2.6 |
| Utility Average | 749.36 | 743.96 | 746.48 | 3.23 | 0.43 | 746.48 | 625.44 | 11.9 | 13.2 | 10.2 |
| Total Stock Market | 25339.14 | 25223.28 | 25237.43 | 46.15 | 0.18 | 25692.25 | 21514.15 | 12.5 | 8.4 | 6.6 |
| Barron's 400 | 636.66 | 633.29 | 634.33 | 0.74 | 0.12 | 661.93 | 521.59 | 14.9 | 5.4 | 5.6 |

| Nasdaq Stock Market | Nasdaq Composite | 6308.72 | 6257.10 | 6265.64 | -5.68 | -0.09 | 6422.75 | 5046.37 | 20.1 | 16.4 | 11.2 |
|---------------------|------------------|---------|---------|----------------|-------|---|---------|---------|-------------|------|-------------|
| | Nasdaq 100 | 5870.47 | 5815.60 | 5822.53 | 4.84 | 0.08 | 5950.73 | 4660.46 | 21.7 | 19.7 | 12.7 |

| Standard & Poor's | 500 Index | 2453.96 | 2442.22 | 2443.05 | 4.08 | 0.17 | 2480.91 | 2085.18 | 12.6 | 9.1 | 6.9 |
|-------------------|--------------|---------|---------|----------------|------|---|---------|---------|-------------|------|------------|
| | MidCap 400 | 1713.58 | 1705.98 | 1708.97 | 7.50 | 0.44 | 1791.93 | 1476.68 | 9.6 | 2.9 | 6.1 |
| | SmallCap 600 | 829.50 | 824.52 | 827.65 | 3.68 | 0.45 | 876.06 | 703.64 | 10.1 | -1.2 | 7.4 |

| Other Indexes | Russell 2000 | 1380.60 | 1373.53 | 1377.45 | 3.58 | 0.26 | 1450.39 | 1156.89 | 11.3 | 1.5 | 5.7 |
|---------------|---------------------|----------|----------|-----------------|--------|---|----------|----------|--------------|-------|--------------|
| | NYSE Composite | 11845.50 | 11804.88 | 11812.03 | 38.23 | 0.32 | 12000.02 | 10289.35 | 9.9 | 6.8 | 2.4 |
| | Value Line | 510.94 | 507.44 | 509.73 | 2.29 | 0.45 | 533.62 | 455.65 | 5.6 | 0.7 | 0.6 |
| | NYSE Arca Biotech | 3930.37 | 3882.72 | 3883.95 | -25.12 | -0.64 | 4075.95 | 2834.14 | 17.8 | 26.3 | 8.1 |
| | NYSE Arca Pharma | 522.88 | 520.46 | 520.46 | -0.04 | -0.01 | 549.20 | 463.78 | -0.5 | 8.1 | 0.1 |
| | KBW Bank | 94.91 | 94.19 | 94.20 | 0.04 | 0.04 | 99.33 | 69.71 | 32.7 | 2.6 | 9.5 |
| | PHLX® Gold/Silver | 86.52 | 85.18 | 85.82 | -0.31 | -0.36 | 101.55 | 73.03 | -10.4 | 8.8 | -4.4 |
| | PHLX® Oil Service | 122.54 | 120.28 | 121.97 | 2.21 | 1.85 | 192.66 | 117.79 | -24.1 | -33.6 | -25.1 |
| | PHLX® Semiconductor | 1091.84 | 1078.81 | 1080.50 | -5.43 | -0.50 | 1138.25 | 768.37 | 34.8 | 19.2 | 19.2 |
| | CBOE Volatility | 12.45 | 11.10 | 11.28 | -0.95 | -7.77 | 22.51 | 9.36 | -17.4 | -19.7 | -1.2 |

\$ Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 5,000 shares.

Most-active issues in late trading

| Company | Symbol | Volume (000) | Last | Net chg | After Hours % chg | High | Low |
|--------------------------|--------|--------------|--------|---------|-------------------|--------|--------|
| SPDR S&P 500 | SPY | 9,561.8 | 244.47 | -0.09 | -0.04 | 244.89 | 224.56 |
| Whiting Petroleum | WLL | 6,917.9 | 4.43 | 0.02 | 0.45 | 4.46 | 4.40 |
| Pfizer | PFE | 2,366.9 | 33.40 | 0.01 | 0.03 | 33.44 | 33.35 |
| Ross Stores | ROST | 2,281.8 | 59.38 | ... | unch. | 59.38 | 59.10 |
| Micron Technology | MU | 2,033.4 | 30.30 | 0.01 | 0.03 | 30.35 | 30.16 |
| eBay | EBAY | 1,980.8 | 34.61 | -0.07 | -0.20 | 34.78 | 34.61 |
| iPath S&P 500 VIX ST Fut | VXX | 1,972.6 | 47.76 | 0.08 | 0.17 | 47.81 | 47.38 |
| Automatic Data | ADP | 1,940.1 | 104.59 | ... | unch. | 104.90 | 104.59 |

Source: SIX Financial Information; WSJ Market Data Group

Trading Diary

Volume, Advancers, Decliners

| | NYSE | NYSE Amer. |
|---------------|-------------|------------|
| Total volume* | 662,367,645 | 6,302,881 |
| Adv. volume* | 430,508,726 | 2,768,719 |
| Decl. volume* | 214,287,558 | 3,122,091 |
| Issues traded | 3,082 | 329 |
| Advances | 1,980 | 165 |
| Declines | 957 | 130 |
| Unchanged | 145 | 34 |
| New highs | 110 | 3 |
| New lows | 18 | 4 |
| Closing tick | 117 | 37 |
| Closing Arms* | 1.08 | 1.45 |
| Block trades* | 7,093</ | |

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, ISYE 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 the issue's 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:

I-New 52-week high.

L-New 52-week low.

dd-Indicates loss in the most recent four quarters.

FD-First day of trading.

h-Does not meet continued listing standards

If-Last filing

q-Temporary exemption from Nasdaq Bankruptcy Code, or securities requirements.

t-NYSE bankruptcy

v-Trading halted on primary market.

w-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal 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, August 25, 2017

YTD %Chg **52-Week Hi** **Lo Stock** **Yld %Chg** **Net %Chg**

NYSE

10.63 25.82 20.26 ABB **ABB** **3.3 22.23 23.31** **0.21**

-1.64 13.52 10.60 AES **AES** **4.2 4d 11.43** **0.03**

16.25 81.89 65.40 Afpac **AFL** **2.1 12.80 89.1** **0.52**

-10.67 43.03 35.81 AT&T **T** **5.2 18.37 39.9** **0.37**

28.42 51.13 37.38 AbbottLabs **ATL** **2.1 49.45** **-0.03**

15.75 75.04 55.66 AbbVie **ABBV** **3.4 18.72 74.8** **0.06**

10.47 130.67 108.33 Accenture **ACN** **1.9 23.29 39.7** **0.72**

-23.44 27.21 15.73 AcuityBrands **AYI** **0.3 25.17 16.5** **1.26**

16.55 76.09 39.66 Adient **ADNT** **1.6 6d 68.30** **-0.72**

-43.35 17.83 8.21 AdvanceAutoParts **AAP** **0.3 19.95 8.0** **0.00**

21.63 6.70 4.89 AlcatelS **ASX** **3.8 14.63** **-0.01**

6.15 6.06 3.70 Aegon **AEG** **5.2 18.58** **0.06**

18.02 50.79 36.38 AerCap **AER** **... 8 49.11** **0.00**

25.88 161.69 104.59 Aetna **AET** **1.3 34.15 16.0** **-0.05**

20.36 18.07 13.04 AffiliatedMgns **AMG** **0.5 19.17 14.8** **0.05**

38.06 63.37 42.92 AgilentTechs **AS** **0.8 32.62 9.9** **0.22**

13.02 57.35 35.05 AgnicoEagle **AGN** **3.3 37.45 17.0** **0.31**

-3.59 111.88 87.78 Agrium **AGU** **3.6 17.94 9.6** **0.43**

1.52 150.45 12.9 AgProducts **APP** **2.6 14.61** **0.78**

-14.88 101.43 64.19 AlaskaAir **ALK** **1.6 12.75 5.5** **2.01**

33.54 12.48 7.51 Albarmele **ALB** **1.1 27.14 11.95** **0.09**

46.74 41.80 20.20 Alcoa **AA** **... d 41.21** **1.01**

8.42 123.89 101.51 AlexandriaRealEst **AR** **2.9 30.10 14.9** **-0.78**

95.58 177.86 80.01 Alibab **BABA** **60 17.17 7.4** **-3.26**

-6.23 67.19 51.05 Allegheny **Y** **18.50 27.03** **0.37**

21.28 80.20 61.47 Allegion **ALLE** **0.8 30.77 11.2** **0.47**

5.62 256.80 18.50 Allergan **AGN** **1.3 8.22 21.1** **-1.89**

2.84 266.25 19.60 AllstateData **ADS** **0.5 22.02** **-0.88**

-0.43 26.15 20.40 AllianceBernstein **AMG** **8.4 11.13 23.5** **0.04**

20.36 18.07 13.04 AffiliatedMgns **AMG** **0.5 19.17 14.8** **0.05**

38.06 63.37 42.92 AgilentTechs **AS** **0.8 32.62 9.9** **0.22**

13.02 57.35 35.05 AgnicoEagle **AGN** **3.3 37.45 17.0** **0.31**

-3.59 111.88 87.78 Agrium **AGU** **3.6 17.94 9.6** **0.43**

1.52 150.45 12.9 AgProducts **APP** **2.6 14.61** **0.78**

-14.88 101.43 64.19 AlaskaAir **ALK** **1.6 12.75 5.5** **2.01**

33.54 12.48 7.51 Albarmele **ALB** **1.1 27.14 11.95** **0.09**

7.96 23.88 19.62 AmericanFin **AFG** **1.2 10.23 3.9** **0.72**

15.08 60.58 46.84 Ameren **AEE** **2.9 21.60 30.7** **0.11**

50.20 19.05 11.02 AmericaMovil **AMX** **1.8 26.18 8.8** **0.08**

52.50 18.89 10.83 AmericaMovil **AMX** **1.8 26.18 7.7** **0.12**

19.61 23.62 16.68 AllyFinancial **ALLY** **2.1 12.20 27.7** **0.18**

-6.21 35.29 29.99 AlticeUSA **ATUS** **... 30.68** **-0.01**

5.24 77.79 60.01 Altria **MO** **41 8.64 0.8** **0.48**

68.95 19.27 8.77 AlumofChina **ACH** **68 17.25 17.8** **0.78**

27.29 6.38 4.70 Ambev **ABEV** **27 2.65 2.0** **0.01**

15.08 60.58 46.84 Ameren **AEE** **2.9 21.60 30.7** **0.11**

50.20 19.05 11.02 AmericaMovil **AMX** **1.8 26.18 8.8** **0.08**

52.50 18.89 10.83 AmericaMovil **AMX** **1.8 26.18 7.7** **0.12**

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52.50 18.89 10.83 AmericaMovil **AMX** **1.8 26.18 7.7** **0.12**

19.61 23.62 16.68 AllyFinancial **ALLY** **2.1 12.20 27.7** **0.18**

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68.95 19.27 8.77 AlumofChina **ACH** **68 17.25 17.8** **0.78**

27.29 6.38 4.70 Ambev **ABEV** **27 2.65 2.0** **0.01**

15.08 60.58 46.84 Ameren **AEE** **2.9 21.60 30.7** **0.11**

50.20 19.05 11.02 AmericaMovil **AMX** **1.8 26.18 8.8** **0.08**

52.50 18.89 10.83 AmericaMovil **AMX** **1.8 26.18 7.7** **0.12**

19.61 23.62 16.68 AllyFinancial **ALLY** **2.1 12.20 27.7** **0.18**

-6.21 35.29 29.99 AlticeUSA **ATUS** **... 30.68** **-0.01**

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68.95 19.27 8.77 AlumofChina **ACH** **68 17.25 17.8** **0.78**

27.29 6.38 4.70 Ambev **ABEV** **27 2.65 2.0** **0.01**

15.08 60.58 46.84 Ameren **AEE** **2.9 21.60 30.7** **0.1**

NEW HIGHS AND LOWS

WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE Mkt and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG=Daily percentage change from the previous trading session.

Friday, August 25, 2017

| NYSE highs - 110 | | | | NYSE lows - 18 | | | | NYSE American lows - 4 | | | | Nasdaq highs - 79 | | | | | |
|-------------------------|-------------|-----------|----------------------|-----------------------|-----------|-----------------------|-------------|-------------------------------|-------------------------|-------------|-----------|--------------------------|-------------|-----------|---------------------|-------------|-----------|
| Stock | 52-Wk % Sym | Hi/Lo Chg | Stock | 52-Wk % Sym | Hi/Lo Chg | Stock | 52-Wk % Sym | Hi/Lo Chg | Stock | 52-Wk % Sym | Hi/Lo Chg | Stock | 52-Wk % Sym | Hi/Lo Chg | Stock | 52-Wk % Sym | Hi/Lo Chg |
| Alcoa AA | 41.80 | -0.3 | Coredlogic CLGX | 46.89 | -1.0 | Pg&E PEG | 70.35 | 0.4 | CurrSEK FKS | 120.23 | 0.9 | iShMSJCapanSC SJ | 72.69 | 0.5 | VanEckGreenBd GRNB | 27.08 | 0.4 |
| Allelu ALE | 77.02 | 0.1 | DTE DTE | 112.24 | -0.2 | PublicServicePNR PSPG | 25.03 | 0.1 | DeutscheHrsGd S300 ASHD | 27.83 | 0.5 | iShMSJCmExcoP EEW | 57.82 | 0.6 | VanEckIndonesia IDX | 24.49 | 0.4 |
| Ameren AEE | 60.58 | 0.2 | Darlingding DAR | 17.70 | 2.4 | PublicStoragePFG PGS | 95.95 | 0.9 | DeutscheAcapCo IGD | 7.83 | 1.3 | iShMSJCiplandC EPOL | 27.07 | 1.8 | AvalonHoldings AWX | 1.87 | -0.8 |
| AmericanMobil A AMOV | 18.89 | 0.6 | DelTechnologies DMT | 72.60 | 2.6 | QuintilesWTS QTS | 25.70 | 0.1 | DeutscheAllChn CN | 35.09 | 1.3 | iShMSJCsoothCap EAT | 63.22 | 1.8 | CornerstoneTfd CRF | 13.62 | 0.3 |
| AEP AEP | 73.77 | 0.4 | DeltaAutomotive DLPH | 95.44 | -0.3 | QwestNts2057 CTD | 25.70 | 0.1 | DeutscheMetCo HCC | 23.33 | 0.1 | VanEckOpbd CRAK | 25.41 | 0.8 | GEE Group JOB | 3.77 | 4.5 |
| AmerTowerPfd AMTP | 128.71 | 0.6 | DNL Select DNL | 11.42 | 0.1 | RedHat RHT | 105.64 | 0.6 | iShGlobalUtilities RHD | 80.45 | 0.5 | iShGlobalUtilities RHD | 52.17 | 0.3 | iMMunomedics IMMU | 10.99 | -2.8 |
| AmerTowerPfd AMTP | 146.09 | 0.3 | DukeEnergy DUK | 87.55 | 0.5 | RioTinto RIO | 48.24 | 2.2 | iShLatinAms RHN | 25.95 | 0.5 | ImmunoMedics IMMU | 10.99 | -2.8 | ZealandPharma ZEAL | 19.49 | 3.8 |
| Amphenol APH | 84.10 | 0.5 | EliPfizer EEE | 55.60 | 0.5 | Rollins ROL | 44.94 | 0.2 | iShLatinAms RHN | 65.98 | 0.7 | VanguardTSE VVO | 44.30 | 0.8 | IntertechBdrks BTRK | 42.57 | 0.7 |
| AristaNetworks ANET | 176.88 | 0.4 | EmPowerElec EE | 28.35 | 0.1 | SafeBuilders SBF | 109.81 | 0.1 | FidelityMSCTuFlt FTY | 35.89 | 0.4 | GoldenOcean GOGL | 9.95 | 1.0 | VicSmartWtrd CEZ | 29.51 | 1.0 |
| AtmosEnergy AT | 88.81 | 0.1 | FarmlandPfd FPF | 26.99 | 1.3 | ScienceMnrg SRE | 119.66 | 0.6 | FlexiShMtPctTlT LTL | 56.93 | 1.0 | GriffithInnlndy GRIF | 34.00 | 2.1 | VentInqEquityFd VID | 27.08 | 0.6 |
| Avangrid AGR | 48.85 | 0.3 | FibriaCelulos FBR | 13.10 | 2.4 | ServiceMaster SERV | 46.07 | 0.7 | FranklndLndBd FLQE | 31.94 | 0.7 | HealthInnovm HIHQ | 35.85 | -0.1 | WestChinaSOE CKSE | 75.40 | -0.1 |
| BHPBilliton BBL | 43.60 | 2.0 | Flame-Nevada FNV | 79.92 | 0.6 | Shopify SHOP | 107.00 | 2.6 | FranklinGldEquty GLQ | 27.81 | 0.4 | HortonWorks HWP | 16.28 | 1.3 | WestComGrw DGRC | 25.50 | 0.3 |
| BHPBilliton BBL | 38.89 | 2.2 | Flynn-Holding FLY | 7.65 | -4.9 | SanchezEnergy SAN | 4.31 | -2.6 | GlobeChinaFinl CHX | 17.40 | 2.2 | JOB | 3.77 | 4.5 | WestEMGlobalDv DGRC | 25.50 | 0.3 |
| BancoBrades BBDO | 10.43 | 0.2 | GasLogPfrd GLPDA | 26.58 | 0.6 | Shutterstock SSTK | 29.95 | -0.8 | GlobeGRCRIC EEB | 35.79 | -0.1 | iAMCapAcq IAMXU | 10.19 | 0.4 | WestEMGlobalDv DGRC | 25.50 | 0.3 |
| BancodeChile BCH | 89.90 | 0.2 | GettyRealty GRY | 27.64 | 1.2 | SOQUIMICH SQM | 48.12 | 3.6 | GlobeGRCRIC EEB | 35.79 | -0.1 | WmRteEstchmf RIFR | 0.49 | -7.3 | ZealandPharma ZEAL | 19.49 | 3.8 |
| BancoMacro BM | 108.09 | 1.3 | GreenDot GDT | 48.03 | 0.5 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | Immunomedics IMMU | 10.99 | -2.8 | ZeranPharma ZEAL | 19.49 | 3.8 |
| BocoSantaHill BSAC | 30.18 | 0.1 | GroPowerAcions AVA | 9.24 | 3.8 | TempMktDf TDF | 22.16 | 3.6 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntegratedMedic IMTE | 7.10 | -0.5 | ZeranPharma ZEAL | 19.49 | 3.8 |
| BankoPfnd BCP | 26.23 | 0.3 | GpoSupervile SUPV | 22.10 | 0.1 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| BrookfieldRenew BEP | 35.69 | 1.2 | IamGold IAM | 6.29 | -1.1 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CAI Int'l CAI | 29.58 | -1.0 | Intercom INXN | 60.59 | -0.3 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CMS Energy CMS | 48.75 | 0.3 | StarPfdl STARPL | 25.24 | 0.2 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CampingWorld CWW | 36.92 | 0.6 | TirolerNetz NETS | 11.62 | -5.7 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| Caterpillar CAT | 116.64 | 0.5 | MSCI MSCI | 114.78 | 0.2 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CenterPointEnergy CNP | 29.87 | 0.3 | MerlynCapTl MER | 26.19 | -2.0 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| ChrtEasternEurop CEE | 23.49 | 1.3 | MicroFocus MFGR | 30.00 | 1.8 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CharlesRiverLabs CRL | 106.19 | -0.1 | MitTelematics MXT | 9.60 | 0.6 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| ChesapeakeElt CPK | 81.10 | -0.1 | MomnouthRealEst MNE | 15.89 | 1.2 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| ChinaFund CHN | 20.75 | 1.7 | MS Asia APF | 18.02 | 0.6 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CignBell pBFB CBBp | 51.27 | 0.4 | NTSourse NTS | 75.54 | -0.2 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CommunityHlth CHCT | 26.54 | 0.2 | OisikGoldRoyal OR | 13.60 | 4.9 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |
| CerveceriasUnid CCU | 28.22 | -0.7 | OwensComing OC | 70.45 | 1.4 | TirolerNetz NETS | 11.62 | -5.7 | GlobeGRCRIC EEB | 35.79 | -0.1 | IntertechBdrks BTRK | 42.57 | 0.7 | ZeranPharma ZEAL | 19.49 | 3.8 |

Cash Prices | WSJ.com/commodities

Friday, August 25, 2017

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Friday

| Energy | | Fibers and Textiles | | Grains and Feeds | | Food | | NYSE Arca highs - 109 | |
|---------------|--|----------------------------|--|-------------------------|--|-------------|--|------------------------------|--|
|---------------|--|----------------------------|--|-------------------------|--|-------------|--|------------------------------|--|

MONEY & INVESTING

As Investors Think Taper, ECB Is Set to Buy More

Central bank must reinvest proceeds from maturing debt; guessing game starts

By JUSTIN YANG
AND CHRISTOPHER WHITTALL

Just as the European Central Bank gets ready to reduce its bond-buying program, it appears poised to scoop up more.

The extra buying, as the ECB reinvests the proceeds of maturing debt, creates a new dynamic for investors who have been more focused on when the central bank will begin reducing its €60 billion (\$70.8 billion) a month of bond purchases.

The ECB began buying government bonds in March 2015 to help stimulate the eurozone economy, boosting the price of debt and stocks across the region.

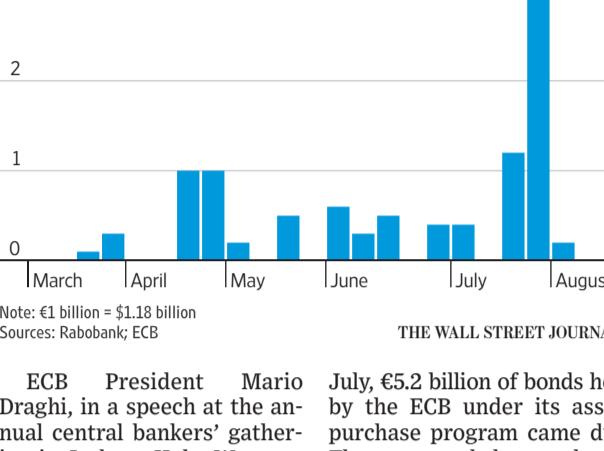
But now, eurozone growth is taking off, and investors predict the ECB could taper its asset purchases as early as January 2018, having already reduced them from €80 billion a month in March.

But before that happens, the ECB's bond buying will actually ramp up, analysts say. Bonds on its books are starting to mature, and reinvesting billions of euros of redemptions could support the bond market even as the ECB prepares to reduce the overall pace of its purchases, some investors say.

Picking Up

Bonds that mature each week, European Central Bank's public-sector purchase program

€4 billion



Note: €1 billion = \$1.18 billion

Sources: Rabobank; ECB

THE WALL STREET JOURNAL.

ECB President Mario Draghi, in a speech at the annual central bankers' gathering in Jackson Hole, Wyo., on Friday, didn't discuss the outlook for monetary policy or economic conditions, following the example of Federal Reserve Chairwoman Janet Yellen earlier in the day.

Meanwhile, investors are trying to work out where that ECB reinvestment will go. The central bank already has purchased €1.8 trillion of sovereign and corporate debt, making it effectively one of the world's largest fund managers.

"It adds to the inflow and is thereby even more supportive of European fixed income," said Charlie Diebel, head of rates at Aviva Investors.

In the last two weeks of

July, €5.2 billion of bonds held by the ECB under its asset-purchase program came due. Those proceeds have to be reinvested in new bonds, according to the ECB's own rules, in the same month the old bonds mature or in the following months "if needed."

About €12 billion of bonds a month will need to be reinvested over the course of 2018, according to estimates from Bank of America Merrill Lynch.

The Fed has been reinvesting the proceeds of its bond-buying program since it stopped expanding its balance sheet in October 2014. Fed officials are now contemplating shrinking their bondholdings by scaling back reinvestments, a move economists think could



Investors are waiting for signs from Mario Draghi and the ECB on scaling back bond buying.

KRISTJAN BOCS/BLOOMBERG

come as soon as September.

That reduction, along with interest-rate increases, forms part of the Fed's efforts to unwind the extraordinary stimulus it unleashed following the financial crisis.

Richard McGuire, head of rates strategy at **Rabobank**, said the Fed's reinvestments are far more predictable. That is because, unlike the ECB, the Fed provided more details on how many bonds, and of what different maturities, it bought.

"The ECB is much more opaque," said Mr. McGuire.

That can make it tougher for investors to establish when and where the ECB's reinvestments will fall. Those who can may be able to benefit from the extra buying if it boosts certain securities. Some ana-

lysts are already starting to game where the reinvestments will go.

Rabobank points out that the €4 billion of ECB-held bonds that matured in the last week of July coincided with French bonds coming due, marking them out as a likely area of reinvestment.

Some investors say it is simple: The ECB has been spreading its purchases based on the relative size of the eurozone's economies. Just below a quarter of its €1.7 trillion of its public-sector debt purchases have come from Germany, so that country's debt should also see the biggest chunk of the reinvestments, some investors say.

Mr. Diebel said he closed a bet that German bonds would

fall in value relative to U.S. bonds last week, in part because of the prospect of more ECB money flowing into German debt from reinvestments.

German yields jumped following positive comments from Mr. Draghi about the eurozone economy in late June. Yields rise as prices fall. Investors took his comments as a hint that the ECB was moving closer to trimming its bond purchases.

Still, despite the focus on reinvestments, many analysts think tapering will continue to be the biggest question in European bond markets.

"They have to consider tapering sooner or later," said Mr. McGuire. "The market will take its cue from the pace of quantitative easing."

Palladium Prices Are On a Tear

By AMRITH RAMKUMAR



Ingots of palladium. Prices for the metal are up 37% this year.

Platinum bulls are hearing footsteps—from the precious metal's close relative palladium.

Palladium has been a standout even amid the recent boom in industrial metals like copper, surging to its highest levels since

COMMODITIES 2001 amid a yearslong supply deficit. For the year, prices are up 37%, and some analysts and investors think palladium could soon cost more than platinum—a shift that would reverse a longstanding relationship and, in the eyes of some analysts, likely lead to changes in auto-industry material uses.

On Friday, palladium for August delivery closed down \$5.10, or 0.5%, to \$933.45. Front-month platinum closed down 3.50, or 0.4%, at 976.30.

Technically a precious metal, palladium often behaves like a base metal because of its use in the catalytic converters that filter car emissions in engines.

Many manufacturers began substituting palladium for platinum because it was widely available and cheaper in the early 2000s. But a con-

tinued palladium rally could lead them to consider switching back to platinum, said Pete Duncan, director of market research at Johnson Matthey.

Johnson Matthey expects palladium to soon cost more than platinum, Mr. Duncan said, as demand from China and other global markets has kept the recent rally going despite concerns about slowing U.S. auto sales.

"The whole situation is coming to a head," said Shree Kargutkar, portfolio manager at Sprott Asset Management, adding that manufacturers considering switching back to platinum "makes a ton of sense."

Investors have continued to wager on further gains even with palladium's rapid run-up. Net long positions by hedge funds and other speculative investors on palladium futures totaled 25,153 contracts in the week ended Tuesday, the most since November 2013, data

from the Commodity Futures Trading Commission show.

Still, not everyone agrees that palladium passing platinum would lead to auto-industry changes.

Given the amount of technical work and testing to switch metals used in catalysts, a shift isn't likely unless manufacturers think recent trends in prices will be sustained, said James Steel, chief precious-metals analyst at HSBC. Mr. Steel noted that switching to palladium has taken a lot of time.

"I think they would be unlikely to reverse that course without a lot of consideration," he said.

Mr. Kargutkar said he thinks platinum still provides a better value alternative to owning palladium; platinum prices have risen 8.3% this year. He said platinum also is in short supply and could soon draw more interest given palladium's sharp rise.

Emerging Markets Ease Up

BY SAUMYA VAISHAMPAYAN

Policy makers from the world's leading central banks gathering at Jackson Hole, Wyo., this past week may be wondering how to step back from years of easy monetary policy. But several of their counterparts in emerging markets are heading in the opposite direction by cutting interest rates.

The number of emerging-market central banks that lowered interest rates topped the number raising rates for the fourth month in a row in July, according to Capital Economics. That trend, largely driven by Latin American countries such as Brazil, is spreading to Asia.

In a surprise step this week, Indonesia's central bank lowered its benchmark rate for the first time in nearly a year, to 4.5% from 4.75%. Its move followed the Reserve Bank of India's decision this month to cut its main lending rate to its lowest level in more than six years.

Lowering rates right now might seem risky. Relatively high interest rates in emerging markets in recent years had helped them to attract foreign capital, part of the "search-for-yield" phenomenon that has gripped global markets. Inflows have been strong this year. Foreigners poured a net \$17.5 billion into India's debt

market and bought a net \$8.4 billion of Indonesian bonds in the first seven months of 2017, according to ANZ.

Now, though, the days of emerging markets' interest-rate advantage over developed markets look numbered. The Federal Reserve still appears committed to raising rates. Meanwhile, the European Central Bank is getting ready to reduce its bond-buying program.

Even so, several factors are encouraging central bankers in emerging countries to feel confident they can enact rate cuts, or at least not tighten policy further, without causing undue damage to their economies. Low inflation in countries such as Brazil, is spreading to Asia.

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est in the region, and the eighth and 10th highest among emerging markets globally, according to data compiled by Capital Economics.

Another reason investors aren't worrying about rate cuts in Asia is that the region's decent growth levels mean few believe a concerted period of policy easing is needed, even in countries such as India and Indonesia.

"We don't think there's going to be a new wave of central bank easing in Asia," said Aidan Yao, senior emerging Asia economist at AXA Investment Managers in Hong Kong.

Some major central banks don't have the same room to lower rates without risking capital outflows. Korea, for example, has a key interest rate of just 1.25%, which is roughly the same as the Fed's target of 1% to 1.25%.

So can another central bank sneak in an interest-rate cut this year? Rob Carnell, head of research for Asia at ING in Singapore, notes that Thailand's export sector has been hit by the value of the Thai baht, which he estimates is one of the most overvalued currencies in Asia, while both growth and inflation are low in Thailand.

"The most obvious contender to follow in Bank Indonesia's footsteps is the Bank of Thailand," he wrote in a recent research note.

Futures Contracts | WSJ.com/commodities

Metal & Petroleum Futures

| | Contract | Open | High | Low | Settle | Chg | Open interest |
|---|----------|----------|---------|----------|---------|---------|---------------|
| Copper-High (CMX) -25,000 oz.; \$ per lb. | | | | | | | |
| Aug | 3,070.30 | 3,035.00 | 3,027.5 | 3,033.00 | -0.0005 | 338 | |
| Dec | 3,060.5 | 3,078.0 | 3,040.5 | 3,056.5 | ... | 189,043 | |
| Gold (CMX) -100 troy oz.; \$ per troy oz. | | | | | | | |
| Aug | 1285.40 | 1292.70 | 1280.30 | 1292.50 | 6.00 | 686 | |
| Oct | 1288.10 | 1297.70 | 1277.00 | 1294.50 | 5.90 | 51,893 | |
| Dec | 1291.30 | 1301.40 | 1281.30 | 1297.90 | 5.90 | 398,523 | |
| Feb'18 | 1294.90 | 1303.20 | 1285.50 | 1301.50 | 5.90 | 19,187 | |
| June | 1301.50 | 1311.00 | 1292.70 | 1308.50 | 5.90 | 9,540 | |
| Dec | 1314.40 | 1319.00 | 1313.30 | 1319.10 | 5.90 | 7,923 | |
| Palladium (NYM) -50 troy oz.; \$ per troy oz. | | | | | | | |
| Aug | 885.00 | 885.00 | 885.00 | 933.45 | -5.10 | 4 | |
| Sept | 936.60 | 943.75 | 929.00 | 931.05 | -5.10 | 12,996 | |
| Dec | 931.50 | 938.50 | 924.00 | 926.45 | -4.50 | 22,058 | |
| Platinum (NYM) -50 troy oz.; \$ per troy oz. | | | | | | | |
| Aug | 962.60 | 965.30 | 962.60 | 976.30 | -3.50 | 1 | |
| Oct | 982.40 | 988.00 | 971.40 | 979.10 | -3.50 | 62,800 | |
| Silver (CMX) -5,000 troy oz.; \$ per troy oz. | | | | | | | |
| Aug | 17.055 | 17.060 | 17.055 | 17.038 | 0.086 | 48 | |
| Dec | 17.035 | 17.260 | 16.800 | 17.132 | 0.086 | 122,205 | |
| Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl. | | | | | | | |
| Oct | 47.62 | 47.91 | 47.39 | 47.87 | 0.44 | 518,796 | |
| Nov | 47.88 | 48.16 | 47.67 | 48.12 | 0.42 | 226,883 | |
| Dec | 48.10 | 48.38 | 47.91 | 48.34 | 0.42 | 331,697 | |
| Jan'18 | 48.33 | 48.57 | 48.13 | 48.53 | 0.42 | 161,275 | |
| June | 48.86 | 49.10 | 48.71 | 49.08 | 0.41 | 155,558 | |
| Dec | 49.17 | 49.29 | 48.83 | 49.21 | 0.35 | 187,675 | |
| NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal | | | | | | | |

MARKETS

Stocks Losing Some Momentum

By CHRIS DIETERICH

Traders are keeping busy amid the late-summer doldrums by parsing the minor details of the U.S. stock market.

EQUITIES Their diagnosis: not great.

A number of signs are pointing to bad market "breadth," or weakening measures of broad-market momentum. Even though the S&P 500 has inched down just 1.5% from this month's all-time high, a confluence of worrisome signals suggest the market could be setting up for a pullback.

One concern is the 50-day moving average of the S&P 500, a short-term yardstick used by technical analysts to track trading momentum. The benchmark failed to close above this level both on Thursday and Friday.

The longer the benchmark takes to break back above the 50-day average, the thinking goes, the sturdier this technical resistance will become,

Softening

U.S. stocks have fallen below their moving average, a sign to some of bad market 'breadth,' or weakening momentum.



Source: FactSet

hindering the potential for gains.

At the single-stock level, the percentage of S&P 500 components trading above their 50-day moving averages has fallen to 45%, down from nearly 75% just one month ago, according to Bespoke Investment Group. A steady weakening for the average

stock in the index has yet to reach extremes, which Bespoke says could mean that further deterioration is necessary before the market looks primed for a post-slide, "oversold" bounce.

Meanwhile, the number of S&P 500 stocks marking new 52-week lows has been rising. William Delwiche, an in-

vestment strategist at Baird, notes that earlier this month the proportion of stocks at their lows was the highest since early 2016, when the stock market was under severe pressure from global growth concerns.

He is watching levels for the S&P 500 starting at 2375—about 2.8% below Friday's finish—as long-term technical supports.

Katie Stockton, a technical strategist at BTIG, notes that the number of S&P 500 stocks breaking below key technical levels has outnumbered those breaking above them by about 2.5-to-1 over the past three weeks, another sign of flagging market momentum.

None of the technical analysts are forecasting a full-blown market tumble, however.

Ms. Stockton says the declining market breadth looks likely to be temporary; Mr. Delwiche agrees, noting that the majority of S&P 500 sectors remain in long-term up-trends.

Treasury Prices Rise As Yellen Skirts Rates

By SAM GOLDFARB

U.S. government bond prices rose, as Federal Reserve Chairwoman Janet Yellen largely avoided discussion of monetary policy in a speech at the Fed's annual Jackson Hole, Wyo., conference.

The yield on the 10-year Treasury note settled at 2.169%, compared with 2.194% Thursday and 2.196% last Friday. Yields fall when bond prices rise.

Ms. Yellen's speech had been billed as an address on financial stability, and she stuck to the topic of regulations in her remarks, arguing that postcrisis rules had made the financial system stronger.

Contrary to what some analysts had thought was possible, she didn't argue, as Federal Reserve Bank of New York President William Dudley recently has, that relatively easy

financial conditions have created a rationale for the Fed to further lift short-term interest rates.

Ms. Yellen "didn't use the speech to justify future hikes," said Priya Misra, head of global rates strategy at TD Securities in New York. "To the extent that some people in the market expected that, they must have been disappointed."

Ms. Yellen's address was the first major speech at the symposium. European Central Bank President Mario Draghi also didn't discuss the outlook for monetary policy.

Investors have lowered their expectations for a third interest-rate increase this year as inflation has slumped below the Fed's 2% annual target. Investors expect the Fed to start reducing its large portfolio of Treasurys and mortgage-backed securities in the fall. But many think the process will be slow enough that it will have little impact on the market.

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E-TENDER NOTICE NO.8 FOR 2017-18

The Public Works Department, Government of Maharashtra, represented by the Executive Engineer, Public Works Division, Akluj (the "Authority") is engaged in the development of highways and as part of this endeavor, the Authority has decided to undertake development and operation / maintenance of the project (the "Project") on Hybrid Annuity Basis, and has decided to carry out the bidding process for selection of a private entity as the bidder to whom the Project may be awarded.

Brief particulars of the Project are as follows:

| Sr. No. | State | Dist. | Pack. ages | Project | Project Length in (km) | Project Cost | Earnest Money/ Bid Security | Duration of the Project | Cost of Tender Fee Document |
|---------|-------------|---------|------------|--|------------------------|--------------|-----------------------------|-------------------------|--|
| 1) | Maharashtra | Solapur | PN -13 | PN - 13A) Improvements to Barshi Solapur Road SH 204 KM. 0/0 to 64/800 Dist. Solapur on Hybrid Annuity Basis PN - 13A) Improvements to Sidtek Bhambora Rasin Kamala Barshi Road SH 68 Km 137/260 to 187/940 and 208/160 to 250/600 Dist. Solapur on Hybrid Annuity Basis. | 157.92 km | 349.01 Crore | 3.5 Crore | 548 Days | 35,000/- Online payment through NEFT/ RTGS |

E-TENDER TIME TABLE

| Sr. No. | Event Description | Date |
|---------|---|--|
| 1. | Invitation of RFP(NIT) (Download period of online tender) | DL14.8.2017 at 10.00 Hrs. to DL08.11.2017 at 18.00 Hrs. |
| 2. A | Last date for receiving queries for pre-bid-1 | 26.09.2017 upto 11.00 Hrs. |
| 2. B | Pre-Bid meeting 1 | In the office of the Chief Engineer, P.W. Region, Pune Dt.26.09.2017 up to 11.00 Hrs. |
| 2. C | Authority response to queries for Pre-Bid Meeting 1 latest by. | 03.10.2017 |
| 3. A | Last date for receiving queries for pre-bid -2 | 17.10.2017 upto 11.00 Hrs. |
| 3. B | Pre-Bid Meeting 2 | In the office of the Chief Engineer, P. W. Region, Pune Dt.17.10.2017 up to 11.00 Hrs. |
| 3. C | Authority response to queries for Pre-Bid Meeting 2 latest by. | 25.10.2017 |
| 4. | Last Date of Bid Submission (Online) (Technical and financial Bid Last Date and time) | Dt.08.11.2017 till 18.00 Hrs. |
| 5. | Physical submission of Bid Security/POA etc (as per clause 2.11.2 of RFP) | Till 11.00 Hrs. on 14.11.2017 in the office of Superintending Engineer, P.W. Circle, Solapur |
| 6. | Opening of Technical Bids. (If possible) | (at 11.30 on 15.11.2017) Office of Superintending Engineer, P.W. Circle, Solapur |
| 7. | Opening of Financial Bids. (If possible) | (at 11.30 on 13.12.2017) Office of Superintending Engineer, P.W. Circle, Solapur |

Note:-

1. The payment towards the cost of Tender forms will be done online only through RTGS / NEFT. It should be noted that one should complete these activities at least one day in advance.
2. All eligible/interested Bidders who want to participate in tendering process should compulsory get enrolled on e-tendering portal "<http://mahatenders.gov.in>"
3. Contact on numbers given below for difficulties in online submission of tenders:-(NIC-Toll Free Ph.No.1800 30702232/ 7878107985-86)
4. Bid submitted through any other mode shall not be entertained. However, Bid Security, proof of online payment of cost of bid document, Power of Attorney and joint bidding agreement etc. as specified in Clause 2.11.2 of the RFP shall be submitted physically by the Bidder on or Before Dt.11/11/2017 upto 11.00 hours.
5. Other terms and conditions are detailed in online e-tender form. Right to reject any or all online bids of work, without assigning any reasons there of, is reserved with department.
6. Short Tender Notice is displayed on P.W.D. website www.mahapwd.com.

D.G.I.P.R. 2017/2018/2374 Executive Engineer, Public Works Division, Akluj

BUSINESS OPPORTUNITIES

GOVERNMENT OF MAHARASHTRA PUBLIC WORKS REGION NASHIK PUBLIC WORKS DIVISION (East) NASHIK E-TENDER NOTICE NO.04 for 2017 -2018 (Online)

The Public Works Department, Government of Maharashtra, The Principle Secretary, Public Works Department (the "Authority") represented by the Executive Engineer, P.W. Division, (East) Nashik is engaged in the development of highways and as part of this endeavor, the Authority has decided to undertake development and operation/ maintenance of the single Project (the "Project") on [Design, Build, Operate and Transfer (the "DBOT")] Hybrid Annuity basis, and has decided to carry out the bidding process for selection of a private entity as the Bidder to whom the project may be awarded.

| Sr. No. | State | Dist. | Pack. ages | Project | Project Length in (km) | Project Cost | Earnest Money/ Bid Security | Duration of the Project | Cost of Tender Fee Document |
|---------|-------------|--------|------------|---|------------------------|--------------------|-----------------------------|-------------------------|--|
| 1) | Maharashtra | Nashik | NSK-41 | A) 2-Lane with Paved Shoulder of Improvement to Niphad Khadak Maledgaon Bhoyegaon Ganur Chandwad Road MDR-64 Km 0/0 to 35/050 Tal Chandwad/ Niphad Dist Nashik (30.050) B) 2-Lane with Paved Shoulder of Improvement to Road in Industrial Sector, Dist Nashik (Malegaon, Ajara, Kashti, Yeola (6.500) | 36.55 km | 81.65.38.686 Crore | 81.65.387 Crore | 18 months | 50,000/- Online payment through NEFT/ RTGS |

E-TENDER SCHEDULE

| Sr. No. | Event Description | Start Time & Date |
|---------|---|---|
| 1. | Invitation of RFP(NIT) | Dt.14.8.2017 at 10.00 am. to Dt. 23.10.2017 at 18.00 pm |
| 2. A | (Download period of online tender) | Dt. 23.10.2017 at 18.00 pm |
| 2. B | Last date for receiving queries for pre-bid No.1 | Dt. 7.9.2017 upto 10.30 am |
| 2. C | Pre-Bid meeting 1 | Online or in the office of the Chief Engineer, Public Works Region, Nashik on or before Dt. 7.9.2017 upto 11.00 am. |
| 3. A | Last date for receiving queries for pre-bid -2 | Dt. 13.09.2017 |
| 3. B | Pre-Bid Meeting 2 | 28/9/2017 upto 10.00 am |
| 3. C | Authority response to queries for Pre-Bid Meeting 2. | Online or in the office of the Chief Engineer, Public Works Region, Nashik on or before Dt.28.09.2017 upto 11.00 am |
| 4. | Bid due Date (submit Hash to create online tender by bidder) (Technical and financial Bid Last Date and time) | Dt.06/10/2017 |
| 5. | Physical submission of Bid Security/POA etc (as per clause 2.11.2 of RFP) | Dt. 27/10/2017 till 17.00 pm |
| 6. | Opening of Technical Bids | Till 11.00 am on 27/10/2017 in the office of Superintending Engineer, Public Works Circle, Nashik |

Note:-

1. The payment towards the cost of Tender forms will be done online only through RTGS / NEFT. It should be noted that one should complete these activities at least one day in advance.
2. All eligible/interested Bidders who want to participate in tendering process should compulsory get enrolled on e-tendering portal "<http://mahatenders.in>"
3. Contact below for difficulties in online submission of tenders:-(NIC-Toll Free Ph.No.1800 30702232/ 7878107985-86)
4. Bid submitted through any other mode shall not be entertained. However, Bid Security, proof of online payment of cost of bid document, Power of Attorney and joint bidding agreement etc. as specified in Clause 2.11.2 of the RFP shall be submitted physically by the Bidder on or Before Dt.27/10/2017 upto 11.00 am.
5. Other terms and conditions are detailed in online e-tender form. Right to reject any or all online bids of work, without assigning any reasons there of, is reserved with department.
6. Short Tender Notice is displayed on P.W.D. website www.mahapwd.com.

Executive Engineer, Public Works Division (East) Nashik

Contractor No.of Corrections Executive Engineer

D.G.I.P.R. 2017/2018/2387

BUSINESS OPPORTUNITIES

GOVERNMENT OF MAHARASHTRA Office of the Executive Engineer, PUBLIC WORKS DIVISION No. 2, Nagpur E-TENDER NOTICE NO.03 / 2017 -2018

Online E-tenders in 'R.F.P. (Turn Key Basis) are invited by Executive Engineer, Public Works Division No.2, "Bandhakam Sankul" Civil Lines, Nagpur for the following works from the Eligible who satisfy the qualifying criteria. The tender documents should be downloaded from the Government website <http://mahatenders.gov.in>. The competent authority reserve the right to reject any or all the tenders. Conditional tenders will not be accepted.

| Sr. No. | Name of Work | Estimated Cost Lakh (Rupees Crore) |
|---------|--|--|
| 1) | RFP for Nagpur Package No. 68: (1) Improvement to S.H.346 to Patanswangi Bharatwada Fetari Hinnga road Km. 0/0 to 32/00 (2) Improvement to Hingna Kanholibara Bibi Chowki Junagadh (Jungli) Kelzor road to N.H. 369 to join road Km. 0/0 to 31/00 S.H.344 (37/650 to 68/650) 31/00 to 32/380 MDR-27 (0/0 to 1/380) 32/380 to 38/380 MDR-14 Km. (24/200 to 30/200) (3) Improvement to Narikhed Ghabdet Zilpa Saoner Patanswangi road Km. 0/0 to 34/00 S.H.335 (4) Improvement to road in Nagpur District to join Tourism plane (Pench Sillar) (5) Construction of Nagpur Ciij Ambazari road MDR. 53(2) Km. 0/0 to 3/800 Concrete road (To join Tourism road). (6) Construction of Concrete road in Nagpur City Ambazari Futala road MDR. 53(4) Km. 0/0 to 3/600 (To join Tourism road) in the State of Maharashtra under MRIP on Hybrid Annuity Mode. | 278.60 Crore |
| 2. | EMD / Bid Security | Rs. 2.79 Crore (Online Payment through NEFT / RTGS |
| 3. | Cost of Tender Form | Rs. 50,000/- (Online Payment through |

MARKETS

S&P 500 Rises to Break Two-Week Skid

Consumer-staples sector declines 1%; Fed chief's speech weighs on dollar

BY AKANE OTANI AND RIVA GOLD

The S&P 500 rose to its first weekly gain in three weeks, despite a pullback in consumer-staples stocks.

Major indexes' moves were muted most of the week—something investors and analysts attributed to the dearth of major economic reports on the calendar and a typical lull in trading toward the end of August.

The number of shares changing hands over a full session of trading on exchanges owned by the New York Stock Exchange and the Nasdaq fell to their lowest level of 2017 on Friday, and hovered below average levels for the year the rest of the week.

Still, while major indexes largely trudged along, corporate news continued to drive swings in individual sectors.

Consumer-staples companies in the S&P 500 lagged behind, ending the week down 1%, after disappointing earnings pulled the shares of **J.M. Smucker** and **Hormel Foods** lower on Thursday.

Food retailers also suffered after **Amazon.com** on Thursday said it planned to cut prices of top-selling grocery staples at Whole Foods Market after its deal to acquire the chain closes.

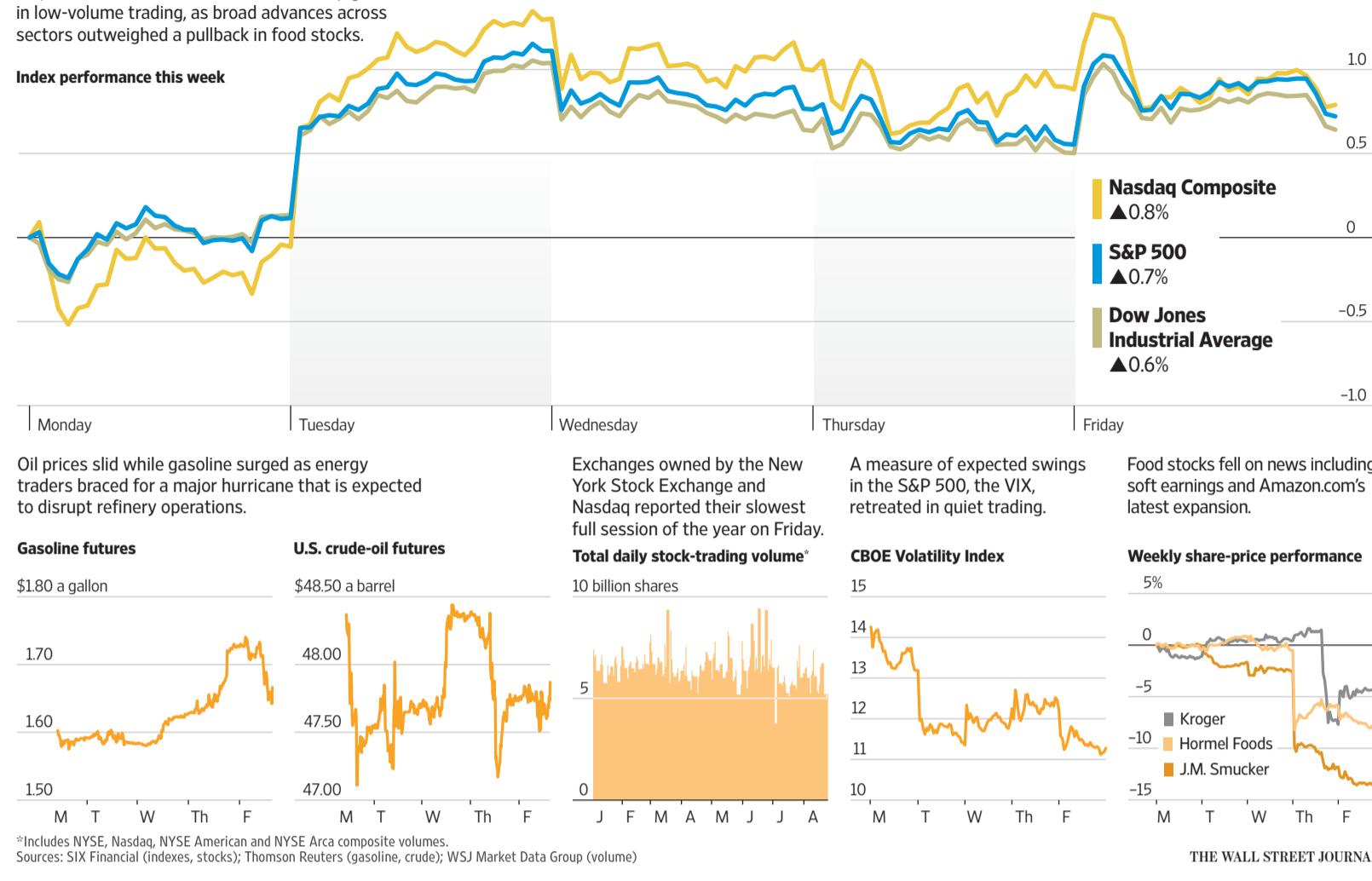
On Friday, **General Mills** fell 66 cents, or 1.2%, to \$55.02, **Kellogg** fell 20 cents, or 0.3%, to 67.71, and **Campbell Soup** shed 1.08, or 2.1%, to 51.40. All three stocks ended the week down more than 3% apiece.

Investors are sorting out the winners and losers, and you see that clearly in the battle in Amazon versus tradition-

Comeback

Major U.S. stock indexes climbed to weekly gains in low-volume trading, as broad advances across sectors outweighed a pullback in food stocks.

Index performance this week



Oil prices slid while gasoline surged as energy traders braced for a major hurricane that is expected to disrupt refinery operations.

Gasoline futures

\$1.80 a gallon



U.S. crude-oil futures

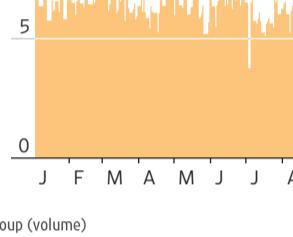
\$48.50 a barrel



Exchanges owned by the New York Stock Exchange and Nasdaq reported their slowest full session of the year on Friday.

Total daily stock-trading volume*

10 billion shares



A measure of expected swings in the S&P 500, the VIX, retreated in quiet trading.

CBOE Volatility Index

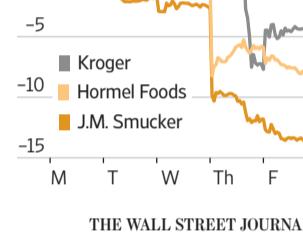
15



Food stocks fell on news including soft earnings and Amazon.com's latest expansion.

Weekly share-price performance

5%



*Includes NYSE, Nasdaq, NYSE American and NYSE Arca composite volumes.

Sources: SIX Financial (indexes, stocks); Thomson Reuters (gasoline, crude); WSJ Market Data Group (volume)

tional retailers," said Stephen Rigali, executive vice president at Kayne Anderson Rudnick Investment Management.

The Dow Jones Industrial Average rose 30.27 points, or 0.1%, Friday to 21813.67, paring gains after rising more than 100 points earlier in the session. The blue-chip index advanced 0.6% for the week.

The S&P 500 inched up 4.08 points, or 0.2%, to 2443.05 on Friday, notching a 0.7% weekly gain. The Nasdaq Composite fell 5.68 points, or 0.1%, Friday

to 6265.64, but ended the week 0.8% higher after four consecutive weeks of declines.

U.S. stocks and government-bond prices extended gains Friday after Federal Reserve Chairwoman Janet Yellen offered few new clues on the path of monetary policy at the central bank's annual retreat in Jackson Hole, Wyo.

The yield on the 10-year U.S. Treasury note settled at 2.169%, compared with 2.194% on Thursday. Yields fall as bond prices rise.

The dollar pulled back, with the WSJ Dollar Index—a measure of the dollar against a basket of 16 currencies—falling 0.6%. The index has fallen 7.9% this year as a string of lukewarm economic data has left investors betting the Fed won't rush to raise interest rates.

Ms. Yellen's failure to address the possibility of interest-rate increases weighed on the dollar while driving bonds higher, analysts said. Higher interest rates tend to make the

dollar more attractive to yield-seeking investors while weakening demand for government bonds.

Elsewhere, the Stoxx Europe 600 fell 0.1% Friday and posted its fourth weekly drop in six weeks, after travel and leisure companies dragged the index lower Friday.

Japan's Nikkei Stock Average climbed 0.5% Friday, buoyed by a rally in shares of **Yamaha Motor**, **Toyota Motor** and **Sony**. The day's moves weren't enough to offset de-

clines from the rest of the week; the Nikkei logged its sixth straight weekly loss.

U.S. crude for October delivery rose Friday, recouping some of its losses from earlier in the week, as investors attempted to gauge the impact of a major hurricane hurtling toward the Texas coast. The storm is expected to disrupt operations at refineries and ports in its path, analysts said.

Crude rose 0.9% to \$47.87 for the day, but ended the week with a 1.6% loss.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

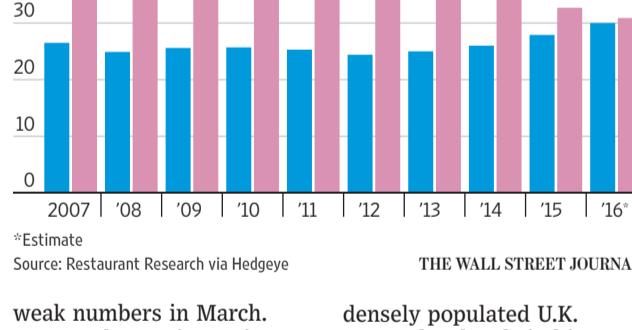
WSJ.com/Heard

Email: heard@wsj.com

Domino's Pizza Seems Overbaked

Bigger Slice

U.S. pizza chain market shares



weak numbers in March. Last week, Domino's Pizza Enterprises reported slower growth than management had hoped, sparking a 19% plunge in the shares.

One problem is competition. Domino's was an early adopter of digital systems, allowing the companies to take market share as consumers started ordering on phones. Now, others are catching up. The trend is perhaps most mature in the

densely populated U.K.

Another headwind in some countries, notably the U.K. and Japan, has been a strategy of splitting delivery areas, which boosts overall sales but cannibalizes same-store growth.

Whatever the strategy's merits, investors have concluded the U.K. market for Domino's outlets is getting crowded. The shares now trade at 18 times earnings, their lowest since 2009.

The chain continues to post expectation-busting results in the U.S.: Same-store sales rose 9.5% year over year in the second quarter. And international franchise income accounts for such a slender slice of the New York-listed company's revenue that investors have largely shrugged off worries from abroad. Even after a wobble last month, the shares are only 18% off a high hit in June.

But it is almost certainly only a matter of time before U.S. growth slips.

Market leader Pizza Hut has been ceding market share for the past half-decade, mainly to Domino's, but franchise owner **Yum Brands** is now funding a comeback.

As delivery companies work out how to deal with American-style suburbs, both pizza chains will have to compete with all sorts of other options. At 30 times earnings, Domino's Pizza stock is baking in too many extra toppings.

—Stephen Wilmot

OVERHEARD

It's the Coin Of the Realm, But Which?

Three centuries after crowds rushed to invest in "a company for carrying on an undertaking of great advantage, but nobody to know what it is," it seems we still haven't learned our lesson.

That was a description of a British share offering that rode the tails of the South Sea Co., a large financial bubble. The argument is open as to whether bitcoin and the many initial coin offerings profiting from its success are a similar phenomenon, but there are hints that history at least rhymes, even if it isn't repeating itself.

On Friday, financial journalists received emails about Eoxio Coin, which, according to the press release, is the "world's first cryptocurrency to be officially endorsed by a sovereign nation."

But which nation? A representative contacted by email demurred, explaining that the promoters "are under an obligation not to disclose the identity of our sovereign endorser until the successful conclusion of the ICO."

The representative did reveal that it was one of the richest countries on a per capita basis. Could it be Liechtenstein or another European microstate such as Andorra, Monaco or San Marino? Some might find those democracies reassuring. Petro-monarchies Brunei or Qatar might be a different story. And what if one widens the definition of a state? The likes of the Cayman Islands, New Caledonia, the Faeroe Islands or Macau all come into the picture.

Speculators who don't think initial coin offerings are risky enough can now play geographical roulette.

—Spencer Jakab

Trump Gets Yellow Light From Yellen on Bank Deregulation

Federal Reserve Chairwoman Janet Yellen delivered a wide-ranging defense of posterity financial regulation on Friday that nonetheless could have mildly positive implications for investors in bank stocks.

Speaking at the Jackson Hole, Wyo., summit, Ms. Yellen opened the door to at least one step that would provide substantial relief for Wall Street banks: simplifying the Volcker rule.

The rule, which bars institutions taking insured deposits from making speculative bets with their own money, has resulted in a big downsizing of trading operations at major banks. Many

spect. The White House's financial-deregulation plan, unveiled in June, pointed out that the biggest U.S. banks are required to hold more capital than their international peers, potentially making them less competitive. Gary Cohn, director of the White House Economic Council and former president of Goldman Sachs, publicly complained in February that U.S. banks are "way out front of where the European banks are in capital."

Ms. Yellen, however, highlighted the positive side of higher capital cushions, saying fast action in the U.S. to raise capital levels has "resulted in a return of lending

America First

U.S. banks hold more capital relative to total assets.

End-2016 leverage ratios:

| | |
|-------------------|------|
| Wells Fargo | 7.9% |
| Citigroup | 6.6 |
| J.P. Morgan Chase | 6.0 |
| Goldman Sachs | 5.3 |
| Barclays | 4.8 |
| BNP Paribas | 4.1 |
| UBS | 3.8 |
| Deutsche Bank | 2.9 |

Note: According to international financial reporting standards (IFRS)

Source: FDIC Global Capital Index

growth and profitability among U.S. banks more quickly than among their global peers."

While not conclusive, these comments suggest the

Fed would look less favorably than the Trump administration on efforts to weaken capital rules. That matters because it is the Fed, through its annual stress-test process, that effectively sets capital requirements for the biggest banks.

It remains unclear if Ms. Yellen will remain Fed chairwoman after her term ends in February. A more deregulation-minded individual such as Mr. Cohn could be the person to take her place. But, for as long as she is in the seat, the Trump administration will get only a yellow light from the Fed to loosen constraints on banks.

—Aaron Back

In the new
South, the
Confederacy has
become a varied,
fading relic



C4

REVIEW



From Bakelite to
the index fund:
a book on 50
key modern
innovations.

C6

BOOKS | CULTURE | SCIENCE | COMMERCE | HUMOR | POLITICS | LANGUAGE | TECHNOLOGY | ART | IDEAS

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THE WALL STREET JOURNAL.

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In Defense of THE DISMAL SCIENCE

Economists have gotten a bad rap in recent years, but their devotion to data is still the most practical, bias-free way to assess our most pressing problems.

BY GREG IP

EARLIER THIS MONTH, a Greek court convicted an economist for what amounted to doing his job. In 2010, Andreas Georgiou took over Greece's statistical agency and revised upward the figures for the country's debt, which had long been suspect, in order to meet European Union standards. Ever since, Greek officials have tried to blame him for the austerity measures and economic hardship that followed. This month's verdict, which came after Mr. Georgiou had been repeatedly exonerated, was met with dismay by outside experts who call his work exemplary.

Mr. Georgiou's case is only the most extreme instance of public vilification of economists around the world. After Bank of England Gov. Mark Carney warned last year that leaving the EU could harm the British economy, one pro-Brexit member of Parliament demanded that he be sacked. When the Congressional Budget Office said this year that replacing the Affordable Care Act would swell the number of uninsured Americans by millions, President Donald Trump's staff called the nonpartisan agency's work "fake news."

Many voters share these politicians' contempt. More than 40% of Americans completely or partly mistrust federal economic data, according to a poll

last October by Marketplace-Edison Research.

The backlash can be traced, in part, to the global financial crisis nine years ago, but the ire doesn't just stem from anger over the failure of economists to predict or explain that catastrophe. Today, there is a growing chasm between how economists and the public (and its elected leaders) think.

Economists pride themselves on being the most scientific of social scientists. This leads them to reduce all human motives and behavior to quantifiable

Yes, they have often failed to predict crises, but their basic job is analysis, not forecasting.

variables such as utility, welfare and income. But people are not by nature quantitative, and their motives often have no economic basis. Today's most divisive issues, from fairness and inequality to national identity and culture, don't have economic solutions.

Thus, when economists preach the virtues of globalization, market solutions or cost-benefit analysis, they sound to critics on the left like corporate shills lacking any moral anchor. To critics on the right, they

sound like globalist elites who despise patriotism.

Yet it is precisely their love of numbers that makes economists invaluable. By stripping the emotions from pressing problems, economists can often illuminate the most practical ways to tackle them—but only if ordinary people and their representatives are prepared to listen.

Economics emerged in the 1700s as an offshoot of moral philosophy. Known then as political economy, its pioneering practitioners—such as David Hume and Adam Smith—believed that liberating individual self-interest, rather than following religious or political authority, maximized society's well-being.

Smith made this case most memorably in "The Wealth of Nations" (1776), in which he famously invoked the benevolent "invisible hand" of the free market. But for today's economists, David Ricardo's "The Principles of Political Economy and Taxation," published in 1817, was even more of a breakthrough.

Most people aren't surprised if a doctor, who could be a better caregiver to her children than a nanny, chooses instead to spend that time seeing patients and pays a nanny out of what she earns. Thanks to Ricardo, economists know that the same principle applies to countries. The average American worker can probably make more tires than a foreign worker, but his edge at producing grain is even greater—and thus the U.S. should export grain and import tires. This

Please turn to the next page

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REVIEW

The Sober Science of Hard Numbers

Continued from the prior page

theory, known as "comparative advantage," is both counterintuitive and powerful.

Ricardo went further, extolling the pacifying power of free trade: It "binds together, by one common tie of interest and intercourse, the universal society of nations throughout the civilized world," he wrote. Most economists still agree that globalization fosters political stability and cooperation.

Non-economists have always found this emphasis on material interests and motives somewhat distasteful. In 1790, Edmund Burke, who was friends with Hume and Smith, wrote in "Reflections on the Revolution in France," "The age of chivalry is gone. That of sophisters, economists, and calculators has succeeded; and the glory of Europe is extinguished forever."

The influence of economists truly blossomed in the 20th century. The Great Depression gave birth to macroeconomics, the study of how consumption, investment, income and interest rates interact in the aggregate.

In search of better tools to manage the economy, the federal government commissioned economists in the 1930s to calculate gross national product. Convinced that the economy could no longer be left to its own devices, Congress passed the Employment Act in 1946, which established, among other things, a Council of Economic Advisers to provide the president with the necessary expert guidance.

The next year, Paul Samuelson's seminal book, "Foundations of Economic Analysis," used mathematics to formalize the key axioms of economics. He touched off a revolution that equipped economists with ever more powerful methods for explaining and analyzing economic behavior. They increasingly adopted the trappings of the physical sciences, hoping to achieve a similar degree of objective truth and predictive power.

Math did clarify economic thinking, but it didn't improve its forecasting accuracy, which remains dreadful. Virtually no economists predicted the financial crisis of 2007-08 and the recession that followed. Nor has economics rid itself of bias. Economists who advise presidents and prime ministers routinely shape their analyses to validate particular political views.

In recent decades, the stature of economists has taken a beating from two critiques in particular. The first, popular especially on the left, argues that economists are slaves to the assumption that individuals act rationally and in their own best interests. These critics point to psychological and experimental evidence that shows how often people violate the axioms of Econ 101: Our spending and investment habits are often driven by emotions, rules of thumb, ignorance and shortsightedness. The financial crisis seemed to be the ultimate proof, as highly paid bankers and traders, armed with state-of-the-art economic techniques, took on so much risk that they nearly destroyed the global financial system.

The second critique originates from populist, nativist and nationalist movements in the world's more prosperous countries. Economists consider national borders and sovereignty annoying obstacles to the free flow of goods, capital and people. The new movements of the right see them as essential preconditions for national identity and cohesion. Many Britons voted for Brexit because control over immigration and their laws mattered more to them than the pecuniary advantages of the European common market.

These trends have fed a broader mistrust of experts and elites. During last year's election campaign, Mike Pence, Mr. Trump's vice-presidential running mate, dismissed statistical evidence of the U.S. economy's health by saying, "People in Fort Wayne, Indiana, know different." In the months after Mr. Trump's victory, his team wondered whether it should even appoint a chairman of the Council of Economic Advisers. (The administration eventually nominated Kevin Hassett, a highly regarded economist from the conservative American Enterprise Institute.)

In Greece, economists aren't simply mistrusted; they're prosecuted. During the 2000s, Eurostat, the EU's statistical arm, had repeatedly questioned the accuracy and political independence of Greek statistics. Soaring deficits in 2009 triggered a crisis and forced Greece to seek a bailout in 2010. Mr. Georgiou, a Greek native who received his Ph.D. from the University of Michigan and spent 21 years at the International Monetary Fund, took over Greece's statistical agency that August. Officials had already shown previous debt and deficit figures to be understated. He revised them further upward and earned for his agency a clean bill of health from Eurostat.

Politicians of the left and right accused him of inflating Greece's debts to justify its creditors' demands for austerity. Prosecutors charged him with making false statements and improperly disseminating statistics without his board's approval. Courts acquitted him, but the second set of charges was reinstated, resulting in this month's conviction. Mr. Georgiou, who now lives in a suburb of Washington, D.C., plans to ask Greece's supreme court for a retrial.

Mr. Georgiou says that his real offense, in the politicians' eyes, was breaking from the past practice of "resisting" and "negotiating" with outsiders, such as the EU, over what official Greek data would show. The politicians needed a scapegoat to

preserve their own "political narratives," he says. He calls the implications of his case "terrifying" for other professionals responsible for economic statistics.

Economists bear some blame for the public and political backlash. Their disagreement with populist policies has often colored their predictions. British economists, including Mr. Carney, thought that Brexit would unleash so much uncertainty that markets and the economy would tank. American economists foresaw similar swoons if Mr. Trump became president. Both were wrong, at least thus far: Economies in both countries have chugged along, and stock markets in particular have soared. There may be long-term costs, of course, but those may be hard to detect.

But such misjudgments don't justify the charges leveled at economists. Take, for example, their inability to predict financial meltdowns. Crises almost by definition are unpredictable. In a recent essay, Ricardo Reis, an economist at the London School of Economics, argues that failing to foretell a financial crash is no more an indictment of economics than failing to predict when a patient will die is an indictment of medicine. Economists didn't predict the financial crisis, Prof. Reis notes, but they did help to arrest it by applying theory and experience: "The economy did not die, and a Great Depression was avoided, in no small part due to the advances of economics over many decades."

Another caricature of economists is that they try to emulate physicists, fetishizing elegant, abstract mathematical models disconnected from economic reality. Paul Romer, the chief economist at the World Bank, derisively calls this approach "mathiness." The critique is certainly fair in some corners of academia, but it is increasingly untrue of the profession as a whole.

In 1963, roughly half the papers published in the top three American economics journals were theoretical, according to a tally by Daniel Hamermesh, now at Royal Holloway, University of London. By 2011, that figure had shrunk to 28%; the remainder were empirical papers based on public data, on data gathered by the authors or on experiments. Economic debates these days are won not by the best theory but by the best data: Statistics are more important than calculus. Economists are far more obsessed with measurement than with math. When public discourse is plagued by innumeracy, this capacity to count is no small thing.

Economists are also instinctively skeptical of simple explanations. They are trained to look for equilibrium, which is another way of saying, "When you change one thing, how do other things respond? Where do things settle once all interactions have occurred?"

Advocates for a higher minimum wage extol the benefits to workers. Economists ask: Will it change employers' demand for workers who earn the minimum wage? Or what they pay workers who earn just above the minimum? Or the prices they charge, or how much market share they lose to companies that don't face the higher minimum or how much they invest in automation? Does it reduce turnover and thus make workers more productive?

Advocates of tariffs on imported steel focus on the benefit to domestic steelmakers and their workers. But economists ask: What happens to steel-consuming companies that now face higher prices, as well as to their workers and customers? Does penalizing imports boost the dollar and hurt U.S. exports?

The more data economists collect, the better they can map such complex interactions. Seemingly simple questions seldom have simple answers. A higher minimum wage helps workers in some circumstances but hurts them in others. Tariffs help some workers but hurt many others. Global warming will do some economic harm, but not enough to justify banning fossil fuels.

A discipline trained to be skeptical of simple explanations.

Sometimes, this attachment to numbers conveys a false precision. Critics say that the Congressional Budget Office overestimated how many people would get insurance under Obamacare and must therefore be overestimating how many will lose it if the law were to be replaced. But the CBO always warned that its estimates were highly uncertain; what no economists doubted, including those working in Mr. Trump's administration, is that the number would be large. Economists could confidently predict that price controls would lead to shortages in Venezuela, though not how severe they would be.

Non-economists see all this as hopeless equivocation, but it is actually the way that evidence drives science. Economists still have their ideological leanings, but data has helped to restrict these biases. Surveys of top academic economists by the University of Chicago show considerable agreement, even among liberals and conservatives.

For example, the scholars almost all agree that fiscal stimulus reduced unemployment after the last recession and that trade with China benefits Americans by providing them with cheap goods. A study by Gordon Dahl and Roger Gordon of the University of California, San Diego, found that disagreement among economists was greatest where the empirical research was most sparse, as with the issue of whether natural-gas fracking helps U.S. exports.

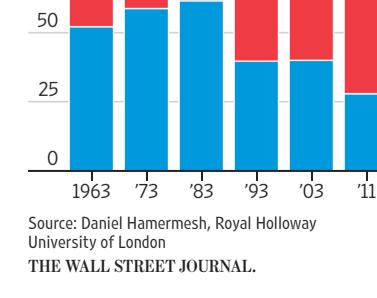
Though economics remains an imperfect science, it has come a long way in 200 years. Its greatest challenge today isn't the quality of the analysis it supplies, but whether there is still sufficient demand for it.



A CUSTOMER searches for groceries at a supermarket in Caracas, Venezuela, July 25.

Following the Data

A growing share of papers in the top three U.S. economics journals are empirically based, including those that feature experiments.



REVIEW



CARMEN SEGOVIA

Summer Books For All Seasons

Aimless, whimsical reading shouldn't just be for the beach and summer cottage

BY WILL SCHWALBE

THIS SUMMER, a friend told me that he was surprised to find himself sharing a cottage with Tom Brokaw, Tina Fey, John Irving, Mary Higgins Clark, Amy Tan, Al Gore and Condoleezza Rice. Not with any of those people themselves, of course. He had rented the cottage for a week with his family, and those were the authors of books left behind—by the owners or by previous renters and guests.

He had brought with him George Eliot's "Daniel Deronda," a book he'd always intended to read; this he left unread while he devoured John Irving's "The Water-Method Man," Amy Tan's "The Kitchen God's Wife" and several Mary Higgins Clark mysteries. The other books he didn't read cover-to-cover but sampled in the early morning hours, lying in bed and waiting until he heard some other family mem-

ber putting away the previous night's dishes and making the morning coffee.

My friend didn't take any of the summer-house books home with him—that would be more than bad manners. He left them all, and even added to the pile. Next year's visitors will find George Eliot waiting to greet them.

The rest of the year, we tend to be purposeful about what we read. Most of us carefully choose the books we buy or borrow, gaining inspiration from friends, reviewers, podcasts, librarians and booksellers—or we simply follow the choices of our book club. But summer days spent in someone else's home or at a B&B make possible a different kind of reading: more aimless, whimsical, promiscuous. As I savor the remaining days of August, it occurs to me that I could incorporate into my life some of this elusive summer spirit. In fact, I think we all might benefit from doing so. Summer is a time when we remember to put our smartphones down, even if only for a few

The serendipity of a random book is thrilling.

hours a day, and pay attention to things that last: the sea, mountains, friendships, a fool-proof recipe for blueberry pie, great ideas and books—books of all sorts, whether published last week or centuries ago.

When you are in a rented home or staying with a friend for a weekend, you can be the kind of person you aren't for the rest of the year: someone who canoes, plays Parcheesi and reads detective novels from decades past and political memoirs from both sides of the aisle by politicians long dead. The serendipity is thrilling. What's best about books left behind in summer houses and country inns is that they so often offer random and unexpected choices.

There is some predictability, however. It is fairly likely that if you're staying at a seaside cottage, you'll find Anne Morrow Lindbergh's "Gift From the Sea," the 1955 classic that sought to teach everyone, but especially women, how to bring balance back into their lives. In a cabin in the woods, you'll probably encounter Henry David Thoreau's "Walden." Geography is destiny, as well.

Guides to local flora and fauna, books of maps and trails, cookbooks from the neighboring schools and junior leagues, mysteries set in the surrounding towns and villages—all find their way to a permanent place on summer-house bookshelves and bedside tables.

If there are mysteries and thrillers, and

there almost always are, you'll probably find a selection of books by James Patterson, Sue Grafton, Walter Mosley, Louise Penny and John Grisham, alongside dozens of Agatha Christie, Ngaio Marsh and Erle Stanley Gardner novels. And if there are children's books, you are pretty sure to come across Louisa May Alcott's "Little Women" and an assortment of Nancy Drew and Hardy Boys books.

Then there are the books of summer—the ones whose covers feature a baseball diamond or Adirondack chairs on a sun-dappled dock. No summer-house library is complete without a few of these.

Some houses are frozen in a particular time, with every book a best seller from the same era. In those, "Love Story" by Erich Segal, "The Love-Machine" by Jacqueline Susann, "Rich Man, Poor Man" by Irwin Shaw, "The Lord Won't Mind" by Gordon Merrick and "A White House Diary" by Lady Bird Johnson, all best sellers in 1970, might sit together, waiting patiently for today's summer readers to discover them. Some cottages feature yards of Reader's Digest condensed books, allowing visitors to whip their way through every decade's most popular works, year-by-year.

One friend reports that she and her friends stay every year at a turn-of-the-century hotel in Maine that has a library overflowing with books from decades past. They start each dinner by taking turns reading aloud from books chosen at random. These run the gamut from essays on archery to novels about zoology.

Summer is also a time for rereading. Recently, I came across Ken Follett's "The Key to Rebecca" while spending a weekend with a friend. I'll never forget racing through it and other Follett thrillers the summer I turned 20. It's still every bit as thrilling as it was then. As are "The Day of the Jackal" by Frederick Forsyth and Octavia E. Butler's "Parable of the Sower," a masterpiece set in a dystopian future.

But there is a different thrill that comes from the glorious oddities and unknowns. What makes summer house books so delightful is that they are often books I never knew existed and wouldn't have chosen to read if other options had been available. And yet it's astonishing how often my friends and I find ourselves engrossed in random books. My most recent was "Thatched With Gold: The Memoirs of Mabell, Countess of Airlie"; another was "Filletts of Plaice," a 1971 book of "vignettes" by the memoirist and naturalist Gerald Durrell. Often these are diaries, collected letters, or books of poetry by writers and public figures who were previously complete strangers to me.

Sometimes these are books I had heard about but thought would be of no interest. I'll find myself transfixed by the memoirs of a teen idol or happily exploring a topic in science or natural history that I had assumed would be as dry as the dust that covered the book itself. We could all spend more time reading books other than ones that simply confirm beliefs we already hold, or cater to interests we know we have.

There's a simple way of re-creating the serendipity of summer reading. It involves a superstition. I believe that if I knock over a book in a bookstore, I have to buy it. So in the darkest days of the fall or winter, when I need a break from everything, I'll take my clumsy self to my favorite local bookseller and buy the first volume I topple. Or if that fails, I'll let a random stranger choose a book for me. I'll then cancel any plans and stay home and read it. Instant summer, year round.

Mr. Schwalbe is an executive vice president at Macmillan Publishers and the author, most recently, of "Books for Living," out in paperback from Vintage on Sept. 5.

REPEALING THE DEATH SENTENCE OF A SNAKEBITE

BY BETSY MCKAY

JOHN HEENAN stepped over a fence while volunteering at an organic farm in Novato, Calif. earlier this month and felt a sharp burning pain. "I've been bitten by a rattlesnake!" the 68-year-old yelled to fellow volunteers nearby, after looking down to see that he had stepped on one about 5 feet long.

Mr. Heenan staggered a few steps and collapsed. He foamed at the mouth and felt like he was suffocating, and his muscles rippled uncontrollably. By the time he arrived at the hospital minutes later, his airway was so swollen and clogged that doctors struggled to put a breathing tube down his throat, and his blood pressure had plummeted. He was given antivenom and put on life support, and remained unconscious for two days.

Now recovering at home, Mr. Heenan faces extensive physical therapy and follow-up care. But he considers himself lucky to have gotten medical attention so quickly. "I'm alive," he says. "I can't ask for much more than that."

Many others aren't so fortunate. Every year, more than 100,000 people world-wide are killed by snakebites, and about 400,000 undergo limb amputations or are otherwise disabled, according to the World Health Organization. Experts say the real toll is likely much higher because so many poisonous snakebites go unreported.

Yet the problem attracts little investment. Snakebite "envenoming," or poisoning, is largely ignored by public-health authorities and drug developers, though experts hope that it will attract more attention and funding after being added to the WHO's official list of neglected tropical diseases in June.

Antivenom can be hard to find in Africa and Asia, where snakebites pose the largest threat. It can also be of poor quality. It usually has to



SNAKEBITES kill more than 100,000 people a year world-wide. Above, a cobra.

be kept cool and administered intravenously in hospitals or clinics, far from where many victims are bitten. And it is still manufactured using the same basic method created in the 1890s, which involves milking snakes through their fangs, injecting the venom into horses or other large animals and collecting their antibodies.

Scientists, including some from outside the field, are working on ways to modernize snakebite medicine, but it isn't easy: Venom is a complex mixture of enzymes and proteins and varies by species of snake.

Matthew Lewin, an emergency-medicine doctor in Corte Madera, Calif., is developing an antivenom that could be administered to a snakebite victim on the spot, blocking many immediately

life-threatening effects until the victim can get antivenom and medical care. "We're just trying to fill the gap between the bite and the hospital," says Dr. Lewin, who helped to treat Mr. Heenan.

Lab tests show that the drug, known as an sPLA2 inhibitor, blocks one of the deadliest toxins in venoms from an array of snakes, Dr. Lewin says. The drug was originally developed by Eli Lilly and Shionogi for other purposes but was shelved. Eli Lilly recently provided documents to help Dr. Lewin further his research and development.

Snakebite science needs groundbreaking solutions, says Jerry Harrison, a member of the bands Talking Heads and the Modern Lovers, who co-founded a biotech company called Oph-

irex with Dr. Lewin to advance the drug. "The name 'antivenom' is so perfect that people think the problem is solved," says Mr. Harrison, who is now a music producer and works with technology and startup companies.

Other scientists are seeking more modern approaches. Andreas Laustsen, a bioengineer at the Technical University of Denmark, is developing a new type of antivenom that would be made with mixtures of human, rather than animal, antibodies. These so-called "recombinant antivenoms," produced in a fermentation tank, would be safer, more effective and less expensive than current antivenoms, says Dr. Laustsen. The idea is to develop an antivenom that would neutralize a range of toxins from different types of snakes, he says. He is using techniques, he adds, that were developed in the course of research on cancer and autoimmune disease.

Still others are working on ways to improve existing antivenoms. Some veterans of snakebite research say that should be the priority, given limited funding. "At the moment, we need to fix the current system because people are dying literally over 100,000 a year, and they can't wait 15 to 20 years for a wonder drug," says David Williams, a toxinologist and herpetologist at the University of Melbourne in Australia and CEO of the nonprofit Global Snakebite Initiative.

Dr. Williams sees an urgent need to improve the prevention and treatment of snakebites, to tighten regulations to keep poor-quality antivenoms off the market, and to make antivenom production more efficient. He supports both immediate and long-term approaches. "I think we need to innovate across the board," he says.

As for the farm where Mr. Heenan was bitten, it has put up signs warning about rattlesnakes. Once he recovers, Mr. Heenan is determined to get back to work there. "I guarantee you I will religiously watch every step from now on," he says.

REVIEW

Shades of Gray

IN THE NEW SOUTH



CIVIL WAR re-enactors at the Bentonville Battlefield in Four Oaks, N.C., March 21, 2015, the site of the last Confederate offensive operation of the war.

The Confederacy may still rally extremists, but it is a fading memory in the region

BY TONY HORWITZ

WALT RECONNECTED last week by email, addressing me as "Jewboy" and praising the Nazi creed. He had seen an article I'd written on the violent far-right protest in Charlottesville and chided me: "Uppercase letters for 'White Nationalists,' if you please."

I'd last heard from Walt in 1995, when I met him at a Confederate battle-flag rally while researching a book on Civil War memory in the South. He invited me to his home and talked at length about his views on nonwhite "mud people" and their supposed Jewish puppet masters.

This time, he would only converse electronically, replying to most of my queries with links to neo-Nazi websites that he said spoke for him. "The person you met all those years ago does not exist," he wrote. "Gone with the wind, if you are into Confederate metaphors."

Hearing from Walt again stirred me to track down others I'd met in my Southern travels, to get their perspectives on the changes in Civil War remembrance over the past two decades. They didn't agree on much, but there was one consensus: that celebration of the Confederacy has steadily ebbed—and that the recent bloodshed in Charlottesville will accelerate this retreat among all but diehards and extremists.

"Most millennials have zero investment in the Confederacy and its symbols," says John Coski, who often speaks to students as the historian at the Museum of the Confederacy in Richmond. For them, "The flag and statues are expendable, or they're wrong and need to be challenged."

With this shift, and a sharp rise in immigrants to the South, Mr. Coski says there's no longer a "critical mass" of white Southerners raised to honor and defend symbols of the Confederacy, and "reasonable people in that camp don't want to be associated with the unsavory types waving rebel flags in Charlottesville."

Robert Lee Hodge feels this personally, as a namesake of the Confederate general whose Charlottesville statue became a flashpoint. When I met Mr. Hodge in the 1990s, he was part of a re-enactment unit so "hard-core" that members crash-dieted to better resemble the gaunt rebels in sepia photographs. He still does re-enactments and belongs to a Tennessee camp of the Sons of Confederate Veterans.

Mr. Hodge calls himself a "liberal Confederate": He recognizes that the Lost Cause was inseparable from slavery and voted for Barack Obama and Bernie Sanders. But he dislikes leftist activists who "aren't tolerant enough to allow *any* remembrance of the Confederacy" and brand it all as racist.

"We're not a monolith; there are at least 50 shades of gray," he says. He sees re-enacting as a way to educate the public about the lives of common soldiers and to advocate for historic land preservation. But he fears that donning the Confederacy's gray uniforms will now draw protests and drive others from an already waning pastime.

African-Americans with whom I spoke are more positive about the changes. Joseph McGill was a park guide at Fort Sumter when I met him in 1995. He has since founded the Slave Dwelling Project, using overnight stays at extant slave dwellings to bring attention to these structures and the people who inhabited them.

Mr. McGill says that he couldn't have found support for this project 20 years ago, when slavery was still the "s-word" at plantations and other sites, rarely spoken of except in sanitized form. Now many antebellum sites across the South have restored slave quarters and frank presentations of bondage, rather than just showing the "big house" and gardens.

"We're talking about slavery more than at any period in my lifetime," says the 56-year-old South Carolinian. Like Mr. Coski, Mr. McGill also finds young people much less inclined to a "sugar-coated, mint-julep and hoop-skirt" view of antebellum times. Many fewer Southerners now grow up watching "Gone With the Wind."

than the war's causes, he says. "We were the largest slave-owning society in the world and the only one to fight a war over the issue."

Mr. Allen has heard some pushback from an "old guard" who feel "Uncle Sam is playing p.c. with our history." But the vast majority of visitors respond positively, "and that old guard is dying out."

He does worry about a newly militant armed fringe, as seen in Charlottesville and a week later in Corinth. An anonymous (and empty) internet threat against a Confederate statue there led armed men in rebel regalia to flock to its defense.

Such online mobilization wasn't possible in the mid-1990s. Extremists I met then circulated information by word-of-mouth or obscure publications from groups with names like Confederate Underground. But hate groups were quick to move to online forums and websites—including the virulently racist Council of Conservative Citizens, or CCC, which Dylann Roof cited as a source of the rage that led him to kill nine black worshipers in Charleston, S.C., in 2015.

The CCC's South Carolina chapter organized the flag rally at which I met Walt in 1995. At his home, he shared an Alexandrian library of racist literature, much of it crude, mail-order material. The internet "has made a difference of cosmic proportions," Walt emailed this past week, and the links he sent me connected to a vast network of hate forums.

When we'd met in person, Walt—who didn't want his last name printed, then or now—had been eager to engage, including with a black co-worker who challenged his views. Today, Walt seems locked in a cell of internet hate. "I have a keyboard. I have a world of knowledge at my fingertips," he wrote, when I offered, as a Jew and a journalist, to answer questions about two tribes he despises. He replied, "Try your search engine and input Jews The Enemy of Mankind."

Walt no longer attends rallies or cares about the flag he used to defend. "Southern Heritage" has stood in the way far too long on the road to a National socialist USoA," he wrote. "The sooner it is done with, the better."

On this, at least, he agrees with many others I spoke to, including Willie Glasper, a postmaster in Mississippi. I met him 20 years ago at a Memorial Day observance in Vicksburg that only black veterans attended. Since then, he says, black and white veterans have joined together. Vicksburg has a black mayor, and Mr. Glasper has served as chairman of the board of its visitors' bureau.

"I'm old enough to remember seeing the hoods and flags that came out during Civil Rights," says the 65-year-old, who still has a scar from being gashed with a broken bottle by angry young whites. "But I've learned to grow beyond that, and so has Vicksburg."

Like many Mississippians, he hopes the state will change its flag, which incorporates the rebel battle emblem. But he doesn't care about Confederate statues. "People who live around here don't even look at them," he says. "And if they do, what's to see? A cause that lost, and that's losing again. If anyone thinks we're going back, ain't gonna happen."

Mr. Horwitz is a former Journal reporter and the author of "Confederates in the Attic: Dispatches From the Unfinished Civil War."



JOSEPH MCGILL (second from left) with a gathering of re-enactors, Lexington, S.C., 2016.

I met Melly Meadows when she was a young Vivian Leigh look-alike near Atlanta, with a thriving career portraying Scarlett O'Hara at civic and corporate events. She appeared at promotions for the city and state, the 1996 Summer Olympics and even companies in Japan.

But by around 2000, she now says, demand for Scarlett had faded: The "Southern belle thing" became "politically incorrect." She retired from the role. Looking back, she thinks that she was "blind to a lot of racism and hate."

"I was loved and accepted because I was perceived to be 'one of them,'" she says, offering a nostalgic portrayal of the gauzy romance of belles, cavaliers and benign masters. A descendant of Confederates, she opposes displays of the rebel flag as "hateful" but thinks that the statues of Lee and others should remain, as reminders of the danger of their beliefs.

A change in the wind is also evident at battlefields like Shiloh in Tennessee, where I met Stacy Allen, now the park's chief historian and ranger. In the early 2000s, he designed a new educational center at a unit of the park in nearby Corinth, Miss. It puts Civil War combat squarely in the context of slavery, secession and freedom.

"The park service spent too many years focusing on what happened on the battlefield," rather



WORD ON THE
STREET:
BEN ZIMMER

Role-Play, Nerds and Neo-Nazis

WHEN white supremacists descended on Charlottesville, Va., for the "Unite the Right" rally earlier this month, many of them came equipped with uniforms and paraphernalia associated with the Nazis and the Confederacy.

Interviewed by Politico, Peter Duke, a Los Angeles photographer who has specialized in capturing images of the alt-right movement, characterized such dressing up as "LARPing," short for "live-action role-playing." "These people play video-games and think if they dress up like their favorite characters, they are sending some kind of message," he said.

"LARPing" has long described the pastime in which enthusiasts don costumes and props associated with a particular fantasy world or historical period, acting out the roles of their characters. "LARPers" have pursued their passion as a form of deeply engaged play, bearing little resemblance to the angry white nationalists at the Charlottesville rally.

Back in the 1970s, among fans of Dungeons & Dragons and other tabletop fantasy games, some players sought a more interactive experience that would allow them to inhabit characters like knights and wizards from the game world. One group, the International Fantasy Gaming Society, began organizing "live role-playing" games in the summer of 1981.

An origin among knights and dragons.

Participants in an early online forum for fantasy gamers, the Usenet newsgroup rec.games.frp, began talking about "live-action role-playing" in 1989—borrowing "live-action" from the film world, for movies with real people, not animation or CGI. Soon the phrase got shortened to the acronym "LARP," used as a noun or a verb. "I highly recommend LARPing to all netters," wrote one early advocate in 1990.

Over the years, LARPing developed into a thriving subculture, with many unusual spinoffs, such as "BLARPing," for "business live-action role-playing," in which people act out roles in an office scenario. Such creative world-building is particularly popular in Nordic countries, where the Knutepunkt conference, held since 1997, has encouraged artistic explorations of LARPing as an immersive experience. The Nordic penchant for live role-playing is so great that the lowercase word "larp" is now widely recognized in those countries.

"LARPers" bear a kinship to "cosplayers." "Cosplay," short for "costume play," is based on a similar Japanese term, "kosupure." In cosplay, fans dress up as their favorite characters from cartoons, comic books, movies or videogames, but it does not require the kind of role-playing that LARPing does.

Both terms have been used to disparage the participants of the "Unite the Right" rally. Writing in the politics and culture website the Federalist, for instance, Nathanael Blake mocked "the Nazi LARPers and Confederate cosplayers at Charlottesville."

But while it may be tempting to identify a white supremacist wearing a black combat helmet and carrying a shield with a Nazi insignia as a "LARPer," that does a disservice to those who pursue LARPing as a creative endeavor. As Brad Johnson, writing in the online magazine Cincinnati Republic, put it, "Likening these ne'er-do-wells to 'LARPing nerds' is an insult to LARPing nerds everywhere."

Answers

To the News Quiz on page C13:

1.C, 2.C, 3.D, 4.B, 5.A, 6.B, 7.C, 8.A

BOOKS

THE WALL STREET JOURNAL.

Saturday/Sunday, August 26 - 27, 2017 | C5

Scenes From a Hard-Boiled Life

Harlem's greatest crime writer endured traumas and travails that other black novelists only imagined

Chester B. Himes

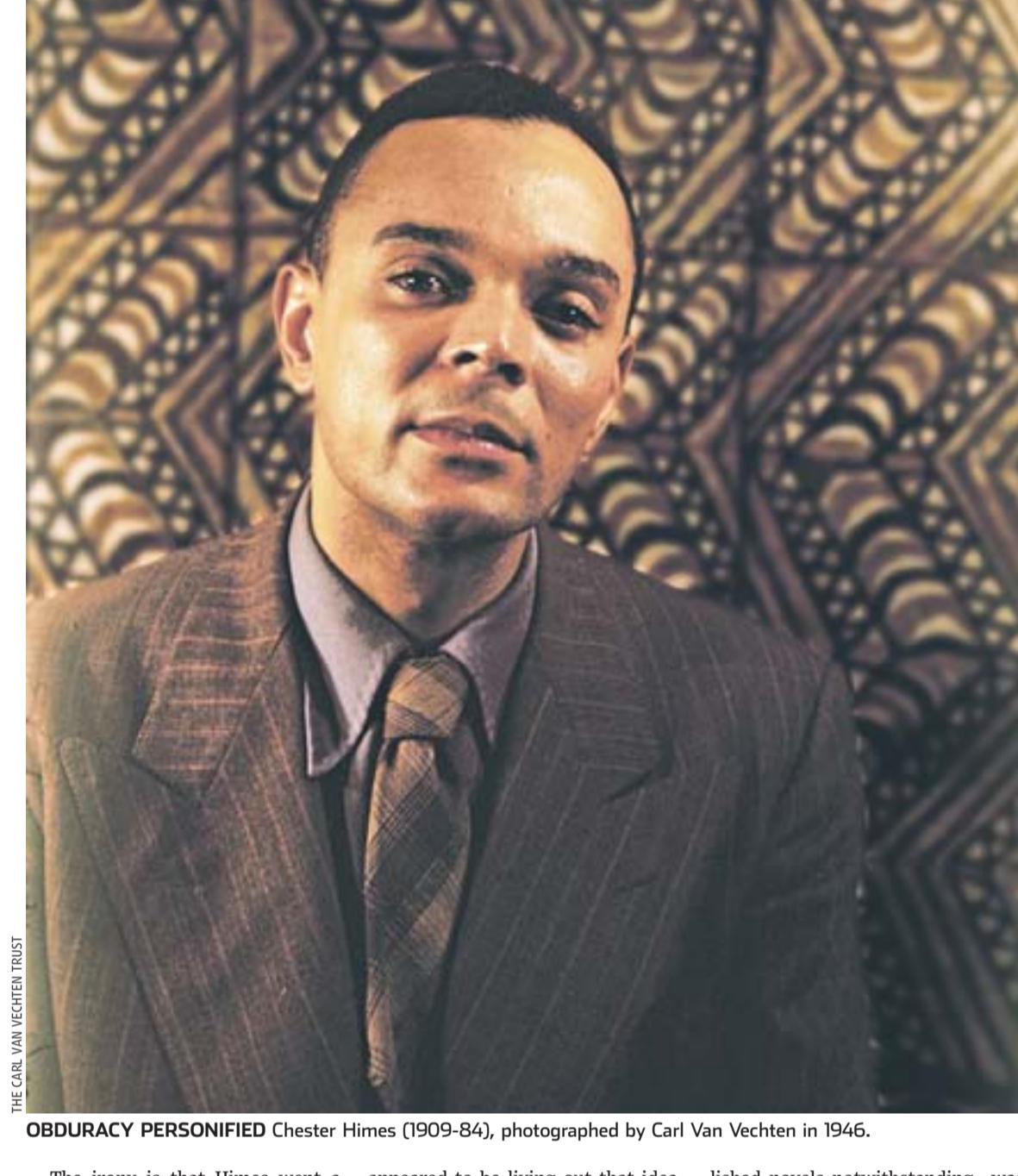
By Lawrence P. Jackson
Norton, 606 pages, \$35

BY CLIFFORD THOMPSON

IF THE THREE most prominent black American male novelists of the 20th century—Richard Wright, Ralph Ellison and James Baldwin—had been brothers, Chester Himes would have been the “other brother,” the one the family hardly ever mentioned. He was smart, of course, and some say he was just as talented as his siblings, but he didn’t keep smart company, and he didn’t bring home the traditional schoolboy prizes. The prizes he did win were real enough, but they were late in coming and won at considerable cost, and they weren’t the kind that “respectable” folks display on the living-room mantelpiece.

Himes has been the subject of three biographies, each better and more candid than the one before. The latest, by Lawrence P. Jackson, a professor of English and history at Johns Hopkins, may well prove to be the definitive book about Himes. In this exhaustively researched work, Mr. Jackson has provided a sympathetic portrait of the novelist that also captures much of the times in which he lived, following his subject’s path from the “Birth of a Nation” era through the revolutionary politics of the 1960s—on which Himes had an impact, advising black thinkers of the U.S. and abroad—and beyond. The result is a riveting, one-of-a-kind tale of a writer who saw the subject of race from odd, revealing angles.

Himes, born in 1909 (the year after Wright), wrote as seriously and thoughtfully as any of his contemporaries about the experience of being black in America; but whereas the work of Wright, Ellison and Baldwin catapulted them to fame early on, Himes’s books, regarded with respect today, did not move the larger society to designate him—the way it designated the young’un, Baldwin, in particular—as a spokesman for his people. The momentum generated by positive reviews of Himes’s first novel, “If He Hollers Let Him Go” (1945), all but ended with myopic notices for “Lonely Crusade” (1947), a book seen by many, myself included, as his best.



OBIDURACY PERSONIFIED Chester Himes (1909-84), photographed by Carl Van Vechten in 1946.

The irony is that Himes went a step closer than the others toward, and in some cases personified, the subjects that those better-known writers took on. Wright wrote (most famously in “Native Son”) about black men who were criminals, but it was Himes who, in his youth, spent eight years in prison for armed robbery; while Ellison often waxed poetic about the inseparably intertwined nature of blacks’ and whites’ contributions to the cultural and social life of the nation and the world, Himes

appeared to be living out that idea, having numerous affairs with white women in the States and, especially, in Europe, his home after 1953; and whereas Baldwin warned in “The Fire Next Time” that there would be hell to pay if America did not get its act together with regard to racial oppression, Himes’s position was that the die had been cast: Revolt and violence were as inevitable as they were psychologically necessary. Meanwhile, as Baldwin was followed by reporters everywhere he went, Himes—his pub-

lished novels notwithstanding—was living hand to mouth.

But like those men, Himes crafted novels of complexity and power. His protagonists are not saints whose lives are circumscribed by racism they bear stoically. Like the 20-year-old Bigger Thomas of Wright’s “Native Son,” they are imperfect people—that is, people—whose imperfections are exacerbated by a society that sees only their skin color and makes them feel it every minute of the day. They are older and more self-aware than

Bigger, but their intelligence and sophistication only increase their frustration with the world around them, whose absurdity they cannot transcend. They are often not particularly likable, they are not always especially kind to others, even other blacks, and that is the point: The kind of irritation they face might just fail to bring out your best side, too. Frantz Fanon, the Martinique-born psychiatrist and revolutionary who explored the effects of racism in books including “Black Skins, White Masks,” was a great admirer of Himes’s work, and no wonder; Himes’s novels capture the intricacies and minutiae in one-on-one relations between blacks and whites—often

Baldwin was famous.
Himes was poor. Wright wrote about criminals.
Himes had been one.

black men and white women—in an otherwise mostly segregated society, with all the aggression, fear, desire, and resentment the two sides provoke in each other.

“If He Hollers,” set in 1940s Los Angeles, is narrated by Bob Jones, a shipyard laborer whose white co-workers resent his presence among them. They include Madge, whose sexual desire for Bob takes the form of aggression:

It wasn’t that Madge was white; it was the way she used it. She had a sign up in front of her as big as Civic Centre—KEEP AWAY, NIGGERS, I’M WHITE! And without having to say one word she could keep all the white men in the world feeling they had to protect her from black rapists. That made her doubly dangerous because she thought about Negro men. I could tell that the first time I saw her. She wanted them to run after her. She expected it, demanded it as her due. I could imagine her teasing them with her body, showing her bare thighs and breasts. Then having them lynched for looking.

And that was what scared me. Luring me with her body and daring me with her colour. It ate into

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Of Robber Barons and Reformers

The Republic for Which It Stands

By Richard White
Oxford, 941 pages, \$35

BY FERGUS M. BORDEWICH

IN THE GETTYSBURG Address, in 1863, Lincoln promised “a new birth of freedom” for all Americans. As Richard White notes in “The Republic for Which It Stands,” a sweeping history of postwar 19th-century America, the Civil War did indeed give birth to a new nation, as Lincoln had promised, but in many ways it was not the one he wished for.

Instead of a prosperous free-labor republic of independent citizens—taking their place in a “largely egalitarian society,” as Mr. White puts it—a very different America emerged, one that was radically transformed and freshly stratified. Because of new methods of production, new ways of organizing work and stunning accumulations of capital, the nation’s gross domestic product swelled to \$320 billion at the end of the century from \$69 billion in 1860. Along the way, Mr. White argues, a new, fabulously wealthy elite took charge of the economy and government.

In the decades after the war, investment poured into infrastructure, farming and capital goods. Many of the country’s major corporations were formed: U.S. Steel, Standard Oil, General Electric. Exports boomed. Food production soared. Railroads “spidered across the American landscape,” as Mr. White nicely puts it, opening the West to settlement, connecting the nation into a single market, and making it possible to haul

crops and consumer goods almost anywhere in the United States. New mail-order companies such as Sears Roebuck offered shoppers from Maine to California everything from ready-made clothing to prefabricated houses. Federal support for homesteading opened once inaccessible reaches of the West to settlement. The America of 1900 was a far more dynamic country than it was in 1860.

At the same time, however, tides of immigration and breakneck urbanization turned large swaths of American cities into crowded, disease-ridden slums. Political corruption flourished. Tariffs, massive land grants and subsidies to railroads facilitated a flow of

By the 1890s the nation was far richer but also less egalitarian than it was at the end of the Civil War.

public resources into private hands and protected industries. Homesteading expedited the displacement of Indian tribes and led to the destruction of millions of acres that were too dry to be farmed. (Almost 50% of homesteads ended in failure within a few years.) Meanwhile, the promises of security and full citizenship made to freed slaves were largely forgotten. By the 1890s, Mr. White asserts, the U.S. was less egalitarian and less democratic than it had been at the end of the Civil War.

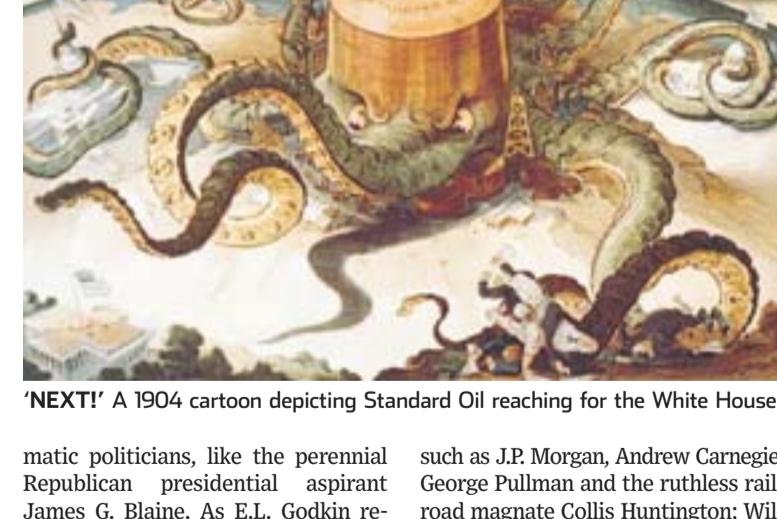
American character changed, too. Mr. White provocatively suggests that a tectonic shift in outlook can be inferred from the seemingly mundane sphere of life insurance. Between 1860

and 1870, the 43 life-insurance companies in the U.S. swelled to no fewer than 163. “Where once Americans had embraced providence,” he writes, “they now hedged it. Life had become property, and it belonged in an insurance company’s hands rather than God’s.”

In the course of Mr. White’s overarching political and economic narrative, he draws sharp portraits of the men and women who peopled the Gilded Age. He is especially good at bringing color to the era’s monochro-

War. Cleveland, for his part, was “a man spectacularly unsuited by temperament and belief for his time and his place,” Mr. White writes. In the wake of the 1894 elections, which resulted in crippling losses for the Democrats, the overweight Cleveland “resembled a harpooned whale; whatever power he had was exhausted and the Republicans could haul him in and dispose of him when his term expired.”

Mr. White’s cast of characters includes titans of finance and industry



‘NEXT!’ A 1904 cartoon depicting Standard Oil reaching for the White House.

lynchings into the consciousness of Americans; and the showman Buffalo Bill Cody, who marketed enactments of “Old West” scenes while embracing up-to-date advertising methods.

Mr. White builds the central armature of his narrative around the rise and fall of the “liberal” wing of the Republican Party, which dominated the postwar era. In contrast to our own time, the term “liberal” then referred to people who embraced aggressive capitalism and distrusted a strong federal government. Liberals were also defined by their near-religious belief in the gold standard, which, they believed, ensured economic stability and economic progress. The proponents of a silver-based currency—broadly speaking Democrats, farmers and debtors—argued, by contrast, that gold was inherently deflationary, concentrating money and credit in the Northeast and starving the West and South of agricultural credit. Gold and silver, Mr. White observes, “became icons of deep beliefs and ways to talk about civilization, morality, [and] progress.”

Liberals generally supported lenient policies toward the former Confederate South and opposed federal efforts to protect former slaves from white violence. Even as Southern blacks were being slaughtered by the Ku Klux Klan, the Nation magazine, the leading voice of liberalism, loftily asserted: “The removal of white prejudice against the negro depends almost entirely on the negro himself.”

Around the same time, filth and rampant disease were exacting their own toll. “Nineteenth-century Americans were a sickly people,” Mr. White observes, citing statistical data; most notably, they died earlier than their

Please turn to page C6

BOOKS

'Mark—mark the spirit of invention everywhere—thy rapid patents, / Thy continual workshops, foundries, risen or rising!' —Walt Whitman

Innovation's Greatest Hits

Fifty Inventions That Shaped the Modern Economy

By Tim Harford

Riverhead, 321 pages, \$28

BY MARC LEVINSON

THERE'S ONLY ONE definitive statement to make about economic growth: We understand very little about why it occurs. To be sure, we don't lack for theories. More than a few ideologues would have us believe that government can create dynamism at will, if only it would lower tax rates/raise tax rates/build more public works/cut social programs/return to the gold standard/increase spending on research. In truth, though, the forces that accelerate growth and raise incomes are not so easily managed. Growth arises largely from higher productivity, which comes mainly from putting innovations to use. This occurs largely in the private sector; while the government can help by supporting research and education, when and how those investments bear fruit is impossible to predict or control.

One of the joys of Tim Harford's "Fifty Inventions That Shaped the Modern Economy" is that it presents this perspective on economic growth so that the most casual reader can grasp it. Mr. Harford, who writes for the Financial Times and broadcasts for BBC Radio, offers a series of vignettes, each discussing a single invention in five or six pages. The book could easily have degenerated into a list of the 50 biggest hits in economic history. Mr. Harford wisely goes in a different direction, using each chapter to describe some of the ways in which each invention changed society and then knitting the chapters together to reveal the connection between innovation and prosperity.

Mr. Harford has selected an eclectic mix of inventions, from the gramophone to the index fund. (Full disclosure: Although I've never met the author, the book includes a chapter on the shipping container, drawing heavily on a book of mine, and men-



tions me in the acknowledgments.) He offers a few breezy paragraphs about the inventors and the development of each invention, but his main focus is the consequences.

I recall, on my first trip to Europe many years ago, remarking that people in rural areas invariably lived in villages rather than on isolated farms. Mr. Harford has an explanation: Pulling the heavy moldboard plows introduced into Northern Europe in the Middle Ages required larger teams of horses or oxen than any but the wealthiest farmer was likely to have, providing an incentive to create communes where such resources could be shared. When we read about Leo Baekeland, the inventor in 1907 of the plastic he called Bakelite, we also learn about plastic billiard balls and nylon stockings, the prodigious quantities of plastic in the oceans, the high rate of plastic recycling in Taiwan, and new research seeking to turn old

plastic bottles into airplane wings.

Each of these chapters stands on its own—and, indeed, many have appeared individually in Mr. Harford's columns and radio programs. Putting them together in a book enables him to draw broader conclusions. One is that

Heavy plows, barbed wire, light bulbs, phonographs, nylon, Bakelite—and other triumphs of invention.

Innovation is erratic, with the effects of inventions playing out over decades or centuries. Another is that inventions may change the balance of economic power: Barbed wire allowed people who staked out claims to land ownership in the Wild West to gain the upper hand over Indian tribes and cattle

herders who claimed rights of use. A third is that there are always unintended consequences. "We shouldn't fall into the trap of assuming that inventions are nothing but solutions," Mr. Harford writes. "Inventions shape our lives in unpredictable ways—and while they're solving a problem for someone, they're often creating a problem for someone else."

Mr. Harford goes easy on the economics, showing more than telling. Much of his explicit treatment of economic ideas comes in the introduction and in a seven-page conclusion. Even here, his sense of humor shines through. The introduction, starting with a musing on mongongo nut oil—which is produced without plowing—is cleverly inserted after the opening chapter on the plow.

The finale, on the light bulb, discusses how the means of producing indoor lighting have evolved from wood fires, requiring hours of chopping to fuel a brief and flickering blaze, through sesame-oil lamps, tallow candles and whale-oil lamps to incandescent and then LED bulbs. Here Mr. Harford draws on work by the economists William Nordhaus and Robert Gordon, who have emphasized that inexpensive, long-lasting illumination has contributed enormously to living standards in ways uncounted in statistics. Until recent times, after all, the availability of daylight dictated the patterns of life; now, with rare exceptions, it hardly matters. "Switch off a lightbulb for an hour and you're saving illumination that would have cost our ancestors all week to create," Mr. Harford writes.

It's great fun to dip into individual chapters of "Fifty Inventions." Mr. Harford succeeds in teaching about productivity, economic growth, monopoly, regulation and other essential topics without resorting to technical terminology and intimidating charts and tables. Such a feat requires a kind of inventiveness in itself.

Mr. Levinson's most recent book is "An Extraordinary Time: The End of the Postwar Boom and the Return of the Ordinary Economy."

Robber Barons

Continued from page C5

antebellum forebears. Waterborne diseases became increasingly lethal; cholera in particular took hold in cities that seemed carpeted with rotting garbage, fetid water and decaying animal carcasses. In 1880 alone, New York City removed nearly 15,000 dead horses from its streets.

Increasingly, however, under pressure from reformers, cities began to accept the cleaning up of foul streets and rivers as a public responsibility. Mr. White manages to make even the development of urban sewage and water systems engrossing through his deft interweaving of engineering challenges, hard-nosed city politics and shifting social values. Not only did modern water treatment improve public health; it also fostered the rise of industries whose products required clean water. The Coca-Cola Co., for instance, owed its success largely to its innovative condensation of its formula into a syrup that could be shipped by rail to franchisees, who infused it with cheap, clean soda water.

Gilded Age Americans, for the most part, were thrilled by their nation's economic dynamism, but by the last decade of the century there was a widespread sense that political institutions had been corrupted by plutocrats. Mr. White writes, summarizing the self-serving ethics epitomized by the financier J.P. Morgan: "A man of character might be dissatisfied,

The corruption that gave the Gilded Age its name was pervasive. So was the impulse toward reform.

pated, lie, cheat, steal, and either order or condone deeds punishable by time in a penitentiary, but he did not do those things to his friends." Many liberals, with their belief in laissez-faire, had expected, Mr. White says, "a self-regulating order." But they got instead "near chaos," as poverty bred labor unrest and unrest bloodshed when federal troops cracked down on strikes.

Reformers demanded clean government and the regulation of corporations. Figures with reformist instincts, like Theodore Roosevelt, were on the rise inside the Republican Party, and populist Democrats were newly energized, such as the silver-tongued Bryan and the soon-to-be socialist Eugene Debs. Antimonopolists, "the largest and broadest of the era's reform groupings," Mr. White writes, looked to government to regulate railroads, clamp down on corruption, develop exacting administrative procedures, and build municipal water and sewage systems. As the author William Dean Howells, whose trajectory from enthusiastic liberal to troubled reformer epitomizes the evolution of elite thinking, wrote in 1895: "Liberty and poverty are incompatible."

Mr. White, a professor of American history at Stanford, has long been acknowledged as a leading revisionist historian, particularly with respect to the development of the West. His gimlet-eyed views of capitalism are often on display in "The Republic for Which It Stands," as are his ingrained sympathies for workers over speculators and Native Americans over the politicians and business interests that decided their fate. But Mr. White is too careful a historian to lapse into crude polemics or to sacrifice nuance for the sake of an agenda. If he is sometimes excessively caustic in his judgment of corporate behavior, he nonetheless renders the formation of a Gilded Age America—in all its social and economic tumult—with the complexity it deserves.

History rarely delivers an unambiguous lesson. But in this monumental yet highly readable book, Mr. White has given us a panorama of an age that in many ways seems like our own. The volcanic turmoil of the late 19th century did much to shape the world that we live in today, with its creative and destructive cycles of industry, its quickening technological change, its extremes of wealth and poverty, its struggle to impose fairness in the jungle of the marketplace, its tug of war between freedom and regulation in the public interest. "The Republic for Which It Stands" is, in no small part, the story of how we came to be who we are.

Mr. Bordewich's most recent book is "The First Congress: How James Madison, George Washington, and a Group of Extraordinary Men Invented the Government."

The Hard-Boiled Life of Chester Himes

Continued from page C5

me, made me want her for her colour, not her body.

Not everyone was taken with these kinds of insights. As Mr. Jackson notes, Himes was "the rare black writer to earn official condemnation from the NAACP."

Another irony of Himes's career is that the very source of his later fame and financial success likely excluded him, at least initially, from the loftier reaches of literary repute. With "Cotton Comes to Harlem" and the other slim, biting, funny, wonderful novels featuring the super-tough black Harlem detectives Grave Digger Jones and Coffin Ed Johnson, Himes forayed, as Wright, Ellison and Baldwin never did, into the supposedly less serious world of genre fiction. ("Cotton" also came to the big screen, as did a couple of the other novels in the series.) Grave Digger and Coffin Ed are neither stooges of their white-run police department nor revolutionaries with badges. They are cops—unsentimental, devoted to their jobs and to each other, given to occasional, laconic musing about the way things are but hardly kept awake at night by having shot criminals during the day. In the first Digger/Ed novel, "A Rage in Harlem" (1957), Ed's face is permanently disfigured with acid; in the subsequent books, whenever the pair appear before the white higher-ups, Digger does most of the talking while Ed stands behind him, in the shadows—the black community in microcosm, it has always seemed to me, with those in the limelight speaking for the unseen, scarred masses. The Harlem that Digger and Ed patrol is made up of people just trying to get by, through honest toil, petty crime and, sometimes, grand, crooked schemes; the sights, sounds and smells of this world come alive through Himes's spare, sometimes lurid prose, as in this passage from "Blind Man with a Pistol" (1969):

ran like grease down sweating black necks. Half-naked people cursed, muttered, shouted, laughed, drank strong whiskey, ate greasy food, breathed rotten air, sweated, stank and celebrated.

Genre novels though they were, the Grave Digger/Coffin Ed books have since been recognized for their sly social commentary.

If the American literary establishment did not, for most of Himes's lifetime, accord him a place of honor, young black intellectuals who made their way to Europe from America and Africa in the 1960s considered Himes an elder statesman, one whose novels told it like it was. (Even Malcolm X consulted him.) Himes had fit-

of Joseph Himes's work (he eventually became a laborer) led to the family's frequent moves in the South and Midwest, the tensions in Joseph and Estelle's marriage steadily mounted. They reached a breaking point after the family's relocation to Cleveland.

Partly as a result of his fractured home life, the temperamental, volatile Chester—following unsuccessful studies at Ohio State University, where he had planned to train for medicine—fell in with the wrong crowd and landed in prison. There, because of a previous back injury, he was excused from certain jobs and had time to begin crafting the stories about criminals that he would publish, while incarcerated, in magazines including Esquire. Himes's singular writing career had begun.



Mr. Jackson does a fine job of following that career and Himes's life, from his struggles to publish novels and even to support himself, to his own doomed first marriage, to his flight from America and permanent residence in Europe (mainly France and Spain), to his continuous disputes with publishers over advances and royalties, to his epic bouts of drinking, to his development as a novelist. Himes had occasional lapses as a craftsman—the ultimately stunning "Lonely Crusade," for example, about a young black man's political development, is slow going in the beginning. But check out this passage and see if you don't feel you've been gut-punched:

Lee Gordon reached a conclusion sitting there: that the one rigid rule

BOOKS

'It takes an earthquake to remind us that we walk on the crust of an unfinished Earth.' —Charles Kuralt

Getting Ready to Rumble

The Great Quake

By Henry Fountain

Crown, 277 pages, \$28

Quakeland

By Kathryn Miles

Dutton, 357 pages, \$28

BY GERARD HELFERICH

ANYONE WHO has ever experienced an earthquake knows that the stability of the Earth is a soothing illusion, that the phrase "solid as a rock" is a rosy oxymoron. In truth, the tectonic plates that constitute the planet's crust skate relentlessly across the hot mantle beneath, bumping and grinding in an endless tango that generates 1,000 or more measurable quakes every day. In this century alone, earthquakes have taken some 800,000 lives, from Haiti to Indonesia. In the United States over the past 50 years they have killed around 150 and caused about \$30 billion in property damage.

As Henry Fountain recounts in "The Great Quake," the most powerful tremor ever recorded in North America (and the second strongest ever measured anywhere) struck southeastern Alaska on March 27, 1964. Registering a magnitude of 9.2, the convulsions lasted for nearly five terrifying minutes and jolted an area of more than half a million square miles. Down the coast, in Oregon and northern California, 20-foot tsunamis sank boats, smashed bridges and flooded homes, claiming 16 victims. In the Gulf of Mexico, some 4,000 miles to the south, 6-foot swells appeared, and tremors were apparently detected in water wells as far away as Australia.

In Alaska, the earthquake left an arc of destruction along the Gulf of Alaska and Prince William Sound, the state's most developed region. Mr. Fountain, a New York Times science reporter, focuses on two particularly hard-hit communities. The port of Valdez, located 55 miles east of the epicenter, was pounded by a mammoth wave that inundated the city and swept 30 people from the waterfront. In the tiny, isolated fishing village of Chenega, the tsunami carried away every building except for a one-room schoolhouse situated on higher ground. In Chenega, 23 people died, about a third of the town's population; nearly half of the dead were children. In all, the quake claimed 131 victims; the toll would have been immeasurably higher had it struck in a more populated area or at a time other than 5:36 on Good Friday afternoon, when most people had already headed home for the Easter holiday.



GETTY IMAGES

SHAKEN Anchorage, Alaska, March 1964.

Concentrating on several individuals in Valdez and Chenega, Mr. Fountain humanizes the disaster. Some readers may wish he had trimmed the background on his characters, whose extended biographies are one reason the earthquake doesn't make an appearance until the book is nearly half-finished. But his explanations of technical subjects, such as plate tectonics, are sharp and economical. And by spotlighting a principal investigator of the tragedy, geologist George Plafker, Mr. Fountain weaves a compelling scientific detective story.

The Good Friday quake would prove the most studied in history, yielding important evidence for the then-still-controversial theory of plate tectonics, inspiring more accurate techniques for measuring magnitudes and spurring greater study of tsunamis. It would also prompt stricter construction codes, not only in Alaska but in the Lower 48.

Alaska is our most quake-prone state, with about 12,000 temblors every year, compared with some 10,000 in southern California. But if we don't happen to live on the West Coast, what are our chances of experiencing an

earthquake? In "Quakeland," Kathryn Miles, a writer-in-residence at Green Mountain College in Vermont, argues that the odds are worse than we might think. Much of the ground beneath our feet is riddled with cracks and fractures to a depth of 10 miles or more, she reports, and there isn't a state in the Union that hasn't experienced a

Alaska is by far the most quake-prone state, but all have experienced tremors.

tremor at some point in its history. According to the U.S. Geological Survey, 75 million Americans, in 39 states, live in areas of "significant seismic risk."

One such belt stretches across the nation's heartland, where a network of faults known as the New Madrid Seismic Zone extends 150 miles, from northeast Arkansas almost all the way to southern Illinois. The area sees about 200 earthquakes a year, and in 1811 and 1812 it saw a series of powerful quakes that destroyed much of St.

Louis. Some scientists believe that New Madrid is 30 years past due for a significant rupture, which not only could devastate towns and cities but, because of its proximity to the Mississippi River, could cause widespread flooding and cripple transportation networks by taking down bridges and disrupting ship traffic.

Even the East, which Ms. Miles assures us is home to some of the "oldest, most stable rock anywhere on earth," is not immune. New England registers several tremors annually, and South Carolina, the second most seismically active state east of the Mississippi (after Tennessee), experiences a dozen or so every year.

New York City, where the ground is riddled with faults, has experienced 200 observable quakes since the arrival of Europeans. Because the region's bedrock transmits energy more efficiently than softer stone, a tremor there is felt across a wider radius. And since about 80% of the city is constructed of unreinforced masonry, the threat is made worse: If New York experiences a magnitude 7.0 quake (it suffered a 5.5 quake in 1884), only a quarter of its buildings are expected to

escape damage, while 6,500 will either collapse or be so seriously compromised that they will have to be demolished. The city's relatively aged, generally non-quakeproof infrastructure, including its bridges and water systems, could also be at risk, along with the Indian Point nuclear power plant, located 30 miles north of Manhattan near another fault.

Not only have we built cities, nuclear plants and other vulnerable assets on geologically dicey real estate, but some human activities, including mining and the building of dams and tunnels, can upset the delicate seismic balance and increase the risk of temblors. Injection wells, used to force water deep in the earth for fracking and other methods of gas and oil extraction, have been shown to produce earthquakes in states such as Texas and Oklahoma, which now records more than 600 3.0-or-greater quakes every year. All told, the U.S. Geological Survey warns that about seven million Americans live in areas under danger of induced earthquakes, including Oklahoma City and Dallas.

What are the odds of a tremor rattling your hometown? It's hard to say, since earthquakes are the least understood of all natural disasters. Although the USGS has mapped 2,100 faults in the United States where quakes have already occurred, the number and location of most faults remain a mystery, and the great majority are discovered only when they rupture.

With prediction elusive, Ms. Miles (along with many seismologists) stresses the importance of preparedness, for communities and individuals alike. If you live in Florida or North Dakota, you apparently have little to worry about. But, she warns, "if you live on the eastern seaboard, if you live in a lot of the Midwest, or on the west coast or in Utah or Oklahoma or Texas or Alaska or Hawaii, your risk is real. It's up to you to be ready for it."

Ms. Miles's treatment of earthquake mechanics is clear and crisp, but her writing can be discursive during her extended road trips, to a mine in Idaho, for instance, or to the Federal Express hub in Memphis. And as seen in the above quotation, her tone can veer toward the sensational. Does she succeed in shaking us out of our complacency? I will confess that, although I don't live in a seismic hot zone, the day I finished reading "Quakeland" I found myself in a grocery store stocking up on bottled water.

Mr. Helferich is the author, most recently, of "Theodore Roosevelt and the Assassin: Madness, Vengeance, and the Campaign of 1912."

The Elephant in the Room

Discovering the Mammoth

By John J. McKay

Pegasus, 241 pages, \$27.95

BY RICHARD CONNIFF

'DISCOVERING THE MAMMOTH' is one of those books that make you wonder about the author as much as about his topic. John J. McKay writes that he got started with a single blog post aiming to establish "a chronology of what was known about mammoths and when." Or rather, he got started because he noticed, while indulging his "great love of conspiracy theories and fringe ideas," that "lost history theories"—think Atlantis, flood geology and rogue planets—"all used frozen mammoths as proof positive of their ideas."

Mr. McKay, who describes himself on his blog as "an underemployed, grumpy, and aging liberal who lives in the Great Northwest"—that is, Alaska—soon began obsessively collecting facts about these great, hairy pachyderms. He became the "mammoth guy" to his neighbors and apparently also to his long-suffering (now ex-) wife.

The resulting book is unfortunately more the chronology that Mr. McKay set out to write in the first place and less the thrilling "Tale of Giants, Unicorns, Ivory, and the Birth of a New Science" touted in the subtitle. Mr. McKay's background as a technical writer shows in his clear sentences, with one carefully authenticated fact logically following another from beginning to end. It also shows, however, in the absence of color, scene setting or a driving narrative arc. And yet I found the book oddly compelling.

Mr. McKay makes the case that, beginning about 1600, mammoths and

their mastodon cousins, appearing in bits and pieces from beneath the ice and earth, became "a focusing problem for a scientific revolution." They were the starting point for sweeping changes in geology and comparative anatomy and in the ways we think about life on Earth.

Scholars could reason their way around previous out-of-place discoveries like fossil seashells found on mountaintops, Mr. McKay writes. But "the remains of unrecognizable land animals, especially large ones, were a tougher problem." Most European naturalists in the 1600s had only the vaguest awareness of living tropical elephants, and they had no obvious

Huge bones dug up in Europe puzzled savants who had no idea that a species could go extinct.

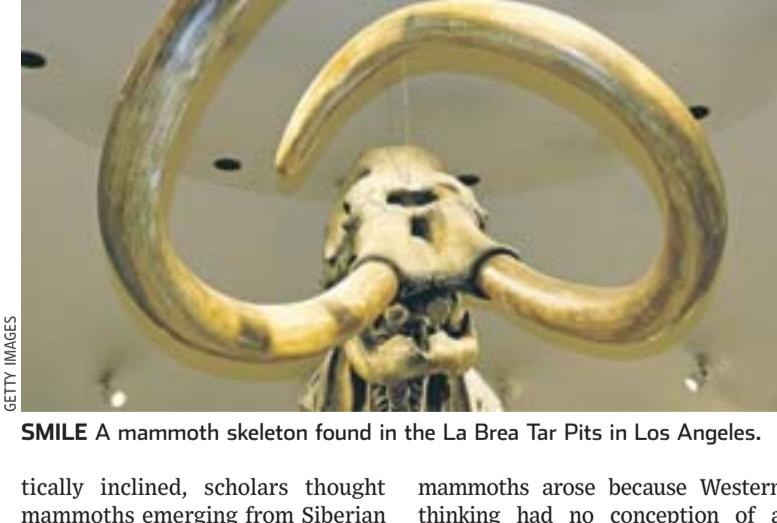
way to connect them to these puzzling ancient creatures. "Unraveling that mystery required the development of a new, specialized intellectual toolkit," Mr. McKay writes. "Unthinkable ideas such as extinction and a history of the earth itself separate from, and older than, human history needed to be embraced." Though Mr. McKay does not put it in so many words, mammoths were the beginning of the end for the biblical view of Earth history.

The initial response to the discovery of mammoth and mastodon remains was, however, entirely orthodox. With Genesis 6:4 firmly in mind ("There were giants in the earth in those days"), most Europeans took them for the bones of such "mighty men." A discovery in southern France in 1613, for instance, resulted

in a "true history of the life, death, and bones of Giant Theutobochus, King of Teutons," slain in battle with the Roman consul Marius and buried in a 30-foot-long tomb. Likewise, when a tooth weighing almost 5 pounds turned up a century later in Claverack, N.Y., the Puritan minister Cotton Mather boasted that this American discovery made Goliath and other Old World giants look like mere pygmies. Other, more naturalis-

word "mammoth," from an indigenous Siberian word meaning "earth horn," gradually gained currency in Europe. The trade in mammoth ivory for carved objects also boomed. Mr. McKay quotes one estimate that, by 1840, Siberia had already exported the tusks of 20,000 mammoths. (That trade is still thriving today at a reported rate of 60 tons of mammoth ivory a year.)

The intellectual problem with



SMILE A mammoth skeleton found in the La Brea Tar Pits in Los Angeles.

tically inclined, scholars thought mammoths emerging from Siberian ice were the remains of huge, burrowing rodents that lived underground and died on exposure to air.

The gentry coveted "unicorn" ivory as an antidote to poisoning, and at "the peak of the poison panic in the mid-sixteenth century," Mr. McKay writes, exotic ivory fetched 10 times the price of gold. At first, mammoth, walrus and narwhal ivory got mixed together without distinction. But the

mammoths arose because Western thinking had no conception of a species becoming extinct. Instead, the "great chain of being" progressed link by link from the lowliest worm up to humans, everything in its place and each species essential to the unity of the whole. "From Nature's chain whatever link you strike," Alexander Pope wrote, "Tenth or ten thousandth, breaks the chain alike."

The German polymath Gottfried Wilhelm Leibniz flirted with the idea

of extinction at the end of the 17th century but could bring himself to argue only that species could change form to some degree. Or as Mr. McKay puts it, "a cold-adapted elephant had the same relation to a tropical elephant as a shepherd dog to a terrier." A century later, beginning in the mid-1790s, the French comparative anatomist Georges Cuvier finally assembled the evidence to distinguish carefully among elephants both living and dead. He made extinction an irrevocable fact of life. Cuvier, now considered the father of paleontology, demonstrated that whole worlds of species had lived and died before us. It was a radical turning point in our conception of the world and of our own place in it. It was also the essential preamble to Charles Darwin's subsequent idea of evolution by natural selection.

Mr. McKay doesn't spend much time on the American side of the story, which is a pity. To understand just how thoroughly mammoths and mastodons shaped our own sense of ourselves as a nation, readers might enjoy Paul Semonin's "American Monster" (2000). But Mr. McKay fills in the European background in admirable detail. In an afterword, he notes that early humans on many continents lived with mammoths and other proboscideans, hunted them for food, and used their bones and hide for shelter, tools and early art. We may even have followed them out of Africa and watched what plants they ate in new habitats before sampling them ourselves. Mammoths, elephants and their kin, John McKay suggests, helped make us who we are.

Mr. Conniff is the author, most recently, of "House of Lost Worlds: Dinosaurs, Dynasties, and the Story of Life on Earth."

BOOKS

'A biographer is an artist under oath.' —Desmond MacCarthy

The Empathy Artist

The Shadow in the Garden

By James Atlas

Pantheon, 388 pages, \$28.95

BY ADAM BEGLEY

IN 'THIS LONG PURSUIT,' his recent book about biographical craft, Richard Holmes, one of the greatest living biographers, misquotes W. Somerset Maugham: "There are three rules for writing biography, but fortunately no one knows what they are." Funny and true—but Maugham's remark was about writing novels, not biography (and it's not certain that he actually said it). Does it matter? Only if you believe that getting those pesky facts straight should be the aim of every biographer. If there's no rule against fudging it, why not write fiction instead?

"Facts matter," James Atlas declares in "The Shadow in the Garden," a rufous, meandering and for the most part engaging and instructive meditation on the kind of biography he himself practiced in books on Delmore Schwartz and Saul Bellow—that is, literary biography. Mr. Atlas is not prescriptive; the closest he comes to laying down the law is to state unequivocally that "The key to writing biography is the capacity to be empathetic"—not a controversial claim. His book is a tour of the sausage factory. We watch the indefatigable Boswell stalk Johnson, Lytton Strachey size up his eminent Victorians, Michael Holroyd grapple with Strachey, Holmes channel Shelley and Coleridge—and of course we trail Atlas, hot on the heels of Schwartz and Bellow. The subtitle of this book, "A Biographer's Tale," promises greater narrative coherence than we get, but maybe Mr. Atlas was happy to take a break from the inexorable plot imposed on all "life-writing" by the passage of time and the common fate of humans, writers included. "Confessions of a Biographer" is more like it. He dishes dirt with the lively enthusiasm of a hack at work on a celebrity tell-all, the difference being that much of the dirt is his own.

At times almost unbearably candid, he writes as though his memoir were a kind of atonement. Some of the self-flagellation seems unnecessary, as when he writes about his decision to return to work at the New York Times



MARK ULRIKSEN

after a period as a freelancer: "After many wheedling letters and phone calls, I managed to claw my way back to the Times." He reveals his anguish over what he calls the "Twelve Errors" in his Bellow biography, a dozen

a prurient biographer (he admits to being more interested in the writings of his subjects than their amatory exploits); his urge to confess derives from his personality, not his profession. He's burdened with a rare

last shred of material about Schwartz and Bellow. When he calls biographers "obsessive diggers," he's showing us a selfie. The enormous amount of work he did on Schwartz (a tremendously talented writer now sadly slipping into obscurity) was repaid with critical acclaim and a National Book Award nomination. The Bellow was a different story.

If the hazy chronology of "The Shadow in the Garden" is to be trusted, it wasn't until some nine years after having decided to write about the Nobel laureate that he began to have doubts about the wisdom of attempting "a biography of a living person." Bellow was in his mid-70s when Mr. Atlas took the plunge, a cranky, controlling character clearly uncomfortable about having his past explored and exposed. Avidly nostal-

In this memoir-cum-apologia, James Atlas, the biographer of Saul Bellow, dishes dirt like a hack at work on a celebrity tell-all, but the dirt is his own.

passages he later marked with yellow Post-its to flag ungenerous, snotty or "neurotic" comments. He thought of these lapses as "pockmarks" that would scar him permanently. Prying into the lives of others can provoke guilt in some, but Mr. Atlas is hardly

decency, a desire to get it right. If he gets it wrong, he yearns to fix it.

His career was born out of obsession, the relentless drive to read through the biographical canon, from Plutarch to Janet Malcolm, and the overpowering need to gather every

gic, Bellow wanted to talk and reminisce, but only on his terms. Their pas de deux is mesmerizing—and appalling. Bellow bullies his biographer, and the poor battered biographer always seems eager for more, compelled by what he identifies as "emotional hunger." It ends in tears, naturally: angry, victimized silence from Bellow; outraged reviewers excoriating Mr. Atlas for daring to point out the great man's flaws; years of remorse for the unhappy biographer.

An undertow of sadness tugs at the margins of this book. The author is often funny, especially when unearthing forgotten characters, and in his footnotes he cuts loose, displaying a zany side. (Here's the footnote for "Recamier couch": "An eighteenth-century divan made famous by . . . oh, just look it up if you're interested. The internet has spoiled the pleasure to be found in displaying recondite erudition.") But the humor tails off in the final chapters, when it becomes apparent that Mr. Atlas feels he never lived up to the bright promise of his early career. He won't write a third biography.

James Atlas is death-haunted, and so is his book. The title comes from a remark by Bellow, who called the biographer "the shadow of the tombstone in the garden." Mr. Atlas drives the point home: "The tombstone was the biography," and "the biographer was the gravedigger." And elsewhere, "I was the robed prophet in the New Yorker cartoon, carrying aloft a banner that read: 'The end is nigh' . . . Bellow's end was nigh. What else can having a biography written about you portend?" (There's a flipside to this. "Biography, in the end, is a stay against death," Mr. Atlas writes. "Most of us don't get one." He knows he's safely in the land of "No-biography"—his life story won't be subjected to the prying scrutiny of an obsessive gravedigger.)

All biographies are death-haunted in the very literal sense that every page you turn takes you closer to the end. And then there's the grim truth pointed out by Richard Holmes: no biography can "hope to avoid the relentless process of being superseded, outmoded, and eventually forgotten—a form of auto-destruction which has no equivalent in the novel."

Mr. Begley's most recent biography is "The Great Nadar: The Man Behind the Camera."

FICTION CHRONICLE: SAM SACKS

Surviving Girlhood

ON A HOT, unsupervised summer day early in Claire Messud's "The Burning Girl" (Norton, 247 pages, \$25.95), two 12-year-old best friends, Julia and Cassie, stir up mischief by breaking into a derelict building in the woods outside their town of Royston, Mass. The building is called the Bonnybrook, a turn-of-the-century mansion that was converted into a women's mental asylum. As the girls cavort on the grand staircase and explore the empty bedrooms, they make believe they're among the Bonnybrook's by-gone residents, "crazy girls in blue smocks with their hair sticking up anyhow and wild eyes." "We could feel them with us," Julia recalls. "And they too were our sisters."

Such unsettled intimations of kinship ran all through Ms. Messud's sensational 2013 novel, "The Woman Upstairs," about an unmarried, middle-aged sculptor and elementary-school teacher whose anodyne demeanor masked a furnace of rage and resentment. The book's fire-breathing heroine recast the classic literary archetype of the Madwoman in the Attic, presenting the image of a modern woman—single, independent, with an artist's studio of her own—who still feels trapped inside a life of miniature proportions, universally patronized as a harmless and ignorable "spinster with a hobby." She may not appear to have anything in common with the pyromaniac lunatic Mr. Rochester keeps under lock and key in "Jane Eyre," yet there she is in her small upstairs apartment, alone, overlooked and closer to the edge than anyone imagines.

Having excavated the balked desires and repressed fury of the single woman, Ms. Messud ventures into the Category 5 hurricane that is the psyche of a teenage girl. "The Burning Girl" is narrated by Julia but mostly about Cassie, her best friend

since nursery school. Julia is the product of a snug and stable household—her dad is a dentist, her mom a freelance journalist. For Cassie, family life chafes and blisters. Her father died in a car crash after she was born and she's grown up worshiping his memory. Her overworked mother's remarriage to a creepy born-again Christian sends her sliding toward an emotional breakdown.

Julia views that collapse through the disappointment of her own ruptured friendship with Cassie, who's begun, as they enter junior high, to hang out with a faster group of girls. Ms. Messud is at her most incisive in exploring the volatile transition from childhood to adolescence, "a world of adult actions and of adult conjecture." "You're suddenly aware of the wild, unknowable interior lives of everyone around you, the realization that each and every person lives in an unspoken world as full and strange as your own, and that you can't ever hope entirely to know anything, not even yourself," Julia says. "But just as the world is opening up, it's closing too, and things reveal their previously unimaginable shapes." Whereas her bright future seems preordained, Cassie is destined, through some cosmic roll of the dice, to walk a path that's unmarked, unaccompanied and dangerous.

She makes for a very poignant character—rough, rebellious and nakedly vulnerable, giving the best of her love to someone who can't return it. The story focuses on Cassie's desperate attempt to run away and find the father she's talked herself into believing is still alive, and its exceptionally deft conclusion returns us to the haunted ruins of the Bonnybrook asylum.

Why, then, does the novel lack the careening intensity of "The Woman Upstairs"? The problems are mostly technical. Julia recounts Cassie's tale two years after the fact, as she, Julia, enters her senior year of high school, but her narrative voice sounds too filtered and elegant to come from a

17-year-old, even one who stars on her school's speech team. From behind that careful veneer, Cassie is difficult to fully make out. Because she's alone when she runs away—because her fate is to be alone and misunderstood—Julia has to relate her exploits from second- and third-hand accounts. The conflagration of her personality is only rarely brought near enough to singe.

417 pages, \$27, goes by the nickname Turtle, but her father, Martin, calls her something else: "kibble." In a small but disturbing touch, Mr. Tallent leaves the word in lower case, denoting not an endearment but a description—Julia is food for an animal.

The animal is her father, who lives alone with her in an overgrown, gun-filled compound on the California coast south of Mendocino. According

Impressively, this is also a novel of great beauty, filled with lush evocations of the woods and "the ocean broken by kelp beds, the bulbs and fronds stirring the surface." The coastal wilderness is Julia's second home and on one of her walkabouts—she often runs away from Martin, but always goes back—she rescues two high school boys, Brett and Jacob, who have gotten lost on a hike. Her secret friendship with them opens her to the prospect of a life without her father and it's when he's absent that the book takes wing. In one extraordinary episode, Julia and Jacob get caught in a rip tide and have to spend the night on an island off the shore,



to Martin, Julia's mother drowned while looking for abalone, but there's no reason to believe anything this silver-tongued sociopath says. He claims to have withdrawn from the world in response to the evils of pollution, but his single-minded fixation is dominating his daughter, psychologically and physically. He subjects her to torrents of invective between sobbing declarations of love. He makes her practice pull-ups by holding a knife against her crotch. In the opening chapter he casually rapes her, establishing the sickening sense of menace that chokes the novel like a poisonous weed. Like Julia, you're on red alert every time he enters the room.

In two very grown-up novels, articulate teens tell their harrowing coming-of-age stories.

surviving only by virtue of Julia's resilience and resourcefulness.

She is, in truth, a somewhat otherworldly figure. As with Ms. Messud's Julia, her interior monologue seems impossibly articulate ("I hate him, but I am unsure in my hatred; guilty and self-doubting and hating myself almost too much to hold it against him"). The only way to escape her father's virtual suicide pact is through violence, and the novel culminates in an eruption of gunplay. Naturally, she's also a crack shot. Julia is different from the child abuse victims in Hanya Yanagihara's "A Little Life" and Edward St. Aubyn's Patrick Melrose novels. She has more in common with Batman, another crusading outsider who came to his powers through unimaginable trauma. Abuse narratives and superhero adventures may be the most popular storytelling genres of our age—it was only a matter of time before they merged.

BOOKS

'I'd rather be a singer with a future than a star with a past.' —Al Green

Singing Sacred and Profane

Soul Survivor

By Jimmy McDonough

Da Capo, 403 pages, \$28

BY EDDIE DEAN

WHEN AL GREEN performed on "Soul Train" in the spring of 1974, he was the most electrifying singer in pop. Host Don Cornelius hailed his "amazing charisma," introducing the 27-year-old as "the closest the music business has come to having its own messiah."

After the opener, "Sweet Sixteen," Mr. Green's paean to underage love, he segued into "Jesus Is Waiting," a gospel song. His band laid down a brooding groove as he took a moment to recite the Lord's Prayer. The audience rooted him on, and the strobe-lit studio became, for a while, an old-time revival meeting. For the finale, though, he offered "Here I Am (Come and Take Me)," a 1973 hit celebrating carnal surrender. He gyrated around the stage, whipping the crowd into a frenzy.

"This was one of those performances," notes Jimmy McDonough in his wildly entertaining biography, "Soul Survivor," "where Green, as Robert Palmer has written, 'commands a power so intense it can almost be frightening.'

Mr. McDonough makes it clear early on that the creator of so many anthems of intimacy and steadfast love—"Let's Stay Together," "Call Me," "Let's Get Married," "I'm Still in Love With You," to name only a few—can be a moody, quick-to-anger loner. Likewise, the born-again evangelist who in his prime 40 years ago turned his back on showbiz for the wilderness of gospel music is, according to his biographer, a "tormented soul" (now 71) who seems to find only limited peace in his current role as the reverend at his Full Gospel Tabernacle Church in Memphis.

Mr. McDonough has written biographies of Neil Young and Tammy Wynette, two other prickly 1970s icons. He has a habit of inserting himself into the narrative, a device that can be, by turns, illuminating and distracting. As with those earlier biographies, "Soul Survivor" is the testament of a smitten fan turned reporter. "Al Green is hard to figure out," Mr. McDonough concedes. "Gaze upon a handful of Green's TV performances over the years—he really does seem to inhabit different people, not personas. . . . He is one of the last great mysteries left in pop music."

In interviews, Mr. Green is effusive and evasive, deflecting questions while sharing snippets of conversations he's had with God or a backyard raccoon he has bonded with. He will start speaking in tongues or sing an Elvis song. In his ghost-written memoir from 2000, "Take Me to the River" (which he says he has never read), there is no mention of his several ex-wives, but there are many tender memories of his first girlfriend, a prostitute named Juanita who taught him the ways of the world.

"Soul Survivor" surveys the range



GETTY IMAGES

THE REVEREND
Al Green, 1988.

of "different Als," from the capricious, ego-driven star to the Righteous Reverend trying to keep him in line, a relationship Mr. Green often describes in the third person. ("Some of the things Al Green does, me doesn't agree with," he has said.) Then there's regular-guy Al, who just wants to load his pick-up truck with some bales of hay and go feed his horses.

As presented by Mr. McDonough, Mr. Green takes his place next to other eccentric black Southern visionaries, like free-jazz bandleader Sun Ra, who claimed to be from Saturn, and Memphis painter Dewitt "The Delta Fox" Jordan, who was gunned down in a drunken argument in 1977 and to whom Mr. Green dedicated the *Belle Album*, his masterpiece of celestial gospel-funk.

Mr. Green gave no blessing or cooperation to Mr. McDonough's project. To help sort through the different Als, the author talked with musicians and producers and others who have worked with Mr. Green over a half-century. They offer behind-the-scenes tales that, along with Mr. McDonough's sharp analysis, make "Soul Survivor" an essential listener's guide to Al Green's formidable recorded output.

At the heart of the book is the run of hit singles that Mr. Green made in the early '70s with producer Willie Mitchell at Hi Records in Memphis. In the 1960s, Mitchell, a jazz-loving R&B bandleader, crafted a minimalist, hypnotic, bottom-heavy groove for the recordings he made his studio. "You spend most of the time pullin' shit out," he said. "We're not producers, we're reducers."

Even so, there was an element missing—a top-flight singer. Mitchell found one in Mr. Green, who had cut his teeth in his family's gospel group.

Mr. Green at first bucked Mitchell's orders to soften the shouting and R&B histrionics that Mr. Green was copying from Jackie Wilson records. His first hit, in 1970, a bluesy, bruising cover of the Temptations' "I Can't Get Next to You," revealed a raw talent beyond his years. He was already, Mr. McDonough notes, "starting to overdub himself to provide his own Al Green choir." Mr. McDonough quotes the critic Anthony Heilbut: "He would employ his voices—a limber falsetto, a breathless crooner, a growling preacher—in a three-way encounter."

The singing was still too harsh for Mitchell, whose mantra was "silky on top, rough on the bottom," the top being, Mitchell hoped, Mr. Green's supple voice hushed to almost a whisper over the rhythmic section. Sweetened by spare strings and dreamy back-up vocals, Mitchell's formula cut through the cluttered bombast of '70s pop radio. "This is the tension you get," Mr. McDonough writes, "by putting a somewhat crazy gospel-based singer in a jazzier setting and telling him to rein it in—but still demanding he deliver all the emotion necessary."

The hits came fast, and Mr. Green was a writer or co-writer behind them all. His first million-seller, "Tired of Being Alone," came from his frustration with a girlfriend, "the busiest woman I'd ever seen," he said. "Let's Stay Together" came after a heated argument with Mitchell, who had demanded even more mellowing on the vocals. Mr. Green stormed out of the studio, took his Corvette for a tire-squealing ride in the country and returned to sing in the subdued manner Mitchell wanted.

The sound was Mitchell's, but the attitude was Mr. Green's. He undercut the macho soul-man stereotype and

instead offered his audience the inner torment of a sensitive man unafraid to express hurt and longing and, most of all, the need for companionship. Mr. McDonough says that the magic quality Mr. Green possessed was "vulnerability. We feel like Al Green understands. That he is talking directly to us. There is a realness we believe."

For his fellow musicians, though, Mr. Green was aloof and at odds with the easygoing camaraderie at the Hi Records studio. Guitarist Teenie Hodges, co-writer of "Love and Happiness" and other hits, says that their

Al Green undercut the macho soul-man stereotype and offered the torment of a sensitive man.

close friendship ended after a spat over money, when Hodges refused to play for no pay backing Mr. Green on a club date. "I guess you want as much money as I do, you're a star now?" Mr. Green asked him.

Stardom brought Mr. Green everything he could want (including, he once estimated, 10,000 girlfriends) except for love and happiness. In 1973, after a show at Disneyland, he had a conversion experience in his hotel room. His song "Jesus Is Waiting" expressed his spiritual awakening, but he remained trapped in the music-biz cycle of recording and touring. Things came to a head in October 1974 at the mansion he had built for himself outside Memphis.

His most recent paramour, a troubled fan-turned-girlfriend, suggested that they get married. He demurred,

and she retaliated by scalding him with a pot of boiling grits before killing herself with Mr. Green's pistol. Mr. McDonough's account of this incident is the most thorough yet, making public for the first time her suicide notes and other details. Her death scarred Mr. Green emotionally as much as the third-degree burns that hospitalized him for a month.

Despite this tragedy, Mr. Green kept Jesus waiting. Finally, in 1977, he showed up "visibly emotional" at Mitchell's house at 1 a.m. and told his mentor that he was "goin' gospel." Mitchell replied that he didn't produce gospel music, ending their nine-year run. Mr. Green had already purchased a small church near Graceland, where he pastors to this day.

Undaunted, he hired new musicians and began producing his own records, starting with the *Belle Album*. It has a homemade, spontaneous feel, the opposite of Mitchell's meticulous approach. The *Belle Album* was Mr. Green's attempt to reconcile his warring secular and sacred impulses, to "channel both—religion and rock 'n' roll," as he put it. Many critics, including Mr. McDonough, consider it his career milestone. Despite the accolades, it was a commercial flop, and Mr. Green has never returned to the pop-star status he once enjoyed.

For more than a decade, he recorded gospel music. "I watched a guy who was the top superstar in R&B throw the whole thing away to go sing 'Pass Me Not, O Gentle Savior,'" says Reuben Fairfax Jr., bassist and songwriter and one of the guiding lights behind the *Belle Album*.

In the intervening decades, Mr. Green has made periodic forays back into secular music, enjoying a few modest hits. His personal life has not been peaceful. There have been short, troubled marriages and bitter divorces; assault arrests and altercations with former band members. His backing musicians tell of a stingy, mercurial dictator. Others report unheralded acts of kindness.

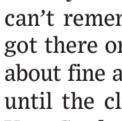
There are stretches of the book where Mr. McDonough allows too many disgruntled employees to complain, turning the narrative into a sort of "Reverend Dearest." And sometimes, slipping into overwrought musical analysis, he needs to stick with Mitchell's less-is-more dictum. But usually he's on target, as when he probes the meaning of a 1976 album track titled "That's the Way It Is," which he describes as "full of dread," a song that "makes God sound scary."

Mr. McDonough remains a devoted fan and is convinced that this "unruly genius" has another masterpiece in him. One glimmer came in 2008 when Mr. Green collaborated with drummer Questlove for the Grammy-winning "Lay It Down," featuring a new batch of Green originals that conjured the Hi magic without aping it. "I'm under the impression that all musical geniuses are crazy," Questlove said. "And Al is no exception. . . . He's from another planet."

Mr. Dean is co-author of Dr. Ralph Stanley's "Man of Constant Sorrow: My Life and Times."

CHILDREN'S BOOKS: MEGHAN COX GURDON

Alchemists, Amnesiacs and Art



A 12-YEAR-OLD boy becomes aware that he is sitting in a room filled with paintings and sculptures at the National Gallery of Art in Washington. He can't remember who he is, how he got there or why he knows so much about fine art—nor will the reader—until the climax of the novel "The Van Gogh Deception" (Houghton Mifflin Harcourt, 306 pages, \$16.99), a mash-up of high culture, high tech, mystery and action.

In accordance with thriller-genre requirements, author Deron Hicks tells us a few things right up front. We know that an "alchemist" in France has concocted some sort of expensive marvel using odd materials, such as ink of cuttlefish, ground mollusk shells and lapis lazuli. We know that a ruthless millennial millionaire is looking for thrills. We know that something bad has happened to a middle-aged man in a parking garage. But where does the boy fit in? And why are so many highly trained human predators on the hunt for him?

As the young amnesiac, nicknamed Art, struggles to recall him-

self in the relative safety of a foster home, his temporary guardian hits on what seems like a good idea. She takes the boy and her 10-year-old daughter, Camille, back to the gallery in the hopes of jogging Art's memory. Instead, the visit plunges the children into a series of frightening confrontations that have unexpected (and satisfying) outcomes.

It is fun when good kids trounce bad adults, and readers ages 9-13

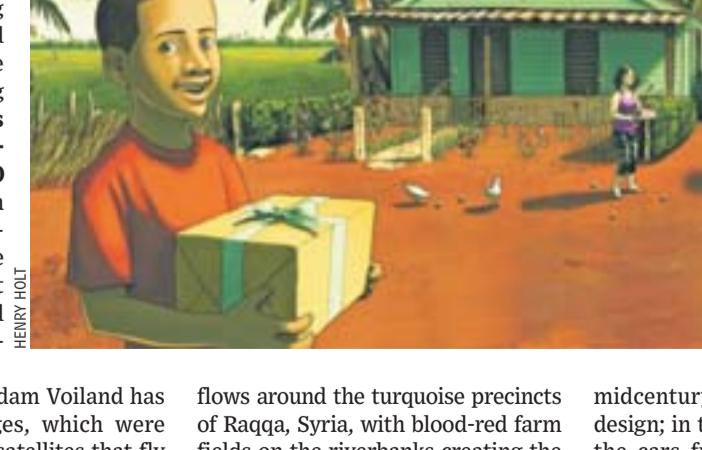
will relish every surprise turnabout. The publisher has placed six reproductions of Van Gogh masterworks in the endpapers of "The Van Gogh Deception," but all the other art that Mr. Hicks describes comes in the form of embedded QR codes—those square little matrix designs used in advertising—so that readers will need to have a smartphone or tablet and internet access to get the full

picture, so to speak. It's a clever gimmick, but risky: Children who are redirected from print to the screen have a tendency to stay there.

With millions of people having left the eclipse with a fresh appreciation for the wonders of the sky overhead, now is an excellent time to reverse direction and look down from high above. Young children will find the letters of the alphabet in amazing places in "ABCs From Space" (Simon & Schuster, 40 pages, \$18.99), an abecedary composed of satellite images of distant landforms, cloud formations and sinuous waterways.

Science writer Adam Voiland has compiled the images, which were taken from robotic satellites that fly over the Earth. In some cases, what we see on the page accords with what we would imagine: The crisp, white, icy length of Smith Island off Antarctica—the letter "I"—sits in

navy-blue seas. In other cases, the satellite measures both visible light and invisible light (invisible to the human eye, that is), rendering the landscape in extraordinary detail and psychedelic color: Here the Euphrates River appears black as it



flows around the turquoise precincts of Raqqa, Syria, with blood-red farm fields on the riverbanks creating the letter "P".

Margarita Engle has created a lovely tribute to the "ingenuity of poor people everywhere" with a picture book set in Cuba, "All the Way

to Havana" (Henry Holt, 40 pages, \$17.99). The story traces a country boy's visit to the capital in his family's ancient blue Chevy, on roads filled with the beautiful old cars that Cubans have kept running through all the years of the Castro dictatorships.

In Mike Curato's richly colored illustrations (see left), everything looks wonderful, not only the cars but the buildings and people as well. Only from the text do we learn that the cars have "ragged seats and cloudy windows" and that the roads are full of potholes. There's poignancy all around: in the swagger and elegance of midcentury American automotive design; in the near-disappearance of the cars from their home country and their survival under communism (incredibly); and in the energy and potential that Cubans have had to pour not into innovation but into maintaining the status quo.

BOOKS

'We were revisionists; what we revised were ourselves.' —Margaret Atwood

The Scoop

Sweet Spot

By Amy Ettinger

Dutton, 309 pages, \$26

BY ADAM RIED

MY LIFE is littered with scribbled scraps of paper and Post-its, most of them concerning cafés and restaurants I've read about and want to try. So when I saw the subtitle of fellow food journalist Amy Ettinger's "Sweet Spot"—"An Ice Cream Binge Across America"—I figured I'd hit the jackpot: the mack-daddy list of prime ice cream shops from coast to coast. I also figured it would be a breezy summer read.

Wrong on both counts. This is not to say that, as a result of reading this book, I haven't added a bunch of tempting new ice cream destinations to my travel itinerary, but these are mere jimmies on top of what turns out to be a surprisingly serious, impressively thorough treatment of ice cream's cultural significance, fabrication, economics and history, not to mention its effect on human brain chemistry.

The "binge across America" promised in the subtitle isn't organized by geography. I'd assumed it would start on Ms. Ettinger's front porch in Santa Cruz, Calif., and then toddle steadily eastward; instead, it skips and jumps among the many categories and varieties of frozen treats. Frozen custard, ice cream novelties, soda fountain concoctions, ice cream sandwiches, gelato, frozen yogurt, and of course ice cream itself each get a chapter, often told from a quirky perspective and with great stories to propel the prose.

Particularly colorful is the author's ride on an independent ice cream truck in Bensonhurst, Brooklyn. Ms. Ettinger vividly captures the take-no-prisoners swagger of owner/operator Maria Campanella, aka Maria the Ice Cream Girl, starting with her work attire: "see-through, skin-tight black ruffled leggings, a black chemise, and a brown wrap pulled tightly across her ample chest . . . proudly showing off every exposed curve." Ms. Campanella's story swings from warm and fuzzy (we learn that her truck is a Vegas-garish rolling shrine to her late father, Chubby, with whom it originated, and that neither Chubby nor Maria could deny a public-housing kid a treat for lack of funds) to Tony Soprano-style serious (we witness clashes with other ice cream truck operators over established turf). As this chapter unfolds, Ms. Ettinger



Mr. Ried is the cooking columnist for the Boston Globe Magazine and the author of the cookbook "Thoroughly Modern Milkshakes."

also provides a compelling anthropological portrait of Bensonhurst past and present; histories of Good Humor, its main competitor Mister Softee, and Van Leeuwen Artisan Ice Cream; a look at New York City Health Department ice cream truck regulation; and a quick detour into the stand-up comedy of Gabe Kaplan, of "Welcome Back, Kotter" fame.

Sometimes "Sweet Spot" is unexpectedly academic in both tone and content. There are, for instance, semi-professorial studies in the history and

Frozen custard, soda fountain concoctions, gelato, frozen yogurt—all this and ice cream, too.

uses of pasteurization, pre-made vs. homemade ice cream base, and dry milk powder. At other times the author is unexpectedly personal, even confessional. Only a few paragraphs into the book we learn that her dad "attempted to make up for his poor abilities as a provider by making oversize sundaes." Typically drenched in Hershey's syrup and Maraschino cherries, "each one of them delivered a wallop of sweetness that could knock the sour things out of our lives for a few moments." For Ms. Ettinger, those sundaes offered respite from the precariousness of her early family life: "heaps of vanilla-flavored hope and comfort rising from a jet-black lakelet of swirling chao."

Luckily, most of Ms. Ettinger's ramblings aren't so theatrical and instead bring surprising moments of joy and edification. In her investigation into gelato, for instance, we get a view into the disposition of water buffalo. The beasts, it turns out, not only give extra-rich milk but are also "more intelligent, curious and affectionate than cows." At other points we learn about the hotly debated history of the cone portion of the ice cream cone equation, the histories of Carvel and 7-Up, First Lady Dolly Madison's penchant for oyster-flavored ice cream, and how artificial sweeteners affect metabolism (it's not good).

Thirty-one flavors and then some! "Sweet Spot" may not turn out to be exactly what you expected, but it's surely—and often delightfully—more than you bargained for.

Mr. Ried is the cooking columnist for the Boston Globe Magazine and the author of the cookbook "Thoroughly Modern Milkshakes."

GETTY IMAGES

The Subtle Art of Not Giving A F*ck 1 2

Mark Manson/HarperOne

The Big Lie 2 4

Dinesh D'Souza/Regnery Publishing

Strengths Finder 2.0 3 3

Tom Rath/Gallup Press

Astrophysics for People in a Hurry 4 5

Neil deGrasse Tyson/W.W. Norton & Company

Hillbilly Elegy 5 7

J.D. Vance/Harper

Nonfiction E-Books

TITLE AUTHOR/PUBLISHER THIS WEEK LAST WEEK

The Glass Castle: A Memoir 1 1

Jeanette Walls/Scribner Book Company

After Long Silence 2 -

Helen Fremont/Random House Publishing Group

Hillbilly Elegy 3 4

J.D. Vance/HarperCollins Publishers

Cronkite 4 -

Douglas Brinkley/HarperCollins Publishers

Gulag 5 -

Anne Applebaum/Knopf Doubleday Publishing Group

The Subtle Art of Not Giving A F*ck 6 10

Mark Manson/HarperCollins Publishers

Legend 7 -

Eric Blehm/Crown/Archetype

Al Franken, Giant of the Senate 8 9

Al Franken/Grand Central Publishing

Devil's Bargain 9 New

Joshua Green/Penguin Publishing Group

The Mediterranean Diet 10 -

Rockridge Press/Rockridge Press

FIVE BEST: A PERSONAL CHOICE

John A. Farrell on revisionist biographies

Thomas Jefferson

By Fawn M. Brodie (1974)

1 THOMAS JEFFERSON kept records of each flower that bloomed at Monticello, logged every dollar he spent and saved 18,000 letters he wrote. But the widower cloaked from history the names of the women with whom he slept. He had good reason. The accusation that he was siring children with the slave girl Sally Hemings emerged in his own day from political foes and bawdy ballads. Jefferson's biographers were long a reverent sort, however, not eager to taint a denizen of Rushmore with speculation about his sex life. Fawn Brodie, a UCLA historian who made her name subjecting the Mormon leader Joseph Smith to a scathing examination, was not so reticent. Her portrait (later fortified by Annette Gordon-Reed and others) of the slave-holder who drafted the creed that "all men are created equal" provoked examination of the cavernous contradiction between American ideals of equality and the often grim realities.

The Hidden-Hand Presidency

By Fred I. Greenstein (1982)

2 HISTORIANS VIEW other eras through the prism of their own. It is not surprising that Dwight Eisenhower—whose serene supervision of the Happy Days of the 1950s faced withering scorn from the champions of the New Frontier—would go on to appreciate re-evaluation in time. After, that is, the Cuban Missile Crisis, the catastrophe in Southeast Asia and the iniquities exposed in the Watergate scandals.



GETTY IMAGES

KINGFISH Huey Long, 1932.

Fred I. Greenstein's slender volume provides a solid framework for reappraising Ike. Eisenhower was a gifted, ambitious and calculating politician who cloaked his actions with "apolitical protective coloration," writes Mr. Greenstein. "As a thinker, the public saw a folksy, common-sense replica of the man on the street. The confidential records show a man with extraordinary capacities." Historians have embraced this interpretation. In destroying Joe McCarthy, advancing civil rights, evading the snare of Vietnam and keeping the world from atomic annihilation, Ike's wielding of a "hidden hand" has sent him soaring toward the top in rankings of our presidents.

Huey Long

By T. Harry Williams (1969)

3 WHEN FORMER Gov. Huey Long was gunned down in the

Louisiana State Capitol in 1935, he was excoriated by the Nation as "America's first dictator." Following the lead of Franklin Roosevelt, liberals saw Long as a Hitler-like "Caesar of the bayous." But LSU professor T. Harry Williams revivified Huey's finer side: as a populist leader who built roads, opened schools and hospitals, and defied Louisiana's economic royalists on behalf of the little guy. The Kingfish thus inspired this great American biography and our greatest political novel—Robert Penn Warren's "All the King's Men." Like the fictional Willie Stark, wrote Williams, Long's tragic course was forced on him by his enemies: "In striving to do good he was led on to grasp for more and more power, until finally he could not always distinguish between the method and the goal, the power and the good."

Hamilton: The Revolution

By Lin-Manuel Miranda

& Jeremy McCarter (2016)

4 IN THE ENTRANCE HALL at

Monticello, across from his own marble likeness, Jefferson kept a bust of Alexander Hamilton, his political enemy. "Opposed in death as in life," a grandchild remembers Jefferson saying. Hamilton's gifts were mighty indeed to evoke such reverence from his implacable foe, and Ron Chernow brought them to life in "Alexander Hamilton," an admiring 2004 biography. Lin-Manuel Miranda, needing a book for the beach, took it on a Mexican vacation. The rest, as they say, is history: spectacular, hip-hop, revisionist history. Mr. Chernow's



MR. FARRELL is the author, most recently, of 'Richard Nixon: The Life.'

take on Hamilton's genius was in keeping with an age of finance. But while in Mr. Miranda's libretto (printed in full in this chronicle of the Broadway musical) he acknowledges Hamilton's role in forging the American economy ("Oh, Wall Street thinks you're great / You'll always be adored by the things you create"), he is mesmerized by Hamilton's self-invention. Amid the xenophobic clamors of Donald Trump, Mr. Miranda lauds Hamilton's plucky immigrant status and portrays Jefferson, Madison and other Founders as hypocrites, rascals and racists. Thus has Hamilton, the conservative mercantilist who wrote of "our real disease, which is democracy," been reborn as a liberal hero.

The Autobiography of Malcolm X

As told to Alex Haley (1965)

5 THIS ANTHEM of black fury was published at a moment when the civil-rights movement had made great gains under the Rev. Martin Luther King Jr.'s strategy of nonviolent protest. It was an unequivocal break in the narrative of stoic demonstrators beaten with clubs and attacked by police dogs, and it presaged and promoted the cause of "black power." Malcolm "Detroit Red" Little was a hustler in Roxbury, Mass., and Harlem: a zoot-suited, lindy-dancing, gun-toting drug peddler and pimp. "As I got deeper into my own life of evil, I saw the white man's morals with my own eyes," he wrote. "I even made my living helping to guide him to the sick things he wanted." Transformed in prison by the Black Muslim faith, he emerged as the ascetic Malcolm X, portrayed as a menace in the press, preaching hatred of "the devil white man." His coming-of-age story, with its warranted anger about "innocent black children, growing up . . . and all of their lives ashamed of being black," reshaped understanding of the African-American experience.

Best-Selling Books | Week Ended August 20

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR/PUBLISHER THIS WEEK LAST WEEK

The Subtle Art of Not Giving A F*ck 1 2

Mark Manson/HarperOne

The Big Lie 2 4

Dinesh D'Souza/Regnery Publishing

Strengths Finder 2.0 3 3

Tom Rath/Gallup Press

Astrophysics for People in a Hurry 4 5

Neil deGrasse Tyson/W.W. Norton & Company

Hillbilly Elegy 5 7

J.D. Vance/Harper

Nonfiction E-Books

TITLE AUTHOR/PUBLISHER THIS WEEK LAST WEEK

The Glass Castle: A Memoir 1 1

Jeanette Walls/Scribner Book Company

After Long Silence 2 -

Helen Fremont/Random House Publishing Group

Hillbilly Elegy 3 4

J.D. Vance/HarperCollins Publishers

Cronkite 4 -

Douglas Brinkley/HarperCollins Publishers

Gulag 5 -

Anne Applebaum/Knopf Doubleday Publishing Group

The Subtle Art of Not Giving A F*ck 6 10

Mark Manson/HarperCollins Publishers

Legend 7 -

Eric Blehm/Crown/Archetype

Al Franken, Giant of the Senate 8 9

Al Franken/Grand Central Publishing

Devil's Bargain 9 New

Joshua Green/Penguin Publishing Group

The Mediterranean Diet 10 -

Rockridge Press/Rockridge Press

Hardcover Fiction

TITLE AUTHOR/PUBLISHER THIS WEEK LAST WEEK

Wonder 1 1

R.J. Palacio/Alfred A. Knopf Books For Young Readers

The Store 2 New

James Patterson/Little, Brown and Company

Seeing Red 3 New

Sandra Brown/Grand Central Publishing

What Do You Do With a Problem? 4 3

Kobi Yamada/Compendium Inc

Camino Island 5 4

John Grisham/Doubleday Books

Fiction E-Books

TITLE AUTHOR/PUBLISHER THIS WEEK LAST WEEK

Seeing Red 1 New

Sandra Brown/Grand Central Publishing

I Know a Secret 2 New

REVIEW



Brad Trent for THE WALL STREET JOURNAL

Oath's various brands attract more than 1 billion consumers a month. His goal is for Oath to bring in between \$10 to \$20 billion in annual revenue by 2020. In 2016, Yahoo made \$5.2 billion in revenue; Verizon won't disclose AOL's revenue. Oath has laid off 15% of its combined workforce, cutting about 2,100 of 14,000 employees.

Mr. Armstrong says that the company isn't giving up on the AOL and Yahoo brands in combining the two. On the contrary, he plans to oversee a "resurgence" of both brands. In response to skeptics who wonder whether two stumbling brands can combine to become a bigger, successful brand, Mr. Armstrong says, "The first thing I say is, thank God you don't see the opportunity, because if you can see it, everyone else can, and it is no longer an opportunity. The second thing I say is that a billion consumers can't be wrong."

'A billion consumers can't be wrong.'

Each of Oath's brands will have distinct editorial staffs and content, but their business sides will be combined, so that advertisers can distribute ads across sites based on the demo-

graphics they're trying to reach.

Because Oath is part of Verizon, Mr. Armstrong says, advertisers can target their ads using the company's data on its 114 million wireless consumers, including location data, app usage and demographic details. It's a challenging space: Facebook and Google together collect nearly half of global spending on digital advertising. Content from some of Oath's brands will also be automatically available on Verizon phones.

Mr. Armstrong hopes to create more interactive ads that encourage consumers' participation and feedback and incorporate virtual reality and 360-degree video. Oath is also making a big push into video on its mobile platforms, he says.

Mr. Armstrong grew up in the small town of Littleton, Mass., where his father served in the Navy and his mother worked in human resources at a publishing company.

He took on various jobs in high school, including selling T-shirts at Grateful Dead concerts and installing radios in school buses. At Connecticut College, he double-majored in economics and sociology. After graduation, he and a friend decided to start a small newspaper called BIB (Beginnings in Boston). It started out as a way to get advice from notable people: He had called a CEO to ask some questions but was turned away. A secretary told him, "Well, if you had called and said you were a media journalist, he probably would have taken your call," he says.

A few years later, in 1995, he attended a lecture at MIT where he got his first look at a web browser. "For me, it was like an on-off switch when I saw the browser," he says. He became obsessed with the internet and soon sold his newspaper business. His next jobs were focused on the online world, including roles at Starwave (an entertainment and news company started by Microsoft co-founder Paul Allen) and in online publishing.

These days, Mr. Armstrong looks at news every day from 5 to 6 a.m. "I'm a super morning person," he says. He blocks off 7 to 10 hours a week for what he calls "thinking time," when he reflects on and studies one topic. Recent subjects have included China and how best to use the time in a day. He lives in Connecticut with his wife and three children.

As the overseer of so many media properties, he is sometimes compared to Anna Wintour, the artistic director of Condé Nast and longtime editor in chief of Vogue, who is famous for her intimidating, no-nonsense persona. Are his various brands intimidated by him, too? "No," he says with a laugh. "I wish they were, but I'm afraid they're not."

WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

Tim Armstrong

The Oath CEO on combining AOL and Yahoo and the future of media and ads

WHEN TIM ARMSTRONG interviewed for a job as U.S. sales chief at Google in 2000, the company's co-founder, Sergey Brin, surprised him by asking Mr. Armstrong to interview himself. So Mr. Armstrong asked and answered questions such as: "Why would you hire a 29-year-old in New York City to lead sales for Google?" and "Why do you think search advertising will work?" Mr. Armstrong got the job.

Today, in his new role as chief executive

of Oath, which grew out of the merger of AOL and Yahoo, he has his own set of go-to interview questions. One of his favorites is to ask applicants what other people would say about them. When asked the same question himself, he laughs and says, "I would probably say I'm super high-energy, super creative, and when I get out of my strike zone, get me back in my strike zone."

Mr. Armstrong was most recently CEO of AOL, a role he took on in 2009. In 2015, Verizon Communications acquired AOL for \$4.4 billion. This past June, the telecom company bought Yahoo for \$4.5 billion. Verizon has now combined the two properties into a media and advertising arm called Oath, which

encompasses about 50 media brands, including HuffPost, TechCrunch and Yahoo Finance.

Mr. Armstrong, 46, who started out in newspapers and went on to run operations for Google America, has watched media and technology come closer together. "There used to be company consolidations, but now we're going into industry consolidations," he says. With tech companies such as Amazon developing physical products like Alexa, he sees the media, internet, cable, telecom and device industries becoming much more integrated.

News today, says Mr. Armstrong, has to be "social. It has to be audio, video and text, and the industry has been constructed in the past where those things have been separate."

MOVING TARGETS: JOE QUEENAN

Make the Eclipse Experience Great Again

MANY PEOPLE feel that Monday's eclipse was a bit of a dud. This is particularly true if you live in a part of the country where it was overcast or you only got treated to a partial eclipse. In New York, the partial blockage was so humdrum, so generic, so blah that a lot of people didn't even bother going outside to see it. They stayed glued to their computers where they could watch a much more exciting eclipse taking place elsewhere. This defeats the whole purpose of even having an eclipse.

Monday's event was the celestial equivalent of Super Bowl XLI in 2007, the drab set-to between the Indianapolis Colts and the Chicago Bears. Yes, it was a "Super" Bowl in the strict technical sense, but unless you were a fan of the Colts or the Bears you probably can't even remember it.

The good news is that we've got seven years to get things right. During the eclipse of April 8, 2024,

much of the central and eastern U.S.—including cities like Dallas, Cleveland and Montpelier, Vt.—will be in the path of totality.

First of all, we have to think of the majority of citizens who will get only a partial eclipse and will have to live with that fact for the rest of their lives. Not everyone can afford to drive all the way to Cleveland to experience the eclipse in its awesome totality and then humble-brag about it forever.

Here's where technology could step in. Virtual-reality helmets could create badly needed optical illusions to make a partial eclipse seem more dramatic. Or artists could create massive faux-moons that prop planes could drag across the heavens to give the illusion of a full eclipse—with large messages from corporate sponsors defraying costs.

We also have seven years to develop giant, strategically positioned magnifying glasses that,

A plan for 2024: lunar fireworks, virtual reality and giant ads.



suspended directly over prominent municipalities, would make it much easier to see what was going on up there. Of course, we'd have to make sure that we weren't blinding large segments of the populace.

For a truly memorable experience, we should consider sending astronauts back to the moon, to stage sound-and-light shows on the lunar surface while crossing directly in front of the sun. Colossal fireworks could sync with the eclipse to create dazzling effects in the heavens. The whole enterprise could be underwritten by some sort of national lottery. And think of the optics!

Another obvious possibility is for NASA to hire the artist Christo to wrap the moon the way he and his partner Jeanne-Claude wrapped things like an Australian coastline, possibly in the artists' trademark orange bunting. This is the kind of infrastructure project that could really get the construc-

tion industry percolating.

But in the end, if eclipses are going to continue to hold the public's attention, the biggest push has to come from Mother Nature herself. Of course, this column does not presume to advise such a powerful entity. Still, Mother Nature flubbed this one, and she probably knows that. But Mother Nature is resilient, and Mother Nature has always been full of surprises. Just ask the dinosaurs.

So it's time for her to raise the level of her game by doing something totally unexpected. Maybe get Venus involved in 2024. Maybe shove Neptune directly into our moon's path. Maybe mix in an earthquake or two, something to truly make the eclipse experience stand out for viewers. Or maybe, just maybe, get the sun to stay dark for a while afterward before coming back with a big, brilliant flash. The fact is, if you're a star, maybe it's time to start acting like one.

REVIEW

EXHIBIT

Ancient Roots

ENGLAND IS HOME to an unusually large number of ancient oak trees, with at least 3,300 trees estimated to be more than 400 years old. The new book "Ancient Oaks in the English Landscape" (Kew Publishing, \$50), by the botanist Aljos Farjon, gives an up-close look at these trees, which can live for 800 to 1,000 years. Private ownership of British forests and medieval deer-hunting parks helped to keep the land from development and protect the trees for centuries—but pressure for development is rising. Mr. Farjon's goal, he writes, is to highlight "how significant and special the ancient oaks in the English landscape really are."

—Alexandra Wolfe and Lisa Kalis



Top: Oak on the lawn at Woburn Abbey, Bedfordshire. England's native oaks reach full acorn production at between 80 and 120 years of age. **Above left:** The ancient pollard oak known as Old Knobbley on Furze Hill near Mistley, Essex. A pollard oak is one that has had its main branches cut back, roughly at one level. (One that hasn't been cut back is called a maiden.) Pollarding may prolong the life of the tree. This one is said to be 800 years old. **Above middle:** Pollard oak in the snow in Richmond Park, Surrey. Created by Charles I in the 1630s, Richmond Park has 25 oaks with a girth of 6 meters (about 20 feet) or more, suggesting an age of at least 400 years. The oldest oaks in the park could be some 550 years old. **Above right:** Ancient maiden oak in Cornbury Park, Oxfordshire. Cornbury Park was a royal park as far back as 1244, according to Mr. Farjon; King Charles II gave it to an earl in 1661.

PHOTOGRAPHS BY ALJOS FARJON

PLAYLIST: MARGARET BYRNE



Reign of the 'African Queen'

A ballad by Nigeria's 2face Idibia helped a documentary filmmaker fall in love

Margaret Byrne, 37, is a documentary filmmaker whose latest film, "Raising Bertie," follows the lives of three young African-American men in rural North Carolina. It will air on PBS's "POV" program on Monday. She spoke with Marc Myers.

In April 2005, I was living in New York and producing videos for Mary J. Blige when a producer friend asked if I wanted to go to Nigeria. MTV Africa had just launched, and there was an opportunity to produce a live-music series. While there, I met 2face Idibia, whose hit song "AFRICAN QUEEN" would change my life.

Traveling to Africa at age 24 was scary and thrilling. I was curious about the country and the culture. For the first few weeks in Nigeria, I filmed artists for the series.

When the MTV project ended in May, 2face's manager hired me to document the singer's upcoming tour. At the time, 2face was one of Africa's most popular artists.

The first time I heard "African Queen" I was in Abuja, Nigeria's capital. 2face was performing at a concert, and I was filming him along with local cameramen. The song didn't strike me at first, but

A trip to Africa leads to romance.

I was fascinated by how powerful it was for the women in the audience. They clearly loved him.

While in Nigeria, I began dating 2face's tour manager. We grew close and began a relationship. He used to sing "African Queen" to me.

The ballad has a reggae/hip-hop feel and opens with notes played on an electric guitar.

Then 2face sings, "Yeah, you are my African queen, ooh, Lord / Just like the sun

lights up the Earth, it

lights up my life."

He sings romantically about the woman he loves: "I know you are brighter than the moon / Brighter than the star, I love you

just the way you are."

At the end of the year, when 2face's tour ended, I realized I was pregnant. I returned home and applied for a fiancé visa for 2face's manager. He came to New York, we married, and I had my daughter, but we divorced four years later.

I still speak to 2face and to my ex-husband, who lives in the States. I don't listen much to "African Queen" now. It's too painful. It reminds me of being in love and then being heartbroken.

2Face Idibia and fans at the 2010 MTV Africa Music Awards in Lagos, Nigeria.



HISTORICALLY SPEAKING: AMANDA FOREMAN

Dangerous Games on the Brink

IN 1956, Secretary of State John Foster Dulles, explaining how America could use the threat of nuclear war in diplomacy, told Life Magazine, "The ability to get to the verge without getting into the war is the necessary art.... If you try to run away from it, if you are scared to go to the brink, you are lost." President Donald Trump recently seemed to embrace this idea with his warning that if North Korea made any more threats to the U.S., it "will be met with fire and fury like the world has never seen."

Brinkmanship is one of those words that ought to have existed long before it was coined, but it entered our vocabulary during the Cold War. The philosopher Bertrand Russell and the Harvard professor (and Nobel Laureate) Thomas Schelling both saw it as a game of chicken between two antagonists. One side would keep upping the ante—despite the mutual risks of violence and chaos—until the other side blinked.

However new the word, the actual practice of brinkmanship can be traced all the way back to the ancient Greeks, who were masters of it. Following the Greco-Persian Wars (499-449 B.C.), Athens built up the Delian League, while Sparta led the Peloponnesian League. Each nation kept its respective allies in line through a combination of bribery and force.

Facing off with rising stakes, both sides assumed the other would stand down first, but the strategy backfired. Around 432 B.C., the Athenian leader Pericles tried to isolate Corinth, a member of the Peloponnesian League, by declaring a trade embargo against one of Corinth's allies. Pericles assumed that the Spartans wouldn't have the stomach to go to war for the sake of one League member. But neither superpower was willing to lose face, and the miscalculation led to the Peloponnesian War and the eventual ruin of Athens.

One of the risks of letting military tensions spin out of control is that it can also provoke previously neutral parties. In 1155, Pope Adrian IV, the first and only English pope, used a kind of papal "nuclear option" and issued an interdict (a suspension of all church services and sacraments) against the people of Rome to force them to expel a populist leader named Arnold of Brescia. Romans chose to get rid of Arnold instead of defying the pope. But his ruthlessness antagonized the Holy Roman Emperor, Frederick Barbarossa, who now regarded Adrian as a dangerous ri-

val. The bad feelings between them escalated until Adrian threatened Frederick with excommunication in 1159. Adrian died before he was able to carry out the threat.

An unexpected third party also upended the policy of brinkmanship against Great Britain started by Napoleon around 1806. Though he dominated most of Europe at that point, Napoleon was frustrated that Britain eluded his clutches, so he instigated the Continental System, which covered most of Europe and banned all imports and exports to and from Britain. He calculated that, with his ally Russia's

Escalation can backfire, as Napoleon learned.



compliance, the hardships suffered by both sides would be mitigated by Britain's swift economic collapse.

But the British countered with their own effective blockade, and by 1812 Russia had turned against France. Napoleon's response to the Russian threat, his Moscow Campaign, led to the effective destruction of his army as winter set in early.

In the 20th century, the game of chicken changed dramatically with the advent of mutually assured destruction. How to challenge a rival when it's clear that each side can quickly level the other? After the U.S. and the Soviet Union pulled back from war during the 1962 Cuban Missile Crisis, it seemed that the era of brinkmanship was over. Whether that hope was premature remains to be seen.

REVIEW



FRANCESCA AND MASSIMO VALSECCHI (2)

THE GILDED BALLROOM of Palermo's Palazzo Butera, being restored by Massimo Valsecchi and his wife.

ICONS

A Sicilian Palazzo He Couldn't Refuse

Massimo Valsecchi and his wife prepare a vast home for works by Warhol, Richter, old masters and many more

BY JOHN HOOPER

DESPITE HIS REPUTATION as a serious art collector, Massimo Valsecchi agrees with a friend's assessment that he is also "a maniac." "Of course, I am," he says, laughing. "That's why I came to Sicily."

In fact, Mr. Valsecchi has done more than move to an island as famed for its corrupt politicians and organized crime as for its natural beauty. He has bought a princely palazzo with almost twice as much floor space as the White House in one of the most Mafia-ridden quarters of Palermo, the Sicilian capital, and he plans to cram it with artworks, antiques and

antiquities valued at hundreds of millions of dollars. All but the second floor should be open by the fall of 2018.

The 73-year-old Mr. Valsecchi, born in the Italian seaport of Genoa, lived in London for many years. He met his wife while working for an insurance broker there. Francesca Frua de Angeli comes from a family steeped in art—she's the granddaughter of one of Italy's greatest collectors—and the couple decided to return to Italy, opening their own gallery in Milan in 1973.

Now the Valseccis' aim is to provide a home for the collection they put together over a half century—a museum open to the public that will also host temporary exhibitions and offer study facilities to scholars from around the world.

Palazzo Butera, once the seat of an illustrious Sicilian family, has floor space of more than 100,000 square feet. By the time it attracted Mr. Valsecchi and his wife,

the property had been on sale for about 50 years and was semiderelict. In Italy, a real-estate transaction concludes with the reading by a notary of the deed of sale. In total, 27 heirs were involved in the deal. "We started at 9 in the morning and finished at 1:30 the following morning. It ran to 260 pages, and each of the princes and princesses had about 25 names. So the notary had to read out every one of them," Mr. Valsecchi recalled.

The Valsecchi-Frua collection ranges widely. "Those are the hats of Naga headhunters," Mr. Valsecchi said as he showed works currently installed at the couple's private apartment in Palazzo Butera—in this case, headgear of an ethnic group distributed over parts of India and Myanmar. The collection also includes William Morris chairs, Zulu masks, art nouveau glass and Chinese tables. Examples of Italian old

masters include "Four Children," an unusual, beautifully rendered group painting by Annibale Carracci (1560-1609), more famous for his frescos.

The couple began, however, by collecting contemporary art. "I have always liked to work with artists who have strong connections with the past: to history, archaeology or whatever," Mr. Valsecchi says. Two of his favorite artists are Anne and Patrick Poirier, a French duo whose work is concerned with themes of memory. Of more celebrated figures like Jean-Michel Basquiat and Jeff Koons, he says: "I always thought that they were manipulators of contemporary themes. There should always be something transcendental—not just what people want, what is consumable." The collectors also own works by Andy Warhol, contemporary German master Gerhard Richter, offbeat British artists Gilbert & George and English sculptor David Tremlett.

But the most compelling artwork may turn out to be the palazzo itself, built over the remains of a Jewish ritual bath and comprising three grand residences from the 17th and 18th centuries. Gold leaf entirely covers the doors of a mirrored ballroom. A drawing room from the late 18th century features esoteric and Masonic symbols. At any one time, around 100 people are at work on the palazzo restoration.

They have reglazed all 85,000 tiles on the terrace, more than 100 yards long, with views across the Gulf of Palermo.

Sicily has famous Greek and Roman ruins, but in museum offerings, Rome and Florence far outshine it. Still, Palermo is in the early stages of a cultural revival,

attracting tourists for architecture that reflects the successive invasions of Sicily by Greeks, Muslims, Normans, Germans, French and Spaniards.

Mr. Valsecchi hopes to forge links between Palazzo Butera and universities in Palermo and abroad—one for current loans to the university museums of Oxford and Cambridge. About 20,000 square feet are being converted into apartments for visiting scholars.

He will be working in a challenging environment. Mr. Valsecchi says that the Mafia hasn't approached him, but six months after his arrival, he was sitting outside the palazzo when shooting broke out. As often happens in Italy in areas gripped by organized crime, local people swarmed into the narrow streets—not to help the police but to shield the Mafiosi they were trying to arrest.

The palazzo is in one of Palermo's most Mafia-ridden quarters.



ANNIBALE CARRACCI'S 'Four Children' (1585).

MASTERPIECE: 'THE AGE OF INNOCENCE' (1920), BY EDITH WHARTON

MUCH MORE THAN A GLANCE AT THE BAD OLD DAYS

BY KELLY SCOTT FRANKLIN

WHEN A NEW YORK Times reviewer announced Edith Wharton's "The Age of Innocence" in 1920, he hailed its critique of the outdated values of 1870s New York high society: "Mrs. Wharton is all for the new," he wrote, "and against the old."

Reading Wharton's Pulitzer Prize-winning novel today, we might tend to agree. Her protagonist, Newland Archer, married to a wife he no longer loves, falls for the exotic Countess Ellen Olenska, a woman estranged from her despicable Polish husband. Bound on every side by unspoken rules, and under the watchful eyes of the clans of New York's elite "Four Hundred," these lovers edge closer to consummating their forbidden desire. But at the novel's denouement, they are thwarted when their families send Ellen back to Europe and Archer's wife reveals that she is pregnant with their first child. Faced with this fact, the hero gives up his dreams of a better life for the sake of the one he has. It feels like a tragedy: Love capitulates to duty, and personal desire falls to the pressure of social norms.

Wharton's novel does paint a frank portrait of the limitations, obligations and repressions of the New York upper-crust world into which she herself was born. But writing in 1919-20 about a culture already long gone, she offers much more than a backward glance at the bad old days. We may prefer stories where the hero breaks out of the trammels of tradition, but that's not the story Wharton tells.

Although the family separates the lovers, nothing actually prevents their running away together. Archer returns to his seemingly loveless marriage because, at heart, he dimly recognizes the essential, stabilizing role of marriage and family. As he somewhat bitterly summarizes his culture's code earlier in the novel: "The individual, in such cases, is nearly always sacrificed to what is supposed to be the collective interest: people cling to any convention that keeps the family together—protects the children, if there are any."

The family, then, must be preserved for the good of the next generation, and when Archer discovers that there will be a next generation, he makes his choice. The author's accomplishment lies in her novel's compelling yet sophisticated challenge to American individualism: for as a master Realist, Wharton remains willing to show us the true cost of Archer's sacrifice to "convention," even while suggesting that the alternative might be far worse.

Wharton reinforces her challenging vision of family responsibility with a subtle detail in the novel. When the lovers secretly meet at the Metropolitan Museum to discuss their plans to be together, they sit before "glass cabinets mounted in ebonized wood which contained the recovered fragments of Ilium." It is an exhibit of ancient Troy, the city sacked, according to Homer, in a war started over a broken marriage.

We shouldn't overlook that Wharton penned the novel immediately after World War I, a conflict that might be described as a family war (the British, Russian and German monarchs were cousins). More important, as an expatriate in France, Wharton saw firsthand the devastation visited upon the families of Europe by the so-called Great War. Organizing, fundraising, and spearheading relief efforts, Wharton devoted herself to serving Belgian war orphans and refugees—supporting some of them with her own money.

Although Wharton's novel closes before the beginning of the war, "The Age of Innocence" nonetheless depicts the passing away of the prewar world. She writes on the cusp of Gatsby's Roaring '20s, and at the edge of Eliot's modern waste land; and she recognized that the old world, and the ways that governed it, were buried.

But the horrors of modern warfare had called into question whether we had really progressed. The new world might be different but not necessarily better than the old one. It is this ambivalence that defines the last chapter of Wharton's novel, picking up almost 26 years after Newland Archer's heartbreaking choice. We find a mature Archer, now a widower with several adult children, confronting with mixed feelings the new norms and social mores governing the turn of the 20th century. The world has changed. There is a new freedom, a new frankness, and a new individualism unshackled by convention or tradition.

But Archer sees that his costly concession to duty, his adherence to the older code of respectability, has given him a life he now recognizes as full. His loving friendship with his son Dallas, a successful architect and "the pride of his life"; his memories of fatherhood; his real mourning at the death of his wife. "After all," he reflects, "there was good in the old ways."

It is, though, an unsentimentalized portrait, and Wharton never soft-pedals the sacrifice. Archer recognizes his real loss of romantic love, self-determination and passion. Yet finding himself in Paris at the end of the novel, he chooses not to visit Ellen even when Dallas arranges a meeting. Sending his regrets, Archer says simply, "Say I'm old-fashioned: that's enough."

Mr. Franklin is a writer and an assistant professor of English at Hillsdale College.



ILLUSTRATION BY CHRISTOPHER SERRA

A tasting tour
of Berlin's döner
kebab, a juicy,
meaty sandwich
in which east
meets west D7



OFF DUTY



We size up
the latest
astoundingly
compact
campers
D8

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE WALL STREET JOURNAL.

Saturday/Sunday, August 26 - 27, 2017 | **D1**

BY ALEKSANDRA CRAPANZANO

ONE NEEDS NO excuse to order a cocktail. The pure pleasure of sipping is reason enough. But there are times when a drink serves an additional, culinary purpose. An aperitif before dinner teases the appetite and awakens the palate. A digestif offers burning clarity and a welcome, stomach-calming astringency at the end of a meal. Until very recently, however, if you weren't drinking alcohol, there was little of interest to serve these tasty functions. Sure, you could order fruit punches and sugary mocktails, but nothing with the finesse of a well-conceived cocktail. Nothing, in other words, that hit that ideal balance between acidity and sweetness, with enough complexity to stir mind and palate alike. That, happily, is no longer true.

Bartenders and mixologists across the country are upping their soft game, creating mocktails with the same degree of attention and creativity once reserved only for the hard stuff.

Nick Bennett, head bartender at Porchlight in Manhattan, applauds this inclusive spirit. "If someone is coming to your bar and asking for

This Drink Has Everything...

...except alcohol.

Sophisticated mocktails are becoming a fine-dining fixture, serving to awaken the palate, complement multicourse meals and punctuate an evening of indulgence as well as any cocktail could

a drink, they are looking to be part of the night's celebrations," he said. "And as bartenders, we wouldn't want to serve something that we wouldn't happily drink ourselves."

Chad Walsh, beverage director and sommelier at the Manhattan restaurant Agern, offers a nonalcoholic pairing menu of eight drinks for \$80. When he first offered this alternative to the usual wine pairing, he worried that the price tag would be a deterrent, even if the time and labor it takes to mix eight rather complicated drinks necessitates that high figure. "But people want that experience," he said, musing on the menu's popularity. "It's great for the staff, too, because they start thinking of flavors in a different way. For example, we'll look at why we might pair Cabernet Sauvignon with a particular dish, and we'll think about what in that pairing can inspire us to create a nonalcoholic alternative."

Mr. Walsh and other bartenders are finding a growing number of ingredients to draw on as they conceive their alcohol-free alternatives. This month, two new nonalcoholic distilled beverages will make their U.S. debut. Already popular in Europe, the two spirits made by Seedlip—woody Spice 94 and the herbal Garden 108—have

Please turn to page D2

[INSIDE]



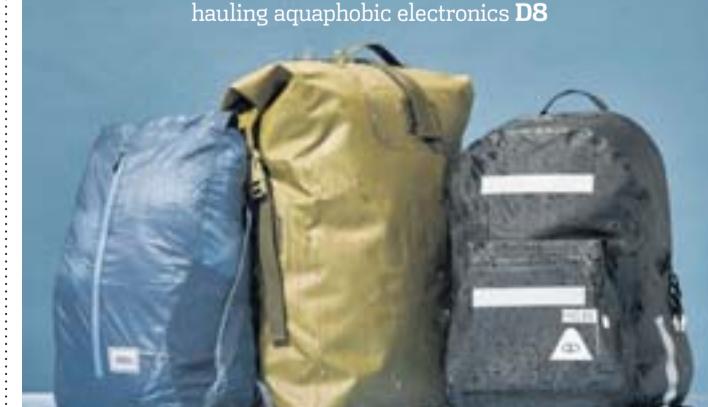
NOW, THAT'S ENTERTAINING
Impress your backyard-party guests with these simple pro-level strategies D5



GET A TAN
The ho-hum khaki trouser gets a style upgrade D4



TREASURE ISLANDS
Sniffing around the once-lucrative 'Spice Islands' of Indonesia D6



ABOVE THE SPRAY
Super-sturdy waterproof bags for hauling aquaphobic electronics D8

EATING & DRINKING

PROPER DRINKS MINUS THE BOOZE

Continued from page D1

quickly made their way onto menus at Agern and Eleven Madison Park in New York, French Laundry in California's Napa Valley and Atelier Crenn in San Francisco.

Ben Branson, creator of Seedlip's spirits, discovered a 1651 edition of "The Art of Distillation" while trawling the web in 2013. Intrigued, he followed the recipes for a variety of medicinal tonics only to find they tasted awful. So he began experimenting with herbs grown on his family's 300-year-old farm in Lincolnshire, England. The result: spirits that are vegan, free of gluten and added sugar and absent alcohol. Amanda Hesser, CEO and founder of the website Food52, which sells both Seedlip varieties, said, "We fell in love with the purity and intensity of Seedlip. Almost immediately, it's become one of our best sellers."

Seedlip Garden 108 is distilled from peas, hay and herbs, while Seedlip Spice 94 is made with cardamom, oak and grapefruit. Both pair well with tonic water. "When two friends go into a bar, and one orders a vodka and tonic and the other orders a Seedlip and tonic, they can watch the barman doing the same thing. No one feels left out," Mr. Branson said.

With a few flavorful syrups in your fridge, making sparkling drinks is easy as opening a bottle.

The fast-growing soda company Dry Sparkling was launched by founder and CEO Sharelle Klaus in 2005. Now the mother of four children, Ms. Klaus spent close to a decade, she said, either pregnant or getting pregnant. One evening, she had dinner plans at the French Laundry, but the idea of an extraordinary meal without wine pairings was so disheartening she canceled her reservation. Regret sparked inspiration, however, and led Ms. Klaus to create her line of beverages.

The Dry Sparkling website offers possible food matches: cucumber soda with ceviche; rhubarb soda with barbecue; juniper with filet mignon, pho or Cioppino; blood orange with tacos, oysters or scallops. "When I launched the company, it was a risky idea, but I believed that American palates were changing and expecting more," said Ms. Klaus. Twelve years later, Dry Sparkling can be found in 30,000 stores in the U.S., including Target and Whole Foods.

Homemade sodas are nothing more than infused simple syrup topped with sparkling water. With minimal effort, most can be made at home. Try experimenting with infusions of spices, flowers and herbs. Once you have a few flavorful syrups in your fridge, making homemade sparkling drinks is as easy as opening a bottle.

Bear in mind that, like cocktails, mocktails are best when they are neither too sweet nor too bitter. One well-balanced category of drink, shrubs, made with fruit and vinegar, "are super food-friendly, beautiful and a good way to use seasonal fruit and preserve it," said Mr. Walsh. Florals can add an exotic touch to citrus. A few drops of rose water in lemonade or a splash of orange-blossom water in orange juice, for example, can lend just enough intrigue. Adding a touch of vanilla to limeade creates the illusion of creaminess. A few dashes of bitters in grenadine turns a child's drink into a more refined adult one.

The mocktail recipes here are good anytime day or night. But consider them

1. Georgia on My Mind

Make peach juice: Peel 8 ripe peaches, slice in half and discard stones. Puree in a blender. (You should have 2 cups puree.) Add 2 cups plus 2 tablespoons freshly squeezed orange juice, 1 cup filtered water, 1 cup almond milk, 1 cup freshly squeezed lemon juice, 1 cup agave syrup and 1 teaspoon ground cardamom. Split a vanilla bean and scrape seeds into blender. Discard bean. Blend on high until smooth. Strain juice through a fine-mesh sieve and discard solids. Chill juice until ready to serve. (Juice can be made up to 3 days in advance.) // Serve in a Collins glass over ice. Garnish with a peach slice, if you like.

—Adapted from Aaron Paul of Alta at Minnesota Street Project, San Francisco

1



2. Saffron and Cinnamon on the Rocks

In a saucepan, combine a 2-inch cinnamon stick, 2 inches fresh ginger root and 1/2 cup sugar with 12 ounces water and bring to a boil over medium heat. When syrup has thickened slightly, add 1/2 teaspoon saffron strands and cook 1 minute more. Remove syrup from heat and let cool to room temperature. (Syrup can be set aside a few hours to further infuse if you have the time.) Strain cooled syrup into a pitcher. // Add 1 tablespoon syrup to 4 Martini or coupe glasses. Add a bit of crushed ice and top with chilled still or sparkling water. Garnish with saffron strands and serve immediately.

—Adapted from "Mocktails, Punches and Shrubs" by Vikas Khanna

2

2



3. Thai'd Down

Combine 1/2 ounces unsweetened coconut water, 1/2 ounce strong ginger syrup (such as Liber & Co. Fiery Ginger Syrup), 1/2 ounce pineapple gum syrup (such as Liber & Co.), 1/2 ounce lime juice, 2 dashes Angostura bitters, 1 basil leaf torn in half and 3 mint leaves in a white-wine glass half-filled with crushed ice, combine 1 teaspoon simple syrup, 2 ounces San Pellegrino Sanbiter and 1 ounce fresh grapefruit juice.

Top with chilled soda water and stir gently. Garnish with an orange twist.

—Adapted from Michael Anthony of Gramercy Tavern, New York

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2 cups. Store in a jar in the refrigerator up to 1 month. // Pour 1 cup hibiscus syrup, 4 cups water and 1/2 cup lime juice into a pitcher and stir until well combined. Either serve immediately or keep refrigerated until needed. To serve, pour into a Collins glass over ice and garnish with lime slices.

—Adapted from Josef Centeno of Baco Mercat, Los Angeles

6

6. Raspberry Rose Soda

Make the raspberry puree: In a blender or food processor puree 4 quarts fresh or frozen raspberries on high until smooth. Strain to remove any seeds. You should have 1 quart of puree. // Combine 1/2 quart raspberry puree with 1 cup sugar, 1 cup organic rose petals (available at kalustyans.com) and 1 cup water, and

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STYLE & FASHION

20 ODD QUESTIONS

Marcia Kilgore

The founder of cosmetics site Beauty Pie, an industry disrupter, talks about the value of \$2 lipstick and the moral dilemma of watching 'Better Call Saul'

A SELF-MADE POLYMATH, big on scanning reams of information, Marcia Kilgore is by any standards a role model for her sons Louis, 13, and Raphael, 10. Still, the beauty executive, 48, doesn't want her children to live with the sense of "lost opportunity" that she does. "I watched so much TV when I was young that I never learned French," said Ms. Kilgore, who woke up the once-sleepy day-spa business with Bliss, the New York City beauty emporium she founded in 1996 and sold to LVMH in 1999 for an estimated \$30 million. Her message? "Do not waste time on something mind-numbing. You could be learning."

Her latest venture, Beauty Pie, a website that launched in the U.S. earlier this year, is a re-education of sorts for an insider like Ms. Kilgore. By mining her decadeslong relationships with cosmetics labs in Europe, she figured out how to deliver high-caliber beauty products directly to buyers. Members pay a \$10 monthly fee (three-month minimum) to buy up to \$100 in products each month; occasional visitors pay more per item but much less than the stratospheric industry markup, which can be as much as 1,200%, according to the website.

The idea was risky, said Ms. Kilgore, because it challenges what people think about luxury goods. "I'm trying to educate people that just because a lipstick is \$2 doesn't mean it isn't incredible. But our brains seem hard-wired to think expensive is better." The Canadian-born innovator, who spoke with us by phone from her home in Switzerland, touched on many topics, from her love of hot yoga and hiking to why she uses the Duolingo app to finally *parler français*.

I never head into a meeting without: scissors and a roll of tape. People put things in front of me—it could be packaging, or printouts of user-experience data—and I cut 'em up and put 'em in the right order. That's my craft, taking complicated things and making them easy.

I stay in touch with the world through: Pocket, an aggregator that understands your interests and sends you five new articles every day. Duolingo is a great way to sneak in five minutes of language practice. I used the word 'inutile' recently with our French housekeeper, and she was impressed.

I know an idea is good when: it terrifies me. If you're almost too terrified to do it, there's a reason.

The last great exhibit I saw was: The Giacometti show at the Tate Modern in London.

I want to see: The Galápagos Islands and the turtles. They may not be there for long. And it's supposed to feel like you're entering a prehistoric world.

I discovered how I process information after I: read the book "Originals" by Adam Grant. In it he says that people who come up with original ideas don't just read about what's going on in their own industry. I scan everything: I'll read about the automotive industry, then I'll get my newsletters about investing and see what's going on in China or with the price of yarn. I have a footwear brand [FitFlop], so I'll read about that industry too. All of these disparate sources form a unique picture, which allows me to come up with ideas.

A Netflix fixation of mine is: "Better Call Saul." You pull for Jimmy [played by Bob

Alberto Giacometti's 'Man Pointing'



LIFE OF PIE Clockwise from top left: Marcia Kilgore in her garden in Switzerland; Cos turtleneck; Beauty Pie lipstick and lip crayon; mojito; a favorite book; FitFlop sneakers; Bob Odenkirk in 'Better Call Saul'

To de-stress, I rely on: extreme exercise, like hot yoga, or I'll go for a hike with a 20-kilo vest on my back. It has to be something so thoroughly exhausting that I can't worry.

Guests at my dream dinner party would be: David Crosby, because the music only scratches the surface. Naturalist Sir David Attenborough, Bernie Sanders, and the guy with the hilarious TED Talk about answering spam [James Veitch]. Theater producer Anthony Pye-Jeary, who is brilliant and witty; Amy Schumer, so Anthony doesn't have to do all the work himself. A friend named Anne Mansbridge, who can make interesting conversation with a lamppost, if a lamppost shows up. And Ira Glass, who does NPR's "This American Life." He's got to be good at dinner.

One person in the beauty world I admire is: [the late] Anita Roddick. She was fair-trade and environmentally conscious before it was fashionable, and her company, the Body Shop, pioneered the idea of ethical and cruelty-free products. She also showed women in business how to take risks.

—Edited from an interview with Dana Wood

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STYLE & FASHION

Tan-I-Am Trouzers

No longer the bland conformist, khakis freestyle into fall with a flattering cut and distinctive details that give them a stylish new profile

BY JACOB GALLAGHER

BEIGE AND NONDESCRIPT, khakis are the most common form of fashion camouflage. "Oh, don't mind me, I'm just another cubicle-bound commuter," they mutter on the street and in the subway. "I'm here to blend, not offend," they whisper at the water cooler. Khakis peaked as a style statement in the early 1990s, when Gap ran their notable "They Wore Khakis" print-ad campaign, featuring such icons as Frank Sinatra, Pablo Picasso and John Wayne in them. At the time, those titans lent a certain cool to the ho-hum basic, yet for most of us, the tan trouser remained a mere olive in the martini glass, not the whole swanky drink.

Lately, though, a funny thing has happened to menswear's less-than-hip pants: Khakis have become compelling. Eye-catching cuts make them an alternative for casual workwear or weekend jeans. Some have wider legs, like those in heavy twill from Noah; others, like S.K. Manor Hill's, sport retro front-pleats, and Pilgrim Surf + Supply's version flaunts dressy one-and-a-half-inch cuffs.

Men seeking a comfortable fit will applaud the 'carrot' cut, a slightly wider fit at the waist that tapers to the ankle but isn't as narrow as the slim cut that has dominated trouser tailoring for so long. "We wanted a silhouette that had a pleat and a cropped [length] because it feels relaxed," said Karin Gustafsson, the creative director of Swedish label Cos.

While the new khakis might turn heads, we're still talking beige trousers. "No one is thinking, 'What the ef is that guy wearing?'" said Josh Peskowitz, owner of Los Angeles boutique, Magasin. Yet the cuts may need a different kind of shoe: burlier boots will pair well with Noah's broad-legged pants, while more-tapered trousers, such as Gucci's, call for a low-profile loafer. Done right, these torqued-up tans speak up but don't get bratty.



KICKED-UP KHAKIS
Wider (but not flared) legs and soft pleats gives these pairs an edge over your granddad's Dockers

ADAM KATZ SINDING (LEFT); MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (BELOW)

KHAKI KINGS // FIVE FASHIONABLE UPGRADES OF THE CONSERVATIVE CLASSIC



Trekker Touches

Inspired by vintage rock-climber shorts, this sporty Pilgrim Surf + Supply pair is kitted out with three zippered pockets and a webbed belt. Yet the tapered fit and cuffed hem makes them as ready for a city commute as the Colorado wild. The light-weight twill adds to their versatility.

Pants, \$215, pilgrimsurfsupply.com

'Carrot' Cut

Carrots: good for your eyes, great for your body image. The flattering "carrot" cut is so dubbed for an inverted triangle shape that flows from a roomier seat to tapered legs. Single-pleated and nipped at the hem, this Cos pair doesn't overdo the volume and looks sharp with a slim-fitting shirt. Pants, \$99, cosstores.com

Bright Detailing

It's good to have options, and Gucci's tapered khakis allow for just that. Feeling plucky? Tuck your polo in, forgo the belt (button side tabs keep you from dropping trou) and display the colorful grosgrain strip in the back. Guys playing it safe can slip on a belt, and no one will be the wiser. Pants, \$660, gucci.com

Tougher Textiles

Just normal khakis, right? No chance of that from New York brand Noah, which employs a burly twill to provide a nice heft you won't get from chinos. These are rake-the-leaves-and-crack-a-beer-in-October pants, with a straight-leg fit that keeps them trim and tailored, not skinny and clingy. Pants, \$228, noahny.com

Roomy Upgrade

As with many neo-khakis, S.K. Manor Hill's New York-made trousers have a single front pleat for an easy fit. Designer Dominic Sondag tripled down on his comfort quest with a longer, cross-front fly and an elastic waist, adding a stitched-in crease, an extra you usually find on dress trousers. Pants, \$415, skmanorhill.com

QUILTING

As a new designer, Mr. Green couldn't afford expensive down feathers, so he tapped his upholsterer uncle to provide affordable fluff. Much to his surprise, the couch-cushion polyester fill gives it a 'clean, flat' look.

COLOR

This electric hue, often referred to in the fashion world as 'Yves Klein blue,' for the French painter who created the shade in the 1950s, is close to the color of the delivery jacket Mr. Green wore while a design student.

POCKETS

As on five-pocket jeans, metal bartacks reinforce mitered corners and slit pockets. The four-pocket design lends pack-mule storage to the unlined jacket. For those who prefer the hint of a waist, side ties cinch in the boxiness.

POINTS OF DISTINCTION

SPECIAL DELIVERY

Inspired by a utility jacket, this quilted version gets inventively reworked into a spiffy classic

DURING HIS STUDIES

at London's Central St. Martin's University, Craig Green dressed more like a handcart pusher than a fashion-design student. "I wore a William Grant-whiskey delivery jacket," said the 31-year-old British designer, who found the topper in a secondhand store. In class, he studied couture clothing, but on his back (and on his mind) was that unadorned utilte coat in heavy, durable cotton.

So when Mr. Green started his eponymous brand in 2012, the patch-pocketed, slightly boxy gem became the inspiration for its signature jacket. "It's something we have gone back to every season, so it's kind of the heart of the brand," he said.

Each jacket has had its own distinct personality: Sophisticated in washed silk or more homespun, crafted from carpet scraps, the worker's jacket evolved. The most eye-popping iteration: a Spring 2016 leprechaun-green version with streaming spaghetti strings on the arms. But it's this quilted it-

eration, introduced two years ago, that is the label's answer to a basic ol' quilted Barbour jacket. Mr. Green's design rewards closer inspection, as its details don't brazenly call attention to themselves. One revision resulted from his own experience: Wearing his jacket day after day, Mr. Green observed that the undercollar discolored. A supple strip of black corduroy was added, and voilà, no more browning.

Chalk it up to Mr. Green's own working-class roots (his father is a plumber, his uncle, an upholsterer) that the trusty layer's style endures more than one season. "If I find a fit I love, I'm annoyed if I go back a year later and don't like it anymore," he said. In so doing, he is bucking the make-it-new fashion cycle and offers his jacket in the same easy fit and shape year round—and year after year. "[Men] like to stick with what they like," said Mr. Green. "They're creatures of habit."

—J.G.



DESIGN & DECORATING

Host a Cultivated Garden Party

As you gear up for the summer's last backyard get-togethers, crib these easy, elegance-adding strategies from the pros

BY CATHERINE ROMANO

NOT THAT your soirees are catered out of the trunk of a car or revolve around a staked pig in a fire pit, but even sophisticated hosts can lift good ideas from other tasteful party givers. Here, interior designers, chefs and event planners share their go-to hacks for turning a standard backyard party into an evening to remember.



▲ Beautify the hors d'oeuvres

"Flower-pressed cheeses make appealing appetizers," said Stefani Bitter, who with Alethea Harampolis authored "Harvest: Unexpected Projects Using 47 Extraordinary Garden Plants" (Ten Speed Press). In cold water, dip edible flowers such as nasturtiums or the blossoms of chives or basil; let dry on a towel; then gently press the flowers into a cheese round.

Conjure destinations

"People tend to congregate in the same area—typically the bar," said New York designer Phillip Thomas, who creates focal points to entice guests to wander. Some suggestions: a fire pit, giant Jenga or Connect-4 style games, croquet, bocce or pétanque. Group a few lawn chairs away from the action for those who want to sit and chat, added Mr. Thomas. Visually, that creates "an interesting fixture on the horizon as well as a destination."

Cart the libations

"A rolling bar cart is a great investment that can elevate an otherwise laid-back outdoor meal and be used indoors during winter months," said Manhattan designer Tina Ramchandani. It also allows people to serve themselves.

Domesticate the yard

Shannon Wollack, founder of Studio Life.Style in Beverly Hills, Calif., suggests bringing the indoors out by setting floor pillows on the grass or a blanket beside a low table. "This creates visual layers, but it's also functional," she said.

Channel Liberace

"Candelabras at a casual party can be a great contrast and dramatic," said Sag Harbor, N.Y., designer Tamara Magel. In her place settings, green glasses echo the verdure in the yard. "It changes the whole feel of the table," she said.



HOLLY WALES



▲ Banish red solo cups

New York event designer and planner Bronson van Wyck suggests springing for classic (and shatterproof) silver julep cups. "They feel polished and can double as vases for flowers, greens and garnishes," he said. "Everything tastes better in them, too, especially bourbon."

Think location

"I like eating under the long expanse of a tree limb or in an indoor-outdoor space with a view framed by nature," said San Francisco landscape designer Katharine Webster. "These types of scenarios create lasting imprints we yearn for in the deep dead of winter."

Sack the tables

"I love using burlap for my tablecloths," said Tanya Nayak, a Boston interior designer and restaurateur. "It's inexpensive, disposable and gives an outdoor party a rustic chic feel."

Be of the cloth

MYdrap biodegradable cotton napkins can be washed six times before you toss them, said Raun L. Thorp, of New York architects Tichenor & Thorp. They're available in multiple sizes and colors, "and they come on a roll!"



▲ Switch up the greenery

"In an elegant outdoor table-scape, it's all about creating texture," said Andrew Petronio of New York's KA Design Group. Succulent plants add an unexpected organic note.

Soft-pedal the silver

"Wax papers come in a variety of colors and help mismatched serving pieces feel cohesive," said Mr. van

Wyck. You can even break out the fine stuff. "Upgrade your spread with your grandmother's silver trays," he said, "which will look right at home in the backyard when lined with red waxed paper."

Deluxe the comfort food

"Add some high-low combinations to your menu," said New York party planner Sam Masters. "Truffled mac-and-cheese, sage-brined fried chicken and a pickled okra and heirloom-tomato salad are fancy twists on easy classics."

Coordinate your condiments

Transfer ketchup, mustard, et al., to plain clear squeeze bottles, which can be found at the Container Store, suggested Brooklyn, N.Y., chef and stylist Anna Harrington. "They'll look neat—matching and without branded labels."

Warner Miller, based in Los Angeles and Seattle. This eliminates a flow of people taking trash inside or, worse, setting it down randomly.



▲ Light the way

"We love all of the modern options for rechargeable LED lighting," said Anita Dawson of San Diego's Dawson Design Group. Favorites include the portable FollowMe table lamps by Marset.

"They hold their charges for hours and can easily follow the party as guests migrate from patio, pools and if you're lucky, to the beach."

SWOON SONG

Floral designer **Lindsey Taylor** creates a radiant bouquet that evokes the withering heat of Vincent van Gogh's 'Olive Trees'



THE INSPIRATION

THANKS TO the way Instagram allows us to armchair-travel via everyone else's summer vacations, I've been feeling a deep desire to be in the south of France and quite frankly wonder why I'm not there. To satisfy that urge, I turned to Dutch Post-Impressionist painter Vincent van Gogh (1853-1890) and one of the 15 paintings he made of olive trees in Saint-Rémy-de-Provence. Produced from 1889 to 1890, they powerfully evoke deep summer. The fiery-yellow sky and swirling gestures in "Olive Trees," part of The Minneapolis Institute of Arts collection, felt exactly as I usually do this time of year...hot and dizzy.

Like most artists, van Gogh had an innate ability to look closely at nature, seeing what others miss. In letters to his brother Theo, he expressed frustration at being unable to re-create the beauty he saw. I tried to put a little of that sadness, and the heat of the summer he captures so well, into my arrangement. I started by gathering some height-of-the-season classics like yellow



THE ARRANGEMENT

sunflowers and yarrow. I didn't have olive branches to snip so went for cuttings of my Salix purpurea 'Nana' (a compact willow), whose foliage looks a bit like olive leaves. Blooming bronze fennel gave me the relaxed look I wanted, and from the flower market I brought in strong orange ranunculus, not exactly in season but crucial to the hot palette. A simple inexpensive footed bowl served as my vessel. Pedestaled bowls give another dimension to flower arranging, as they provide a lift to the bouquet and allow the flowers to gracefully tumble far below the composition's center before

hitting the table. Floral tape adhered in a grid across the rim fashioned support for the stems. I let some of the flower collapse on the table, as if exhausted by the heat and overwhelmed perhaps by too much

beauty—maybe similar to the way van Gogh may have felt. I enjoyed watching the bouquet age, too, continuing to look beautiful as it flopped and faded before its final demise.

Bright orange ranunculus and arching fennel blossoms suggest summer heat, as does Vincent van Gogh's 'Olive Trees' (1889).

Vessel: designer's own

ADVENTURE & TRAVEL

Old Spice

Indonesia's aromatic Banda Islands, prized property during the Age of Exploration, still attract adventurers

BY GABRIELLE LIPTON

AT MIDNIGHT on my last night in eastern Indonesia's Spice Islands, I sat on a sea wall with my feet hanging over the waters of the Banda Sea. Behind me, the veranda of Hotel Maulana, on the island of Banda Neira, bubbled with the din of guests. Some had come from England as friends of the islands' so-called princess, now a Londoner who grew up climbing mango and jambulang-fruit trees on these islands. It was the night of her wedding, and a dj's beats fueled dancing in the street fronting the hotel.

I'd been living in Jakarta for two years before making the trip to Banda Neira, prompted by my adventurous mother's coming to visit from the U.S. Even few of my expat friends knew of this 10-island archipelago, formally known as Banda Islands, in Indonesia's Maluku province. These are the islands whose nutmeg, cloves and cinnamon made them among the world's most coveted property during the Age of Exploration (15th to 18th centuries). These are the islands Christopher Columbus was looking for when he found America instead. How had they fallen off the map?

Accessibility might have something to do with it. To reach Banda Neira, the most touristed of the is-



WAY OFF THE SCENT Indonesia's Banda Islands (aka the Spice Islands), where Christopher Columbus was headed when he stumbled upon America.

land chain, we took an overnight flight from Jakarta to Ambon, the Malukan capital, then a five-hour trip on a ferry that's often canceled. One gets the sense that it's up to the islands to decide when visitors can come and go.

In 1512, Portuguese sailors could smell the nutmeg from 10 miles out.

As our ferry finally glided through the gateway channel to Banda Neira, once the administrative capital of the Dutch East India Company, the scene struck us like a watercolor from a children's book. On one side, the jungle-covered Mount Api volcano—an island unto itself; on the other, Banda Neira, its shores covered in the wide umbrellas of old palms, punctuated by the butter-yellow balustrades of colonial homes.

Travel logs say that Portuguese sailors could smell the nutmeg from

10 miles out when they came here in 1512. They were the first Europeans to reach the islands, followed by the Dutch and British. Nutmeg, then, was the world's most valuable commodity after silver and gold, believed to be both a potent medicine and hallucinogen (not to mention flavorful meat preservative). Its Bandanese price could be marked up 60,000% in Europe. In 1667, the Treaty of Breda saw the British trade their last "spice island" to the Dutch in return for New Amsterdam—present-day Manhattan—and from then on, the Dutch controlled the islands along with much of Indonesia until the country's independence in 1945.

This July marked the 350th anniversary of the Treaty of Breda, but weathering aside, Banda Neira has changed little since its days as a Dutch village. Homes and crumbling churches line narrow streets, and the 1673-built Fort Belgica still stands guard atop the highest hill. Even our hotel, Cili Bintang Estate, opened by Banda native Abba Rizal, fits in, as a replica of a

Dutch plantation manse, complete with a crystal chandelier and woven ikat textiles. Every night, Dila, Mr. Rizal's wife, cooked ambrosial Bandanese feasts—cinnamon soup, coconut fish curries and sweet almond squares with brown sugar and spices.

One evening, Mr. Rizal took us for sunset drinks atop the fort and told us about the princess bride's grandfather, the late Des Alwi, whom the Bandanese regard as their unofficial king. The son of a wealthy local pearl farmer, Alwi spent two decades abroad as a diplomat before returning to focus on the islands. In the 1990s, he converted his father's pearl warehouse into Hotel Maulana, enticed a few high-profile guests (including Princess Diana, whose sketch still hangs in the lobby) and poured the revenue into rejuvenating the nutmeg industry. Now, Alwi's daughter, Tanya, is working to make the islands a Unesco World Heritage site.

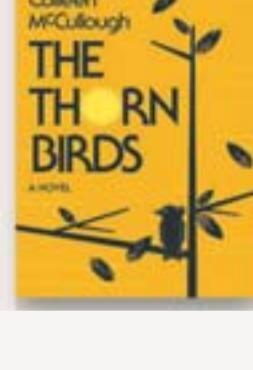
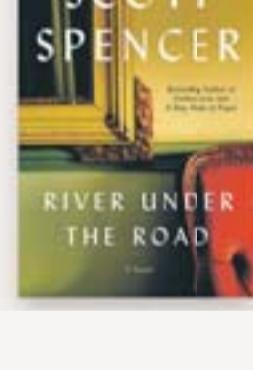
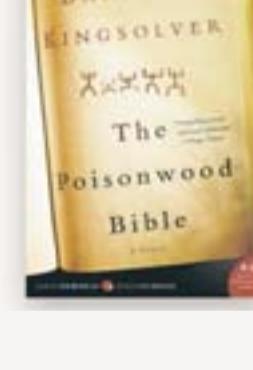
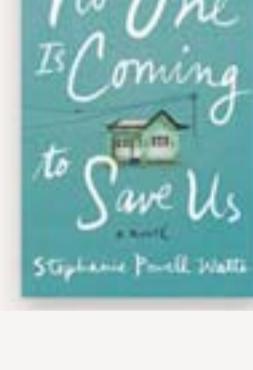
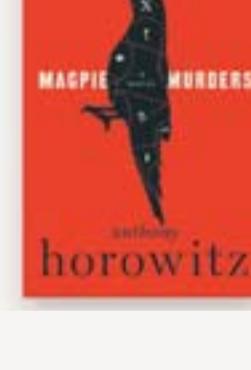
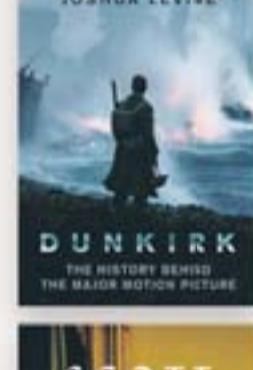
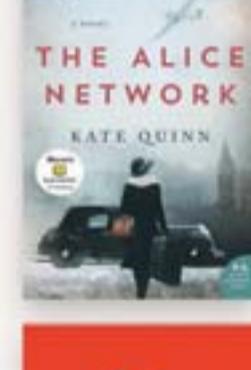
One afternoon, Mom and I rode a rickety boat out to the neighboring island of Pulau Hatta, so named for

politician Mohammed Hatta, whom the Dutch exiled here in 1936. Rather than letting his political ambitions dissolve into the snow-white sand, he collaborated with fellow exiles to bring about the country's independence and his future as the first vice president. Not nearly as ambitious, we picnicked in hammocks and swam with sea turtles through candy-colored reefs, which are the second-most biodiverse in Asia's Coral Triangle Marine region. Another day brought us to the island of Banda Besar, where we tramped through plantations of fragrant cinnamon, nutmeg and almond trees.

On my last morning, I wandered through Banda Neira's small streets to buy spices to bring home. Women were opening their shops, arranging packets of sugared nutmeg rinds, thick-stemmed cloves and cinnamon sticks. Our ferry was already waiting in the harbor, but I wished it wasn't. I wouldn't have minded if the islands kept me a little longer.

► For more about the Banda Islands, see wsj.com/travel.

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IN SEARCH OF

Bundles of Joy

A guide to Berlin's star sandwiches, the döner kebab, the savory Turkish import that's been supersized for Teutonic tastes

BY JAY CHESHES

You want everything on it, you order it *komplett*," instructed Berlin food blogger Per Meurling as we strolled up to a window at a döner kebab shop in Kreuzberg, the city's hipster hood, to order a hulking meat sandwich. Mr. Meurling, a Swedish expat who moved to the German capital in 2009 to work in mobile gaming, now trains his laser focus on the city's ubiquitous dish: döner kebab sandwiches. He not only publishes a regularly updated list of the city's best versions on his website, berlin-foodstories.com, but leads occasional—and immensely filling—tours across the city, zipping from one döner spot to the next.

Few foods are as emblematic of Berlin's new multiculturalism as döner kebab—it's more popular than schnitzel.

This portable meal first arrived in the German capital in the 1960s with the Turkish guest workers who came to the city as part of an agreement with Turkey during Germany's postwar boom, bringing along their food traditions. The vertically stacked spit-cooked meat that's a staple of Turkish cooking ("döner" translates as rotating) was stuffed into bread here, and over the years, the sandwich morphed to adapt to Teutonic tastes with the bulging addition of salads and sauces.

Nobody knows for sure exactly when or where the sandwich made its debut. That it even started here remains widely disputed—it's just as popular in Istanbul (though generally served with far fewer condiments). "At least two people [in Berlin] claim they are the inventors of döner kebab, and they're both lying," said Pierre Raffard, a French academic who has been working on a book about döner and its spread around the world. Mr. Raffard said the idea of stuffing döner meat in bread goes back to the 19th century

in Turkey, but in Berlin it grew into a highly organized commercial force. "It's from Berlin that it spread to new countries and conquered new customers," he said.

Few foods are as emblematic of the German capital's new multiculturalism. This east-west hybrid has become more popular than currywurst, schnitzel and pretzels—sold on seemingly every corner, from gas-station convenience stores to full-service restaurants. Now döner factories across the country supply cookie-cutter fast-food spots with meat, bread and packaged sauce. "A lot of the mass-volume döner is crap," said Mr. Meurling as we dug into the first sandwich on our tasting tour. "We're basically going to unicorns," he added, referring to the city's few standout purveyors.

Reliably quick and cheap, a serving of Berlin döner generally costs under \$5. The sandwiches come in puffy bread and hoagie rolls, or rolled like burritos in flat dürüm-wheat bread. Condiments run the gamut from classic lettuce, tomatoes and onions to Germanic red cabbage, with your choice of garlic, herb and sweet-chili sauces. The meat, rubbed in a spice blend fragrant with cumin and coriander (sometimes with a jolt of hot Turkish paprika), can be hand-sliced with a long saber of a knife or sheared off with an electric shaver. The stacked meat is often beef or veal, occasionally flavored with layers of lamb fat (actual lamb being too costly). Chicken, served with fried vegetables, is its own distinct genre.

The artisanal döner kebab has yet to make an appearance, but not for lack of effort. Last summer, food activists including Kavita Meelu, who organizes a popular street-food market on Thursday nights in Kreuzberg, helped launch the first Kebabistan, a food fair designed to encourage creative thinking around döner and its Middle Eastern cousins such as shawarma, which arrived with new waves of immigrants from Syria and Lebanon. "Since the 1970s the aim for kebabs has basically been to make them cheaper," she said. "They haven't evolved to represent the new generation of immigrant children who grew up in Germany—maybe it's time for a discussion of what the kebab should look like now."

ECLECTIC Rüya

Few dispute the Berlin origins of the kitchen-sink sandwich sold at Rüya, a graffitied shack in the Schöneberg section of the city. "Gemüse kebab" in the local lingo, this slightly more healthy spin on the classic veal or beef döner features shaved chicken, crumbled sheep cheese, fresh mint, fried potato, carrot and eggplant all served in a hoagie bun. The famous purveyor of this niche döner style remains Mustafa's, a hugely popular cart in the neighborhood next to Rüya's—but the quality is as good here, insists Per Meurling, and the lines much shorter. *Hauptstrasse 133, facebook.com/RuyaGemuseKebab*



MEATLESS Vöner

Berlin's first vegan döner purveyor opened its bricks-and-mortar location in 2006—serving the same fake-meat sandwich they'd been selling for years at music festivals across Germany. A loaf of rusty-hued seitan rotates on a spit inside the cozy shop. With its crispy edges and peppery finish, the sliced-up wheat protein makes a pretty good stand-in for meat, piled into warm Turkish bread with lettuce, tomato, and chili and herb sauces. *Boxhagener Strasse 56, voener.de*



BEEFY Imren Grill

For a more assertive sandwich, a few döner spots substitute beef for milder veal on their rotating meat stack. Imren Grill, a mini-chain with six spots across the city, serves one of the meatiest, most potently seasoned beef döners in town. A generous heap of beef, flavored with caramelized onion and melted lamb fat, is stuffed into puffy bread smeared, if you like, with extra-fancy hot sauce. A light sprinkle of tomato and lettuce top the heap. *Karl-Marx-Strasse 75, imren-grill.de*



CIVILIZED Hasir

Many döner spots are no-frills grab-and-go operations with bright overhead lights and a few bare-bones seats. The flagship Hasir off Kottbusser Tor—part of a group of restaurants descended from Mehmet Aygün's original döner shop, where the sandwich may have first appeared in Berlin—offers a more civilized dining experience, with waiter service, upscale décor, even a chance to sip beer while you eat (most döner joints are alcohol-free). The döner itself is a pretty classic veal number, the meat hand-sliced in the window with long strokes of a blade. *Adalbertstrasse 12, hasir.de*



CLASSIC Tadim

Few spots do a classic Berlin-style veal döner sandwich as well as Tadim. This 20-year-old hole-in-the-wall in Kreuzberg nails all the elements of the standard-issue model found across the city. Its massive two-handed sandwich features a big crusty triangle of soft warm Turkish bread pried wide-open and filled to bursting with succulent spiced meat, shredded lettuce, chopped tomato, sliced onion and a drenching of house-made red chili-and-yogurt-based garlic and herb sauces. *Adalbertstrasse 98, tadim-lahmacun.de*

GEAR & GADGETS

Happy Little Campers

Easier to park than traditional RVs but packed with amenities, compact campers make it easy to bring your home away from home

BY JONATHAN WELSH

DID YOUR LAST stay in a cookie-cutter hotel room or subpar Airbnb apartment leave you longing for cozier lodging? As many road-tripping vacationers are discovering, the most satisfying form of shelter might be the type you can hitch to the back of the car.

A natural extension of the Tiny House movement, a new crop of stylish travel trailers is attracting first-time buyers to a market that once seemed dated and dowdy.

Unlike the camping trailers that were the rage in the 1920s and 1930s, today's models have rugged body shells made of composite materials, smooth-riding suspensions and interiors that can be rejiggered for the needs of the day.

Nor are we talking about your father's hulking RV, either, with its elaborate décor, complicated plumbing and sprawling dimensions that make finding parking difficult to impossible.

Modern-day mini trailers are, above all, practical. With square footage typically under 100 square feet, you don't need a pickup truck or SUV to tow them. In most cases, a sedan can do the job.

These trailers are making a big dent on the overall RV market, where sales are breaking records. Last year, shipments for recreational vehicles of all types totaled 430,691—a 15% increase over the



ILLUSTRATION BY DAVE URBAN

preceding year, according to the

Recreational Vehicle Industry Association. And shipments hit 256,430 in the first half of this year, with

trailers (not motor homes) making

up the vast majority, over 87%.

Unlike an RV, small trailers aren't meant to serve as full-fledged living quarters. For most fans, a trailer serves as a carryall and mobile mo-

tel room; the main draw is what

happens outside and around, rather than inside. They're ideal for vacationers who want to bring along more bikes, boats or other gear

than will fit on the roof of the station wagon.

Here's a look at some of the most stylish, practical and versatile tag-along options on the market.

TOW POWER TO YOU // FIVE ESPECIALLY FETCHING AND COMFORTABLE CAMPERS YOU'LL BE HAPPY TO LUG ON YOUR NEXT ROAD TRIP



Airstream Basecamp

Airstream previously targeted younger travelers with its small Basecamp trailer in 2007, but within two years the recession had sidelined the model (and most of the RV industry). Today, however, the redesigned aluminum trailer has taken off. "We launched the Basecamp with a goal to build 10 trailers a week," said company CEO Bob Wheeler, but weekly production soon jumped to 15. Although the Basecamp is not intended to be a house on wheels, according to Mr. Wheeler, it does offer many comforts of home, including a refrigerator, sink, two-burner stove and optional microwave oven. Sure, the toilet is inside the shower stall to save space, but there is a hand-held outdoor shower. The kitchen counter sits below a wrap-around window at the front of the trailer for panoramic views while cooking. A less-expensive entry model, the Nest, is slated for release next year. From \$35,900, airstream.com



Happier Camper HCI

With an unloaded or "dry" weight of 1,100 pounds, the Happier Camper is among the lightest trailers available and is well within the towing capacity of most cars (even compact models). Its 72-square-foot interior—the smallest of the bunch—might make a Manhattan studio apartment seem roomy, but a system of modular furniture, called Adaptiv, makes the most of the limited space. Blocklike elements—ranging from chairs and tables to kitchen sinks and ice chests—are of a uniform size so they can be efficiently arranged in the camper. Switch the interior from kitchen to living room, lounge to sleeping quarters for up to five, all on the fly. The furniture and even the stove can be detached and used outside. Tall adventurers, take note: The approximately 6-foot-high ceiling might require some stooping. From \$18,950 (\$26,740 for the Premium model shown), happiercamper.com



Safari Condo Alto R Series

The wind-tunnel-designed trailer's total height is just under 7 feet and shaped like an airfoil. According to Safari Condo, the unusual design of the Alto serves two purposes: The aerodynamic form improves the tow vehicle's fuel efficiency, and the design is low enough to fit easily through a standard garage door. When you reach your destination, just flip a switch to engage an electric motor that raises the Alto's roof and reveals a crescent-shaped expanse of windows. This not only allows light to flood in but boosts headroom to a generous 6 feet 10 inches—enough to keep most travelers from feeling hemmed-in. The Alto's interior includes a flush toilet, stove, microwave oven, refrigerator and beds that can sleep up to four people. According to the manufacturer, the camper's aluminum and plastic structure are recyclable. From \$28,300, safaricondo.com



Opus Off-Road Camper

Although pop-up campers—which blend the rigid structure of a trailer with the fabric enclosure of a tent—have been around for decades, the Opus Off-Road is much more convenient to set up. This rugged trailer offers a \$2,500 upgrade called Air-Pole that raises the tent automatically in 90 seconds. Just park the trailer, open the lid and turn on the built-in air pump. You'll have to tuck in the ends of the tent and fasten a few external support rods, but there's no need to wrestle with unwieldy tent poles. Despite its relative lack of structure, it still offers a sink, four-burner stove and refrigerator, which slide out from the side of the trailer to form an outdoor kitchen. The interior living space isn't too shabby either: It includes double beds at each end, a dining table and banquette that converts into a bed for two. From \$21,999, opuscamper.us



Winnebago Winnie Drop

Winnebago has been in the trailer business since the middle of the last century, and the aggressively priced Winnie Drop is a homage to one of the company's models from the 1950s. Similar to a shrunken version of a full-size trailer, the Winnie Drop offers a number of big-trailer features, like a stand-up shower, indoor and outdoor kitchens and an expandable section that slides out to the exterior to add interior space. And while the Winnie Drop lacks the updated styling of the Alto and Airstream, it does offer more interior elbow room and storage space. Just be aware that there is a trade off for that roominess, however: Weighing in at as much as 2,800 pounds empty and 3,800 when fully loaded, the Winnie might be too much mass for some cars and even smaller SUVs to haul comfortably. From \$13,333, winnebagoind.com

GEEK CHIC

FLY AND DRY

Waterproof sacks aren't just for outdoor enthusiasts. They're also a godsend for the tech-savvy seeking to prevent electronics from getting soaked

FOR PACKABILITY

1. Matador's Freerain24 Backpack

Made from an ultrathin 30D Cordura nylon, this featherweight backpack can be folded down into a packet small enough to fit in the palm of your hand or stuff into your back pocket. A main compartment with a roll-top offers 24 liters of waterproof storage, while a non-waterproof zippered compartment, spanning the length of the bag, provides quick access to your less-delicate possessions.

FOR RUGGEDNESS

2. Watershed's Animas Backpack

Weighing a hefty 2 pounds, Watershed's military-grade Animas pack,

made of thick 420D Cordura, may not be the lightest option, but it is exceptionally sturdy. A ZipDry closure—think heavy-duty Ziploc bag—ensures a foolproof seal. And the bag's subtle coyote color transitions effortlessly from office to campfire.

FOR CLASSIC STYLING

3. Poler Stuff's Rambler Backpack

The Rambler Backpack melds the practicality of a dry bag with the form of a traditional backpack. Waterproof, sealed zippers pair with a matte-black finish for a more metropolitan feel. An integrated neoprene laptop sleeve protects your computer from bumps, while bold bands of reflective silver improve visibility in the rain. —Lauren Ingram



IN THE BAG From left:
Freerain24 Backpack, \$60,
matadorup.com; Watershed
Animas Backpack, \$148,
bestmadeco.com; Rambler
Backpack, \$95, polerstuff.com