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What's News

World-Wide

Sessions promised to crack down on leakers of classified information and said the Justice Department would review policies on subpoenaing news organizations. **A4**

◆ Venezuela's government moved to consolidate Maduro's rule, convening a powerful new national assembly aligned with him. **A6**

◆ An appeals court overturned sentences imposed on three ex-Blackwater security guards for the 2007 shooting deaths of 14 Iraqis. **A4**

◆ The EU slapped sanctions on Russian officials and firms connected to the illegal transfer of gas turbines to the annexed peninsula of Crimea. **A6**

◆ The building project that drew a subpoena for Kushner's family company relied on a Beijing firm to find wealthy Chinese to invest in exchange for green cards. **A8**

◆ Two men facing terrorism charges in Australia were part of an attempt to put an explosive on a flight last month, in a plot directed by Islamic State, police said. **A7**

◆ The U.S. plans to stress its engagement with Asia on regional security at a summit this weekend. **A8**

Business & Finance

◆ The U.S. in July posted a record 82nd straight month of job creation and an unemployment rate at a 16-year low, despite slow growth in output. **A1**

◆ The Dow rose 66.71 to a fresh record of 22092.81, buoyed by the jobs report. **B10**

◆ Shkreli, the scorned drug executive, was convicted of securities fraud involving two hedge funds he managed and a firm he founded. **A1**

◆ ADP fired an unusual salvo against Ackman, making the first strike in what is shaping up to be a nasty fight over the firm's leadership. **A1**

◆ Google is developing technology to let publishers create visual-oriented media content along the lines of Snapchat's news product. **B1**

◆ Toyota's move to build a factory in the U.S., part of a larger plan to boost output in Mexico and Canada, won praise from Trump. **B1**

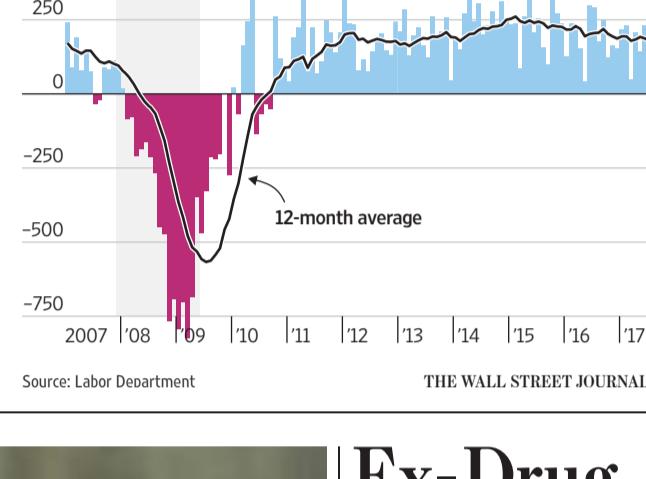
◆ Berkshire's earnings fell 15%, dragged down by lower investment gains and a loss in its insurance-underwriting segment. **B2**

◆ Elliott disclosed a 6% stake in NXP, a signal it plans to push Qualcomm to raise its offer for the chip maker. **B3**

Record Jobs Run Fuels Economy

Steady Strength

Monthly change in nonfarm payrolls, seasonally adjusted



THE WALL STREET JOURNAL.



After taking the reins as White House chief of staff, John Kelly attended a Medal of Honor ceremony on Monday in the East Room.

THE WEST WING'S NEW SHERIFF

Chief of Staff John Kelly is trying to bring order and discipline to a White House riven by conflict

By MICHAEL C. BENDER
AND REBECCA BALLHAUS

WASHINGTON—In the Oval Office earlier this week, a small group of senior officials talked with President Donald Trump about plans to take on Beijing over intellectual-property theft. When a side debate broke out between two top aides, the new White House chief of staff ordered the pair out of the room.

Return, John Kelly told them, once your differences are resolved, according to a person familiar with the exchange.

The move kept the meeting on track.

It also signaled to top staff that Mr. Kelly, a retired four-star general, planned to bring new order and discipline to the West Wing that has been riven for six months with division and disorganization.

After one week, other signs of Mr. Kelly's taking the reins include the end of the unchecked flow of paperwork that crosses the Resolute Desk in the Oval Office, and a new, more formal process for meeting with the president, according to interviews with more than two dozen White House officials, the president's informal advisers, associates of Mr. Kelly, members of Congress and Capitol Hill aides.

The new rules extend to Mr. Trump's family. Son-in-law Jared Kushner and daughter Ivanka Trump, who serve as official advisers in the White House and have their own staffs, now report to Mr.

Kelly instead of directly to the president, as does chief strategist Steve Bannon.

Staffers no longer loiter outside an open Oval Office door, hoping to catch the president's eye to be waved in for a chat or the chance to pitch a new idea. That door is now closed.

Aides can't linger outside the chief of staff's office, either. White House staff waiting to see Mr. Kelly—or other senior advisers in nearby suites—are asked to remain in the lobby, where White House visitors sit on couches and can read a selection of daily newspapers.

Mr. Kelly's new process has slowed

Please see KELLY page A10

◆ Sessions promises crackdown on leaks... **A4**

◆ Kushners' partner in China draws scrutiny **A8**

Please see TRIAL page A4

Sorry, We Don't Employ Anyone Named Iron Man

* * *

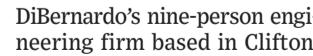
Companies pay a price for sharing names with fictitious ones

By SPENCER JAKAB

Rich DiBernardo thought it would be fun to name his company iniTech after the awful corporation in Mike Judge's cult classic "Office Space." Then came the TPS reports.

A prankster has faxed thousands of them, bearing the iniTech logo, all over the world over the years, with a note that they hadn't been filled in correctly. Most went to people who probably had never heard of TPS reports, a much-maligned piece of paperwork featured in the 1999 movie.

Hundreds of the recipients have googled the real-life iniTech and contacted Mr.



A red stapler

DiBernardo's nine-person engineering firm based in Clifton, N.J., asking for the faxes to stop.

Would he change the name of his 11-year-old company? No. "It was clearly the right name to use," he says. "It's been a source of laughs."

Employees bought Mr. DiBernardo a pair of suspenders like those of the movie's nightmare boss, Bill Lumbergh, and iniTech hands out

red staplers to workers like the one used by the pyromaniacal character Milton. The company's website even used to have a fake IT contact, Michael Bolton, named after the bitter computer programmer from the film. Emails to the Bolton address went straight to Mr. DiBernardo.

Sometimes reality imitates fiction. Ben Hardt named his technology consulting firm Vandelay Industries—a reference to a famous fictitious latex products distributor from "Seinfeld." On the show, George Costanza made up the company's name and listed it as a potential employer in or

Please see NAMES page A10

ADP Fires First Salvo In Battle With Ackman

By DAVID BENOIT

Automatic Data Processing Inc. fired an unusual broadside against activist investor William Ackman Friday, taking the first strike in what is shaping up to be a nasty fight over the human-resources software giant's leadership.

ADP said early Friday that Mr. Ackman had taken a stake in the company and revealed he was seeking to throw out half the company's board and replace Chief Executive Carlos Rodriguez.

The surprise statement was released ahead of Mr. Ackman's own disclosures. Such a preemptive move against an activi-

ist is rare for companies as big as Roseland, N.J.-based ADP, which has a \$50 billion market value. It highlights how quickly tensions can ramp up when an activist seeks a CEO change—something that is happening more often as the investors seek new ways to boost returns.

ADP said it had denied Mr. Ackman's "last minute" request to delay an Aug. 10 deadline for nominating directors so he could nominate his own slate. Mr. Ackman made the request Aug. 1, ADP said.

ADP defended Mr. Rodriguez

Please see ADP page A7

◆ Elliott signals plans to push Qualcomm on NXP bid.... **B3**

U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

Unused Phone Numbers Hang Up Area Codes



Hold the phone.

Seven places in the U.S. recently received an urgent message: They are in danger of running out of telephone numbers.

But as skeptics suspect, the problem isn't the number of numbers available. It's the way they're allocated.

Take Idaho.

The state has 1.7 million residents and a single area code that can accommodate eight million seven-digit telephone numbers. Only 43% have been assigned, but forecasters predict the supply will run out next year.

To prevent that, Idaho will receive its second area code in September when 986 is layered over 208.

Here's the quirk: The shortages are the result of a billing and routing system that causes surpluses of numbers to accumulate in places where they aren't needed.

Telephone numbers are assigned in the U.S., its territories, Canada and parts of the Caribbean according to the North American Number-

ing Plan, which was developed in 1947 by AT&T to allow callers to dial long distance without an operator.

The format is NXX-NXX-XXXX where N is any digit from two through nine, and X is any digit from zero through nine.

The first three are an area code assigned to a geographical region. The next three are a prefix assigned to a switch within the area code. And the final four are a suffix attached to a landline or mobile phone.

For billing purposes, prefixes are permanently associated with rate centers that correspond to cities and towns within an area code.

In the future, rate centers may become obsolete. But for now, it isn't feasible to abandon the system. And that's where it gets sticky.

Each prefix accommodates 10,000 different suffixes, and unused numbers accumulate when carriers have more numbers than customers.

"If an area code has 100 rate centers, and each has 2, 3, 5 or 10 carriers operating there, they all have inventories of numbers that are not

assigned," said John Manning, senior director of the North American Numbering Plan Administration.

Until the late 1990s, telephone numbers were allotted to carriers in blocks of 10,000, even if the carrier didn't need that many.

"The carrier would use a few, and the rest would sit there," Mr. Manning said.

Now, they are assigned in blocks of 1,000, but unassigned numbers still amass.

While some could be given back to Nanpa, the prefix remains assigned to the rate center.

"Area code exhaustion does not occur when all eight million numbers are assigned to an end user," Mr. Manning said. "It occurs when all 800 prefixes are assigned or are no longer available."

In area code 315, where Syracuse, N.Y., is located, only 37% of the available numbers were assigned

when the second area code was added this year, but only 19 of 800 prefixes remained available.

The same pattern holds true for the other places that will get an additional area code this year.

In area code 518, where Albany, N.Y., is located, 42% of the numbers were assigned, but only 12 prefixes remained.

In 717 in south central Pennsylvania, 47% of the numbers were assigned, but only five prefixes were left.

In 360 in western Washington state, 47% of the numbers were assigned, but only 15 prefixes were available.

In 210, where San Antonio is located, 57% of the numbers were assigned, but only 38 prefixes were left.

In New York City, which uses area codes 212, 646 and 917, 63% of the available numbers were assigned, but only 33 prefixes were available.

And in Idaho, only 44 prefixes remained.

The shortages used to be worse. Today, the instructions for routing telephone calls are stored in a data-

base, technology that allows users to keep their numbers when they switch carriers.

Originally, routing data was contained in the number itself. Area codes were required to have a zero or one in the second position, and prefixes were barred from using those numbers in their second position.

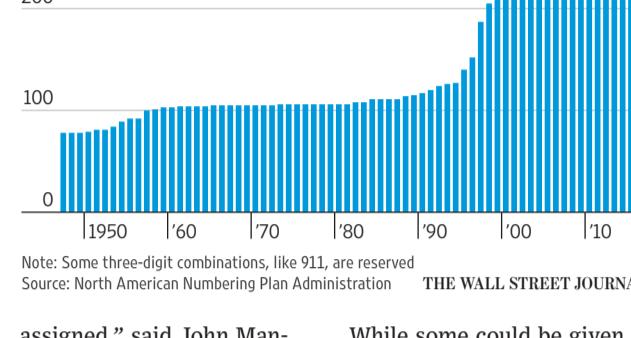
That allowed telephone switches to distinguish long distance calls from local calls, but it also limited the number of possible 10-digit combinations to 1,024 billion.

In 1995, as concern grew that the country was running out of numbers, the rule was eliminated.

Now, there are 6.4 billion possible 10-digit combinations, though some numbers, such as 911, are reserved. Nearly 802 million are assigned in the U.S. with an additional 86 million unassigned in carrier inventories.

Nanpa rolls out four to seven new area codes annually, and with 225 unassigned, it forecasts that it has enough numbers to last more than 30 years.

After that, it may be time to hang up the 10-digit telephone number.



THE WALL STREET JOURNAL.

Slow but Sure Growth Has Kept Inflation at Bay

The current period of sustained job growth is noteworthy for both its longevity and its tepidity...



...which may be why inflation isn't overcooking, even as the unemployment rate remains unusually low...



...and consumer confidence and stocks are near postrecession highs.



Andrew Van Dam/THE WALL STREET JOURNAL.

JOB

Continued from Page One
more jobs, and better jobs, and that's a confidence builder."

Hiring accelerated this summer after a spring slowdown, keeping job growth in line with last year's pace despite expectations among some economists that hiring would cool this year.

Other economic markers are flashing green. The stock market is at records, with the Dow Jones Industrial Average topping 22,000 this week. Low unemployment and modest inflation have stoked consumer confidence to the highest levels since 2000, and that could slowly be translating into more consumer spending, which accelerated in the second quarter.

That points to an economy set to outperform the long but sluggish expansion's 2.1% average annual growth rate through June.

"This is not a 2% economy," said Ellen Zentner, chief U.S. economist at Morgan Stanley. "If you look at the domestic economy, it's much stronger."

President Donald Trump touted July's job report on Twitter Friday: "Excellent Jobs Numbers just released - and I have only just begun. Many job stifling regulations continue to fall. Movement back to USA!"

The monthly pace of hiring has averaged 184,000 this year. That is remarkably consistent with the monthly pace of 187,000 during President Barack Obama's last year in office, despite the starkly different views of economic policy espoused by the two men.

Whether the new president's deregulation agenda is lifting job growth so soon into his presidency is an open question.

One area where the administration has sought to pull back oversight is mining. That category, which includes oil-and-gas extraction, has well

outpaced overall job growth this year, though it was nearly flat in July. Many analysts attribute the sector's rebound after two years of decline to the resurgence in oil prices tied to improved global demand.

"It's not Trump," Ms. Zentner said, noting that regulatory changes often take years to en-

likely keep the Federal Reserve on track to begin slowly shrinking its portfolio of Treasury and mortgage securities this fall and to raise short-term interest rates after that for the third time this year.

One mixed factor for the economic outlook is wage growth. From a year earlier,

average hourly earnings increased 2.5%, thanks to a 9 cents-an-hour increase from the prior month. That is slower than normal in the past quarter-century. Still, the wage picture isn't all bad. When adjusting for low inflation, real wages grew 0.9% in June from a year earlier, a stronger rate than the 30-year average. That means worker paychecks are going further at the gas pump and grocery store.

One factor holding back wages in July was the mix of jobs added. One in four net new jobs last month came in restaurants, among the lowest-paying fields. Labor-force participation is rising among

act and filter through the economy.

She sees different forces at play extending the jobs upturn.

"What we're seeing is the culmination of years of easy monetary policy, improved corporate earnings and stronger global growth," she said.

The latest employment data

Americans with a high-school diploma or less. The figures are stable for those with college degrees, suggesting low-skill, low-wage workers are getting a slightly bigger piece of the economic pie. That could be good news for the many low-skill, blue-collar workers so far left behind in the expansion.

More broadly, an improved job market appears to be drawing discouraged and able-bodied workers from the sidelines. The share of adults between 25 and 54 years old working or looking for work rose in July to the highest level since late 2010, though it remains below the prerecession rate.

Steve Burrows II rejoined the labor force in July and landed a full-time job as a cook at a Seattle restaurant. The 30-year-old was incarcerated and attended the FareStart transitional program to train for a restaurant job. He now earns \$15 an hour, the minimum wage in the city, plus between \$2 and \$3 an hour in tips.

"It's amazing, especially with how long it's been since I was in the workplace," he said. Mr. Burrows said he has been without regular work since 2011 when he left the Navy. "It's a lot easier to have happiness when you don't have to worry about how you're going to pay rent."

An alternative measure of unemployment and underemployment, which includes those who have stopped looking and those in part-time jobs who want full-time positions, held steady at 8.6% in July and is elevated from a prerecession low of 7.9%.

Hiring in the health care sector accelerated in July and employment in manufacturing rose for the second straight month. Business services, including temporary help positions, also rose solidly last month. Employment in the retail sector held nearly flat, stabilizing after declining for much of the year.

Exports of goods reached the highest level on record in June, after inflation. Petroleum exports also hit a record high.

Imports fell largely because of declines in consumer goods like cellphones, jewelry and apparel, as well as a drop in imported crude oil. Imports of capital goods rose, a possible sign of higher business-investment spending.

The U.S. still imports more goods and services than it exports, and the broader trend shows a widening deficit.

Through the first half of this year, the trade gap widened 10.7% compared with the year-earlier period. Exports have risen 6% this year, while imports have grown 6.9%.

—Josh Mitchell and Eric Morath

NORTH CAROLINA

Power Is Restored to Outer Banks Islands

Power was restored to two islands on North Carolina's Outer Banks after a weeklong outage caused the evacuation of thousands of tourists at the height of vacation season.

Evacuation orders for Hatteras and Ocracoke islands were lifted at noon Friday, and ferries resumed regular service, state and county officials said.

The power had been out since July 27, when crews building a 3-mile, \$246 million bridge hit underground cables that are the main distribution line to the barrier islands. Crews worked in the past week to build a new overhead distribution line to bypass the damaged cables, according to Cape Hatteras Electric Cooperative, which serves 7,000 homes and businesses on the islands.

Contractor PCL Construction on Thursday said the company "understands the inconvenience caused by the outage. We are working to provide assistance to those affected."

Several lawsuits have been filed by small-business owners and tourists whose lives were disrupted. North Carolina Attorney General Josh Stein said he has sent lawyers to the islands to investigate complaints.

—Valerie Bauerlein

CORRECTIONS & AMPLIFICATIONS

The name of Aik Chuan Goh, an associate general manager at Uber, was misspelled as Aik Chung Goh in a Page One article Friday about the ride-hailing company's purchase and leasing of defective cars in Singapore.

Federal Trade Commission vacancies weren't filled on Thursday. A U.S. News article Friday about Senate confirmations of dozens of Trump administration nominees incorrectly said the group included FTC nominees.

Portland, Ore., had 100-degree temperatures on Wednesday and Thursday. In some editions Friday, a U.S. News article about weather in the Pacific Northwest incorrectly

said that Portland had seen three straight days of 100-degree temperatures, and the article and a photo caption incorrectly said it was the city's longest hot streak since 1981.

In some editions Thursday, the name of Justice Department spokeswoman Sarah Isiger Flores was misspelled as Sarah Isger Flores in a U.S. News article about race-based college admissions.

A photo of Craig Lambert and Debbie Seid published July 25 with a Life & Arts article about people celebrating their 60th birthdays was taken at the Narrows in Zion National Park, Utah. The caption incorrectly identified the location as Bryce National Canyon.

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

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U.S. NEWS

A Cold Case: New Tactic to Restore Trust

Police aim to rebuild trust after shootings; 'to protect and to serve ice cream'

BY VALERIE BAUERLEIN

Police around the country are trying out a new role in their communities this summer: Mister Softee.

Officers in small-town Salisbury, N.C., and Columbia, S.C., are sending officers out in ice-cream trucks to hand out free treats, joining other good-humored cops from Cleveland to Milwaukee.

The Salisbury police gave ice cream to 200 children and 75 adults Tuesday on the department's maiden voyage past At The Cross Ministries. "I had kids running everywhere to get to the ice-cream truck," said Pastor Debra Ellison. "It was great for the community, and especially our kids, to see the police other than when there is trouble."

The initiative comes after highly publicized shootings in many cities across the country have eroded trust between neighborhoods and police.

Justin Bamberg, a South Carolina lawyer who represents the family of Walter Scott, a black man fatally shot in the back by a white officer in 2015, said reaching out with

ice cream is a step in the right direction, but it cannot be the only step.

"It's a continuing process that has to last 365 days a year, every year," Mr. Bamberg said. "We can't just talk about fixing things anymore. We've actually got to start seeing some action."

Ice cream and other community-oriented policing efforts focus on preventing crime rather than just responding to it. Many departments, with the encouragement of the Obama administration, strengthened community-policing programs, which rely on frequent contact with residents. Proponents subscribe to the "broken window" theory, where officers seek to stamp out minor infractions of the law in hopes of deterring major ones.

Police departments have a long history of community outreach, with baseball youth leagues and school antidrug programs. Many now are experimenting with "coffee with a cop" sessions, choirs, impromptu dance-offs and backyard Slip 'n' Slides. The effectiveness of such programs is unproven compared with strategies like putting more officers on foot patrol. And some cities are seeing violent crime increase despite their embrace of efforts like citizen-training academies, where res-



St. Louis Police Lt. Latricia Allen, second from left, who left a post running a criminal unit to oversee the department's community-policing efforts, with officers Macie Schwartzke, in the truck, and Michelle Woodling, at right.

idents learn what it's like to be a police officer.

St. Louis is experiencing a particularly violent year, with 114 homicides as of Aug. 1, up from 108 homicides in all of 2012. The St. Louis Metropolitan Police Department was looking for ways to rebuild trust after the 2014 fatal shooting of Michael Brown, an unarmed black man, by a white police officer in the nearby suburb of Ferguson.

The chief had heard about a program called Operation Hoodsie Cup in Boston, where starting in 2010 officers have been handing out plastic cups of ice cream.

St. Louis officers went on

Craigslist and bought a used, four-freezer Dippin' Dots truck for \$16,000 and filled it with donated ice cream. The truck rolled out last year in late July, driving around neighborhoods and to events to distribute free ice cream. Its motto: "To Protect and to Serve Ice Cream."

"It was something I knew would get us talking again—police and community," said Lt. Latricia Allen, who runs the department's Operation Polar Cops. "I often say, we break the ice with ice cream." The St. Louis effort has launched a wave of colorful, jingle-playing ice-cream vans at other police departments.

Lt. Allen said some people remain skeptical, claiming the truck is just a surveillance vehicle, or too little, too late.

"They say, 'I don't want any ice cream, I want you all to stop killing us,'" Lt. Allen said. "I say, 'I'm sorry that you feel that way, but you can still have some ice cream.'"

The Columbia, S.C., police department spent \$26,000 on an ice-cream truck that made its debut in July, paid for with bond money for fleet vehicles that was unspent. "It's a head-scratcher" with some officers, Chief Skip Holbrook said, "but the return on investment is in engaging a community where there is a lack of trust."

Columbia police also hold "Front Porch Roll Calls," where officers hold their start-of-shift meetings on citizens' front porches. There is a waiting list of residents who want to host, the chief said.

Fans of community programs say ice cream is worth a try—especially because trucks often are paid for by foundations that support police, as in St. Louis. "Ice-cream trucks are not intended to lower violent crime rates," said Jim Bueermann, president of the Police Foundation, a law-enforcement think tank. Rather, they are intended to bridge skepticism between communities and police, he said.

College Push Gains In Rhode Island

BY DOUGLAS BELKIN

Rhode Island this past week became the fourth state in the nation to offer free community college for state residents.

The program, which will cost the state about \$2.8 million during its first year, is open to graduating high-school seniors and is expected to draw 200 to 300 additional students to the Community College of Rhode Island—the only community college in the state. The measure was included in the state's \$9.2 billion budget, which the Legislature passed and the governor signed Thursday.

Rhode Island joins New York, Tennessee and Oregon among states that have made community college free.

The Rhode Island Promise partially fulfills a pledge made by Gov. Gina Raimondo, a first-term Democrat, who campaigned on a platform of job creation and skills training. She initially hoped to make tuition at public four-year colleges free, but the cost was met with resistance by the Legislature.

"More than 70% of the jobs created require a degree or credential beyond high school, but less than half of Rhode Islanders of working age have that," said Kevin Gallagher, Ms. Raimondo's deputy chief of staff. "We see the Rhode Island Promise as a way to close that gap."

Critics of the free-college movement say access to government money has driven college costs up much faster than the rate of inflation and these sorts of programs exacerbate inefficiencies behind some of those rising prices.

"Ultimately these sort of programs will drive costs up," said Mary Clare Amselem, a policy analyst at the conservative Heritage Foundation. "These proposals distract us from the real problems."

In 2015, President Barack Obama outlined a \$60 billion proposal to make community college free for all, but it went nowhere. Last year, Sen. Bernie Sanders (I., Vt.) popularized the concept of free public college for all Americans during the Democratic primary. That call was echoed by Hillary Clinton, who proposed debt-free college for all.

Pacific Ports, Dockworkers Bet on Labor Peace

BY ERICA E. PHILLIPS AND JENNIFER SMITH

LOS ANGELES—Retailers, manufacturers and other shippers that move goods through West Coast ports are experiencing something unfamiliar: the prospect of years of tranquil labor relations there.

Dockworkers agreed this week to extend their labor contract with West Coast port operators by three years, to July 2022. Ratified on Friday, the extension pushes off labor negotiations into the next decade, and with it, the prospect of a repeat of the contentious talks of 2014 and early 2015, when operations at the nation's busiest ports ground to a near-standstill.

Avoiding another round of

Disputes two years ago led many shippers to reroute their cargo to the East Coast.

crippling cargo delays was the driving force behind the extension, leaders on both sides say. Many shippers rerouted cargo to the East Coast to avoid crippling delays two years ago. Some fear another disruption could make those changes permanent. The Panama Canal was expanded last year, making it possible for bigger ships to pass through and reducing the cost of shipping directly from Asia to the East Coast.

With the new labor contract in hand, the West Coast has

leapfrogged ahead of counterparts at East Coast ports, where the current agreement is set to expire in September 2018. Contract discussions on the East Coast began in 2015 but have yet to produce a new agreement or extension.

"It's definitely an improvement for the competitive situation of the West Coast," said Paul Bingham, a trade economist with Economic Development Research Group Inc. "The longshoremen know they're in a competitive market and they have some influence over supply chain managers through labor peace."

The East and Gulf coasts have seen more cargo from Asia since the Panama Canal expansion. In the second quarter, the regions' ports received 7.8% more imports over a year earlier, compared with a 4.6% increase on the West Coast, according to trade research firm Panjiva Inc.

Wage negotiations will likely begin "in the coming months," said James McNamara, spokesman for the International Longshoremen's Association, which represents East Coast and Gulf Coast dockworkers. The ILA and the United States Maritime Alliance Ltd., representing port employers from Maine to Texas, haven't held formal contract talks since February.

"We're not at a dangerous point; we have over a year to go on the current contract," Mr. McNamara said.

Earlier this year, a work slowdown at South Carolina's Port of Charleston brought truck traffic to a standstill.

Despite such hiccups, David Adam, chairman and chief executive of the Maritime Alli-



A container ship was unloaded at the Port of Oakland in California earlier this year.

ance, said, "We have good relationship with ILA....I don't see any real tripping hazards."

Shippers have remained wary of relying too heavily on West Coast ports since 2015, when some retailers took significant sales hits. Since then, many big shippers have developed a "four-corners" approach, which spreads imports across multiple regions, said Phil Ramsdale, president of Transport Solutions LLC, a logistics consultancy.

They don't always have a choice. Shipping companies have formed alliances to share space on larger container ships, including some too big to pass through even the expanded Panama Canal.

Pennsylvania Gets Credit Line

BY JON KAMP AND SCOTT CALVERT

Pennsylvania's treasurer authorized a \$750 million lifeline, as state lawmakers struggle to agree on how to close a \$2.2 billion revenue shortfall five weeks into the state's new budget year.

State Treasurer Joe Torsella, a Democrat, said the line of credit will cover a two-week period starting in mid-August. The move was necessary to keep the state's general fund from falling into negative territory, he said.

The Keystone State is dealing with a "multiyear financial erosion," according to Standard & Poor's, and has been

pressured by weaker-than-expected revenue.

Lawmakers on June 30 passed a \$32 billion spending plan for the current year, but haven't agreed on how to raise all of the money needed to fund it. The Republican-controlled Senate passed a revenue plan last month that calls for roughly \$600 million in higher taxes, including through a tax on natural-gas drillers. Democratic Gov. Tom Wolf supports the measure. The GOP-controlled House is still reviewing the proposal, said Stephen Miskin, a spokesman for House Republicans. He said some Republicans are deeply opposed to the proposed tax increases.

The House isn't scheduled to return to Harrisburg until Sept. 11, though Mr. Miskin said he expected they would reconvene sometime in the latter half of August.

A spokesman for Gov. Wolf urged the House to finalize the budget. "There is a bipartisan agreement on the budget; now is the time to finish the job and pay for the programs that the legislature passed," he said.

Budget negotiations went down to the wire in many states this summer, with two states, New Jersey and Maine, partially shutting down their governments because lawmakers couldn't strike an agreement in time.

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U.S. NEWS

Sessions Promises Crackdown on Leaks

Attorney general calls free-speech rights 'not unlimited'; journalist groups express alarm

BY DEL QUENTIN WILBER

WASHINGTON—Attorney General Jeff Sessions promised to launch a major crackdown on leakers of classified information and said the Justice Department would review policies on subpoenaing news organizations.

"We must balance their role with protecting our national security and the lives of those who serve in our intelligence community, the armed forces and all law-abiding Americans," he told reporters on Friday at the Justice Department, where he was joined by Director of National Security Dan Coats. "We are taking a stand. This culture of leaking must stop."

The free-speech rights of reporters and news organizations, Mr. Sessions said, are "not unlimited."

President Donald Trump has urged the attorney general to prosecute leakers. Mr. Sessions said that he "strongly agreed" with Mr. Trump, adding that confronting "the staggering number of leaks" was a top Justice Department priority.

Mr. Coats said some leaks have endangered U.S. military personnel and have "resulted



ANDREW HARNIK/ASSOCIATED PRESS

Attorney General Jeff Sessions speaking about leaks during a news conference at the Justice Department in Washington on Friday.

in a major threat to our national security."

Civil-liberties and press-advocacy groups reacted with alarm to Mr. Sessions' announcement, in particular regarding the Justice Department's effort to revisit rules put in place during the Obama

administration to strengthen protections for reporters.

"Journalists and news organizations have a long history of handling this information in a responsible way, working with government officials to evaluate potential harms, and taking steps to

mitigate any damage when there is an overwhelming public interest in revealing it," said Bruce Brown, executive director of the Reporters Committee for Freedom of the Press. "The current guidelines reflect a great deal of good-faith discussion between the

news media and a wide range of interests from within the Department of Justice, including career prosecutors and key nonpolitical personnel."

Ben Wizner, director of the American Civil Liberties Union's Speech, Privacy, and Technology Project, said that

"every American should be concerned about the Trump administration's threat to step up its efforts against whistleblowers and journalists. A crackdown on leaks is a crackdown on the free press and on democracy as a whole."

The number of leaks and leak-related investigations have risen sharply since Mr. Trump took office, Mr. Sessions said on Friday.

The Justice Department has received as many criminal referrals for investigations of the unauthorized disclosure of classified information during the first half of this year as during the three previous years combined, he said. Justice officials declined to provide the number of cases being cited by Mr. Sessions.

Among the steps Mr. Sessions said the government was taking was to direct Deputy Attorney General Rod Rosenstein and Federal Bureau of Investigation Director Chris Wray "to oversee all classified leak investigations and actively monitor the progress of each and every case."

Mr. Sessions has also directed Justice Department prosecutors to prioritize cases involving unauthorized disclosures of classified information, adding that the FBI has dedicated more resources to fighting leaks and has created a new counterintelligence unit to manage the cases, Mr. Sessions said.

Court Overturns Blackwater Sentences

BY ARUNA VISWANATHA

A federal appeals court in Washington on Friday overturned lengthy sentences imposed on three former Blackwater USA private security guards for the 2007 shooting deaths of 14 Iraqis in Baghdad, and granted a new trial for another.

The ruling was the latest twist in a yearslong legal battle over the deaths of unarmed civilians at Nisur Square, a busy traffic circle in the heart of the Iraqi capital. The shooting strained relations between Washington and Baghdad at one of the lowest points of the Iraq war and prompted harsh criticism of Blackwater. The firm later changed its name, first to Xe, and then to Academi.

A three-judge panel at the U.S. Court of Appeals for the

District of Columbia Circuit said the imposition of 30-year sentences on three of the guards violated the Constitution's prohibition on "cruel and unusual punishment." The judges added that the gun law that triggered the mandatory sentence was aimed at violent drug traffickers, not military employees in a war zone.

"This is not a case where the defendants went out with the intention of committing a crime and brought their weapons with them to assist them," wrote the panel, made up of two judges appointed by Republican presidents and one appointed by a Democrat.

The men were sentenced in April 2015, accused of recklessly opening fire with automatic weapons and grenade launchers as they attempted to

clear a path for a State Department convoy, and are currently in prison. The guards described the Sept. 16, 2007, shooting as a legitimate response to what they believed was an attack.

The U.S. Court of Appeals for the District of Columbia Circuit on Friday ordered a trial judge to determine new sentences for three of the men, Paul Slough, Evan Liberty and Dustin Heard.

The fourth guard, Nicholas Slatten, was convicted of murder for firing the first shots and received a life sentence.

The appeals court Friday granted Mr. Slatten a new trial, saying he should have received a separate trial from the other men because another guard had earlier acknowledged firing the first shots.

The trial court had ruled that Mr. Slatten couldn't use the guard's statements, and rejected his request for a separate trial. But the appeals court said those admissions were "vital to Slatten's defense" and returned his case for a new trial.

"The tragedy that unfolded shortly after their arrival in Nisur Square owed more to panic and poor judgment than to any coordinated plan to murder Iraqi civilians," the court said.

Lawyers for the men couldn't be reached for comment.

A spokesman for the U.S. attorney's office in Washington, which prosecuted the case, said the office is reviewing the ruling and had no comment on whether it planned to retry Mr. Slatten.

Tunnel Dispute Blocks Transportation Picks

BY TED MANN

WASHINGTON—Senate Democrats held up confirmation of three top Transportation Department nominees, including two deputies to Secretary Elaine Chao, in a dispute over a proposal to build a new Amtrak tunnel between New Jersey and New York City.

The four senators from New York and New Jersey, including Minority Leader Chuck Schumer (D, N.Y.), say they delayed the nominees out of concern that the administration is uninterested in pushing ahead with a new tunnel under the Hudson River—and might ultimately decline to provide funding for the project.

The nominees, who included the pick to head the nation's top railroad safety regulator, were blocked even as the Senate confirmed a raft of President Donald Trump's nominees to serve in various federal agencies before adjourning for the August recess.

The dozens of confirmations Thursday didn't include the three DOT nominations—Adam J. Sullivan, the assistant secretary for governmental affairs; Derek Kan, the undersecretary of transportation for policy; and Ronald Batory, tapped to run the Federal Railroad Administration.

WASHINGTON WIRE

INTERIOR SECRETARY

Zinke Won't Change Arizona Monument

Interior Secretary Ryan Zinke said he isn't recommending changes to Arizona's Grand Canyon-Parashant National Monument, the fifth site Mr. Zinke has removed from an ongoing review of national monuments for possible elimination or reduction.

The million-acre site overseen by the Interior Department was designated as a monument in 2000. The designation protects it from energy development and other activities.

Mr. Zinke is reviewing 27 national monuments designated by previous presidents. The review was ordered by President Donald Trump, who says many monument designations are unwarranted land grabs by the federal government.

—Associated Press

FEMA

Trump Says States Can Count on Funds

Gearing up for the heart of hurricane season, President Donald Trump said that states can count on his administration to disperse U.S. emergency funds efficiently.

"We do it quickly. We do it effectively," Mr. Trump said at the Federal Emergency Management Agency, where he and members of his cabinet received a briefing on the summer's hurricane season. "We are very strong with respect to FEMA. FEMA is something I've been very much involved in already."

The president spoke Friday a few hours before embarking on his own summer vacation at his golf club in Bedminster, N.J.

—Associated Press

POLL

Exurbs Show Shift In Party Preference

Six months into President Donald Trump's presidency, polling from Gallup shows affluent communities at the fringes of American metropolitan areas are slipping away from the GOP.

Data from Gallup show 45.5% of adults in exurban communities self-identified as Republican in the second quarter of 2017, down from 49.6% in the first quarter of 2017 and 51.6% in the fourth quarter of 2016.

The drop in GOP party identification could have an effect on the vote coming from these counties for midterm elections in 2018 and going forward to 2020.

—Dante Chinni



Martin Shkreli, left, and his attorney Benjamin Brafman talked to reporters on Friday.

Brooklyn, Bridget M. Rohde, said the government was "gratified" by the verdict. "Justice has been served," Ms. Rohde said.

Paul Shechtman, a white-collar defense attorney at Bracewell LLP and a former federal prosecutor, said the "real winner" likely wouldn't be revealed until sentencing. Though the acquittal on the charge carrying significant financial losses is often a key consideration, federal law allows a sentencing judge to look at all of a defendant's conduct, Mr. Shechtman said.

Mr. Shkreli founded his first hedge fund, Elea Capital, in 2006. He lost all the fund's money on outsize bets against stocks, and Lehman Brothers got a \$2.3 million default judgment against him—which Mr. Shkreli didn't disclose to investors in subsequent funds, according to prosecutors and witnesses said.

In 2009, Mr. Shkreli started raising money for a second hedge fund, MSMB Capital, raising \$3 million from eight investors, several of whom testified that they

were impressed by his purported track record. Mr. Shkreli told some of them he had more than \$30 million under management; in reality, the fund never had more than \$3 million in its accounts, according to evidence at the trial.

In February 2011, Mr. Shkreli took a short position of more than 11 million shares in a pharmaceutical company, which MSMB Capital was unable to cover, leaving Merrill Lynch with a loss of more than \$7 million, according to evidence. The fund had lost nearly all its money and the next month stopped all trading activity, the evidence showed.

Mr. Shkreli didn't tell investors about the loss and continued to send out phony performance reports, prosecutors and witnesses said.

In 2011, Mr. Shkreli started raising money for a second hedge fund, MSMB Healthcare, telling investors he had tens of millions of dollars under management and producing phony performance reports, prosecutors said. Prosecutors said Mr.

Shkreli used \$900,000 from the new fund to pay Merrill Lynch over the trading losses and invested more than \$2 million of the fund's assets into his new pharmaceutical company, Retrophine Inc.

Mr. Shkreli closed down both MSMB funds in late 2012, telling investors they could get cash or Retrophine stock. But with no cash to offer, Mr. Shkreli directed at least \$11 million in stock and cash from Retrophine to satisfy investors, prosecutors alleged.

Mr. Brafman on Friday addressed the question of Mr. Shkreli's reputation. "There is an image issue that Martin and I are going to be discussing in the next several days," he said.

Mr. Shkreli, standing at his side, raised an eyebrow and pursed his lips. A few minutes later, he took to Twitter to defend himself: "After that witch hunt, I'll take it. MSMB investors tripled their money, on average, EXCLUDING any settlements."

—Nicole Hong
contributed to this article.

OBITUARIES

MARTY SKLAR
1934 – 2017

Executive Helped Design Disney Theme Parks

When he showed up for a part-time job at Walt Disney Co. in 1955, Marty Sklar was assigned to create a tabloid newspaper for a new amusement park: Disneyland. After just two weeks on the job, the 21-year-old had to present his ideas for the project to Walt Disney himself.

Mr. Disney liked what he saw. Mr. Sklar ended up spending 54 years at the company. Early on, he wrote speeches for the company founder. Later, Mr. Sklar was the creative leader of what the company calls "imagineering," designing and building theme parks.

In the 1960s, he was heavily involved in planning for Walt Dis-

ney World in Orlando. "Nobody went to central Florida on vacation when we started the project," Mr. Sklar told the Los Angeles Times in 2002. "We had to create a resort destination."

One thing he hated was when people referred to "rides" at Disney parks. "We do stories, we do experiences, and we do adventures," he said.

Mr. Sklar, who retired in 2009 as an executive vice president, died July 27 at age 83.

"I think Disneyland is so much about reassuring people the world can be OK, that things can be orderly, that you can speak to a stranger," he once told the Associated Press.

—James R. Hagerty

JEFF BROTMAN
1942 – 2017

Entrepreneur Hit the Big Time With Costco

As a young lawyer zipping around the Seattle area in a lime-green convertible Porsche in the early 1970s, Jeff Brotman had ambitions beyond those of his father, a local clothing retailer.

The younger Mr. Brotman helped run a company selling oil-exploration tax shelters for several years. He was an early investor in Starbucks Coffee Co. He launched what was meant to be a national, casual men's clothing chain called Logan Drive, only to see it flop within months.

It turned out that his best idea came from his father. Bernard Brotman, impressed by an early example of a discount store requiring customers to pay mem-

bership fees, urged his son to jump into that business. Reluctant at first, Jeff Brotman finally embraced the idea. The result was Costco Wholesale Corp., founded in 1983 and now operating 736 stores in the U.S. and abroad. It proved that even affluent people were eager to search warehouses for bargains.

Mr. Brotman, as chairman, appeared to be in excellent health as he played golf Saturday, led a Costco board meeting Sunday and Monday, hosted directors at his home in Medina, Wash., over the weekend and attended an event Monday night. Early Tuesday, he died at age 74. His family said a cause hadn't been determined.

—Sarah Nassauer

MARIAN DIAMOND
1926 – 2017

Professor Studied Secrets Of Boosting Brain Power

BY JAMES R. HAGERTY

After more than six decades of studying the human brain, Marian Diamond boiled her findings down to this advice: "Use it or lose it."

Though she once examined slices of Albert Einstein's brain, most of her insights came from working with lowly lab rats. The brains of rats given an "enriched" environment, with plenty of toys and companions, grew larger. When rats were held in solitary environment, their brains shrank.

Her research, published in 1964, provided evidence that helped demolish the idea that mental capacity is fixed from birth and is bound to dim drastically with age. That helped establish today's parenting imperatives of stimulating children with Mozart before birth and violin lessons shortly after, along with a never-ending stream of mind-expanding experiences.

As a professor at the University of California, Berkeley, she proclaimed that a healthy brain required a good diet, exercise, challenges and novelty. "You don't do the same old crossword puzzles all the time; you get new challenges," she said in a 2011 lecture. In retirement, she said, "join things, do things, eat well."

Love helps, too. She found that lab rats, when snuggled and petted, lived longer. The brain, said Dr. Diamond, who died July 25 at age 90, was "the most magnificent structure on this earth."

Because she believed the act of writing helped imprint ideas in the mind, she used a chalk board during those lectures rather than flashing slides.

Her own childhood, as the youngest of six children, was a model of enrichment. Her father, Montague Cleeves, a medical doctor who emigrated from England, built the fam-



mazes was different from that of ones befuddled by such puzzles. She wondered whether the anatomy of the rats' brains also would vary based on their maze-running achievements.

A few months later, her husband was hired by Berkeley, and she got a chance to work with the maze-rat researchers. Thus began years of toil measuring the brains of rats with varying lab-life experiences. When she presented her findings to the American Association of Anatomists in 1965, she recalled later, "a man stood up in the back of the room and said in a loud voice, 'Young lady, that brain cannot change.'"

She replied, "I'm sorry, sir, but we have the initial experiment and the replication experiment that shows it can."

Her interest in Einstein's brain arose when she read it had been preserved. She requested four sugar-cube-sized bits of the brain—and several years later received them, in a jar. Her findings, published in 1984, suggested Einstein had more glial cells per neuron than the average man. Glial cells perform a variety of vital functions in the brain and Einstein may have needed more of them to think deeper thoughts, she found, though some scientists were skeptical.

Dr. Diamond is survived by four children and four grandchildren. Her second husband, Arnold Scheibel, died in April.

She followed her own advice to remain active in old age. A former student, Bradley Voytek, recalled lobbing a pitch to her during a softball game at a picnic when she was about 80. She grabbed the ball on the fly with one hand and tossed it back to him. "Throw me a real pitch," she said.

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WORLD NEWS

Mexican 'Death Corridor' Funnels Heroin

Violence, graft plague state dominating drug trade; 90% of U.S. heroin is from Mexico

By DUDLEY ALTHAUS

CHILPANCINGO, Mexico—A lethal combination of corruption and criminal gangs fighting for control of a booming heroin trade has turned one two-lane road in Mexico's Guerrero state into what many call "the corridor of death."

The road links Chilpancingo, the Pacific Coast state's capital, to heroin-producing mountains nearby, where rival gangs are vying for a bigger share of the lucrative heroin market in the U.S. Nearly 1,200 people were killed in the state this year through June, after 2,200 died last year. Officials say nearly all were linked to organized crime.

The bloodshed largely occurred in poor neighborhoods of the Acapulco and Ixtapa-Zihuatanejo beach resorts and in communities like Chilapa, a town along the deadly corridor where small-plot farmers have long cultivated marijuana and opium poppies for export, alongside traditional crops of corn, beans and squash.

"Chilapa is bathed in blood," said José Diaz Navarro, a 54-year-old former local schoolteacher who runs a civic group that tallies the area's slaughter. "We don't know who is involved with whom, but the criminals kill anyone for whatever reason."

Guerrero's illicit trade has soared over the past 15 years as Mexican drug traffickers have produced more and stronger heroin and marketed it aggressively. Some 90% of the U.S. heroin supply now comes from Mexico, according to U.S. Drug Enforcement Administration estimates. American users in recent years have been favoring heroin over more costly opiates like oxycontin.

The Mexican army has tried for decades to eradicate opium poppies—the raw material for heroin, morphine and other drugs—but struggles to keep up with new plantings. Mexico's Defense Ministry says plantings have doubled over the past year, often tucked among the heavily wooded slopes and deep canyons of the mountains that run along the country's Pacific coast, with Guerrero accounting for half the poppy acreage.

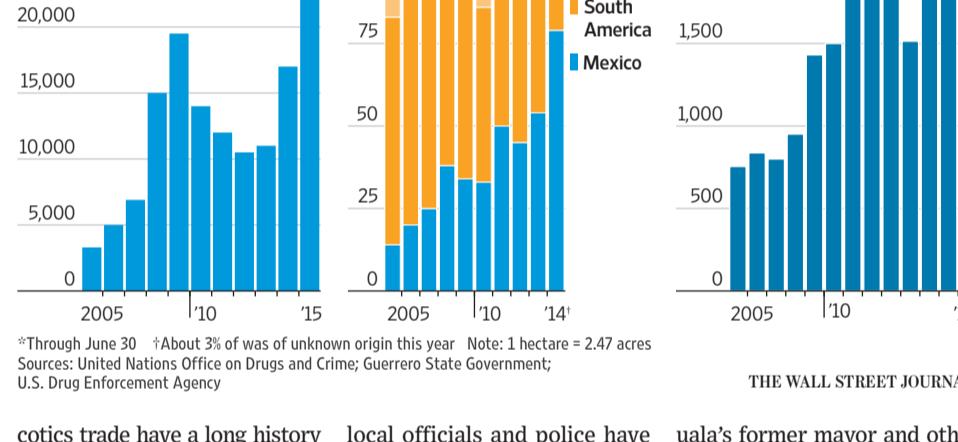
Both violence and the nar-



Soldiers destroyed poppies recently during a military operation in the Mexican state of Guerrero. The state accounts for half the country's poppy acreage.

Deadly Harvest

Opium poppy cultivation has boomed in Mexico, flooding U.S. markets with heroin and spurring drug-related violence along smuggling routes, particularly in the Pacific Coast state of Guerrero.



*Through June 30 †About 3% of was of unknown origin this year Note: 1 hectare = 2.47 acres
Sources: United Nations Office on Drugs and Crime; Guerrero State Government; U.S. Drug Enforcement Agency

cotics trade have a long history in Guerrero. The state played a key role in Mexico's war of Independence from Spain two centuries ago, and was home to a number of armed uprisings in the 20th century.

But now the fight to supply surging U.S. demand for heroin has poured jet fuel on long-smoldering political and social tensions. Complicit or cowed,

local officials and police have proved unable to contain the violence and sometimes abet it, activists say.

Guerrero gained international notoriety three years ago with the disappearance of 43 teacher college freshmen, who officials say were detained by police in Iguala city and delivered to a drug gang. Federal officials arrested Igua-

ula's former mayor and other officials. These people have denied wrongdoing and haven't yet been tried. The students were never found and are presumed dead.

The violence has gotten so out of hand that Guerrero Gov. Héctor Astudillo has called for the legalization of poppy production for medical use as a way of lessening the gangland

Mr. Diaz became an activist in 2014 after two brothers, a cousin, and two friends of his were abducted and killed in Chilapa. His brothers' dismembered bodies, minus their heads, were returned to his mother, who died of heartbreak soon afterward, he said. The crimes were never solved.

Few arrests have been made related to the Chilapa killings and still fewer convictions, as witnesses fear testifying for fear of retribution, activists say.

"In many places there are simply no police," said Roberto Álvarez-Heredia, the public security spokesman for Guerrero state. "Well, the police exist, but they don't act."

Security officials and analysts largely blame the bloodshed of recent years in part to a breakdown in control of Guerrero's underworld following the 2009 killing of reputed Sinaloa Cartel boss Arturo Beltrán Leyva by Mexican marines.

They say the Beltrán Leyva organization had kept violence in check with a tight hold on the state's narcotics markets. Former Beltrán Leyva lieutenants now lead many of the current gangs.



THE WALL STREET JOURNAL.

rivalries. No action has yet been taken on his suggestion.

Chilapa has been especially hard hit, with about 150 residents killed there so far this year, activists say. In one particularly bloody week in March, police recovered the dismembered bodies of five people on a Chilapa street, and three days after that, three bodies were found stuffed into a car on the outskirts of town, said Mr. Diaz, the schoolteacher, citing police records and news reports.

Both violence and the narcotics trade have a long history in Guerrero. The state played a key role in Mexico's war of Independence from Spain two centuries ago, and was home to a number of armed uprisings in the 20th century.

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Sources: United Nations Office on Drugs and Crime; Guerrero State Government; U.S. Drug Enforcement Agency

Venezuelan Tries to Cement His Rule

BY ANATOLY KURMANAEV

AND RYAN DUBE

CARACAS—Venezuela's government on Friday moved to consolidate President Nicolás Maduro's rule, convening a powerful new national assembly aligned with him and suspending an attorney general sharply critical of his administration.

Shortly after installing the 545-member assembly, the Supreme Court, which is controlled by Mr. Maduro's loyalists, voted to suspend Attorney General Luisa Ortega, said one of the court's judges. The order relieved Ms. Ortega from her duties until the conclusion of a probe into what they alleged are abuses of power.

Officials in the Attorney General's Office said they were aware of the order but declined to comment further. Ms. Ortega has said that the Supreme Court had no power to remove her from office and that she wouldn't obey its rulings.

"I won't recognize any decision made by these illegitimate judges," Ms. Ortega said last week, when asked about the investigation.

Ms. Ortega was once a fierce Maduro supporter, playing a crucial role in his consolidation of power. She broke with the government in recent weeks after it called elections for the so-called constituent assembly. The body, made up of government loyalists including Mr. Maduro's wife and son, will have powers to override other institutions and rewrite the constitution.

Opponents worry the assembly, whose election on July 30 was widely seen as fraudulent, will wipe out dissent and



CARLOS GARCIA RAWLINS/REUTERS

Supporters of President Nicolás Maduro demonstrated in Caracas on Friday.

lead to a dictatorship.

Its installation dealt a blow to the opposition coalition, which failed to mobilize supporters on Friday. More than 1,000 protesters tried to march in Caracas before security forces dispersed them with tear gas.

Some protesters said they were disillusioned with the failure to stop the assembly from taking office despite four months of protests and more than 120 deaths. Others said they felt betrayed by opposition leaders, who have turned their attention to upcoming gubernatorial elections.

"Today, the opposition showed that they don't have strategy," said Amelia Gallardo, a Caracas accountant who frequented opposition rallies in the past months.

At the assembly's inaugura-

tion, hundreds of delegates, many wearing black suits and red ties, streamed into the country's legislative palace led by ruling-party leaders Diosdado Cabello, a former vice president, former Foreign Minister Delcy Rodriguez and Venezuela's powerful first lady, Cilia Flores.

They carried a large portrait of the late strongman Hugo Chávez and independence leader Simón Bolívar. The delegates unanimously selected Ms. Rodriguez as the assembly's president. She delivered a fiery acceptance speech and promised an implacable response to the government's opponents.

"For the violent, the fascists, those who wage economic war against the people, psychological war against the people—the day of justice is

here," she said. "Starting tomorrow, we will begin to act."

Government supporters waving flags and dressed in the Socialist Party's red surrounded the legislative palace, shouting "Maduro stays. Chávez put him there, and there he will remain."

Mr. Maduro has said the body will solve Venezuela's economic and political crisis. "The salvation of the republic is in your hands," he told the new assembly members this week. "No one can smear the victory of the people."

Government loyalists also rallied against President Donald Trump, who they believe wants to overthrow the government.

—José de Córdoba and Juan Francisco Alonso contributed to this article.

EU Sanctions Target Russians Over Transfer

BY LAURENCE NORMAN

BRUSSELS—The European Union slapped sanctions on Russian officials and firms connected to the illegal transfer of gas turbines to the annexed peninsula of Crimea.

The measures, which include a travel ban and an asset freeze, were the bloc's first reaction to the Siemens case, one of the biggest known breaches of the EU's sanctions on Russia. Germany had pushed for the sanctions to be adopted.

The case involved the transfer of gas turbines to create an independent power supply for Crimea and Sevastopol. The peninsula is largely dependent on Ukrainian energy supplies, a situation the Russian government has pledged to change.

Siemens has said the turbines were supposed to be destined for a power plant in southern Russia, not the Crimea.

"Establishing an independent power supply for Crimea and Sevastopol supports their separation from Ukraine, and undermines the territorial integrity, sovereignty and independence of Ukraine," the EU said in a statement on Friday. "Gas turbines are a substantial element in the development of new power plants."

The EU, like the U.S., has refused to accept Russia's 2014 annexation of the peninsula, which came alongside Moscow's wider intervention in eastern Ukraine to back pro-Russian separatists.

The EU has placed targeted sanctions on more than 150

mainly Russian officials and 40 entities, imposed broad economic sanctions on Russia and banned a wide range of economic ties with firms in Crimea and Sevastopol.

Friday's sanctions targeted OAO VO Technopromexport, which purchased the turbines as well as the company it transferred the machines to, OOO VO Technopromexport. Also sanctioned was AO Intermatika, a Siemens joint venture that was contracted to

The case involves gas turbines that were illegally moved to the Crimean peninsula.

install the turbines in power plants.

Russia's Vice Minister for Energy Andrey Cherezov and another senior ministry official were placed on the EU's blacklist.

The bloc also sanctioned Sergei Anatolevich Topor-Gilka, the director general of Technopromexport. He was responsible for leading the negotiations with Siemens, the EU said.

Siemens has sued Technopromexport, a unit of state-owned Rostec State Corp., in Moscow. The legal action aims to stop delivery of other Siemens equipment that might be destined for Crimea, as well as to ensure that equipment already dispatched there is returned to Taman, the original destination.

WORLD NEWS

Australia Charges Two in Bomb Plot

BY ROB TAYLOR

CANBERRA, Australia—Police said two men facing terrorism charges in Australia were involved in an aborted attempt to place an improvised explosive device on an Etihad Airways flight out of Sydney last month, in a plot directed by Islamic State.

One of the men, a 49-year-old from Sydney, brought the device to the airport in a piece of luggage that he had asked his brother to take with him on the July 15 flight—without telling the brother the bag contained explosives, Federal Police Deputy Commissioner Michael Phelan said Friday.

For reasons still unclear, Mr. Phelan said, the man left the airport with the bag, and his brother continued onto the flight without it. "This is one of the most sophisticated plots that has ever been attempted on Australian soil," he said.

Khaled Khayat, 49, and Mahmoud Khayat, 32, were charged with two counts of planning a terrorist act. They were refused bail and the case has been adjourned until November. Their lawyer, Michael Coroneos, told reporters outside a Sydney court that the men were "entitled to the presumption of innocence."



Federal Police Deputy Commissioner Michael Phelan at right.

Canada Jobless Rate Drops Again

BY PAUL VIEIRA

OTTAWA—Canada's unemployment rate fell in July to its lowest in nearly nine years as the economy added jobs for an eighth straight month, although at a slower pace compared with recent months.

The Canadian economy added a net 10,900 jobs in July, Statistics Canada said Friday. This marks a slowdown from the previous two months, when the economy churned out 100,000 new jobs.

On a year-over-year basis, employment rose 387,600, or 2.1%. Over 90% of the new jobs were full-time positions, which tend to offer higher pay and steady benefits.

The unemployment rate's decline to 6.3% brought it to

its lowest level since October 2008, just before the onset of the financial crisis. When using U.S. Labor Department methodology, Canada's jobless rate in July was 5.3%.

Josh Nye, an economist at Royal Bank of Canada, said the surprise drop in the unemployment rate supports the Bank of Canada's expectation that slack in the economy will be absorbed later this year and will likely keep the central bank in tightening mode.

He said he expects the central bank to raise its benchmark rate again in October.

Average hourly pay rose 1.3% from a year ago in July, data showed. The central bank has expressed concern about the tepid pace of wage gains.

Friday's positive jobs report

was marred, though, by Canadian trade figures for June. The trade deficit ballooned to 3.60 billion Canadian dollars (US\$2.86 billion) due to a steep 4.3% drop in exports.

This marks a rare, but significant, setback for the Canadian economy in some time, as growth has accelerated in the past year to a point where the Bank of Canada believed it was appropriate to raise its benchmark interest rate for the first time in seven years.

Canada's gross domestic product rose at a 3.7% annualized rate in the first quarter, making Canada the best-performing economy among Group of Seven countries in early 2017, and economists expect second-quarter growth to hit or exceed 3%.

FROM PAGE ONE

ADP

Continued from Page One
and the board, and it took a swipe at Mr. Ackman's own investing performance, which has lagged behind the stock market the past two years.

Though Mr. Ackman had yet to officially disclose the investment, it was reported last week by Bloomberg.

ADP said Mr. Ackman informed it that his company, Pershing Square Capital Management LP, owns an 8% stake, much of it through derivatives.

Mr. Ackman confirmed the stake in a statement later Friday, and said it was the firm's largest investment.

Pershing Square said it sees "enormous opportunity" to boost ADP's performance by increasing growth, improving its offerings and cutting costs. It added that it offered to work with ADP management or an outside CEO candidate. Pershing Square said it plans to launch a proxy fight for a "minority" slate of directors. For the board and Mr. Rodriguez, it promises to turn into a months-long fight with an activist who isn't known for biting his tongue.

ADP said Mr. Ackman said he was seeking five seats, including one for himself, on the 10-per-



Bill Ackman

path to a settlement—but in that case, CSX's CEO was already headed to retirement.

Mr. Ackman said at the meeting that if ADP didn't extend the deadline, the fight would likely become public, the people said. Activists and companies often delay such deadlines to negotiate settlements privately—a solution Mr. Ackman was seeking, one person said.

Mr. Ackman mentioned that he was headed on vacation later Thursday, the people said. ADP decided it wouldn't wait.

An 8% stake would amount to about \$4 billion, a big bet for Pershing Square, which has struggled in recent years. Through July, its publicly traded fund has gained 0.9%, far behind the market rally of 2017. It is down more than 35% from a high in mid-2015. The firm managed about \$10 billion in assets as of the end of July, about half of what it had two years ago.

ADP drew a contrast with Mr. Rodriguez's six-year tenure. ADP shares returned about 164%, including dividends, from when Mr. Rodriguez took over and when Mr. Ackman's stake surfaced. That bested the 120% return of the S&P 500 over the same period. ADP said including a spinoff, the total return is 202%.

—Justina Vasquez contributed to this article.



Supporters of Kenyan President Uhuru Kenyatta's party during a rally Friday in Nairobi. The nation's presidential election is Tuesday.

Vote Puts Kenyans on Edge

BY MATINA STEVIS

NAIROBI, Kenya—Less than three months ago, Kenya was coasting to its most uneventful election in years, with commentators predicting a walkover for incumbent President Uhuru Kenyatta.

Now, the contest—and the country's mood—is on a knife edge. The murder of an election official, a proliferation of fake news and the activities of secretive political technology companies have raised tensions in a country that saw over 1,000 people die and hundreds of thousands displaced in election violence a decade ago.

On Monday, Chris Msando, the senior official in charge of Kenya's electoral information systems, was found dead, his body strafed with the signs of torture.

On Tuesday, the opposition called for an investigation while Mr. Kenyatta promised authorities would get to the bottom of the assassination.

The Federal Bureau of In-

vestigation and the U.K.'s Scotland Yard offered assistance—but the offer hasn't been accepted, according to people familiar with the situation. The police declined to comment.

As Tuesday's election approaches, few in this East African nation of 48 million believe answers are forthcoming, while many see an ominous warning.

"Whatever the reality is, many believe he was killed because he would have made sure that antirigging technology would work," says Nic Cheeseman, an African democracy expert at Birmingham University. "His murder has struck fear into independently minded electoral officials."

The top candidates in this year's presidential contest—Mr. Kenyatta and opposition leader Raila Odinga—have been facing off since 2007. Polls have narrowed dramatically, giving Mr. Kenyatta a thin 3-point lead with 8% of voters undecided.

Both men are pledging to

spend on development projects and stamp out corruption, but tribal divisions continue to frame Kenyan politics. Mr. Kenyatta says his leadership transcends tribe, though he is dependent on support from his Kikuyu tribe, the nation's largest, and its allies; Mr. Odinga says his Luo tribespeople and other friendly smaller tribes have been neglected.

Mr. Kenyatta and his deputy William Ruto were accused of crimes against humanity at the International Criminal Court after the 2007 violence pitted tribes against one another. Those charges were later dropped.

In the decade that followed, Kenya won plaudits as Africa's rising economic hub and a flag-bearer of democracy and free markets on the continent. The candidates are vying to control billions of dollars in infrastructure investment from China's government and Western private-sector companies to build roads, bridges and power plants.

"The electoral outcome will

determine the allocation of tens of millions of dollars in contracts and business opportunities to the candidates and their allies," says Murithi Mutiga of the International Crisis Group.

The competition has never been more intense or crowded: in the presidential and local polls to be held Tuesday, 1,880 seats will be contested by 14,500 candidates, a 15% rise since 2013's election.

Tensions on the street have been aggravated by an explosion of aggressive social-media posts and fake news. Some spurious videos have carried the logos of CNN International and BBC World, claiming Mr. Kenyatta is set to win the election. Both organizations said the videos were fabricated.

Digital campaigning matters more in Kenya, which Google says has one of Africa's most active social-media communities. The country's communications authority says 90% have a mobile phone and about 44% of those are smartphones.



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This rare 19th-century Anglo-Indian silver chased chair is a striking marriage of Western form and Eastern artistry. Encased in elaborately worked sterling silver with parcel gilding, the form of this chair is inspired by the English Regency taste, while the decorative motifs are distinctly Indian in origin. Such extravagant pieces of Anglo-Indian furniture are exceedingly rare. 34" w x 22" d x 26" h. #30-6327

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WORLD NEWS

Kushners' Partner in China Draws Scrutiny

By JAMES T. AREDDY

WUHAN, China—The New Jersey building project that drew a federal subpoena for presidential adviser Jared Kushner's family company relied on a Beijing firm to find wealthy Chinese to invest in exchange for green cards.

Qiaowai Immigration Consulting Co. dominates the business of finding Chinese investors for the American EB-5 program, which offers highly coveted permanent-residency visas to people who invest at least \$500,000 into qualified U.S. projects. Highlighting U.S. connections has been a pillar strategy for Qiaowai, run by Chinese businesswoman Ding Ying.

In May fundraising events, Qiaowai highlighted its White House ties in bid to raise \$150 million for Kushner Cos., the development business owned by the family of Mr. Kushner, President Donald Trump's son-in-law and adviser, according to a review of the marketing materials

and attendees. Mr. Kushner's sister headlined the events in Beijing and Shanghai. The company's website has claimed past collaborations with the "Trump family."

Qiaowai is now drawing scrutiny.

Federal prosecutors in New York subpoenaed Kushner Cos. over its use of the EB-5 program in May, The Wall Street Journal reported on Wednesday, citing people familiar with the matter. At least one project is named in the May subpoena—twin 66-floor residential and commercial towers in New Jersey at the center of the \$150 million Qiaowai-Kushner fundraising, said a person familiar with the subpoena.

It isn't clear what potential violations are being probed by the U.S. attorney. Strict U.S. rules govern the marketing of American securities abroad and what promises EB-5 agents can make.

The Senate Judiciary Committee is also probing Qiaowai as it considers deep changes to

the EB-5 program. Its chairman, Iowa Republican Chuck Grassley, has asked the Department of Homeland Security and the Securities and Exchange Commission whether Qiaowai and a Florida-based partner, U.S. Immigration Fund, broke any U.S. law by providing assurances that investors would get a "permanent green card" in exchange for their investments. That might violate the rules of the EB-5 program.

"Misrepresenting risk to potential investors may also constitute investment fraud," Mr. Grassley wrote in his letter to the agencies in May, which is posted on his website. A closer look at the investment promoters, he wrote, is "clearly warranted."

His office this week said Homeland Security hasn't responded and it released a letter from the SEC that cited privacy matters in declining to comment on specific businesses. The two agencies didn't respond to requests to comment.

Qiaowai declined to comment

and said Ms. Ding was unavailable. The U.S. Immigration Fund didn't respond to requests to comment. Both companies have in the past said they comply with all laws.

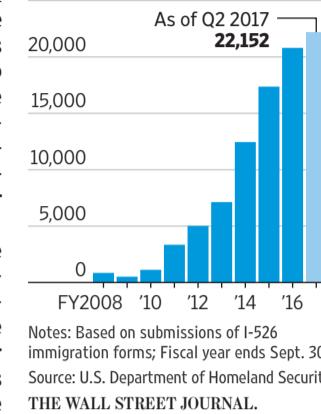
Kushner Cos. has said that it hadn't tried to suggest in China that its EB-5 project had the Trump administration's political support, and if investors were left with that impression it was unintentional. The company also said it fully complies with the EB-5 program's "rules and regulations" and did nothing improper. It said it was cooperating with legal requests for information.

Ms. Ding, who goes by the name Vivian, built a study-abroad business for Chinese students that she won in a divorce settlement into China's premier agency for recruiting investors for big U.S. projects through the EB-5 program.

With a multicounty network of promoters, Qiaowai peddles the American dream, including testimonials from Ms. Ding about the U.S. education her twin

Rising Desire

A U.S. investment-for-visa program called EB-5 grew in popularity on mostly Chinese demand after the U.S. financial collapse in 2008. The program allows 10,000 visas a year.



Notes: Based on submissions of I-526 immigration forms; Fiscal year ends Sept. 30
Source: U.S. Department of Homeland Security
THE WALL STREET JOURNAL.

daughters received. It shows Ms. Ding wearing jade, diamonds and Escada jackets on television and websites and features her in photos with politi-

cians including former President Barack Obama, former New York Mayor Rudy Giuliani and former New York Gov. George Pataki.

Such images can be powerful messages in an industry that depends on U.S. political decisions to determine eligibility for immigrants to obtain visa eligibility.

The company website says she attended Mr. Trump's presidential inauguration in January. A few days after the event, Ms. Ding on her website highlighted a past fundraising for Kushner Cos. as Qiaowai's collaboration with "Trump family" and indicated the project "highly guaranteed" its clients U.S. residency.

EB-5 promoters like Qiaowai typically receive at least a \$50,000 fee from applicants—whether or not they ultimately get a visa—and over time as much as \$200,000 for tie-ins like lining up loans, people in the industry say. Chinese get most of the 10,000 EB-5 visas the U.S. grants annually, according to federal data.

Election Day in Rwanda



THE COUNTDOWN: Officials at a polling station in Kigali on Friday as vote counting got under way in Rwanda's presidential election. The election was widely expected to hand President Paul Kagame a third term at the helm of the East African nation.

U.S. to Reaffirm Security Pledge At Asia Summit

The U.S. plans to stress its engagement with Asia on regional security at a summit this weekend, at a moment when the Trump administration's "America first" approach and withdrawal from a Pacific trade pact have unnerved allies.

By Jake Maxwell Watts
in Manila and Ben Otto
in Singapore

Secretary of State Rex Tillerson's presence at the meeting of Southeast Asian officials in Manila offers a chance to clarify the American approach. It will be his first visit to Southeast Asia as secretary.

The U.S. hasn't made an overt turn from the Obama administration's charm offensive in the region, but Southeast Asian diplomats say they lack clarity on President Donald Trump's long-term policy. Barack Obama hosted Southeast Asian leaders in California last year, appeared regularly at Asian meetings, and led negotiations on the now-moribund Trans-Pacific Partnership, a multination trade pact.

Mr. Trump ditched the pact, saying it would be a "death blow" for American workers. That, along with a U.S. focus on other parts of Asia, such as North Korea, and a perception that Mr. Trump would turn the U.S. inward with his "America first" policies, led many diplomats to think he was less interested in the region.

"No one, here or in Asia, knows what the Trump administration's priorities and policies are in Asia," said Nina Hachigian, U.S. ambassador to the Association of Southeast Asian Nations until January. "When push comes to shove—which it often does in negotiations over sensitive language on [the South China Sea] and other issues—Asean may understandably not feel confident that the U.S. will deliver."

The U.S. remains an outsize

presence in Asia, particularly in military terms. Under Mr. Trump, the U.S. has continued to challenge Chinese claims to the South China Sea, including via freedom-of-navigation operations in disputed waters. In the Philippines, American military personnel provide surveillance and training to troops fighting Islamic State-aligned militants. Over the past five years, the U.S. has allocated almost \$300 million to equip and train Philippine forces.

Susan Thornton, acting assistant U.S. secretary for East Asian and Pacific affairs, on Wednesday highlighted U.S. engagement, pointing to Vice President Mike Pence's trip to Jakarta in April, a gathering of Southeast Asian foreign ministers in Washington in May, and recent meetings between Mr. Trump and leaders of Indonesia and Singapore.

"I don't think that there's

Southeast Asian diplomats say they lack clarity on Trump's policy.

any question that the U.S. is somehow receding or toning down its engagement with the region," she said.

The talks beginning Saturday at a seaside convention center will focus on security: North Korea's nuclear program; China's militarization of waters also claimed by Vietnam, the Philippines, Malaysia and Brunei; and the rise of Islamic State in the Philippines.

The U.S. will press for more isolation of North Korea and a tougher response to Beijing in the South China Sea, Ms. Thornton said. The Asean secretariat didn't immediately respond to a request to comment.

A Troubled Region

The U.S. has long been security guarantor in East and Southeast Asia, a swath of the globe with numerous trouble spots.



Source: staff reports

WORLD WATCH

DUBAI

High-Rise Fire Fans Safety Concerns

Firefighters in Dubai early Friday extinguished a blaze engulfing one of the world's tallest residential buildings, as concern grows globally about the dangers of flammable structural cladding.

The 86-story Torch tower caught fire for the second time in less than three years. Authorities

haven't revealed the cause of that earlier fire but the building's management company told local media that damage was mostly limited to its external cladding, suggesting it had played a role in the fire's spread.

The blaze was put out by around 3 a.m. There were no reports of casualties. The dangers of flammable exterior cladding have been a focus in recent high-rise blazes in Dubai and across the globe.

—Asa Fitch

RUSSIA

Navalny's Presidency Bid Clouded by Ruling

A Russian court extended probation for opposition leader Alexei Navalny by one year, a sentence that should bar him from running for office until at least 2021.

Mr. Navalny, the driving force behind large anticorruption protests across Russia this year, is

campaigning to run for president next year. He was convicted of fraud in 2013 and 2014 after trials that supporters characterized as politically motivated.

Mr. Navalny was given a 5-year suspended prison sentence along with 1½ years' probation this year. A Moscow court Friday granted a motion filed by penitentiary officials who asked he be kept on probation a year longer, until December 2020.

—Associated Press



Ambition, Upgraded

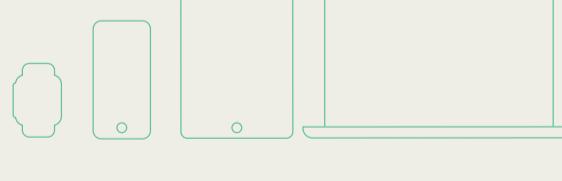
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IN DEPTH



STARK INDUSTRIES

Jeff Stark, CEO of Stark Industries in Indiana, gets emails from strangers volunteering to be suit testers. Denise Howard, CEO of Wayne Enterprises in Houston, gets curious applicants at job fairs.



WAYNE ENTERPRISES

NAMES

Continued from Page One

der to extend his jobless benefits. (George gave Jerry's home number as the company's switchboard and hilarity ensued.)

Many real-life job applicants appear to have copied George's fraudulent move by listing Vandelay as a former employer. Mr. Hardt says he has received dozens of serious calls from employers trying to verify that some job applicant he's never heard of had once worked for the company.

"Sometimes I'll say: 'Yeah, great latex salesman.'"

And then there are human-resources managers who have heard of the fictional Vandelay. They call about references for actual former employees and have to be convinced that Mr. Hardt's Citrus Heights, Ca-

lif., company truly exists.

Unlike iniTech and Vandelay, some companies are oddly similar to their fictional counterparts. Stark Industries of Terre Haute, Ind., makes products for the aviation, space and defense sectors, just like the fictional company of Tony Stark in "Iron Man."

The real company doesn't secretly build rocket-powered armor with neurokinetic user-controlled morphologic nanoparticle bundles on the side, but founder Jeff Stark, who started the company in 1993, says he does get emails from strangers volunteering to be suit testers.

In Japan, Tsukuba-based Cyberdyne incorporated 20 years after that name was made famous as the designer of Skynet in "The Terminator." The Japanese company is now working on a cyborg-type robot called HAL to assist people unable to use their limbs.

Founder Yoshiyuki Sankai says that any resemblances between the company's name and the producer of the time-traveling cyborg played by Arnold Schwarzenegger in "Terminator" or the homicidal computer HAL from "2001: A Space Odyssey" are purely coincidental.

Patrick Bluth, who owns southern California home-building firm Bluth Construction, didn't think the name of the dysfunctional Southern California home builder from "Arrested Development" was a coincidence. He says his company was well-known locally, since it was founded 25 years before the fictional one in the TV show. He isn't sure which character he might be.

"I've only seen the show once, but I think I'd be the normal one."

Mr. Bluth, who gets reminded of the names' similarity "almost every day," says he

once got a customer because he assumed Mr. Bluth was associated with the show. He has since decided there is no such thing as bad publicity.

Pied Piper, a Pacific Grove, Calif., firm that rates the effectiveness of car dealer networks, was founded 10 years earlier and located 90 miles to the south of the fictional technology startup of the same name in the HBO show "Silicon Valley." Founder Fran O'Hagan said he was recently "presenting to a room of purchasing managers and one of them asked if we do compression algorithms," like the company on the show.

The real company had the temerity to rate Tesla Motors dead last in a 2016 survey of dealership networks. The electric auto maker's chief executive, Elon Musk, tweeted a link to an article mentioning the company to his 10 million Twitter followers saying:

"Tesla finishes last in being salesy. Good. Also, I can't believe there is a real Pied Piper."

Founders of real companies that share the names of fake ones seem to agree that it is at the very least a conversation-starter. A shared name can also be an effective recruiting tool. Denise Howard, who runs Wayne Enterprises, an industrial uniform distributor in Houston, says she gets swarmed by curious applicants at job fairs.

"We have an intern this summer who took the job so he could tell his friends he works at Wayne Enterprises."

Aside from the random phone calls asking about the weather in Gotham City or if the company is real, Ms. Howard says only one thing about the name bothers her—the nagging fear that lawyers for the owners of the Batman franchise will call her one day

and ask her to change it. But the name stems from the purchase of a neighbor's existing company by her father decades ago. The neighbor's name was Wayne Davis. Batman is secretly industrialist Bruce Wayne.

What keeps Ms. Howard up at night is all part of the fun for others. Zachary Smith named his Indiana auto wholesaler Virtucon as a direct homage to the industrial empire of Dr. Evil from the Austin Powers movie franchise.

"I called it that because Cyberdyne Systems was already taken."

Mr. Smith is happy with the name, although irked by people who fail to recognize the cinematic reference in his company's title despite his hints.

"I tell people we have a factory that makes miniature models of other factories, but they don't get it."

and Budget Director Mick Mulvaney told reporters on Thursday. Mr. Mulvaney said when he has spoken with Mr. Trump by phone this week, the chief of staff has also been on the line.

Senior staff see the tighter order as an opportunity to press the president's agenda after months in which initiatives have stalled, including a ban on travel from six Muslim-majority countries viewed as terror risks, which is stalled in court, and a legislative push on health care, which recently collapsed in the Senate. The White House this week announced a new push on overhauling immigration, discussed trade measures to force China to crack down on intellectual-property theft and touted a new program improving veterans' access to online medical care.

Mr. Kelly also used his first days on the job to contact lawmakers including House Minority Leader Nancy Pelosi (D, Calif.) and Senate Minority Leader Chuck Schumer (D, N.Y.), with whom Mr. Trump has had rocky relationships. Congressional aides described the calls as standard introductions.

Information review

Among the clearest changes since Mr. Kelly's arrival is a more careful review of information, from statements of fact to news reports, before it goes to the president's desk, a White House official said. News articles and policy proposals will first be run through Mr. Kelly, in part to reduce the risk of erroneous material appearing on the presidential Twitter feed.

Mr. Kelly is also cracking down on what the White House official calls "paper"—unsolicited policy ideas that have made it to the president's desk, and sometimes into his public statements, without serious review by his top-level staff.

Mr. Kelly's new system is a work in progress, the White House official said. White House staffers expect final decisions about how the West Wing will run under Mr. Kelly to be set more firmly in place later this month.

The new staff chief has some time to put his plans in place. The president departs Friday for a two-week vacation at his Bedminster, N.J., golf club.

Mr. Trump is sure to see at least one issue resolved when he returns: A new air-conditioning system is set to be installed in the White House while the president is out of town.

—Ben Kesling, Ted Mann, Siobhan Hughes, Natalie Andrews and Gordon Lubold contributed to this article.



BRENDAN SMIALOWSKI/AFP/GETTY IMAGES

Chief of Staff John Kelly with Jared Kushner, Donald Trump's son-in-law and senior adviser, at the White House on Thursday.

sanctions against Russia. The message contradicted Vice President Mike Pence, who, two days earlier, said the sanctions bill showed Mr. Trump and Congress were "speaking with a unified voice."

While Mr. Kelly can direct the president's schedule, he will likely struggle to curtail Mr. Trump's penchant for picking up the phone and calling his roster of longtime friends from New York. Rudy Giuliani, former mayor of New York and a friend of Mr. Trump, said Mr. Kelly will have to strike a balance.

"It wouldn't work to try to isolate President Trump. He would rebel against that," Mr. Giuliani said. "General Kelly has to balance on the one hand an orderly process, and on the other hand an orderly process that doesn't in any way isolate the president."

A White House official said Mr. Kelly has been "very clear" that he's here to manage the staff, not to manage the president. His efforts to control the information and advisers reaching the president are to ensure Mr. Trump is "being properly staffed," the official said.

Mr. Kelly grew up in Boston and served as chief of the U.S. Southern Command, the division that oversees U.S. military activities south of Mexico, including Central America, South America and the Caribbean. In that role he focused on homeland-security issues because the post involved monitoring drug trafficking and other

smuggling activity south of the U.S. He also served as legislative assistant to the Marine Corps commandant, gaining experience in dealing with Congress.

He has said he hadn't met the president until Mr. Priebus, the man he ultimately replaced, called after Mr. Trump's November election victory to gauge his interest becoming the new president's secretary of Homeland Security. He took the job and soon joined Mr. Trump's inner circle, becoming one of the few cabinet secre-

taries who frequently dines with the president.

Mr. Trump was impressed by Mr. Kelly's presentations at DHS, at times describing him as "a killer." He is also taken, said one of his chief of staff, who stands about 6-foot-2 and tends to dominate the room. Mr. Trump had offered Mr. Kelly the chief of staff job in the spring, officials said, but Mr. Kelly declined at that time.

Mr. Trump kept Mr. Priebus on a shorter leash, expressing his irritation when his former chief of staff would hover in Oval Office meetings. At times, Mr. Trump charged him with

menial tasks such as organizing small groups of reporters to glimpse the first few moments of a meeting with the president. Mr. Priebus didn't respond to requests for comment.

People who have known Mr. Kelly for years describe his style as no-nonsense. He introduces himself on phone calls and in emails to people he knows simply as "Kelly."

"If you're in a 10-minute meeting with him, he'll be quiet for the first nine minutes," listening before making a decision or a pronouncement, said one person close to him.

Soon after accepting the chief of staff position, Mr. Kelly picked up C.S. Forester's novel, "The General." The 1936 novel chronicles a British officer's rise through the ranks until finally his mediocrity catches up with him and he causes thousands of men to be unnecessarily killed. Mr. Kelly had also read it six months ago when he was given the job of Homeland Security secretary, and before taking top command posts as a Marine general—as a reminder of what to avoid as a leader.

In the first six months of the Trump administration, the president's senior aides enjoyed wide discretion on whom they could meet, what issues they could tackle and when they could bring their thoughts to the president.

That's all changed. Running one of his first senior staff meetings, Mr. Kelly laid down clear lines of authority and ordered aides to stick to their as-

signed areas. Discussions with senators, U.S. House members or others on Capitol Hill must be reported to the White House's legislative affairs director, Marc Short. Secretary of State Rex Tillerson, Mr. Kelly said, must know about meetings with foreign diplomats.

National Security Adviser H.R. McMaster this week removed from the National Security Council its senior director for intelligence programs, Ezra Cohen-Watnick. Mr. McMaster had sought to fire him earlier this year, but the move was blocked by the president, according to one administration official. This week, Mr. McMaster informed Mr. Kelly before taking the step, and the new chief of staff didn't object, according to an administration official. A second official said the move was a sign Mr. Kelly had no plans to micromanage staff.

Mr. Kelly moved senior staff meetings to 8 a.m., instead of 8:45, and holds them instead of the long mahogany table of the Roosevelt Room. His predecessor, Mr. Priebus, held the meetings in his office, where the television was often turned on and where staff could often redirect the discussion away from the agenda.

Mr. Kelly brought some of his team to the White House, including Kirstjen Nielsen, who served as his chief of staff at DHS and advised him during his confirmation process.

"You're starting to see a different flow, a different discipline," Office of Management

Tumultuous time

Mr. Kelly's success, or otherwise, will go a long way to determine whether the White House can successfully pursue its agenda, which has stalled amid a tumultuous period in Washington unlike any other recent presidency. A new survey by Quinnipiac University shows Mr. Trump's approval rating at a new low, and the president faces an intensifying special-counsel probe into alleged Russian interference in the 2016 U.S. election. Mr. Trump and his campaign have denied any collusion, and Moscow has denied meddling in the election.

Mr. Kelly, through a spokeswoman, declined requests for an interview.

"General Kelly has the full authority to carry out business," White House press secretary Sarah Huckabee Sanders said. "It's been a great first week, and there is a sense of cohesion within the staff."

There are limits to what Mr. Kelly can control, with Mr. Trump's Twitter account the most visible example. While the president tweeted less this week, on Thursday morning he criticized Congress's passage of

OPINION

There's No Such Thing as an 'Illiberal'

By Yoram Hazony

The American and British media have been inundated lately with denunciations of "illiberalism." That word was once used to describe a private shortcoming such as a person who was narrow-minded or ungenerous. But in the wake of Donald Trump's election and Britain's vote to leave the European Union, "illiberalism" is being treated as a key political concept. In the writings of Fareed Zakaria, David Brooks, James Kirchick, the Economist and the Atlantic, among others, it is now assumed that the line dividing "liberal" from "illiberal" is the most important in politics.

Who are these "illiberals" everyone is talking about? Respected analysts have ascribed illiberalism to the Nazis and the Soviets; to Vladimir Putin, Xi Jinping and Kim Jong Un; to Recep Tayyip Erdogan and Abdel Fattah Al Sisi; to the Shiite regime in Iran and the military regime in Myanmar; to the democratic governments of India, Poland, Hungary and the Czech Republic; to Donald Trump, Theresa May and Brexit; to the nationalist parties in Scotland and Catalonia; to Marine Le Pen, Bernie Sanders, Jeremy Corbyn and the lefty activists demanding political correctness on campus; to Venezuela, Pakistan, Kenya and Thailand.

Not everyone raising the hue and cry about illiberalism has exactly this same list in mind. But the talk follows a consistent pattern: A given commentator will name some violent, repressive regimes (Iran, North Korea, Russia). Then he will explain that their "illiberalism" is reminiscent of various nonviolent, democratically chosen public figures or policies (Mr. Trump, Brexit, Polish immigration rules) that he happens to oppose.

No reasonable purpose is served by lumping together totalitarians, autocrats, conservatives and democratic nationalists.

At first glance, it looks like taint by association. If you hate Mr. Trump or Brexit enough, you may be in the market for a way to delegitimize their supporters, 40% or 50% of the voting public. Making it out as though Mr. Trump is a kind of Hitler exactly, but at least Hitler lite—may feel like progress.

But that isn't enough of an explanation. A battalion of our best-known journalists and intellectuals are straining to persuade readers that there exists some real-world phenomenon called "illiberalism," and that it is, moreover, a grave threat. This isn't routine political partisanship. They really feel as if they are living through a nightmare in which battling "illiberalism" has taken on a staggering significance.

It's vital to understand this phenomenon, not because "illiberalism" really identifies a coherent idea—it doesn't—but because the new politics these writers are urging, the politics of liberalism vs. illiberalism, is itself an important, troubling development.

Start with the exaggerated sense of power many Americans and Europeans experienced after the Berlin Wall fell in 1989. Anything seemed possible, and a remarkable number of normally tough-minded people began telling one another



The catchall label has been applied to (clockwise from top left) Theresa May, Bernie Sanders, Vladimir Putin, Recep Tayyip Erdogan, Donald Trump and Xi Jinping.

movements. The conservative parties had been holdouts against utopian theories at least since the French Revolution.

As Irving Kristol emphasized in 1993: "The three pillars of modern conservatism are religion, nationalism and economic growth. Of these, religion is easily the most important." Although Kristol endorsed the free market as the best engine for growth, he believed that, in the absence of powerful religious commitments, the bonds that hold the nation together would be pulverized by the action of the market.

Neither nationalism nor support for religion can be derived from liberal theorizing about universal human rights or individual liberties. They are conservative principles, not liberal ones. Nevertheless, such conservatism was sufficiently legitimate in America, even in the eyes of liberals, to permit its standard-bearers to win high office and govern.

But where does a conservatism of this kind fit into a politics that has been reimaged as a universal effort to eradicate illiberalism in all its forms? We know the answer. Anyone who advocates nationalist and religious ideas in the wrong circles gets tossed straight into the basket of illiberals, with Messrs. Putin, Erdogan and Kim.

This is worth thinking about with care. A country where you can no longer advocate a nationalist or religious viewpoint without being stigmatized in this way is a place where only one political party is legitimate: the liberal one. The illiberal party is going to be put out of business, whatever it takes.

The politics of liberals vs. illiberals, if adopted as the basis for public discourse, will mean the end of the old democratic system of two legitimate political parties. A few conservatives, hoping to maintain their standing in the face of increasing intolerance, will break left, framing their support for human rights and economic growth as a form of liberalism. But most conservatives will continue to see nationalism and religion—no less than individual liberty and the free market—as indispensable in maintaining a strong and free nation.

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Instead, truculent and unaccommodating regimes and movements proliferated. America couldn't go to war against all of them, and the liberal internationalist paradigm proved virtually worthless in determining priorities. In a world full of illiberals, how to choose whether to go after Russia or China? Saudi Arabia or Iran? India or Pakistan? Bashar Assad or the al Qaeda-dominated Sunni rebels?

By

the time Barack Obama was elected in 2008, the American public was ceasing to care whether the Balkans or the Middle East were liberal. Not so American elites and intellectuals, many of whom continued to talk and write as if Western civilization had, since antiquity, been defined by a manly hostility toward illiberalism, and the only way forward was to keep bombing.

Elites and intellectuals defined an unattainable end—universal liberalism—as the purpose of Western foreign policy, creating a simplistic and ultimately incapacitating division of the world between liberals and illiberals. Yet the effects of this on the domestic politics of the U.S. and other Western nations may be even greater than its consequences in foreign policy.

During the Cold War, the basis for electoral politics in the democratic West was the opposition between liberalism and conservatism, both regarded as legitimate

market conditions and to satisfy demand.

The headline-grabbing 100% renewable pledges intentionally overlook these facts. Fossil fuels are not only the largest and most critical component of the energy portfolio, they are the foundation upon which renewable power must stand. Wind and solar generators ride free into the electric grid on the backs of fossil generators that have installed and paid for the infrastructure on which all Americans depend. The rise of renewable generation is made possible by fossil fuels, not despite them.

We should celebrate the growth of renewables, but not with false and misleading claims. What's needed is transparency and a shared objective to provide consumers with the most reliable, resilient and affordable energy available.

Mr. McConnell, executive director of the Energy and Environment Initiative at Rice University, was an assistant secretary of energy, 2011-13.



CROSS
COUNTRY

By Charles

McConnell

Dozens of cities have made a misleading pledge: that they will move to 100% renewable energy so as to power residents' lives without emitting a single puff of carbon. At a meeting of the U.S. Conference of Mayors in

late June, leaders unanimously adopted a resolution setting a "community-wide target" of 100% clean power by 2035. Mayors from Portland, Ore., to Los Angeles to Miami Beach have signed on to these goals.

States are getting in the game, too. Two years ago Hawaii pledged that its electricity would be entirely renewable by 2045. The California Senate recently passed a bill setting the same goal, while moving up the state's timeline to get half its electricity from renewables from 2030 to 2025.

Let's not get carried away. Although activists herald these pledges

as major environmental accomplishments, they're more of a marketing gimmick. Use my home state of Texas as an example. The Electric Reliability Council of Texas oversees 90% of the state's electricity generation and distribution. Texas generates more wind and solar power than any other state. Yet more than 71% of the council's total electricity still comes from coal and natural gas.

The trick is that there's no method to designate electrons on the grid as originating from one source or another. Power generated by fossil fuels and wind turbines travels together over poles and underground wires before reaching cities, homes and businesses. No customer can use power from wind and solar farms exclusively.

So how do cities make this 100% renewable claim while still receiving regular electricity from the grid? They pay to generate extra renewable energy that they then sell on the market. If they underwrite enough, they can claim to have offset whatever carbon-generated electricity they use. The proceeds from

the sale go back to the city and are put toward its electric bill.

In essence, these cities are buying a "renewable" label to put on the regular power they're using. Developers of wind and solar farms win because they can use mayoral commitments to finance their projects, which probably are already subsidized by taxpayers.

The power grid is built on fossil fuels, and there's no way to designate certain electrons as guilt free.

But the game would never work without complete confidence in the reliability of the grid, which is dependent on a strategy of "all of the above," generating power from sources that include coal, natural gas, nuclear, wind and solar.

The mayor of Georgetown, Texas, announced earlier this year that his city had reached its goal of 100%

renewable electricity. But in a 2015 article announcing the pledge, he acknowledged what would happen if solar and wind were not able to cover the city's needs: "The Texas grid operator, the Electric Reliability Council of Texas, will ensure generation is available to meet demand."

Two years ago the mayor of Denton, Texas, announced a plan to go 70% renewable, while calling a target of 100% unrealistic. "One of the challenges of renewable energy is that it's so hard to predict," he said. "You don't know exactly when the sun is going to shine or when the wind is going to blow. To maintain that reliable power, you must have backup power."

There is no denying that wind and solar power are important to a balanced energy portfolio. But coal is the bedrock of affordable electricity, and it will remain so, no matter how much wishful thinking by environmental activists. Coal is abundant and reliable. Unlike wind and solar, coal generation can be dialed up and down in response to

OPINION

REVIEW & OUTLOOK

A Republican Failure

The Senate left town for its August recess Thursday, a week after the House vacated, and let's hope the Members get an earful from constituents at home. The Republican Congress has so far been a monumental disappointment and on present trend is heading toward electing Speaker Nancy Pelosi in 2018.

Republicans campaigned in 2016 on the promise of government reform, and a typical new Congress would have racked up several big victories by now. But this Congress wasted seven months on health care only to blow itself up in spectacular fashion. Three GOP Senators, notably John McCain, put the final daggers in their own party's back.

But don't believe the talk-radio babble that this is solely a failure of "RINO" Members. Mark Meadows and the Freedom Caucus also contributed to failure by holding up the House reform for weeks and sounding like Democrats as they trashed the bill. Heritage Action, Freedom Works and the Koch network also played a damaging role. Unlike center-left interest groups, they showed an unwillingness to accept incremental progress, and now they have ceded the policy advantage back to the left.

The policy failure will compound for years in the expansion of the entitlement state that Republicans will be asked to raise taxes to fund. And the immediate political damage has already arrived in polls that show a growing lead for Democrats on the question of who should control Congress. The table nearby shows the gap at 44%-37%, which would translate to a Democratic gain of 30-35 House seats and the loss of the GOP majority.

This self-destructive behavior may continue in September. Republicans will return having passed no budget, with a mere four weeks to figure out a spending plan for fiscal 2018. House Budget Chair Diane Black passed her draft with unanimous GOP committee support last month, but the plan has stalled amid familiar GOP infighting.

The Freedom Caucus wants more mandatory spending cuts, which can't pass the Senate. The moderates want fewer discretionary cuts. Members are grousing over proposed reforms to welfare, education and agriculture. Yet without a budget outline, Republicans can't use the reconciliation process that would allow tax reform to pass the Senate with 50 votes.

Tax reform may fail like health care from the same refusal to compromise. In June Mr. Meadows said the border-adjustment tax was the

"one stumbling block" to tax reform. But now that GOP leaders have nixed the BAT, he's moving the goal posts to push back against GOP plans for full and immediate business expensing. This is the same game he played on health care.

House Republicans have passed only four of 12 spending bills, though they promised to end continuing resolutions and giant omnibus blowouts. At this point they will have no choice but to pass another huge catch-all spending bill of the kind that makes it harder to set priorities.

Adding to the mess, Republicans may have to attach a debt-ceiling increase to this spending bill. The usual conservative House suspects are refusing to approve a stand-alone debt-ceiling increase unless it includes policies for new spending restraint. Who do these GOP wizards think will be blamed if financial markets get nervous about U.S. credit? Barack Obama? Republicans now run the government, which means taking difficult votes to run it.

The tax debate may also be complicated by mopping up operations on health care. Republicans have boxed themselves in over "cost-sharing

subsidies to insurers, and Senator Lamar Alexander is negotiating the terms of GOP surrender with Senate Minority Leader Chuck Schumer. The policy defeat aside, these talks will roil GOP ranks and consume the attention of Members who need to focus on tax reform if it is ever going to get done.

Congress has accomplished a few things, notably using the Congressional Review Act to roll back 14 late Obama regulations. This is helping the economy. President Trump in June signed the Veterans Affairs Accountability Act, a modest reform that gives VA leadership greater ability to fire bad employees and protect whistleblowers.

The House has also moved some notable if overlooked reforms that would be useful if they can get through the Senate even in part. Rep. Jeb Hensarling's financial bill that passed the House in June would roll back much of Dodd-Frank. The House also passed two energy bills designed to simplify oil and natural gas pipeline permitting.

All of this is worth doing, but the reality after six months of general failure is that tax reform will now make or break this Congress. If Republicans can't even agree on cutting taxes and eliminating loopholes for Democratic constituencies like green-energy firms, what's the point of electing Republicans?

How to Increase Illegal Immigration

For years immigration restrictionists have claimed that they love immigrants and merely oppose illegal entry. Apparently that was a bait and switch. President Trump's first big restrictionist bill proposes to cut legal immigration by as much as half to 500,000 people or so a year.

The President on Wednesday endorsed legislation that aims to restrict "chain" family immigration and replace employer-sponsored green cards with a point-based system. Current policy "has placed substantial pressure on American workers, taxpayers and community resources," said Mr. Trump. How shrinking the number of workers in an economy that already has a record 5.7 million job openings is a mystery he didn't bother to explain.

U.S. citizens can now sponsor immediate family members—spouses, minor children and parents—for green cards. Their siblings and children age 21 and over also receive priority, though millions are waiting in the queue due to per-country quotas. Employers can sponsor an additional 140,000 green cards per year.

Senators Tom Cotton of Arkansas and David Perdue of Georgia have introduced legislation that would eliminate the green-card preferences for parents, adult children and siblings of U.S. citizens, which in effect would reduce legal immigration by 40%. Foreigners could also apply for up to 140,000 green cards via a government admissions process that awards points based on education, language ability, age, educational attainment and job skills.

There's a case for basing immigration more on skills than extended family ties. Minor children and parents should have priority, but siblings have no special claim on America. Cultural assimilation also matters, so an emphasis on English and other signs of potential success in America are worth accounting for.

The problem is that the bill's main purpose seems to be to slash the immigration rolls. In 2013 Mr. Cotton wrote in these pages that "we should welcome the many foreigners patiently obeying our laws and waiting overseas to immigrate legally." But under his bill the four million or so foreigners who have been waiting in the green-card line for years would have to reapply under the new system.

While the legislation is supposedly modelled on immigration systems in Canada and Australia, both countries are far more welcoming of foreigners. Australia admits three times as many immigrants per year than the U.S. as a

share of population. Canada accepts more than twice as many, and concierges help fast-track the process for high-skilled workers.

Any point system is also arbitrary and reflects the biases of politicians—namely, Messrs. Cotton and Perdue—rather than the needs of employers. While a foreign professional degree in a scientific field is worth 10 points, a U.S. bachelor's degree in English gets six. A 26-year-old receives 10 points—five times as many points as a 46-year-old. Employers have a better idea of the skills they need than does the Labor Department bureaucracy.

Mr. Trump and the restrictionists argue the legislation will reduce the welfare rolls while protecting U.S. workers from competition. But that's another misdirection play. Legal residents who aren't citizens don't qualify for most entitlement programs, and their labor participation rate is higher than that of U.S. citizens.

As for the argument that "low-skilled" immigrants are displacing U.S. workers, what economy are they living in? The U.S. jobless rate in July fell again to 4.3%, and employers in a myriad of industries including construction, agriculture and hospitality are facing a severe labor shortage.

The H-2A visa program for agriculture is byzantine while the caps on seasonal guest workers are far too low to satisfy employer demand. Within five days of the H-1B visa lottery opening for high-skilled workers this year, employers had submitted 199,000 applications for 60,000 positions. A shrinking labor supply means slower growth, which means fewer jobs for U.S. workers.

One bizarre counterclaim is that there must not be a labor shortage because wages aren't rising fast enough. But they are rising—2.5% in the last year. And every economist knows that employers can only raise wages as fast as productivity and profitability allow. If the cost of labor rises too much for a specific job, employers will simply cease providing the service or move production overseas. That means fewer jobs for Americans too.

The larger irony is that by restricting legal immigration Mr. Trump would increase the incentive for more foreigners to cross the border illegally or overstay their visas. The solution, as ever, is a legal immigration system that is generous with visas and flexible enough to meet the demands of a growing U.S. economy. If the White House is serious about passing something in Congress, it needs to recognize that reality.

The Meadows-McCain Congress may elect a Democratic House.

Speaker Pelosi May Be on Deck

If the election for U.S. Congress in your district was held today, which one of the following candidates are you most likely to vote for?

Democratic candidate 44%
Republican candidate 37%

Source: Morning Consult Politico poll, July 27-29, 2017

LETTERS TO THE EDITOR

Entitlement Programs Are Real Budget Busters

Sen. Tom Cotton writes in your pages that the Budget Control Act (BCA) undermines the U.S. military's ability to confront threats ("Repeal the Budget Control Act," op-ed, July 26).

Defense spending isn't our long-term budget problem. Entitlement programs are. The BCA's sequestration was a stick to get Congress to address them.

Yes, the post-sequester caps have been increased in a series of budget deals, but Sen. Cotton fails to mention that the deals have included entitlement reform. Much more is needed, but President Obama stood in the way.

Under President Trump, however, the BCA caps can be carrots for a good deal. Defense hawks like Mr. Cotton and some Democrats can get additional discretionary spending again, but this time the deal must include serious reforms to autopilot benefits programs and movement toward long-term budget balance.

Abandoning the mission to fix the budget would mean retreating from the larger threat to America's security—insolvency and debt crisis—pre-

cisely at the best possible opportunity to address it.

KURT COUCHMAN
VP of Public Policy, Defense Priorities
Burke, Va.

The bust-and-boom budgeting cycle Sen. Cotton refers to in his thoughtful case for repealing the Budget Control Act of 2011 also has a crippling effect on the nation's scientific research enterprise.

Under the arbitrary rules of that bill, federal research agencies like the National Institutes of Health are severely underpowered. NIH-funded research not only lays the groundwork for life-saving medical treatments, it fuels economic growth and is crucial to curbing health-care costs that are jeopardizing our long-term fiscal security. The costs of Alzheimer's and cancer alone are on track to wreak havoc on our fiscal future.

It is imperative that members of Congress work to produce a bipartisan budget deal that will pave the way for a healthier and prosperous nation.

MARY WOOLLEY
President and CEO, Research America
Arlington, Va.

U.S. Exporters Need the Export-Import Bank

Your editorial on the Export-Import Bank ("Reformers Not Welcome at Ex-Im Bank," July 22) seems fast and loose. For instance, it isn't accurate that "46 public employees were convicted of defrauding the bank"; rather, its inspector general has explained to Congress that 46 outside parties attempted to defraud it. Further, under accounting rules established by Congress, Ex-Im has sent to the Treasury \$7 billion more than it has received in appropriations since 1990, and the notion that the bank should use alternative accounting methods at odds with those required by law is dangerous.

U.S. exporters need Ex-Im because export credit agencies (ECAs), maintained by 80 nations, have issued tril-

lions of dollars in trade finance in recent years. China's three ECAs have provided more financing in the past three years than Ex-Im has in the past 80. Access to such financing often determines which firm—from which country—gets the sale. The campaign to kill Ex-Im delights foreign enterprises competing with U.S. exporters and has left executives across the nation astonished at how divorced our "opinion elites" are from modern business realities.

It's a tough world out there: Unilateral disarmament is not the answer.

NEIL BRADLEY
Senior VP and Chief Policy Officer
U.S. Chamber of Commerce
Washington

Kill Nafta's Chapter 19 To Help American Industry

Mary Anastasia O'Grady's view of Nafta's Chapter 19 sounds appealing on the surface but is fundamentally flawed ("Trump and the Nafta Talks," The Americas, July 24). Our trade laws exist to protect American businesses and jobs from unfair foreign trade practices, allowing our industries to grow and prosper. The idea that foreign producers can side-step U.S. courts is counter to our basic sense of fairness and sovereignty. U.S. laws are for America to determine and implement, not panels that include foreign nationals, each of whom represent their national and professional interests.

I am the CEO of Stimson Lumber Company, a family business based in Portland, Ore., that operates sawmills in Oregon and Idaho, and owns timberland in both states to support its mill operations. For the U.S. lumber industry, eliminating Chapter 19 would help protect American companies from subsidized and unfairly traded imports. Throughout the Nafta negotiations, I hope to see the administration remain firm in its stance in eliminating Chapter 19.

ANDREW W. MILLER
CEO, Stimson Lumber Company
Portland, Ore.

Blaming the Wrong Parties For the Opioid Epidemic

Regarding "Government Opioid Abuse" (Review & Outlook, Aug. 1): State attorneys general are suing companies such as Janssen and Purdue Pharma because "that's where the money is" (as Willie Sutton reminds us).

Unfortunately, the opioid medications which their citizenry is abusing and getting addicted to are produced by generic manufacturers—smaller firms with smaller bank accounts. Perhaps these public officials should take aim at insurance companies and prescription benefit managers who regularly deny coverage for newer abuse-deterrent opioids.

PETER J. PITTS
President
Center for Medicine in the Public Interest
New York

If the state attorneys general are really interested in solving the opioid problem, all they have to do is subpoena the records of all the pharmacies in their state (most of which are centrally computerized) and identify doctors who write an excessive amount of these prescriptions.

JAMES MORITZ
Naples, Fla.

Trump's Treatment of Sessions Is No Class Act

It has been obvious that President Trump has sought to humiliate Attorney General Jeff Sessions, a good and honorable man with a long record of distinguished public service, in an effort to force him to resign for doing what Justice Department rules required him to do. One can hope that Republican senators will be successful, but much damage has already occurred, not to the attorney general but to the president ("Senators Move to Block Trump Ousting Sessions," U.S. News, July 28).

Contrast President Trump's actions with those of President Ronald Reagan in somewhat similar circumstances. As deputy attorney general in the winter of 1981, I accompanied Attorney General William French Smith to the White House, where he informed President Reagan that he in effect was recusing himself from investigating allegations that the Labor Secretary Raymond Donovan had been involved with organized crime. The attorney general said that he had to seek the appointment of an independent counsel. This came as quite a shock to President Reagan, but he said, "Bill, if this is what you

feel you have to do, I understand." Much later, the investigation was closed, in Mr. Donovan's favor, without finding any legal violations.

President Reagan's response was a class act. President Trump's actions reveal no class whatsoever and show that he has no understanding of the role and obligations of the attorney general under our system of law and the Constitution.

EDWARD C. SCHMULTS
Little Compton, R.I.

Mr. Schmультs served as deputy attorney general of the U.S. from 1981 to 1984.

Pepper ... And Salt

THE WALL STREET JOURNAL



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"What's my motivation?"

OPINION

Can Kelly Conquer the White House Chaos?



DECLARATIONS
By Peggy Noonan

I realized as I wrote this that I've never met a Kelly I didn't like, who wasn't admirable. There was the great journalist Michael Kelly, lost in Iraq in 2003 and mourned still by anyone with a brain: What would he be making of everything now? There's Gentleman Jim Kelly, formerly of Time and an award-winning journalist. Ray Kelly was one of New York's finest police commissioners. Megyn Kelly is a brave, nice woman. I wrote once of a small miracle in which a group of friends arrived, late and in tears, to see John Paul II celebrate

The new chief of staff has the confidence of a general and the power of the last available grown-up.

Mass in New York. The doors of the cathedral were shut tight. A man in a suit saw our tears, walked over, picked up a sawhorse, and waved us through. As we ran up the steps to St. Patrick's, I turned. "What is your name?" I cried. "Detective Kelly!" he called, and disappeared into the crowd.

Grace Kelly was occasionally brilliant and always beautiful. Gene Kelly was a genius. There is the unfortunate matter of the 1930s gangster "Machine Gun Kelly," but he is more than made up for by Thomas Gunning Kelley (an extra e, but same tribe), who in 1969 led a U.S. Navy mission to save a company of Army infantrymen trapped on the banks of a canal in South Vietnam's Kien Hoa province. He deliberately drew fire to

himself. He was occasionally brilliant and always beautiful. Gene Kelly was a genius. There is the unfortunate matter of the 1930s gangster "Machine Gun Kelly," but he is more than made up for by Thomas Gunning Kelley (an extra e, but same tribe), who in 1969 led a U.S. Navy mission to save a company of Army infantrymen trapped on the banks of a canal in South Vietnam's Kien Hoa province. He deliberately drew fire to

himself. President Trump's abandonment of Sean Spicer might have been informed by the factors that made Melissa McCarthy's "Saturday Night Live" caricature of him plausible as well as abusive. Whether going on the attack from behind the podium or (supposedly) hiding in the bushes, Mr. Spicer seemed too rattled, too uncomfortable with his own sudden bursts of aggression, too—dare we say it—shrill.

On the other hand, many remarked during Anthony Scaramucci's brief ascendancy that he was a Trumpish sort of man, by which I think they meant a swaggering, hypermasculine, foul-mouthed New York hustler perpetually on the rise and, as it turns out, perpetually just about to fall. When Mr. Scaramucci lit into a target, he'd do it with a natural-seeming pleasure in expressing dominance and an effortless, manly vulgarity. It's not too far, come to think of it, from The Notorious B.I.G.'s battle-rapper attitude.

The Scaramucci epoch represented an overcompensation. As a leadership style, some people find the Trump-Mooch manner compelling and some find it intolerable. Many seem to find it both, expressing disgust while unable to avert their gaze. It certainly has a throwback flavor. Although Mr. Trump may be the first man with his particular sort of swagger to make it all the way into the White House, we might consider a few parallels among particularly macho presidents.

protect others, was badly wounded, waved off treatment, saved the day. He received the Medal of Honor. There are other Kellys on its long, illustrious rolls.

So Gen. John Kelly (retired), U.S. Marine Corps, veteran of Anbar province, Iraq, and new chief of staff to President Trump: onward in your Kellyness.

Everyone wonders what he'll do, what difference he'll make. He is expected to impose order and discipline, tamp down the chaos. I suspect his deepest impact may be on policy and how it's pursued, especially in the area of bipartisan outreach.

American military leaders are almost always patriotic, protective, professional, practical. They're often highly educated, with advanced degrees. Mary Boies, who for two decades has worked with the military as a leader of Business Executives for National Security, said this week: "In general, military top brass are among the most impressive people in our country."

It's true. And in a nation that loves to categorize people by profession, they can be surprising.

Generals and admirals are rarely conservative in standard or predictable ways, ways in which the term is normally understood. They've been painted as right-wing in books and movies for so long that some of that reputation still clings to them, but it's wrong.

They are not, or not necessarily, economic conservatives. Top brass are men and women who were largely educated in, and came up in, a system that is wholly taxpayer-funded. Their primary focus is that the military have what it needs to do the job. Whatever tax rates do that, do that. They are not economists, they don't focus on Keynesian theory and supply-side thought. They're like Gen. Dwight Eisenhower, who saw the historically high tax rates of the Roosevelt-Truman era and thought



John Kelly on Capitol Hill, May 24.

fine, that's how we won World War II. He didn't seem concerned about tax rates until he'd been president for a while and started hearing about the problems of business while playing golf with CEOs.

Generals are not romantic about war, because it's not abstract to them. Ms. Boies: "Army officers know better than anybody the limits of military hard power. Military people hate war because they've seen it and know both its limitations and its devastating effects."

In my observation generals are both the last to want to go in ("Do you understand the implications of invasion? Do you even know the facts on the ground?") and the last to want to leave ("After all this blood and sacrifice, this hard-won progress, you're pulling out because you made a promise in a speech?"). They hate hotheaded, full-of-themselves civilians who run around insisting on action. Those civilians are not the ones who'll do the fighting, and as public allies they're not reliable.

On social issues they generally tend to be moderate to liberal. I have never to my knowledge met a high officer who was pro-life. They largely

thought Don't Ask, Don't Tell a reasonable policy, but they're realists: Time moves on, salute and execute. They don't want to damage or retard their careers being on the wrong side of issues whose outcomes seem culturally inevitable. You don't die on a hill that is not central to the immediate mission.

They are as a rule not deeply partisan. Those who work in the Pentagon have to know how to work with both parties and negotiate their way around partisan differences. (Enlisted men in my experience are more instinctively conservative, though often in interesting ways.)

* * *

When things are working right, chiefs of staff have an impact on presidential thinking. They guide discussions toward certain, sometimes directed conclusions. They're expected to give advice, and it's expected to be grounded in knowledge and experience.

It may be easier for Mr. Kelly to impose order than people think. Sacking Anthony Scaramucci sent a message. The warring staffers around Mr. Kelly know it won't be good for them if they don't support him, at

least for now. If they fight him with leaks, they're revealed as part of the problem of the past six months. If they are compliant and congenial, it will look like they weren't the problem; someone else was. Also they're tired of being part of a White House that has been famously dysfunctional. It will help their standing in the world to be part of something that works. Similarly with Mr. Trump: If it works with Mr. Kelly, the first six months were Reince Priebus's fault, if it doesn't work, it was the president's.

Beyond that, a good guess is that Mr. Kelly will not be especially interested in partisan differences; he will not be ideological. He will guide Trump in the direction of: Solve the problem.

On tax reform, for instance, his instinct will be to figure the lay of the land and try to get to the number it takes to pass a bill with both parties. A friend who once worked with Mr. Kelly said: "He won't go 'This has to be comprehensive, historic.' He'll figure the few things both sides agree on and build out from there. You'll get a compromise. It won't solve everything, but it will be good for the country and it will get Trump on a path to somewhere, because right now he's on a path to nowhere."

Generals are not known for a lack of self-confidence. If he goes up against Mitch McConnell it won't be big dawg versus eager puppy, it will be big dawg versus big dawg. And Mr. McConnell has already disappointed the president. Mr. Kelly hasn't.

Mr. Trump, whatever his public statements, doesn't need to be told things haven't gone well; he knows. He has nowhere else to go, and the clock's ticking.

Mr. Kelly has the power of the last available grown-up.

Another advantage: He doesn't need the job. He's trying to help, as a patriot would. But this is not the pinnacle for him. His whole career has been pinnacles.

All the President's Men and Their Styles of Masculinity

By Crispin Sartwell

For thousands of years and right now in particular, political leadership has been an exploration of the varieties of masculinity, a theater where the ways of manliness are staged. Rarely, however, has the show been as spectacular as the one generated by the Trump administration.

President Trump's abandonment of Sean Spicer might have been informed by the factors that made Melissa McCarthy's "Saturday Night Live" caricature of him plausible as well as abusive. Whether going on the attack from behind the podium or (supposedly) hiding in the bushes, Mr. Spicer seemed too rattled, too uncomfortable with his own sudden bursts of aggression, too—dare we say it—shrill.

On the other hand, many remarked during Anthony Scaramucci's brief ascendancy that he was a Trumpish sort of man, by which I think they meant a swaggering, hypermasculine, foul-mouthed New York hustler perpetually on the rise and, as it turns out, perpetually just about to fall. When Mr. Scaramucci lit into a target, he'd do it with a natural-seeming pleasure in expressing dominance and an effortless, manly vulgarity. It's not too far, come to think of it, from The Notorious B.I.G.'s battle-rapper attitude.

The Scaramucci epoch represented an overcompensation. As a leadership style, some people find the Trump-Mooch manner compelling and some find it intolerable. Many seem to find it both, expressing disgust while unable to avert their gaze. It certainly has a throwback flavor. Although Mr. Trump may be the first man with his particular sort of swagger to make it all the way into the White House, we might consider a few parallels among particularly macho presidents.

If the hypermasculine New York hustler is a familiar American type, so is the big-hat country-western power broker: LBJ or J.R. Ewing, with a slow drawl, pointed boots and a somewhat threatening manner. Even Bill Clinton and George W. Bush had this in their repertoire, though neither managed the omniousness of LBJ.

Some varieties of presidential masculinity are probably extinct, such as Teddy Roosevelt's Great White Hunter, on safari or at war, skilled at personally killing things or people. So flummoxed are pundits for a direct parallel to Mr. Trump that they often reach back to Andrew Jackson and his rural roughnecks, rolling into D.C. in a savage onslaught of the highly improper. Even the impassive, stoic dignity of George Washington's public persona is a flavor of masculinity, emulated with mixed success by Dwight Eisenhower and even Barack Obama.

chief of staff is a nice emblem. On the other hand, Reince Priebus's response to being replaced seemed remarkably pliable: He thanked Mr. Trump for firing him and expressed his eternal devotion.

Mr. Kelly has arrived to "impose some discipline," as commentators insist, starting with Mr. Scaramucci's court-martial and then conquering the administration by military-style

Washington, like Jackson and Roosevelt in their different styles, was also a military man. Mr. Trump certainly favors this brand of masculinity, even if he has little of it himself. His choice of John Kelly as

Trump may be the first man with his particular sort of swagger to make it to the White House.

Washington, like Jackson and Roosevelt in their different styles, was also a military man. Mr. Trump certainly favors this brand of masculinity, even if he has little of it himself. His choice of John Kelly as

chief of staff is a nice emblem. On the other hand, Reince Priebus's response to being replaced seemed remarkably pliable: He thanked Mr. Trump for firing him and expressed his eternal devotion.

Mr. Kelly has arrived to "impose some discipline," as commentators insist, starting with Mr. Scaramucci's court-martial and then conquering the administration by military-style

manliness. But explosive rivalries will continue to emerge, for they are central to the performance of heterosexual masculinity.

The ways in which these leaders are men may seem natural to them, intrinsic to their personalities, and they may experience it that way themselves. But in all these cases, the sort of manliness they express is also a more or less conscious display, a matter of outfits, vocal intonations and vocabularies, styles of movement and gesture. These things are central to the public reception—and thus the effectiveness—of male leaders.

We might think of the ways people express and embody gender as aesthetic expressions or systems of the arts. If what makes you a man or a woman is partly biology, it's also partly a matter of how you decorate your space, how you move, how you talk, how you groom yourself, how you dress, what sort of people you want to attract or repel

and how you go about doing it.

The rise of women into positions nearer the top of various hierarchies has helped reveal that a lot of the history of political and economic leadership is the history of enacting maleness. That means women are having to think about ways to be both themselves and leaders, the relationship between femininity and dominance. Are you going to be a woman more like the ways Hillary Clinton is, or more like Sarah Palin? Neutralize or emphasize your sexuality? Show or disguise your desire to dominate?

These questions, at least in politics, await the next electoral cycle. Meanwhile, the men in charge are mounting an astonishing spectacle of virility.

Mr. Sartwell teaches at Dickinson College in Carlisle, Pa. His most recent book is "Entanglements: A System of Philosophy" (SUNY Press, 2017).

BUSINESS WORLD
By Holman W. Jenkins, Jr.

Playing an investment-banking chief trying to navigate a financial crisis, Jeremy Irons in the movie "Margin Call" asks a young colleague: "Maybe you could tell me what is going on. And please, speak as you might to a young child or a golden retriever."

Republicans are now wondering what to do about ObamaCare pending its unraveling, since they failed to enact their repeal-and-replace legislation. Republicans failed not only because they couldn't assemble their fractious majority, but because they couldn't produce a plan that made any sense.

The GOP wanted to preserve ObamaCare's popular guarantee of coverage for those with pre-existing conditions. It wanted to eliminate the unpopular individual mandate. Yet each Republican senator, no matter how much he or she might resemble a golden retriever, understood that this was a formula for disaster, sabotaging the very idea of insurance.

Having botched their chance to fix those things in ObamaCare that most urgently needed fixing, now some Republicans are working with Democrats to throw money at an unfixed ObamaCare, individual mandate and all.

Ugh. The things that could have been fixed, in keeping with the GOP's philosophical approach to health care, are its excessive benefit mandates that drive up the price of coverage and shift costs from Obama-favored groups to the young, healthy and non-poor, who obviously weren't buying.

Republicans were right to oppose President Obama's version of the individual mandate, which was not about enforcing personal responsibility but a hidden tax-and-redistribution scheme. But in abandoning what was originally a conservative proposal, they abandoned the only realistic way of reconciling the electorate's manifest

priorities, moving toward a system that is both universal (as Democrats and some Republicans want) and market-based (as Republicans and some Democrats want).

John McCain warmed many cockles with his paean to bipartisanship in his return to the Senate floor. Then he promptly sank Republican hopes of doing anything useful.

But he was being hardheaded in at least one sense: America can't prosper if every election brings potentially a 180-degree shift in its approach to health-care policy, environmental regulation, etc., by a president waving his executive-order wand.

Making their peace with the individual mandate is the way to advance market-based solutions.

Party rhetoric, it's true, has become more ideologically polarized in recent decades, but this can be overinterpreted. There are plenty of pro-deregulation Democrats, including all those Wall Streeters who paid to hear Hillary. A large swath of Democratic constituents favor charter schools, understanding, as a recent study shows, that public schools improve in the process.

The Obama administration took aim at occupational licensing, an element of local regulation that increasingly hinders the unemployed from relocating in search of jobs. Republicans and Democrats, on paper, agree about overhauling the corporate income tax.

Run a straight line through certain recent presidential candidates. Bill Clinton, George W. Bush, Barack Obama, John McCain, Mitt Romney and Donald Trump all had histories that placed them at a remove from their party centers.

Mr. Obama was the most avowedly nonpartisan, postpartisan of them all in his 2008 campaign—

though, after being elected, he quickly turned into Mr. "Elections Have Consequences and I Won." Which is how we got the unworkable ObamaCare in the first place.

OK, the Republican Party is poorly led right now. A president or a majority leader or even Sen. McCain might have taken charge and insisted that accepting the individual mandate was the right price for wresting back control of policy from the Democrats and moving toward a market-based solution that would be a rational advance over what we have now.

But it's also true that the GOP hasn't been getting good advice from its usual helpers. Many Republican-friendly policy shops have mutely gone along with the vilification of the individual mandate even though they know better.

So, instead, Republican lawmaking became policy making by applause meter. The individual mandate is unpopular, so it's out. The guarantee that 25-year-olds can stay on the family policy is popular so it remains even though it's exactly the kind of cost-shifting fake "benefit" that Republicans should oppose.

Leadership is required to make a fractious party produce a plan that is coherent and responsible in its particulars. Leadership is required to make party loyalists line up behind it. That's what a party is for. That's what a leader is for. President Trump, who obviously is not suited to the job, has practically begged the congressional party to cough up somebody for this role. Many thought it would be Paul Ryan. The job is still open.

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GOLF

No Time for 18 Holes? Let's Play Five.

More public-access courses are experimenting with offerings that are shorter and cheaper than the traditional 18-hole round

BY BRIAN COSTA

LIKE MANY GOLF COURSES, Canal Shores had seen fewer rounds played in recent years. The century-old course north of Chicago was projecting another downturn this year when, in the spring, its management group began to think about how it could reverse the trend.

On a map, the par-60 course is laid out like most others in the U.S., an 18-hole route that takes players away from the clubhouse and back. But as officials looked closer, they saw two smaller groups of holes that could work the same way: a 10-hole loop and a 5-hole loop.

Canal Shores now sells shorter-format rounds at discounted rates.

"There are a lot of people who are time-starved, but they still want to play golf," said Dan Bulf, the course's business manager.

In a nod to that reality, more public-access courses across the U.S. are experimenting with offerings that are shorter and cheaper than the traditional 18-hole round. The shift comes amid a multi-year push by golf organizations to convince people that playing the sport does not necessarily require a time commitment of four or five hours.

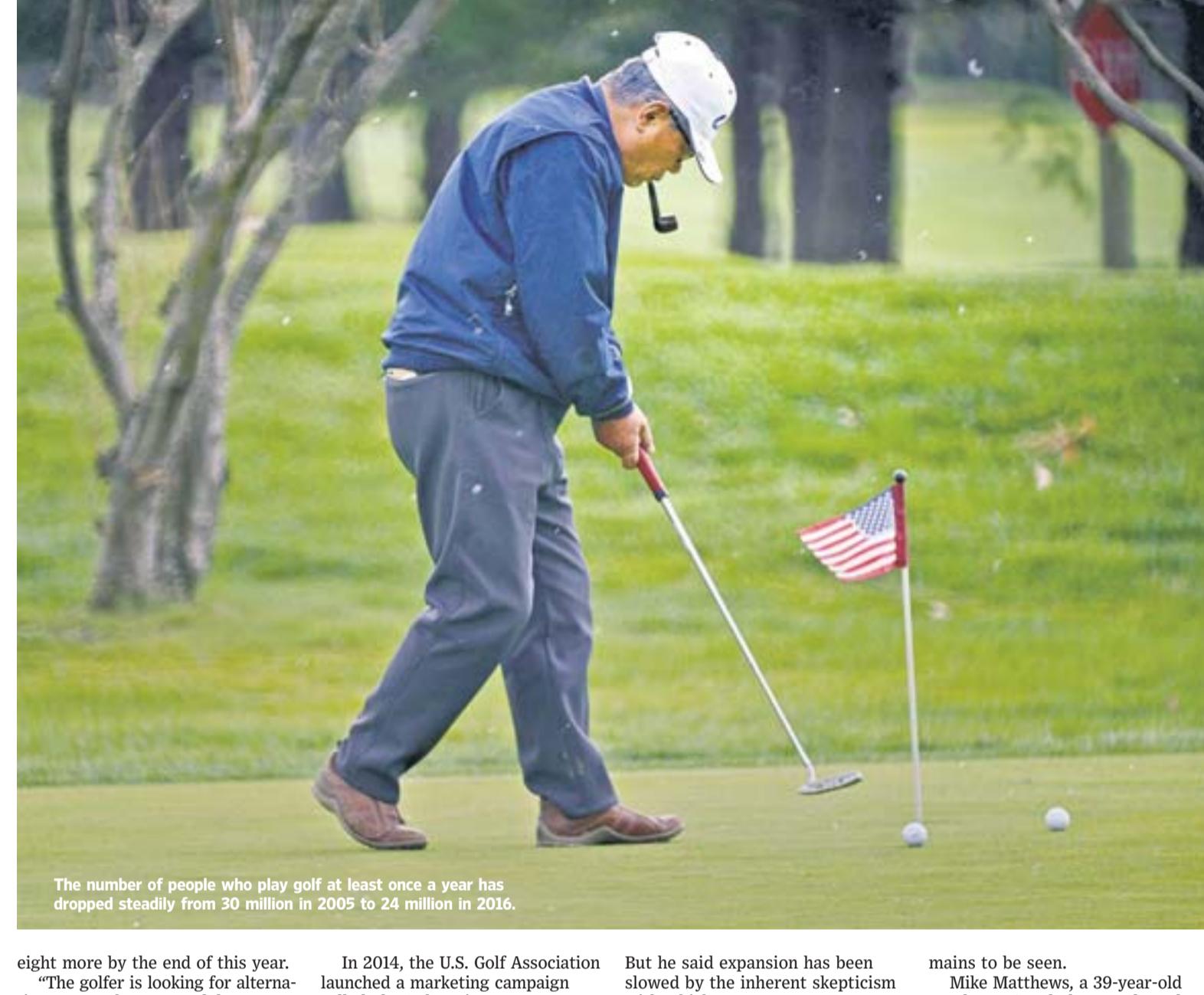
The most common alternative is the nine-hole round, but some courses are offering quicker options or even pay-by-the-hole pricing. They are typically available only at off-peak times, such as late afternoons or weekday mornings. But the fact that they are available at all represents a change among course operators, a fragmented group of small businesses not known for their innovative thinking.

"The rate of adoption in golf is glacial for anything that happens," said Jim Koppenhaver, president of industry consultant Pellucid. "But I think it's resonating. It's a slow sea change."

The reasons for that change are no mystery. Though golf remains among the most widely played sports in the U.S., the number of people who play at least once a year has dropped steadily from 30 million in 2005 to 24 million in 2016.

Surveys have consistently shown that the amount of time a traditional round of golf takes is among the chief reasons for the decline. There is also growing evidence that if golf courses themselves don't create alternative forms of the sport, people will find it elsewhere.

TopGolf, a cross between a high-tech driving range, sports bar and nightclub, attracted more than 10 million people to its facilities last year, more than double the number it drew just two years earlier. It has 30 U.S. locations spread across 16 states, with plans to add up to



The number of people who play golf at least once a year has dropped steadily from 30 million in 2005 to 24 million in 2016.

eight more by the end of this year.

"The golfer is looking for alternative ways to be a part of the game," said Jeff Foster, senior vice president of the tee-time booking service GolfNow, which for the past several years has been encouraging courses to offer more nine-hole rates.

Some of the proposed alternatives have been more outlandish. Among the experiments courses have tried to lure young and beginner golfers in recent years are 15-inch-diameter holes, more than triple the standard size; foot golf, in which players try to advance a soccer ball from tee to hole in as few kicks as they can; and the GolfBoard, which replaces the golf cart with a bag-carrying vehicle resembling an electric skateboard.

But the idea that the major golf bodies view as both the most practical and the most promising is far less radical. It's golf, at whatever length you have time for.

In 2014, the U.S. Golf Association launched a marketing campaign called Play9 that aims to promote the virtues of the nine-hole round to golfers, non-golfers and course owners alike. The USGA estimated that nine-hole rounds in 2016 comprised about one-third of total rounds played, with interest coming primarily from women, casual players and golfers under age 55.

There are even emerging options for people who don't have time for nine holes. QuickGolf, which launched last year, lets golfers pay by the hole at whichever times courses allow it, based on when standard tee times go unfilled. It runs largely on the honor system, with some safeguards to prevent golfers from playing more than they pay for.

Harvey Silverman, a longtime industry consultant who co-founded QuickGolf, said it has been adopted by 36 courses in 10 states.

But he said expansion has been slowed by the inherent skepticism with which many course operators view alternative pricing structures.

"It's real tough for these guys to get their heads past, 'If it's not an 18-hole round of golf, then I don't want to think about it,'" Silverman said. "Well, you have to start thinking about it. Times have changed. It's not 1925 anymore."

Foster, of GolfNow, said course operators have expressed concern that more nine-hole rounds would merely mean a loss of revenue, offering a cheaper option for people who would otherwise play 18. GolfNow argues that they are incremental rounds, luring people who would otherwise not play. It recommends that courses sell nine-hole rounds for 62% of their 18-hole rate.

At Canal Shores—where, before he starred in "Caddyshack," Bill Murray once worked as a caddie—the impact of the shorter loops re-

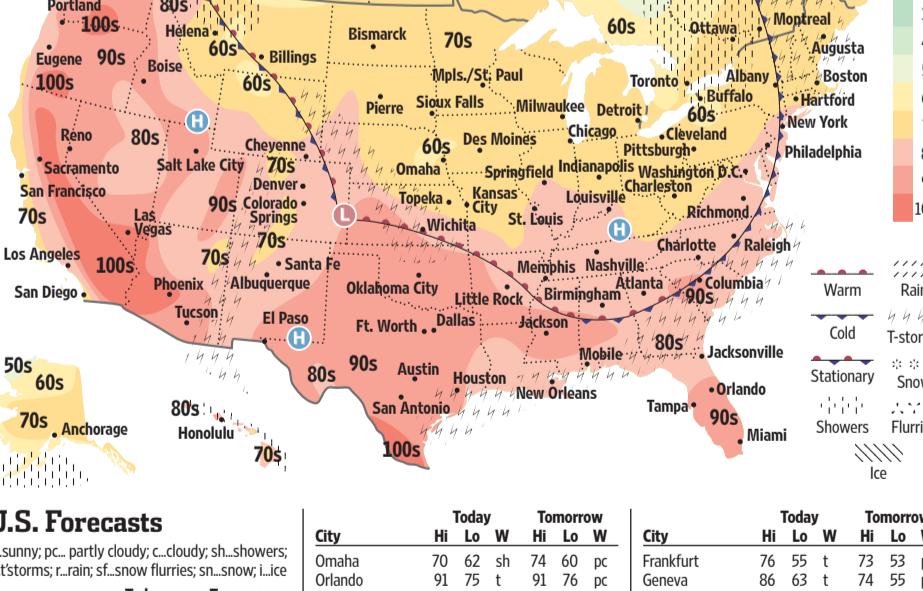
mains to be seen.

Mike Matthews, a 39-year-old regular at Canal Shores, often plays five holes with his 10-year-old son, whereas he said they would be unlikely to play 18 or even nine holes. "With him still learning and not being able to drive the ball, five holes is enough for us," Matthews said. But the logistics of playing five are more conducive to slower times of day, since the five-hole loop starts at the 14th hole, meaning Matthews and his son wait for gaps between groups playing 18.

Bulf, the business manager, said the response from golfers has been overwhelmingly positive. The shorter loops now account for 20% of weekday morning rounds played. But the question of whether they represent revenue gained or revenue lost remains unanswered.

Either way, Bulf said, "We definitely think this is a trend in the industry that's not going to go away."

Weather



U.S. Forecasts

s=sunny; pc=partly cloudy; c=cloudy; sh=showers;

t=tstorms; r=rain; sf=snow; flr=flurries; sn=snow; Lpc=Lpc

Today Hi Lo W

Tomorrow Hi Lo W

City Anchorage 71 57 pc 69 56 pc

Atlanta 87 70 pc 89 73 t

Austin 97 76 t 96 77 t

Baltimore 82 60 pc 82 70 s

Boise 95 64 s 94 66 s

Boston 75 63 t 79 65 pc

Burlington 78 57 t 75 58 pc

Charlotte 87 65 t 88 71 t

Chicago 79 63 pc 72 62 c

Cleveland 77 62 pc 78 64 pc

Dallas 95 79 pc 96 77 t

Denver 87 58 t 73 57 t

Detroit 78 61 pc 76 63 pc

Honolulu 89 73 pc 86 76 pc

Houston 90 78 t 92 80 t

Indianapolis 79 63 pc 71 64 t

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Las Vegas 100 82 pc 102 84 pc

Little Rock 87 72 pc 83 72 t

Los Angeles 84 68 pc 82 67 pc

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Brussels 70 53 pc 70 51 pc

Buenos Aires 64 51 s 70 54 s

Dubai 109 96 s 113 94 s

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TRACK & FIELD

ONE LAST DASH FOR USAIN BOLT

BY SARA GERMANO

IT WILL BE OVER in about 10 seconds. And then the track and field world will step into an uncertain future without Usain Bolt.

Bolt is set to contest one last 100-meter sprint on Saturday night at the world championships in London, his final individual event before a long-planned retirement.

Capping nearly a decade as the singular face of track and field, he is looking to clinch his seventh global title in the 100, on the same track that hosted his Olympic glories in 2012. His final race overall will be the world championships 4x100 meter relay, scheduled for next Saturday.

At this point, Bolt's bona fides as the

greatest sprinter of all time aren't in

doubt. Since 2008, he has won every Olympic and World Championship gold medal in the 100 and 200 meters,

save one (he was disqualified by a false start in the 100 at worlds in 2011). He owns the world record in both events, and shares the record in the 4x100 meter relay with his Jamaican teammates. His "to-the-world" pose, with torso bent to the side and arms pulling an invisible bow-and-arrow, has been synonymous with victory since his breakout win at the Beijing Olympics.

What remains to be seen is how the sport of

track and field moves forward in his absence.

On the track, there are other sprinters hoping to fill Bolt's shoes. Christian Coleman, an American sprinter, owns the fastest time in the world this year of 9.82 seconds. The most decorated up and comer is young Canadian Andre De Grasse, who won three medals at the Rio Games. But on Thursday, De Grasse posted on his social media that he tore his hamstring this week, ending his season as well as hopes for a final Bolt-De

Grasse showdown.

If track fans have one dissatisfaction with Bolt's career, it's that he has appeared reluctant to race head-to-head with other top talent. De Grasse's coach told the CBC last month that Bolt kicked the Canadian out of a

100 meter race in Monaco so that he would not be seriously challenged for the win, a claim that Bolt's representative has refuted. And after Wayde Van Niekerk stunned the world by breaking Michael Johnson's 20-year-old world record in the 400 meters in Rio last summer, fans salivated at the prospect of the South African facing Bolt, a match-up that hasn't materialized.

Heading into London this week, Bolt is undefeated in his brief season this year. He's won three 100-meter races, breaking 10 seconds only once.

Those times suggest his world record of 9.58 seconds, set in 2009, appears to be safe, but if Bolt were to shatter expectations, it wouldn't be the first time.



SHAWN BOTTERILL/GETTY IMAGES



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BUSINESS & FINANCE



MARKETS A RECORD RUN B10

CHRIS RATCLIFFE/BLOOMBERG NEWS JUSTIN LANE/EUROPEAN PRESSPHOTO AGENCY

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THE WALL STREET JOURNAL.

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DJIA 22092.81 ▲ 66.71 0.3% NASDAQ 6351.56 ▲ 0.2% STOXX 600 382.53 ▲ 1.0% 10-YR. TREAS. ▼ 11/32, yield 2.269% OIL \$49.58 ▲ \$0.55 GOLD \$1,258.30 ▼ \$9.50 EURO \$1.1774 YEN 110.69

Toyota's Bet On U.S. Has Wider Aims

Venture with Mazda is a chance to boost output of trucks, SUVs in Mexico and Canada

BY CHESTER DAWSON
AND SEAN MCCLAIN

TOKYO—Toyota Motor Corp.'s move to build a new factory in the U.S. won immediate praise from President Donald Trump, but it is just one facet of a larger plan that also involves boosting production of trucks and SUVs in Mexico and Canada.

The company's decision to open a \$1.6 billion Corolla sedan plant with **Mazda Motor Corp.** elicited a positive tweet from Mr. Trump, who had pressured Toyota earlier this year to drop plans for making that model in Mexico.

\$1.6B

Estimated cost of factory scheduled to open by 2021

The Japanese auto maker is betting a new production line in the U.S. offers bigger benefits long term. First, the plant frees up Toyota's capacity to boost output of high-margin sport-utility vehicles made in Canada and pickup trucks made in Mexico. It also positions the car maker to make a push in the fast-growing market for small crossovers that use the same underlying architecture as the Corolla.

It is a sign that Toyota President Akio Toyoda is bullish on the U.S. market, where he sees continued growth at a time when the rest of the industry is bracing for a downturn.

Earlier this decade, Mr.

Toyoda worried about overcapacity amid a global slump and put a moratorium on new factories. The company also sought to lower its U.S. profile after it drew Washington's wrath over reports of unintended acceleration in its vehicles.

A new administration has changed the political calculus and global demand for vehicles has recovered from the 2008-09 slump. U.S. sales set a record last year, propelled by strong demand for crossovers, SUVs and pickup trucks.

Toyota has relied heavily on sales of sedans, which have slumped in recent years and now account for less than half of all vehicle sales. Its U.S. market share has dropped from 16.2% in 2007, when it last announced plans for a new factory in Mississippi, to 14% currently.

But that may change as the company ramps up assembly of its most popular vehicles, such as RAV4 and Highlander SUVs.

"You'll start to see the pendulum swing their way" as Toyota lifts output of those vehicles, said Joe Langley, an industry analyst at IHS Markit Ltd. "There's a staggering amount of RAV4s or Highlanders they could grow [sales of] if they just had the capacity to do it," he said.

Mr. Toyoda lifted his self-imposed freeze on capacity two years ago by announcing new plants in China and Mexico. The Mexican factory was the subject of President Trump's scorn in January, when the company reacted by rebuffing the criticism and saying it would move ahead as planned.

Toyota now says it will reverse course by building a new U.S. plant for the Corolla. Mr. Toyoda denies Mr. Trump's comments affected that decision, but within hours of Friday's tweet, he said it took

Please see CARS page B2



Automation lets claims be handled more quickly than with in-person visits. A tornado tore up New Orleans homes earlier this year.

Drones Speed Up Insurance Claims

BY NICOLE FRIEDMAN

When Melinda Roberts found shingles in her front yard after a storm, her insurer didn't dispatch a claims adjuster to investigate. It sent a drone.

The unmanned aircraft hovered above Ms. Roberts' three-bedroom Birmingham, Ala., home and snapped photos of her roof. About a week later, a check from **Liberty Mutual Insurance** arrived to cover repairs. "It took a lot less time than I was expecting," Ms. Roberts said.

Drones, photo-taking apps and artificial intelligence are accelerating what has long been a clunky, time-consuming experience: the auto or home-insurance claim.

Traditionally, an insurance claim associated with minor home damage or fender-bender auto accidents started with a phone call from a customer and ended days or weeks later with a mailed check. In between, the insurer often would send an inspector to investigate the situation in person.

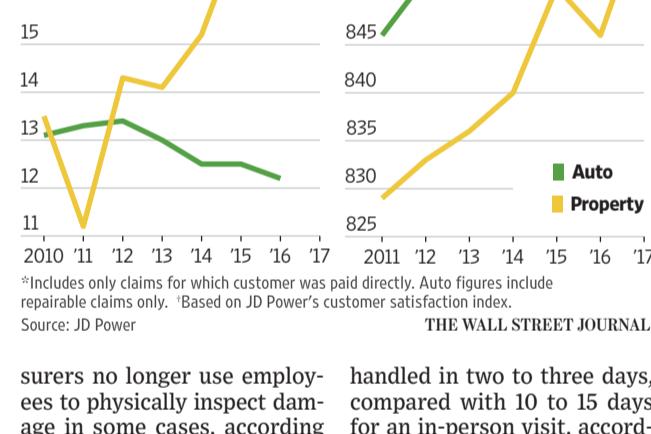
But about four in 10 car in-

Payment Push

Auto and home insurers are having mixed results as they try to speed up the time it takes to process a claim, but customer satisfaction is climbing.

Number of days it takes for an insurance claim to be paid*

Customer satisfaction with insurance claims†



*Includes only claims for which customer was paid directly. Auto figures include repairable claims only. †Based on JD Power's customer satisfaction index.

Source: JD Power

THE WALL STREET JOURNAL.

surers no longer use employees to physically inspect damage in some cases, according to a LexisNexis Risk Solutions survey of insurance executives. Claims that rely on greater automation can be

handled in two to three days, compared with 10 to 15 days for an in-person visit, according to the survey.

One new home insurer, **Lemonade**, drew attention in January, when it said it took

just three seconds for its artificial-intelligence claims bot to settle and pay a claim for a stolen jacket.

Insurers typically guard their claims-handling times as industry secrets. But some said the time for a customer to get a price estimate and receive a payment is speeding up, and the change could make it more likely that policies are renewed.

A faster process can also save insurers money. About 11 cents of every premium dollar in personal property-and-casualty insurance is spent on investigating and settling claims, according to S&P Global Market Intelligence.

Automation can reduce the size of payouts, too. "The faster you can settle a claim, typically the less you can settle it for, so there is a direct financial incentive," said Matthew Josefowicz, chief executive of insurance-technology consulting firm Novarica. Claims such as water damage can get worse if they aren't addressed quickly, he said.

Speed can have drawbacks. Please see CLAIMS page B2

THE INTELLIGENT INVESTOR

By Jason Zweig

The Market Is Different This Time

The market has hit Dow 22000 not because of the individual investors Wall Street calls "the dumb money" but in spite of them.

Over the past month, small investors have pulled \$17 billion out of U.S. stock mutual funds and exchange-traded funds and added \$29 billion to bond funds. That's the latest leg of a long-term trend: Since the internet-stock bubble burst in 2000, investors have withdrawn half a trillion dollars from U.S. stock mutual funds.

Instead of chasing this rising market upward, individual investors have been backing away from it. That retreat is increasingly automatic and has become an integral part of how the stock market works.

As millions of Americans reach the age of retirement and have to replace their salaries, they look less to stocks.

Please see INVEST page B5

◆ More views on the market as the Dow passes 22000..... B5



MARIEKE VAN DER VELDEN FOR THE WALL STREET JOURNAL

He Keeps His Foot on the Gas

Bill Perkins thrives on risk and monster trades

By TIMOTHY PUZO

Bill Perkins, a natural-gas trader who loves making big bets and flaunting his extravagant lifestyle, isn't for everyone.

WEEKEND PROFILE His Instagram account is famous for photos of his Caribbean-based yacht full of bikini-clad women. His half-million-dollar novelty bets with friends have been tabloid fodder. He is writing a book about how best to spend all your money before you die.

For many investors, though, his fund's erratic

performance is the bigger turnoff. Mr. Perkins's **Skylar Capital Management LP** nearly went under after the value of its flagship fund fell by half in 2013. It bounced back, doubling and tripling its money in the two years after that, a person familiar with the returns said.

Like him or not, many in the business agree on one thing: Swashbuckling commodities traders like Mr. Perkins are a dying breed.

"He's like the last cowboy," said John D'Agostino, a board member with several funds and former executive at the New York Mercantile

Exchange.

Commodity hedge funds tracked by eVestment peaked at 343 in 2013 and fell to about 200 this year. Many investors today want firms that use computer programs to trade—which runs counter to Mr. Perkins's approach. He still believes his own analysis, and instincts honed over 25 years, will produce a few whopper trades while computers grind out small gains.

"You cannot pay me enough to sit in front of a screen and throw away my life," the 48-year-old trader said in a recent interview.

Please see TRADER page B2

Google Is Taking Aim at Snapchat

By AMOL SHARMA
AND JACK MARSHALL

Google is developing technology to let publishers create visual-oriented media content along the lines of Snapchat's Discover, according to people familiar with the situation, upping the ante in a race among tech giants to dominate news dissemination on smartphones.

Alphabet Inc.'s Google has been in discussions with several publishers, including Vox Media, CNN, Mic, the Washington Post and Time Inc., to participate in the project, which is dubbed "Stamp," the people say. It could be announced as early as next week, one of the people said.

Google is building the service around its "AMP" mobile webpages, which are designed to load faster than regular webpages. The "St" in Stamp stands for "stories."

Participating publishers would run stories that could be several swipeable slides encompassing text, photos and video, just as on Snap Inc.'s Snapchat, the people familiar with the situation say.

"Ever since the beginning of AMP we've constantly collaborated with publishers, and are working on many new features," said a Google spokeswoman, who provided no fur-

ther details.

Google is stepping up its efforts in a busy area of the digital-media landscape. In addition to Snapchat, Facebook Inc. has its Instant Articles platform, which carries content from a variety of big-name publishers, while Apple Inc. has the Apple News app.

Publishers are trying to figure out how best to allocate their resources as the means to deliver news and information constantly evolve. Producing and formatting content for different digital platforms can be costly, they say, but optimizing for Google is a priority because of the company's ability to widely distribute content.

One of the main attractions of Google's service is that it would be tied into the company's search product, giving publishers a big built-in audience for Stamp stories.

The Stamp versions of stories could be surfaced in Google search results, or within other Google products, people familiar with the program said, as AMP pages are currently.

Also, the stories could be surfaced on publishers' own sites, a model that is different from Snapchat, in which stories are hosted by Snapchat itself and are only available via the app.

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BUSINESS WATCH

PEARSON

Job Cuts Planned, Dividend Reduced

Education company Pearson PLC said it plans to cut about 3,000 jobs and would slash its dividend, as tough conditions in the industry are forcing it to reshape its business.

The job cuts are the latest part of a restructuring program as the London-listed provider of textbooks, language courses and other educational products and services grapples with issues including declining college enrollment and tough competition in the U.S.

Friday's cuts come on top of 4,000—representing 10% of the company's total head count—that it announced last year.

The company also posted a pretax loss of £10 million (\$13.1 million) for the six months, compared with a £306 million loss a year earlier. Revenue rose to £2.05 billion from £1.87 billion.

It reduced its dividend to 5 pence from 18 pence, but Pearson also said it would return £300 million to shareholders in buybacks. —Rory Gallivan

BLUE APRON HOLDINGS

Stock Sinks Anew As Center to Close

Blue Apron Holdings Inc.'s stock fell to a record low after the meal-kit company said it would close a New Jersey fulfillment center, eliminating or relocating roughly a quarter of its workforce.

Blue Apron said it would elimi-

nate 1,270 jobs at the Jersey City facility in October, according to a notice filed with the state. A spokeswoman said the workers were all offered similar positions in a new facility the company is opening in Linden, N.J. She said most employees in Jersey City had chosen to take jobs in Linden, and that those who don't will be laid off.

The stock fell 6.3% to \$5.83. The shares have fallen 16 out of 25 days since Blue Apron went public. —Heather Haddon

PAYSAFE GROUP

Blackstone, CVC To Acquire Firm

Blackstone Group LP and CVC Capital Partners said they struck a deal to acquire online-payments processor Paysafe Group PLC for £2.96 billion (\$3.89 billion) amid a wave of consolidation in the sector.

The private-equity giants, which last month said they had made an approach for the U.K. company, are betting that the growing use among businesses and consumers of mobile devices to transfer money will drive demand for secure online-payment services.

The planned acquisition gives Blackstone and CVC significant exposure to the online gambling sector. A big part of Paysafe's business is its digital-wallet technology, which allows users to make bets online without tapping money from their bank accounts.

—Ben Dummett

Continued from the prior page

day's announcement, Mr.

Trump tweeted: "A great investment in American manufacturing!"

Canada and Mexico also have reason to cheer. The company will stop making Corollas in Canada in favor of pumping out RAV4 SUVs, Toyota's top-selling vehicle in the U.S., and is reworking the factory in Guanajuato, Mexico to nearly double production of Tacoma pickups in North America to 400,000 vehicles a year.

With the Mexico plant switch, "the production of pickups will be enhanced greatly," Mr. Toyoda said.

Toyota said it plans to open the new U.S. factory with Mazda by 2021, with the location yet to be decided. Eventually, the plant will be able to produce 300,000 vehicles a year and employ 4,000 people, it said. Half of those vehicles will be a new Mazda cross-

over.

In recent months, U.S. demand for vehicles has weakened, and industry experts

now expect sales to continue to drift lower even as capacity remains elevated—especially at American companies such

CLAIMS

Continued from the prior page

Some auto-repair shop industry groups have argued that photo-based appraisals can overlook significant damage and actually slow the claims process.

"It's great to speed up certain parts of the process, [but] to think that one photograph, one piece of code or one algorithm is the Holy Grail, I think is a bit of a misnomer," said Andrew Newman, president of reinsurance broker Willis Re.

Liberty Mutual is one of several insurance companies that have received federal approval in recent years to use or test unmanned aircraft to inspect

everything from hail-damaged roofs to collapsed buildings.

Delaware, Pennsylvania and Virginia changed their regulations last year to allow appraisers to base car-repair estimates on photos or videos, but Massachusetts and Rhode Island still have some restrictions on photo appraisals.

Chicago startup Snapshot helps car insurers with photo appraisals, using artificial intelligence to speed up the process. It takes up to three hours for the company to produce a price estimate after a customer submits photos of a damaged car, according to CJ Przybyl, Snapshot's president.

For claims involving more minor damage, the processing time is expected to fall sharply

as automation continues. A car-insurance claim is currently handled by an average of three employees, said Bill Brower, vice president of claims at RELX Group's LexisNexis Risk Solutions—the same number as in the 1980s.

Soon, the entire claims process—from notifying insurance companies when damage occurs to estimating repair costs based on photos—could be done with no human input, he said. LexisNexis Risk Solutions helps insurers streamline their claims processes.

"We're on the cusp of this major, major change" in claims handling, Mr. Brower said. "Consumers' expectations have changed."

At Lemonade, customers al-

ready file claims by chatting with a bot through the Lemonade app, uploading relevant photos and recording videos of themselves describing the loss. The company's algorithms run 18 antifraud tests, said Daniel Schreiber, Lemonade's chief executive.

The company said about one-fourth of its claims are settled and paid automatically.

Allstate Corp. told car-repair shops in March that it is asking customers to send photos of car damage through its app rather than using drive-in inspection centers. "We give customers their money in hours, not in days," Allstate Chief Executive Tom Wilson said in a May conference call.

"It's cheaper, better and faster."

TRADER

Continued from the prior page

Many highfliers from when commodities and hedge funds were hot during the oil and gas boom have closed or wound down much of their business in recent years, including SandRidge Capital LP, Roaring Fork Advisors and AAA Capital Management Advisors.

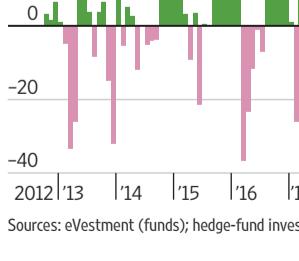
Some traders complain that declining investor interest in commodities, after years of plummeting prices, and heightened regulation have made it harder to turn a profit. Others point to a more conservative investor base: Large public pension funds and other institutions have become the biggest investors in commodity funds, yet tend to shy away from the sort of volatile performance that is common in the gas market, said Ernest Scalmandre, managing member at AC Investment Management LLC, which manages investments in commodities and commodity hedge funds.

"They have to turn around and justify it to their boards and their constituents," Mr.

Roller Coaster

Commodity funds like Skylar Capital Management LP are known for volatility and are falling out of favor with investors.

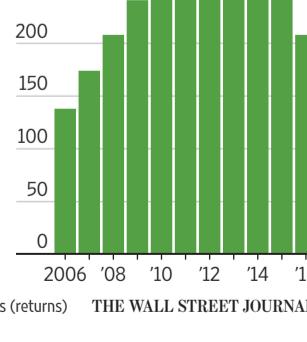
Skylar monthly returns since inception



Scalmandre said.

Pension officials may not want to explain to trustees why their fund manager's antics were written up in the gossip pages. That is an issue for Mr. Perkins, who once bet a friend that he couldn't cycle from Las Vegas to Los Angeles in 48 hours. Mr. Perkins lost \$600,000 on that wager and

Amount of commodity hedge funds tracked by eVestment since inception



was featured in New York tabloids.

Mr. Perkins said he recognizes the changes going on in his industry but has no plans to change himself.

"I'm not for everybody," he said. "You either want me to make you millions of dollars or you don't."

Born in Jersey City, N.J., Mr. Perkins attended the

University of Iowa, where he was a defensive back for the football team, and earned an engineering degree 12 years later after finishing up his course work in Houston. He began his career fetching sandwiches for Nymex traders in New York City and drove limousines at night for extra cash.

"I thought you could make a million dollars a year or so. I didn't think there was a ceiling," he said of his early years on the floor. "At the time, I thought, 'This is easy. I can do this better than that guy.'

The exchange was just starting to trade gas and Mr. Perkins was convinced it was the fuel of the future. In 2002, he was hired in Houston by John Arnold, a former Enron Corp. trader who founded the hedge fund Centaurus Advisors LLC after the energy company's bankruptcy.

Centaurus was on the other side of \$6 billion in losses that Amaranth Advisors LLC racked up trading gas futures while becoming one of the biggest hedge-fund failures ever in 2006, according to hedge-fund investors.

Mr. Perkins spent that year begging Mr. Arnold for

more money to trade every day, until he had the largest of Centaurus's positions against Amaranth, Mr. Perkins said. He made \$1 billion for the firm in his five years there, according to Skylar.

Mr. Arnold said he doesn't remember specifics but that Mr. Perkins was "a very successful trader."

"Bill is the most creative person I know," Mr. Arnold said. "Of every 20 ideas he proposed, 15 would be ridiculous, four would be clever but not viable, and one would be genius."

At Skylar, based in the U.S. Virgin Islands, Mr. Perkins searches for events that could cause extreme price movements. One of his most successful trades has been betting based on gas storage. When storage levels approached record highs in October 2015, indicating ample supply, the futures market lost 18% in six sessions. Skylar had placed bearish wagers that helped the fund gain nearly 60% that month alone, one of the most successful in the firm's history, Mr. Perkins said.

Mr. Perkins uses borrowed money in an effort to boost

returns, common in commodities. He targets 40% gains every year, about double what he estimates his peers target.

Throughout 2013, his firm kept betting that extreme cold in the U.S. couldn't last.

But it did for months. Skylar's losses in November and December 2013 brought the fund down 55% for the year, according to Skylar documents obtained by The Wall Street Journal. Some investors bailed at the low point of the fund, Mr. Perkins said, when asked about the fund's performance.

The fund unloaded some of its riskier positions and stayed alive. Mr. Perkins's bet that gas prices would fall powered his fund to a nearly 230% return in 2015 during a record-warm start to winter.

Skylar's assets are now back over \$100 million, according to the firm.

"My overall philosophy is to try to take as much risk as I can stand and then add a little bit more," Mr. Perkins said. "If I'm going to go ride this roller coaster, I don't want to ride the kiddie coaster. I want to ride

BUSINESS NEWS

Qualcomm Is Pushed To Raise NXP Bid

By BEN DUMMETT

Elliott Management Corp. disclosed a 6% stake in **NXP Semiconductors NV** on Friday, a signal it plans to push **Qualcomm Inc.** to raise its \$39 billion offer to acquire the world's largest developer of chips for automobiles.

The New York-based hedge fund, in a securities filing, said NXP's shares are "significantly undervalued." It added that it plans to continue talks with the chip maker's board, management and potential acquirers among others in connection with operations and strategic transactions including the pending Qualcomm deal to boost shareholder value. Elliott owns 4.9% of NXP's common shares and has exposure to an additional 1.1% through derivative agreements, according to the filing.

Qualcomm signed its deal to acquire NXP for \$110 a share in October.

The tie-up represents in part a bet that the car industry will be a key source of demand for chips as more driver-assistance features are added to vehicles and they ultimately start to drive themselves.

But since signing the deal, NXP's earnings have exceeded or largely met expectations, prompting some analysts to predict that the company's stock would likely trade significantly above \$110 if that offer price didn't exist.

The company's shares closed Friday at \$112.42.

Elliott has a proven record of using its holdings in target companies to try to generate profits by pushing for higher takeover offers.

A NXP spokesman declined to comment. A Qualcomm representative couldn't be reached to comment.

Sluggish Potbelly May Serve Up Self

By JULIE JARGON
AND AUSTEN HUFFORD

Sandwich maker **Potbelly Corp.** is considering putting itself up for sale, making it the latest restaurant chain to run into trouble as Americans dine out less.

Potbelly on Friday reported a steep decline in earnings and same-store sales for the second quarter, and said it would undertake a comprehensive review of its business.

"The overall restaurant operating environment remains challenging and we do not contemplate an improvement in industry trends in our outlook for 2017," said Mike Coyne, the Chicago-based company's finance chief and interim chief executive.

In June, **Ancora Advisors LLC**, which holds a 4% stake in the company, sent a letter to the board, calling for a change in strategy or a sale, citing Potbelly's declining share price. Potbelly shares rose 2.3% to \$11.15 in Friday trading, but are down 14% this year.

Restaurant chains from **Starbucks Corp.** to **Shake Shack Inc.** have reported slowing or falling traffic in recent quarters, as changing



Traffic at Potbelly and other chains has fallen as more consumers eat at home or at work.

consumer behaviors catch up with them. Consumers are increasingly eating at home or the office to save money and time, particularly at lunch. People are also shopping more

online, and making fewer trips to restaurants near malls.

McDonald's Corp. is one of the few restaurant chains that had a strong second quarter. The company said a \$1 drinks

promotion had helped attract more customers.

Potbelly said that nearly 60% of its business comes at lunch, and that it is looking at ways to attract more custom-

ers at other times. Potbelly competes in a crowded market. Numerous sandwich chains have opened and expanded in recent years, including Firehouse Subs and Jimmy John's.

Potbelly, which went public in 2013, has retained **J.P. Morgan Securities** as its financial adviser. The business review will include everything from its advertising strategy to ways to accelerate franchising, Potbelly said. About 11% of the company's restaurants are franchise locations, but the company has said it wants to boost that number to 25%.

Same-store sales at company-operated outlets fell 4.9% in the second quarter. Potbelly posted a quarterly loss of 1 cent a share, compared with earnings of 13 cents a share a year ago. Total revenue rose 3% to \$108.1 million.

For the year, the company now expects comparable sales to fall in the mid-single digits.

Potbelly got its start in 1977 in Chicago as an antique store, but it eventually became known for its sandwiches, which it added to boost sales. As of June 25, the company had 424 owned stores and 54 franchised locations.

Ex-VW Official Admits Role in Emissions Cheating

By Mike Spector
in New York and
Mike Colias in Detroit

conspiracy to defraud U.S. officials and customers with vehicles that featured illegal software allowing them to dupe government emissions tests while polluting far beyond legal limits on the road.

Volkswagen earlier this year pleaded guilty to criminal charges stemming from the scandal, and other individuals were also charged.

In a superseding criminal information, federal prosecutors charged Mr. Schmidt with

one count of conspiracy to defraud the U.S., commit wire fraud and violate the Clean Air Act. Prosecutors also leveled a second stand-alone charge of violating the Clean Air Act.

U.S. District Judge Sean Cox accepted Mr. Schmidt's guilty plea and scheduled his sentencing for Dec. 6.

Under terms of a plea agreement with federal prosecutors, Mr. Schmidt faces up to seven years in prison and a fine ranging between \$40,000 and \$400,000. The agreement requires that he be deported from the U.S. after completing his prison sentence.

VW in March pleaded guilty

to criminal charges in the U.S. and has admitted to rigging nearly 600,000 diesel-powered vehicles with software designed to evade emissions testing. The company has said the software is on some 11 million vehicles globally.

A Volkswagen spokesman said the auto maker continues to cooperate with U.S. Justice Department probes of individuals and declined to comment further.

In the U.S. alone, legal settlements could cost Volkswagen more than \$25 billion, depending on how many vehicles the auto maker ends up repurchasing to compensate

consumers.

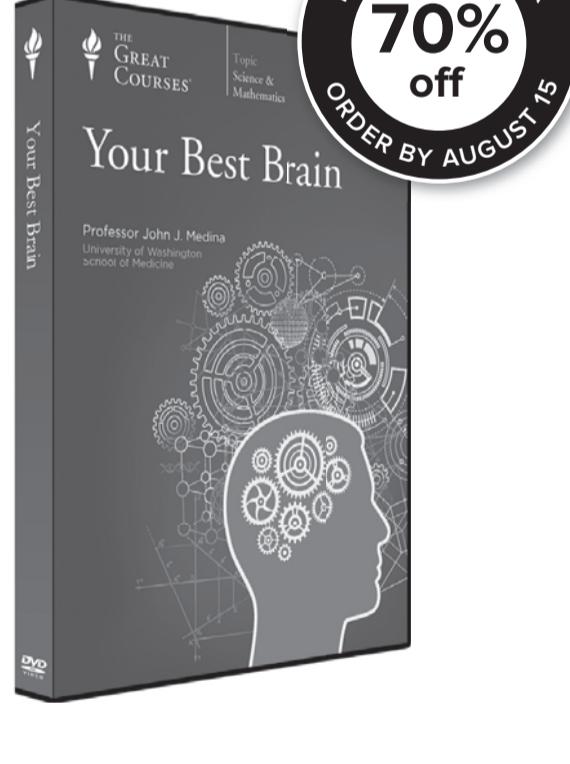
Mr. Schmidt, dressed in a red prison jumpsuit and in shackles, admitted during Friday's hearing that he knew about Volkswagen's use of the illegal software to mislead environmental regulators. Mr. Schmidt has been behind bars in Michigan and had planned to stand trial before agreeing to plead guilty.

Mr. Schmidt learned of cheating software on Volkswagen vehicles during the summer of 2015, according to his plea agreement.

Mr. Schmidt is one of eight individuals charged in the U.S. in VW's emissions cheating.

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BUSINESS NEWS

Price War Squeezes Generic-Drug Firms

By JOSEPH WALKER

U.S. generic-drug prices are falling at the fastest rate in years, eating into the profits of pharmaceutical wholesalers and manufacturers alike and erasing billions of dollars of their market value in recent days.

The three largest U.S. drug wholesalers, which warehouse and distribute some \$400 billion of pharmaceuticals annually, have been competing aggressively to win business among independently owned pharmacies, largely by agreeing to cut prices on generics. In turn, the wholesalers are squeezing drugmakers for better prices.

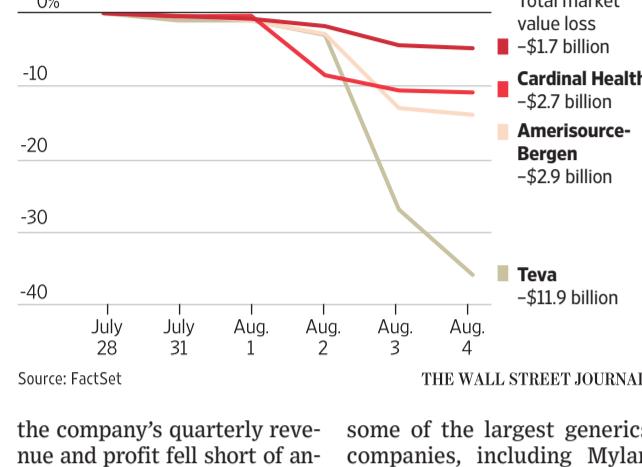
The trend has been good for the employers and government programs that ultimately pay for drugs, and for independently owned pharmacies, the mom-and-pop operators that compete with national chains. But it is taking a hard toll on wholesalers and generic-drug makers.

Shares of **Teva Pharmaceutical Industries** Ltd., the world's largest seller of generic drugs, fell 24% on Thursday in New York trading after

Tough Week

Declining U.S. generic-drug prices helped send shares of drug wholesalers and manufacturers plummeting this week.

Change in market value



THE WALL STREET JOURNAL.

the company's quarterly revenue and profit fell short of analysts' forecasts, driven by a 6% decline in generic product prices from the year-earlier period. The Israeli company said the pricing pressure on generics won't ease soon, and expects deflation to accelerate in the second half of the year. Teva's stock dropped an additional 13% Friday.

Through the close of regular trading on Friday, shares of

some of the largest generics companies, including Mylan NV, **Perrigo** Co. PLC, and **Endo International** PLC had declined 10% or greater since Monday. The firms are scheduled to report earnings next week.

AmerisourceBergen Corp., the second-largest U.S. wholesaler, said Thursday it continued to expect generic prices to decline by a range of 7% to 9% annually in its current fiscal

Teva May Need To Pay Up for CEO

Israeli drugmaker **Teva Pharmaceutical Industries** Ltd., which for months has been unsuccessfully searching for a new chief executive, may be forced to open its wallet wide to lure a candidate to help reverse its fortunes.

The world's biggest seller of generic medicines lost a quarter of its market value Thursday as concerns mounted about its future. Teva is laden with \$35 billion in debt and is wrestling

with a sustained decline in U.S. generic-drug prices. The company's second-quarter earnings fell short, it cut its full-year earnings outlook and dividend, and warned it may breach debt covenants.

Chairman Sol Barer has said he is searching for a chief with global pharmaceutical experience and that finding a new CEO is a priority.

Investors and analysts said Teva will have to significantly increase its compensation package to snatch an executive from a competitor that could help reassure investors.

—Rory Jones
and Denise Roland

avoid sparking further scrutiny from lawmakers in Washington, where concern about rising drug costs runs high.

Generic drugs are cheap copies of medicines that have lost patent protection.

Prices tend to fall dramatically when a drug loses patent protection and multiple companies begin producing it. But in recent years, prices for many generics increased—sometimes dramatically—because of market disruptions that decreased competition.

Some manufacturers stopped making certain drugs because of manufacturing and quality-control problems, and the Food and Drug Administration fell behind on approving new market entrants.

Now, the trend has reversed, and prices are falling faster than their historical averages, according to an analysis by Raymond James & Associates Inc.

"There was this egregious pricing, and it was a windfall" for some generic drugmakers and wholesalers, said John Ransom, a Raymond James analyst. "These guys were over-earning with the pharma pricing bubble," he says.

year. The trend contributed to a 8.7% decline in operating profit in its pharmaceutical distribution unit, and sent shares down 10.5%. The company's largest competitors, **Cardinal Health** Inc. and **McKesson** Corp., also recently reported persistent generic pricing pressure as a factor behind their declining profits.

"There's no doubt that when you have a key product category with a 9% deflation

rate, that's a headwind you're getting," Amerisource CEO Steve Collis said.

Wholesalers, which make money in part by selling generic and brand-name drugs to pharmacies at a markup, have also recorded moderating profits on some branded drugs.

That is because some pharmaceutical companies are raising branded prices at a slower rate than in previous years to

HNA Charity Won't Take Funds for Now

By ANJANI TRIVEDI
AND JULIE STEINBERG

Chinese conglomerate **HNA Group** Co. has deepened the uncertainties around the New York foundation that is its biggest shareholder by changing its reason for not registering yet with the state.

The Hainan Cihang Charity Foundation, a Manhattan-based nonprofit that is slated to hold nearly 30% of HNA

Group's shares, was waiting for tax-exempt status before registering with the New York Attorney General's Charities Bureau, people familiar with the matter told The Wall Street Journal last week.

On Thursday, however, lawyers representing the foundation said it "has not and does not intend to solicit charitable contributions in New York State, and therefore Executive Law registration is not re-

quired," in a letter viewed by the Journal that was responding to a query from the New York Attorney General's Charities Bureau.

People familiar with the matter had told the Journal that the foundation did eventually intend to accept outside contributions. To allow for that possibility, the foundation filed an amendment to its articles of incorporation in May, according to a document reviewed by the Journal.

An HNA spokesman said Friday the foundation didn't have plans to solicit outside contributions "while it is in the early stage of its organization and operation."

The latest information adds to questions swirling around HNA—one of China's most ambitious overseas investors, known for pursuing big stakes in the Hilton Worldwide Holdings Inc. hotel chain, Deutsche Bank AG and an investment firm owned by former White House communications director Anthony Scaramucci.

HNA unveiled a new shareholding structure, including its New York foundation, last week. The eight-month old foundation, which is in its early stages, is in the process of receiving shares pledged and committed to it by HNA.

—Cezary Podkul contributed to this article

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A Leg Up

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16% —



*Assuming an average of \$120/square feet for premium retail

Source: Onestop Internet Inc.

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11 GTO Blk/Blk 2k \$719K

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148 MID ENGINE

17 Spider Red/Bk 1k Call

17 Coupe Blk/Blk 1k Call

458 MID ENGINE

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13 Spider Red/Tan 4k SOLD

12 Coupe Gry/Bge 8k \$199K

CALIFORNIA

17 Blk/Bge Speciale DEMO

16 Sl/Blk/Bkg 1k \$219K

16 Red/Bk Speciale 1k Call

15 Red/Tan 3k \$189K

15 Red/Tan 7k \$179K

15 Red/Tan 2k \$187K

15 Whl/Blk 16k \$175K

14 Red/Tan 5k \$159K

13 Dk/Rd/Blk 5k \$149K

13 Yel/Bge 4k \$149K

12 Gry/Bge 12k \$139K

12 Blk/Blk 11k \$139K

10 Red/Tan 22k \$99K

430 MID ENGINE

07 Spider Red/Tan 4k \$139K

06 Spider Red/Tan 12k \$129K

06 Coupe Blk/Blk 11k \$119K

360 MID ENGINE

03 Spider Blk/Bge 13k \$94K

03 Spider Red/Bk 13k \$89K

348 TS

DOW 22000: FOUR VIEWS ON THE MARKET



Strong corporate earnings at companies like McDonald's have helped fuel markets higher, but quarterly comparisons will get harder.

What Goes Up, Must Go...

The factors that have driven market gains won't last. When they will stop is the question.

By KEN BROWN

Investors typically worry about what can go wrong in the stock market. A better question now is what needs to go right for the market to keep rising.

The stock market has surged 20% since the election, making it expensive by almost any measure. The drivers of the rally are well-known: Strong corporate earnings, solid global growth, central bank stimulus and a relatively stable global geopolitical environment. These positives have made the market one of the calmest of all time, which has given investors more confidence and further boosted stocks.

Can those factors continue? In most cases no, though the timing and size of the next shift are impossible to know. But these trends are interconnected and have reinforced.

Good Times

S&P 500 earnings, change from a year earlier



Source: Thomson Reuters I/B/E/S
THE WALL STREET JOURNAL.

forced one another on the way up. A crack in one could have an outsize impact on the rest.

Corporate earnings are on track to grow in double digits for the second quarter in a row. With that impressive performance, it is easy to forget that a year ago we were ending a stretch of four

straight quarters of shrinking profits. The shift to profit growth will make further strong growth harder to achieve—it is much harder to grow fast when the last year's quarter was good. Combined with the tight jobs market, which will inevitably raise costs and reduce profit margins, earnings growth will likely slow for the rest of the year.

The strong global economy has been a significant boost to the market. The basic reason is that companies in the S&P 500 get nearly 30% of their revenues from overseas. A weaker dollar, due in part to the slower growth, has further boosted profits. If higher rates in the U.S. boost the dollar, profits will be under pressure.

The International Monetary Fund sees global growth staying solid through the end of next year. What can go wrong? The China debt bubble could finally implode or Europe's period of political calm could end, but one of the biggest risks is a slowdown in the U.S., which is long overdued for a recession. Declining

Treasury yields are a signal that a slowdown could be coming. That, obviously, would hit the stock market and pull down global growth.

Central bank stimulus is declining but slowly. The risks are that rising interest rates in the U.S. and the end of bond buying in Europe slow their respective economies. But neither bank will tighten in a slowing economy, and low inflation gives them cover to keep policy loose.

Geopolitics is impossible to predict. The problem now isn't that there are more risks than usual but that investors are acting as if there are almost no risks. An upheaval involving any combination of Russia, Iran, Syria, North Korea or China might be just the thing to remind investors that the world, and the stock market, can be a dangerous place.

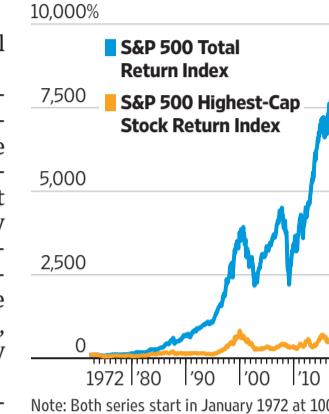
U.S. stocks have been the best performing asset class in the world for three years running, returning an average of nearly 16% annually. This year is on track to top 20%. To get here, a lot of things have gone right and almost nothing wrong. That hardly ever lasts.

Why It's Time To Dump Apple

By COLIN BARR

Topping Out

Buying the most-valuable stock in the S&P 500 has been a losing strategy.



Note: Both series start in January 1972 at 100
Source: Ned Davis Research
THE WALL STREET JOURNAL.

business gains without discounting likely reversals.

For instance Apple, with a market value of \$808 billion, recently accounted for 4% of the market capitalization of the S&P 500. It is a level that only a few firms, including Cisco, Exxon and General Electric, have attained in the past quarter-century or so. It is one that none has maintained for very long.

"It's a club you should never aspire to," said Doug Ramsey, chief investment officer at Leuthold Group LLC in Minneapolis, with \$1.5 billion under management.

Of course, there is no saying Apple won't keep going. Since it began its latest run as the most valuable S&P 500 stock in May 2016, Apple has added more than \$300 billion in market value. And it is far from clear that Apple's best days are behind it. The shares this past week posted their largest daily gain since Feb. 1 after the Cupertino, Calif., company said earnings per share for its fiscal third quarter rose 17% from a year ago on a 7% revenue gain.

Analysts continue to expect Apple shares to soar, and why not. The firm's revenue outlook for its fourth quarter was stronger than expected, thanks in part to the 10th anniversary iPhone. Despite posting a 14% annual return since 2012, Apple shares still trade at a discount to market earnings multiples.

Even so, the company's value implies some hefty expectations. With \$808 billion in hand, you could purchase the entire S&P Small-Cap index and still have some \$90 billion in walking-around money. "I think I'd rather own those 600 companies," Mr. Ramsey said.

This Market Is Done. The Math Proves It.

By SPENCER JAKAB

Here is a market prediction that can be made with a high degree of confidence. Returns over the next decade are going to be lousy. Simple math says so.

Over the medium term, the price investors pay for a dollar of earnings at the outset far outweighs future economic growth or profits. Even if a time traveler from the year 2027 returned with evidence of superior corporate profits, it would reveal little about how much stocks could rise.

Take the 10 years starting in December 1964. Large U.S. company profits grew by 80% over the next decade, yet the S&P 500 was about a fifth lower by December 1974. On the other hand, a time traveler would have delivered bad news in June 1949—profits were going to rise by a modest 44% over a decade. Yet the market rose threefold. The difference is that the starting price-to-earnings ratio was high in late 1964 and very low in mid-1949.

Today, stocks are historically expensive and U.S. government bonds, the risk-free alternative, sport paltry yields. The upshot is that an investor who rebalances his or her portfolio annually to hold 60% in an S&P 500 index fund and 40% in 10-year Treasurys shouldn't expect much.

Over the half-century through the end of 2016, the S&P 500 delivered an annualized total return of 10.1%, while 10-year Treasury notes' return was 6.7%. An investor who thought that the future would mirror the past and invested \$10,000 in the index

INVEST

Continued from page B1
for growth and more to bonds for income. A massive industry has arisen to make that easy.

Financial advisers, many of whom "rebalance" or periodically adjust portfolios to keep them in line with preset proportions in stocks and bonds, control more than \$5.5 trillion in assets, The Wall Street Journal recently found. And target-date funds, those retirement-saving portfolios that automatically scale back stockholdings as investors age, held \$998 billion in assets as of June 30, according to Morningstar Inc.

Target-date funds made up 20% of assets in 401(k) retirement plans at year-end 2015, up from 18% in 2014 and 15% the year before, reckons a new report from the nonprofit Employee Benefit Research Institute and the Investment Company Institute, a trade group for the mutual-fund and asset-management industry.

"More and more money is being invested according to asset-allocation strategies," says Brian Reid, the ICI's chief economist. That means trillions of dollars are managed to keep exposure to stocks constant (or even declining) over time.

The math is simple: If you had a target of 50% in stocks and they go up 10%, you are suddenly off-target, with more than half your money there. Your financial adviser or target-date fund will automatically sell stock and buy bonds to get you back to 50%.

That's what happens now,



mechanically, millions of times a month as the stock market rises. Such continuous, gradual selling may well have helped the market rise so smoothly and keep it (so far) from overheating.

Even investors who aren't automatically rebalancing are thinking as if they need to, says William Koehler, president of FCI Advisors, an investment firm in Overland Park, Kan., that manages \$7.6 billion primarily for individual clients.

As Mr. Koehler puts it, the most common question his firm heard from clients back in 1999 was, "Should I just buy Cisco?" (Cisco Systems Inc. was then one of the hottest technology stocks.) Now, he says, it is: "Do we have the right mix of stocks and

bonds and cash?"

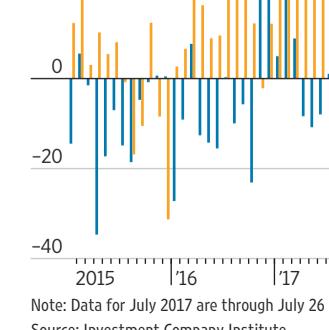
Welcome to the homeostatic market. In biology, homeostasis is the process by which living organisms regulate vital aspects of their internal environment, keeping such factors as body temperature or chemical balances close to their "set points" or target values.

These automatic adjustments don't mean stocks can't crash or soar from here. But such sharp moves are at least somewhat less likely and less likely to last, in a homeostatic market.

So don't believe anyone who tells you Dow 22000 is driven by euphoric "dumb money." This is a market in which millions of small investors have been selling, not buying.

Buy and Sell

Monthly net flows at mutual funds and ETFs holding U.S. stocks and bonds



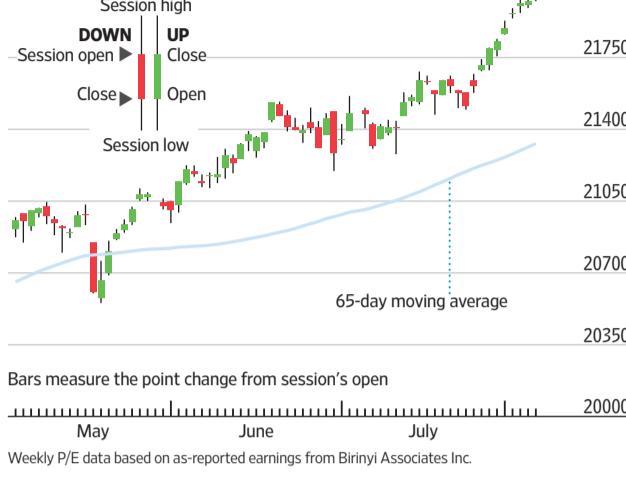
Note: Data for July 2017 are through July 26
Source: Investment Company Institute
THE WALL STREET JOURNAL.

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

22092.81 ▲ 66.71, or 0.30%
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 20000

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2476.83 ▲ 4.67, or 0.19%
High, low, open and close for each trading day of the past three months.



May June July 2400 2450 2500 2550 2600

65-day moving average

Nasdaq Composite Index

6351.56 ▲ 11.22, or 0.18%
High, low, open and close for each trading day of the past three months.



May June July 5800 5900 6000 6100 6200 6300

65-day moving average

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
	Dow Jones	22092.81	22024.64	22092.81	66.71	0.30	22092.81	17888.28	19.1	11.8
Industrial Average	22092.81	22024.64	22092.81	66.71	0.30	22092.81	17888.28	19.1	11.8	10.1
Transportation Avg	9289.92	9188.26	9277.63	75.23	0.82	9742.76	7755.40	17.9	2.6	4.4
Utility Average	733.12	727.98	731.87	-2.24	-0.31	737.51	625.44	5.9	11.0	10.8
Total Stock Market	25628.30	25552.91	25609.90	58.61	0.23	25692.25	21514.15	13.6	10.0	8.2
Barron's 400	650.15	647.80	649.39	0.73	0.11	661.93	521.59	18.0	7.9	7.6

Nasdaq Stock Market

Nasdaq Composite	6361.49	6329.73	6351.56	11.22	0.18	6422.75	5046.37	21.7	18.0	13.2
Nasdaq 100	5912.56	5877.06	5899.91	8.71	0.15	5950.73	4660.46	23.1	21.3	14.7

Standard & Poor's

500 Index	2480.00	2472.08	2476.83	4.67	0.19	2477.83	2085.18	13.5	10.6	8.5
MidCap 400	1753.10	1747.58	1751.48	4.28	0.24	1791.93	1476.68	12.1	5.5	8.4
SmallCap 600	855.36	850.52	854.60	3.25	0.38	876.06	703.64	14.5	2.0	9.6

Other Indexes

Russell 2000	1413.04	1405.14	1412.32	7.09	0.50	1450.39	1156.89	14.7	4.1	7.9
NYSE Composite	11994.95	11959.99	11984.89	28.37	0.24	12000.02	10289.35	11.1	8.4	3.6
Value Line	523.85	521.78	523.62	1.67	0.32	533.62	455.65	8.5	3.4	2.6
NYSE Arca Biotech	3949.65	3911.83	3948.24	28.64	0.73	4075.95	2834.14	14.2	28.4	12.5
NYSE Arca Pharma	528.27	525.07	525.90	-2.34	-0.44	549.20	463.78	-3.4	9.2	1.0
KBW Bank	97.98	96.92	97.22	0.91	0.95	99.33	69.05	38.9	5.9	11.9
PHLX® Gold/Silver	83.34	81.99	82.04	-1.95	-2.32	112.73	73.03	-25.2	4.0	-5.9
PHLX® Oil Service	134.72	132.75	133.64	-0.02	-0.01	192.66	126.75	-17.2	-27.3	-22.9
PHLX® Semiconductor	1087.80	1076.42	1079.45	0.65	0.06	1138.25	768.37	39.5	19.1	20.8
CBOE Volatility	10.50	9.68	10.03	-0.41	-3.93	22.51	9.36	-11.9	-28.6	-12.8

\$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	% chg	After Hours High	Low
SPDR S&P 500	SPY	12,014.1	247.27	-0.14	-0.06	247.46	247.19
Van Eck Vectors Gold Miner	GDX	6,531.2	22.32	...	unch.	22.36	22.30
Cnsmr Staples Sel Sector	XLP	5,700.7	55.02	...	unch.	55.03	54.98
Industrial Select Sector	XLI	3,858.1	68.88	...	unch.	69.00	68.74
iShares MSCI Germany ETF	EWG	3,301.2	31.03	-0.03	-0.10	31.06	31.03
Pfizer	PFE	2,906.6	33.64	...	unch.	33.76	33.55
iShares Russell 2000 ETF	IWM	2,804.0	140.24	0.03	0.02	140.35	139.56
PwrShrs QQQ Tr Series 1	QQQ	2,632.2	143.65	...	unch.	143.73	143.43

Percentage gainers...

Rockwell Collins	COL	429.4	128.50	9.50	7.98	133.00	119.00
Spectrum Pharmaceuticals	SPPI	12.8	9.60	0.64	7.14	10.00	8.85
Klondex Mines	KLDX	6.1	3.01	0.11	3.79	3.01	2.90
Newell Brands	NWL	26.2	52.49	1.80	3.55	52.49	50.60
Transportadora Gas							

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, ICE 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:
↑New 52-week high.
↓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
I—If listed filling
q—Temporary exemption from Nasdaq Bankruptcy Code, or securities assumed by such companies.
t—NYSE bankruptcy

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 4, 2017

YTD % Chg	52-Week High			52-Week Low			YTD % Chg			52-Week High			52-Week Low			YTD % Chg			52-Week High			YTD % Chg													
	Hi	Lo	Stock	Hi	Lo	Stock	Hi	Lo	Stock	Hi	Lo	Stock	Hi	Lo	Stock	Hi	Lo	Stock	Hi	Lo	Stock	Hi	Lo	Stock											
NYSE																																			
-11.01	25.82	20.26	ABB	3.3	2.22	23.39	-0.09	-4.65	13.32	10.60	AES	4.3	4.0	11.08	-0.04	-16.61	81.45	66.50	Aflac	4.21	4.21	81.16	0.19	-24.23	73.97	46.22	AGCO	0.8	0.32	71.88	-0.32				
-9.64	43.48	35.81	AT&T	T	5.18	38.43	0.15	-12.06	14.17	11.24	Clorox	CLX	2.5	2.5	14.94	-0.06	-34.24	48.85	37.40	Coach	COC	2.9	2.5	47.01	0.86	-11.16	130.67	108.83	Accenture	AET	1.3	1.9	13.20	0.18	
-13.42	28.89	15.73	AcuityBrands	AYI	0.2	28	19.97	-0.13	-10.77	76.09	46.69	Adient	ADNT	1.7	1.7	64.91	-0.01	-39.17	44	30.55	Coca-Cola	KO	3.7	3.47	45.50	-0.17	-7.93	73.63	49.15	JacobsEngineering	JEC	1.1	31	52.48	-0.19
-34.36	177.83	99.13	AutoZone	AAP	0.2	20	11.01	0.48	-29.56	91.84	59.44	Coca-ColaFemsa	KOF	2.1	24	82.32	-0.02	-11.54	34.85	30.24	JanusHenderson	JHG	.38	34.13	61	-0.01	-15.60	137.08	109.32	J&J	JNJ	2.5	22	133.18	-0.07
-2.98	25.11	37.38	AbbottLabs	ABBV	2.2	26	49.26	0.04	-2.41	16.09	11.76	ColonyNorthStar	CNS	4.74	49.5	14.56	-0.05	-32.79	134.76	86.62	JonesLangLaSalle	JLL	0.6	19	125.08	0.44	-0.42	30.96	22.40	JuniperNetworks	JNP	1.4	26	18.48	-0.20
-13.37	75.04	55.06	AbbVie	ABBV	3.6	17	70.99	-0.32	-9.84	45.72	44.55	Accurica	CMA	1.6	18	73.86	-0.02	-2.28	47.03	28.16	KAR	KAR	3.1	25	41.65	0.08	-1.97	73.83	65.77	KilroyRealty	KRC	2.4	51	70.50	-0.11
-11.16	130.67	108.83	Accenture	AET	1.3	49	156.79	-0.04	-10.46	41.65	32.93	Aggreko	AGK	2.5	23	33.99	-0.03	-6.31	13.61	12.11	AlimClark	KMB	3.2	20	121.32	-0.36	-7.93	87.87	84.15	Alcatel	ALC	2.0	22	119.50	-0.63
-13.42	28.89	15.73	AcuityBrands	AYI	0.2	28	19.97	-0.13	-9.13	53.17	39	ConocoPhillips	COP	2.3	27	45.55	-0.05	-2.46	23.36	18.31	KinderMorgan	KMI	5.3	20	30.23	0.39	-11.24	31.34	17.02	KimcoRealty	KIM	5.3	106	31.95	-0.02
-10.77	76.09	46.69	Adient	ADNT	1.7	1.7	64.91	-0.01	-9.23	77.27	63	ColgatePalmolive	CL	2.2	27	71.48	-0.02	-2.47	16.09	11.76	LanXess	LTM	0.6	19	124.58	0.02	-1.97	70.27	65.97	Kohl's	KSS	5.3	12	41.89	-0.17
-34.36	177.83	99.13	AutoZone	AAP	0.2	20	11.01	0.48	-26.19	98.89	144	ConestogaBrands	STZ	1.1	27	19.82	0.78	-34.23	79.67	41.28	L Brands	LB	5.5	11	43.30	1.70	-15.77	91.53	86.22	KeyCorp	KEY	2.1	19	48.40	-0.37
-2.98	25.11	37.38	AbbottLabs	ABBV	2.2	26	49.26	0.04	-24.74	71.33	7.5	SABESP	SBS	..	8	10.83	-0.04	-7.50	51.48	30.90	LIN	LN	..	65	36.56	0.49	-14.52	49.28	26.78	KeyTechs	KEYS	2.1	41	48.8	-0.23
-11.16	130.67	108.83	Accenture	AET	1.3	49	156.79	-0.04	-10.46	41.65	32.93	Aggreko	AGK	2.5	23	33.99	-0.03	-6.31	13.61	12.11	AlimClark	KMB	3.2	20	121.32	-0.36	-7.93	87.87	84.15	Alcatel	ALC	2.0	22	119.50	-0.63
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FINANCE & MARKETS

Wells Could Face More Sanctions

By EMILY GLAZER
AND RYAN TRACY

Wells Fargo & Co. is expected to face further regulatory sanctions due to its latest scandal over improperly charging customers for certain auto insurance, people familiar with the matter said.

Bank executives are in touch with officials from the Office of the Comptroller of the Currency over the problems, which Wells Fargo has said affected as many as 570,000 auto-loan customers. The bank said it is in the process of issuing customer refunds totaling around \$80 million.

That comes on the heels of last fall's sales-practices scandal at Wells Fargo. This involved bank employees opening as many as 2.1 million accounts without customers' knowledge. As a result of that, Wells Fargo entered into a \$185 million settlement with the OCC and others. The OCC also issued a consent order against the bank late last year.

On Friday, the bank updated investors in a quarterly securities filing on its progress on "rebuilding trust." In a companywide message that came with the report, Chief Executive Timothy Sloan also outlined additional items that the company has found in various



The bank updated investors on its progress on 'rebuilding trust' in a securities filing Friday.

internal investigations, some of which could lead to additional fines and settlements.

"This is a lot of information," but "we want our stakeholders to know about issues that we are committed to fixing," Mr. Sloan wrote. Wells Fargo shares fell 56 cents, or 1.1%, to \$52.84 Friday, compared with a 0.9% increase in the KBW Nasdaq Bank Index.

The OCC is considering taking further action in light of the new, insurance revelations, the people familiar with the matter said. Although it isn't clear what form that could take, the OCC has broad power to restrict acquisitions and other banking activities.

A Wells Fargo spokeswoman said the bank has "worked diligently to fully identify what went wrong and to make things right for our customers"

since it identified the insurance problem in mid-2016.

The OCC became aware of the insurance issue when Wells Fargo executives identified and reported it to them last summer. This spring, it made a request to the bank for more information on specific auto-insurance practices, one of the people familiar with the matter said.

Regarding the auto loans,

Wells Fargo said in late July that customers' auto-loan contracts require them to maintain collateral-protection insurance on behalf of the lender throughout the term of the loan. Wells bought that insurance from a vendor on a customer's behalf if there was no evidence the customer already had the insurance, the bank said. That insurance protects against the loss or damage to a vehicle serving as collateral to secure a loan.

A result was that customers may have been charged premiums for insurance even if they had their own insurance. In some cases, those premiums could have contributed to a default that led to the vehicle's repossession. Wells realized there was a problem with this insurance while working on broader fair-lending reviews in mid-2016 and spotting problems in the collections process, among other factors, people familiar with the reviews said.

Wells Fargo reported the insurance problems to the OCC in summer 2016 and provided the regulator with an internal report from consultants Oliver Wyman that detailed issues in this area. Late last month, the New York Times reported the improper insurance charges and internal report.

—Rebecca Davis O'Brien
contributed to this article.

Dollar Jumps, Lifted by Jobs Data

By CHERLEY DULANEY

The U.S. dollar surged, bolstered by upbeat U.S. hiring data and comments from a Trump administration official that reignited hopes about the prospect for U.S. tax reform.

The WSJ CURRENCIES Dollar Index, which measures the U.S. currency against 16 others, jumped 0.5% Friday to 86.32. The dollar rallied 0.6% against the Japanese yen to ¥110.69, while the euro fell 0.8% against the dollar to \$1.1774.

The dollar's initial strength was driven by a Labor Department report showing nonfarm payrolls rose by a seasonally adjusted 209,000 in July from the prior month, easily topping the 180,000 additions that economists had expected.

The report offered encouraging data on wage growth, which investors have been watching for signs that inflationary pressures are firming. Investors believe stronger inflation would enable the Federal Reserve to raise interest rates at a faster pace. Higher rates typically support the dollar by making U.S. assets more attractive to yield-seeking investors.

The dollar extended gains after Gary Cohn, director of the White House National Economic Council, in TV interviews indicated the Trump tax plan will include incentives for U.S. companies to repatriate cash held overseas. Analysts expect that would encourage companies to swap foreign currencies for the U.S. dollar.

Vassili Serebriakov, a currency strategist at Crédit Agricole, said Mr. Cohn's comments encouraged investors with big bets against the dollar to take profits.

Aramco Is in Talks to Buy PetroChina Refinery Stake

By JULIE STEINBERG
AND SUMMER SAID

State-owned oil giant Saudi Arabian Oil Co. is in talks to invest billions of dollars in a Chinese state-owned oil refinery, according to people familiar with the matter.

The deal, which could be valued at as much as \$2 billion, would give Saudi Aramco, as it is known, a more than 30% stake in a 260,000-barrels-a-day plant owned by Pet-

roChina Co. in China's Yunnan province, the people said. PetroChina is a unit of state-owned China National Petroleum Corp.

Saudi Arabia could supply some of the refinery's crude-oil needs, one of the people said. Aramco might also buy some of PetroChina's retail assets, the person said.

If the talks succeed, they would finally bring to fruition plans that Aramco and PetroChina have been discussing for

several years, the people said.

Aramco and PetroChina originally signed a memorandum of understanding to supply oil to the Yunnan refinery in exchange for an equity stake in 2011, but the deal never got off the ground.

Saudi Arabia has been trying for years to strengthen its ties with China on energy and, more recently, investments. The kingdom, which is a top oil supplier to China, has sought to build refineries in tandem

with Chinese companies.

Aramco and China Petroleum & Chemical Corp., better known as Sinopec, last year inaugurated a joint-venture refinery with a capacity of 400,000 barrels a day on the Red Sea coast of Saudi Arabia.

Recently, bridge-building between the two countries has accelerated as Saudi Arabia seeks to boost its supply of oil to China, as well as to gather investors for a proposed listing of part of Aramco.

That initial public offering of shares, which has been billed as the biggest ever, could take place in 2018 and raise as much as \$100 billion. The Saudis are hoping that Chinese companies and funds will take major stakes in the IPO, according to people familiar with discussions.

Chinese President Xi Jinping visited Saudi Arabia early last year, and Saudi King Salman traveled to China in March.

Futures Contracts

Metal & Petroleum Futures

Contract Open High hi lo Low Settle Chg interest

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

Aug 2,874.00 2,887.00 2,867.50 2,885.00 0.0080 2,331

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

Aug 1269.00 1269.60 1253.90 1258.30 -9.50 2,728

Oct 1272.00 1273.00 1256.90 1261.30 -9.80 48,534

Dec 1275.30 1276.50 1259.80 1264.60 -9.80 352,825

Feb'18 1279.10 1279.20 1263.70 1268.10 -9.90 19,306

June 1284.80 1286.20 1272.50 1275.00 -9.90 8,493

Dec 1296.60 1296.60 1284.10 1285.50 -9.90 7,605

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

Aug 885.00 885.00 885.00 879.80 -6.20 4

Sept 883.35 886.50 873.65 874.80 -6.20 30,662

Dec 877.75 878.85 868.15 869.10 -5.70 4,574

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

Aug 96.60 96.30 96.20 96.00 4.40 1

Oct 96.80 97.40 96.40 96.20 4.40 63,826

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

Aug 16,265 16,265 16,205 16,222 -0.372 209

Sept 16,700 16,750 16,170 16,250 -0.378 133,913

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

Sept 48.95 49.64 48.50 49.58 0.55 544,546

Oct 49.12 49.78 48.66 49.73 0.54 223,882

Nov 49.27 49.92 48.82 49.88 0.54 133,046

Dec 49.40 50.04 48.99 50.02 0.54 318,144

June'18 49.73 50.34 49.43 50.31 0.51 157,400

Dec 49.86 50.33 49.52 50.27 0.47 176,798

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

Sept 1,6385 1,6529 1,6245 1,6486 .0097 127,834

Dec 1,6511 1,6626 1,6345 1,6584 .0097 58,721

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

Sept 1,6323 1,6525 1,6244 1,6463 .0144 136,673

Oct 1,5384 1,5561 1,5267 1,5510 .0142 78,807

Natural Gas (NYM)-\$10,000 MMBtu:\$ per MMBtu.

Sept 2,792 2,800 ▼ 2,753 2,774 -.026 344,291

Oct 2,833 2,840 ▼ 2,799 2,817 -.027 189,665

Nov 2,923 2,927 2,890 2,906 -.027 92,852

Jan'18 3,173 3,177 ▼ 3,143 3,158 -.025 124,717

March 3,115 3,122 ▼ 3,093 3,109 -.021 82,136

April 2,825 2,831 2,808 2,822 -.013 104,623

Agriculture Futures

Contract Open High hi lo Low Settle Chg interest

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

Sept 363.50 368.00 363.25 366.50 3.00 502,098

Dec 378.00 382.50 377.50 381.00 3.25 612,232

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

Sept 282.00 284.75 282.00 283.75 -1.50 812

Dec 283.75 286.25 282.00 284.25 -1.50 5,717

Soybeans (CBT)-5,000 bu:\$ cents per bu.

Aug 948.00 954.00 948.00 949.25 -1.25 1,319

Nov 960.50 964.25 956.00 956.75 -3.75 355,380

Soybean Meal (CBT)-100 tons:\$ per ton.

Aug 306.00 307.60 303.40 303.50 -2.80 1,663

Dec 312.50 313.30 309.20 309.40 -3.20 166,307

Soybean Oil (CBT)-60,000 lbs:\$ cents per lb.

Aug 33.37 33.69 33.37 33.60 .22 1,739

Dec 33.79 34.17 33.60 34.03 .23 190,561

Rough Rice (CBT)-2,000 cwt:\$ per cwt.

Sept 1235.00 1245.00 1225.50 1233.00 -5.50 7,600

Nov 1252.00 1270.50 1252.00 1258.50 -6.00 2,223

Wheat (CBT)-5,000 bu:\$ cents per bu.

Sept 457.75 461.50 453.50 454.75 -.30 170,993

Dec 485.50 488.50 481.25 482.50 -.25 158,903

Wheat (KC)-5,000 bu:\$ cents per bu.

Sept 459.75 465.40 458.00 459.50 -.25 92,249

Dec 487.50 493.00 485.75 487.25 -.25 89,578

Wheat (MPLS)-5,000 bu:\$ cents per bu.

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MARKETS

Dow Industrials Post 8th Record in a Row

Index advances 1.2% during the week it hit a milestone, helped by jobs data, earnings

By AKANE OTANI
AND JUSTIN YANG

The Dow Jones Industrial Average ended the week at a fresh record, buoyed by a jobs report that showed employers continued hiring at a healthy rate in July.

EQUITIES Corporate earnings that have shown broad strength across industries and a brighter global economic outlook have kept stocks climbing in the second half of the year.

Gains by the shares of multinational companies that reported strong quarterly results, including **Apple** and **Boeing**, helped lift the Dow industrials over 22,000 for the first time on Wednesday.

With the U.S.'s economic growth looking slow but steady, strength in earnings will be key to stocks continuing their ascent, investors and analysts say.

The Dow industrials added 66.71 points, or 0.3%, to 22,092.81—for their eighth straight closing record. The blue-chip index added 1.2% for the week.

Gains in the shares of financial companies helped the S&P 500 eke out a gain. The S&P 500 rose 4.67 points, or 0.2%, to 2476.83 and finished up 0.2% from the previous Friday, led by a 1.8% weekly gain in its financial sector.

It was the 12th consecutive session for the S&P 500 without a daily move of at least 0.3% in either direction—its longest such streak on record.

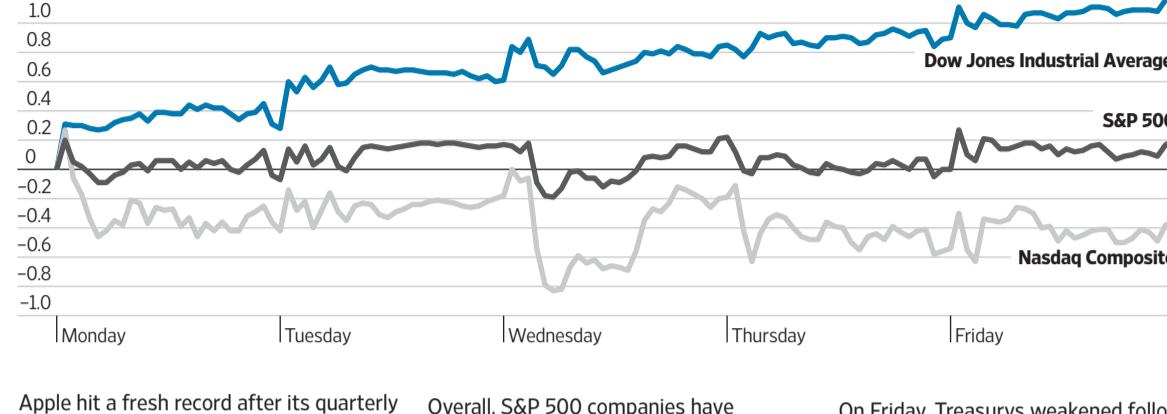
The Nasdaq Composite added 11.22 points, or 0.2%, to 6351.56, but ended down 0.4% for the week.

Friday's monthly jobs report was the latest data to

Dominant Dow

The blue-chip index logged a second consecutive week of gains after topping 22,000 for the first time on Wednesday.

Performance over the past week



Apple hit a fresh record after its quarterly report beat analysts' expectations.

Overall, S&P 500 companies have reported strong revenue growth.

Boeing was the biggest contributor to the latest Dow milestone.

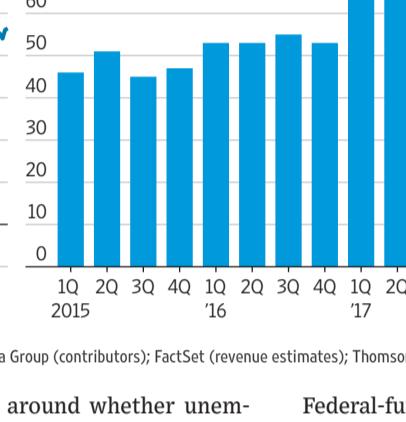
Points added to index from March 1st to Wednesday

Boeing	370
McDonald's	189
UnitedHealth Group	172
Apple	119
3M	106

Apple performance



Percentage of companies that beat analysts' estimates[†]



On Friday, Treasurys weakened following a better-than-expected jobs report, sending yields higher. That gave a lift to bank shares.

Yield on 10-year U.S. Treasury note



S&P 500 financial-sector index



*First close above 21,000 †Data as of Thursday

Sources: SIX Financial (indexes, Apple); WSJ Market Data Group (contributors); FactSet (revenue estimates); Thomson Reuters (yield)

THE WALL STREET JOURNAL.

show that the labor market continues to be a bright spot in the U.S. economic recovery.

Nonfarm payrolls rose by a seasonally adjusted 209,000 in July, the Labor Department said Friday, more than the 180,000 that economists surveyed by The Wall Street Journal had expected. Another highlight from the morning's jobs report: Labor-force participation increased while the unemployment rate declined.

"Usually, there are ques-

tions around whether unemployment is just a function of stagnant labor-force participation, but both of these things happening at the same time—that's a fairly encouraging sign," said Victor Jones, director of trading at TD Ameritrade.

Continued signs of strength in the labor market should bode well for stock gains and keep the Federal Reserve on track to raise interest rates once more by the end of the year, analysts say.

Federal-funds futures, used by investors to bet on the U.S. interest-rate outlook, showed a 50% chance that the Fed would raise rates by the end of the year, according to CME Group data.

Government bonds and gold, which tend to be sensitive to expectations around the Fed's interest-rate path, retreated following the jobs report.

U.S. government-bond prices fell, with the yield on the 10-year U.S. Treasury note

climbing to 2.269%, from 2.230% Thursday. Higher interest rates tend to reduce the appeal of long-dated government debt.

Gold also pulled back, with contracts for August delivery losing 0.7% to \$1,258.30.

Prices for gold tend to fall when investors expect tightening monetary policy because the metal struggles to compete with yield-bearing assets.

U.S. crude oil for September delivery rose 1.1% to

\$49.58 a barrel ahead of a planned meeting of the Organization of the Petroleum Exporting Countries in coming week in Abu Dhabi.

Hopes that OPEC could chip away at a global glut have helped oil rise in eight of the past 10 trading sessions, although skepticism that the cartel will be able to hold down output kept prices in a tight range during the week.

For the week, crude prices fell 0.3%. Year to date, they are down 7.7%.

HEARD ON THE STREET

Email: heard@wsj.com

FINANCIAL ANALYSIS & COMMENTARY

WSJ.com/Heard

Yet Another Squeeze Hits Drugmakers

Big pharma's hepatitis C price war is getting tougher.

AbbVie said Thursday that it has received Food and Drug Administration approval to sell its next generation hepatitis C drug, Mavyret. AbbVie said that up to 95% of hepatitis C patients in the U.S. will be eligible to take Mavyret. The drug will cost \$26,400 for a standard course of treatment before rebates and discounts. That is well below the list price of older drugs from AbbVie, **Merck & Co.** and **Gilead Sciences**. Most treatments on the market require 12 weeks of treatment, but AbbVie expects most patients will be able to finish treatment with Mavyret in eight weeks.

It is unclear what kind of discounts AbbVie will offer and how those discounts will compare with rivals. And cheaper competition won't affect existing prices until current contracts expire.

But all three companies traded flat to lower on Friday, and for good reason. Mavyret's arrival figures to eventually depress profitability across the board for these drugs. That is bad news for Gilead, in particular. Hepatitis C drugs accounted for 40% of total sales in the second quarter; that compares with 3% and 5% for AbbVie and Merck, respectively. For Gilead, hepatitis C sales have been falling since 2015, and shares are down about 40% from the peak. However, second-quarter earnings were a bright spot, as sales fell slower than investors had expected; the stock is up about 14% from a low in June.

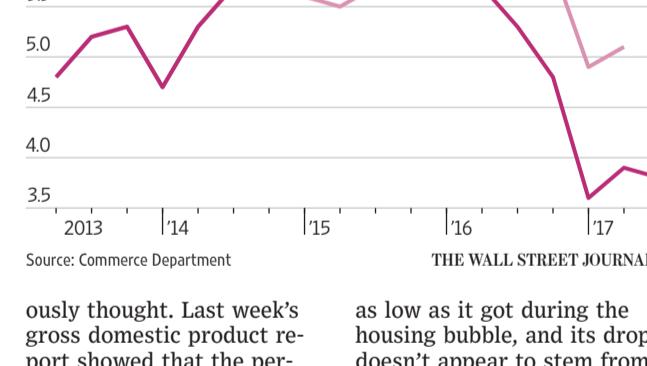
But the arrival of more competition means that rally has likely run out of steam.

—Charley Grant

What Wages Mean for Profits

So Much for Frugality

Personal saving rate



limit unless incomes increase faster.

More jobs numbers like Friday's will help, but the declining saving rate shows that jobs growth only goes so far. Without wage growth, U.S. companies may struggle to increase sales.

The alternative is that employers, responding to a tighter labor market, start paying employees more, giving them the wherewithal to spend more. That would increase labor costs and, with companies struggling to find new ways to increase productivity, likely put further pressure on profit margins.

The worst scenario for profits is that wages go up but people put their raises in the bank until their saving rate returns to levels that prevailed until about a year ago. That might actually count as a welcome long-term development for the economy, but for corporate bottom lines, not so much.

—Justin Lahart

"Science is the poetry of reality," Richard Dawkins once wrote.

Author **Mary Soon Lee** has set out to prove his point. She has written a haiku for each element on the periodic table, which are published on the Science magazine website. She wrote the first couple of entries impulsively, before aiming to complete the entire table.

The entries should delight scientists and investors alike. Take lithium, element No. 3 on the table. "Lighter than water, empower my phone, my car. Banish depression." Even grander is her lyric on carbon. "Show-stealing diva, throw yourself at anyone, decked out in diamonds."

Frustrated commodities investors might take solace in the precious metal entries. "Treacherous treasure, avarice tarnishing us, photos claiming souls," reads the haiku for silver, whose spot price is down 20% from a year ago.

Japanese Car Makers Pay Up to Grab U.S. Market Share

For the first time in nearly a decade, Japan's auto makers have overtaken Detroit's Big Three in the U.S., their largest market. Investors should be concerned about what's fueling them.

The Japanese managed this feat last month, data this week showed. U.S. car sales were off 7% from a year earlier, but the fall came mostly from **General Motors**, **Ford Motor** and **Fiat Chrysler Automobiles**.

Japan's car makers, including **Toyota Motor**, **Honda Motor**, **Nissan Motor**, **Mazda Motor** and **Subaru**, picked up market share, with Toyota moving close to a first-place tie with GM, each holding almost 16% of the U.S. car market.

It comes at a cost, though.

Toyota on Friday posted a 46% drop in fiscal first-quarter operating income in North America—its largest market, good for more than 700,000 cars a quarter—despite 8,000 more cars sold. The reason: higher marketing expenses.

In theory, picking up slack from U.S. car makers as they struggle to clear inventory is opportunistic behavior. On average, U.S. car makers' inventories exceed 100 days' sales, nearly double their Japanese rivals' 55 days, though that is 10 days above the Japanese makers' historical average.

Overall, inventories are the largest since 2009 by this measure. To keep moving merchandise, everyone is offering big incentives, as

generous as cash back plus 0% financing for six years. The average for all makers in July was about \$3,640 a car, up more than \$200 from a year ago. Toyota's and Nis-

san's incentives rose by twice that and Mazda's by almost three times. At the same time they dangle big incentives, Detroit's Big Three are cutting

fleet sales, which may improve margins but at the cost of revenue. Toyota benefited from jumps of 25% to 31% in sales of its sport-utility vehicle models in July, but the slow-moving Corollas and Priuses are piling up. Other makers are getting their numbers up by pushing leases, which accounted for a third of new-car sales in the first half, but with used-car prices dropping, residual-value losses will pile up.

In short, there are speed bumps ahead. With share prices for Japanese makers at 9.6 times forward earnings—compared with an average 6.1 for U.S. counterparts—it looks like investors are giving them far too much credit.

—Anjani Trivedi

Lion's Share

U.S. car market share



Source: Nomura

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TaskRabbit CEO
Stacy Brown-
Philpot is out to
revolutionize the
future of chores

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REVIEW



Rascally heroes
of Hollywood:
a new life of
Jack Warner
(and brothers)

C5

BOOKS | CULTURE | SCIENCE | COMMERCE | HUMOR | POLITICS | LANGUAGE | TECHNOLOGY | ART | IDEAS

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ILLUSTRATION BY CHRIS SILAS NEAL

BY BRUCE HANDY

WE ARE LIVING through an extended golden age for children's books, a product of America's astonishing prosperity—and growing child-centeredness—in the long postwar era. Think of the roster of brand-name authors, from Dr. Seuss, Maurice Sendak and Beverly Cleary to Eric Carle, Judy Blume, Jacqueline Woodson and on and on. Or visit the section for new picture books at your local library or bookstore, where an ever-lengthening shelf of tomorrow's classics brings together ingenious storytelling and dazzling art.

That creativity has been rewarded. For more than a decade, growth in children's book sales has substantially outpaced the rest of the publishing industry. Parents are buying the books to entertain and edify their offspring, of course, but the vitality of the children's book market has another cause that parents aren't always ready to acknowledge: We love the books too, and in the best of them, find many of the same satisfactions that we find in adult literature.

The stories may be simpler, but that doesn't make them simple-minded. We all know adults who read and reread the Harry Potter series, but many older classics, even books for the very young, offer similar rewards, as parents who read them aloud at bedtime have happily discovered for generations.

Twice Upon a Time

In the best children's books, parents can find many of the same satisfactions that adult literature offers.

A case in point is the totemic night-night book of modern American babyhood, "Goodnight Moon," written by Margaret Wise Brown and illustrated by Clement Hurd. Published in 1947 to perfectly nice reviews and perfectly modest sales, its popularity has swelled over the decades to the point that Ameri-

cans now buy more than a half-million copies a year.

Like many parents, my wife and I were given multiple editions of "Goodnight Moon" as baby gifts when our daughter, Zoë, was born. I remember reading it to her and, eventually, her younger brother, Isaac, and being impressed not only by its rhythmic charm in lulling a child to sleep but also by the fact that "Goodnight Moon," in essence, is a book about babyhood.

The story, such as it is, goes like this: A little bunny is being put to bed by "a quiet old lady whispering 'hush.'" The contents of the bunny's bedroom are cataloged and then bade good night: "Goodnight kittens / And goodnight mittens / Goodnight clocks / And goodnight socks," and so on. At first glance, this might seem rote. But the secret to "Goodnight Moon" is that it sees everything with fresh eyes, even clocks and socks. "The first great wonder at the world is big in me," Brown once said, trying to explain her gift for writing for children.

That wonder is present in the book's very first

Please turn to the next page

The stories may be simpler, but that doesn't make them simple-minded.

Mr. Handy is a contributing editor at *Vanity Fair*. This essay is adapted from his new book, "Wild Things: The Joy of Reading Children's Literature as an Adult," which will be published by Simon & Schuster on Aug. 15.

INSIDE



ESSAY
Vladimir Putin's far-reaching global offensive against the U.S.-led international order.

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MIND & MATTER
High culture among the whales, with their own traditions of song and diet.

C2



EXHIBIT
Creatures featured: Vintage horror-movie posters can be hauntingly beautiful.

C12



BOOKS
The tale of the protean sleuth: the mysterious transformations of Sherlock Holmes.

C8

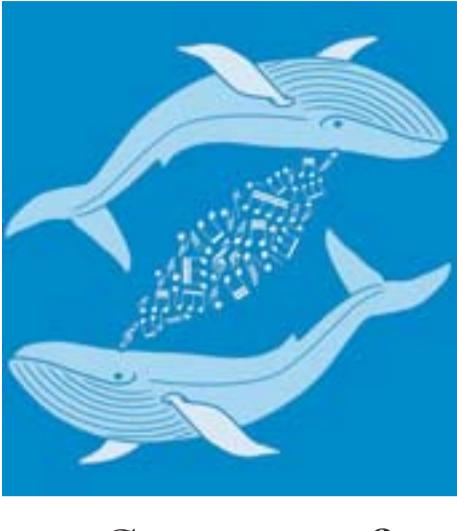


ESSAY
Meal kits may look tempting, but Americans have never really wanted to cook.

C3

REVIEW

MIND & MATTER: ALISON GOPNIK



Secrets of

The Cetacean Culture Club

HOW DOES a new song go viral, replacing the outmoded hits of a few years ago? How are favorite dishes passed on through the generations, from grandmother to grandchild?

Two new papers in the *Proceedings of the National Academy of Sciences* examine the remarkable and distinctive ability to transmit culture. The studies describe some of the most culturally sophisticated beings on Earth.

Or, to be more precise, at sea. Whales and other cetaceans, such as dolphins and porpoises, turn out to have more complex cultural abilities than any other animal except us.

For a long time, people thought that culture was uniquely human. But new studies show that a wide range of animals, from birds to bees to chimpanzees, can pass on information and behaviors to others. Whales have especially impressive kinds of culture, which we are only just beginning to understand, thanks to the phenomenal efforts of cetacean specialists. (As a whale researcher once said to me with a sigh, "Just imagine if each of your research participants was the size of a 30-ton truck.")

One of the new studies, by Ellen Garland of the University of St. Andrews in Scotland and her colleagues, looked at humpback whale songs. Only males sing them, especially in the breeding grounds, which suggests that music is the food of love for cetaceans, too—though the exact function of the songs is still obscure.

The songs, which can last for as long as a half-hour, have a complicated structure, much like human language or music. They are made up of larger themes constructed from shorter phrases, and they have the whale equivalent of rhythm and rhyme. Perhaps that's why we humans find them so compelling and beautiful.

The songs also change as they are passed on, like human songs. All the male whales in a group sing the same song, but every few years

the songs are completely transformed. Researchers have trailed the whales across the Pacific, recording their songs as they go. The whales learn the new songs from other groups of whales when they mingle in the feeding grounds. But how?

The current paper looked at an unusual set of whales

that produced rare hybrid

songs—a sort of mashup of

songs from different groups. Hybrids showed up as the whales transitioned from one song to the next. The hybrids suggested that the whales weren't just memorizing the songs as a single unit. They were taking the songs apart and putting them back together, creating variations using the song structure.

The other paper, by Hal Whitehead of Dalhousie University in Halifax, Nova Scotia, looked at a different kind of cultural transmission in another species, the killer whale. The humpback songs spread horizontally, passing from one virile young thing to the next, like teenage fashions. But the real power of culture comes when caregivers can pass on discoveries to the next generation. That sort of vertical transmission is what gives human beings their edge.

Killer whales stay with their mothers for as long as the mothers live, and mothers pass on eating traditions. In the same patch of ocean, you will find some whales that only eat salmon and other whales that only eat mammals, and these preferences are passed on from mother to child.

Even grandmothers may play a role. Besides humans, killer whales are the only mammal whose females live well past menopause. Those old females help to ensure the survival of their offspring, and they might help to pass on a preference for herring or shark to their grandchildren, too. (That may be more useful than my grandchildren's legacy—a taste for Montreal smoked meat and bad Borscht Belt jokes.)

Dr. Whitehead argues that these cultural traditions may even lead to physical changes. As different groups of whales become isolated from each other, the salmon eaters in one group and the mammal eaters in another, there appears to be a genetic shift affecting things such as their digestive abilities. The pattern should sound familiar: It's how the cultural innovation of dairy farming led to the selection of genes for lactose-tolerance in humans. Even in whales, culture and nature are inextricably entwined.

An Enchanted World for Adults, Too

Continued from the prior page

words:

In the great green room
There was a telephone
And a red balloon
And a picture of—
[here we turn the page]
The cow jumping over the moon.

A less interesting, less intuitive book might have started out with something like, "There once was a little bunny who was going to bed in his little bunny bedroom." Brown instantly and gracefully gives us a child's eye view of things. The great green room: to a 2-year-old, a bedroom—or any room—is an epic space, a Monument Valley full of objects that glow with strange newness. Nothing in their world has yet acquired the dull patina of familiarity that allows adults to go about their business oblivious to, say, the miracle of grass or sky.

That empathy is what gives the book its hold on toddlers, but it is also key to what "Goodnight Moon" offers adults: a window into the minds of those baffling creatures. As child-development specialists tell us, infants spend their first year figuring out where they end and everything else in the world begins, so even Brown's cataloging of the contents of the great green room has meaning. For toddlers, the very idea of *things* is powerful, and we all know how they feel about those things they consider their own.

But who is this quiet old lady whispering hush, who materializes halfway through the book after we've already been introduced to her empty rocking chair? A nanny? The bunny's grandmother? A random caregiver dragged in off the street? Brown doesn't say; it is just the kind of odd, open-ended detail that gives "Goodnight Moon" traction with kids' imaginations. After all, what is life for them but being continually thrown into new circumstances that they don't fully comprehend? There might be a teasing little wink in there, too, between Brown and her young audience, an implicit dismissal of adults as old people always whispering hush.

Publishers know where purchasing power lies, so grown-ups generally make a good showing in books for the very young (fairy tales aside). But I have a special affection for the mother and father in the seven books by Russell Hoban starring an imaginative school-age badger named Frances. In her 1960 debut, "Bedtime for Frances," illustrated by Garth Williams, the young mammal contrives as many ways as she can to avoid going to sleep. She asks for a piggyback ride to bed. She asks for her doll. She asks for her teddy bear. She asks for kisses. She asks for another round of kisses. She ups the ante, claiming to see a tiger in her bedroom, then a giant. Her skills of manipulation are formidable.

Many parents would have blown their stack by this point, but Frances's parents remain preternaturally patient, loving yet firm. I realize that they are make-believe talking badgers, but I admire them. They are less helicopter parents than tugboat parents, giving their daughter room to express her anxieties before nudging her back where they want her:

"There is a tiger in my room," said Frances.
"Did he bite you?" said Father.
"No," said Frances.
"Did he scratch you?" said Mother.
"No," said Frances.
"Then he is a friendly tiger," said Father.
"He will not hurt you. Go back to sleep."
"Do I have to?" said Frances.
"Yes," said Father.
"Yes," said Mother.

My children loved Frances. I think they saw in her a gently satirical version of themselves. I loved the books, too, when I was a kid, but I am even fonder of them now that I view them as witty, de facto parenting guides.

My relationship with C.S. Lewis's fantasy novel "The Lion, the Witch and the Wardrobe" (1950) has also deepened over time—and far more dramatically than with Frances. I was first exposed to the book in the second grade when our teacher, Mrs. Anastasia, read it aloud to us, a chapter a day, during our post-lunch quiet time. I remember listening rapt as she recounted the story of the four Pevensie children, shuttled away from London during the Blitz to a big house in the country.

There, thanks to a magical wardrobe, they are transported to the even more magical land of Narnia, where animals talk and mythical creatures like satyrs and centaurs roam. The only downside: Narnia is ruled by an evil White Witch who has a thing for turning her enemies into stone. The four children—Lucy, Edmund, Susan and Peter—enlist in the fight to overturn the Witch's rule, led by a heroic, supernatural lion named Aslan. When Edmund betrays his siblings and falls into the Witch's clutches, his life can be spared only by Aslan's sacrifice—cruelly murdered in Edmund's place, his throat slit.

It was dark stuff for kids. But wait! The lion miraculously returns to life and vanquishes his enemies. Hearty British huzzahs all around! This was thrilling in second grade, likely the first time that my classmates and I were exposed to the resurrection of a beloved storybook character who had been put to death.

"Resurrection" is the key word, of course. When he wasn't writing for children or teaching literature at Oxford and Cambridge, C.S. Lewis was a well-known author of Christian apologetics. "The Lion, the Witch and the Wardrobe" and the other six books in the Narnia series aren't allegories per se. They are too personal and idiosyncratic, too enthralled by storytelling for its own sake, but they are certainly steeped in Christian thought and faith.

Not being a believer myself, I realized all of this to my dismay a decade later, when I reread "The Lion, the Witch and the Wardrobe" for a class in high school. What had been rich and thrilling to me as a kid was now revealed, in the unforgiving glare of teenage enlightenment, as religious propaganda, a kind of Christian stalking horse. I felt betrayed.

So imagine my surprise when I picked up the book yet again when my children were old enough and found myself now charmed and persuaded by Lewis's religiosity—not by the underlying theology, but by his ability to convey in vivid, organic terms what Christianity meant to him, how it felt. His Aslan is a worthy stand-in for Christ, and when first describing the lion, Lewis makes clear that what is most important is Aslan's effect on the children: "People who have never been in Narnia sometimes think that a thing cannot be good and terrible at the same time. If the children had ever thought so they were cured of it now. For when they tried to look at Aslan's face they just caught a glimpse of the golden mane and the great, royal, solemn, overwhelming eyes, and they found they couldn't look at him and went all trembly."

That contrast between "good" and "terrible," the depiction of a physical presence so "solemn" and "overwhelming" the children have to look away, is echoed by a lovely phrase later in the book, after Aslan, returned to life, leads Lucy and Susan on a celebratory game of chase: "[W]hether it was more like playing with a thunderstorm or playing with a kitten Lucy could never make up her mind." I'm no expert on religious art, but if there is a more evocative and poetic description of what it might feel like to be in the presence of a being both divine and of this world, a being who commands both love and awe, I would like to know it.

If I hadn't expected to be moved by rereading "The Lion, the Witch and the Wardrobe," I really hadn't expected to be turned into an emotional puddle by Winnie-the-Pooh. When Zoë and Isaac were quite young, they had been enthralled by a series of flimsy, uninspired books based on the Disney Winnie-the-Pooh cartoons, which had somehow made it into the nursery library. I decided that the kids should be exposed to the real thing and forced them to listen to the A.A. Milne originals, which date to the 1920s.

Though I vaguely knew "The House at Pooh Corner" from my own childhood, I was completely unprepared for this curveball in the final chapter: "Christopher Robin was going away. Nobody knew why he was going; nobody knew where he was going; indeed nobody knew why he knew that Christopher Robin was going away. But somehow everyone in the Forest felt it was happening at last."

Milne never explains precisely what is going on here, but that "at last" has a razor's edge. I take this all to mean that Christopher Robin is being shipped off to boarding school, or some heartless governess has told him he is getting too old to be talking to stuffed animals, or he is just growing up. Whatever the reason, the crux of the chapter is that Christopher Robin has to break the bad news to Pooh. They go off on a walk through the Hundred Acre Wood, discussing the special joys of doing "Nothing." You begin to get the feeling Christopher Robin is stalling for time. Finally he blurts:

"I'm not going to do Nothing anymore."

"Never again?" [Pooh asks.]

"Well not so much. They don't let you."

Pooh, the bear of little brain, doesn't quite understand that Christopher Robin is, well, breaking up with him. And poor Christopher Robin, like so many males in this position, can't quite get the words out, stammering as if he were a Hugh Grant character. It's a wrenching scene, and Pooh's uncomprehending innocence makes it feel almost cruel:

"Pooh," said Christopher Robin earnestly, "if I—if I'm not quite—" he stopped and tried again—"Pooh, whatever happens, you will understand, won't you?"

"Understand what?"

As I read this aloud, I couldn't help weeping. It's a story about leaving childhood behind, which for poor baffled Pooh, the one being left—the one who exists only in Christopher Robin's imagination—is a kind of death. I was naturally thinking about my own kids growing up, which for a parent is another kind of death, or an intimation of one's own.

When I picked up "The House at Pooh Corner," I hardly expected to find myself emotionally wrenching—waxing philosophical, savoring the sight of my kids in their beds—as I closed the book. The punch line, of course, is that Zoë and Isaac were unmoved—they still preferred the Disney knockoffs. But they had to submit occasionally to my affection for the original Pooh. I was reading to my children, but as we all recognized at some point, the books weren't just for them.

A PLATE from *Winnie-the-Pooh* book from the 1920s.



FROM TOP: ALAMY; COURTESY OF HARPERCOLLINS CHILDREN'S BOOKS

THE CATALOGING of the contents of the great green room in the classic 'Goodnight Moon' is particularly powerful for toddlers.

REVIEW



RUSSIAN-BACKED Gen. Khalifa Haftar (left) with Libyan and Russian officers on a visit to the Russian aircraft carrier Admiral Kuznetsov, Jan. 11.

Putin's Russia Is Going Global

Moscow lines up allies against the U.S.-led order

BY EUGENE RUMER
AND ANDREW S. WEISS

FORMER PRESIDENT Barack Obama once dismissed post-Soviet Russia as a mere "regional power," but that isn't how things look today. Vladimir Putin has gone global in recent years, launching a Russian-style charm offensive in far-flung locales where the Kremlin's influence had been all but written off. Russian voices, fingerprints and footsteps have been showing up over much of the Middle East and Europe, parts of Africa and even in Latin America.

Moscow has found numerous openings and is busily exploiting divisions within the Western camp. The agenda is straightforward: to assert Russian influence at the expense of Washington and the rules-based international system that the U.S. has built and led since World War II. The Russian tool kit includes undermining democratic governance, stoking ethnic and religious tensions, and building new outposts for gathering intelligence and projecting military power. Where the U.S. and its partners have pulled back or failed to deliver, Russia has eagerly stepped in.

Mr. Putin can point to a string of successes in recent years. Russia's brazen meddling in the 2016 U.S. presidential election has triggered the worst American political crisis since Watergate, leaving President Donald Trump consumed by

investigations (to say nothing of Mr. Trump's "America First" rhetoric and enthusiasm for Mr. Putin, which have eased Russia's way). In Syria, Russian bombs, arms and boots on the ground turned the tide of the civil war and saved Mr. Putin's bloodstained ally, Bashar al-Assad. Even the resounding defeat of Marine Le Pen, the pro-Russian candidate in France's recent presidential election, was a reminder that no country in Europe can dare to ignore the risk of Russian interference in its domestic politics.

But these are just the most familiar cases of Mr. Putin's growing reach. Elsewhere in the Middle East, Moscow has used arms sales, disinformation, intelligence operations, diplomatic footwork and plain old hard power to further its agenda. In recent weeks, Mr. Putin and Turkish President Recep Tayyip Erdogan—who has taken a decidedly autocratic turn and distanced his country from its NATO allies—have reportedly been finalizing a \$2.5 billion deal for Turkey to purchase an advanced Russian S-400 air-defense system.

In the chaos of Libya after the fall of Moammar Gadhafi, Mr. Putin spotted another opportunity. Moscow has struck up a partnership with Khalifa Haftar, a Gadhafi-era general-

turned-warlord who has been battling Islamists from his stronghold in Benghazi (and who long ago received military training in the Soviet Union). In recent months, Russian special forces and drones have reportedly been deployed from a base in neighboring Egypt to support Gen. Haftar's forces.

In Libya, Mr. Putin has both geopolitical and commercial motives. Russia's operation is payback for the U.S.-led coalition that deposed its ally Gadhafi, and it helps Moscow to shape the country's future. Russia is also eager to revive the lucrative weapons, oil and construction deals that were canceled after Gadhafi's fall.

Next door in Egypt, Mr. Putin is wooing a U.S. partner whose relations with Washington

have been rocky in recent years. Mr. Obama froze some



SOUTH AFRICA'S Jacob Zuma (left) meets Vladimir Putin in Turkey, Nov. 15, 2015.

From Europe to Africa, a strategy to weaken rules and norms.

arms transfers to show his displeasure

with Egypt's autocratic ruler, President Abdel Fattah Al Sisi, and Russia has stepped in to offer its own hardware. Russia's state-owned arms manufacturers, unburdened by scruples about human rights and democracy, are eager to reclaim the market share that they lost decades ago when Egypt left the Soviet orbit.

In the Persian Gulf, relations between Washington and its longtime partners, the oil-rich Sunni monarchies, took a hit during Mr. Obama's term, creating another opening for Moscow. Russian envoys are now working to cut deals with them on Syria and the sale of ad-

vanced weapons and have even coordinated cuts in oil output to prop up prices. The Trump administration's recent moves to patch up ties with Saudi Arabia, the United Arab Emirates and Egypt have failed, so far, to diminish the Arab autocrats' newfound affection for their Russian friends.

Russian intrigue is also creating headaches for the West in an often overlooked theater: the Balkans. NATO's newest member, tiny Montenegro, will soon try two alleged Russian intelligence operatives in absentia for their role in a failed coup attempt last October. Prosecutors have outlined lurid details of what they see as a Russian-directed plot, apparently intended to kill then-Prime Minister Milo Djukanovic and to keep Montenegro out of NATO. The Russian operatives accused of leading the plot are said to have doled out encrypted mobile phones and to have provided cash to buy weapons, police uniforms and bulletproof vests. The coup failed, but it suggests how strongly Russia wishes to extend its sway in the Balkans.

Russia's ambitions stretch well beyond the familiar confines of Europe and the Middle East. In South Africa, Russia is implicated in the scandals engulfing Jacob Zuma's presidency. Mr. Zuma is being dogged by corruption allegations for, among other things, his role in arranging a budget-busting \$76 billion deal with Mr. Putin to have a state-owned Russian company build up to eight nuclear power plants. A South African court recently ruled that the deal violated the constitution and laws on state procurement. Mr. Zuma, who received military (and probably intelligence) training in the Soviet Union when he was fighting apartheid, has been actively courted by Mr. Putin.

Closer to home, the Kremlin's Cold War ally in Nicaragua, the Marxist Daniel Ortega, has put out the welcome mat for the construction of mysterious Russian facilities in the capital, Managua. Senior Russian officials say that they are also working to re-establish a military and intelligence presence in Cuba.

Why should the U.S. care about Mr. Putin's growing reach? After all, Russia cannot expect to dominate Europe. It cannot simply have its way in the turbulent Middle East or turn the Balkans into its satellite. Whatever footholds it can find in Africa or Latin America will probably be too small to pose much direct challenge to Washington and its partners. And of course, Russia's mischief-making is hardly the root cause of the challenges bedeviling these regions and countries.

But there is reason to worry. Russia's renewed activism isn't about dictating events in particular corners of the world. It is about exploiting opportunities to undermine and hollow out the U.S.-led international order, with its norms of economic openness, democratic accountability and the rule of law. The thread connecting Russia's agenda, from Turkey to Nicaragua to South Africa, is its aim of pulling as many international actors as possible away from the rules-based institutions and security arrangements that the U.S. has worked so diligently to build over the past several generations.

Mr. Putin is betting that he can rewrite the rules of world politics to his advantage. It is the job of American leaders and strategists to show him that he is mistaken.

Mr. Rumer, a former national intelligence officer for Russia at the National Intelligence Council, is director of the Russia and Eurasia program at the Carnegie Endowment for International Peace. Mr. Weiss, who worked on Russian affairs in both the George H.W. Bush and Clinton administrations, is Carnegie's vice president for studies.

NO, AMERICANS AREN'T FINALLY READY TO COOK

BY JANE BLACK
AND BRENT CUNNINGHAM

THE MEAL-KIT MARKET keeps getting bigger: Consumers can now opt for organic meal kits (Sun Basket), Southern meal kits (Peach Dish) and even Tom Brady-inspired vegan meal kits (TB12). This summer, Amazon got into the \$5-billion-a-year business, offering kits that include all the ingredients you need to make, say, a veggie burger with harissa aioli and smoked eggplant in 30 minutes. So far, the kits are available only in Seattle and only to subscribers to Amazon Fresh, the company's grocery service. Its slogan: "We do the prep. You be the chef."

There's only one problem: Americans don't want to cook and never really have. Despite the nostalgic halo around home cooking, we have always seen mealtime mostly as a hurdle to clear, not as a cherished tradition. "Americans know the value of time too well to waste it at the table," noted a visitor from England in a travel journal—in 1794.

One invention after another has been designed to make feeding ourselves faster and easier, from the automated mill to frozen food, the drive-through to the microwave. And once women—who used to do all the cooking—had the opportunity (and the need) to work outside the home, the home-cooked meal was finished, at least as the daily anchor of domestic life.

In surveys, Americans say that they enjoy cooking, but they clearly don't want to do too much of it. By 2016, the amount of time that women spent cooking had fallen to just 37 minutes a day, according to the Bureau of La-



bob Statistics. The Hartman Group, a food consulting firm, found that more than half of dinners in the U.S. are planned less than an hour before they are eaten. Harry Balzer, chief industry analyst of the market-research firm NPD Group, predicts that by 2026 less than half the main dishes served for dinner at home will be made from scratch.

The promise of meal kits was to finally make cooking easy enough that Americans would actually do it. Proponents hoped that a cooking revival also could ease the nation's obesity crisis—

a way to reclaim control of what we eat from the big food manufacturers and restaurant chains.

Early meal-kit entrepreneurs chased affluent, urban consumers who love farmers markets and fantasize about having a backyard chicken coop. These customers have disposable time and income and believe that they need to cook—both to be healthy and to distinguish themselves as engaged consumers. Market leader Blue Apron, for instance, touts its sustainable sourcing and showcases exotic ingredients, like fairy-tale eggplants, in dishes such

as quinoa tabbouleh with toasted pine nuts and yogurt sauce.

Still, the amount of cooking required has apparently been too much, even for the farm-to-table crowd. (So much chopping!) Industry analysts believe that meal-kit purveyors are having trouble retaining customers, and Blue Apron has seen its stock price slide since its IPO in late June.

The companies are only now starting to acknowledge the truth about the American home cook. Blue Apron recently introduced recipes that are faster to prepare. Amazon and other more recent entrants such as FreshRealm, Gobble and Terra's Kitchen are going further, dialing back the prep work to almost zero. An Amazon recipe for catfish includes pre-made guacamole, already shucked corn and pre-sliced jalapeños. Tovala, launched in July, requires no cooking at all: The meals arrive prepared in aluminum trays. All you do is scan the bar code on the package, and the custom-made "smart oven" (yours for just \$399) will bake, broil or steam it to perfection.

Americans talk a good game about the importance of home cooking and family meals, but we still want convenience above all. To succeed, meal kits won't just have to be easier than starting from scratch; they will have to be as easy as takeout. For Amazon, that might mean tweaking that clever slogan for its meal-kit business: "We do the prep. You pretend to be the chef."

Ms. Black is a food writer in Washington, D.C. Mr. Cunningham is managing editor of the Food & Environment Reporting Network.

REVIEW

WORD ON THE STREET: BEN ZIMMER

'Kill List' Draws Blood In Politics

AS PALACE INTRIGUE within President Donald Trump's administration dominates the headlines, it comes as little surprise that commentators have drawn analogies between the roiling White House and HBO's often-gory fantasy series "Game of Thrones."

After Anthony Scaramucci was abruptly removed as White House communications director after 10 days, following the announcements that press secretary Sean Spicer and chief of staff Reince Priebus were also out, CNN's Jake Tapper mused, "The White House [is] now resembling the Red Wedding from 'Game of Thrones,'" referring to a notoriously bloody and shocking scene in the show.

Mr. Scaramucci was reportedly ousted at the behest of Mr. Priebus's replacement as chief of staff, retired Marine Corps Gen. John Kelly, who had previously served as Mr. Trump's secretary of homeland security. According to Jackie Alemany, a White House reporter for CBS News, Mr. Kelly told a source that he wanted "more structure, less 'Game of Thrones.'"

If one phrase associated with "Game of Thrones" seems particularly relevant to the Trump administration, it is "kill list." On the show, fan favorite Arya Stark—a lord's daughter turned assassin—keeps a secret list of enemies whom she has sworn to kill for crimes against her or her family. Although "kill list" doesn't appear in the dialogue of "Game of Thrones" (or the books by George R.R. Martin on which the series is based), it has become a common phrase in the voluminous online chatter that accompanies every episode.

On Jan. 20, the day of Mr. Trump's inauguration, Sen. Lindsey Graham—a frequent and often acerbic Trump critic—wondered aloud on CBS whether he might be the subject of the incoming president's wrath. "I don't know if I'm on the kill list or not," Mr. Graham said. "That would be good to know."

The conservative talk-radio host Hugh Hewitt made the "Game of Thrones" analogy explicit when he compared the Republican senators blocking repeal of former President Barack Obama's signature achievement, the Affordable

'Game of Thrones' at the White House.

Care Act, to the show's hit list. "We know the list to blame. It's like #AryaStark list," he wrote on Twitter.

While the murderous phrase has received a new boost in popularity, it goes back decades, in both literal and figurative usage. A 1962 article in the Philadelphia Inquirer said that Jordan's King Hussein was "said to be top man on the 'kill list'" of supporters of Egyptian President Gamal Abdel Nasser.

Two years later, the Inquirer reported on a "kill list" closer to home. A paid executioner for the local mob, Frank "The Hatchet" Phelan, confessed to carrying out a murder at Dante's Restaurant in Philadelphia, saying that the intended victim was one of five people on his "kill list."

Over time, "kill list" became more metaphorical, especially in politics. When Mr. Scaramucci told the New Yorker's Ryan Lizza that he would "kill all the leakers," Mr. Priebus seemed to be the first entry on his list. But Mr. Scaramucci swiftly ended up on Mr. Kelly's kill list instead. The real-life political bloodbath seems stranger than fiction.



SERGE BLOCH

ASK ARIELY: DAN ARIELY

Just Turn Off the Wi-Fi

Dear Dan,

We try to set boundaries on phone and computer use by our teenagers, who are supposed to stop using their devices by 9 p.m. But my husband stays on his phone long after that, researching vacations or kitchen appliances—which, to my mind, is a clear double standard. Am I right?

—Tina

I'm with you: Setting a bad personal example isn't a great way to encourage good behavior in your teens. I would pressure your husband to be a better role model. Or you could just turn off the Wi-Fi router after 9 p.m., which would make it difficult to go online (at least without a strong cellular connection). It is hard to resist temptation when giving in is so easy—in this case, when the internet is just a click away. By creating roadblocks, even small ones like turning a router back on, we can create a natural pause for reflection that should encourage better decisions.

The only downside is that, with all the free time your husband will now have, he might want to spend it with you. Are you ready for this?

Dear Dan,

How can some people see global warming as a huge crisis facing humanity while others dismiss it as a big red herring? Why do Republicans and Democrats reach such different conclusions reading the same data? Can ideologies really lead to such strong biases in the way that we look at the world? —Rachel

Ideology can easily color our views, even on scientific data. In much the same way that Israelis and Palestinians can see the same clash and place the blame entirely differently, so too can political ideology taint almost everything we experience. And, of course, people with different ideologies don't read the same information: We largely pick the information outlets that support our initial beliefs, making it even easier to become convinced that we

Make it harder to break a no-device pledge.

Dear Dan,

I fly a lot for work, and my annoyance with air travel is rising all the time. These days, I get upset the night before a flight just from knowing I have to head for the airport the next day. What can I do to reduce my distaste for flying? —David

Learn more about the physics of flying and the complexity of the operational side of managing a large airline. We are quick to take things for granted. We get wondrous new technologies such as Google and quickly stop being impressed; we get clean, running water in our homes and stop being amazed. By reminding yourself every time you get to an airport about the marvels of flight and the difficulty of running a big transportation company, you will focus on the full experience—and enjoy it much more.

Have a dilemma for Dan?

Email AskAriely@wsj.com.

PHOTO OF THE WEEK



PATRICK McDERMOTT/USA TODAY SPORTS/REUTERS

WILCZEK'S UNIVERSE:

FRANK WILCZEK

The Secret Lives of Quantum Particles

I SOMETIMES like to play a game that I call "alien viewpoints." It's a radical version of standing in someone else's shoes. You can play it with people (past, present or future), animals or, naturally, aliens. You can even play it with quantum particles.

The drama of modern physics features a host of players with weird personalities. The cast of characters is nonhuman, of course, and none of them have perceptions, motivations or habits in the ordinary sense. But the human brain, having evolved for social life, has powerful modules that are adapted to think in those categories. Translating abstract concepts into psychological language can be instructive—and fun.

Consider Higgs particles. They fill all space, but they repel one another, and they are tightly packed together. We don't notice them because they form an unchanging background, which Nature in her wisdom has evolved us to ignore.

Without a big injection of energy, none of them can break free. Once liberated, a Higgs particle lives for about 10^{-22} of a second before decaying into lighter particles, which we humans can detect. (That's what happened for the first time at CERN in 2012.)

But let's listen, as a Higgs particle speaks for himself:

I hibernate for millennia. Probably I will hibernate forever. I toss and turn and dream of emergence. From time to time, I stir, sometimes violently. But all to no avail. I'm packed in tight, amid hordes of my clones, who also slumber. I never get far, much less escape. And so, my hibernation resumes, unbroken by useful activity.

People don't see me. They think of me, if they know about me at all, as a speck of void.

Occasionally, an eruption will rouse me into consciousness. If I'm alert and lucky, I can tap into its energy and influence its course, before the passive but inexorable resistance of my clones pulls me back. It isn't much, but it's my way of perturbing the universe.

One day, I hope, I will catch lightning in a bottle and grab enough energy to break free. I know it will be my death. But like a spawning salmon, I yearn to fulfill my destiny. For I will feel, in that brief moment, the thrill of existence, before expiring in a liberating explosion—an orgasm, leading to nirvana.

Or consider neutrinos, which interact with matter only through what physicists call the "weak force." That force is so feeble that a typical neutrino, subject only to its suggestions, will pass through a light year of lead unscathed. Yet the nuclear reactions that power the sun produce neutrinos abundantly, and physicists have studied their properties in detail through heroic experiments.

Neutrinos come in three different species. They have a strong family resemblance but differ in the kinds of particles that they prefer to interact with (on the rare occasions when they do). As a neutrino ages, it changes its character. As a function of time, it evolves into different mixtures of the three kinds, in regular cycles known as "neutrino oscillations."

But let's have a neutrino tell the story his way: I was born by accident—shaken off, like a drop of sweat, in the frenzied dance of nuclei at Solar Central. Tramps like me, we were born to run. I took off, moving at close to the speed of light, and never looked back. I watch the passing scene, but I don't let it affect me. I like to keep moving.

As time passes, I notice changes to my vision. Sometimes electrons look especially bright to me; other times not so much. It goes in cycles. Weird.

Maybe someday, I'll find that very special electron or quark that makes me want to abandon my free-floating ways. Weak voices whisper that I could deposit some energy, be fruitful and multiply. Getting involved is a dangerous business, though. It could leave me weaker or change me into something entirely different: an electron, a muon or (my worst nightmare) a heavy lepton. Then my life of freedom—and maybe my life, period—would be over. Heavy leptons decay in a micro-micro-second...

I think I'll wait for a good long time.

Umbrella Organization

The grounds crew at Baltimore's Camden Yards pulled the tarp onto the field during a rain delay of Wednesday's game between the Orioles and the Kansas City Royals.

Answers
To the News Quiz
on page C13

1.A, 2.A, 3.D, 4.C,
5.C, 6.B, 7.B, 8.B, 9.D

BOOKS

THE WALL STREET JOURNAL.

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The House That Jack Built

Warner Bros was the smartest, toughest studio, and Jack L. Warner its smart, tough driving wheel

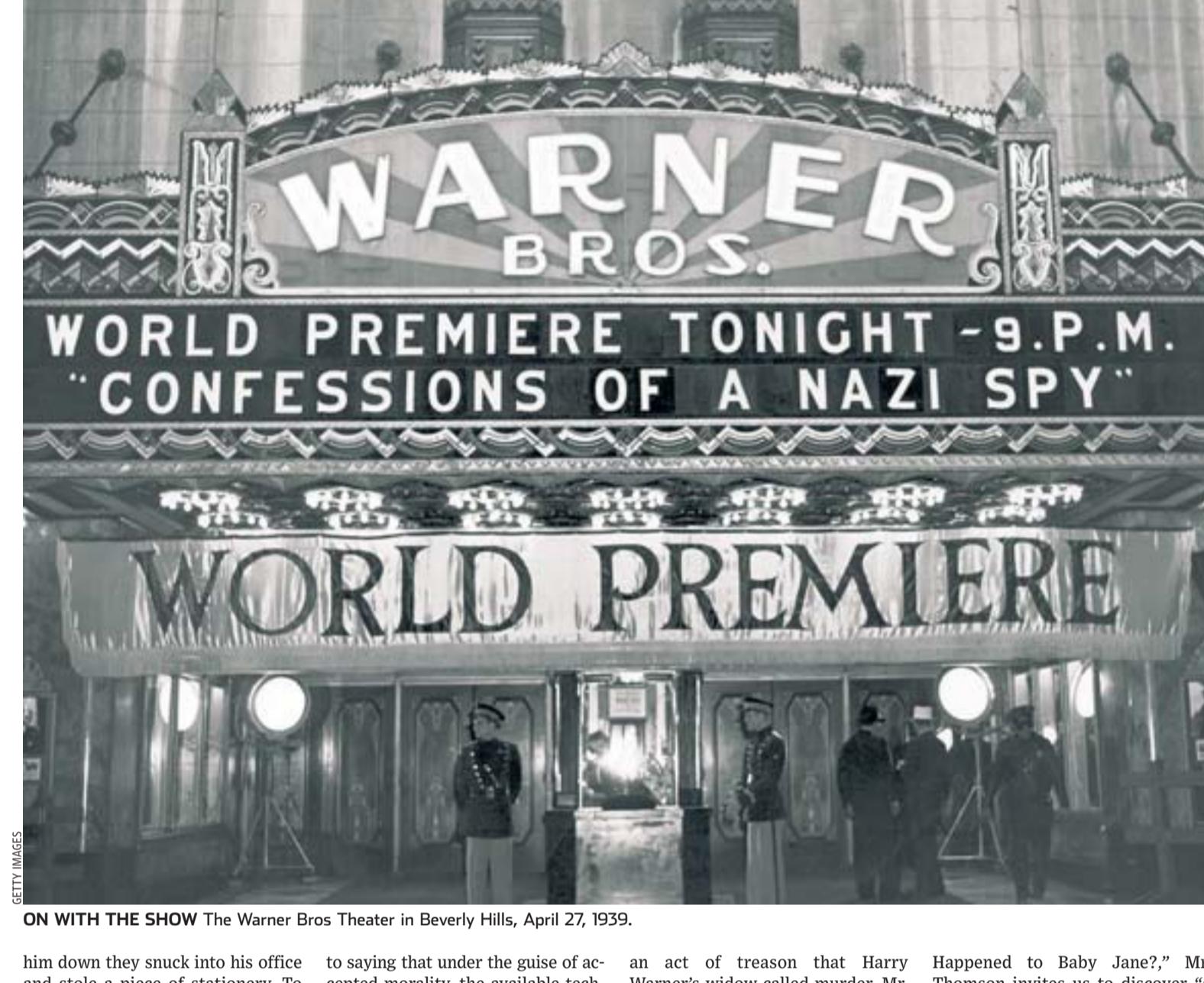
Warner Bros

By David Thomson
Yale, 220 pages, \$25

BY LESLIE EPSTEIN

DAVID THOMSON'S "Warner Bros: The Making of an American Movie Studio" is the latest in the exemplary Yale Jewish Lives series, which now stretches from Jacob the Patriarch to Jacob Wonskolasor, known to the world as Jack L. Warner (1892-1978). Does one sense a certain falling off? A devolution in the history of the Jewish people? Don't be too sure. For while Mr. Thomson, perhaps our most distinguished film critic and historian, does say that Jack is "the biggest scumbag ever to get into a Jewish Lives series," he immediately notes that the term in Hollywood connotes a certain affection for racially villains and, more important, that Jack and his brothers—Harry, Albert and Sam—went on to have at least as much influence in the daily lives of the American people as Freud or Einstein, two other figures in the Yale series, did in shaping the attitudes and opinions of the rest of the world.

Mr. Thomson is at some pains to point out that he is not Jewish, but that he came to realize at a very early age that the Holocaust would be "the most important cultural event" in his life. That is credential enough for me. Indeed, he is quite sensitive in his portrayal of the ways this immigrant family became an example—"crazy, yearning yet hardly planned"—of how "early-twentieth-century Jews [strode] to be American." The whole industry wished to be—often against their own instincts—wholesome, respectable, Republican. It lay low during World War II, lest it seem that a Jewish industry was making propaganda for Jews. From Pearl Harbor to V-J Day the words "Jew" or "Jewish" occurred in only one film dealing with American life; that was "Mr. Skeffington." (All right, it was written and produced by my father and uncle: that is *my* credential.) These new moguls could not change their habits or their faces, but they could change names. Jack told Julie Garfinkle that "people are gonna find out you're a Jew sooner or later, but better later." Julie became John Garfield. I can't resist adding that Jack approached Phil and Julie Epstein with the same advice. After turning



ON WITH THE SHOW The Warner Bros Theater in Beverly Hills, April 27, 1939.

him down they snuck into his office and stole a piece of stationery. To the newly arrived Don Taylor, a fellow Nittany Lion, they wrote, "All of us at Warner Bros are looking forward to your great career as an actor and to a long and fruitful relationship with you under your new name of Hyman Rabinowitz. Sincerely, Jack L. Warner."

It is the not quite hidden theme of this book that as much as the newly arrived immigrant Jews attempted to make themselves and their industry American, their ultimate accomplishment was to make America Jewish.

I do not mean merely that Mr. Thomson recognizes that the new medium taught those trapped in

the dark how to dress, think, behave, and what was good and what was not. Nor does he restrict his critique

to saying that under the guise of accepted morality, the available technology was in fact "dynamic and disruptive . . . cater[ing] to loneliness, instability, and escape." No, he quite consciously intends to demonstrate that it was the immigrants themselves, and specifically the Warners, and most specifically Jack, who were filled with "instability," ruthlessness and "dangerous energy." It was those attributes that would come to characterize not just their studio, founded in 1923, but also the country that watched their films.

The brothers Warner were fractious, rebellious and antagonistic to each other. Their internecine war reached its climax when, in 1956, Jack persuaded the family to liquidate the studio and take their profits, only to buy it back for himself—

an act of treason that Harry Warner's widow called murder. Mr. Thomson argues, always imaginatively and often enough persuasively, that the sibling rivalry of the family can be traced throughout the

Happened to Baby Jane?" Mr. Thomson invites us to discover "a persisting pattern of mythic emotional forces acting out family antagonisms."

Or take the gangster film, a genre in which Warner Bros gave us "dames, gunfire, jazzy music, wisecracks, and outrageous, unhindered ids . . . guys who'll go for broke because they know they're doomed."

Jack, himself, was a "charming pirate" who ran a studio that "copyrighted attractive gangsters" and was "run like a prison." If you worked for the studio, you didn't, in those days, or ours, "follow the money . . . not if you wanted to keep some of it." Rico in "Little Caesar" could be Jack when he tells a pal, "Yeah, money's all right, but it ain't

Please turn to page C6

The brothers Warner taught Jews how to be Americans and Americans how to be Jews.

work they produced, particularly in the Cain-and-Abel parable of "East of Eden" and the fraternal tensions in "The Searchers." Here, all the way through to what is almost a parody of sibling conflict in "What Ever

A Supremely Difficult Master of War

Stanton: Lincoln's War Secretary

By Walter Stahr
Simon & Schuster, 743 pages, \$35

BY HAROLD HOLZER

THOSE WHO RECOGNIZE Abraham Lincoln's Secretary of War, Edwin M. Stanton, as that president's most devoted, if most consistently unlovable, Cabinet officer, will be reminded by Walter Stahr's fine new cradle-to-grave biography that the workaholic Ohioan had served just as loyally in James Buchanan's Cabinet only

Stanton lacked qualities, like humor and modesty, that make public servants into successful politicians.

months before Lincoln took office—and was a lifelong Democrat to boot. Under Lincoln, Stanton would crack down fiercely on his former party. In time, he shut down newspapers, imprisoned Democratic editors and dissidents, persecuted army officers he suspected of favoring the opposition, seized control of the nation's telegraph and railroad lines, replaced civil courts with military tribunals, and sent soldiers home to vote—a novelty in the era before absentee ballots—often to provide decisive electoral margins for Republicans.

Stanton does not emerge from this book a hero. For most of its 743 pages, he remains grim, overbearing, bad-tempered and humorless (personality traits he had manifested as a boy). Mr. Stahr more-

over sees something of an opportunist in the man Lincoln called his "Mars." Stanton discarded party affiliations at will, considered candidates other than Lincoln during the president's 1864 reelection year, and encouraged his old friend Salmon P. Chase to quest for the Chief Justiceship while quietly advancing his own candidacy for the post. (Chase got the job.)

Even so, when civil war overtook the country, Stanton had risen to the occasion. He had managed a vast bureaucracy, overseen the largest army in world history and worked tirelessly for black enlistment, against the desires of racist generals like William T. Sherman. What Stanton lacked were the qualities, like humor and modesty, that transform public servants into successful politicians. Lincoln had grown whiskers to change his image from

that of rail-splitter to that of statesman; Stanton's long, scraggly, gray beard, which rested on his stout midsection, made him look more like a farmer or evangelist.

better than either parties or girls." Even as a youth, he was "studious, ambitious, industrious, sober."

Ultimately he raised enough money

to enroll at Kenyon College, but he

left after two years

when his funds ran out.

He obtained a law degree

only by studying with the legal guardian

who kept his finances

on a taut leash.

Entering public service in

1849, he achieved

fame—and fortune—

serving as a federal

counsel adjudicating

land claims in California,

where an associate

echoed previous ob-

servers by praising his

"untiring industry".

Similar words con-

tinued to characterize

Stanton wherever he

went: "industrious,

faithful and indefatigable

in his exertions"—never lovable.

Tellingly, when his first

wife died young, Stanton

described their

brief marriage as one

of "incessant toil & in-

dustry."

Stanton could be

macabre, too; Mr.

Stahr questions the legend that he

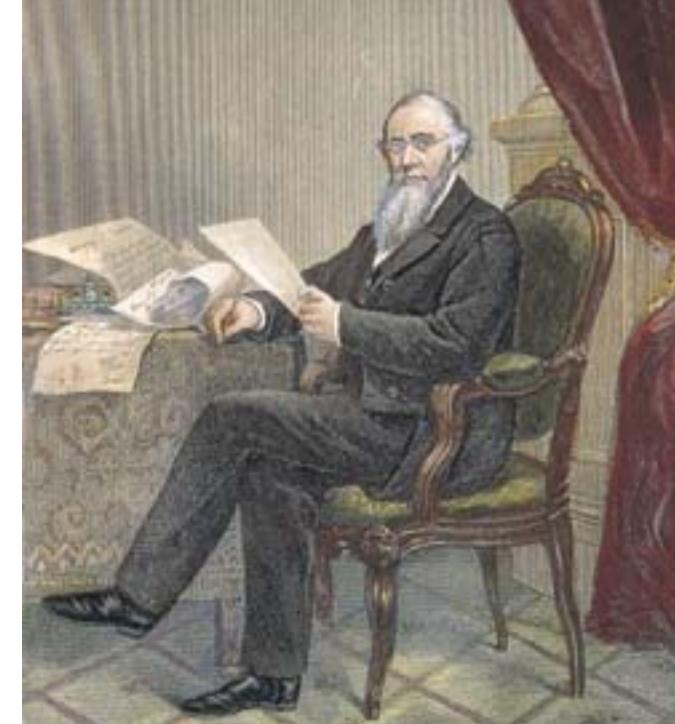
disinterred his late daughter

and stored her remains in his parlor;

if he did so, we are asked to believe,

it was only because he feared the

coffin would be disturbed by a ru-



WORKHORSE The indefatigable Edwin M. Stanton (1814-69).

Born in Steubenville in 1814, Stanton survived a grim childhood. Left fatherless at 13, he was forced to quit school and work in a bookstore. This was appropriate, said one customer, because young Edwin "loved books

more relocation of the cemetery. During the 1840s and '50s, the author asserts, Stanton evolved into an "Obstinate Democrat". Indeed, he befriended—and earned praise from—some of the very pro-Democratic editors he would later prosecute for wartime treason. Mr. Stahr probes Stanton's motivations for joining the hapless, lame-duck Buchanan administration in its dying days, arguing that he simply could not shed his Democratic loyalties. He even backed the nominee of Southern Democrats, pro-slavery presidential candidate John C. Breckinridge, in 1860. But Mr. Stahr points out that Stanton wrote nothing "suggesting that he sympathized with secession."

Stanton greeted President-elect Lincoln's arrival in Washington with a "very ill-suppressed sneer," lamenting that his son, James Stanton, born in 1861, had arrived "in the dark period of history that will be known & abhorred as Lincoln's administration." Perhaps Stanton remembered the new president as the visiting attorney who was attached briefly to a case he argued in Ohio a decade earlier: Stanton allegedly had dismissed the rustic lawyer as "a damned long-armed ape" and barred Lincoln from the legal team. Mr. Stahr concedes Stanton was rude to Lincoln—for he was "often rude"—but suggests the story is a myth.

It would be entirely characteristic of Lincoln to forgive and forget such slights when his first Secretary of

War had to be replaced after less than a year. Lincoln needed an honest,

Please turn to page C6

BOOKS

'I deeply respect American sentimentality, the way one respects a wounded hippo. You must keep an eye on it, for you know it is deadly.' —Teju Cole

The Do-Gooders' Playground

White Man's Game

By Stephanie Hanes

Metropolitan, 287 pages, \$28

BY JAMES ZUG

IT IS AN OLD, old story. A wealthy man comes to town, promising change and a brighter future. He's the expert. He knows best. Inevitably, it doesn't exactly work out that way.

Stephanie Hanes, an American correspondent for the Christian Science Monitor, spent three years watching one particular version of that fairy tale unfold in central Mozambique.

The wealthy man was Greg Carr. An Idahoan, Mr. Carr had made millions first by selling voice-mail systems and then by running Prodigy, an early internet service provider. At age 40, he turned to philanthropy and in 2004 went to Mozambique to see if he could help that southern African nation still recovering from centuries of under-development and a vicious civil war. He took over a former national park, called Gorongosa, pledging \$40 million to bring back the wildlife and tourists that would restore this so-called Lost Eden and support the neighboring communities.

In "White Man's Game," Ms. Hanes outlines, in a nonpolemical way, the long history of Western involvement in Africa's wilderness. Some of the episodes are perhaps familiar, like "Dr. Livingstone, I presume?" (the question that Henry Morton Stanley asked, in 1871, of the "lost" explorer David Livingstone); or Teddy Roosevelt's post-presidential hunting safari in East Africa; or Live Aid, the mid-1980s benefit concerts aimed at helping famine-struck Ethiopia.

Turning to the present day, Ms. Hanes takes World Wildlife Fund, Nature Conservancy and other Western groups—known as Big Green—to task for their conservation colonialism. She thinks they are too cozy with multinational companies interested in "greenwashing" their own dirty industries, and she questions whether they are really effective in helping the environment and the people in it. She also points out that they are a bit cynical. "The conservation industry mirrors the humanitarian assistance industry," she writes, "with alarmist pledge drives, heart-stirring photos and admonitions to 'act now!'—all to be repeated for the next grant cycle."

Juxtaposed to Big Green are eco-barons. Ms. Hanes incisively profiles some of these "wealthy environmentalist do-gooders"—for example, a couple who created a tiger rehabilitation scheme in South Africa (tigers in Africa—don't ask) and a Louisiana



TRUNK ROAD Warning signs in Chobe National Park, Botswana.

tycoon who dreamt up a massive conservation-cum-golf courses project in southern Mozambique. Ms. Hanes believes that such unorthodox projects too often misfire, leaving disappointment in their wake.

Greg Carr is perhaps the most committed of the eco-barons and Gorongosa the most ambitious project. In 1995 I passed through the region on a backpacking expedition. About the size of Rhode Island, it was beautiful, with a mountain that reached more than 6,000 feet high.

Stark reminders of the civil war that had ended just a few years earlier abounded, however, including rusted tanks and blown-up bridges. I saw a lot of people farming and hunting.

The people were still there a decade later, when Mr. Carr helicoptered in. He had great intentions but, according to Ms. Hanes, never effectively partnered with the local communities. After explaining Mr. Carr's wide-ranging approach (importing elephants from South Africa's Kruger National Park, planting trees, building schools and clinics), she gamely searches out the locals, presumably accompanied by an interpreter. She talks to a poacher whose brother is a ranger, to Mozambican anthropologists, to resident chiefs.

It is clear from Ms. Hanes's account that a complex interplay of social, political and economic matters affected Gorongosa, not just one man's ambition.

The imported elephants inevitably roamed outside the park and into nearby towns, damaging crops and perhaps killing

a villager. Mr. Carr's tree planting, a laudable goal on the surface, was seen negatively by the people there because, culturally, tree planting was a way of marking one's territory. When visiting a prominent local leader, Mr. Carr arrived in a red helicopter, oblivious to the fact that, in Gorongosi culture, red is the color of violence. For locals, Mr. Carr was the latest in a long line of outsiders invading their land. He destabilized rather than restored.

In the West, Mr. Carr's work catalyzed praise: a glossy piece on Gorongosa in National Geographic by the noted biologist E.O. Wilson, a profile in the New Yorker. But the reality on the ground was different. Few tourists came to Gorongosa, and a

In Africa, environmental groups and eco-barons launch projects that often misfire and may do harm.

flare-up of civil-war tensions led to violence. Overall the 150,000 Mozambicans who lived in the district, according to Ms. Hanes, saw little measurable improvement in their lives. Park staff even tortured suspected poachers.

In the most powerful scene in the book Ms. Hanes observes Mr. Carr and his associates staring at a map of Mozambique and contemplating expanding the park borders to incor-

porate a vast swath of land so that animals could migrate again. They wanted to rewild central Mozambique. It was just another example of the "generations of white man standing around maps," observes Ms. Hanes. They never mentioned the millions of people who lived in those lands.

The only drawback to Ms. Hanes's magnificent book is the fact that it is out of date. She reported from Gorongosa from 2006 to 2009. She evidently hasn't been back since.

"White Man's Game" was delayed in coming out, and she hints at the reason in an afterword. Though not having actually seen the book, Mr. Carr and Mr. Wilson, along with two dozen academics and aid-agency leaders, sent Ms. Hanes and her publisher letters attacking the book, arguing that things are going quite well there now. She dissects the one-sided statistics that Mr. Carr et al. provide, but she isn't on the ground to tell the current story of Gorongosa and its people.

What is really happening there? What is the fate of the poacher, the ranger, the chiefs? Fewer than 1,000 tourists visited last year, so the promise that eco-tourism would transform the local economy hasn't come true—but I wished that she had gone back to tell us for sure. But maybe that is just another wistful Western idea, hoping against hope that this time the West got it right.

Mr. Zug is the author of "The Guardian: The History of South Africa's Extraordinary Anti-Apartheid Newspaper."

Edwin M. Stanton

Continued from page C5

non-partisan Washington hand to put in charge. Though he had no military experience (much like Lincoln), Stanton proved himself a master organizer, achieving his apogee by secretly moving thousands of Union troops to the west by rail in 1863. But he was never able to motivate General George B. McClellan, either through flattery or by pressure, and when Stanton ordered "Little Mac" to shift one his corps from his 1862 Peninsula Campaign to the defense of Washington, the War Secretary got blamed for McClellan's eventual failure. The subordinate general bluntly blasted Stanton: "You have done your best to sacrifice this Army." For good measure, McClellan later claimed that he heard Stanton castigate Lincoln with "extreme virulence" as "the original gorilla." Mr. Stahr admits the evidence for this is scant, but it would be consistent with the abuse Stanton allegedly deployed when he first encountered Lincoln years earlier.

The author audits Stanton's wartime record meticulously, criticizing his indifference to civil liberties and his often fraught relationships with field commanders and fellow Cabinet officers. But he spends too little time dealing with reports that Stanton behaved in a cowardly manner when the CSS Virginia attacked the Union fleet at Hampton Roads, Va.—igniting fears (from Stanton, anyway) that the Rebel ironclad would next steam up the Potomac unimpeded and destroy Washington (the USS Monitor intervened instead). And Mr. Stahr might have explored the stubborn myth that

Stanton had fraught relationships with field commanders and his fellow Cabinet officers.

Stanton was complicit in Lincoln's assassination—a discredited canard, to be sure, but one that many Lincoln scholars, this writer included, still hear from lay readers.

In truth the Stanton who met the crisis of bloody April 14, 1865, proved extraordinarily cool and commanding—able to inform the nation of Lincoln's dying moments even as he organized a manhunt for his assassin. No, Mr. Stahr asserts, joining the historical debate launched by writer Adam Gopnik, Stanton did not say, at Lincoln's death, "Now he belongs to the ages"—or to the "angels," either; more likely, he wept and prayed. What Stanton did next—order secret military trials of the captured conspirators—was one of his worst decisions.

More than half the book remains at this point, but inevitably, it proves anticlimactic. Stanton admirably fought for black voting rights in spite of resistance from the racist new president, Andrew Johnson. Ultimately he took the side of Congressional Radicals in an effort to neuter, then impeach him. Stanton's health deteriorated, but he clung to the hope that Johnson's successor, Ulysses S. Grant, would name him to a Supreme Court seat he had so long coveted. When the appointment finally came, in 1869, Stanton was too ill to serve.

Stahr concedes that, though incorruptible, Stanton was "duplicious and even deceitful"—maybe even "arbitrary, capricious, tyrannical, vindictive, hateful, and cruel," as George Templeton Strong described him. It is even possible that the Union would not have put down the Rebellion—or done so as quickly—had Stanton not shed his Democratic affiliation and joined the Lincoln Administration in early 1862. Mr. Stahr may overdo it when he calls Stanton the "Implementer of Emancipation," yet the military did accomplish the tough work of freedom, liberating enslaved people wherever in the Confederacy Union armies marched after Jan. 1, 1863.

This exhaustively researched, well-paced book should take its place as the new, standard biography of the ill-tempered man who helped save the Union: It is fair, judicious, authoritative and comprehensive. It is not, however, a literary triumph. Mr. Stahr's narrative, though well-paced, is straightforward, unadorned and sometimes didactic. Much like Edwin M. Stanton.

Mr. Holzer, director of Hunter College's Roosevelt House Public Policy Institute, won the 2015 Lincoln Prize for "Lincoln and the Power of the Press."

The Warner Brothers

Continued from page C5
Thomson turns his attention away from the brothers and their studio and onto individual actors and films. These form a remarkable series of critiques and vignettes—cranky, idiosyncratic, sometimes improbable, but always ingenious, and now and then inspiring. He doesn't miss anyone or anything: Flynn, Bogart, Bacall and Davis; Muni, Jolson, Blondell, Robinson, Cagney, Stan-

ley, Wayne—even Rin Tin Tin and Bugs Bunny. There are thoughtful and surprising analyses of, beside the pictures I have already mentioned, "The Great Train Robbery," "The Jazz Singer," "The Public Enemy," "Black Legion," "To Have and Have Not" (his favorite, I think), "The Big Sleep" and plenty more. His discussion of "Gold Diggers of 1933" (ahem, co-written by my step-father, Erwin Gelsey), particularly



IMPRESARIO Jack L. Warner with Marilyn Monroe, 1956.

wyck, Stanwyck and Streisand and make us use our heads, not just scratch them.

As this fine book progresses, Mr.

Bunch," Stanwyck and Streisand and make us use our heads, not just scratch them.

Of course he has the most to say about "Casablanca," much of it insightful and cogent. On the one hand, it's an "adroit masquerade," yet also part of what it was, and no less is, to be American: "Wry, fond of sentiment yet hardboiled, as if to say we're Americans, we can take it and dish it out, we're the best, tough and

soft at the same time." Thus did the qualities of this film, and others, pass "into the nervous system of the country," making it what it remains to this day.

I am in a position to point out one of the few outright mistakes, not of judgment but of facts, in this book. Mr. Thomson naively accepts screenwriter Casey Robinson's claim that he created the ending of "Casablanca." The truth is that the ending was thought up at a red light on the corner of Sunset and Beverly Glen, when Phil and Julie turned to each other, as identical twins will, and cried out, "Round up the usual suspects!" By the time they reached Doheny they knew Maj. Strasser had to be shot and by the time they reached Burbank they knew who was going to get on the plane with whom. Th-th-that's all, folks, as Bugs, or maybe it was Porky, would say.

Jacob the Patriarch fought with his brother and stole his birthright. He had a vision of a ladder with exiled angels moving up and down, which according to Rashi were the generations of Jewish people expelled from their land. He had his share of wives. He wrestled with an angel, just as his namesake Jacob Wonskolasor did with his demons. Jack is lucky to have a man who has brought a lifetime of sitting in theaters, shellacked by the beams of the projectionist's light, and who has thought so deeply and eccentrically and opinionatedly and ultimately so brilliantly about him. We, his readers, are lucky too.

Mr. Epstein, a child of Hollywood, is the author of 11 books of fiction. He teaches in the creative writing program at Boston University.

BOOKS

'A man . . . can understand only things that are true, for if the things be false, the apprehension of them is not understanding.' —Isaac Newton

Newton's God-Filled Universe

Priest of Nature

By Rob Iliffe
Oxford, 522 pages, \$34.95

BY DAVID DAVIS

THE POTTED HISTORY of Isaac Newton's life is well known. Following a puritanical upbringing, Newton went to Cambridge in 1661, already a mathematical prodigy. As a professor there, he became a champion of the new mechanical sciences and redefined man's understanding of the physical world with works like "Opticks" and "Philosophiae Naturalis Principia Mathematica." This is the Isaac Newton of whom Voltaire said: "Metaphysicians and theologians are much like those gladiators who were obliged to fight hoodwinked. But when Newton worked, with the bandage removed from his eyes . . . his sight pierced to the utmost limits of nature." This version of Newton's life is a narrative of scientific triumph, of intellectual light shining in the darkness. It is also gapingly incomplete. Rob Iliffe's "Priest of Nature" fills in the crucial missing piece: the fact that Newton's "Christian faith was the most important aspect of his life."

That Newton's religious devotion often has been underemphasized is not surprising. As Mr. Iliffe notes, modern audiences may struggle with the idea of Newton—"the founder of Enlightenment rationality"—being so completely absorbed by matters of God. Yet even in his own time, Newton had good reason to keep most of his theological writings unpublished. His views were heretical: They would have cost him his university appointment, his seat in Parliament and his scientific renown.

Recent studies of those unpublished manuscripts, however, reveal a more complicated life than the Enlightenment narrative would have allowed. And while other biographies acknowledge that Newton possessed a sincere, though heterodox, faith, Mr. Iliffe serves up the most complicated picture to date of the faith itself. He completely recasts the relationship of Newton's scientific inquiry to his religious beliefs, tying the two together to an unparalleled degree.

Mr. Iliffe, a professor of history at Oxford, documents the depth and breadth of Newton's religious inquiry, explaining how, in thousands of manuscript pages, Newton explored the mechanics of optics and motion alongside diligent theological research. His topics were varied, covering biblical prophecy, God's infinitude, the Incarnation, idolatry and the



ALL WAS LIGHT 'Newton' (1795) by William Blake.

nature of the soul. Mr. Iliffe demonstrates how Newton pored over biblical scholarship, exhibiting a mastery of Greek as well as the chief sources on church history.

Interestingly, Newton's study of prophecy overlapped the period of his most groundbreaking scientific work—in part because the discipline with which he approached one intensified the rigor of the other. Newton's underlying assumption was that religious truth was itself rational, because it, like science, was an explanation of the divine order. While Newton did not use the Bible as a book of science, his science was grounded in Christian assumptions that "humans were made in the image of God" and that rational thought could provide insight into the Creator God. His interpretation of scripture developed a universal order, through which all prophecy could be understood—assumptions that also provided a framework for the mathematic system of Newton's "Principia."

In natural philosophy, Newton despised speculation. He had little use for theories that lacked mathematical certainty and empirical support. In religious matters, Mr. Iliffe notes, he made an almost identical distinction

between claims rooted in scripture and those added by "false traditions." Of the latter, Newton saw the Roman Catholic Church as the most egregious promoter; for this reason, Mr. Iliffe explains, he (like many 17th-century English Protestants) saw Catholicism as "the epitome of satanic anti-Christianism."

The false tradition that most consumed Newton was the doctrine of a triune God. Jesus Christ, he believed,

Newton's science and faith were grounded in a belief that rational thought could provide insight into the Creator God.

was separate and unequal to God the Father. Trinitarianism not only was the genesis of ecclesiastical corruption, in Newton's schema, but also was "inevitably accompanied by the complete loss of true scientific knowledge" in Western Europe. He considered church fathers like Athanasius, who defended the Nicene Creed and its vision of the trinity, to

be adversaries of both true religion and science. This singular conception of God was heresy not only to the Catholics but also to most Protestants, including the Church of England. In an era when politics and religion were overshadowed by the English Civil War and Glorious Revolution, such views were personally and professionally dangerous.

Mr. Iliffe presents a syncretism in Newton's thinking that eludes simple classification. He should not be labeled a rationalistic Deist like John Toland, despite his devotion to mechanical science. Nor was he an occultist like Giordano Bruno, even though Newton believed in a primeval *prisca sapientia*, a sort of golden-age religious philosophy. For Newton, at the same time, believed in the immanence of the Christian God in prophecy. And, despite his theological disagreements, he remained loyal to the Anglican Church.

Newton thoroughly lived this heterodox faith, as Mr. Iliffe documents. He never eschewed his puritan upbringing, he made lists of his personal sins (which included playing chess), and he avoided "temptations of the imagination." He never abandoned the impulse to "make his life that of a godly man," which manifested itself in

his asceticism. He published little, neglected meetings of the Royal Society, and dodged public debate as much as possible. Where other intellectuals like Christopher Wren and Robert Boyle nurtured public personas, Newton was intentionally aloof.

Mr. Iliffe also attends carefully to neglected periods of Newton's life, including the teen years he spent laboring in an apothecary's workshop and his stints as a Member of Parliament. Attention to such detail, woven deftly into a finely constructed and well-written narrative, makes Mr. Iliffe's "Priest of Nature" a robust portrait with broad appeal. Both the academic and lay reader will appreciate how, in shattering the simplistic Enlightenment account of Newton, the book reveals the flexibility of the great man's capacious mind. This Anglican who condemned the Nicene Creed was the same man who charted a mathematically enclosed universe but allowed for the possibility of divine revelation. Mr. Iliffe's Newton remains unrivaled in his genius, but his sight sweeps across a much broader range of human experience than Voltaire would allow.

Mr. Davis is an assistant professor of history at Houston Baptist University.

All the Light We Cannot See

Zapped

By Bob Berman
Little, Brown, 261 pages, \$26

BY ALAN HIRSHFELD

I LIE FACEDOWN on the treatment table, a morgue-like slab that guides me into the maw of the great machine. A momentary silence, then a chorus of alien chitters and groans as the instrument's wishbone-shaped jaws swivel around me, seeking out the flock of offending cells that have

Radio waves link our phones; microwaves warm our food; we ourselves emit infrared light.

nested on my back. An electrical buzz signals that treatment has begun: A beam of X-rays launches its five-week campaign to eradicate the tumor. Invisible to the eye, the deadly light betrays its presence only afterward in an oblong, rosy blemish—the thumbprint of a high-tech phantom.

As I leave the treatment center, I picture the maelstrom of unseen rays that crisscross around us and through us. The human optical system is a biochemical paint-by-number, synthesizing a landscape or a lover's lips from the matrix of wavelengths and trajectories of light rays striking the retina. But the eye is sensitive to only a sliver of the electromagnetic spectrum. Radio waves and X-rays, for example, are forms of "light" as well, only with wavelengths too long or too short to trigger our

retinal cells. Our blinkered view leaves us oblivious to a host of emanations that are nonetheless critical to our understanding of the universe, the functioning of our tech-enabled society and the stealthy beam that saved my skin.

Radio waves link our cellphones to the world; microwaves warm our mac and cheese; infrared pulses turn on our televisions from across the room. Indeed, our body emits infrared photons sourced from the metabolic furnace within. These fleet emissaries of luminous power have several attributes in common: Their energy derives from oscillating or accelerating electric charges; they move at the speed of light; they propagate freely through the vacuum of space; they are characterized by their wavelength (although in some experiments, they act like particles).

There are two ways to detect the invisible: either indirectly, from environmental cues—Hollywood used a floating cigarette to help manifest "The Invisible Man"—or directly, with specialized sensors engineered to capture, quantify and image photons in a chosen electromagnetic band.

That is what radio astronomers do when they study the cosmos.

When and how did scientists come to recognize the existence of invisible light? What are its properties and practical applications? Which types are harmful or beneficial to our health? Veteran astronomy author Bob Berman surveys the historical and scientific aspects of unseen radiation in "Zapped: From Infrared to X-

rays, the Curious History of Invisible Light," examining each of the non-visible forms of electromagnetic energy in turn, from radio waves at one end of the wavelength spectrum to gamma rays at the other.

Mr. Berman begins with a chronological digest of theories about light and seeing. "Until the eighteenth century," he writes, "no one had the faintest idea that there might be such a thing as light that cannot be detected by human vision." Detection of invisible light dates to 1800, when musician-turned-astronomer William Herschel, already famous for his discovery of the planet Uranus, placed a thermometer in the dark space beyond the red end of a spectrum that was produced by passing sunlight

through a prism. The thermometer reading remained elevated, indicating the presence of invisible "heat rays," or infrared light.

Mr. Berman elaborates on the effects of infrared on the weather, describes next-generation space telescopes that will take infrared pictures of nascent galaxies, and explains the difference between heat

(the vibration of atoms and molecules) and infrared (a form of electromagnetic energy emitted by these vibrating particles).

Barely a year after Herschel, a German scientist named Johann Ritter projected the solar spectrum onto a photo-reactive strip of paper. The paper darkened in the colorless void alongside the violet, proving the existence of ultraviolet light. Cellular changes wrought by UV rays are proven precursors of skin cancer; hence the ubiquitous warnings about spending too much time in the sun or on a tanning bed. Mr. Berman offers a primer on safeguarding oneself from UV overexposure but points out that UV is key to the body's production of vitamin D, an essential nutrient.

Radio waves, first generated in 1887 by the German physicist Heinrich Hertz, are visible light's longest-wavelength cousins, each undulation spanning meters or more. (Radio waves with centimeter lengths are categorized as microwaves.) Mr. Berman reviews the principles and history of AM and FM transmission, then segues into the operation of GPS, which uses a radio-wave link to a suite of positioning satellites.

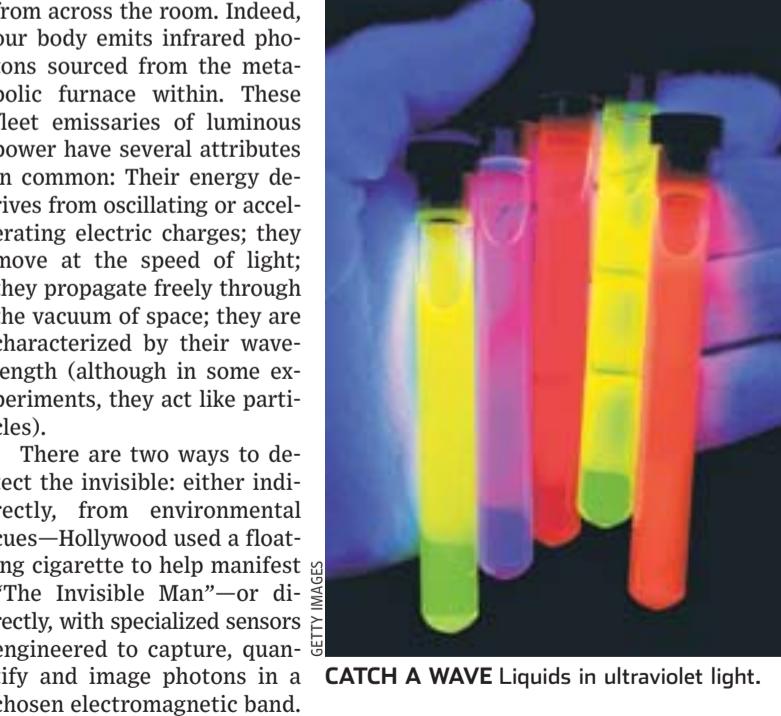
Last, at the ultra-short-wavelength end of the electromagnetic spectrum, are X-rays and gamma rays. X-rays date back to 1895, when the German

experimentalist Wilhelm Röntgen noticed that a barium-infused plate in his lab glowed whenever he flipped on a high-voltage vacuum tube, even with an opaque barrier between the two. Inspired by the penetrating power of these invisible rays, Röntgen used them to photograph his wife's hand. (She was horrified by the skeletal portrait.) It wasn't long before Thomas Edison invited members of the public to inspect their bony innards under his "fluoroscope." In the ensuing decades, "radiologists" hawked the allegedly restorative beam for a host of ailments, a cautionary tale that Mr. Berman infuses with woeful pathos.

"Zapped" includes digressions into atomic and nuclear physics, astrophysics, biology and medicine, and human behavior. Mr. Berman devotes a chapter to the purported hazards of cellphone radiation and casts a skeptical eye on ESP and mental telepathy. Although dense with technical information, the narrative is briskly conversational: We're on the porch, shooting the breeze with a knowledgeable neighbor.

Mr. Berman's avowed goal in writing this book, he says, was "to open a window onto the enormous universe of omnipresent energies." Once that window is thrown open, it is hard to look at the world the same way. We augment visual reality with nature's hidden brush strokes, limned in our own imagination. As to that old saw, "Seeing is believing," don't you believe it.

Mr. Hirshfeld is a professor of physics at UMass Dartmouth and the author of "Starlight Detectives: How Astronomers, Inventors, and Eccentrics Discovered the Modern Universe."



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BOOKS

'Real & true love, such as he who made the sexes meant them to feel for each other . . . will always be ready to sacrifice everything for its object.' —Lady Anne Barnard

From Court to Cape Town

Defiance: The Extraordinary Life of Lady Anne Barnard

By Stephen Taylor
Norton, 388 pages, \$28.95

BY MARTIN RUBIN

LIKE A HEROINE from a Jane Austen novel, Lady Anne Lindsay, the daughter of a Scottish earl, made her first impression on 18th-century London society as part of its busy marriage market. No less a social observer than Hester Thrale, a friend of Samuel Johnson's, summed up her special qualities: "She has birth, wit and beauty, she has no fortune and she'd readily accept you; and she has such spirit that she'd animate you, I warrant you!"

Lady Anne did work her charms on prospective husbands—from dissolute

To venture to a forlorn outpost was unexpected of someone of her rank and social position.

aristocrats to powerful commoners—but not only on them. When barely out of her teens, she composed a dialect poem titled "Auld Robin Grey," about a young woman doomed to a loveless marriage, and it became a popular ballad, even set to music (twice) by Joseph Haydn. Within a few years she had become a close friend and confidante of the prince regent, later to reign as King George IV, and an even closer one of Mrs. Fitzherbert, the Catholic commoner he wed (over Lady Anne's objections).

Upon meeting Dr. Johnson, Lady Anne overcame her initial revulsion to his boorish manners and appearance—"a mountain of deformity and disgust"—and disarmed him with a witty retort. The "dose took," she later wrote of the incident, and "he became excessively agreeable & entertaining (and I saw Boswell steal to the window to put [the retort] down in his commonplace book)." With "Defiance," Stephen Taylor, a former journalist at the Times of London, offers up a sympathetic and insightful biography of this formidable woman.

Lady Anne had been a capricious flirt to those who courted her, Mr. Taylor notes, but when she settled on the man she wanted to marry, no one could deny her determination to be, to borrow a phrase from her ballad, "my best a gude wife to be." Andrew Barnard had some social standing as the son of the bishop of Limerick in Ireland, but he was a mere army captain with little money and no prospects. Mr. Taylor's account of Lady Anne's acceptance of his proposal portrays it as a kind of leap



BRIDGEMAN IMAGES

SPIRITED Lady Anne Barnard (1750-1825), balladeer, diarist, traveler, socialite, beauty and wit.

into the unknown: "After twenty-six years of prevarication since receiving her first proposal at sixteen, . . . Anne finally cast hesitation aside and in an act of pure spontaneity ended her single state."

And indeed, the former coquette proved to be a devoted wife, a veritable maritiorous archetype. She not only tirelessly sought appointments for her husband through her network of rich, well-born friends but followed him to the ends of the earth—or at least the southern tip of the African continent—when he was made secretary to the British governor at the Cape of Good Hope. At the time, the Cape was officially a possession of the Dutch East India Co., but it had been handed over to Britain, temporarily, so that the Royal Navy might protect it from Napoleon's marauding forces.

The 6,000-mile voyage down the Atlantic from Britain was an endurance test, especially for one used to the comforts of metropolitan life. The journey, Mr. Taylor writes, in-

volved "confinement for a hundred and fifty individuals in a wooden shell fifty paces in length." Macaulay once said (as Mr. Taylor reminds us) that the best devices for killing time on a long ocean voyage were "quarrelling and flirting." By this time, Lady Anne had eyes only for Andrew, "a young Neptune hung round with seaweed," as she fondly wrote in her journal. Still, she found time to make friends with important fellow passengers and enjoy the "unexpected pleasure" of the copious food, much of it, amazingly, fresh even without refrigeration.

Once at the Cape, the Barnards found themselves installed in the lavish state apartments of the Castle of Good Hope, a stone edifice in the shape of a five-point star that the Dutch had built near the center of Cape Town as their seat of government. (Today's tourists can visit the apartments, preserved in their original splendor.) Since the British governor's wife had not accompanied him to the Cape, Lady Anne served as de

facto first lady and official hostess. In this capacity, she was tactful and emollient, managing to charm even the surly Dutch Capetonians, who naturally resented their turf being handed over to a foreign power.

As we know from Lady Anne's posthumously published journals and letters—literary gems in their own right as well as remarkable documents of a time and place—she tirelessly explored the scenic views of the mountainous Cape Peninsula, with the Atlantic Ocean to its west and the Indian Ocean to its east. "Sometimes the path was so perpendicular and the jutting rocks over which the wagon was to be pulled so large," she wrote after one excursion venturing east of the peninsula, "we were astonished how it could be accomplished at all. . . . At length we reached the summit and the new Canaan opened on my view."

On the slopes of Table Mountain, which rises up behind Cape Town, she reputedly enjoyed bathing nude in a shady, spring-fed grotto, now

named Lady Anne Barnard's Pool. As a refuge from the formalities of castle life, she built two elaborate houses outside of Cape Town, one called Paradise and the other the Vineyard, part of which survives today as a luxury hotel.

The Barnards also ventured hundreds of miles into the interior country—the "parts of Africa," Lady Anne wrote, "where nature becomes wilder and there is less affinity to what has been seen before." She recorded what she saw in a diary, written as if it were a letter to her sister, "complete with knowing asides and *entre nous* references," Mr. Taylor notes. She was, he says, too self-effacing to publish what she had composed but did compile it into a hand-produced volume that "amounts to a travel narrative."

For all the social and literary success that Lady Anne had achieved in London society, it is clear from Mr. Taylor's portrait that her intense embrace of the Cape of Good Hope was the apogee of her existence and the *locus amoenus* where she really came into her own. As he writes: "She fell in love with what she saw as a new America, and if that was part of the love she enjoyed with Andrew it is still clear that their happiness flourished in this bizarre, magnificent space because it offered freedom of a kind unavailable at home."

To venture to such a forlorn outpost had hardly been expected of someone of her rank and social position—like her choice of mate, it showed a spirit of defiance—and yet the sojourn proved invigorating and, as a kind of bonus to posterity, inspired the prose for which she is best known today.

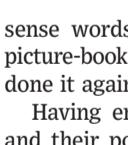
Lady Anne and her husband returned from Africa in 1802 and settled into a quieter London life than before. Andrew returned to the Cape after a few years and died there prematurely, before she could join him. Some time later a "dear little girl of colour" (as Lady Anne put it) named Christina, a child begotten by Andrew on a slave, arrived in London, having been sent from the Cape at Lady Anne's request.

In London, Lady Anne's later years were devoted to raising the girl and shepherding her into adult life, which included marriage to "a country gentleman, prosperous land-owner and horse breeder," as Mr. Taylor's sleuthing has discovered. "It is possible," he writes, to see Lady Anne's decision to bring Christina to England—"to rescue the child, as she saw it, and raise her"—as "the most defiant act of a life that flew in the face of convention." It was also, he says, compassionate and brave. It is a perceptive observation, neatly summing up this striking—and, yes, defiant—woman.

Mr. Rubin is a writer in Pasadena, Calif.

CHILDREN'S BOOKS: MEGHAN COX GURDON

When a Classroom Looms on the Horizon



'OH, AH, wahoo! Oh, ah, wahoo!' The sound was coming from my office. The voice belonged to a daughter. The non-sense words indicated that French picture-book creator Hervé Tullet has done it again.

Having enlisted children's voices and their pointing fingers with the brilliant interactive picture books "Press Here," "Mix It Up!" and "Let's Play!," Mr. Tullet commandeers young readers once more with "Say Zoop!" (Chronicle, 64 pages, \$15.99), a book filled, like its predecessors, with jolly dollops of bright color and lots of instructions. "Hi! Are you really sure you want to play?" we're asked on the first page, which depicts a single blue orb. On the next page, we get affirmation and command: "Great! Put your finger on this dot and say OH!"

Well, once that starts, where will it end? The dots multiply, with different sounds for different colors; they get bigger and louder, then smaller and quieter; they argue, talk in robot voices and sing like birds—all of which sound effects, of course, the enthralled child is only too happy to provide. The adventure culminates in a firework display of rioting dots and the noisy cry: "Whishhh! Pluck! Ah! Tchonk! Zoop!"

A gentle giant in striped pajamas wakes in his small apartment and opens the curtains to a fresh autumn

day. After his ablutions and breakfast (see right), he steps out into a modern Italian city. He pauses to look in shop windows, buys a newspaper and makes his way in the morning throng to the subway. It's an ordinary commute, but our friend, in his gray herringbone tweed coat, happens to be a crocodile.

In the delicate, wordless pictures of "Professional Crocodile" (Chronicle, 32 pages, \$17.99), Giovanna Zoboli and Mariachiara di Giorgio trace his progress to work through crowds that, come to think of it, include other animals. There's a hippo

on the subway and a chic ostrich crossing the road in a beret and tall boots. What is the crocodile's destination? And what's his profession, anyway? The answer is funny, surprising and inevitable.

We still have a few weeks before the start of the back-to-school season. Four entertaining picture books may help 4- to 8-year-olds get excited—or at least reconciled to the resumption of classes. In Maureen Fergus's snug picture book "Buddy and Earl Go to School" (Groundwood, 32 pages,

\$16.95), two friends rejoice at the prospect. "Hurrah!" cries Earl, an ambitious hedgehog; "getting an education is the first step to achieving my dream of becoming a dentist." His pal Buddy, a dog, thrills to think that, with the right schooling, he can become anything. "Can I become a hot-dog vendor?" he asks. "Yes!" cries Earl. When their teacher, a little girl named Meredith, is called away "to a staff meeting" (actually, she has to clear her breakfast dishes), Earl

becomes the benevolent ruler of the school in this happy tale illustrated by Carey Sookocheff with simple, expressive drawings.

The reader supplies the voice of reason in a one-sided conversation with a reluctant substitute teacher in Deborah Underwood's "Here Comes Teacher Cat" (Dial, 88 pages, \$16.99), a compact picture book illustrated by Claudia Rueda with

light, humorous lines. Plump and droll, Cat wants nothing more than to nap every hour on the hour, but duty calls when Ms. Melba has to go to the doctor, leaving her class of six kittens unattended. Cat must rally. Cat does rally. But how to divert so many pupils? "You're building a . . . what?" the narrator asks. "A fountain that spouts fish?" Difffident teacher and eager kittens finish not just that amazing task ("I guess that takes care of snack time too") but

berant, scribbly ink-and-watercolor illustrations.

"First grade was pretty awesome," the boy explains, high-fiving his beloved teacher, but in second grade, so he's heard (from two older girls with evil grins), "every student has to be able to speak Russian perfectly before Thanksgiving!" Given the prophesied terrors and deprivations of second grade—e.g., being separated from his best friend—the boy decides to stay put. He'll be smarter and taller than the other first graders and "the one who's lost the most teeth." Ms. Vernick and Mr. Cordell nicely balance anxiety and optimism in this sympathetic story.

With loud colors, chaotic photographed tableaux and heavy lettering, the look of "What the Dinosaurs Did at School" (Little, Brown, 40 pages, \$17.99) matches the riotous conduct of its scaly plastic protagonists. The action in Refe and Susan Tuma's picture book begins when eight toy dinosaurs sneak into a child's backpack. A note nearby reads, in part: "The dinosaurs have been awfully quiet this morning. . . . I'm sure it's nothing. Time to get ready for school!" Having smuggled themselves in, the Jurassic creatures make the most of it: They trash classrooms, go wild with art supplies and set off an explosion in the science lab. Really, the book is just an excuse to show plastic dinosaurs making a zany mess at school. And why not?



CHRONICLE BOOKS

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BOOKS

'If one's fated to be born in Caesar's Empire, let him live aloof, provincial, by the seashore.' —Joseph Brodsky

SCIENCE FICTION: TOM SHIPPEY



Double Dystopia

'IT CAN'T Happen Here' was the title of Sinclair Lewis's 1935 vision of a Fascist America, and ever since sci-fi authors have competed to produce scary visions of the political future. McCarthyite takeovers, militant theocracies, a giant underclass pacified by gladiators on TV—they've all been foreseen.

In Christopher Brown's dystopian **"Tropic of Kansas"** (*Harper Voyager, 469 pages, \$15.99*), the Midwest has turned into a Third World analog, after decades of neglect and exploitation by the suits in Washington, D.C., and the dudes in California. Now the soil is sick, the water is gone and America finds it cannot get along without its breadbasket in the Heartland.

That vision will resonate with a lot of voters in the big square states, who might agree that politics offers only a choice between "regular and decap oligarchs," in Mr. Brown's phrase. As for the idea that the Constitution keeps executive power in check, that's fine except that the law now serves power like "the devil's butler."

Sig, the main hero, is a kid who has lost his place in society and finds himself out on the prairie, dodging government drones, patriot militias and "edgeland hunters" alike. His sister, Tania, still has a job, with the one boom industry of security, and she has connections. But can she find and save Sig?

And who will save America, now led by a third-term President who gets to rewrite the Constitution after the White House is blown up by his domestic opposition? He's kept in power by fear of the outside world, in collusion with "military merchant companies" with names like Alpharetta Tactical Informatics.

If there is a remedy for this sad scenario, it must come (as other sci-fi authors have suggested) from devolved or distributed democracy, made possible by the internet. But that involves scrapping the two-party system, and how do you get our current politicians to vote for that? "Tropic of Kansas" is good at projecting pain and bitterness. Finding a cure isn't so easy, even for sci-fi. But the first step is recognizing that something's wrong.

Nancy Kress's **"Tomorrow's Kin"**

(Tor, 349 pages, \$25.99) is an expansion of her Nebula Award-winning novella of 2014. A spaceship drops anchor in New York Harbor, come to bring peace on Earth, and also to hail humans as long-lost cousins: for the not-so aliens, the "Denebs," were snatched from Earth 70,000 years ago. They are "yesterday's kin," and they now have the gift of star travel to offer. What's not to like?

The Denebs are especially interested in Marianne, Mr. Brown's heroine, for she has identified what is effectively a new line of human descent, and the Denebs belong to it. One of her three adult children, Noah (who is adopted), shares this ancestry, and agrees to go with his new relatives to the stars.

Elizabeth, however, who works for the Border Patrol, sees the Denebs as

Kansas after a second American civil war; New York after an extra-terrestrial pandemic.

illegal immigrants. Ryan, of the Wildlife Society, sees them as an invasive species. What's more, the Denebs have not been entirely straight in declaring that they came to save us from a cloud of plague-carrying molecules. It's a threat to them, but not to us. We passed through a similar cloud long ago and are now immune. Now the Denebs need our secret.

When the spores strike, moreover, humans may be mostly immune, but mice aren't. Who needs mice? The Law of Unintended Consequences, that sci-fi standby, is especially powerful in ecology. Mice predators have to find something else to eat, and the ripples spread out from there.

Pretty soon Earth is full of groups shouting "There are things they aren't telling us." One twist follows another, with the events focused and personalized by the viewpoints of Marianne and her now thoroughly dysfunctional family.

Nor is it over yet, for this novel is the first of a promised three. It turns out that there was a lot of juice in that novella, and Nancy Kress is an ace at squeezing out every last drop.

FIVE BEST: A PERSONAL CHOICE

Catherine Merridale

on travels in the former Soviet Bloc

Black Sea

By Neal Ascherson (1995)

1 NINETY PERCENT of the Black Sea is anoxic, saturated by hydrogen sulfide. The water itself, then, is dead, but around it thrives chaotic life. Fringed variously by steppe and mountain, the shore has been home to nomadic hordes and long-distance traders, blood-drinking Scythians and gold-seeking Greeks, Khazars, Mongols, Turks and Russian Cossacks. Neal Ascherson's dazzling, learned, subtle narrative honors them all but at its heart is an encounter with the wreckage of the Soviet south. Stalin's dictatorial and homogenizing empire all but destroyed the cultures of the Black Sea coast, but old questions of ownership and nationhood resurfaced after 1991. Each burial mound, each ruined church, was suddenly a treasure and a source of passionate dispute. As the agony of Ukraine continues, Mr. Ascherson's 20-year-old meditation on the problem of identity is both illuminating and profoundly sad.

Molotov's Magic Lantern

By Rachel Polonsky (2010)

2 AS A GRADUATE STUDENT from England, Rachel Polonsky aimed to use her time in Moscow to complete a treatise on Russian poetry. Instead, distraction led to this bright masterpiece, a book about her "wanderings among the muddle of past time that books and places make." She starts from Moscow's Romanov Lane, where the elite had their apartments in the Stalin years. In the 2000s, shortly after Vladimir Putin came to power, she and her husband lived in No. 3, just one floor down from the rooms where Vyacheslav Molotov, the last survivor of the Stalin clique, ended



BAKU Oil rigs in the Caspian Sea.

his days. Prompted by his ghost—and enchanted by a magic lantern that she found in his old flat—she started exploring Moscow and remote places. She marvels at the colored windows in an ancient, haunted, small-town church, the rundown museums, the impossibly tiny houses that surround old cities on the steppe. "Russian history and the Russian present have revealed themselves to me in glimpses, through a narrow lens," she writes, "like the faded images waiting for light in [Molotov's] antique slide projector." Collectively, especially when colored by Ms. Polonsky's love of Russian literature, those glimpses hint at beauty and heartbreaking loss.

Kolyma Diaries

By Jacek Hugo-Bader (2014)

3 KOLYMA IS a concept as much as a place. The north Siberian peninsula, whose yellowish soil is seamed with gold and copper and a range of precious earths, was populated once by the Gulag of the Stalin years. The region is the coldest on the planet, cut off by mountains and two frozen seas. But a single 1,300-mile highway runs from its capital, Magadan, to its western limit at Yakutsk, and in 2010 the Polish journalist Jacek Hugo-Bader hitchhiked along it. He didn't laugh a lot, he found. Men rolled up sleeves or trouser legs to show him scars from bullets, knives or bear attacks. He drank tea with a shaman who saw straight into his soul. He met Natalia Nikolaevna, chain smoker and veteran raconteur. When her birth parents were arrested, she was adopted by the grandmaster of Stalin's terror, Nikolai Yezhov, who was shot before she turned 5. As "Child 144," she embarked on a life in camps, way stations, children's homes. But Kolyma is still the place where she felt most at ease. Mr. Hugo-Bader's diaries are as much about survival as about the countless deaths that haunt this half-forgotten land.

Between the Woods and the Water

By Patrick Leigh Fermor (1986)

4 'MALEK, A FINE CHESTNUT with a flowing mane and tail, one white sock, a blaze and more than a touch of Arab to his brow, was waiting by a clump of acacias on the Cegléd road." It was April 1934, and a 19-year-old Patrick Leigh Fermor, the future war hero



MARY BERNARD
MS. MERRIDALE is the author, most recently, of 'Lenin on the Train.'

and writer, was about to cross the Great Hungarian Plain. Riding Malek for while, then walking or drifting on a barge down the Danube, he traversed Hungary and Transylvania. He entered the domain of Vlachs, Cumans and Avars, of werewolves and shape-shifting drinkers of blood. The region's girls delighted him, but it was the culture—cosmopolitan, heroic, rich and doomed—that kept him enthralled. When he completed his memoir, the Europe of his youth was gone, trampled by tanks and soldiers' boots. Yet we ride Malek with him here, seduced and laughing in a series of enchanted worlds. We know war and a chill dictatorship will soon destroy them all.

Imperium

By Ryszard Kapuscinski (1993)

5 HAVING GROWN UP IN the U.S.S.R., Ryszard Kapuscinski was taken to Africa by his calling as a journalist. When he returned, his birthplace appeared an alien land. "Barbed-wire barriers are what you see first," he wrote. "Lines, trestles, fences of barbed wire.... They are saying: Be careful, you are crossing the border into a different world.... It is a world of deadly seriousness, orders, and obedience." From 1989 he came to know that order, and he watched it fall while traveling from Georgia's sun-baked vineyards to the remote, bone-chilling north. Kapuscinski doesn't analyze the politics and history. His task is to observe real life, and he does it with shattering precision. "I like this town," he notes about Baku, the oil-rich city on the Caspian Sea. "It is built for people, not against people." But the iniquity of the northern labor camps, the old Gulag, inspires reflections about wasted life. "If one were to collect the energy of suffering emitted by the millions of people here," he writes, "and transform it into the power of creation, one could turn our planet into a flowering garden."

Best-Selling Books | Week Ended July 30

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Subtle Art of Not Giving A F*ck 1	6	
Mark Manson/HarperOne		
Strengths Finder 2.0 2	2	2
Tom Rath/Gallup Press		
Astrophysics for People in a Hurry 3	5	
Neil deGrasse Tyson/W.W. Norton & Company		
Hillbilly Elegy 4	7	
J.D. Vance/Harper		
Rediscovering Americanism 5	4	
Mark R. Levin/Threshold Editions		

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Miracle of Dunkirk 1	2	
Walter Lord/Open Road Media		
The I Love My Instant Pot Recipe Book 2	-	
Michelle Fagone/Adams Media		
Hillbilly Elegy 3	4	
J.D. Vance/HarperCollins Publishers		
The Glass Castle: A Memoir 4	-	
Jeanette Walls/Scribner Book Company		
The Grand Design 5	-	
S. Hawking&L. Mlodinow/Random House Publishing Group		
It's Never Too Late to Begin Again 6	-	
J. Cameron with E. Lively /Penguin Publishing Group		
The Subtle Art of Not Giving A F*ck 7	8	
Mark Manson/HarperCollins Publishers		
Sugar Free 8	-	
Sonoma Press/Arcas Publishing		
Me: Stories of My Life 9	-	
Katharine Hepburn/Random House Publishing Group		
Al Franken, Giant of the Senate 10	-	
Al Franken/Grand Central Publishing		

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Late Show 1	1	1
Michael Connelly/Little, Brown and Company		
Darkness of Dragons 2	New	
Tui T. Sutherland/Scholastic Press		
Camino Island 3	2	
John Grisham/Doubleday Books		
Wonder 4	4	
R. J. Palacio/Knopf Books for Young Readers		
What Do You Do With a Problem? 5	5	
Kobi Yamada/Compendium Inc		

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Wildfire: A Hidden Legacy Novel 1	New	
Ilona Andrews/HarperCollins Publishers		
The Late Show 2	1	
Michael Connelly/Little, Brown and Company		
Fatal Threat 3	New	
Marie Force/Harlequin		
The Letter 4	5	
Kathryn Hughes/Headline Book Publishing, Limited		
Billionaire Unveiled 5	New	
J. Scott/J. S. Scott		
House of Spies 6	3	
Daniel Silva/HarperCollins Publishers		
Murder Games 7	New	
J. Patterson & H. Roughan/Little, Brown and Company		
Camino Island 8	4	
John Grisham/Knopf Doubleday Publishing Group		
Paradise Valley 9	New	
C. J. Box/St. Martin's Press		
Beautiful Mistake 10	2	
Vi Keeland/Vi Keeland		

Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Wal-Mart) and Web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Peter.Saenger@wsj.com.

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Strengths Finder 2.0 1		

REVIEW



TIMOTHY ARCHIBALD FOR THE WALL STREET JOURNAL

WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

Stacy Brown-Philpot

The TaskRabbit CEO is looking to the future of chores

TASKRABBIT chief executive Stacy Brown-Philpot still remembers running home one day to escape a group of grade-school bullies, only to have her grandmother lock her out of the house. "She said, 'You're going to have to get through this yourself,'" Ms. Brown-Philpot says. "And I had to stand up for myself and fight."

Ms. Brown-Philpot, now 41, lost that fight with a punch in the face, but she learned a valuable lesson.

"You have to learn to get through it yourself, because there are going to be times in your life when there's going to be no one else around but you," she says.

Ms. Brown-Philpot credits the lessons of her childhood, growing up in a tough neighborhood in Detroit, with helping her to succeed. In the past six months, she has expanded TaskRabbit, an on-demand chore service, to 21 new locations, bringing its presence to a total of 39 U.S. cities (plus London). This spring, she confirmed reports that the company is exploring a potential sale after receiving unsolicited interest from a buyer.

Through the TaskRabbit app, users can choose a task they want done, such as assembling furniture, moving, delivering packages or cleaning. Users then get a list of local "taskers," people who are willing to do the job and have been vetted by the company, along with their hourly rate. The company takes a 30% cut of each completed task.

In the next few months, Ms. Brown-Philpot says, the company will launch a series of new partnerships, adding to its recent collaborations with IKEA and Amazon. Since it was founded in 2008, the company has raised about \$38

million. Documents related to a 2015 financing round put the company's value at around \$50 million. A company spokesman says that the firm is "very close to overall profitability."

Outside of TaskRabbit, Ms. Brown-Philpot joined the board of the department-store retailer Nordstrom in May and has been on the board of Hewlett-Packard since 2015.

She grew up the child of a single mother who was an insurance-claims adjuster. After graduating from the Wharton School of the University of Pennsylvania, she earned her M.B.A. from the Stan-

'You have to learn to get through it yourself.'

ford Graduate School of Business and then eventually found a job in sales at Google.

In 2009, she moved from the San Francisco Bay Area to Hyderabad, India, to become senior director of Google's online and sales operations in the country. It was a difficult decision. She and her husband had been thinking about starting a family when she got the offer. At first, she turned it down, but then her husband, who also works in technology, convinced her to take the job.

A year later, she returned to the Bay Area and soon had her first child. (She and her husband now have two daughters, ages 6 and 2.) She ran Google's global consumer operations before becoming an entrepreneur in residence there. She joined TaskRabbit as its chief operations officer in 2013 and became CEO in 2016.

Today, in an industry notoriously lacking in women and minorities, Ms. Brown-Philpot is one of the few black women running a sizable technology company. She is working to increase diversity at her own firm. TaskRabbit works with Code2040, a nonprofit aimed at providing minorities with training, experience and internships at tech companies. She also expects recruiters to present her with a diverse list of candidates, especially for senior roles. Her goal is to raise the percentage of African-American employees at her company from its current 12% to 13% by the end of the year.

"The big problem is that a lot of Americans, whether they are underrepresented minorities or from rural areas, do not know about career opportunities in the tech industry because they may not have had role models who are part of this field or learned about STEM in school," she says. "One goal for Silicon Valley must be to redouble our collective efforts to make sure people of all backgrounds are aware of opportunities in tech."

When she's not at TaskRabbit, Ms. Brown-Philpot spends time with her family and enjoys exercising. Last month, she ran a half-marathon in San Francisco. She was so anxious that she could barely sleep the night before. "I've not always had as much confidence as I have now," she says, but "there are days...even now, where I'm not sure [of myself]."

Ms. Brown-Philpot is looking to artificial intelligence to expand her company's range. She thinks that people will someday be able to talk to their devices to set up tasks. And appliances such as refrigerators could automatically signal to a tasker that, say, a filter needs changing.

Employees must act as a tasker every few months. That includes Ms. Brown-Philpot, though she's kept her company title hidden. One user hired her to help clean his apartment before he moved out, and asked her, "Why do you task?" She said, "Because I love making people happy. And because I just want you to get your security deposit back."

MOVING TARGETS: JOE QUEENAN

Confessions of a Conversational Impostor

SEVERAL MONTHS AGO, I began lying about watching "Game of Thrones." I have never had any interest in anything involving fantasy, especially if it's set in faux-medieval times, but increasingly I found myself cut out of conversations because I didn't know whatever happened to Khal Drogo. And this stuff seemed to really matter to my family and friends, especially the guys I have breakfast with every morning.

So I did a crash Wikipedia course in "Game of Thrones" mythology and began lying about seeing recent episodes of the show.

"What was up with the bastard of Winterfell last Sunday?" I would interject into conversations. "Can't wait to see what the dwarf of Cast-
erly Rock has to say about that!"

I mastered fibbing decades ago when I found myself in the presence of avid golfers. Though I have no interest in golf, I knew that openly admitting that I knew nothing about the sport would brand me

a charlatan, a phony, an outcast at life's rich feast. So I studied the sports pages, immersing myself in the lore of the links, and then in the presence of golf-loving frat boys I would toss in remarks such as, "Boy, Tiger sure had the old putter going on Sunday!" and "If I could hit a 7-iron the way Nicklaus clubbed that sucker on the 15th, I could finally break 80!"

Lying about my interest in things that seem to rivet everyone else has stood me in good stead throughout my life.

"Manchester United—what a bunch of poseurs!" I would exclaim in east London pubs when the subject among manly, menacing men turned to soccer. "That guy Beckham is such a twit!"

The same tactics worked well on the cultural front in France when I would find myself dining with a bunch of snooty intellectuals and tossed in remarks such as, "If Simone de Beauvoir were

I knew that I'd eventually get caught in my lies about 'Game of Thrones.'



here tonight, she'd knock some heads together!"

"Kenny Chesney brought the house down at the Garden when he did 'She Thinks My Tractor's Sexy,'" I would fib in the company of country music aficionados.

I can't always pull it off. I was once at a party held by Ayn Rand enthusiasts and didn't know who Atlas was or why he shrugged.

And I once said that I saw Tupac Shakur at the Hollywood Bowl when he was still a member of the Four Tops. Oops.

I suppose I knew that sooner or later I would get caught on my "Game of Thrones" fibs, and this week my luck ran out. When word got out that unreleased "Game of Thrones" material

had been stolen by a perfidious hacker, my breakfast companions were distraught.

If somebody spoils everything by reporting that Daenerys Stormfeather of the House Targaryen,

rightful heir to the Throne of Orlon, ends up dead, life will not be worth living," one friend lamented.

I tried to sound sympathetic, not realizing that I was falling into a cunning trap.

"The House of Targaryen will be fine," I said. "Daenerys Stormfeather will kick some serious butt."

Everyone at the table turned to face me.

"There is no Throne of Orlon in 'Game of Thrones,' you lying swine," one said.

"And there is no Daenerys Stormfeather or House of Targaryen," said another. "You're a fraud."

A third friend pointed to the door. "Get out," he said. "And don't come back until you know exactly what Euron gave as a gift to Cersei."

I dragged myself out of the diner, head bowed, deeply ashamed. I was a charlatan, a phony, an outcast at life's rich breakfast.

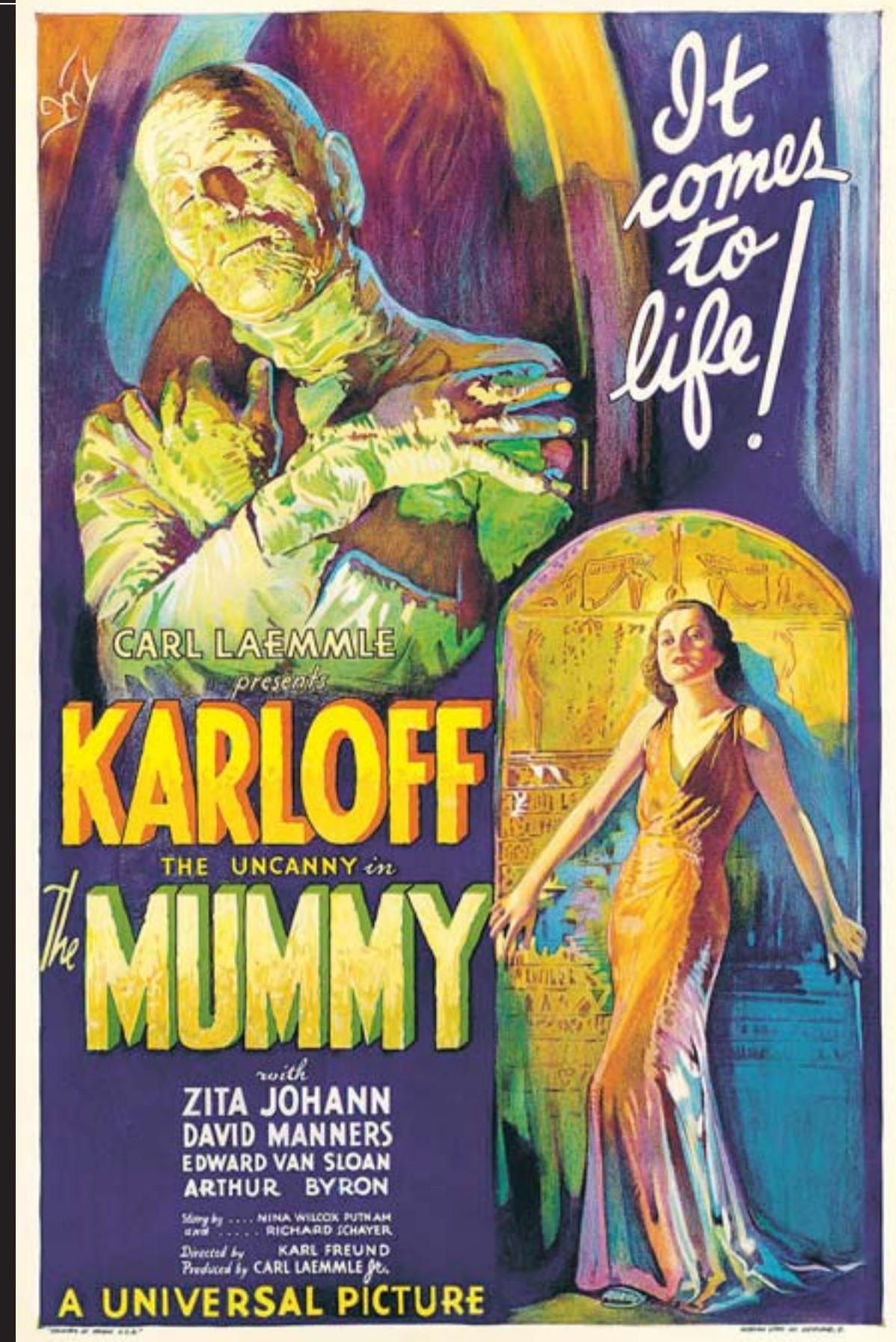
I was a Grey Worm.

REVIEW

EXHIBIT

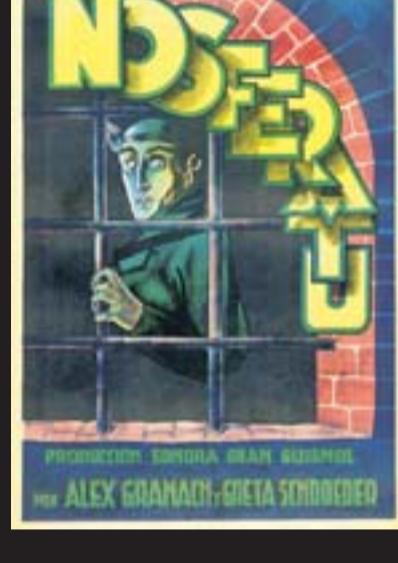
'The Mummy,' 1932

Horror-film posters often featured two or three scenes, giving separate panels to the ghastly monster and its terrorized victim.



'Creature From the Black Lagoon,' 1954

Many film monsters had familiar human vices, such as lust, envy and anger, making them more relatable even if not entirely sympathetic.



'Nosferatu,' circa 1931

The text adds to the effect here, with each letter appearing to devour the next one.



'The Bride of Frankenstein,' 1935 Posters commonly played up the contrast between a garish monster and a beautiful woman.

COURTESY OF THE KIRK HAMMETT HORROR AND SCI-FI MEMORABILIA COLLECTION

A Great August Read



PLAY



NEWS QUIZ: Daniel Akst



From this week's
Wall Street Journal

1. Playwright and actor Sam Shepard died at 73. For which of these plays did he win a Pulitzer Prize?

- A. "Buried Child"
- B. "True West"
- C. "No Exit"
- D. "Broken Glass"

2. Uniqlo is trying a new way to sell T-shirts and jackets. What is it?

- A. Vending machines in airports and malls
- B. Pop-up shops at Silicon Valley tech companies
- C. Pushcarts in the streets of hipster neighborhoods
- D. Free samples at Planet Fitness

3. Irene Rosenfeld is stepping down after 11 years as CEO—of which food giant?

- A. Purina
- B. General Mills
- C. PepsiCo
- D. Mondelez International

4. President Donald Trump announced a proposal to cut something in half. What?

- A. Presidential tweets
- B. Executive-brach staff
- C. Green cards issued to immigrants
- D. Sanctions against Russia

5. Researchers edited the genes of a viable human embryo to

To see answers, please turn to page C4.

correct a defect. What problem were they trying to avert?

- A. A liver disorder
- B. A spinal deformity
- C. A heart condition
- D. A taste for polkas

6. What fell to its lowest level globally since 2009?

- A. Temperatures
- B. Inflation
- C. Migration
- D. Sleep

7. New York University's business school has long required applicants to get recommendations. But now it wants one from whom?

- A. A pet
- B. A friend
- C. A therapist
- D. A parent

8. West Virginia's Democratic governor is joining the Republican Party. Name that governor.

- A. Victoria Justice
- B. Jim Justice
- C. David Justice
- D. Donald Justice

9. Millennials have found a technique to get TV without paying for it. What is it?

- A. Connecting to a neighbor's cable box

- B. Streaming programs from a notorious pirate website in Siberia
- C. Hanging out in health-clubs without exercising
- D. Using an indoor antenna



VARSITY MATH

To while away the lazy days of August, the team members devise card tricks using math.

Name That Card

Zane is creating a trick in which a spectator will choose one of N cards at random (without showing Zane which one it is). Zane's goal is to identify that card. After blindfolding the spectator, he will hold up a group of some of the cards, showing them to the audience, and make a statement about the group of cards that the audience will see is true. Zane will then ask the spectator whether her card is in that group (based only on the statement he made). Zane will then repeat this process with a different group of cards. Assume that the spectator answers truthfully both times.

What is the largest value of N such that Zane can be certain to be able to identify the card the spectator chose after both questions have been answered?

For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

Provided by the **National Museum of Mathematics**



Big Reveal

For a different trick, Tyne wants a dramatic way to indicate one card out of the deck; the card could be in any position in the deck. She decides there should be some number of posters on the wall in the background of the performance, and at the time of the big reveal, she will point to one, two or three of the posters in sequence, possibly repeating a poster (or even pointing to the same poster three times). The spectator involved in the trick will then be told to look on the

ILLUSTRATION BY LUCI GUTTEREZ

backs of the posters and add up the numbers found there (again, using the same number more than once in the sum if Tyne repeated a poster). The spectator will then look at the card in the position in the deck designated by that sum.

What is the fewest posters Tyne needs, and what numbers should be on their backs, so that she can direct the spectator to any position in the deck from 1 to 52 by appropriately choosing which posters to point to?

+ Learn more about the National Museum of Mathematics (MoMath) at momath.org

SOLUTIONS TO LAST WEEK'S PUZZLES

Varsity Math

For last week's **Upsetting Tournament**, there must be at least eight players to have more upsets than players, and the **Calm Playoffs** must involve at least five players.

Split Personalities

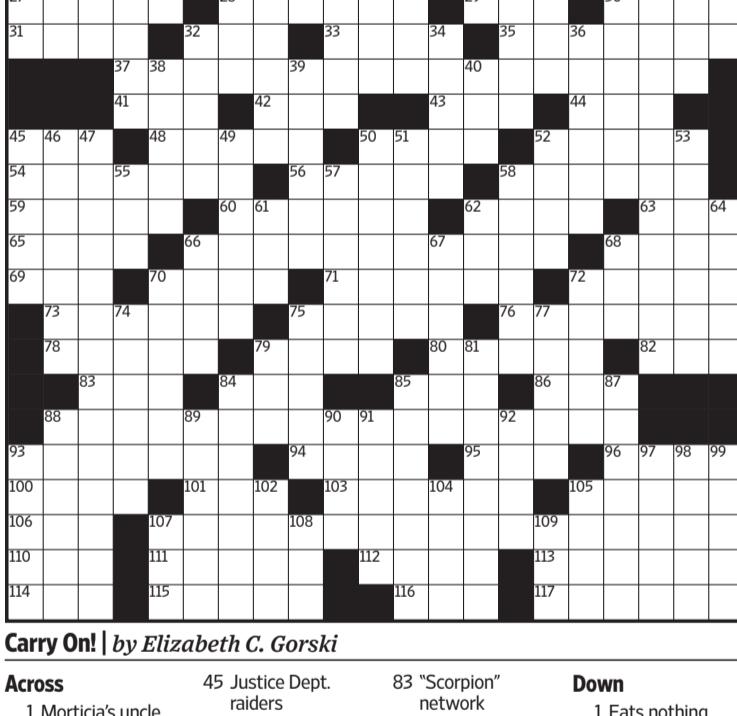
LATVIA	ABBAS	APR	GABE
ATRESE	GEESER	PRORATES	
SHARON	TRINITY	BELLERS	
SODA	IRON	TEAMYANG	
ONE	ANSWER	BRUNANI	
MAST	ANTIT	NAVAL	
PHANTOM	CIRCUISER	BODICE	
AORTA	TAHITI	PETULANCE	
NIKIL	ISIS	SAGHS	METS
ASHCANS	ERBEE	TRYING	
MTA	FRAGRANT	WOODS	ALG
ROCO	OONOHEHI	WASTREL	
LAMB	ARTES	CLLOY	HYPNO
AGOODE	DEAL	DECADF	RACER
CANERS	BEITA	MAXFACTORY	
ELYSE	GOBI	PAILL	
DROPIT	RAIDERS	ETIC	
REALGOR	TEXASARI	OSHA	
ABBAE	BANMEATYC	COBBLER	
GROWSDOLD	INFRA	RELATE	
SOWN	TBS	CARON	INAWAY

Acrostic

G(eoff) Manaugh, "A Burglar's Guide (to the City)"—"Burglars unpeel a building from the inside out to hide inside the drywall (or underneath the floorboards, or up in...an unlit crawl space). They are masters of architectural origami... dark wizards of cities and buildings, unlimited by laws that hold the rest of us in."

A. Grand larceny; B. "Murder by Death"; C. Airfoil; D. Nut brown ale; E. Al Hirschfeld; F. Uzbekistan; G. "Godspell"; H. Halftime show; I. Autodidact; J. Brasilia; K. "U Can't Touch This"; L. Ripsnorter; M. Glamour; N. Luddite; O. Anthony Eden; P. Raisins; Q. Sortie; R. Gourami; S. Unputdownable; T. "Irises"; U. Dish the dirt; V. Eiffel Tower

THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk



Carry On! by Elizabeth C. Gorski

- Across**
- 1 Morticia's uncle
 - 7 Crunch targets
 - 10 Opportunity to swing
 - 15 Pendulum weight
 - 18 Skiing specialty
 - 19 Bubbly choice
 - 21 Fluffy-eared tree dweller
 - 22 "Rockaria!" band
 - 23 Loyalty slogan for a metrosexual accessory company?
 - 26 Campaign components
 - 27 Theater statuettes
 - 28 Assisi's region
 - 29 Ant's ant.
 - 30 Nullify
 - 31 Haughty sort
 - 32 Portuguese greeting
 - 33 Routing letters
 - 35 Talking point?
 - 37 Get stuck, via bequest, with a big talker?
 - 41 "Tok" (2010 #1 hit for Kesha)
 - 42 Email dupes
 - 43 Like a fresh coat
 - 44 Meat accompanier, to a Brit
- Down**
- 45 Justice Dept. raiders
 - 48 Triangular snack
 - 50 Fail at a comedy club
 - 52 Quiet partner?
 - 54 Minnesota's state fish
 - 56 Bill Withers hit of 1972
 - 58 Jazz legend Stan
 - 59 "...in ___ tree"
 - 60 Thin down
 - 62 Limo window feature
 - 63 Intrepid initials
 - 65 Thailand, once
 - 66 Selfish hoarders of flood-prevention units?
 - 68 Pulitzer-winning novelist Tyler
 - 69 Mischievous elf
 - 70 Kirkuk native
 - 71 Stressful event
 - 72 Tennessee footballer
 - 73 Dental woe
 - 75 Liquid part of blood
 - 76 Ronald and Estee
 - 78 Ecstasy's opposite
 - 79 Rocker Glenn
 - 80 Female hip-hop dancer
 - 82 Riddle-me-

38 San Francisco griddler

39 "___ Go On Singing" (Judy Garland song)

40 Charlotte setting

45 Under water

46 Bubble tea ingredient

47 Arrests made in flophouses?

49 Lebanese trees

50 Electron stream

51 Greek vowels

52 Cross pieces

53 Capture

55 Felon's flight

57 Nuanced

58 Rwanda's capital

61 Neither Rep. nor Dem.

62 Jerry's pursuer

64 Nitwit's lack

66 Chop ___

67 Bunk

68 Red Cross offering

70 "Tess" star

72 Tornado Alley city

74 Some factory workers

75 Go on the hunt

77 Ishmael's descendants

79 London covering

81 Utility bicycle part

84 Meditation goal

85 Discover things?

10 Letters before an alias

11 A bunch

12 Tend tots

13 Support group formed in 1951

14 Bearer of a cost

15 Comeback bid for squishy seating?

16 Proverbial nonlearner

17 Yanks' foes

20 Travis of country music

24 Present period?

25 Course for problem solvers

30 Cheery

32 Gershwin musical

34 "It's the ___" ("I've changed")

36 Coming into being

38 Maude



- Double or Nothing** by Patrick Berry
- Each square in this variety crossword will contain either two letters or no letters. Words read across or down as usual, but may skip one or more spaces.
- Across**
- 1 Bill Clinton's first secretary of defense (2 wds.)
 - 9 Establishment with batwing doors
 - 15 Offering from a flight attendant's cart
 - 16 Star count, possibly
 - 17 Start of a J.P. Morgan quote (7 wds.)
 - 19 Mouthpiece attachment
 - 20 Wall Street purchase
 - 21 Writing utensils for touchscreen devices
 - 22 Opt not to participate (2 wds.)
 - 24 Thumb's manager
 - 26 What batteries contain
 - 27 Insensible state
 - 28 Outdoor light fixture?
 - 29 ___ Pet (fad item)
 - 30 Like most baby food
 - 32 No longer moored
 - 34 More of the quote (5 wds.)
 - 38 Mother Teresa, for one
 - 39 Given a trial, say
 - 40 Optimal
 - 41 Almost never
 - 42 Buddhist monk
 - 46 Glossary entry
 - 47 Still ahead (2 wds.)
 - 49 What green troops haven't seen
- Down**
- 50 Illustrious
 - 52 First reindeer mentioned in "A Visit from St. Nicholas"
 - 54 Lengthy lunch?
 - 55 End of the quote (4 wds.)
 - 58 Leave the ship (2 wds.)
 - 59 Able to practice medicine, say
 - 60 Pregentrification Lower East Side building
 - 61 Office square? (2 wds., Hyph.)
- Across**
- 1 Put up a fight
 - 2 Returned to the Enterprise, possibly (2 wds.)
 - 3 Shed with a sloping roof (Hyph.)
 - 4 Meat in Wiener schnitzel
 - 5 Looked into (2 wds.)
 - 6 Exterminator's concoctions
 - 7 Submitted, as schoolwork (2 wds.)
 - 8 Consume
 - 9 Hardest to find
 - 10 Foreign embassy's offering
 - 11 Cross to bear
 - 12 The Rolling Stones' first #1 hit in the U.S.
 - 13 Eva of "Desperate Housewives"
 - 14 Far from impartial (Hyph.)
 - 18 Threadbare
- Down**
- 23 Player at a ballgame?
 - 25 "Billy ___" (E.L. Doctorow novel)
 - 28 In excess of (2 wds.)
 - 29 Tried to catch
 - 3

REVIEW



JOHN BELLANY'S 1988 'Bonjour Mr. Bowie (1240)' will go on view at Fortnum & Mason in London next month.

ICONS: COLLECTOR'S EYE

Putting the Art in Department Store

Frank Cohen, a major collector of British art, discusses his latest exhibit of Scottish painting at a London emporium; 'art dealers would go mental'

For a new exhibit of works by an underappreciated Scottish painter, the British collector Frank Cohen is sending art lovers to a department store. On Sept. 18, Mr. Cohen will preside over a show of 50 works by John Bellany (1942-2013) at Fortnum & Mason, the venerable London emporium, founded in the early 18th century. Drawing on Mr. Cohen's own recently enhanced cache of Bellanys, as well as works on loan from the artist's estate, the show will spread paintings throughout the

store, from street windows to areas near cash registers. It runs until October 28.

The works may prove a contrast to the atmosphere at Fortnum's, with its fancy food hall and posh picnic hampers. Known for his bold palette and fantastical figures, Bellany has "a grit to his art," says Simon Hucker, a London-based senior specialist in modern and postwar British art at Sotheby's.

Mr. Cohen made his fortune selling Britons everything from wallpaper to wrenches. A native of Manchester, Mr. Cohen, now 73, first got interested in art in the 1970s through the work of L.S. Lowry (1887-1976). The artist, a longtime resident of greater Manchester, is known for his stark depictions of everyday life in northern England's industrial cities and towns.

During his early years of collecting, Mr. Cohen bypassed the prohibitively expensive giants of 20th-century British art, Francis Bacon and Lucian Freud. Instead, he focused on what he calls "lesser-value artists" like David Bomberg (1890-1957), a Birmingham-born avant-garde painter who later created near-abstract portraits and landscapes, and Edward Burra (1905-76), an English painter and draftsman known for his lurid, mid-20th-century urban scenes. Since then, works by Lowry, Bomberg and Burra have shot up in value.

By the 1990s, Mr. Cohen became "bottled," he says, with the so-called Young British Artists, including Damien Hirst and Tracey Emin, and in 1997, he sold off the last of his businesses to devote himself full-time to collecting and displaying art. These days, he is buying works by American artists David Salle and David Hammons, as well as Germans Georg Baselitz and Thomas Schütte.

Mr. Cohen and Cheryl Cohen, his wife and co-collector, live in the Cheshire countryside, not far from Manchester, where they are able to display about 50 or 60 artworks from their collection, now numbering around 1,500. Mr. Cohen spoke about Bellany, the business lesson a Victorian penny taught him and an earlier venture in department-store art shows. (Edited from an interview.) —J.S. Marcus



FRANK COHEN on Sept. 12, 2016.

A Victorian penny led to a life of collecting.

I grew up in Cheetham Hill in north Manchester, an area that was very Jewish. My father worked in a raincoat factory, doing piecework from 7 in the morning until midnight. My mother was one of 14 children. They didn't know the first thing about art.

I have worked since I was a kid of 16. I used to buy closeout wallpaper for a dime a roll and sell it at markets—that's how I got started. At the time, I wasn't collecting anything, but then I went to a cinema in Manchester and they gave me a Victorian penny in change. Next door, there was a coin shop, and they gave me a half-crown for the penny—in other words, I got 30 times my money. I then built a very big collection of English coins, until I needed money and had to sell it all.

I go and see the auction viewings, but I never sit in the room during the auction. I find it boring, to be honest with you. But I'm on the phone if I want to buy something.

I can't think of where I can show art after Fortnum & Mason—unless I go to Buckingham Palace.

MASTERPIECE: 'THE DAUGHTERS OF EDWARD DARLEY BOIT' (1882), BY JOHN SINGER SARGENT

CONJURING A MYSTERIOUS SORORITY

BY M.J. ANDERSEN

SISTERS can behave monstrously. I heard once of a girl who was reading "Little Women," and was lying on the couch engrossed when her sister walked by. "Beth dies," the sister remarked. Yet if sisters can be profound antagonists, they can also be each other's fiercest champions, linking arms against the pressures of family, femaleness and the world.

The four girls in John Singer Sargent's mysteriously compelling "The Daughters of Edward Darley Boit" evoke this sisterly paradox. The longer you look, the more they deflect all efforts to read their relationships. This is a private sorority, and its codes will never be surrendered.

The painting was completed in 1882, when Sargent was 26 and a rising star. Born to expatriate Americans in Italy, he had come to Paris in 1874 to further his artistic education. The peripatetic Boit family took up residence in the city around the same time.

Though educated as a lawyer, Edward Boit wished to paint and was drawn to the artistic activity flourishing in Europe. He and his wife, Mary Louisa Cushing Boit, both came from well-to-do Boston families, enabling him to pursue his vocation.

Exactly when the Boits met Sargent is unclear, as are the terms under which their daughters' portrait was undertaken. But its unconventional design indicates that Sargent had considerable freedom.

He set his large-scale composition just inside the main door of the Boits' Paris apartment. The girls, in the foreground, are in a theatrically lighted space that melts into a darkened interior. Much of the painting's allure lies in its careful balancing of color. Warmth slips in sparingly, through the caramel tones of a wall and the red of a dagger-shaped screen. Blackness holds the center, drawing the eye beyond the riddle of these four self-possessed children.

The most we can be confident of is their relative ages. The youngest, seated on the floor, holds a large, pink-cheeked doll and glances slightly away. The eldest stands in the shadows, in profile, next to her second-born sister. Daughter number three, distinguished by her blond tresses, is planted on pipe-cleaner thin legs at the far left, and seems to gaze inward. It is only the second-born daughter, dead center you suddenly realize, who truly looks back, her eyes alert with expectation.

Her older sister leans against an outsize vase, one of a pair. Flanking the passage into what appears to be a well-appointed parlor, the vases lend a sculptural quality to the three standing figures. A ruffle at the neck of the blond child echoes the fluting on the vases.

At the time of the painting's creation, Paris was a laboratory for new artistic approaches and techniques. Sargent trained under Charles-Auguste Emile Durand, known as Carolus-Duran, who urged his students to turn their pictures into extensions of real space. For Sargent, this was easily done.

He borrowed his structure from Diego Velázquez's "Las Meninas," which he had copied on an 1879 visit to Madrid. Both works feature young girls and, unusually, are large and square. Like Velázquez, Sargent overcomes the square's potentially deadening symmetry with a pleasing off-balance arrangement enhanced by deep space. And, also like him, he upends the conventions of group portraiture by giving each figure room to breathe. A viewer of the Boit daughters could seemingly join 4-year-old Julia on the carpet.

Carolus-Duran also emphasized close attention to values. Contrasting light and dark with rapid strokes could render a fleeting sense of illumination—the world as it was actually perceived. Sargent mastered this approach. At times, it can seem he scarcely paints at all, but merely suggests. The legs of the older sisters, Florence and Jane, are absent, implied with a dash of light bouncing off each girl's shoe.

The girls' pinnafores let Sargent deploy multiple shades of white, enriching the painting's tonal contrasts. One early critic objected that the garments were over-starched, rendering stiff figures even stiffer. Yet, subtly triangular, they bolster the painting's underlying geometric structure.

While the record on the Boit girls' lives is scant, Erica E. Hirshler, a senior curator at Boston's Museum of Fine Arts, has seemingly run down every shred. Her book "Sargent's Daughters: The Biography of a Painting" should perhaps come stamped "Spoiler alert" for those who have come to love this enigmatic work for itself.

None of the girls married, nor did they pursue fulfillment in work. Jane, the touchingly vulnerable second oldest, may have suffered from mental illness: She wound up living alone, assisted by caregivers.

Though the best Sargent painting tends to be the one you have just seen, few of his portraits leave as haunting an impression as that of the Boit daughters. In 1919, the family donated the painting to the MFA, where today it holds iconic status, seeming to embody Boston propriety and the city's eternal aloofness.

Ms. Andersen is a former member of the Providence Journal's editorial board and the author of "Portable Prairie: Confessions of an Unsettled Midwesterner" (Thomas Dunne/St. Martin's).



THE UNCONVENTIONAL portrait indicates that Sargent had considerable freedom in composition.

Pharrell
Williams on his
first fashion
memories



D3

OFF DUTY



Do Costco
and Sam's Club
sell worthy
wines?

D6

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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* * * *

THE WALL STREET JOURNAL.

Saturday/Sunday, August 5 - 6, 2017 | D1

Electric Shock

With luxury auto makers—from Porsche to Aston Martin—poised to release electric sports cars that upend earnest eco-clichés, going green will soon entail going startlingly fast

LIGHTNING FAST
Electric cars are typically quick to accelerate but not fast. This limited-edition Rimac Concept_One, however, has a 220-mph top speed.

POWER PLAY
The four high-speed, oil-cooled magnet motors at each corner of the car can output up to 1,224 hp. A Chevrolet Corvette's V8 generates 650 hp.



FASHION FORWARD
The car's carbon-fiber midsection is meant to recall a cravat—an accessory that was invented in Croatia, where the Concept_One is hand-built.

BATTS OUT OF HELL
The Concept_One's liquid-cooled battery pack, which was designed for track use, is capable of discharging a whopping 1 megawatt of power during acceleration.

THE WHEEL DEAL
Each wheel has its own motor and gearbox. This allows them to be driven independently and cooperatively, for quicker response and higher handling limits.

BY DAN NEIL

IF GEAR HEADS had any doubts about how ferocious electric sports cars can be, Richard Hammond destroyed them in June, along with a million-dollar prototype and some Swiss shrubbery.

The former "Top Gear" host was shooting an episode of the Amazon series "The Grand Tour" in Switzerland when he overcooked a corner and went over the edge in an all-electric, 1,224-hp Rimac Concept_One. The car, one of eight in the world, sailed 100 feet before impacting and violently tumbling to pieces. Mr. Hammond, who escaped serious injury in the accident, was extricated before the car burned to

a lithium-ion cinder.

OK, so flammability might still be an issue. In an interview after the accident, Mr. Hammond said he has struggled to describe the physical intensity of futuristic whips like the Rimac, a car with four advanced motors, all-wheel drive and liquid-cooled lightning: a battery capable of instantaneously discharging a full megawatt of power. "We need a new vocabulary," Mr. Hammond said.

Car enthusiasts were left similarly speechless in May, when an all-electric supercar called the NIO EP9 knocked 6 seconds (6:45) off Lamborghini's production-car record at Germany's 12.9-mile Nürburgring test track, a universally recognized standard of performance. While a McLaren P1 LM (gas-electric hybrid) was able to nip the NIO's record two

weeks later, it's clear that, between EV and gas, it's on like Donkey Kong for the Nürburgring record.

But wait, you say, aren't EVs (electric cars) weird-looking, pokey and riddled with range anxiety? You are thinking of the Nissan Leaf. The first mass-produced EV of the modern era, released in 2010, did for EVs' sexiness what VW has done for diesel. The electron burners you will meet here are a whole different species.

If your ankles are tingling, it's because you are on the shore looking at a tidal wave of electric vehicles. In July, Tesla CEO Elon Musk handed over the key fobs to the first few Tesla Model 3s, the American company's EV for the people (people with at least \$35,000 and the patience to wait months to get their

Please turn to page D2

[INSIDE]

THE ON-TREND OFFICE

What Miuccia Prada thinks you should wear to work D4



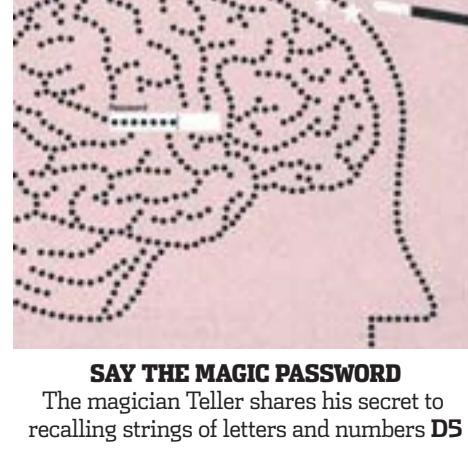
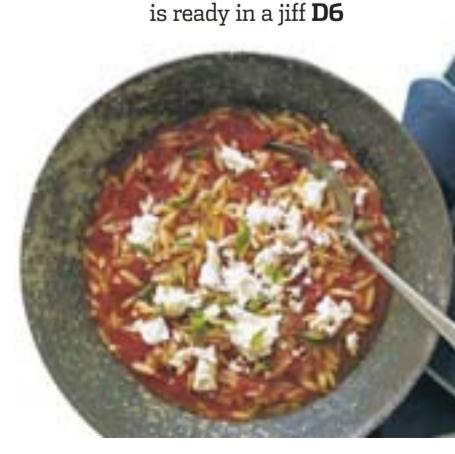
A RECIPE FOR IMPATIENT EPICURES

This Turkish riff on risotto is ready in a jiff D6



KENTUCKY FRIED CHIC

A native of the state returns, with her mind set on decades-spanning décor D9



SAY THE MAGIC WORD

The magician Teller shares his secret to recalling strings of letters and numbers D5

GEAR & GADGETS

NUTS FOR VOLTS

Continued from page D1

car). Tesla has about a half-million reservations for the Model 3 in hand and plans to ramp up production to 10,000 cars a week by the end of 2018. Deliveries anywhere near those figures would make it the best-selling car in America.

In September, the second-generation Nissan Leaf will debut (spy shots show a massive upgrade in aesthetics). With sales of more than 250,000 world-wide, the Leaf is already the most numerous EV in the world.

Out in the deep ocean of the global car business, even larger seismic anomalies have been detected. Perhaps the biggest was China. Combating the twin emergencies of urban air pollution and dependency on imported oil, the Chinese government last September unveiled sweeping, California-style mandates requiring that all car makers generate "EV credits"—including sales of EVs, plug-in hybrids and fuel-cell vehicles—equal to 8% of sales in 2017, 10% in 2018 and 12% in 2020. (Implementation may be pushed back to give car makers time to adjust.)

This lurch toward electrification

If you are wondering how eco-weenie mobiles got to be so mega, the simple answer is bigger, badder batteries.

in the world's largest car market implies transformational economies of scale. Example: As part of its campaign for redemption, VW Group has announced plans for 30 new EV models by 2025, with global sales targeting 3 million units, mostly in China. To meet those targets, VW research and development chief Ulrich Eichorn estimates the company needs to source 200 gigawatt-hours worth of energy-storage devices. Mr. Eichorn told Automotive News Europe that if the global auto makers devoted just 25% of production to plug-capable vehicles in 2025, it would need 1.5 terawatts-hours—the output of 40 Tesla-like "gigafactories."

"What is often forgotten is the current drive to EVs was initiated by Nissan, Mitsubishi [the i-MiEV] and Tesla," said Aston Martin CEO Andy Palmer, who championed the Leaf program when he was a vice president of Nissan. "Without all three and VW's Dieselgate, we would not be seeing this revolution."

But having been more or less obliged to build such cars, auto makers still face the challenge of making them desirable and status-bearing. It's comforting somehow that this part of the auto industry, at least, has not changed: You have to sell the sizzle with the steak.

Porsche's all-electric halo car, currently named Mission E, is scheduled for full production by 2019. Long dismissive of the very idea, Porsche executives have done an about-face on electric propulsion.

In June, CEO Oliver Blume said that by 2023 half of the legendary performance brand's production would be electric.

With its 800-volt charging technology, the Mission E is targeting more than 300 miles of range and a 15-minute quick-charge good for 250 miles. Also: 600 hp, all-wheel drive, and 0-60 mph in 3.5 seconds, if that does anything for you.

In 2019 Aston Martin will begin delivery of the Rapide E, a version of the Rapide super-sedan with EV tech developed with F1 masters Williams Advanced Engineering.

If you are wondering how eco-weenie mobiles got so mega, the simple answer is bigger, badder batteries and the systems that manage, support and cool them. The average specific-energy and power density of lithium-ion batteries has been rising steadily for the past decade. As they do, they allow more energy to be put in the bottle (to go farther) and widen the bottle's mouth so more energy comes out at once (to go faster).

Indeed, it was inevitable, given the nature of the mechanisms, that battery-packing sports cars would eclipse their piston-powered forebears in performance, at least over short distances. By virtue of a comparatively lower center of gravity, EVs tend to corner flatter and harder without body roll. EVs also put torque to the ground more efficiently. Unlike conventional traction-control systems, an e-motor's twist can be modulated hundreds of times a second, exploiting all available adhesion between tire and surface without spinning.

Most famously, electric cars enjoy a huge advantage in initial acceleration. This has been colorfully demonstrated about a million times on YouTube since 2012, when the Tesla Model S started handing out beatings to Camaros and Corvettes at drag strips.

For driving enthusiasts there is also a little game-changer ahead called independent torque vectoring. By virtue of their compactness, EV motors can be arrayed at all four wheels, allowing each to work independently and cooperatively, speeding up or slowing down to help the car in extreme maneuvering. As the driver heads for a corner, the inside front wheel slows, or even drags, the outside tire pushes harder, the rear wheels do the same, and the directional power actually bends the car's path through the turn.

Independent AWD torque vectoring opens a new dimension in performance driving. "I would contest that with or without legislation, we would be investing in EVs," said Mr. Palmer of Aston Martin. The design opportunity "has got both our engineers and designers excited."

But is faster always better? "The power of an EV powertrain is not in question," said Mr. Palmer. "The biggest step change is how it feels for the driver (and passengers) versus an internal combustion engine. Although we as a brand are loved for the sound of our engines, we don't see any issue with the sound of silence."

THE CHARGE
BRIGADE
// PROTOTYPE
DESIGNS FOR FIVE
ALL-ELECTRIC
SPEEDSTERS



Porsche Mission E

The Mission E concept car, shown above as a rendering, is in many ways a redefining automobile for the Stuttgart-based luxury-performance brand. Previewing a car in the mold of the Tesla Model S, it has two clear advantages: a captivating design by Michael Mauer and the company's bred-to-the-bone knowledge of what makes a sporting car great. The design calls for two electric motors, fore and aft, totaling more than 600 hp. The car will be capable of inductive charging (no plug) and of using Porsche's 800-volt supercharging (15 minutes equals 250-mile range).



Faraday Future FF 91

Faraday Future—the Los Angeles EV startup initially funded by Chinese media giant LeEco—flew high and came down hard this year, backing away from very public plans to build a \$1 billion facility in Nevada. In the meantime, we have this insane concept car to admire (rendering shown), with 1,050 electric horsepower bristling at the wheels, a huge open cabin, and all the autonomy/connectivity your future self could want.



Fisker EMotion

Two things you can say about Henrik Fisker: He can draw like an angel, and he's got a thick hide. Mr. Fisker's Karma plug-in hybrid went belly-up, but he's back with this gorgeous, feline four-door EV: all-wheel drive, 400+ miles of range and an anticipated price of \$129,900. Mr. Fisker's proposal calls for (potentially problematic) graphene-battery technology and ultra-fast charging (125 miles in 9 minutes).



NIO EP9

What can credibly be called the fastest electric car in the world, the NIO EP9 (rendering shown) is powered by four in-board electric motor/generator units (totaling 1,360 hp) paired with four gearboxes, capable of exerting an Earth-turning 4,671 pound-feet of torque. The battery packs (777V) are interchangeable, allowing them to be swapped out for fresh ones in 8 minutes. Zero-to-124 mph goes by in 7.1 seconds.



Lucid Air

Founded in 2007, Lucid Motors (formerly Atieva) has ambitious plans to build the heavenly seeming Lucid Air, if they don't get bought out first by Ford, which is reportedly considering the acquisition. The Air is vast on the inside with slim, floor-mounted batteries and compact drive components. A planned "Launch Edition" will have 1,000-hp output and 315-mile range. —D.N.

CLOCKWISE FROM TOP: PORSCHE; FISKER; LUCID; NIO; FARADAY



AUDI
BEAUTY, BRAINS AND BRAWN A rendering of the 2018 Audi e-tron Quattro, an electric mid-size SUV with a 95-kWh battery, nominal range of 310 miles, and 0-60 mph in 4.6 seconds.

THE CROSSOVER CROSSES OVER

America's favorite style of vehicle is about to get a battery-powered jolt

WHILE FEDERAL clean-air policy makers are rowing the other way, California has doubled down on its zero-emission-vehicle (ZEV) mandate, aiming to have 1.5 million such vehicles on the road by 2025 and obliging car makers to offer them. California is a must-have market for premium and luxury brands like BMW, Jaguar, Audi and Porsche.

But if you really want to sell cars in America—or even California—you have to make a crossover SUV.

And so, following in the ample tire tracks of the Tesla Model X, comes the finely curried Jaguar I-PACE, a five-seat, all-wheel-drive crossover with a 90-kWh battery, 220 miles of promised range and 400 electric horses (0-60 mph in about 4 seconds). Taking orders now for 2018 delivery.

The I-PACE is no mere compliance car (an adaptation of a conventional product, built in small numbers only to satisfy the ZEV quota). Last month, the U.K. joined France and other EU states in announcing a ban on petrol-powered vehicles by 2040. The British government is positioning EV technology as a pillar of industrial strategy, post-Brexit.

A similar urgency is pushing the German giants post-Dieselgate. Jumping into the Model X's pool is the 2018 Audi e-tron Quattro, a mid-size SUV with a 95-kWh battery, nominal range of 310 miles, and 0-60 mph in 4.6 seconds.

Porsche has indicated it too will offer an EV crossover, Macan-sized, on the VW Group's new dedicated architecture.

Our Mr. Musk won't be taking that lying down. Tesla has said it will have its own small-midsize crossover, called Model Y, before the end of the decade.

Going down market a bit, Hyundai—already in the EV business with its Ioniq sedan—is expected to bring an all-electric Kona crossover to market in 2018. The subcompact ute will reportedly use a 50-kWh battery pack good for a 217-mile range with a starting price of \$39,000.

The one name we haven't called is the Chevy Bolt, GM's excellent five-passenger EV that isn't quite a crossover. With a range of 238 miles and price of \$37,495 before tax credits, the Bolt seems to have all the goods, but so far it's a soft-seller. What if the Bolt had been born a crossover, though? It could have been a star. —D.N.

STYLE & FASHION

20 ODD QUESTIONS

Pharrell Williams

The multi-tasking maker of hit songs on the most comfortable T-shirts and why Tilda Swinton has killer style

AN OBVIOUS QUESTION: What is Pharrell Williams listening to right now? The songwriter, producer and gatekeeper of all things cool demurs. "At the moment, I'm just mixing," he said, a coy non-response.

For an indication of what's been going on musically inside Mr. Williams's head, however, it's worth noting that, just this year, he's used his hitmaking production skills on songs for rapper Vic Mensa; sang a verse alongside Katy Perry and Big Sean on Calvin Harris's "Feels"; and wrote and performed eight songs for the soundtrack of "Despicable Me 3."

The time in the studio hasn't stopped Mr. Williams, 44, from indulging his love of fashion. Known for only-he-can-pull-it-off outfits like beshorted tuxedos, the eccentric aesthete moonlights as a designer, working with labels like Diesel. He is also the owner of streetwear brand Billionaire Boys Club, which he co-founded in 2005. And last summer, Mr. Williams created a sneaker subbrand called Hu, short for Health Ultimatum, as part of his three-years-and-counting partnership with Adidas.

His latest collection for Hu, out next week, riffs on Adidas's classic Stan Smith sneaker. In Mr. Williams's hands the simple shoe is anything but basic, acquiring a sock-style knit upper in dreamy hues like baby blue and muted mint. "We try to think about what colors will literally lighten up someone's life," said Mr. Williams. Designing highly covetable sneakers is something he's wanted to do since he was a child in Virginia Beach, Va. "We couldn't afford them so I just dreamed," said Mr. Williams who, with his wife Helen Lasichanh and their four children, splits his time between Miami, Los Angeles and Malibu, Calif. "You'd go, man, I wish I had those in purple or pink. That started my fascination."



My first fashion memory is: not having [fashion]. But I had a wonderful childhood and I didn't know the difference. Though who didn't want an Adidas tracksuit—especially when breaking and popping was becoming popular in our area.

My favorite thing to wear is: Cactus Plant Flea Market T-shirts. I don't know where (designer Cynthia Lu) sources the material from but they're just comfortable.

One of my favorite places in the world is: Tokyo. Nearly the first thing I do when I land is get a teriyaki burger at the 2-5 Café, owned by my buddy Nigo (founder of Japanese label A

Bathing Ape). If Tokyo and Miami had a baby, that's where I'd be all the time.

I really admire the style of: Tilda Swinton. She's just who she is, she's personal. She understands her look, she understands her character. I also think Wes Anderson is good. His style is not for me but it's great.

The most stylish movie is: "Inglourious Basterds." That wardrobe was really good. I also think the Coen Brothers' attention to detail is really good and Kubrick never missed either.

Color matters to me because: it holds power. If you lived in a black house that had black walls

and you had black clothes on everyday, I'm sure that would affect your psyche. Same if you lived in a house with white walls, and had on white clothes everyday. Color is real.

I can't leave the house without: the phone. Come on. And I'm one of those weird people who plugs his phone up as soon as it drops below 65%.

I still listen to: the first A Tribe Called Quest album, "People's Instinctive Travels and the Paths of Rhythm." I found it when I was 14 or 15 and it's magical.

My favorite art gallery is: Perrotin. I try to go to when I'm in Paris, but they have locations all over—New York, Tokyo, Seoul, Hong Kong. It's amazing to see the talent of friends, like JR, KAWS and Takashi Murakami, represented in a space that has had such an influence on contemporary artists.

My most memorable meal is: hard to pick. There have been so many. My father's cooking is amazing, my mom's cooking is amazing and so is my wife's. I can't cook.

The most important life les-

son I've learned is: the importance of humility. You want to shine but not so bright that you burn everything in the room. As long as you've got your light, people will see you and it's all good.

If I could work with anyone, it would be: so many people. Musicians like Donny Hathaway, John Lennon and Michael Jackson. Who wouldn't have wanted to know Picasso or van Gogh? Or Nikola Tesla? Or to understand the mind of Werner von Braun. And wouldn't it have been cool to pass the joint to Einstein?

The oldest thing in my closet is: nothing special. I usually let things go once a year. You have to purge. Instead, I collect memories and experiences.

My exercise of choice is: running. I love to run in Miami near Brickell Avenue. There is a bridge connecting to some inlets so I usually make time to run that route when I'm in town. It's good for clearing the mind.

I cannot fly without: a book. Right now I'm reading "The Root of Chinese Qigong: Secrets for Health, Longevity, & Enlight-



ment." I only read hard copy.

One thing I wish I had invented is: a free power source. I have solar panels on my house in Los Angeles now. I finished remodeling this year, so solar power is new for me. It's really important for me to use the

natural resources we have to power our energy.

If my life had a slogan it would be: "God is the greatest." I know that I'm blessed. Acknowledging it is the least I can do.

—Edited from an interview by Jacob Gallagher



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STYLE & FASHION

Weekday Update

With a new season of just-fashionable-enough clothes hitting stores, it's time to promote your work wardrobe

BY NANCY MACDONELL

WHEN shopping for work clothes, fashion-minded women often face a choice: Indulge in dramatic pieces that make for a memorable, if not exactly administrative, wardrobe or conform to office dress codes and feel exiled to style purgatory.

It's a conundrum that makes pre-fall—that awkwardly named fashion season—an ideal time to refresh your work wear. Pre-fall merchandise lands in stores in mid- to late-summer, when spring's trendy pieces and all those eyelet dresses and bikinis are straggling on the sale rack. The infusion of newness is equal parts bold and businesslike.

Pre-fall anticipates the official fall season ahead, but rather than catering to fashion editors looking for runway-worthy statements, it's designed more straightforwardly, with the customer in mind. As Mary Alice Stephenson, a fashion and beauty expert and founder of nonprofit Glam4Good, puts it, "Pre-fall covers all your basic needs with things that you'll wear for years to come."

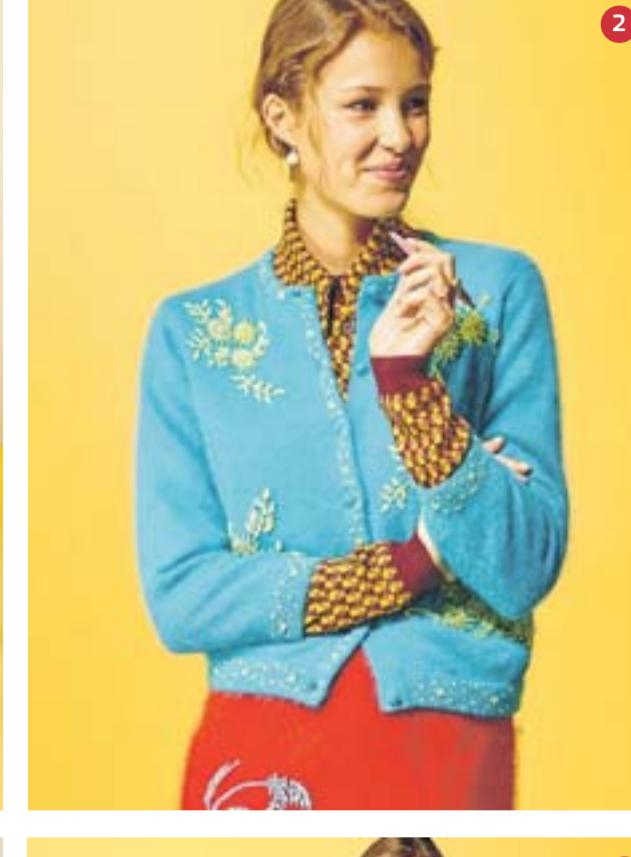
To make it even easier, we've compiled a very short shopping list of four accessible on-trend pieces that can give your weekday look a subtle pre-fall update.

1. The Menswear-Fabric Skirt

When it comes to tweed skirts, designers aren't reinventing the wheel, but rather tweaking a classic—adding a retro detail like a snap-front placket in bright orange or playing with more intricate cuts: Consider this asymmetric self-belted style from Louis Vuitton. It may take its cues from the stodger side of tradition but this is not your dowdy schoolmarm skirt. Ms. Stephenson compared it to comfort food that's been spiced up just enough. She added, "Right now, everything has to have a personality to make an impact." Wear it with a white



1



2



3



4

shirt and pumps straight away, and dark knits and knee-high boots once autumn arrives in earnest. Skirt, \$2,570, louisvuitton.com; Shirt, \$990, [The Row](http://therow.com), 212-755-2017; Shoes, \$890, [Céline](http://celine.com), 212-535-3703

2. The Embellished Cardigan

The cardigan is often an unexciting extra—that supporting player you brought along in case you get a chill. The embellished cardigans in stores now, however, are

stars. Think Sophia Loren as executive director of employee relations. In bright colors, vivaciously embroidered or beaded, they're a fun way to weather the last days of air conditioning and then keep your palette up-

beat as fall's earth tones descend all around you. They're also an easy entry into the season's glamour trend, or what Ms. Stephenson calls "work wear on female hormones." Roopal Patel, senior vice president

and fashion director at Saks Fifth Avenue, likes how this hopped-up knit looks with a pencil skirt or over a dress. "It's a wonderful way to add some sparkle," she said, "without wearing a full-on sequin dress to the office." Cardigan, \$2,820, Shirt, \$1,350, and Skirt, \$3,390, [Prada](http://Prada.com), 212-334-8888; Earrings, \$3,995, [Sidney Garber](http://SidneyGarber.com) 212-274-1111; Elizabeth Locke Carnelian Ring \$3,475, and Banded Agate Ring, \$4,050, [Neiman Marcus](http://NeimanMarcus.com), 800-937-9146

3. The Bold-Printed Blouse

Although printed silk blouses hardly push the envelope, the scale and intensity of this season's patterns, like the graphic wave on this Victoria Beckham number, nicely update this office workhorse. "It's a great layering piece," said Ms. Patel, who suggested using it to add femininity to a tailored suit. You can also wear it with designer denim, as shown here. Bonus: It will look great in your Instagram feed. "It's wowing from the waist up," said Ms. Stephenson.

Blouse, \$1,240, victoriabeckham.com; Jeans, \$375, tibi.com

4. The Floral Midi Dress

Given its put-on-and-go ease and comfort, we're predicting the floral midi frock in moody shades will be the breakaway hit of the season. Exhibit A: This high-necked Christian Dior dress, rational but romantic. Able to transition seamlessly from day to evening, these dresses' soft fabrics also resist wrinkling, and the densely detailed prints can disguise even vinaigrette splatters from your inevitable desk-side salad. Top one with a jacket for meeting days, said Ms. Patel. If heading to a post-work dinner, consider velvet heels for added elegance. Sub in tights and ankle booties for the cold months ahead.

Dress, \$4,600, [Dior](http://Dior.com), 212-751-7466; Jacket, \$2,740, [Thom Browne](http://ThomBrowne.com), 212-633-1197

FRESH PICK

A SHOE THAT RINGS A 'BELLE'

Roger Vivier reissues the pump the brand made for 'Belle de Jour' 50 years ago

BRUNO FRISONI CAN'T recall the first time he saw Luis Buñuel's film "Belle de Jour," but the style of its leading lady Catherine Deneuve made an indelible impression on him. "This woman looks bourgeois, but inside she's not at all," said Mr. Frisoni, creative director of French footwear brand Roger Vivier. "[Her look] is all about this black raincoat in patent leather with black shoes."

The raincoat was by Yves Saint Laurent, but the shoes were Roger Vivier's "Belle Vivier" style—designed by the brand's namesake and founder. The prim pumps, made slightly rebellious with large square silver buckles, enjoyed soaring popularity after the film's 1967 release, worn by the likes of Marlene Dietrich and Jacqueline Kennedy Onassis. And that buckle became a touchstone for the brand, used on many styles subsequently.

To mark the movie's 50th anniversary, Mr. Frisoni has updated and reissued the Belle Vivier. The new shoe, called the Square Podium, carries over the original '60s buckle but sits atop a slightly higher square heel. It comes in two versions, a gold-buckled-and-heeled iteration intended for day (pictured) and a bling-encrusted velvet one for evening. When designing, Mr. Frisoni kept the virgin/vixen duality of Ms. Deneuve's protagonist front of mind: "I wanted to give [the shoe] a very proper look but with a twist that makes it, in the end, not so proper." —Christine Whitney



SHOD ON LOCATION
Catherine Deneuve, costumed for the 1967 film 'Belle de Jour.'

Square Podium Pumps, \$1,050, [Roger Vivier](http://RogerVivier.com), 212-861-5371



Ring, \$82,500, [Chanel Fine Jewelry](http://ChanelFineJewelry.com), 800-550-0005



LUST OBJECT

WAVES OF DESIRE

What would it be like to own Chanel's *trés cher* 'Sailor Tattoo' ring?

GIVEN ITS IMMODEST price, we are pretty much resigned to lust after this cocktail ring from afar. *Way afar*. But we can all dream. Part of Chanel's new high jewelry collection, the ring takes its design cues from the compass tattoos of sailors who manned the Flying Cloud, the yacht belonging to the Duke of Westminster, Coco Chanel's lover in the 1920s.

A 1.22-carat yellow sapphire sits amid 54 brilliant-cut diamonds. The ring is crafted to feel bubble-light—even though it spans almost half a finger. The aim was for the stones to appear to float, said Marianne Etchebarne, Chanel's global head of watches and fine jewelry, product marketing and communication. The nautical-rope effect around the edge,

she added, was also tricky to execute, as the metal must both twist on itself and curve to comfortably hug the finger.

Where we'd wear it The Côte d'Azur. Chanel was an enthusiastic patron of the French Riviera where she paired major jewels with little nothing get-ups. We'd follow suit by wearing this with a sun-dress and flat sandals to lunch at Le Club 55 in Saint-Tropez. As silver-haired industrialists come and go, we'd naturally fixate on how our ring catches the sun.

Could we wear it forever? At \$82,500, this is obviously not a casual purchase.

And yet, amortized over 20 summers—a reasonable lifespan given its trendproof materials—that works out to about \$44 per wear, or less than the price of the aforementioned lunch. —N.M.

GEAR & GADGETS

Open, Sesame

Remembering a myriad of passwords is challenging, even for famous magicians. Here, one tries to conjure a viable system

BY TELLER

IMAGINE WE'RE at a cafe. I hand you a pencil and a pad of paper. I ask you to write your laptop's password on the pad, rip off the sheet, fold it up and keep it safe in your pocket while I go place our orders for caffeine-laced milkshakes.

Later, I ask you to hand me your laptop. I turn it on, look dreamily into the distance, slowly type in your password and comment admiringly on your late-night browsing choices.

"That," I say with a smile, "is why security experts tell you never to write down your password."

I don't need to be a computer geek or have the budget of the NSA to accomplish this prank. The method is more than a century old and was devised by crooks—specifically, spirit mediums trying to get the dope on their clients. The medium would prepare a notepad by rubbing the back of the top sheet lightly with spermaceti wax (it was a tough time for whales). Then the medium would hand a pencil to the client and ask her/him to write down a secret question for a departed loved one and keep the question secure. Later, the rat-bastard would "channel" a message from the dead, such as, "Your dear wife says, 'Don't worry about our children. They will thrive without your help. Sell the house and invest in Dr. Slade's diamond mines.'"

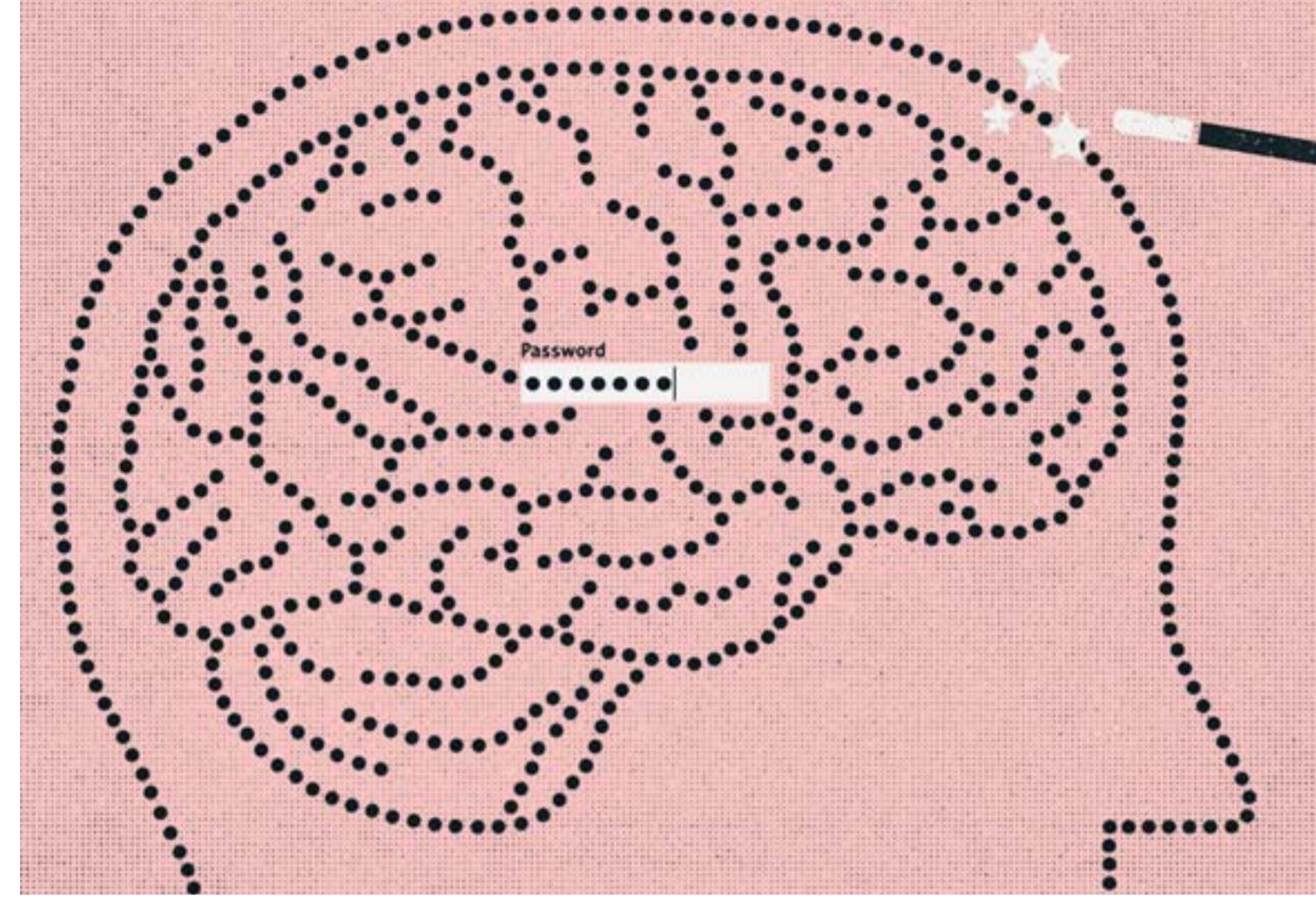
When the client wrote on the first sheet, the pressure left an invisible copy in wax (today, we use soap) on the second sheet. The medium took back the pad, left the room to "get a glass of water" (or, in my case, to fetch the frosty frap-pés) and secretly dusted the wax impression with powdered lead (I use something less lethal). The dusty particles stuck to the residue and revealed the writing.

Such information piracy was possible a hundred years ago, so how can I possibly defend myself from genius archfiends who are bent on stealing my passwords today? As a magician, can I use my tool kit to keep my information safe?

The overarching principle of magic is that magicians are willing to go to more trouble to pull off a trick than any spectator would think the trick is worth. We cripple our hands with years of practice just to make a dime disappear.

I could apply this too-much-trouble principle to my passwords by simply memorizing them all. That's not as impossible as it sounds. Memory training is one of magic's strongest methods. If I can glance at a hand of cards or the serial number of a dollar bill and commit that info to memory in the blink of an eye, I have quite a potent tool.

Memory is sometimes even presented as a trick on its own. The legendary New York magician Harry Lorayne greets his audience mem-



DAN PAGE

bers—often numbering in the hundreds—as they arrive, then finishes his show by calling every single person in the theater by name. He's written half a dozen books on mnemonics (e.g., "The Memory Book," "Ageless Memory"), and I recommend them.

The general principle of this kind of rapid memorization is to translate neutral information into vivid images, then to recall the images and translate those images back into the information. To accomplish this with numbers, for example, we generally employ a system of letter substitution. The one I use begins:

1=l (a letter with one stroke)
2=n (a letter with two strokes)
3=m (a letter with three strokes)

The reasoning changes from 4 onward:

4=r (because R is the final sound of the word "four")
5=f or v ("five")
And so forth.

When presented with a string of numerals, I translate them to consonants, then add vowels to create a juicy image. For example, the number 1342 (lmrn) becomes "lamb rain," and I picture a downpour of plump little sheep. Later, I recall the image and the two words, discard the vowels, and translate the consonants "lmrn" back to "1342." I use this system all the time for credit-card security codes.

You can find the complete mnemonic system I use under the heading "Curriculum" on page 387 of

the third edition of Jean Hugard's "The Encyclopedia of Card Tricks."

But, you know, I frequent lots of websites, and if I get enough of these nutty images in my head, I start to get confused. Let's say I need to fill in my American Express card number. In the middle of my card is the famous emblem of a helmeted Roman gladiator. If I picture that head covered with buzzing insects swimming in fruit topping, will I remember whether they are "lanky bumblebees in orange sauce" (129636160242800) or "dazed mosquitoes in cherry reduction" (707309702844782)?

How can I possibly defend myself from genius archfiends who are bent on stealing my passwords?

Kevin Mitnick—a reformed hacker who served hard time for the crimes of his youth and now fights for the good guys—attends a Penn & Teller show whenever he comes to Vegas. I recently took advantage of this to ask his advice. He said that although mnemonics might be fun for Harry Lorayne, they're hazardous for the rest of us. "Get yourself a good password manager and pick a master password that no one could

possibly guess," he advised. A program such as LastPass or 1Password stores all of your passwords on your computer or smartphone and allows you to unlock them with a single master password. "Then let the program do all the heavy lifting," he said.

OK. Now, I just need an unbreakable master password. Wait, I know what I should base it on: the Eight Kings stack.

When you arrange a deck of cards in an order that you can recognize, that's called a "stack." A stacked deck allows a magician to glance at the bottom card and know which card is on top.

To stack a deck, you memorize a repeating pattern for the suits (e.g., Spade, Diamond, Club, Heart, which you can remember with the phrase SaD CrotCH), then a similar pattern for the face values. When I was a kid, I learned a nonsense rhyme for this purpose:

*Eight king three ten two seven
Nine five queen four ace six jack
Which translates to:
8K3102795Q4A6J*

That's one strong, perfect password. And who would suspect I'd really use it, now that I've published it in *The Wall Street Journal*?

But hold on. I've overlooked the most basic principle of magic.

I've just flipped through "The Encyclopedia of Card Tricks" and plunked my finger down 15 times at random. Each time, I noted whatever character, numeral or mark of punctuation I happened to land on. I have, in other words, created a 15-character password that's totally random. It's not the name of my dog, my favorite band or the street I grew up on. No one who knows me, however intimately, could guess it.

And I've written the utterly random password down. Yes, I've written it down—just as I advised you not to. But I'm not telling you where. It's somewhere in my office, somewhere easy to see from my computer. It might be broken up into different parts. Some of it might be big. Some might be very small. But only I know where to look.

And now I'm tacking a bright pink sticky note onto my computer monitor screen. On it—in very thick, black marker—I've written PW-FOO7BA1176#. I believe with a strong pair of binoculars you could read that from the park outside my window.

The technical term for this pink note is "misdirection."

And that—as any magician will tell you—is the strongest security you can have.

Teller is the smaller, quieter half of the Las Vegas magic duo Penn & Teller and co-hosts "Penn & Teller: Fool Us" on the CW Network.

THE FIXER MICHAEL HSU

Securely Sign a Document With a Smartphone

QI'm in the process of applying for a mortgage and have been emailed a seemingly endless number of documents to sign. I don't want to have to print them all out. Is there a way for me to sign these using only my phone?

AAlthough iOS 11, due this fall, supports scan and sign natively for iPad and iPhone, my favorite document-signing app is currently Adobe Fill & Sign, which is free and available for both iOS and Android devices.

The app allows you to use your finger (or a stylus) to sign your phone's touch screen, which is less awkward than it might sound. Once your signature is stored, you'll be able to drag and drop it into any PDF document—and even resize the signature to fit

the line provided.

The app also makes it surprisingly easy to enter text into a PDF. It even has a tool that lets you complete forms with those rows of little rectangular boxes you're supposed to fill in letter by letter—the bane of every digital form-filler's existence.

If the documents that you're signing contain sensitive financial information, such as bank account or Social Security numbers, you'll want to go one step further by password protecting and encrypting the file.

To do this, I like an app called GeniusScan+. Although a free version, called GeniusScan, is available for both Android and iOS, you'll need to buy the ad-free version to access the PDF-encrypting capabilities. GeniusScan+ costs \$5 for Android

and \$8 for iOS.

The process of encrypting a PDF using the app requires only a few taps, but it isn't all that intuitive. Here's how to pull it off:

First, export the PDF from Adobe Fill & Sign by tapping the Share icon in that app and selecting GeniusScan+.

Then in the GeniusScan+ app, open the PDF and tap the Share icon. On the screen that pops up, tap "Password" and enter a strong one. Take care as you type, since the app won't ask you to verify the password that you've entered here.

From there, you can export the protected file to the app of your choosing, whether email or a cloud-storage app such as Dropbox or Google Drive.

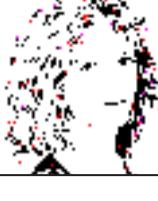
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KIERSTEN ESENPREIS

EATING & DRINKING

ON WINE LETTIE TEAGUE



Are the Chain-Store Wines Worth Drinking?

"LET'S GO FOR a wine walk," said Darel, a member order specialist at Sam's Club in Secaucus, N.J., when I asked for his help in finding the Sam's Club private-label wines. His assistance would include no wine advice, Darel warned, "unless you want me to make stuff up." Darel was a Scotch-drinking man.

You'll find no dedicated wine salespeople in the 651 Sam's Clubs across the country, though 500 of them carry the Member's Mark private-label wines. In Secaucus, the 2016 Member's Mark Mosel Riesling loomed large over the other wine offerings in giant blue bottles a foot and a half tall, but they seemed proportionate to the store's towering rolls of toilet paper and crates of potato chips. These bottles were also a great talisman of sorts for my recent quest: to find the best private-label wines at three of the country's biggest chain stores.

My list included Sam's Club, Costco and Trader Joe's. The only store where I needed a membership was Costco. You don't need to belong to Sam's Club to buy wine there, and Trader Joe's isn't a club—though with 467 stores in 41 states, it's selling on a similar scale. I bought at least half a dozen private-label wines in each store at prices ranging from \$3 to \$20 a bottle; most cost under \$10. The wines were produced in a variety of places including New Zealand, California, Italy, France and Germany—and were various in quality, too.

The teams behind the Sam's Club and Costco wines were mostly forthcoming with details about pricing and production; Trader Joe's national director of public relations, Alison Mochizuki, declined to talk. "We don't discuss what goes into the decision-making process," she wrote in an email. Nor would she give me information about the one Trader Joe's wine I liked: the 2015 Trader Joe's Platinum Reserve Carneros Pinot Noir (\$14), light-bodied and attractive.

As it happened, the other seven wines I bought at Trader Joe's were some of the worst I've tasted in years. The two Charles Shaw—aka "Two Buck Chuck"—wines, a Cabernet and Sauvignon Blanc, were virtually undrinkable. Though not a private label, Charles Shaw is inex-



SARAH KLINGER/F. MARTIN RAMIN/THE WALL STREET JOURNAL (BOTTLES)

tricably linked with the store. I bought the bottles on the recommendation of Trader Joe's "crew member" Tom, who said they were the best of the Two Buck Chucks. He also pointed me toward the 2014 Trader Joe's Coastal Syrah, the 2014 Trader Joe's Coastal Merlot and the Trader Joe's Blanc de Blancs French

Razor-thin profit margins are the secret to Costco's low pricing.

sparkling wine, which was bitter and thin, cruel to the tongue.

The wines from Sam's Club and especially Costco were better; some, quite good. Sam's Club released its first Member's Mark wine in October 2015 and expanded its range significantly a year later. I spoke with the company's Bentonville, Ark.-based wine director, Olivier Kielwasser, about the wines, start-

ing with that gigantic Riesling.

"We wanted it to be a conversation piece," said Mr. Kielwasser. The group of friends I gathered to taste the wines were duly impressed. While the wine itself was pleasant if a bit sweet, the bottle size and color really stood out. "It screams 'festival!'" my husband declared.

The other Sam's Club wines were less exciting to look at and to drink. The Cabernet Sauvignon and the red blend were both rather soft and sweet, as was the Beviamo Moscato, while the New Zealand Sauvignon was aggressively herbal.

Mr. Kielwasser directs buying and selection and oversees a tasting panel composed of knowledgeable wine drinkers and "more casual wine drinkers." He has big expansion plans for the Member's Mark label, which currently includes eight wines. Several new wines are already available or soon to debut, including an Italian Prosecco, and a Napa Cabernet Sauvignon that will be sent to the top 125 stores later this year. Over the next few years

"we could have an Albarino, a Rioja," Mr. Kielwasser mused, and even put forward the possibility of adding Champagne and Bordeaux. "In the next three years we could have 25 wines. That will enable us to cover every major wine region."

The Costco team has a dozen years on their Sam's Club peers, having produced the first Kirkland private-label wine in 2003. Seventeen Kirkland wines are currently "in rotation," said Costco assistant vice-president Annette Alvarez-Peters, in an email from company headquarters in suburban Seattle.

Ms. Alvarez-Peters works with a team of buyers and winemakers all over the world, as well as Louisiana-based importer DC Flynt. Mr. Flynt helped craft the three Kirkland Signature wines that my friends and I particularly liked: the 2016 Kirkland Signature Ti Point Marlborough New Zealand Sauvignon Blanc (\$7), the Kirkland Signature Brut Champagne (\$20) and the 2015 Kirkland Signature Rutherford Napa Valley Meritage (\$14), a Cabernet-domi-

nant blend. All the wines were not only well made but also excellent deals. The Kirkland Signature Russian River Chardonnay and Sonoma Chardonnay were less impressive, dilute and over-oaked.

"Where can you get real Champagne for \$20?" one friend asked while drinking the bright and pleasantly fruity (Pinot Noir-dominant) Kirkland Champagne. And at \$7, the zingy Kirkland New Zealand Sauvignon Blanc, all agreed, was "a steal."

Razor-thin profit margins are the secret to Costco's low pricing, said Mr. Flynt—"well under 15%," or half that of a traditional wine retailer. The fact that Costco can make large commitments when purchasing fruit also helps, said winemaker Marco DiGiulio. As wine director of Sonoma-based Vintage Wine Estates, a company that owns several wineries, Mr. DiGiulio has provided wines to Costco for nearly a decade.

Mr. DiGiulio and Glenn Hugo, winemaker at Girard Winery in Napa (a Vintage Wine Estates property), are credited as the talent behind the Rutherford Napa Meritage wine. It's one of Costco's smaller-production releases, at approximately 7,000 cases per year. Contrast that to some of Costco's larger offerings, like the New Zealand Sauvignon Blanc, at over 100,000 cases, and the Kirkland Champagne, at about 50,000 cases.

Mr. DiGiulio said the Costco wine team tasted at the winery "at least twice a year" and many times more at corporate headquarters. Mr. DiGiulio and Mr. Hugo credited Mr. Flynt as integral to the wines' creation. Mr. Flynt demurred. "It's very much a group effort," he said, adding that they all agreed the Kirkland style was approachable and easy drinking.

Mr. Hugo makes Cabernets under the Girard label that cost \$100 or more but said the production of the Costco wines wasn't so very different, save for the fact that he often used more new oak in the latter. "My job on the very high end is not to mess it up," he joked, adding that he found it "more challenging and maybe even more rewarding" to make a \$14 wine that anyone can afford. Or, as he put it, "We all need a wine for Wednesday night."

► Email Lettie at wine@wsj.com.

OENOFILE // BIG-VALUE BOTTLES FROM THE BIG-BOX STORES



Kirkland Signature Brut Champagne (non-vintage), (\$20)

Produced by the Janisson Champagne house in Verzenay, France, this Pinot Noir-dominant Champagne is soft and fruity but not lacking in elegance. A truly crowd-pleasing style.



2015 Trader Joe's Platinum Reserve Carneros Pinot Noir, (\$14)

A light-bodied, attractive wine with pretty red-fruit aromas produced in limited quantities—1,430 cases according to the label—in the cool Carneros region of California.



2016 Kirkland Signature Ti Point Sauvignon Blanc Marlborough New Zealand, (\$7)

Produced by Sacred Hill winery in Marlborough, N.Z. (whose own label wines sell for much more), this is classic Kiwi Sauvignon: bright and zingy with citrus aromas.



2015 Kirkland Signature Rutherford Napa Valley Meritage, (\$14)

This soft, approachable (but not lacking in structure) blend of Merlot, Cabernet Sauvignon, Petite Verdot and Cabernet Franc is a remarkable value.



2016 Member's Mark Mosel Riesling (magnum), (\$10.50)

This soft, relatively sweet and appealing Riesling made in Mosel, Germany, was launched in 2016. It's only available twice a year in select Sam's Club stores.

SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

Orzo and Tomato Sauce With Feta and Oregano



The Chef
Tom Hill

His Restaurant

Ducksoup,
in London

What He Is Known For

Cozy, quietly impressive dishes that marry

Mediterranean and

Middle Eastern flavors with

no superfluous flourishes

TOM HILL DIDN'T set out to reinvent risotto. The chef of London's Ducksoup was merely making the most of the ingredients at hand. "I live in an area with a large Turkish community," Mr. Hill explained.

"At the local grocer there's always feta, tomatoes, bay leaves, cumin and orzo. So, that's what I bring home." The upshot: this dish of orzo pasta simmered in a fresh-to-mato sauce. Think of it as a light, summery take on risotto—without all the stirring.

Boil the orzo to just shy of al dente so it can soak up some of the sauce in the pan.

This is meant to be a lush, somewhat

soupy dish, so use the juiciest tomatoes you can find, and add a splash of water if needed during cooking. "You want what we call the risotto wave," said Mr. Hill. "It should lurch across the plate, not sit stiff."

Fresh oregano and feta are added just before serving to keep their flavors sharp.

Mr. Hill's only admonition: Trust your ingredients. His recipe calls for only as much seasoning as he deems necessary to highlight the robust flavors already in play. "You can always add more spice," he said, "but you can't take it away."

—Kitty Greenwald

TOTAL TIME: 20 minutes SERVES: 4-6

Kosher salt and freshly ground black pepper

3 pounds juicy tomatoes

4 tablespoons extra-virgin olive oil, plus extra for drizzling

2 teaspoons cumin seeds, coarsely crushed

1 large yellow onion, diced

2 large garlic cloves, finely grated

2 teaspoons chili flakes

2 bay leaves

2 teaspoons paprika

8 ounces orzo pasta

7 ounces feta cheese

Leaves from 8 sprigs fresh oregano

until aromatic, 20 seconds. Add onion and cook until translucent, 3 minutes. Stir in garlic, chili flakes, bay leaves and paprika and cook until aromatic, 1-2 minutes. Add tomatoes and simmer until soft and juices reduce slightly, 3-5 minutes. If pan looks dry, add a splash of water. Season with salt to taste. Stir in orzo and simmer until pasta is al dente, 2 minutes.

Divide orzo among plates and crumble feta over top. Finish with oregano, pepper and a generous drizzle of olive oil.



BARE NECESSITIES Slipping the skins from the tomatoes is easy to do after a quick blanching and gives the sauce a silky consistency.

EATING & DRINKING

A LITTLE SOMETHING SWEET

Life Is Just a Bowl of Cherries

Or so it seems at this time of year. This boozy, buttery crisp shows off the scrumptious little fruits to their best advantage

SAHAR SHOMALI makes a mean bourbon chocolate-chip cookie and a rich chocolate bourbon cake, but her bourbon cherry crisp is positively adults-only. It's not lightly scented with a mere whiff of whiskey, but full-out boozy and bold. Taking a bite is a bit like taking a swig of your favorite bourbon, eating a ripe cherry and munching on a crunchy cookie, somehow all at the same time. The three elements remain defiantly distinct, while also coming together in the guise of that warm, familiar and comforting American classic: the fruit crisp.

Ms. Shomali is executive pastry chef at the Los Angeles restaurant Lucques. She was born just outside Tehran and her desserts are often perfumed with the Iranian spices central to her culinary upbringing. For her part, Lucques chef-proprietor Suzanne Goin trained with Alice Waters at Chez Panisse in Berkeley, Calif., and went on to open a handful of influential Los Angeles restaurants known for impeccable technique, seasonal Californian ingredients and the flavors of France and Italy. What Ms. Shomali and Ms. Goin most certainly have in common is a confident hand. Their food is nuanced and layered, but also unabashedly assertive.

This crisp is rustic enough to serve outside in tin bowls after a meal cooked on the grill, and it is equally suited to an elegant dinner party. As the bourbon flavor is pronounced, choose a liquor you like to drink. Ms. Shomali makes it with Elijah Craig at home and with a slightly lower-priced (but still delicious) bourbon such as Buffalo Trace if cooking for a larger crowd. I've made it with Four Roses, which imparts



PIT STOP This boozy fruit crisp more than warrants the purchase of a cherry pitter.

a smooth finish, and I've even tried it with rye whiskey, which gives it a surprisingly complex edge. A crowning scoop of vanilla ice cream is key, to temper the alcohol's heat. Needless to say, this is not a dessert for children.

This recipe is quick to assemble so long as you have a cherry pitter. Do make a double batch of the crisp topping. It will keep in the freezer and, come late summer, works beautifully with stone fruits and early apples. Now, however, is the moment for dark-red ripe cherries and carefree nights. —Aleksandra Crapanzano

Bourbon Cherry Crisp
ACTIVE TIME: 15 minutes TOTAL TIME: 4 hours (includes soaking cherries) SERVES: 6

For the bourbon cherries:
½ cup dried cherries
½ cup bourbon
For the crumble topping:
1½ cup flour
½ cup sugar
½ cup dark brown sugar
½ teaspoon salt
½ teaspoon ground cinnamon
¼ teaspoon grated nutmeg
12 tablespoons cold butter, cubed
To assemble:
6 cups pitted cherries
3 tablespoons sugar
3 tablespoons orange juice
½ teaspoon salt
Vanilla ice-cream, for serving

1. Make bourbon cherries: Pour bourbon on dried cherries and let sit at least 4 hours at room temperature.
2. Make crumble topping: Mix all dry ingredients together in a bowl. Add butter and use your fingers to massage into flour mixture until consistency resembles a coarse meal. Chill 30 minutes before baking.
3. Assemble and bake crumble: Preheat oven to 350 degrees. In a large bowl, toss together fresh cherries, sugar, orange juice and salt. Pour mixture into a 9-inch square baking pan or deep pie dish. Top with crumble topping. Bake until crumble is golden brown and cherry filling is bubbling, 30-40 minutes.
4. Serve warm with a scoop of vanilla ice-cream.
—Adapted from Sahar Shomali, Los Angeles

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ADVENTURE & TRAVEL

TRAVELER'S TALE NOVELIST ANDREW SEAN GREER ON WHY ITALY'S VILLAGES BEAT ITS BIG CITIES

Roman Holiday? Don't Be So Predictable

ABOUT 35 YEARS AGO, my parents brought me and my twin brother, Mike, to Italy. We saw the classic tourist sites of Rome, Florence and Pisa, then, unusually, we spent almost a week in the small coastal town of Lerici while my father worked for NATO. Of everything we saw—the Forum, Michelangelo's David, the Sistine Chapel—what we remember most is that little Lerici apartment, where there was little to do but play cards and eat sausage. We loved it.

Now I live in Italy half the year as a director of a writers' retreat outside Florence. And Mike recently decided to bring his family to Italy to visit; in fact, he arranged for us to stay in Lerici again, and my mother came along to complete the reunion. While we reminisced seaside (a Spritz in hand this time instead of cards), Mike asked me if he should take his family on to Rome, Florence or Pisa. I told him he already knew the answer, the one we learned 35 years ago: Think outside the cities.

And here's why: Italy is personal. In my experience, the standard business practices most Americans expect—in hotels, restaurants, stores—do exist, especially in big cities, but miss the very nature of Italian transactions, which is between individuals. If you go into a certain cheese shop in Pontassieve, for example, asking for mozzarella, they might not have any. But if you talk to the owner, you might learn she loves books and if you lend her one, she may save you the mozzarella she gets from Puglia. Of course this personal touch is not limited to Italy—you find it in many small American towns as well—but in Italy it appears to be a general rule.

This pervading sense of individuals living among individuals makes driving interesting; everyone seems to have his own idea what the laws are. But it also brings specific pleasures to daily life: The baker in Lerici got to know our love of sfogliatelle pastries and was ready with a bag of them every morning (all cream, with one chocolate for my mother); the man who sold gelato on the beach taught my nephews how to pronounce "stracciatella";



WEIJIA TANG

the rental owner, also a writer, got us into a closed church because he knew the "guy with the key."

In a city like Rome, all of these still exist. But you may miss them; the Colosseum might be in the way. If you stay in a small town for a week, spending your time more leisurely, visiting the castle, or the church, you will be pulled, even against your will, into personal relationships with the cafe owners, waiters and shopkeepers. You will see them daily; you can't help it.

In America, we think of great art as something exclusive to big cities, but I have found that small Italian towns are packed with culture. Almost every village I visit seems to have a masterpiece in its church—my unassuming nearby town of Cascia has a Masaccio—and the regional nature of Italy (it has only

been a country for 150 years) means these small towns have food specialties that are often hard to find in the cities. My favorite food experiences have all been in out-of-the-way places. Two years ago, while staying near Montepulciano, I was driving through the countryside

In the small towns, you're pulled, willing or not, into personal relationships.

looking for San Galgano, a famous church without a roof. I got lost, got hungry, and ended up in a town I have never been able to find since. It had a tower and a restaurant; that was all. In the restaurant, I

asked the waiter what I should have. He smiled, closed my menu and walked away. Minutes later, he returned with a hollowed-out wheel of pecorino cheese. Into it, he emptied hot pasta and white pepper, and stirred the mixture until it became creamy from the cheese. He served it to me with a bottle of local wine. Later, he took me into the locked tower; he knew the "guy with the key."

Don't take my word for it: Take my brother's. After Lerici, skipping the siren-song of Rome, Mike took his family to a former abbey outside of Orvieto, in Umbria. The town, easily walkable, is remarkably beautiful, with a famous cathedral filled with Renaissance masterpieces by Signorelli. And (food again), in Umbria, they put truffles on everything. My brother

and his wife also befriended the owners of the abbey. I am sorry to say they liked it even better than Lerici. Why? Because it was theirs. It was personal. Let me also add: It was much, much cheaper than a stay in Rome.

So which town to pick? Instead of Venice, try the fisherman's town of Chioggia. Instead of Napoli, head down to Castellabate and explore the Cilento coast. Instead of Florence, try the tower-town of San Gimignano. In each of these spots, you'll find exceptional works of art. Ancient ruins. Castles. Amazing food. Locals unjaded by tourists. And maybe, just maybe, you will meet the "guy with the key."

Andrew Sean Greer is the author, most recently, of the novel "Less" (Little, Brown and Company).

WAY DOWN UNDER IN DOWN UNDER

How best to plumb the depths of Australia's Great Barrier Reef? An eager diver tries three approaches

WAKING UP on the beach in classic Australian swag—a weatherized canvas bedroll unfurled on a cot on the sand—I was one of just 10 visitors on an otherwise deserted Queensland island. Butterflies and birds flitted overhead, but we hadn't come to look up. We were here to dive. The day before, we'd submerged four times on the reef just off the coast, amid electric-blue Maori wrasse and shark-size giant clams.

Australia's Great Barrier Reef is a conglomeration of 3,000 reefs longer than the Pacific coast from Vancouver to Tijuana. That's a lot of territory to cover if you're a vacationer looking for the ultimate diving experience in just a few short days. I visited during the height of its 2016-17 coral bleaching, when unusually high water temperatures were causing corals to expel from their tissues the zooxanthellae that provide their color and energy to survive. Still, given the 8,000-year-old reef's enormous size—eight times that of our planet's second-largest reef, off Belize—vivid sections still abound and I found myself overwhelmed with the options.

In the end, I opted to experience the reef in three distinct ways, setting up my home base at a campsite, on a resort island, and on a liveaboard cruise ship, around different parts of the reef. The only constant: access to the reef's astounding variety of life (dive leaders naturally focus on the healthiest sections), which never failed to disappoint—and never failed to remind me how devastating its loss would be.

—James Sturz



HOME BASE: A CAMPSITE



HOME BASE: A RESORT ISLAND



HOME BASE: A LIVEABOARD YACHT

I started in Townsville, a seaside city in northern Queensland, with Remote Area Dive, a scuba operator that offers campsite-based dive experiences. This wasn't glamping. Five other travelers, three divemasters, a boat captain and I pulled out from the dive shop at 5:45 a.m., hauling a trailer full of scuba and camping gear. We drove 1½ hours up the coast before boarding a boat for a 40-minute trip to tiny Pelorus Island. Shimmery cottonwood and beach almond trees lined the white coral beaches where we set up camp.

We made two dives later that morning, using the boat to explore the fringing reefs around the 1.5-square-mile island, then returned to land for tur-

key sandwiches and watermelon. We completed two more dives later that day, the last of them just after dusk. By day, we saw pink fire coral and clownfish darting among the undulating tentacles of anemones. At night, the beams of our lights revealed slithering sea snakes, translucent cuttlefish, and striped orange and yellow nudibranchs, slugs that looked like jewels. Back on land, there was less to see: a much-appreciated barbecue around a campfire and a starry sky.

Some in our group slept inside tents, but I opted for the outdoor swags and cots. We went to sleep slicked with salt and, in the morning, washed it off with two more dives.

Numerous resort islands dot the Queensland coast but few are as extravagant as 1,829-acre Hamilton Island in the Whitsunday chain, which offers a range of accommodations. The nicest is the Qualia resort (pictured), where it's easy to want to stay in your room forever.

But since hibernation wasn't the point of my visit, I spent my initial morning on a catamaran-sailing trip; we snorkeled around shallow corals and then lolled on Whitehaven Beach, often voted the best in all of Australia.

It might have felt more indulgent had I not been lolling with the 30 other people on my excursion.

For each of the following two days, I

the two-hour ride to the closest section of outer reef, where the barrier-reef corals give way to continental slopes extending more than a mile down. We didn't need to venture that deep at Bait Reef—75 feet was enough—to encounter a half-dozen whitetip reef sharks on every dive, along with scores of pineapple sea cucumbers (so-called for their pineapple-y armored skin), sea turtles, marble rays, hefty coral trout and 3-foot humphead parrotfish that reminded me of aquatic bulldogs.

Post-dive highlights at the resort included a hot shower in my comfortable hotel room, dining on local slipper lobsters and visits with the resident koalas, who snuggled and snoozed in the trees.

The acme of dive experiences is a liveaboard trip on a custom-fitted scuba yacht that allows passengers to reach distant sites while maximizing their number of dives. Most liveaboards in Australia are based in Cairns, including the 26-passenger, 122-foot Spirit of Freedom (pictured), which runs trips of three, four or seven nights. I opted for the shortest. We dived twice the first day, including at dusk, sighting painted crayfish and a carpet shark, named for its patterned skin and tasseled face.

Honeymooners took the tight but charming top-deck cabin; I shared windowless two-bunk quarters with the ship's lone snorkeler, a retired financial software engineer from California who strapped a re-

chargeable shark deterrent to his ankle each time he entered the water.

We spent the next two days at the Ribbon Reefs, ¼-mile-wide strips of coral 60 miles from shore, focusing on their "bommies," pinnacles that rise 100 feet from the reef. Some coral was bleached or phosphorescent, which meant it was fighting to survive. But the water clarity and the sea life we saw along the more distant reefs made liveaboard diving best. We ended our trip diving at Cod Hole, a site named for its massive potato cod, which can grow to 7 feet and 250 pounds. They counted among the biggest bony fish I'd seen—until 9-foot Queensland groupers began feeding in our stern lights that night.

Number of dives: Up to six. **Cost:** About \$526 per person, including camping and scuba gear and meals for one night. **Verdict:** The most budget-conscious way to spend two days diving (or snorkeling) the reef intensively. remoteareadive.com.au

Number of dives: Four over two days. **Cost:** About \$263, per person per two-dive excursion, including gear; snorkeling about \$140. Qualia rooms from about \$957 a night. **Verdict:** A great beach holiday with a side of diving. hamiltonisland.com.au

Number of dives: Up to 11 over three days. **Cost:** From about \$1,411 per person, all-inclusive of dives and meals, for the three-night itinerary. **Verdict:** If you're looking for a bucket-list dive holiday, a liveaboard is your vessel. spiritoffreedom.com.au

DESIGN & DECORATING

HOUSE TOUR

A Feat Of Derby-Do

Returning to her native Kentucky, a designer melds nostalgia and courage

BY CATHERINE ROMANO

YOU'VE GOT to have principles!" So declared Lucinda Loya of planning the interior of a Victorian house in Louisville, Ky., her beloved hometown. To stay focused in the realm of aesthetics, one must adhere to rules, said the Houston-based designer—who with her husband returns annually for the city's famous horse race—even if those rules are as personal and arbitrary as hers: "Everything brought into the house had to be from the period between 1875, when it was built, and 1976, when I left Louisville at 12," she said.

Passing muster: a few heirlooms dispersed among Ms. Loya's family that were gladly donated. She appreciates the pieces stylistically and values them emotionally, having grown up with a single mom and "very, very little means."

Nothing was allowed in the new house from "the lost period," from 1976 to 2014, when Ms. Loya bought the 6,000-square-foot derelict mansion. It had been divided into five apartments, but the original architecture and some fixtures were intact.

Furnishings designed since the purchase were also welcomed. "I wanted to enjoy what's new," she explained. Her décor influences included English equestrianism, Art Deco, hippy chic, midcentury modernism and the horsey influence of the town (the seven bedrooms fill with her guests during the Derby). Though the designer asserts that "everything had to be chaotic so it would all go together," there are inspiring decorating methods to glean from the madness.



▲ Old Made New and Vice Versa

When Houston-based designer Lucinda Loya bought a neglected Victorian mansion in her hometown of Louisville, Ky., she created a "bourbon room" to lure her husband. "I made him a bourbon collector so he'd have an interest there," she said. Rather than overtly mimic a 19th-century English smoking room, Ms. Loya implied

and modernized the theme by covering updated wingback chairs in traditional cigar leather, upholstering an 18th-century French settee in Ultrasuede and making simple French-pleated curtains from \$10-a-yard paisley quilting fabric that reminded her of a vintage gentleman's tie. And, of course, hanging above the bar, an oversize photo of a Cuban woman—shot by Leif Wivelsted—invites guests in for a drink.

► A Moment Of Calm

Ms. Loya carved out vanity space for guests using a family heirloom—a European-styled mahogany piece from the early 20th century with a low knee hole. "This bedroom shares a bathroom with another, so I needed a place for a woman to put on makeup," she said. The small chair she found to use with the piece



was boring and plain, so she feminized it with "a little crop top and a poofy skirt." The vignette's symmetry lends a sense of relative peace: Two thickly glazed Chinese urns sit atop the double-doored heirloom, framed by a pair of curtains in an oversize gate pattern. "The curtains could be considered Art Deco or 1970s," said Ms. Loya, "so it fits my time frame. And the contrasting scale makes it modern."

► Practicality Masked

Finding most kitchens too utilitarian, Ms. Loya determined to make hers more like an English parlor. The light fixture came with the house, as did its larger sibling in the bourbon room. On a white-washed brick wall, she hung an iron horse head (less icky than taxidermy) and an old master-ish silk-screen on canvas. The two-tiered metal basket was fashioned from the remnants of a great grandmother's candy dish. "I needed something vertical to connect the planes of the counter and shelves," she said.



► Disorderly Conduct

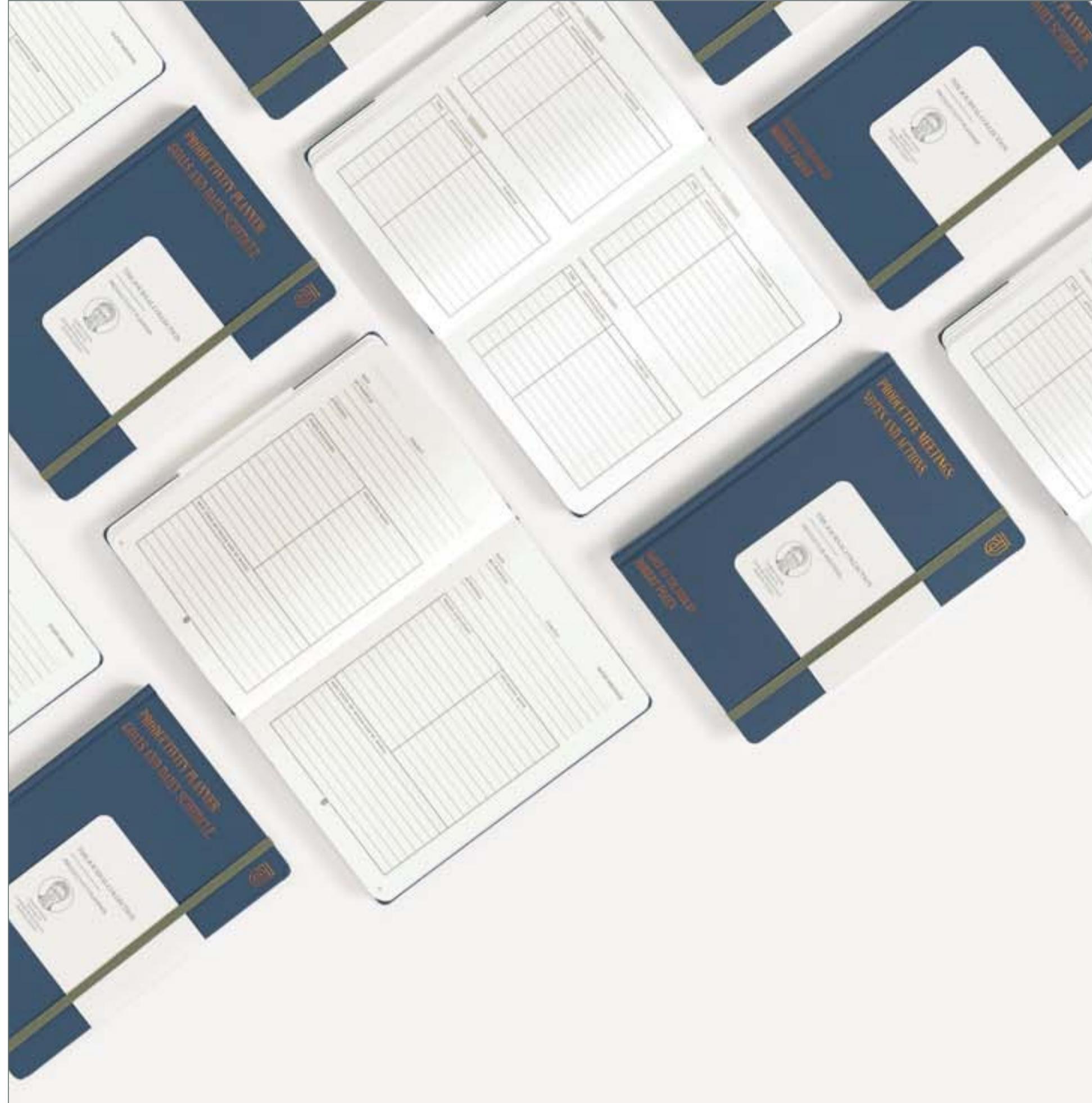
Ms. Loya admits she frequently brings together disparate elements "then starts back pedaling." To unify a classic English Chesterfield sofa, a mid-century arm chair and two stacked Moroccan poufs in her daughters' TV room, she covered them all in patchwork or otherwise motley fabric. She also advised that "when order can't be maintained, just go with it." Her girls, 12 and 14, jump around to "Just Dance," a video game, in this room, so any art on the walls will jiggle and end up askew. Ms. Loya surrendered and hung a collection of oils in a deliberately haphazard grid, some placed inches apart, some touching. "It gives energy. It's not neat and orderly," she said. A Grey Atom Pendant, a Sputnick-like fixture from Nuevo Lighting, hangs against a vibrant hue color-matched from Benjamin Moore's Seaport Blue. Of the wainscoting, Ms. Loya said, "I like to include something bright white in every room to give the eye a point of reference for the other colors," a sort of You Are Here if the color wheel were a map.



► Delusion Solution

Although Ms. Loya often finds primary colors cold and generally hews to secondary and tertiary hues, in this powder room she worked with the true red she found in the stained glass. And because mission fatigue was setting in, she also overlooked the floor tiles' 1980s provenance, which falls outside her self-imposed time-frame constraints. "I tricked myself into thinking it was English china," she said of the tiles' aesthetic. The rhythmic, interlocking pattern of the wallpaper mimics the Greek-key motif that borders the flooring, and provides a contemporizing contrast in scale.





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