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REVIEW

THE WALL STREET JOURNAL.  
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WEEKEND

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SATURDAY/SUNDAY, JANUARY 6 - 7, 2018

WSJ.com

What's  
News

## World-Wide

**T**he Trump administration is asking Congress for nearly \$18 billion to construct more than 700 miles of new and replacement barriers along the Southwest border. A1

♦ **Federal prosecutors** and FBI agents are investigating allegations of potential corruption tied to the Bill, Hillary & Chelsea Clinton Foundation. A4

♦ **Two GOP Senators** have asked the Justice Department to open a criminal inquiry into whether the author of a controversial Trump dossier lied to investigators. A4

♦ **Trump's nominee** to lead the Indian Health Service appears to have misrepresented his work experience at a Missouri hospital to a Senate panel, according to former employees at the hospital. A3

♦ **Pakistan's foreign minister** said he sees his country's alliance with Washington as over, citing the U.S. suspension of security-related aid. A7

♦ **As North and South Korea** prepare to hold their first official, face-to-face talks in two years, the stakes have rarely been higher. A6

♦ **Iran's antigovernment uprising** marked its 10th day on Friday. A7

## Business &amp; Finance

♦ **The pace of hiring** slowed a bit in the final month of 2017, but remained robust for the year as a whole and the jobless rate held at a 17-year low. A1

♦ **Apple's new gadgets** have been consistently late with Cook as CEO, prompting questions about the firm's competitive edge. A1

♦ **The Dow ended** the week up 2.3%, its best start to a year since 2003, closing Friday at 25295.87. B12

♦ **Businesses and institutions** rushed to patch computer systems following the disclosure this week of computer chip flaws. B1

♦ **Powell guardedly backed** an aggressive expansion of the Fed's bond buying in 2012, expressing reservations, meeting transcripts show. A2

♦ **Boeing is in talks** on ways to address Brazilian government concerns about the U.S. firm's potential takeover of Embraer. B1

♦ **XRP, a digital currency** offered by San Francisco startup Ripple, has soared 1,135% in the past month. B1

♦ **Banking regulators** in mid-2017 downgraded one part of a secret assessment of Wells Fargo's health. B10

Inside  
NOONAN ALL  
'Button' It,  
Mr. President

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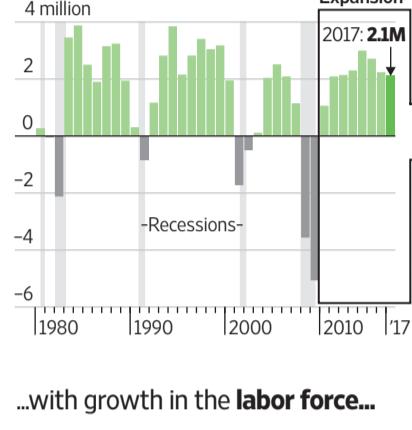
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## Jobs Notch Another Robust Year

By ERIC MORATH

One of the longest jobs expansions continued through 2017...



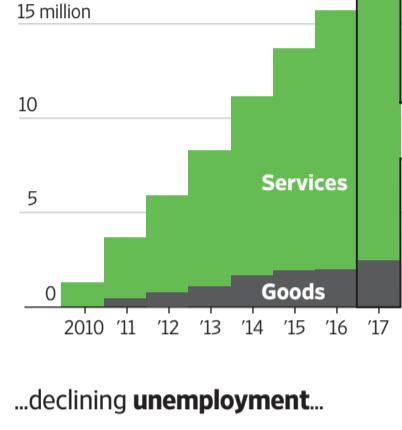
...with growth in the labor force...



Note: Figures are seasonally adjusted  
Source: Labor Department

expansion on record. The second longest run of job expansion—between 1986 and 1990—was only about half as long.

The current labor-market



...declining unemployment...

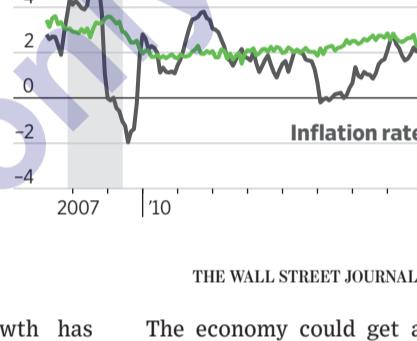


Unemployment rate

Bigest growth by industry, December 2017  
Change from a year earlier

Construction	3.1%
Professional and business services	2.6
Leisure and hospitality	1.9
Education and health services	1.9
Financial activities	1.6
Manufacturing	1.6
Transportation and warehousing	1.5

...and a modest uptick in wages.



THE WALL STREET JOURNAL.

The economy could get a boost in the months ahead as  
*Please see JOBS page A2*

♦ Heard on the Street: Wage outlook gets brighter..... B12

## After Snow, East Coast Faces Deep Freeze



CHARLES KRUPA/ASSOCIATED PRESS  
**BUNDLE UP:** J.J. Laprise shoveled snow in Scituate, Mass., on Friday. Frigid temperatures, expected to last through the weekend, swept through as the region attempted to clean up from a winter storm. A3

## Lateness Bedevils Apple CEO Cook

By TRIPP MICKLE

As Apple Inc.'s longtime chief operating officer, Tim Cook was known for ensuring that new products hit the market on schedule.

With Mr. Cook as CEO, though, Apple's new gadgets are consistently late, prompting questions among analysts and other close observers about whether the technology giant is losing some of its competitive edge.

Of the three major new products since Mr. Cook became chief executive in 2011, both AirPods earbuds in 2016 and last year's HomePod speaker missed Apple's publicly projected shipping dates. The Apple Watch, promised for early 2015, arrived late that April with lengthy wait times for delivery. Apple also was de-

layed in supplying the Apple Pencil and Smart Keyboard, two critical accessories for its iPad Pro.

Mr. Cook's tenure has been successful by other measures: Revenue has more than doubled, despite stalling in the past two years, and Apple's share price has more than tripled in the past six years to record-high territory. The company has said it expects in the final three months of 2017 to hit a new sales record.

But the delays have contributed to much longer waits between Apple announcing a product and shipping it: an average of 23 days for new and updated products over the past six years, compared with the 11-day average over the six years prior, according to a Wall Street Journal analysis of Ap-  
*Please see APPLE page A5*

## Why U.S. Grew Wary Of Kaspersky's Software

Officials reveal incidents that led to spying concerns

Eugene Kaspersky was late for his own dinner party.

At his invitation, guests

By Shane Harris,  
Gordon Lubold and  
Paul Sonne

from the Washington cybersecurity community waited one evening in 2012. Seated at the National Press Club were officials from the White House, State Department, Federal Bureau of Investigation and other agencies, said people who were there. Guests had started their first course when Mr. Kaspersky arrived, wearing a tuxedo with a drink in hand.

Mr. Kaspersky, chief executive of Russian security-software vendor Kaspersky Lab, proposed a toast to the ranking guest, Estonian President Toomas Hendrik Ilves, whose country had suffered a cyber-

attack five years earlier. The assault followed Estonia's decision to remove a Soviet-era monument from its capital, and U.S. officials suspected Russia was behind it.

"Toomas," Mr. Kaspersky said. "I am so sorry that we attacked you."

The comment stopped all conversation until Mr. Ilves broke the silence. "Thank you," he said, raising his glass. "This is the first time anyone from Russia has ever admitted attacking my country."

No one suggested Kaspersky was involved in the Estonian hack, but Mr. Kaspersky's toast played into a suspicion held by many in the U.S. intelligence community that his company might be unwittingly in league with the Russian government—a suspicion that has only intensified since.

*Please see SPYING page A8*

## Trump Wants \$18 Billion for Wall

By LAURA MECKLER

WASHINGTON—The Trump administration is asking Congress for nearly \$18 billion to construct more than 700 miles of new and replacement barriers along the Southwest border, its most detailed description yet of the president's vision of a wall separating the U.S. from Mexico.

The request would be a major expansion from the 654 miles of barrier now, bringing

the total to nearly 1,000 miles—about half of the entire Southwest border.

The border wall, President Donald Trump signature campaign promise, has become entangled with negotiations over the fate of young, undocumented immigrants and talks to avert a government shutdown.

The wall request, which drew strong opposition from Democrats, and other White House demands threaten to make those negotiations even more

fraught than they already are.

The plans are laid out in a document prepared by the Department of Homeland Security at the request of a group of senators. The senators' goal was to find out what the administration wants lawmakers to include in a package providing for the legalization of the young, unauthorized immigrants known as Dreamers.

DHS made clear Friday that the administration also wants

*Please see WALL page A4*

## Google Searches, but Can't Find Its Own Bikes

\* \* \*

As non-employees mooch free rides, up to 250 go missing every week



By JACK NICAS

MOUNTAIN VIEW, Calif.—Google built a massive business organizing the world's information, but it's struggling to keep track of its own bicycles.

Google maintains roughly

1,100 free, multicolored two-wheelers, known as Gbikes, for its employees to get around on its sprawling campus here. The program has inspired others in

Silicon Valley and beyond.

But Google's bikes consistently go missing from its campus—between 100 and 250 a week, the company estimates.

The bikes have shown up at local schools, in neighbors' lawns, at the bottom of the town creek and on the roof of O'Malley's Sports Pub.

The disappearances often aren't the work of ordinary

*Please see BIKES page A8*

## U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

## O Christmas Tree: A Test Case for Recycling



What goes up must come down, and in the next few days, that could include as many as 30 million fresh Christmas trees that briefly perfumed homes before being stripped of ornaments and tossed to the curb.

The National Christmas Tree Association trade group estimates that Americans bought 27.4 million real Christmas trees in 2016, spending \$2.04 billion.

In comparison, an estimated 18.6 million artificial trees were purchased for \$1.86 billion. (Fewer artificial trees are bought in any given year, but because they are reused, many more are on display.)

The figures are from an annual poll commissioned by the association and conducted by Nielsen. This year's survey, which will provide data for 2017, isn't finished, but based on conversations with growers and retailers, the association anticipates the numbers will increase.

Trashing all those trees might seem like a landfill nightmare, but, apparently, it isn't as bad as it sounds. Many will be composted or chipped into mulch. Others will be recycled into wildlife habitats, with many sunk in lakes and ponds to make homes for fish.

But some will end up in landfills or incinerators, although no one seems to know exactly how many.

"If you put a tree out in May, we wouldn't be able to tell," said Belinda Mager, a spokeswoman for the New York City Department of Sanitation, which recycles Christmas trees for about two weeks in January. "It would go out with the garbage."

Only about half the respondents to the most recent Christmas Tree Association poll said they had access to or knew of recycling programs, according to Douglas Hundley, a spokesman for the group. Nonetheless, the U.S. Composting Council estimates that about 90% of the trees

are ground up and reused.

"Christmas trees are low-hanging fruit," said Frank Franciosi, executive director of the council. "It's once a year. It's not wet, slimy gravy with banana peels and apple cores and last night's stew. It's easy to chip, easy to get rid of and easy to reuse."

And in some cases, recycling is the only option.

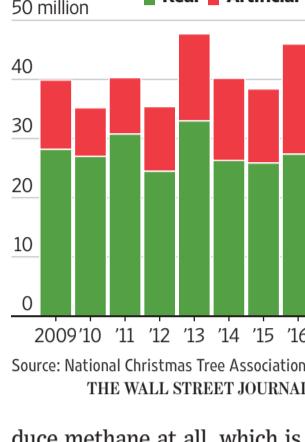
Approximately 20 states ban yard debris from landfills, according to Morton Barlaz, who heads the Department of Civil, Construction and Environmental Engineering at North Carolina State University.

Those prohibitions were intended to reduce solid waste, but in recent years, some states, including Iowa, have repealed the bans. A few others also allow yard waste in landfills equipped with gas-collection systems to convert methane, the greenhouse gas produced by buried waste, into energy—although some of the gas still escapes into the environment.

Composting does not pro-

## Trimming Trees

Christmas tree purchases in the U.S., by type



Source: National Christmas Tree Association

THE WALL STREET JOURNAL

Even with recycling or gas-to-energy systems that reclaim methane, it might seem wasteful to cut and then discard a mature tree. But because they are farmed, with up to three seedlings replacing each cut tree, growers say it is a largely self-sustaining industry.

In 2012, the most recent year available, 12,976 cut Christmas-tree farms operated on 309,365 acres, according to the U.S. Department of Agriculture census, which is conducted every five years. (2017 data have been collected but not published.)

The Christmas trees most likely to get trashed are those sprayed with fake snow, those with tinsel or ornaments still clinging to their branches, and those thrown out after local chipping programs have concluded. Some areas also won't recycle trees that are discarded in plastic bags.

"We collect naked trees, for lack of a better word," Ms. Mager said.

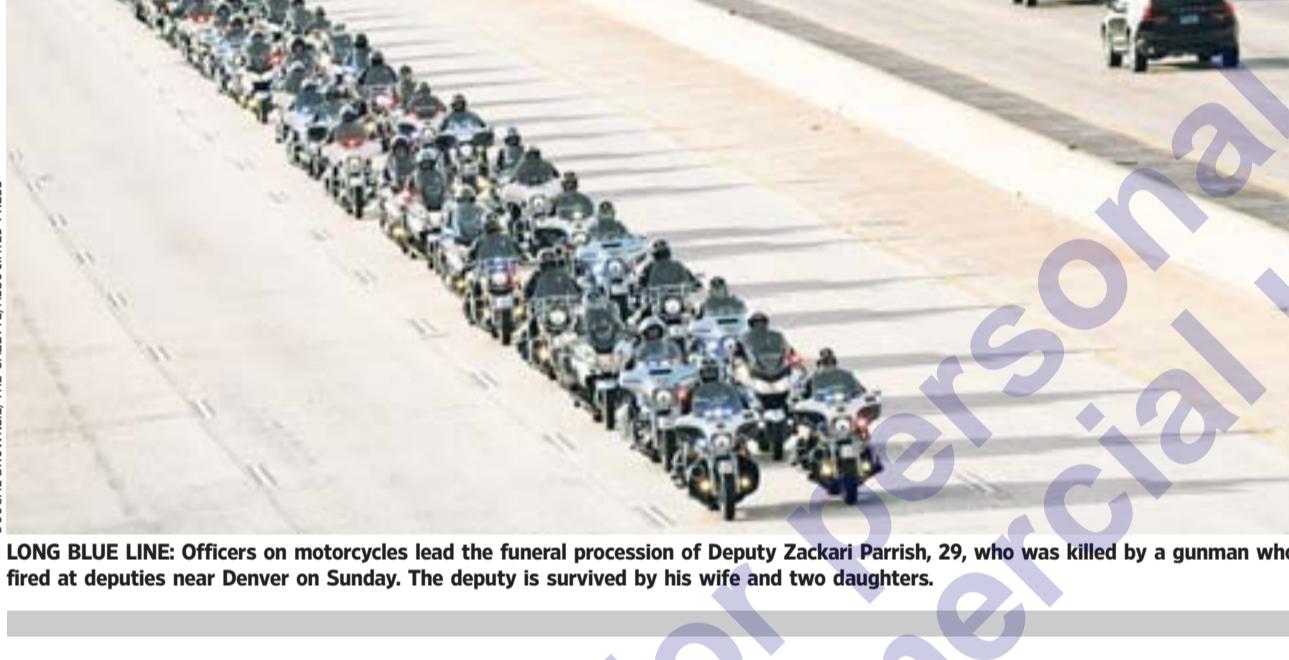
After Christmas 2016, the New York City Sanitation Department chipped an estimated 242,000 trees weighing 2,082 tons for use in the city's parks, institutions and community gardens.

This season's Rockefeller Center Christmas tree, which is 75 feet tall, will be milled into lumber and donated to Habitat for Humanity.

The city's parks department chipped an additional 26,119 trees, sending some of the mulch home with residents. Los Angeles recycled 88,749 trees. Chicago mulched more than 19,600. And Atlanta, working with the Keep Georgia Beautiful Foundation, chipped 7,600.

Perhaps because Christmas trees are easy, and even pleasant, to recycle, some municipalities have mulched them for decades. Chicago has mulched since 1990. New York City has mulched since the 1960s. "If garbage trucks are on tree duty," Ms. Mager said, "they're the best smelling routes in the city."

## Slain Colorado Sheriff's Deputy Mourned



LONG BLUE LINE: Officers on motorcycles lead the funeral procession of Deputy Zackari Parrish, 29, who was killed by a gunman who fired at deputies near Denver on Sunday. The deputy is survived by his wife and two daughters.

## JOBS

*Continued from Page One*  
business and individual income tax cuts passed by Congress go into effect. The cuts could stimulate consumer spending and business investment. Economists surveyed by The Wall Street Journal expect the economy to add another 2 million jobs in 2018, which would be a record-setting eighth straight year of job growth at or above that pace.

"The fact that job growth hasn't tapered off faster—that's pretty impressive," said Kate Warne, economist and investment strategist at Edward Jones. "Job growth last year was pretty much the same as in 2016, and that's our outlook for this year as well. We don't expect anything radically different."

Friday's report showed employers added jobs in manufacturing, construction and health care in December. Employment fell in retail.

In theory, wage growth should be picking up as available workers become more scarce and businesses compete for labor. But average hourly earnings rose 2.5% in December from a year earlier, a similar, modest pace as maintained since early 2015. Wage gains look a bit better on a weekly basis, because Americans are working more hours.

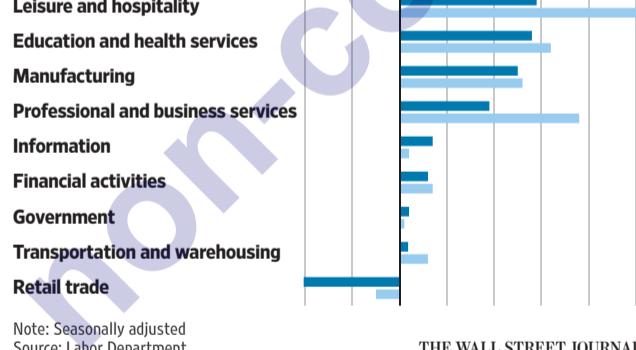
Modest wage growth is one factor that is expected to keep the Federal Reserve restrained as it raises short-term interest rates in the months ahead. It is projected to raise rates three times this year, the next time in March.

As the expansion rolls on, companies are reporting increasing trouble finding qualified workers. That could spur wage gains in the months ahead as employers bid to take up and retain employees.

Famous Toastery, a North Carolina chain of breakfast restaurants, wants to add two restaurants a month over the

## Building Jobs

Construction led the pack with strong hiring in December. Monthly change in payrolls, by sector, in thousands:



Note: Seasonally adjusted

Source: Labor Department

THE WALL STREET JOURNAL

## Retail Sector Reality Likely Not So Grim

In a year when U.S. employers added more than two million jobs, one dark spot in 2017 appeared to be the retail industry.

Employment in the sector fell a seasonally adjusted 67,000 jobs in December from a year earlier, according to Labor Department data.

But those dire numbers, the worst among major industry categories, likely overstate job losses in the retail sector more broadly. National chains such as Macy's Inc., Sears Holdings and J.C. Penney Co. have closed stores in recent years, while online retailers such as Amazon.com Inc. added workers. But the Labor Department doesn't count brick-and-mortar retail jobs the same way it counts online jobs.

Industry determination of workers is largely based on the function performed at different company sites, according to a Labor Department economist. That means workers at warehouses, or fulfillment centers, for online retailers can be counted under warehouse industry employment.

As the expansion rolls on, companies are reporting increasing trouble finding qualified workers. That could spur wage gains in the months ahead as employers bid to take up and retain employees.

Famous Toastery, a North Carolina chain of breakfast restaurants, wants to add two restaurants a month over the

not retail. And workers at shipping centers for the online retailers can go in the shipping category rather than retail, the economist said.

Employment in the transportation and warehousing sector rose by 74,000 last year, according to the Labor Department, more than offsetting retail-industry losses.

"The government statisticians have still not caught up to e-commerce, so there's not yet any coherent standards about how to classify e-commerce workers," said Michael Mandel, chief economic strategist at the Progressive Policy Institute, a left-leaning think tank. He believes the government will develop uniform guidelines for e-commerce workers over time.

The Labor Department won't comment on how individual companies or locations are counted, or even if they are surveyed. The muddle over retail jobs doesn't mean overall employment is undercounted. The department annually benchmarks its monthly jobs reports to tax records, which captures the vast majority of workers.

—Eric Morath and Joshua Mitchell

If we need 50 people to open a restaurant, we hire 75," he said. "We know on day one, X number of people won't

show up and X number of people won't be qualified."

He said workers frequently jump to better paying jobs, sometimes even before they start working at Famous Toastery.

Still, the chain is reluctant to get into bidding wars with competitors over wages. Instead it is trying to attract workers with other perks, such as no evening work and consecutive days off for managers.

The share of Americans participating in the labor force held steady at 62.7% in December. Participation has largely moved sideways the past two years, a sign that some Americans are being drawn off the sidelines of the labor market and countering the long-run trend of aging baby boomers retiring.

Christopher Davis, 36 years old, lost his job as a contractor for the city of Chicago in 2014 when he plead guilty to a gun possession charge. After he was released from jail in 2015, he landed several interviews, but had job offers pulled after background checks.

Last month he landed a job as a building manager at ABM Industries, a maintenance and janitorial services firm, with help from Cara, a social services nonprofit.

Mr. Davis said he earns about \$10 less an hour than he did at his old job.

"It's less, but it's a great starting spot," he said. "I'm looking to grow with the company and add more responsibility."

Labor-force participation among workers between 25- and 54-years-old edged up in December to the highest rate, 81.9%, since 2010. Still, the share of those working-age adults working or seeking work is well below prerecession levels.

A broad measure of unemployment and underemployment that includes Americans stuck in part-time jobs or too discouraged to look for work increased in December to 8.1% from 8.0% the prior month.

## Powell Privately Voiced Concerns

By NICK TIMIRAO

Federal Reserve governor Jerome Powell guardedly supported an aggressive expansion of the Fed's controversial bond-buying program in 2012 and expressed reservations behind closed doors about longer-term risks, according to transcripts of central bank policy meetings released by the bank on Friday.

Mr. Powell joined the board in May of that year and has been tapped by President Donald Trump to succeed Fed Chairwoman Janet Yellen next month. Because he voted consistently to support the policies of former Fed Chairman Ben Bernanke and later Ms. Yellen, markets expect he wouldn't deviate significantly from the Fed's current policy path to gradually raise rates.

The materials released Friday reveal for the first time his greater caution in 2012 about aggressively deploying unconventional policy tools compared with Mr. Bernanke and Ms. Yellen. The release of 2,167 pages of transcripts and other materials from eight meetings

of the Fed's rate-setting committee provide the first verbatim public record of what individual officials and staffers said during the policy discussions. Mr. Powell, a former private-equity executive, is set to become the first non-economist in four decades to lead the Fed. His concerns about expanding the bond-buying program imply greater caution about making big or sudden moves and suggest he may be more attuned to how financial markets respond to policy decisions than his predecessors.

The Fed in 2008 launched the first of three rounds of bond purchases aimed at stabilizing markets and lowering long-term interest rates. The untested move drew criticism that the central bank was risking a surge in inflation. In the end, the economy and the labor market strengthened, while inflation stayed under control. Despite his early misgivings, Mr. Powell by 2015 had fully embraced the view that the central bank should be prepared to take aggressive and sustained action to boost growth and fight recessions.

start times on Friday. In some editions Friday, a U.S. News article about bitterly cold weather incorrectly said Maine made the same announcement.

The scholarship endowment of Dartmouth College's Tuck School of Business is \$87.6 million. A Management article Thursday about business education incorrectly described that fund as the school's scholarship budget.

A cubit is a biblical unit of measurement used by various peoples in ancient times. A Page One article Oct. 24 about an English group that advocates for imperial measurements incorrectly said it was an English measurement.

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

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## U.S. NEWS

# Murder Rate In Big Cities Is Declining

New York, L.A., are at historic lows; police cite change in tactics, better community ties

BY ZUSHA ELINSON  
AND ZOLAN KANNO-YOUNGS

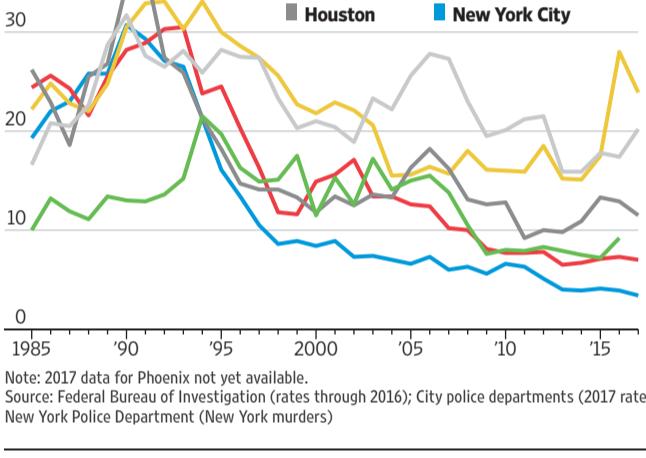
Murders fell in the U.S.'s largest cities in 2017, and the two biggest—New York and Los Angeles—are at or near the lowest levels of deadly violence in their modern histories.

In New York, murders dropped to 290, a number not seen since 1951, police say, and killings in Los Angeles were at 281, staying below 300 for the eighth consecutive year, according to data from the police and the Federal Bureau of Investigation.

## Crime Scenes

Murders have generally dropped in the biggest U.S. cities since the peak decades ago.

### Homicide rates in the six most populous U.S. cities



Note: 2017 data for Phoenix not yet available.  
Source: Federal Bureau of Investigation (rates through 2016); City police departments (2017 rates); New York Police Department (New York murders)

BYRON SMITH FOR THE WALL STREET JOURNAL



New York City's 290 murders last year compared with 2,245 in 1990. It was the lowest since 1951. NYPD chief of crime control strategies Dermot Shea says the city's crime rate can still be improved. 'I believe we can go lower,' he says.

at a crime statistics briefing on Friday.

"This model will only get stronger. Neighborhood policing will only get stronger. A

close working relationship with the community will only get stronger. And training, the technology will get better," the mayor said.

The trend follows a two-year uptick in homicides and a broader nationwide decline in crime from the 1990s to the early 2010s.

The causes of the decline remain debated, with theories including police tactics, aging populations, the economy, the collapse of the 1990s crack market and incarceration rates in the 1990s.

Criminologists say police tactics have played a role in both New York and Los Angeles in bringing down violent crime.

It is too early to tell whether 2017 signals a reversal of two years of nationwide increases in murders in 2015 and 2016.

There are striking exceptions, with Baltimore and Philadelphia both seeing increases in murder in 2017.

Criminologists and police officials say the increase in

murders in 2015 and 2016 was driven by drug-related violence and a breakdown in police-community relations following the high-profile police shootings of black men.

Even during the two-year increase, New York and Los Angeles sustained long-term drops in violent crime.

New York City's 290 murders last year compared with 2,245 in 1990. The 281 murders recorded in Los Angeles compared with 1,094 in 1992.

NYPD chief of crime control strategies Dermot Shea said Friday that the city's crime rate can still be improved.

"I believe we can go lower," Chief Shea said.

"We can do better, crime can be pushed further down. It's going to take a lot of cooperation, and I think we're going to get it," he said.

Facing record homicide rates in 1990s, police in New York, Los Angeles and elsewhere flooded neighborhoods with officers and stopped and arrested thousands.

That helped suppress crime, but it was a temporary fix that alienated minority communities, police and city officials now say.

A federal judge in 2013 ruled the NYPD's use of street stops unconstitutional.

"When I was coming up it was the invading army model," said Marquece Harris-Dawson, a Los Angeles City Council member who grew up in South Los Angeles.

"Now what you see is something that looks much more like a service model and that makes people more likely to work with them," he said.

In 2011, Los Angeles sent officers to its most notorious housing projects with a new mission to patrol the projects, work with residents to solve problems, walk children to school, and organize after-school activities.

There was one murder between 2012 and 2016 at Jordan Downs, a housing project that served as the setting for 1993 film "Menace II Society."

# Nominee's Credentials Questioned

BY CHRISTOPHER WEAVER  
AND DAN FROSCH

President Donald Trump's nominee to lead the troubled Indian Health Service appears to have misrepresented his work experience at a Missouri hospital to a Senate committee, according to former employees at the hospital.

The nominee, Robert Weaver, 39 years old, has "nearly two decades of experience in hospital, mental health administration," the Trump administration said in announcing his candidacy.

Evidence of that experience cited on his publicly available résumé and a formal document provided to U.S. senators includes his time at St. John's Regional Medical Center in Joplin, Mo., from 1997 to 2006.

On the résumé, he described financial roles he held at the hospital, including overseeing accounts receivable and the budget. In the document addressed to the Senate Indian Affairs Committee after his nomination, he said he worked in "supervisory and management positions" there, according to a spokeswoman for Sen. Tom Udall, a New Mexico Democrat who is vice chairman of the committee. The committee is responsible for reviewing the nomination before the full Senate considers it.

The spokeswoman, Jennifer Talhelm, provided the information after the Journal contacted Mr. Udall's office seeking information about Mr. Weaver's representations. She said Mr. Weaver, a member of the Quapaw tribe of Oklahoma, told the Senate committee that his leadership experience qualifies him to lead the IHS, a roughly \$6 billion federal agency that operates 26 hospitals and oversees medical care for more than two million Native Americans.

However, former St. John's managers in some of the areas where he said he worked don't remember him. "I don't recall that name whatsoever," said Augusto Noronha, who was chief financial officer of the hospital from 1999 until 2005.

"I've never heard that name before," said Wayne Noethe, a former controller at the hospital.

Another former executive, Bob Henderson, who was director of patient financial services, said he recalled a subordinate

### Trump Resubmits Judicial Selections

WASHINGTON—President Donald Trump on Friday said he would resubmit more than 20 judicial nominees to the Senate for confirmation, including his picks for federal judge positions in Alabama, Colorado, Louisiana—states the White House says "are suffering from judicial emergencies."

The judge picks were among nearly 100 nominees that Congress returned to the White House late last year. At the end of a calendar year, the Senate must unanimously agree to roll over an unconfirmed nominee to the next year. If any senator objects, the nominee is returned to the White House and must be re-submitted for confirmation.

Lawmakers' decision to re-

turn the nominees didn't necessarily mean their confirmation prospects are in trouble, but it could mean a delay in filling the already historically high number of vacancies in the federal government.

The Senate agreed to keep about 150 of Mr. Trump's nominees, according to an aide to Senate Majority Leader Mitch McConnell (R., Ky.).

The nominees returned to the White House include several prominent ones, including Health and Human Services secretary nominee Alex Azar, Federal Reserve chairman nominee Jerome Powell and nearly a dozen State Department picks.

Many of these are expected to be renominated and confirmed.

But the list also includes several nominees who have faced contentious confirmation hearings and criticism

named Rob Weaver who registered E.R. patients, gathered insurance information and collected copays, and who eventually supervised a few other patient-registration workers. Asked whether that constituted a leadership role, Mr. Henderson said, "Well, I guess it would depend upon how you look at leadership." Other former St. John's officials described this as an "entry-level" job.

The Journal cross-checked each account of a former St. John's employee's tenure and roles with at least two of their old colleagues.

A spokeswoman for the committee's chairman, John Hoeven, a Republican from North Dakota, said the committee would look into the Journal's findings of inconsistencies concerning the nominee's credentials and make sure "all these questions and others are fully answered by Mr. Weaver."

Mr. Weaver, in a phone call Thursday, referred all questions to the U.S. Health and Human Services Department, which oversees the IHS, but said: "There's a lot more to this story than what you are apparently being told." He didn't elaborate.

An HHS spokeswoman declined to comment on whether the agency and Mr. Weaver stood by past representations about his hospital experience.

The HHS spokeswoman sent the Journal a series of statements by tribal leaders, citing Mr. Weaver's qualifications.

Three of them said Mr. Weaver

"has worked with the IHS system for nearly two decades." Asked by the Journal what constituted his IHS experience, the spokeswoman said he had needed the system as a patient, especially when he was a child, and pointed to his career in health care.

Mr. Weaver's nomination was sent to the Senate for confirmation in October. The next leader of the agency, which hasn't had a Senate-confirmed director since 2015, will face daunting challenges: Two of the IHS's hospitals have been banned from the Medicare program for failing to meet U.S. requirements for care. The agency has struggled with staffing problems and allegations that negligent treatment led to numerous patient deaths.

A spokeswoman for St. Louis-based Mercy health system, which acquired St. John's Regional Medical Center in 2009, said the company couldn't verify Mr. Weaver's positions because some of its records were destroyed in a 2011 tornado that leveled parts of Joplin and badly damaged the hospital. The HHS spokeswoman said Mr. Weaver's copies of employment records also were destroyed in the tornado.

—Lisa Schwartz

*contributed to this article.*



Robert Weaver

# East Coast Faces Storm Aftermath

BY JENNIFER LEVITZ

The East Coast continued to shovel out on Friday from a fierce winter storm while also facing the next punch: a blast of frigid air that will last through the weekend.

In New England, crews worked to clean up Thursday's snowfall, well over a foot in many towns, before it froze, and officials warned that water from the flooding that struck at least 32 coastal communities could turn into treacherous ice slicks.

In Duxbury, Mass., a town 35 miles south of Boston on Cape Cod Bay, neighborhoods were "starting to ice up," the local fire department reported in a Twitter post Friday.

Boston used truck-mounted snowblowers to remove more than 100 trailer loads of snow from the streets, while National Guard crews mobilized to help the island of Nantucket, where the community's main sewer line burst underground during the storm, sending overflow into the harbor.

The Maine Emergency Management Agency said a top con-

cern was making sure people had enough heating fuel to ride out the cold and heavy winds.

Meteorologist Bob Oravec of the National Weather Service said the storm, which brought a rare snowfall to northern Florida and Georgia and then traveled up the East Coast, will be followed by cold air.

Sunday morning, for instance, could bring low-temperature records across the East, from North Carolina to Maine. The air in Boston could plummet to five degrees below zero, which would break a record of two below zero set in 1896, he said. In Wilmington, N.C., the temperature could drop to 11 degrees, which would topple a previous record of 16 degrees, set in 1884.

The current cold spell is expected to break by next week, however. "This is the last shot of really, really cold air," he said.

Airlines, which canceled nearly 4,400 flights Thursday, scrubbed about 1,400 flights in the U.S. as of Friday afternoon, according to flight tracking service FlightAware.com.

—Scott Calvert contributed to this article.

# E. Coli Spread Sickens People in 13 States

BY JESSE NEWMAN

An E. coli outbreak has sickened 17 people in 13 states, one of whom died, officials said.

Infections have been reported from California to Vermont, with illnesses beginning in mid-November. Five people have been hospitalized, the Centers for Disease Control and Prevention said Friday, including one who died.

The CDC said last week that the outbreak could be related to an E. coli outbreak in Canada. The agency said Canadian officials had linked illnesses there to romaine lettuce. Forty-one people have fallen ill in Canada, seventeen were hospitalized and one died.

The CDC hasn't determined a source for the U.S. outbreak

and hasn't advised U.S. consumers to avoid specific foods. It said early results of its gene-sequencing analysis show the strains of E. coli sickening people in the U.S. and Canada are closely related, indicating a common source of infection. The agency's investigation is continuing.

Some members of Congress this past week urged the CDC and the Food and Drug Administration to move more quickly.

"The CDC and the FDA should at least give consumers updated information on the status of their investigation, since the first reported illness connected to the current outbreak occurred nearly two months ago," Rep. Rosa DeLauro (D., Conn.) said on Wednesday.

*contributed to this article.*

## U.S. NEWS

# Trump Team Pushed U.N. Hard on Israel

Late 2016 effort to scuttle resolution, which Flynn lied to FBI about, was intense

In the days before a late 2016 vote on a United Nations resolution that criticized Israel, then-President-elect Donald Trump and top aides made a last-ditch push to target a majority of the U.N. Security Council to scuttle the text, people familiar with the situation said.

*By Kate O'Keeffe  
in Washington  
and Farnaz Fassihi  
at the United Nations*

The lobbying, which ultimately failed, was wider and more intense than has been reported, according to interviews with dozens of diplomats and U.S. officials. It was conducted against the wishes of the sitting U.S. government. The Obama administration's decision to abstain from the vote criticizing Israel's settlements in East Jerusalem and the West Bank was what enabled the Security Council to pass a resolution condemning the country's settlements for the first time in 36 years.

The December 2016 push by Mr. Trump and his transition team came at the request of Israel and involved top aides including the president's son-in-law, Jared Kushner, former national security adviser Mike Flynn and the current U.S. ambassador to the U.N., Nikki Haley, according to the people familiar with the matter.

Though the diplomatic effort was ultimately fruitless, Mr. Flynn's lies about it to fed-



Riyad Mansour, Palestinian permanent observer to the United Nations, after the Dec. 23, 2016, passage of a resolution criticizing Israel.

eral officials have formed part of the basis of the December plea deal he struck that requires him to cooperate with investigators looking into whether the Trump team colluded with Russia to win the 2016 election—something both the White House and the Kremlin have denied.

Mr. Flynn in the plea deal admitted to having placed calls to officials from multiple countries, including Russia, about the Israel resolution and to having “falsely stated” to the Federal Bureau of Investigation that he had only asked the

countries about their position on the text. Lawyers for Messrs. Flynn and Kushner declined to comment. Ms. Haley didn't respond to a request to comment.

Legal experts have questioned whether the U.N. lobbying effort ran afoul of an 18th-century law called the Logan Act, which bars unauthorized private citizens from negotiating with foreign officials in a dispute with the U.S. But there are no precedents to suggest how that law might apply.

White House lawyers say the statute doesn't apply to transi-

tion teams; other legal experts say it could.

The U.N. push came in December, after Egypt called for a vote on its sponsored measure. Samantha Power, then the U.S. ambassador to the U.N., kept the Obama administration's plan closely held, according to U.N. diplomats. Ms. Power didn't respond to requests to comment.

In order to pass, a resolution needs nine votes from the 15 U.N. Security Council members and no vetoes from the five permanent members: France, China, the U.K., Russia

and the U.S.

The transition team located many relevant officials, people familiar with the lobbying said. One of the people said efforts were made to reach China, New Zealand, Japan and Ukraine. China officials didn't respond to requests to comment, and officials from the latter three said they didn't receive an approach.

At the U.N., ambassadors discussed at parties and in late-night phone calls how best to respond, some noting that Messrs. Flynn and Kushner had told them the incoming

## Lobbying Bid Went Down to the Wire

The effort to get U.N. diplomats to delay the resolution was wide-ranging:

◆ One transition member called the U.S. State Department's 24-hour operations center for the phone numbers of officials, but the department declined to provide them.

◆ Mike Flynn reached Spain's foreign minister while he was at a party in Madrid.

◆ Nikki Haley tried to contact then-U.N. Ambassador Samantha Power, but she declined to take the call.

◆ Mr. Trump himself told Egyptian President Abdel Fattah Al Sisi that the resolution would damage Egypt's standing with his administration.

◆ Mr. Flynn called Malaysia's Permanent Mission to the U.N. hours before the vote, then called Uruguay's deputy ambassador just as diplomats gathered in the council chamber to vote.

administration “would remember” how they voted, people familiar with the calls said.

Mr. Trump himself, in a call with Egyptian President Abdel Fattah Al Sisi, made it clear that putting the resolution to a vote would damage Egypt's standing with his administration, according to a diplomat briefed on the call. Egypt pulled the resolution, but co-sponsors put the measure forward the next day. It passed.

—Felicia Schwartz,  
Jeannette Neumann  
and Erica Orden  
contributed to this article.

## Senators Attack Trump Dossier Author

BY BYRON TAU

WASHINGTON—Two Republican senators asked the Justice Department to open a criminal investigation into whether the author of a controversial research document on President Donald Trump lied to investigators.

Sens. Chuck Grassley of Iowa and Lindsey Graham of South Carolina alleged they have seen evidence that former British spy Christopher Steele

made false statements to federal investigators about how he disseminated his research, which has taken center stage in the investigation into Russian activity in the 2016 election.

The two senators stressed on Friday that their request was for “further investigation only, and is not intended to be an allegation of a crime.” They didn't provide details on what evidence they had seen.

Mr. Steele, a former British intelligence official, wrote a se-

ries of memos during the election regarding Mr. Trump's ties to Russia. The memos contained unverified allegations concerning Mr. Trump's business deals and personal life.

Mr. Steele has been sought out by the three congressional committees probing Russian interference during the 2016 election and whether Trump campaign associates colluded with Moscow, but people familiar with the matter say he hasn't spoken to Capitol Hill investiga-

tors as part of their probes.

Mr. Trump has called the dossier “fake” and has denied any collusion.

Mr. Steele was working for the nonpartisan research firm Fusion GPS when he wrote the memos.

Mr. Steele couldn't be reached for comment.

An attorney for Fusion GPS called for reporters to be “skeptical in the extreme” about the referral by Mr. Grassley and Mr. Graham.

## Claims on Clinton Foundation Are Being Probed

BY DEL QUENTIN WILBER  
AND JAMES V. GRIMALDI

Federal prosecutors and FBI agents are investigating allegations of potential corruption tied to the Bill, Hillary & Chelsea Clinton Foundation, according to a U.S. law-enforcement official and a person familiar with the investigation.

The probe is focused on whether donors to the foundation got preferential treatment from Hillary Clinton when she served as secretary of state during President Barack Obama's first term, the official said.

Among those interviewed by investigators was Andrew Kessel, the foundation's chief financial officer, according to the person familiar with the probe.

The Justice Department and Federal Bureau of Investigation have been scrutinizing the foundation since at least 2015. The disclosure of the current inquiry comes as President Donald Trump has berated the Justice Department and FBI for not investigating his rival in the 2016 presidential election.

A Justice Department spokeswoman, Sarah Isgur Flores, declined to comment. A spokesman for the foundation dismissed the allegations and investigation.

“Time after time, the Clinton Foundation has been subjected to politically motivated allegations, and time after time these allegations have been proven false. None of this has made us waver in our mission to help people,” the spokesman, Craig Minassian, said in a statement.

The investigation was reported earlier Friday by the Hill, which said FBI agents from Arkansas had interviewed a witness in the investigation. The investigation is being spearheaded by federal prosecutors and agents in Little Rock, where the foundation has offices in former President Bill Clinton's presidential library, the law-enforcement official said.

The foundation has been under scrutiny by the FBI since at least 2015. By the following year, four FBI field offices—in New York, Washington, Little Rock and Los Angeles—were

collecting information about the foundation to see if there was evidence of financial crimes or influence-peddling.

The foundation has been a focus of criticism over donations received from governments and corporations that had business before Mrs. Clinton during her time as secretary of state, and could have been affected by decisions she could have made as president if she had won the 2016 election. In response to the criticism, the foundation has said it “has strong donor integrity and transparency practices.”

As secretary of state, Mrs. Clinton was an aggressive global cheerleader for American companies, pushing governments to sign deals and change policies to the advantage of corporate giants such as General Electric Co., Exxon Mobil Corp., Microsoft Corp. and Boeing Co. At the same

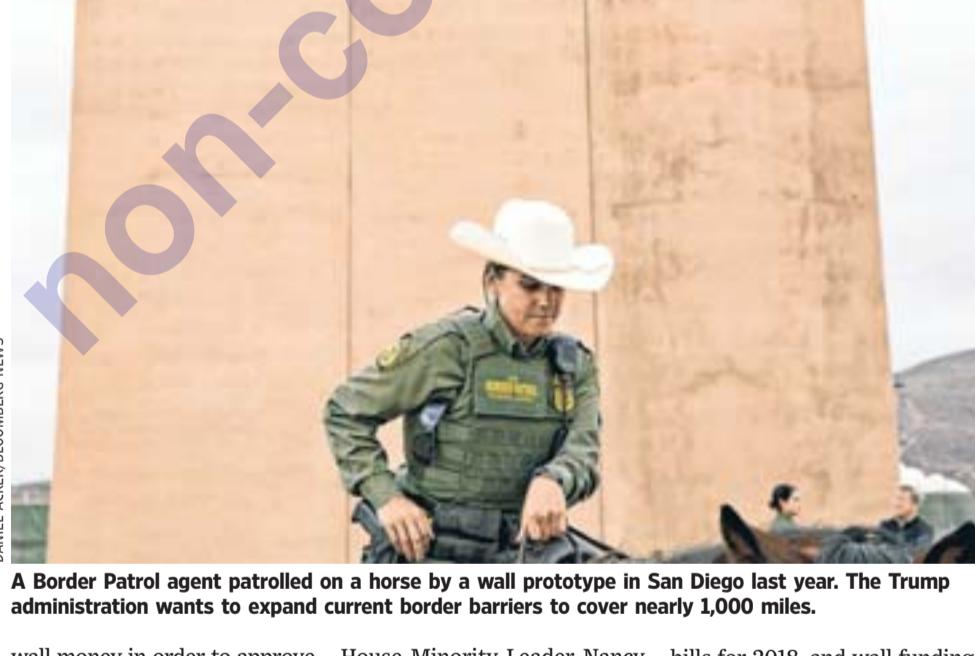
*The probe is focused on whether donors to the foundation got preferential treatment.*

time, those companies were among the many that gave to the Clinton family's global foundation set up by her husband, Mr. Clinton.

A Wall Street Journal investigation in 2015 found that at least 60 companies that lobbied the State Department during her tenure donated a total of more than \$26 million to the foundation.

In recent months, Republicans have ratcheted up their calls for the Justice Department to investigate the foundation, and some have called for a special counsel to delve into various Clinton-related matters.

In a letter to Congress in November, the Justice Department reported that senior prosecutors had been tasked with evaluating some of the issues raised by GOP lawmakers. The letter didn't confirm the existence of an investigation, but it cited concerns raised by Republicans about “alleged unlawful dealings related to the Clinton Foundation.”



A Border Patrol agent patrolled on a horse by a wall prototype in San Diego last year. The Trump administration wants to expand current border barriers to cover nearly 1,000 miles.

wall money in order to approve a Dreamer deal. But the communications to Congress, combined with Mr. Trump's tough rhetoric at the White House this week, are raising expectations among conservatives, which might make it harder for Republicans to compromise.

Mr. Trump campaigned on a promise to build a “big, beautiful wall” on the border to stop illegal immigration and drug trafficking, and promised Mexico would pay for it. Congress hasn't agreed to spend any money on the project, and Mexico has repeatedly said it won't.

The border document, from the Customs and Border Protection agency at DHS, envisions the wall project unfolding over 10 years. If carried out as described, by 2027, about 970 miles of the 2,000-mile Southwest border would have some sort of fencing or wall separating the U.S. from Mexico.

Reaction was swift from other Democrats on Capitol Hill beyond Mr. Durbin.

“This is alarming,” said

House Minority Leader Nancy Pelosi (D, Calif.) in a note to House Democrats that circulated a report of the wall proposal. “We must all speak out,” she said.

A Senate Democratic leadership aide said the plan goes far beyond what lawmakers in both parties have discussed.

Democrats have said that they are willing to back new border-security measures aside from a wall.

The non-wall border requests laid out by DHS include \$5.7 billion over five years for towers, surveillance equipment, unmanned aerial vehicles and other technology; \$1 billion over five years for road construction and maintenance; and \$8.5 billion over seven years for 5,000 new Border Patrol agents.

The administration has already requested \$1.6 billion for 60 miles of a new barrier in Texas and 14 miles of replacement fencing in San Diego for the current fiscal year. Congress hasn't passed spending

bills for 2018, and wall funding is one of the hang-ups.

The administration's new document doesn't detail where the additional miles of barrier would be constructed beyond 2018. It refers to the barrier as a “wall system,” though officials including Mr. Trump have at times said it might look more like a fence or a “see-through wall.”

The total cost for the barriers would be \$9.3 billion over the first five years and \$8.7 billion over the next five years, the document said. The document hasn't been publicly released but was viewed by The Wall Street Journal. That includes a combination of new barriers and replacement fencing.

The George W. Bush administration, which constructed much of the existing fencing, was stymied in its efforts to build additional miles for a range of reasons, including resistance from private landowners in Texas, where most of the unfenced land sits.

# OBITUARIES

**JOHN C. PORTMAN JR.**  
1924 – 2017

## Architect Designed Flamboyant Hotels

**U**nderstatement was never his style. Critics, hurling terms like “hulking” and “bombastic,” often sneered at John Portman’s hotels, but the general public was enchanted by the see-through elevator cabs rising like champagne bubbles inside his dizzying atriums.

His work as an architect was exemplified by such flamboyant hotels as the Marriott Marquis in New York’s Times Square, the Westin Bonaventure in Los Angeles and the Hyatt Regency in downtown Atlanta with its 22-story atrium and revolving restaurant. He transformed neighborhoods with the Embarcadero Center in San Francisco and the Renaissance Center in Detroit.

Most architects wait for assignments. Mr. Portman often came up with the idea, bought land and secured financing. That way, he told students at Harvard University in 2010, there was “no damn question about who’s going to be the architect.”

Ambushed by the real-estate slump of the early 1990s, he was weighed down by \$2 billion of debt and had to negotiate with lenders to save a shrunken empire. He shifted his focus to designing glitzy buildings in Asia. The Atlantan once dubbed the P.T. Barnum of the hotel business was right at home in the circus of China’s leap into the future.

Mr. Portman died on Dec. 29 in Atlanta. He was 93.

**CALESTOUS JUMA**  
1953 – 2017

## Development Expert Took Risks in Africa

**A**s a boy on the shores of Lake Victoria in Kenya, Calestous Juma found books were scarce, so he wrote to embassies in Nairobi to request information about the outside world. The Germans sent him a leaflet about what to buy and wear in Düsseldorf. The Chinese dispatched a copy of Mao’s “Little Red Book.”

Even Mao couldn’t suppress the boy’s entrepreneurial instincts. A neighbor brought him a flashlight that had stopped working. Calestous opened it up and scraped rust off the negative contact point for the battery. The light came back on. Soon, he earned pocket money by repairing lights, radios and record players.

He grew up to found a think tank in Nairobi, head a United Nations biodiversity agency and teach at Harvard University, where some of his programs were funded by the Bill & Melinda Gates Foundation.

His focus was on finding ways to deploy science and technology to defeat poverty and hunger. Defying many politicians and environmentalists, he encouraged African nations to experiment with genetically modified plants.

“The risks of doing nothing may outweigh the risks of innovating,” he wrote in a 2016 book, “Innovation and Its Enemies.”

Dr. Juma died at his home in Cambridge, Mass., on Dec. 15. He was 64 and had cancer.

BY JAMES R. HAGERTY

**B**arry Sherman was stiff in social settings and suffered from what he called chronic lethargy and fatigue. He wrote in a memoir that life had no meaning or purpose.

Yet the Canadian entrepreneur was fiercely ambitious in building up the generic-drug company that made him a billionaire, Apotex Inc., and enjoyed the influence he got from his donations to medical, educational and other causes.

He also feared retaliation from rivals. “The branded drug companies hate us,” he said in an interview excerpted in a 2001 book by Jeffrey Robinson. “They have private investigators on us all the time. The thought once came to my mind, why didn’t they just hire someone to knock me off?”

Dr. Sherman, 75 years old, and his wife, Honey, 70, were found dead at their Toronto mansion Dec. 15. The police have said they died of “ligature neck compression,” a type of strangulation. The deaths remain under investigation.

Dr. Sherman was known as brainy and blunt. “He would correct your grammar no matter who you were,” Jack Kay, a colleague, said at a memorial service last month. “He pretty well thought he was smarter than everyone else, and he wasn’t wrong about that.”

Bernard Charles Sherman, known as Barry, was born Feb. 25, 1942, in Toronto. His grandparents on both sides had fled persecution of Jews in Russia and Poland.

His father was a partner in a company that made zippers. Visiting the factory as a boy, Barry was asked by his father to help package zippers into boxes of 20. Though impressed by how quickly the boy worked, the father checked a few boxes to make sure each contained exactly 20 zippers. “I was ex-

**BARRY SHERMAN**  
1942 – 2017

## Pessimist Earned Billions From Generic Drugs



lege, he worked for an uncle, Louis Winter, who owned a medical lab and a small plant in Toronto making generic drugs. After his uncle died in 1965, Dr. Sherman proposed to buy the uncle’s business, known as Empire Laboratories. He was initially rebuffed by trustees for his uncle’s estate but persisted and reached an agreement to buy Empire in 1967.

In 1973, he and a partner sold Empire to ICN Pharmaceuticals Inc. of California. The sales contract specified that the selling shareholders couldn’t compete against ICN for five years. But Dr. Sherman wanted to go back into the generic-drug business and found a loophole: “I was not a shareholder directly, but only through my holding company,” he wrote later. “I hoped that, if we withheld the schedule of shareholders until the last minute, ICN would not pick up this technicality.” The ploy worked “exactly as I hoped,” he added.

Dr. Sherman used proceeds from the sale to set up Apotex in 1974. The company now has about 11,000 employees globally.

Much of Dr. Sherman’s time was consumed by legal battles over pharmaceutical patents and a dispute with some of his cousins over the estate of his Uncle Louis.

Dr. Sherman married the former Honey Reich in 1971, and they had four children. Unlike her husband, Honey Sherman was known for her sunny disposition. She helped steer the couple’s social and philanthropic activities.

At the memorial service, their son Jonathon said of his parents: “You were like a lock and a key: each pretty useless on your own. But together you unlocked the world for yourselves, and for us and for so many others.”

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

## FROM PAGE ONE

# APPLE

Continued from Page One  
ple public statements.

Longer lead times between announcement and product release have the potential to hurt Apple on multiple fronts. Delays give rivals time to react, something the company tried to prevent in the past by keeping lead times short, analysts and former Apple employees said. They also have cost Apple sales and can stoke customer disappointment.

Production issues contributed to the company largely missing the important Christmas shopping season with its two newest products, AirPods and HomePods.

When the \$349 HomePod was unveiled in June, Apple touted its superior sound and said it would be ready in December. Then Apple said in November that shipment would be delayed until this year, causing it to lose out on a gift-giving season when such smart speakers were big sellers. Apple hasn’t yet given a new arrival estimate.

Meanwhile, Amazon.com Inc. in September announced a redesigned Echo for \$99 with sound-boosting processing from Dolby Laboratories, Inc. Weeks later, Alphabet Inc.’s Google unveiled an improved speaker of its own, the Google Home Max, for \$399.

The HomePod delay was “a huge opening” for Amazon and Google to increase sales to loyal iPhone and iPad customers, said Matt Sargent, an executive at research-based consultancy Magid. Apple seems “to be losing step, and that’s a big strategic concern with how they’re positioning the brand,” he said.

Apple declined to make Mr. Cook available. Apple seldom explains why products are delayed and in the case of the HomePod said only that it wasn’t ready.

### Hard Promises

Apple has run into delays shipping new products when promised in recent years.

#### Product announcement timeline



ing until products were ready for shipment before publicizing them, except for unique devices like the iPhone and Apple TV. For instance, Apple shipped its flagship handset, the iPhone X, in November, six weeks later than it usually does with new models following production bottlenecks over the summer.

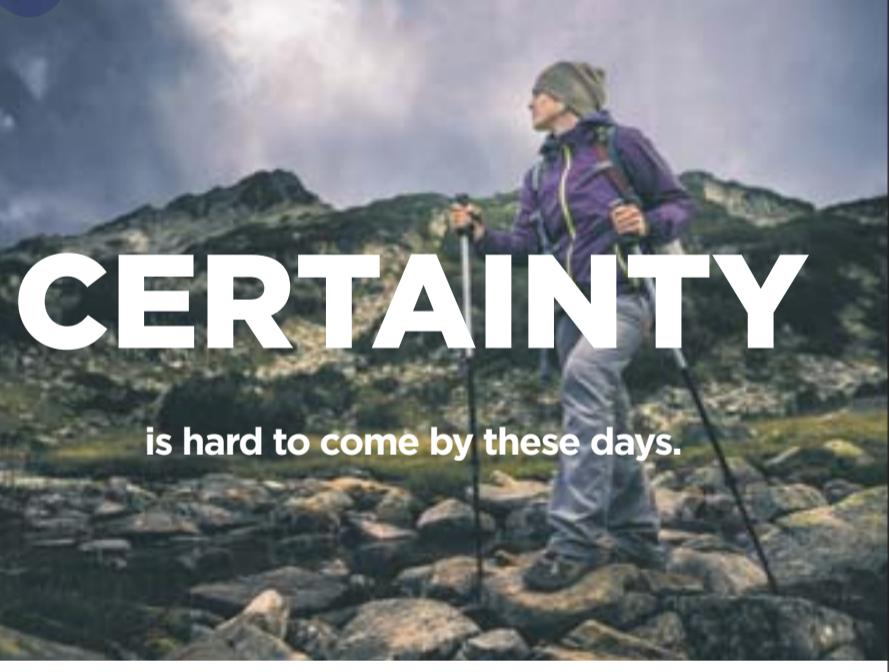
Mr. Cook said during a November interview with The Wall Street Journal that Apple would have preferred to ship the iPhone X, 8 and 8 Plus si-

multaneously in September when the devices were introduced, but “didn’t have that choice” because the iPhone X, which was slated to ship later, wasn’t ready. Still, he went with announcing all three devices at the same time so that customers could choose the phone they most wanted.

The staggered schedule led many customers to hold off iPhone purchases in September and October, triggering a 7.6-percentage point decline in U.S. market share for smartphones in the October quarter to 32.9%, according to Kantar

**Apple has recently added new products at a much faster clip than under Mr. Jobs.**

It’s not the little Ferrari that Steve built for himself,” said Roger Kay, an analyst with Endpoint Technologies Associates. “It’s become this big organization, and that has to contribute to some unevenness of execution.”



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## WORLD NEWS

## Talks Watched for Clues on Nuclear Issue

U.S. remains skeptical as North and South Korea prepare for their first meeting in years

By ANDREW JEONG

SEOUL—As North and South Korea prepare to hold their first official, face-to-face talks in two years, the stakes have rarely been higher.

The North, now under the tightest sanctions yet, has rapidly advanced its weapons program in the past year and claims to be able to hit the U.S. with nuclear-armed ballistic missiles. Leaders in Pyongyang and Washington have openly threatened nuclear war. Against this backdrop, the South is five weeks away from hosting the Olympic Games.

Tuesday's talks will help determine whether the Koreas' mutual outreach can cool tensions and lead to discussions aimed at persuading the North to abandon its nuclear program, or whether it will be one of many failed efforts to find common ground. The U.S. won't be present.

South Korea hasn't said who will lead its delegation, but local media have mentioned Unification Minister Cho Myoung-gyon as a candidate and reported that military negotiator Ri Son Gwon may represent Pyongyang. Mr. Ri heads the North's Committee for Peaceful Reunification of the Fatherland, an organization handling inter-Korean affairs. This week he announced the decision by North Korean leader Kim Jong Un to reopen a cross-border hotline.

A South Korean government spokesman said the North's possible participation in the Olympics would lead the agenda, following Mr. Kim's Jan. 1 offer to send a delegation to the Winter Games in Pyeongchang next month. South Korean President Moon Jae-in said Friday that the North's nuclear program was "tough to solve." Seoul would pursue "talks and



People took part in a mass demonstration in support of a new year address made by North Korean leader Kim Jong Un at Kim Il Sung square in Pyongyang on Thursday. KIM WON-JIN/AFP/GETTY IMAGES

peace based on a formidable national security policy" but wouldn't do so feebly, he said.

A big question is what North Korea would demand in return

*President Moon Jae-in said that the nuclear program was 'tough to solve.'*

for Olympic involvement. On Thursday, amid signs of a tentative thaw on the peninsula, U.S. President Donald Trump and President Moon agreed to post-

pone annual combined military exercises until after the Olympics. The exercises enrage Pyongyang, which has demanded their cancellation.

Sporadic talks between the Koreas have occurred since the 1970s, resulting in agreements to hold reunions for families separated by the Korean War and deals to provide the North with medical and food supplies.

The most recent official face-to-face talks were in December 2015, when the North asked Seoul to lift a ban on South Koreans visiting a North Korean mountain resort that had been a source of income for Pyongyang. The North refused to discuss other topics. Seoul

balked, and those talks failed to produce results. Two months later, the North cut cross-border communication lines.

The U.S., which has led efforts to isolate Pyongyang over its nuclear program, has said it isn't a bad thing for the Koreas to talk. But the State Department said it is skeptical about Mr. Kim's sincerity and warned this week that North Korea may be trying to "drive a wedge" between Seoul and Washington.

"These talks will be limited to conversations about the Olympics and perhaps some other domestic matters...not beyond that," State Department spokeswoman Heather Nauert told a news briefing Thursday.

"This is not something where the Republic of Korea is going to go off freelancing or having lots of conversations with them." The Republic of Korea is the formal name for South Korea.

Chinese Foreign Ministry spokesman Geng Shuang told reporters Friday that Beijing supported the decision to hold talks and urged all parties to seize the positive momentum.

Beijing announced new curbs on trade with North Korea, including a ban on exporting iron, steel, industrial machinery and cargo vehicles to the hermit state, in a move to implement recently approved United Nations sanctions.

In a joint directive issued Fri-

day, China's Commerce Ministry and customs agency said they are also limiting crude oil and refined petroleum exports to North Korea, to ensure compliance with the U.N. Security Council's December resolution.

Effective Saturday, Beijing's curbs will also ban imports of certain North Korean goods, including agricultural products, minerals, machinery, electrical equipment, wood and vessels.

Observers say expectations should be low for a breakthrough in Tuesday's talks. There was no comment on the talks from Pyongyang on Friday.

*—Min Sun Lee in Seoul and Chun Han Wong in Beijing contributed to this article.*

## Canada's Jobless Rate Hits New Low

By PAUL VIEIRA

OTTAWA—Canada's unemployment rate dropped to a four-decade low in December and job creation exceeded expectations by a wide margin for a second straight month, likely increasing pressure on the Bank of Canada to raise interest rates in early 2018.

The Canadian economy added a net 78,600 jobs in December on a seasonally adjusted basis, Statistics Canada said Friday, which nearly matched the previous month's gain of 79,500. This marked the best two-month performance since April 2012.

Canada's jobless rate reached a fresh low of 5.7%, down from 5.9% in November. The data agency said December's unemployment rate is the lowest since it began collecting comparable data back in 1976.

### Defying Expectations

Canada's unemployment rate is the lowest since it began collecting comparable data back in 1976



#### Tank Hunter

The Javelin missile can not only destroy a tank, slowing any Russian advance into Ukraine, but also give infantry troops an advantage in spotting enemies.

##### NAME FGM-148 Javelin

MAKER Raytheon & Lockheed Martin

##### TYPE Shoulder-fired missile

TARGETS Tanks, bunkers, slow-moving helicopters, small boats

WARHEAD Shaped charge for armor penetration

Photo: U.S. Marine Corps

Source: Raytheon & Lockheed Martin

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##### OPTICS 4X or 9X thermal magnification, 4X optical magnification

##### TYPICAL RANGE 2.5 km/1.6 miles

##### GUIDANCE Infrared seeker locks on to target

PERFORMANCE Missile can be set to take a direct path or climb above its target and strike where the armor is weakest

##### ATTRIBUTES Soft-launch technology reduces back blast

The Russian official said that on a trip to Armenia, he met special forces with U.S. gear, including boots, field jackets and knives, which he said he identified from the brands and make. He said they told him they bought it at an informal street market in Tbi-

lisi, the Georgian capital.

A Pentagon spokesman noted that Ukraine and Georgia are required to adopt the same security measures as the U.S. and said it "conducts meticulous evaluations of physical security preparations and capabilities."

Conflict Armament Re-



Note: data is seasonally adjusted  
Source: Statistics Canada

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## Eurozone Inflation Eases but Policy Makers Confident

By PAUL HANNON

The annual rate of inflation in the eurozone fell in December, likely marking the start of a series of drops the European Central Bank hopes will prove temporary.

The eurozone's economy had a surprisingly strong 2017, in which it is estimated to have grown at the fastest pace since the global financial crisis. According to ECB President Mario Draghi, that pickup in

growth has given policy makers "greater confidence" that inflation will eventually hit their target of just below 2%.

The ECB is this month cutting back on one of the stimulus programs it launched in 2014, reducing its monthly bond purchases under a program known as quantitative easing to €30 billion (\$36 billion) from €60 billion. The timing of further steps in that direction will depend on evidence that inflation is behaving as the

central bank hopes it will.

Figures released by the European Union's statistics agency Friday showed the annual rate of inflation was closer to the ECB's goal at the end of 2017 than at the start. Consumer prices were 1.4% higher in December than a year earlier, compared with an inflation rate of 1.1% in the final month of 2016.

However, the inflation rate eased from the 1.5% rate recorded in November. That dip won't come as a big surprise

to the ECB because energy prices jumped at the turn into 2017, and those sharp rises aren't likely to be repeated this year. As a result, economists and policy makers expect the inflation rate to drop further in early 2018, before rebounding from March.

That early weakness is one reason why the ECB's economists expect the average rate of inflation to be lower in 2018 than in 2017, before rising again in 2019 and 2020.

The ECB is pinning its hopes on a relationship known in economics as the Phillips curve, where falling unemployment is believed to push up inflation as workers demand and get higher wages. But there is little evidence of that relationship producing the expected results. According to figures released last month, wages increased more slowly in the three months to September than in the previous three-month period, despite a drop in the unemployment rate.

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## WORLD NEWS

# Pakistan Official Warns Alliance With U.S. Is Over

BY SAEED SHAH

ISLAMABAD—Pakistan's foreign minister said he sees his country's alliance with Washington as over after the Trump administration announced the suspension of U.S. security-related aid to Pakistan.

"We do not have any alliance" with the U.S., Khawaja Muhammad Asif said in an interview Friday. "This is not how allies behave."

The foreign minister's statement further ratcheted up an increasingly tense exchange in the past week between the two countries, which have maintained a rocky antiterror collaboration since the Sept. 11, 2001, attacks. Those ties have frayed but not broken de-

**'We do not have any alliance' with the U.S., Khawaja Muhammad Asif says.**

spite differences over Afghanistan, India and the 2011 U.S. raid on Osama bin Laden's compound in Pakistan, which was undertaken without Islamabad's prior knowledge.

For Washington, jettisoning support for a longtime nuclear-armed ally in a strategic location isn't easy. For its part, Pakistan fears a full break could lead the U.S. to apply its leverage in international forums to hurt the country's economy.

A long-festering dispute lies at the heart of the conflict between the two countries: The U.S. accuses Pakistan of harboring jihadists who kill American soldiers in Afghanistan, while Islamabad says Washington doesn't adequately acknowledge Pakistan's role in decimating al Qaeda or its sacrifice of thousands of lives after joining America's war on terror.

Islamabad also sees the U.S. growing ever closer to its arch-enemy India, with the Trump

administration even inviting New Delhi to take a bigger role in Afghanistan. Mr. Asif said that Pakistan is "not alone" and had options for other allies. Last year, the foreign minister rallied China, Iran, Russia and Turkey behind Pakistan's strategy for Afghanistan, which centers on peace talks with the Taliban instead of more fighting.

He also said Pakistan made a "huge mistake" in 2001—when the country was under military dictatorship—by joining America's campaign in Afghanistan, which he said engendered a terrorist backlash on Pakistan.

Washington said Thursday that security assistance was on hold "until the Pakistani government takes decisive action against groups, including the Afghan Taliban and the Haqqani network." That could amount to a freeze of more than \$2 billion in military aid and equipment, a senior U.S. official said Friday.

However spirited this week's exchange between Washington and Islamabad has been, both sides have avoided even more inflammatory moves.

Actions that Pakistan particularly fears would include the U.S. limiting Pakistan's access to international finance and banking or imposing punitive measures such as travel bans and sanctions against individual Pakistani officials.

Pakistan could retaliate to any further deterioration of ties by cutting off the key supply route for the nearly 14,000 U.S. soldiers in landlocked Afghanistan, experts said.

Pakistan says it can manage without U.S. aid, reacting with pique to President Donald Trump's use of language widely seen in the country as impugning its national honor. In a New Year's Day tweet, he said the Pakistanis "have given us nothing but lies & deceit" for 15 years while taking \$33 billion of American aid.

Pakistani officials say they are pushing Afghan insurgents across the border, but won't fight the Afghan war on Pakistani soil. "We have relative calm in Pakistan at the moment," Mr. Asif said. "But if we go against these people [Afghan insurgents], then the war will again be fought on our soil, which will suit the Americans."

Washington accuses Pakistan's powerful military of supporting the Taliban and Haqqani network as proxies to have influence in Afghanistan, a charge Islamabad denies.

"We are still working with Pakistan, and we will restore the aid if we see decisive movements against the terrorists," Defense Secretary Jim Mattis said, adding he wasn't worried about Pakistan cutting off U.S. supply routes to Afghanistan.



Since Syrian soldiers took her husband in 2012, Ghada Abo Mestu has had no concrete evidence of whether he is alive or dead. She fled her home without possessions in 2015, and has only one image of her husband, from a government-issued family ID book.

# Legions of Missing in Syria

BY RAJA ABDULRAHIM

GAZZE, Lebanon—It was the middle of harvest season when government soldiers snatched Ghada Abo Mestu's husband from the apple orchard of his family farm in Syria. One bashed his head with a rifle butt before he was dragged away.

That was in 2012, more than a year into Syria's civil war. Since then, Ms. Mestu has devoted much of her life to trying to find him—pleading with security officials for information, meeting with released prisoners, combing through grisly photographs of those who have died in detention.

She says she still has no concrete evidence of whether the father of her five children is alive or dead.

More than 100,000 people have disappeared as Syria's multisided conflict has unfolded, according to human-rights groups. The vast majority have vanished into a sprawling prison system run by the regime of President Bashar al-Assad. Other armed groups also have taken prisoners.

Now, as fighting appears to be winding down in most parts of the country and Mr. Assad is emerging victorious, opposition leaders and human-rights officials are pushing for the release of detainees, access to jails for international monitors and formal word on what has happened to the legions of missing.

"The families of the detainees are constantly searching," said the 40-year-old Ms. Mestu, who now lives and works in a Syrian refugee community in neighboring Lebanon. "We can part with everything we own in this world just to be certain about their



fates."

Diplomats and United Nations officials warn that without credible reporting on what happened to people taken into custody, the scars of the conflict might never heal.

The problem is vast. Amnesty International estimated last year that between 2011 and 2015 as many as 13,000 people were executed—many in mass hangings—at Sednaya, a government prison outside the Syrian capital, Damascus.

At the time, Syria's foreign ministry denied the report and called it "a new Hollywood story" disconnected from reality. Government officials didn't respond to requests to comment.

With no public record of those detained, executed and missing, names trickle out through unofficial channels. Some have been written in blood on pieces of fabric smuggled out of prison cells. Others come via paid informants.

The issue of detainees has been raised at round after round of Syria peace talks between the regime and the opposition, which have made vir-



tually no progress.

It was September 2012 when Ms. Mestu's husband, Tariq Burhan, was hauled away by Syrian government forces. Within an hour, Ms. Mestu got a call from one of the farm-workers telling her that her husband had been arrested.

By the afternoon she was at the local branch of Syria's feared national security force, telling them they had made a mistake and that her husband had nothing to do with the armed uprising then sweeping the country. She was told to come the next day.

When she did, she was told Mr. Burhan had already been transferred to a prison in Damascus.

She reached out to friends and relatives in the capital, begging them to help follow the trail each time she was told her husband might be in a certain prison or security branch.

Ms. Mestu said she once paid about \$80 to a man with connections to the government's security service who said he would use the money to buy whiskey to bribe a military officer for information on

her husband. She never heard from the go-between again.

Ms. Mestu fled Syria in 2015 after she was forced to leave her home in the town of Zabadani.

When she left, she wasn't able to take anything of his with her.

When her cellphone broke, she lost years of text messages they had exchanged.

"I have nothing of his," she said, breaking down in tears. She reached for tissues to dab at her eyes. "That really, really hurts."

In exile, Ms. Mestu has become an advocate. She attended the latest round of peace negotiations in Geneva late last year and told diplomats of her years-long odyssey to find her husband.

In October, she joined other Syrian women with missing family members on a red double-decker bus driving through London to draw attention to the issue. On the sides of the bus were framed photos of detainees.

About a week before that trip, she received devastating news. In apologetic texts, a go-between for a lawyer with links to the Syrian government relayed news that her husband had died three years earlier in Sednaya, the prison cited as the site of large-scale executions.

The information was unofficial and secondhand. Moreover, there was no body, no photos, not even a grave number she could visit.

In these blank spaces Ms. Mestu says she finds hope—and despair.

"If there is no concrete evidence, I cannot be sure," she said. "I imagine I will spend the rest of my life searching for someone to give me certainty."

# World Powers Debate Response To Iranian Demonstrations

BY FARNAZ FASSIHI

UNITED NATIONS—Iran's antigovernment uprising marked its 10th day on Friday, challenging the Islamic Republic's ruling regime as well as world powers searching uneasily for a diplomatic response that fits in a region rife with unrest, violence and crisis.

The protests, which have engulfed Iranian cities of all sizes and the working-class population centers, are reminiscent of the Arab Spring uprising in 2011 that toppled autocratic regimes across the region.

But diplomats, Iran watchers and even middle-class Iranians—many of whom have chosen to sit out the protests—are watching to see whether Iran squelches the demonstrations or stands to go the way of Tunisia, with a turn toward flourishing democracy and relative stability, or Syria, shredded by civil war and infested with terrorist organizations.

Until now, reaction among world leaders has been far from united. The U.S. administration has endorsed the protests, with President Donald Trump advocating on Twitter for change in Iran, while Europeans, along with leaders in

Asia and Russia striking a more cautious tone, warning of the potential for unintended consequences.

Some Western diplomats said that the "unpredictable outcome" of the Arab Spring—particularly in Syria—serves as a caution against rushing to support unrest or regime change in Iran.

"If we look at what happened in Syria and Arab Spring, these things can start like this [peaceful protests] and become threats to international peace and security," said a Western Council diplomat.

The U.N. Security Council debated how to respond at an emergency meeting held Friday at the request of the U.S. Many diplomats, including key Washington allies, expressed reservations concerning overt moves in support of protests.

"The stability and security of Iran is linked to the stability and security of region and the world as a whole," said Kuwait Ambassador Mansour Al-Otaibi, adding that the international community must draw lessons from the "disastrous outcomes" of the Arab Spring uprising and Syria.

U.S. Ambassador Nikki Haley called for all countries to

help amplify the voices of Iranians seeking freedom and said "nothing will stop Americans" from standing in solidarity with them.

But none of the representatives of the other 14 countries echoed her sentiment. Diplomats stopped short of expressing open support for protests or condemnation of the Iranian regime.

European members of the Security Council—the U.K., France, Sweden and Netherlands—all called for peaceful dialogue between the opposition and government and urged Iran to take their demands seriously. China and Russia and others, including France, said the protests in Iran should not have come before the Security Council and didn't meet the criteria for discussion, such as threats to international security and peace.

Many of the diplomats cited the chaos in the Middle East and said Iran's stability was crucial to regional stability. Russia's ambassador to the U.N., Vasily Nebenzya, singled out Syria, Libya, Yemen and Iraq. "All these open wounds will remind us of the danger of geopolitical engineering," he said.

Among those targeted in the Treasury Department's action are Rodolfo Marco Torres, a retired

# Mudslides Kill Dozens in Congo



GRIEVING: Women mourned the death of a family member after torrential rain and mudslides swept through shanty homes in Kinshasa, the capital, claiming the lives of 38 people early Friday.

## WORLD WATCH

## VENEZUELA

## U.S. Sanctions More Military Officials

The Trump administration imposed sanctions Friday on four senior Venezuelan military officials for alleged corruption and repression, in a bid to raise the pressure on President Nicolás Maduro's government.

Among those targeted in the

general who is Aragua state's governor, and Francisco Rangel Gomez, an ex-general and previous governor of Bolívar state. The U.S. already has targeted dozens of current and former Venezuelan officials.

—Associated Press

## TURKEY

## Macron Suggests Partnership With EU

French President Emmanuel Macron suggested Friday that

the European Union develop a partnership with Turkey after its leader said he was "tired" of waiting for the bloc to decide if it wants Turkey as a member.

Turkish President Recep Tayyip Erdogan was in Paris for talks with Mr. Macron, who said Turkey's wait for membership was far from over and suggested a partnership in the meantime. Ties between the two worsened last year amid mass arrests and firings by Mr. Erdogan's government.

—Associated Press

## IN DEPTH



# BIKES

*Continued from Page One*

thieves. Many residents of Mountain View, a city of 80,000 that has effectively become Google's company town, see the employee perk as a community service.

"It's like a friendly gesture," said Sharon Veach, a 68-year-old resident who rides the bikes several times a week. "They don't really want us to use it, but it's OK if you do." Ms. Veach said that when a bike is available at the train station she rides it 10 minutes to her house, and then keeps it overnight behind her gate. The next morning, she rides it back to the station, where she catches the train to her job at Google rival Oracle Corp. "I rent it for a day."

Even Mountain View Mayor

Ken Rosenberg admits he once rode a Gbike to go see a movie after a meeting on Google's campus.

Google, a unit of Alphabet Inc., can afford it. It won't say what it pays for its bikes, which have yellow frames, red baskets and green and blue wheels. Such cruisers typically cost \$100 to \$300, meaning even losing a hundred or so a week would be barely a bump in the road for a company sitting on more than \$100 billion of cash.

Still, Google is trying to slow the losses. Late last year, it started adding GPS trackers to the bikes, which revealed thieves were taking them as far as Mexico and Fairbanks, Alaska. The bikes have previously been spotted in the snow in New England and the dust at Burning Man, the arts festival at the Nevada desert.

After resisting locks for

years, believing they would inconvenience employees, Google is testing versions that workers could unlock with smartphones.

And 30 Google contractors in five vans retrieve Gbikes across the region. After a spate of bikes in the town creek, they now carry waders and grappling hooks to fish them out.

While the Gbikes have small signs that instruct riders to leave them at Google and call a hotline if found, the company's stance isn't always clear. "My daughter came home from third grade and asked me, 'Are we supposed to be riding these or not?'" said Jeral Poskey, a Google transportation executive.

Google, a company obsessed with data, says that its new GPS trackers—now on roughly a third of the bikes—show that each day the bikes take an average 12 trips and travel 6 miles. Still, Google isn't sure how

many bikes it loses. From July to November, Google recovered 70 to 190 bikes a week, or roughly two-thirds of the bikes reported off campus. The rest weren't there when contractors arrived to retrieve them.

Google managers say they struggle to reduce thefts because they often can't tell whether riders are among the company's 20,000 employees in Mountain View. Mr. Poskey said he once confronted what he thought was a homeless woman on a Gbike. "I mean if I could describe her, you would agree with me," he said. "Then she showed me her Google badge."

Mountain View Police are hands off. "We don't have the manpower to stop every person and say, 'Are you a Google employee?' Nor should we," a police spokeswoman said.

Google says disappearances spike after concerts at Shoreline

Amphitheatre, the outdoor venue adjacent to its campus. "I don't know why, but all the country concerts have a heyday with our bikes," said Gbike operations chief Terry Mac.

Joseph Zidarevich, a 58-year-old marketer from Mountain View with a surfer's cadence and shaggy hair, said three bikes appeared on his lawn eight years ago. "We drove them up to the Google campus and just threw them out of the back," he recalled.

Many neighbors ride them, he said, "from whole families with their grandmothers—literally the grandpa and grandma and all their grandkids were riding Google bikes down the road—to the Sureño gang kids." And some stash them, he said. After he spotted an elderly neighbor with one, Mr. Zidarevich said he asked him what he planned to do with it. "He goes,

"Oh, I've got a whole garage full of them."

At Red Rock Coffee in downtown Mountain View, Mr. Zidarevich and Ms. Veach, the Oracle employee, clashed over their opposing views on Gbikes. Mr. Zidarevich said he dislikes that his neighbors feel entitled to them because "Google owes them somehow, someway."

Ms. Veach said the Gbikes are "a reward for having to deal with the buses" carrying Google employees that barrel down her street each day. "I ride a bicycle...to balance it out," she said.

After finishing her decaf soy latte, Ms. Veach walked outside and came across a Gbike missing a seat. Because the bike was damaged, she said she would leave it. A moment later, she changed her mind: "Well, maybe I'll ride it for a few minutes." Then she hopped on and rode out of view.

# SPYING

*Continued from Page One*

The process of evaluating Kaspersky's role, and taking action against the company, is complicated by the realities of global commerce and the nature of how modern online software works. A top Department of Homeland Security official said in November congressional testimony the U.S. lacks "conclusive evidence" Kaspersky facilitated national-security breaches.

While the U.S. government hasn't offered conclusive evidence, Wall Street Journal interviews with current and former U.S. government officials reveal what is driving their suspicions.

Some of these officials said they suspect Kaspersky's antivirus software—the company says it is installed on 400 million computers world-wide—has been used to spy on the U.S. and blunt American espionage. Kaspersky's suspected involvement in U.S. security breaches raises concerns about the relationship between the company and Russian intelligence, these officials said.

DHS, convinced Kaspersky is a threat, has banned its software from government computers. The company sued the U.S. government on Dec. 18 in U.S. District Court in Washington, D.C., saying the ban was arbitrary and capricious, and demanding the prohibition be overturned. DHS referred inquiries to the Justice Department, which declined to comment.

Kaspersky, in a statement, said: "Unverified opinions of anonymous officials about Kaspersky Lab continue to be shared, and should be taken as nothing more than unsubstantiated allegations against a company whose mission has always been to protect against malware regardless of its source, and which has repeatedly extended an offering to the U.S. government to help alleviate any substantiated concerns. We have never helped and will never help any government with its cyberspyionage efforts."

The company in a court filing said any Russian government engagement in cyberspyionage isn't evidence that a Russia-headquartered company such as Kaspersky is facilitating government-sponsored cyberintrusions, adding: "In fact, more than 85 percent of Kaspersky Lab's revenue comes from outside of Russia—a powerful economic incentive to avoid any action that would endanger the trusted relationships and integrity that serve as the foundation of its business by conducting inappropriate or unethical activities with any organization or government."

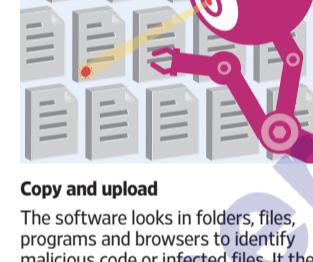
The Russian Embassy in Washington, D.C., didn't respond to requests for comment. In October, Kremlin spokesman Dmitry Peskov didn't address reports that the Russian government may have stolen U.S. National Security Agency materials

## Beyond Malware

Kaspersky Lab's antivirus software works like any other such software. Some former U.S. government officials suspect it may also have been used in security breaches. Kaspersky says those suspicions 'should be taken as nothing more than unsubstantiated allegations against a company whose mission has always been to protect against malware.'



**Access granted**  
When antivirus software such as Kaspersky's is installed on a computer, it requires total access to the computer's contents.



**Copy and upload**  
The software looks in folders, files, programs and browsers to identify malicious code or infected files. It then sends a record of anything suspicious to a Kaspersky lab for analysis.



**Diagnosis**  
If antivirus software finds something suspicious, it can alert the computer user of anything suspicious and flag them to be removed.



**Espionage**  
U.S. officials discovered Kaspersky software was being used to scan computers not only for viruses but also for classified government information, including from a NSA worker's computer, said former U.S. officials.



**Outing the NSA**  
Kaspersky exposed what it described as a cyber-snapping network it dubbed the 'Equation Group.' In fact, it was an elite classified espionage group within the NSA, said former U.S. officials.

THE WALL STREET JOURNAL.

## Servers in Russia

Mr. Kaspersky enrolled at the KGB-sponsored Institute of Cryptography, Telecommunications, and Computer Science, finished in 1987 and was commissioned in Soviet military intelligence, he has told reporters. He has acknowledged his company has done work for the KGB's successor, the FSB.

Kaspersky, closely held, says it has unaudited 2016 revenues of \$644 million. Current and former U.S. intelligence officials

two dozen reports referring to the company or its connections, according to a U.S. defense official, with the Pentagon first mentioning the firm as a potential "threat actor" in 2004.

At a February 2015 conference, Kaspersky exposed what it described as a cyber-snapping network it dubbed the "Equation Group." In fact, it was an elite classified espionage group within the NSA, said some of the former U.S. officials. Kaspersky linked it to a virus called Stuxnet that the Journal and other publications have since reported was designed by the U.S. and Israel to destroy Iranian nuclear centrifuges. Kaspersky also described other techniques and tactics the U.S. uses to break into foreign computer networks.

Once such techniques are public, they are effectively useless for spying. When NSA officials got word of Kaspersky's plans to expose its tactics, they pulled the agency's spying tools from around the world as a preventive measure and worked out how its hackers were functioning, said some of the former U.S. officials. The NSA didn't respond to requests for comment.

U.S.-Russian relations at the time were deteriorating. President Vladimir Putin had granted NSA leaker Edward Snowden asylum and annexed a swath of Ukraine. Some U.S. officials were convinced Kaspersky was promoting Russian interests and had shared with the Kremlin what it knew about the Equation Group. "To think that infor-

mation wasn't shared with Russian intelligence, or they weren't supporting Russian intelligence," said a former U.S. official about Kaspersky, "you'd have to be very nearsighted to not at least think there was something there."

Not all U.S. officials believed the worst about Kaspersky, with many citing the high quality of the firm's cyberthreat research. "There was this innocent until proven guilty attitude," said another former U.S. official who worked on Russia and national-security matters.

## Israeli tip

Israeli intelligence shared with U.S. counterparts in 2015 that it had penetrated the networks of Kaspersky, the Journal reported previously. The Israelis discovered Kaspersky software was being used to scan computers not only for viruses but also for classified government information that would be of interest to Russia, said former U.S. officials familiar with the Israeli discovery.

As the NSA investigated the Israeli tip, it homed in on a worker in the agency's elite hacking unit, then called Tailored Access Operations. The worker had improperly removed classified information about NSA spying operations and installed it on his home computer, said former U.S. officials familiar with the episode. The contractor's computer ran Kaspersky's antivirus software, which

acted as a digital scout and identified the classified material, these people said.

U.S. investigators sought to assess the damage, including whether Kaspersky's products were installed on other sensitive computers. Officials feared Russian intelligence could have not only turned personal computers into tracking devices, but also used them as staging points to access other machines inside the White House, the official said.

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akin to guidebooks, showing the agency's hackers how to penetrate various systems and walk through the procedures for different missions. One lead pointed back to Kaspersky products, said current and former U.S. officials. Investigators now believe those manuals may have been obtained using Kaspersky to scan computers on which they were stored, according to one of the officials.

Kaspersky said it has no information on the content of the classified documents it received in 2014 because they were deleted. It isn't clear if the manuals the Shadow Brokers posted are the same documents.

Around the time the Shadow Brokers were spilling NSA secrets, emails stolen from the Democratic National Committee were showing up on WikiLeaks in what intelligence officials have said publicly they concluded was a Russian-led hacking operation. Officials from the White House, the Pentagon, the State Department and the intelligence community met in late 2016 to debate responses to the alleged Russian aggression, said some former U.S. officials.

In the months after President Donald Trump took office, concern about Kaspersky grew.

In September, the DHS banned Kaspersky products from government computers. The public statement accompanying the ban reads like a declassified version of the intelligence community's suspicion:

"The risk that the Russian government, whether acting on its own or in collaboration with Kaspersky, could capitalize on access provided by Kaspersky products to compromise federal information and information systems directly implicates U.S. national security."

—Aruna Viswanatha contributed to this article.



Kaspersky Lab says it hasn't helped any government with cyberespionage. Eugene Kaspersky at Moscow headquarters, above.

## OPINION

THE WEEKEND INTERVIEW with Morris P. Fiorina | By James Taranto

## Moderate Voters, Polarized Parties

**M**ost observers of American politics predict 2018 will favor the Democrats. The party has a good chance of taking control of the House in November, and even a Senate majority is within reach, although Democrats are defending three times as many seats in the upper chamber as Republicans are.

Here's a safer prediction: If the Democrats do triumph on Nov. 6, they and their supporters will emerge triumphant, proclaiming their majority permanent and President Trump a lame duck. Ten months in advance, Morris P. "Mo" Fiorina has a bucket of cold water to throw on such claims.

Mr. Fiorina—no relation to 2016 presidential candidate Carly Fiorina or her husband—is a 71-year-old Stanford political scientist and author of a new book, "Unstable Majorities: Polarization, Party Sorting and Political Stalemate." As the title suggests, he believes the U.S. has entered an era in which no party can hold a majority for very long. "We can change our pattern of government every two years," he tells me on a recent visit to the Journal's offices, "and we started doing that."

**The author of 'Unstable Majorities' argues that if the electorate seems fickle, it's because the politicians are too ideological.**

Did we ever. The party controlling the House, Senate or White House changed in seven of the nine elections between 2000 and 2016—the only exceptions being the presidential re-election years, 2004 and 2012. "I sort of trace it back to '92, the end of the Republican presidential era, and then '94 is the end of the Democratic congressional era," Mr. Fiorina says.

Those were long eras. Republicans held the White House for 20 of the 24 years following the 1968 election. The Democrats dominated Congress for the better part of a lifetime: During the 62-year period after the 1932 election, the party had a majority in the House for 58 years and the Senate for 52 years. The Democrats took the House in 1954 and held it for 40 years straight.

Those old enough to remember the decades before the '90s, then, may tend to see permanent majorities around the corner because they expect a return to normalcy. Mr. Fiorina, by contrast, argues that frequent shifts in political control are now the norm because of the way the parties have changed. He rejects the common view that American voters are "polarized." Instead, he says, the parties have

become polarized, in a process he calls the "sorting" of the electorate.

"We have these two now cohesive, different parties," he says. Democrats and Republicans today are as ideologically distinct as "the Social Democrats and the Christian Democrats in Europe at the height of their power in the 20th century. And the problem is, we've got a much more heterogeneous country, and there's only two of them, and they just don't fit the electorate."

He arrives with a PowerPoint presentation that visualizes the data behind his theory. A pair of bar graphs show the ideological distribution of lawmakers in the 87th Congress (1961-63) and the 111th (2009-11). In both eras Democrats were the liberal party and Republicans the conservative one. But the pattern is markedly different: In 1961-63, both parties' lawmakers tended to cluster in the middle. In 2009-11, there were two clusters—Democrats to the left, Republicans to the right. "There's no longer any overlap at all," Mr. Fiorina says. "The center is empty. That hasn't happened in the electorate."

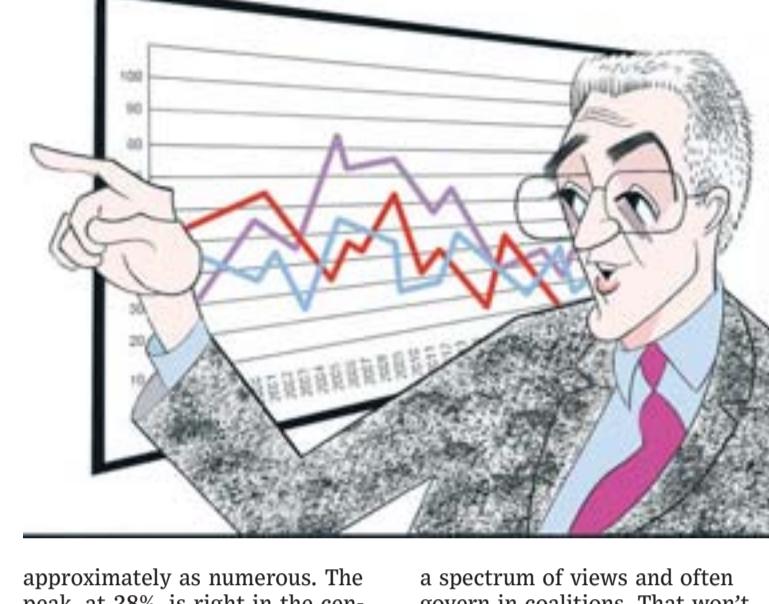
A line graph illustrates the electorate's continuity. The share of Americans identifying as politically moderate has remained fairly constant—around 40%, and usually a plurality—since at least 1974. In the same period, another chart shows, independents overtook Democrats as the biggest partisan grouping. As the parties drifted from the ideological middle, centrist voters disaffiliated from the parties.

That creates what Mr. Fiorina calls "the ping pong pattern" of unstable majorities. One party manages "to win, narrowly, and then they immediately respond to their base. So Bush says we're going to have personal Social Security accounts, and voters—some say, 'I didn't vote for that.' Or Obama says we're going to do government health care, and a lot of them say, 'I didn't vote for that.'

Lawmakers from the party in power "suffer for it in the next election, when they lose the marginal voters," as Republicans did in 2006 and Democrats did in 2010.

That seems plausible enough, but there's an obvious complication: Most legislation that makes it through Congress, even on a party-line vote, is not all that extreme ideologically. Take health care. Mr. Fiorina pulls up a chart titled "Issue Centrists Still Dominate," based on data from the American National Election Studies. It shows that in five issue areas, the centrist position is by far the most popular.

"This would be single payer right here—these 12%," Mr. Fiorina says, pointing to one end of the health-care distribution. At the other end, the "leave-everything-to-the-market people" are



KEN FALIN

approximately as numerous. The peak, at 28%, is right in the center. "On issue after issue, it doesn't matter what you ask, people sort of clump up in the middle," he says. "Goldilocks—they want some of both."

But isn't that what they got with ObamaCare? The Affordable Care Act shifted policy leftward, but nowhere near the extreme of single payer. Its central element, the recently repealed individual mandate, was first proposed by the Heritage Foundation in 1989 as a "market-based" alternative to more-statist approaches, including outright socialization. Similarly, the tax reform Congress enacted last month won only Republican votes, but it was hardly an exercise in ideological extremity. Even Barack Obama had said corporate rates should be lower. (As for George W. Bush's Social Security idea, it was never written into legislation.)

**M**r. Fiorina answers this conundrum by referring me to the work of another political scientist, Frances Lee of the University of Maryland. She has a theory to explain why the minority party balks. Frances talks about how if you have two closely balanced parties that are fighting for the majority in every election, they change their strategy, and this all becomes position-taking and trying to embarrass the other party, and it's not about legislating," he says. "They're perfectly prepared to shift positions on a dime if it embarrasses the other party, because the payoff now is the electoral victory and not legislative."

To judge by their book titles, Mr. Fiorina and Ms. Lee are kindred spirits. His is "Unstable Majorities," hers "Insecure Majorities: Congress and the Perpetual Campaign."

If unstable majorities are a problem, what might be the solution? In parliamentary systems with proportional representation, a multiplicity of parties represent

that partisan sorting "at the Bill Kristol level"—meaning among pundits and intellectuals—"is way higher than the sorting at the level of even the primary voters."

Mr. Fiorina holds out some hope that Mr. Trump will break the ping pong pattern. "In the book, I characterize Trump first as a de-sorter and then as sort of a disjunctive president, and in Silicon Valley terms a disrupter," he says. "I thought if there's a positive on Trump, it would be his potential to disrupt both parties."

So far, though, Mr. Fiorina finds the president's policies too conventionally conservative. "My ideal scenario originally was that Trump would come in and propose a big infrastructure bill, which would split the Republicans and split the Democrats," Mr. Fiorina says. "He didn't do that."

When I ask what Mr. Fiorina thinks will happen this November, he demurs: "I could make a case for a Democratic wave, a Democratic disappointment, or anything in between, but I don't put high probability on any of the scenarios."

One of his observations, however, is suggestive of a wave. "The incumbency advantage is all but gone," he says. "The incumbency advantage has been declining in House elections since the '80s, and it was at 2% in the last election. People are voting—however they vote for president, they vote for the House as well."

That doesn't mean all incumbents are vulnerable. A Democratic lawmaker in a heavily Democratic district, for example, will almost certainly win. The diminution of the incumbent advantage simply means that, all else being equal, a Democrat in an open-seat race would likely win by almost as wide a margin as an incumbent. In the 1980s, Mr. Fiorina says, incumbency per se was good for 10 to 12 points on average. Nowadays, "how your president is doing" matters much more.

**I**n 2017 there were special elections for five House seats vacated by Republicans—in Kansas, Montana, Georgia, South Carolina and Utah. The GOP held all five, but all its candidates underperformed the previous incumbents' 2016 margins of victory, by between 5 and 25 points. If Mr. Fiorina is right about the diminution of the incumbent advantage, these results would seem to bode ill in November for Republicans—incumbent or not—in marginal districts.

On the other hand, if the Republicans do get wiped out this year, there's a good chance they'll stage a comeback in 2020. Or 2022 at the latest.

*Mr. Taranto is the Journal's editorial features editor.*

## New Jersey's Liberal New Governor Faces a Fiscal Nightmare

## CROSS COUNTRY

By Steve Malanga

Democrat Phil Murphy cruised to victory in New Jersey's gubernatorial race in November. The state's powerful public-sector unions, which endorsed his progressive vision of higher taxes and more spending, played a pivotal role in his 14-point victory. Now the hard part begins.

As he takes office later this month, Mr. Murphy must confront the state's biggest problem—a pension system that is about \$90 billion short of what it needs to pay future benefits. He has already promised to devote some of the new revenue from his proposed taxes to pensions, but he can't fully shore up the system without benefit reductions. And the unions that supported him have fiercely resisted such cuts. Can a progressive Democrat elected with the help of unions govern responsibly in an age of exploding public-employee costs and limited tax resources?

New Jersey's pension woes aren't new. A succession of governors and legislatures enhanced worker benefits without properly accounting for their costs. In 2010 the Securities and Exchange Commission cited the state for fraud because of the way it misled investors about its retirement system's funding problems. It was the first state to earn this dubious distinction.

The state's powerful unions have played such a key role in the crisis that even some Democrats lost patience. In 2010 state Senate President Stephen Sweeney, a Democrat, described how unions had

consistently pressured legislators for higher benefits while ignoring the system's funding problems. "The union leaders need to take off their blinders and stop ignoring their own complicity in this problem," he wrote.

The following year Gov. Chris Christie and a bipartisan group of legislators enacted reforms that rolled back some benefit increases for employees and retirees. But the group's optimistic assumptions of how much the state would save didn't pan out. The state government also had trouble keeping up with the increased contributions mandated by the reform legislation, thanks to weak growth in tax revenue.

Trenton has since set out a new plan that dedicates \$1 billion a year from the state lottery to pensions. But even with the lottery cash, the state must contribute an additional \$5 billion a year of taxpayer money to save the system.

That's much more than New Jersey—which has never paid more than \$1.9 billion a year from tax revenue into its retirement system—can afford. The state, which will collect some \$35 billion in taxes this year, now says it will gradually increase pension contributions until they reach an adequate level in 2023. But it's hard to see how Trenton can get there without wrecking its budget.

Even if New Jersey's tax collections grow by the same rate as in the past five years—the current recovery's most robust—pension contributions alone would eat up two-thirds of new revenue. According to calculations I've outlined in a forthcoming Manhattan Institute report, "Garden State Crowd-Out,"

this would leave little room to pay for increases in other budget items. Meanwhile, Trenton must also replace the \$1 billion in lottery revenue previously used to fund other budgetary programs.

## Raising taxes will be even harder now that Congress has limited the state and local tax deduction.

The whole scenario is overly optimistic, because the nation is already in the ninth year of an expansion. The Rockefeller Institute of Government recently reported that state and local tax collections are slowing around the country. If the country faced even a mild recession sometime in the next several years, New Jersey's prospects

for bailing out the system would become even more remote. Moody's concluded in October that a recession would harm New Jersey more than most states, causing a \$3.5 billion hit to its budget.

Mr. Murphy ran pledging \$1.3 billion in new taxes, targeting the rich in a state with one of the country's highest tax burdens. Some Democratic legislators already have balked at the proposed levies, given Congress's imposition of a limit on the state and local tax deduction. But even assuming all of the governor-elect's proposed taxes make it into law, much of the new revenue would quickly disappear into Mr. Murphy's newly proposed spending programs. The relentless rise of pension and employee-benefit costs and the need to replace lottery revenue would only make the situation tougher.

Yet continuing to shortchange the system is untenable. The bipartisan

New Jersey Pension and Health Benefits Study Commission last month warned of the unprecedented risks the Garden State faces if the system continues to deteriorate. The commission has proposed reforms that would save the system by moving workers out of their defined-benefit plan and into individual retirement accounts similar to 401(k) plans. It also proposed reducing state employees' health-care benefits to the same level private-economy workers enjoy. The savings would be redirected into the pension system.

Unions vigorously fought the new plan in the hopes they could help elect the next governor. They succeeded. What happens next will determine who really runs the Garden State.

*Mr. Malanga is a fellow at the Manhattan Institute and a senior editor for City Journal.*

## Notable &amp; Quotable: Pluralism and Populism

From "Why Populism Fails" by James Piereson in the January New Criterion:

Jan-Werner Müller, in a recent book titled *What Is Populism?* (2016), argues that the distinguishing feature of populist movements is their opposition to pluralism and diversity.... As Müller argues, populist movements are not interested in narrow political or policy arguments but are more concerned with broad moral claims about the character of the national regime and which groups legitimately deserve representation in government. It is in this

sense, he argues, that populism is a threat to democratic norms. If one movement or party represents "the people," then those outside that circle may be denied participation in the public square.

Müller makes a strong case, yet he ignores the fact that contemporary democracies—the United States especially—are awash in movements (mostly on the Left) that seek to shut down pluralistic debate or declare that some groups are more deserving of representation than others. Liberals, progressives, and leftists of various stripes have been especially active in recent years in shouting down

dissenting speakers on college campuses or in the public square in order to create an enforced uniformity of views. Trump's supporters and Brexit voters, at least, have not tried to do anything like that—and few in any case are in positions of authority where they might have the power to suppress opposing views. Trump, much to his credit, attacked political correctness in his presidential campaign as a threat to democracy, pluralism, and open discussion. Clinton, for her part, described his voters as "deplorables" as a way of questioning the legitimacy of their views—hardly an endorsement of pluralism.

## OPINION

## REVIEW &amp; OUTLOOK

**Jeff Sessions's Marijuana Candor**

**A**torney General Jeff Sessions is being lambasted as the uncool parent in Washington, and maybe the universe, for rescinding an Obama Administration directive that decriminalized marijuana in states that have legalized the drug. But even if you're a legalizer, you should give the AG some credit for forcing a debate on the rule of law that Congress should settle.

The problem is the conflict between state and federal statutes. Eight states have legalized pot for recreational use, and more than half for medical purposes. But under the federal Controlled Substances Act of 1970, cannabis is an illegal schedule I drug along with heroin and LSD. Individuals found with even small amounts can go to prison, and making or distributing large quantities carry long sentences and stiff fines.

President Obama tried to dodge this conflict, as he so often did, with an executive diktat. After Colorado and Washington State voted to legalize pot, his Justice Department in 2013 instructed U.S. Attorneys to refrain from prosecuting marijuana offenses in states where the drug is legal. This let him side with the legalizers without taking responsibility for it.

Justice's guidance expected states to "implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests." Its memo also ordered attorneys to prioritize preventing distribution to minors, diversion to other states or using marijuana as a cover for trafficking in other drugs.

In practice, this has meant few federal pot prosecutions in those states despite evidence of all of those problems and more. Colorado has the highest rate of first-time youth marijuana use in the country. Alaska and Oregon ranked third and seventh after they legalized in 2014. According to Smart Approaches to Marijuana, cannabis use among young people has increased by 65% in Colorado since legalization.

Drug traffickers have exploited the aegis of state laws, which has let the black market flourish. A police report in Oregon revealed that 70% of marijuana sales in 2016 occurred on the black market, and up to 900 tons more cannabis is produced than consumed in the state. Mexican cartels have moved into Alaska.

The Rocky Mountain High Intensity Drug Trafficking Area reported a more than 700% increase in postal marijuana seizures following legalization. The crime rate in Colorado has increased 11 times faster than in other large cities since legalization. A National Institutes of Health

**The AG is forcing legalizers to square federal and state law.**

study has linked the density of marijuana dispensaries to increased property crime.

Many pot sellers evade state regulation because of hefty compliance costs and taxes. Law enforcement in California reports that only a fraction of pot growers have applied for permits. Drugged-driving fatalities doubled in Washington following legalization. Positive drug tests for marijuana in 2016 increased at more than double the rate in Colorado and Washington as nationwide.

We report all this because the legalization debate has been dominated by a haze of cultural sentiment largely devoid of facts, and the promises by advocates about reduced enforcement costs and crime haven't materialized. Meanwhile, the failure to enforce federal law, and letting states ignore it, erodes confidence in the law and lets Congress duck a debate on legalization.

Federal law trumps state law under the Constitution's Supremacy Clause except on core state powers, and the Supreme Court ruled in *Gonzales v. Raich* (2005) that the feds can prosecute marijuana offenses under the Commerce Clause. We disagreed with *Raich*, but it is the law and states can't nullify federal laws.

\* \* \*

Presidents also can't suspend the enforcement of laws simply because they don't like them. King James II tried that and spurred the Glorious Revolution of 1688. Mr. Sessions is right to enforce the law and restore prosecutorial discretion. The AG has directed U.S. Attorneys to follow the "well-established principles that govern all federal prosecutions" including weighing "all relevant considerations of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community."

Justice shouldn't spend scarce resources prosecuting potheads who grow a few plants in their backyard. Since marijuana has sprouted into a multi-billion dollar industry, prosecutors are also unlikely to target mom-and-pop businesses that are following state laws and not exporting cannabis. In that sense Mr. Session's guidance may encourage increased compliance with state laws.

Social mores are changing, and a majority of Americans support legalizing pot. But instead of taking the cop-out of blaming Mr. Sessions, legalizers in Congress ought to have the courage of their convictions and try to decriminalize pot nationwide. Let Senators Cory Gardner and Kamala Harris persuade their colleagues that what's good for Colorado and California is good for the country.

**Some Good Jobs News**

**F**riday's Labor Department report on the December jobs market was mostly ho-hum, with the economy creating 148,000 net new jobs and the unemployment rate staying flat at a low 4.1%. But one more hopeful figure leapt out at us and a few others: The unemployment rate for black Americans fell to its lowest rate ever at 6.8%.

That's right. The jobless rate for African-Americans hasn't been lower since 1972, the earliest date we could find in the Bureau of Labor Statistics data tables. The jobless rate for blacks has always been substantially higher than for whites, and it tends to fall faster later

**The black jobless rate falls to its lowest ever in the Labor statistics.**

in the economic cycle as growth picks up steam. The black jobless rate fell into the 7%-8% range in 1999-2000, before the dot-com bubble burst, and briefly in 2007 before the financial panic. But it climbed back to as high as 16.8% in 2010 before a long, slow decline as the economy recovered.

The rate has fallen especially fast the last couple of years, and in December fell another 0.4 percentage points. That big a fall might be a statistical anomaly that bounces back up in future months, but the downward trend is as clear as the political and economic message: Get the economy growing faster, and everyone will benefit.

**The Marrakesh Climate Express**

**W**ashington Gov. Jay Inslee signed an executive order in 2016 on telecommuting, noting that letting public employees work remotely can "reduce transportation-related greenhouse-gas emissions." And those emissions do add up, especially if you commute from Morocco to Washington—as the Governor's senior climate policy adviser, Chris Davis, has done since August.

"Heather and I have hoped to expose our two boys to life overseas and an opportunity to act on that long-held goal recently materialized when she was offered a teaching position [in] Marrakesh, Morocco," Mr. Davis told his colleagues in an email last summer obtained by the Competitive Enterprise Institute's Chris Horner. Lucky for him, "as our climate work has grown increasingly international in scope, the Governor asked me to continue to help build those networks from abroad."

When Mr. Davis traveled from Marrakesh to New York to Washington for work this fall, he incurred more than \$3,700 in taxpayer-funded expenses. He emitted more than 4,500 pounds of carbon on the journey, according to a United Nations flight emissions calculator. The Governor's office also approved \$2,082 in expenses for Mr. Davis's expedition from Morocco to Germany in November.

Mr. Inslee's office must have anticipated that the climate adviser's travels could raise constituents' eyebrows. Mr. Davis's official job description got a rewrite, and it's peppered with adjectives like "international" and "global." Before he embarked, he huddled with his boss, Keith Phillips, and Jaime Smith, the Governor's executive director of communications, to develop

**A Governor's green policy adviser has a giant carbon footprint.**

talking points "if asked to explain Morroco [sic]," as Mr. Davis put it in another email.

Mr. Inslee's office repeated these points in response to our queries about Mr. Davis this week. "Most importantly, this is about the governor choosing senior staff in whom he has confidence and trust," spokeswoman Tara Lee wrote. She added that

"the nature of his work is travel intensive and global," and, "notably, a large part of Chris' portfolio has always included international collaboration."

Call it a version of we'll always have Paris. The Trump Administration withdrew from the Paris global climate pact, but Mr. Inslee and other resistance governors still want to enforce it themselves.

This Marrakesh climate express is all the more noteworthy given that Environmental Protection Agency Administrator Scott Pruitt is under fire for a trip to Morocco in December to promote U.S. liquified natural gas. Critics claim Mr. Pruitt has no role on trade policy, but LNG exports carry legitimate environmental implications. Natural gas is the least carbon-intensive traditional energy source, and Morocco relies heavily on coal for electricity, so American LNG could cut its emissions.

Delaware Sen. Tom Carper, the top Democrat on the Environment and Public Works Committee, nonetheless asked the EPA's inspector general to "review the purpose of Administrator Pruitt's travels to determine whether his activities during each trip are in line with EPA's mission to protect human health and the environment." Perhaps Washington residents should ask who is paying for Chris Davis's intercontinental carbon emissions.

**LETTERS TO THE EDITOR*****The History of the World as Depicted on TV***

Peggy Noonan's choice to fault the movie "The Post" for portraying Nixon as "the villain" is mystifying ("The Lies of 'The Crown' and 'The Post,'" Declarations, Dec. 30). The film doesn't purport to be a documentary. Granted the anachronistic reference to the Watergate break-in at the end of the film is a misleading cheap shot. But the filmmakers could have made the same point by simply adding a coda about what actually happened after the publication of the Pentagon Papers.

Recall that G. Gordon Liddy and E. Howard Hunt sought and received written approval from John Ehrlichman to orchestrate a break-in of the offices of Dr. Lewis Fielding, Daniel Ellsberg's psychiatrist, to obtain information to discredit Mr. Ellsberg, the source of the Pentagon Papers. The "plumbers" who conducted this burglary were the same guys who botched the Watergate scheme. Some people involved went to jail. Do we really think Nixon wasn't in the loop here? Sorry, Ms. Noonan, but Nixon was more than a "sad man." He was the "crook" he specifically claimed not to be. In this era, it can't hurt to be reminded of the consequences of electing leaders who share Nixon's view that "when the president does it, that means it is not illegal."

MICHAEL H. LEB  
Pasadena, Calif.

Ms. Noonan believes that without "historical truth," "nothing's understood." Could it be that the producers of these works aren't aiming for an understanding of history, but a revision of it? Perhaps they don't want the public to understand our history.

SCOTT ROTH  
Sherman Oaks, Calif.

Attempts at historical revision are apparent in many of our public schools and universities. It isn't far-fetched to imagine that this also takes place in entertainment offerings and, indeed, as Ms. Noonan states, "we are losing history." The question that arises: Is this being done with dramatic license, from ignorance or hostility toward our very foundations?

CAROL MASON  
Richmond, Texas

While the Pentagon Papers documented the mendacity of prior administrations, their publication would have harmed Nixon's own, as the public's faith in its governing institutions, and thus in his own administration, would have been (and as proved to be the case) fundamentally shaken. So complete self-interest, and no hint of nobility (a word rarely appearing in the same sentence with "Richard Nixon"), was the order of the day. And Ms. Noonan herself tells us why Nixon's conduct was objectionable: "His attempt to stop publication was wrong—the public did have a right to know."

Add to this Nixon's well-documented and near pathological loathing of, and interest in, hobbling the fourth estate and it's clear why a movie celebrating freedom of the press appropriately had Nixon in its sights.

Ms. Noonan writes about "The Post": "When you can say you spent two enjoyable hours watching a movie, it's a good movie. But it isn't an honest one." From my perspective, she should have stopped after the first sentence.

SCOTT ROTH  
Sherman Oaks, Calif.

**Bangladesh Fights Terrorists, Radicalization**

Sadanand Dhume is incorrect when he suggests the government of Bangladesh is to blame for recent terrorist attacks committed by individuals linked to the country ("East Is East: Bangladesh Exports a New Generation of Jihadists," op-ed, Dec. 29). The title is also misleading. Bangladesh is a democratic and secular nation. Its citizens enjoy the right to free speech and practice different religions guaranteed by its constitution.

The Bangladesh government has long had a zero-tolerance policy toward all forms of terrorism and violent extremism. Recently, for example, Bangladeshi police arrested a leader of the Jamaat ul Mujahideen Bangladesh, an extremist group, who was a suspect in a 2014 explosion in India's West Bengal.

Bangladesh Prime Minister Sheikh Hasina has established several programs to stop radicalization, focusing on high-risk groups. The government

also created the National Education Policy, which reformed the curricula in Islamic religious schools to reflect secularism. The government has provided police protection to those citizens who anticipate possible terrorist attacks. Moreover, the government has aggressively prosecuted anyone who took part in attacks on its citizens, regardless of their faith.

The few individuals of Bangladesh origin captured recently on charges of terrorism weren't radicalized in Bangladesh but were radicalized abroad. The government of Bangladesh is determined to eliminate terrorism from its soil and cooperates with its friends and partners to counter terrorism and violent extremism. To say it encourages such heinous actions is wrong and isn't supported by facts.

SHAMIM AHMAD  
Embassy of Bangladesh  
Washington

**Student Loans: Who Protects the Taxpayers?**

Your editorial "Stopping a Student-Loan Scam" (Dec. 27) states: "A new department directive scales student loan relief based on college employment data. Borrowers who enrolled in programs whose grads earned less than the average of peer institutions will receive 100% debt relief."

What? So they gained no benefit

from the program? Doesn't this extend the scam? How much is spent in taxpayer money for the staff that processes the claims? How is an applicant even assessed? May the student have been ill-prepared for the advanced courses? Maybe the graduate is underperforming to get out of debt. Incidentally, these programs also include home repairs, unexpected medical costs and health-insurance bills. Other programs allow the students to pay a reduced amount based on net income and

pass any remaining principal and compounding interest onto the taxpayer after 10 years of "public service" (See "Cutting Down Student Debt," U.S. News, May 10, 2013).

As with health care and the mortgage-lending bust, this looks like a massive transfer of assets from one sector to the taxpayers, once again. Where's the Takings Clause when we really need it? The most expensive education one can receive is administered by the government and paid by the taxpayer. With the cost of renting money so low, why is the government involved?

BRINT BROOKS  
Englewood, Fla.

**Simple Food Groups Are Best Guide to Enjoyable Eating**

Matthew Rees's review of Rachel Herz's "Why You Eat What You Eat" and Aaron Carroll's "The Bad Food Bible" was most interesting (Bookshelf, Dec. 29). It would be much simpler if we could revert to the four basic food groups concept. It was easy to remember them: Chinese, Mexican, pizza and beer.

JOHN B. ARNOLD  
Lynchburg, Va.

**Pepper ... And Salt**

THE WALL STREET JOURNAL



"I don't mind being hung up on—though I miss the closure of a dial tone's hum."

RUSS ANDREWS  
Aspen, Colo.

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## OPINION

# 'Button' It, Mr. President

**DECLARATIONS**

By Peggy Noonan

**F**rom the Oval Office address by President John F. Kennedy informing Americans of the presence of Soviet missiles in Cuba, Oct. 22, 1962: "Our policy has been one of patience and restraint, as befits a peaceful and powerful nation which leads a world-wide alliance. We have been determined not to be diverted from our central concerns by mere irritants and fanatics. But now further action is required, and it is under way; and these actions may only be the beginning. We will not prematurely or unnecessarily risk the costs of world-wide nuclear war in which even the fruits of victory would be ashes in our mouth; but neither will we shrink from that risk at any time it must be faced."

**JFK and Reagan had the good sense not to speak flippantly about nuclear weapons.**

From his commencement address at American University, June 10, 1963: "What kind of peace do we seek? Not a Pax Americana enforced on the world by American weapons of war. Not the peace of the grave or the security of the slave. I am talking about genuine peace, the kind of peace that makes life on earth worth living, the kind that enables men and nations to grow and to hope and to build a better life for their children. Not merely peace for Americans but peace for all men and women; not merely peace in our time but peace for all time."

"I speak of peace because of the

new face of war. Total war makes no sense in an age when great powers can maintain large and relatively invulnerable nuclear forces and refuse to surrender without resort to those forces. It makes no sense in an age when a single nuclear weapon contains almost 10 times the explosive force delivered by all of the allied air forces in the Second World War. It makes no sense in an age when the deadly poisons produced by a nuclear exchange would be carried by wind and water and soil and seed to the far corners of the globe and to generations yet unborn."

From the address by President Ronald Reagan after the summit in Reykjavik, Iceland, with Soviet leader Mikhail Gorbachev, Oct. 13, 1986: "I told him I had pledged to the American people that I would not trade away SDI"—the Strategic Defense Initiative. "There was no way I could tell our people that their government would not protect them against nuclear destruction. I went to Reykjavik determined that everything was negotiable except two things: our freedom and our future. I am still optimistic that a way will be found. The door is open, and the opportunity to begin eliminating the nuclear threat is within reach."

From Reagan's remarks at the signing, with Mr. Gorbachev, of the Intermediate Range Nuclear Forces Treaty, at the White House, Dec. 8, 1987: "The numbers alone demonstrate the value of this agreement. On the Soviet side, over 1,500 deployed warheads will be removed, and all ground-launched intermediate-range missiles, including the SS-20s, will be destroyed. On our side, our entire complement of Pershing II and ground-launched cruise missiles, with some 400 deployed warheads, will all be destroyed. Additional backup missiles on both sides will also be destroyed. But the importance of this treaty transcends numbers. We have listened to the wisdom in an old Russian maxim. And I'm sure you're familiar with it,

© CORBIS/GETTY IMAGES  
JFK meets with U.S. Army officials during the Cuban Missile Crisis.

Mr. General Secretary, though my pronunciation may give you difficulty. The maxim is: *Dovorey no provorey*—trust, but verify."

Mr. Gorbachev: "You repeat that at every meeting. [Laughter]"

Reagan: "I like it. [Laughter]"

This is how American presidents have always talked about nuclear weapons and the nuclear age—blunt, direct, factual and clear: We never want these weapons used again.

Until now. President Donald Trump's tweet, 7:49 p.m., Jan. 2, 2018: "North Korean leader Kim Jong Un just stated that the Nuclear Button is on his desk at all times. Will someone from his depleted and food starved regime please inform him that I too have a Nuclear Button, but it is a much bigger & more powerful one than his, and my Button works!"

We're not going in the right direction, are we?

Here are the reasons Mr. Trump's tweet is destructive and dangerous.

Because it is cavalier about a subject that could not be graver. Because the language and venue reflect an immature mind, the grammar and usage a cluttered and undisciplined one. By raising the possibility

of nuclear exchange on social media, the president diminishes the taboo against nuclear use. Anything you can joke about on Twitter has lost its negative mystique. Destigmatizing the idea of nuclear use makes it more acceptable, more possible—more likely. Bragging about your arsenal makes it sound as if nuclear weapons are like other weapons, when they're not.

Using a taunting public tone toward an adversary such as Mr. Kim, who may be mad, heightens the chance of nuclear miscalculation. The president's tweet is an attempt to get under the skin of a sociopath. Is it a good idea to get under the skin of a sociopath who enjoys shooting missiles?

Blithe carelessness on an issue with such high stakes lowers world respect for American leadership. It undermines our standing as a serious and moral player, which is the only kind of player you would trust, and follow, in a crisis.

The sober and respected Sam Nunn represented Georgia as a Democrat in the U.S. Senate from 1972 to 1997, and is co-chairman of the Nuclear Threat Initiative, a nonprofit trying to prevent the use of weapons

of mass destruction. "The danger of nuclear use is greater now than during the Cold War," he said. The impact of Mr. Trump's rhetoric? "It increases the risk of blunder."

There are more nuclear nations, more independent actors, including terrorist groups. "Nuclear material is not fully secured, scientific knowledge of how to make a bomb is increased." And there is the cyber threat—hacking into weapons systems, supplying false data. "Want a war between India and Pakistan?" Mr. Nunn says. "Simulate a missile attack." Make it appear missiles are incoming when they're not.

The risky world becomes riskier. "Add to that the heated rhetoric and name calling, and that increases risk and lays the foundation for a catastrophic blunder."

You always fear miscalculation and misinterpretations, he says. But the chance of a blundering into disaster is probably greater than the chance of deliberate use.

Mr. Nunn notes we have been lucky that 73 years into the nuclear age there have been no accidental launches, no catastrophic decisions. The nuclear nations have been careful, professional, restrained. But yes, we've been lucky.

And should do nothing to press that luck.

Bragging about nuclear arms increases the likelihood of proliferation. "If we're trying to get countries around the world not to go nuke, then we shouldn't talk in a way that enhances their importance," Mr. Nunn says. "There's a lot of countries out there looking to take their small button and make it into a big button."

By the way, Reagan's INF Treaty, that turning point in the history of arms control, remains in force but could unravel due to charges of violations and bad faith. Keeping it up and operating will require work but be heartening for the world.

Focus there. And don't tweet about it.

## The University of Alabama Earns a Victory Over an Ugly History

By Bob Greene

**A** big college football game will be played Monday night between the Alabama Crimson Tide and the Georgia Bulldogs. But in the ways that truly count in life, the University of Alabama has already scored a comeback victory for the ages.

At the beginning of the current football season, on the day before Alabama was to host Colorado State in Tuscaloosa's 101,821-seat Bryant-Denny Stadium, there was a quiet ceremony held on a patch of grass

**Authorine Lucy was kept out in 1956 because of her race. She eventually got a degree—and a monument.**

not far from the field. In front of several hundred people, a monument was unveiled. Its purpose was to honor a woman named Authorine Lucy Foster.

There was a time when such a moment on Alabama's campus would have seemed impossible. But times, and institutions, change.

In 1956, Authorine Lucy—her name before she was married—arrived at the University of Alabama to attend her first day of classes. She had already graduated from Miles College, a historically black school, but she wanted to become a teacher, and she believed the University of Alabama was the finest school in the state. She hoped that a degree from Alabama would help her find a fulfilling teaching job.

She was met by violence and viciousness. The university had offered admission to both her and a friend, Pollie Myers, without knowing they weren't white. When the school discovered this, it rescinded

the offers. The pair fought the ruling in court; one of their attorneys was a young Thurgood Marshall, who would later become a Supreme Court justice. The university succeeded in keeping out Myers on grounds that she had allegedly conceived a child before getting married, which the school decreed made her unfit for admission.

Authorine Lucy, however, won her court case. When she showed up for classes, she was met by rioters, both students and townspeople. Her life was threatened: The mobs hurled objects at her, followed her down the street as she tried to get to classrooms, screamed vile epithets at her. Police officers were called in to protect her. While in class, she could hear the crowds gathered outside angrily chanting insults. At one point she had to find shelter in the annex of a university building from those who wanted to hurt her. Three days after she arrived, the university suspended her, purportedly for her own safety.

She still hoped to earn a University of Alabama degree. She went back to court and prevailed again, but the university expelled her for allegedly maligning it by the points she made in pursuing her legal case. For a time, feeling defeated, she gave up.

In 1963, two other black students, Vivian Malone and James Hood, finally were able to attend the university after the famous episode during which Gov. George Wallace, standing in the doorway of the building where they were to register for classes, tried to block their path. In 1988 the school, wanting to make amends for its treatment of Authorine Lucy, officially rescinded her expulsion.

She had found work as a teacher in the meantime, but she returned to the university as a graduate student in the College of Education. She received her master's degree in 1992 on the same day her daughter

graduated from Alabama with a bachelor's degree.

Vivian Malone, James Hood and Authorine Lucy Foster have received various recognitions from the school in the years since. But last September the school decided to do something especially for Ms. Foster. Not far from the spot on campus where some six decades ago her life was threatened and she was forced to leave the university, the monument-unveiling ceremony was held.

Ms. Foster is 88 now. With a smile in her voice, she said to the people who had gathered: "To the student body and to all of you standing around, I want you to know that the last time I saw a crowd like this at the University of Alabama . . ."

Which makes what University of Alabama president Stuart Bell said at the unveiling of the monument to Ms. Foster all the more meaningful:

"Quite frankly, without your courage and without your bravery, we would

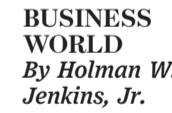
not enjoy the great university as we have it today. We stand in awe."

The plaque that now honors her on campus proclaims that her "courage made the University of Alabama truly 'one for all.' "

Regardless of who wins the football game Monday night, if you're ever in Tuscaloosa you might want to stop by and take a look at Ms. Foster's monument. It's on the grounds of Graves Hall, home of the College of Education, just across University Boulevard from Bryant-Denny Stadium. There are champions, and then there are champions.

*Mr. Greene is completing a new novel, "Yesterday Came Suddenly," about an America with no internet.*

## The Non-Accidental Presidency



**BUSINESS WORLD**  
By Holman W. Jenkins, Jr.

If this column had a hobby horse through 2016, it was that Donald Trump didn't want to be president. Our fear, after the election, was that he would basically refuse to take the job fully on.

Whatever its flights of fancy, Michael Wolff's new book documents this most interesting reality, from which all the administration's early chaos flowed.

His entourage, right up to election night, believed "not only would Trump not be president, almost everyone in the campaign agreed, he should probably not be."

This was obvious at the time except to Never Trumpers who were too busy trying to protect their reputations from a Trumpism that didn't exist, from a guy who represented much less than they imagined, malign or otherwise.

One sorry upshot is that a significant part of the conservative commentariat is missing the great political story of our time because they can't stop writing about themselves.

Along the way they also muffed what parties are for. In a two-party system, they aren't, and can't be, vessels of immutable principle.

The parties—specifically the Republican Party—turn out to be one more American institution capable of bending without breaking, affording (in this case) a way for voters to register exhaustion with the political status quo, even if the end result has the flavor of an accident.

Though, when an accident has so many authors it begins to seem like something more. Hillary Clinton and her Democrats whiffed on the biggest hanging curve in history. Barack Obama, after the 2008 financial crisis, chose to focus on

redistribution rather than restoring the economy's dynamism. If this had been anything resembling the wise choice, Mr. Trump would not be president now.

Even FBI chief James Comey admitted to a mild case of nausea due to the likelihood that the bureaucracy's (foolish and improper) intervention on Hillary's behalf helped elect Mr. Trump.

Meanwhile, the press still looks for the Russia collusion narrative somehow to repair matters. Coverage of Mr. Wolff's book dwells inordinately on a Steve Bannon quote calling Don Jr.'s meeting with a Kremlin lobbyist "treasonous."

**If Donald Trump didn't want to be president, history had another idea.**

Read on, and by "treasonous" Mr. Bannon means "stupid." The Trump campaign should have sent a cutout to meet a Russian emissary far from Trump Tower. Any "dirty" on Hillary should have been quietly channeled to Breitbart "or maybe some other more legitimate publication."

In other words, the campaign should have played the Russia angle the way those pros at the Hillary Clinton campaign did.

Now a 70-year-old grandfather with a 10-figure stake in our status quo world (even if it's not as big a 10-figure stake as he likes to pretend) is president despite himself.

His violations of the "norms" are perhaps not as apocalyptic as the Chicken Littles say. They are certainly unlikely to be emulated by whoever comes along next. In the meantime, though, he's playing his role usefully.

His corporate tax reform was overdue. His curbing of Washington's regulatory excesses leaves

the country better off. There is movement on North Korea's nukes, a problem that four presidents conspired to dump in Mr. Trump's lap. His immigration and trade actions are more difference-splitting than the press likes to admit.

Apparently we are meant to learn from this episode that a president can find his way without being a scholar of public policy.

Yes, Mr. Trump's fibbing is annoying, although it allows him to unload stances by denying he ever took them. The many now calling him an idiot fail to perceive how completely they would appear to be idiots too if they left their cozy, familiar, reinforcing milieus and landed themselves over their heads in a job like the presidency.

Mr. Trump still has a problem with women. His sexual attitudes, which he once flaunted for branding purposes, are basically those celebrated in the mass media circa 1979, though the same attitudes apparently have a hold on many middle-aged male journalists, judging from recent scandals.

But voters knew about Mr. Trump's past and elected him anyway. He can always claim that, in his experience, women considered it flattering when a celebrity billionaire made a pass at them. He'll have a microscopic point and need it, because Democrats are sizing up his sexual past as the next battering ram now that Russia is not panning out.

And then, poof, his presidency will be over before you know it, and will be looked back on (like every presidency) as a mixed bag. Yet here's betting Mr. Trump will leave in his wake a political world more open to hopeful possibility than the world that, during 16 years of Bush-Obama, showed itself mainly capable of doing one stupid, or at least ultimately unproductive, thing after another.

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## SPORTS

NFL

# How the Saints Defense Tipped the Scales

New Orleans is back in the playoffs after a stunning turnaround from a unit that was one of the league's worst last year

BY ANDREW BEATON

*Metairie, La.*

New Orleans Saints defensive end Cameron Jordan pulled off a feat this season so rare that only one other player has accomplished it in the last decade. Also, nobody has any idea what he was talking about when he describes his accomplishment as a triple-double.

"Apparently," Jordan said, "no-body had ever used that one before."

Triple-doubles in basketball—a single game in which a player racks up double-digits in three categories like points, rebounds and assists—are exceptional but well known. The type of triple-double Jordan was talking about is far more uncommon because it's a season-long achievement: Double-digit sacks, tackles for losses and passes defended (tipped or deflected passes).

It's also an important reason why the Saints are back in the playoffs this season after a three-year drought. They won their division and host the Carolina Panthers on Sunday. Their offense, as it has so often been, was one of the best in the NFL. Drew Brees is still their quarterback, and he has even more weapons than usual.

But the key to their turnaround happened on the other side of the ball. A defense that gave up the second most points in the NFL a year ago, and the most the year before that, suddenly became one of the 10 best in the league. And nothing explains how complete that improvement has been better than Jordan's triple-double.

It's similar in theory to basketball's standard for the triple-double. What makes that feat so outstanding is that it involves significant contributions in so many different phases of the game. Typically, players who get rebounds might not rack up so many assists and vice-versa.

It's the same with football. Players who spend their time in the offensive backfield get sacks and tackles for losses. So they're not usually the players preventing pass completions by tipping them away. It encapsulates pretty much everything there is about defense: getting after the quarterback (sacks), stuffing players in the backfield (tackles for losses) and thwarting passes (deflections).

That's why only one other player since 2008 has pulled it off, according to Stats LLC. That player, Houston Texans' star J.J. Watt, also happens to be the best defensive player in the NFL over that time period, one who has become famous for being a singular nightmare for opposing offenses. Watt did it twice, in 2012 and



Members of the New Orleans Saints defense celebrate after an interception by linebacker Craig Robertson, No. 52, during a Dec. 31 game against Tampa Bay.

2014. (Stats only began recording the deflected passes statistic in 2008).

The hardest part for any defensive lineman is defending that many passes. They make their living by breaking into the backfield. If they're good at their jobs, they'll use their strength and speed to maul their way past offensive linemen and accumulate sacks and tackles for loss. "But when you talk about the ability to bat down passes," Jordan says, "that takes hand-eye coordination."

Saints players say this improvement didn't come out of nowhere. Defensive end Alex Okafor had three tipped passes before going down after an injury, putting him on a pace for a career-high in his first season in New Orleans. Rookie Trey Hendrickson has two.

Defensive tackle Sheldon Rankins said it begins with analyzing opposing quarterbacks. They look at his release point, and which gaps on the offensive line he most frequently throws the ball through. Then they can have the best idea of where to actually

throw up their hands when they're primarily focused on battling who-ever is trying to block them.

"It's definitely one of those habits you can build," Rankins said.

The players also credit new defensive line coach Ryan Nielsen, who came this year from North Carolina State. The linemen imple-

Jordan had 11 passes defended this year, according to Stats. No other defensive lineman had more than nine. Jordan never had six before this season. His total ranks tied for 33rd in the NFL—which means there are scores of defensive backs, whose jobs specifically entails defending passes, with fewer than that.

His 13 sacks were also a career high in a season that took him to his third career Pro Bowl. For his coach Sean Payton, what stands out most is Jordan's ability to keep producing so late into games when other players tire. "I keep using that word stamina," Payton said. "Play number 42 can be as good as play six."

This has been just one key to a defensive turnaround that has catapulted the Saints from consistent mediocrity—they were 7-9 in each of the previous three years—back to being one of the best teams in the NFL, in many ways resembling the won that won the Super Bowl in the 2009 season.

Some of the other forces behind the drastic improvements came

from players who weren't on the roster at all last season.

Rookie Marshon Lattimore looks like the league's next shutdown cornerback and could win defensive rookie of the year. Fellow first-year Marcus Williams has looked like the best safety from this year's draft class. Manti Te'o, a bargain-bin free agent signing, has led a resurgent linebacking corps.

The numbers show just how big of a difference all of this has made: The Saints gave up 158 fewer points this season than a year ago—a difference of nearly 10 points per game. They intercepted 20 passes, an increase of 12. Their 42 sacks were an uptick of 12.

Now they have a home wild-card matchup with the Panthers on Sunday and, if the Saints win, a favorable game the following weekend against the Carson Wentz-less Eagles in the divisional round.

Which, along with a Brees-led offense, is why New Orleans has the fourth-best odds to win the Super Bowl—better than any other team playing this weekend.

A triple-double in football? Cameron Jordan achieved the rare feat this season.

mented a new drill this season designed specifically to practice all of this. They'll push into an offensive lineman and have to get their arms in the air at the right moment in the right place.

If that sounds logical, it is. That doesn't mean it's common. "It's definitely unusual," Jordan said. "Seven years in the league, I had never done anything like it."

## FIGURE SKATING

### A MODEST MARCH TO GOLD

BY LOUISE RADNOFSKY

**SAN JOSE, Calif.**—A year ago Nathan Chen established himself as the great American hope for the 2018 Winter Olympics, the elusive singles skater with a legitimate claim to wresting a gold medal from international contenders who had long left U.S. entrants in the dust.

Such was the enthusiasm for the seven quadruple jumps he packed into two fluid, polished programs for record-shattering scores that the men's free program, rather than the more glamorous women's event, now holds the prime-time Saturday evening slot in the competition schedule.

Chen's own ambitions for this year's national championship are more modest: skate relatively cleanly, notching more under-pressure repetitions of those seven quadruple jumps ahead of his real test in Pyeongchang.

The 18-year-old is undefeated in international competition this season, but several of his victories have come as his chief rivals underperformed amid ill health, and Chen himself has described some of the winning performances as disappointing.

He opted not to top his best short program score in San Jose Thursday, offering two quadruple jumps but holding back on performing the most difficult one on the books, and involuntarily bobbling the landing on his triple axel. But at 104.45 points to last year's 106.39, he came away content that he had performed "OK" to the music "Nemesis" by Benjamin

Clementine.

"The program was a little watered down. I didn't do the quad lutz, and I did make a mistake on the axel which was a little frustrating, but overall I think the program was OK," Chen said. "I made a couple other little mistakes on the jumps, so you know, things to fix for Saturday."

In some ways, Chen's domestic pre-Games launch has been overshadowed here by the fight for the other two men's spots on the 2018 Olympic team.

Adam Rippon, Chen's decade-older training partner, offered a dazzling short program to club music, performing clean triple jumps and high-level spins, that put him in second place and more confident than ever that he was finally clinching his case for an Olympic spot.

"It's good. And I'm going to make sure that it's even better before I leave here," Rippon told reporters, minutes after he threw his leg up in a high kick at seeing his score.

Jason Brown, who in 2014 propelled himself to the Sochi Games squad and YouTube fame with a "Riverdance"

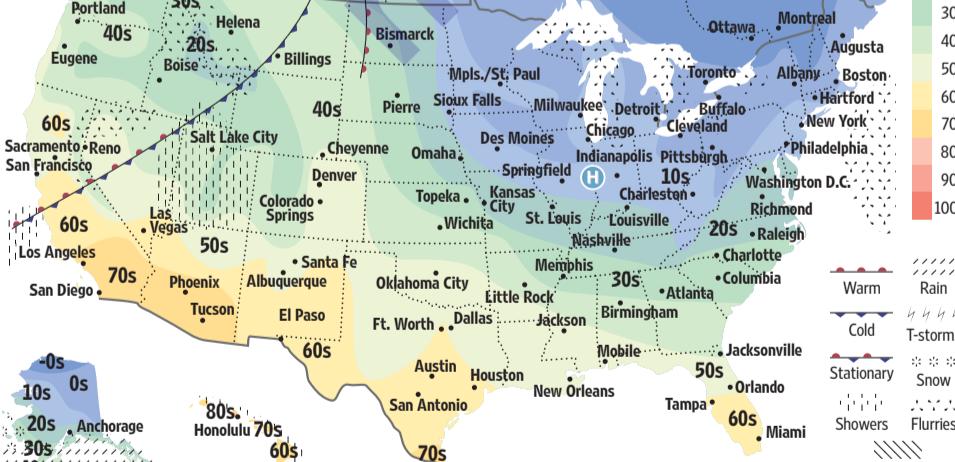
Nathan Chen free skate, lay in third place after a program to music from "Hamilton."

Vincent Zhou, a 17-year-old with the potential for the same quadruple jump arsenal as Chen, was in fifth place with an Olympic berth still in his sights.

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## Weather



## U.S. Forecasts

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

t...storms; r...rain; sf...snow flurries; sn...snow; Li...ice

Today Tomorrow

Hi Lo W Hi Lo W

City Anchorage Atlanta Austin Baltimore Boise Boston Burlington Charlotte Chicago Cleveland Dallas Denver Detroit Honolulu Houston Indianapolis Kansas City Las Vegas Little Rock Los Angeles Miami Milwaukee Minneapolis Nashville New Orleans New York City Oklahoma City

26 22 pc 26 16 sn

39 23 s 42 32 c

63 52 pc 67 43 c

17 1 s 22 16 s

39 26 sn 39 28 pc

8 5 s 16 12 s

-2 -12 c 11 8 pc

35 12 s 37 24 pc

14 3 s 29 28 sn

7 2 s 28 26 c

59 49 s 61 43 sh

54 28 c 48 26 pc

12 3 s 26 25 sn

82 72 pc 82 71 pc

63 49 s 71 51 pc

13 0 s 33 30 sn

29 25 s 40 23 r

69 48 c 66 44 pc

41 28 s 43 43 r

70 55 c 71 55 pc

68 54 pc 73 64 pc

13 6 pc 31 26 sn

10 10 pc 29 23 c

29 16 s 44 36 c

58 46 s 65 58 pc

12 3 s 18 15 s

50 42 pc 50 30 r

Today Tomorrow

Hi Lo W Hi Lo W

City Anchorage Amsterdam Athens Bagdad Bangkok Beijing Berlin Brussels Buenos Aires Dubai Edinburgh

26 22 pc 33 sh 38 30 c

60 51 p 47 pc 67 46 s

90 78 c 90 77 sh

37 23 p 38 23 c

45 35 c 37 27 c

44 36 c 39 35 sh

81 59 s 88 66 pc

78 61 s 79 63 s

42 33 sh 41 32 s

39 22 s 34 25 s

Today Tomorrow

Hi Lo W Hi Lo W

City Frankfurt Geneva Havana Hong Kong Istanbul Jakarta Jerusalem Johannesburg London Madrid Manila Melbourne Mexico City Milan Moscow Mumbai Paris Rio de Janeiro Riyadh Rome San Juan Seoul Shanghai Singapore Sydney Taipei Tokyo Toronto Vancouver Warsaw Zurich

47 41 pc 52 41 c 70 58 pc 67 65 sh 52 47 s 89 77 pc 51 40 s 92 60 s 44 35 c 46 34 r 88 75 pc 104 62 s 68 40 pc 46 43 r 38 33 sn 86 61 pc 45 40 r 88 74 t 75 46 s 61 52 pc 84 74 s 35 23 s 48 42 pc 87 78 c 87 74 s 65 3 r 49 41 s 1 41 s 43 38 c 49 36 pc 51 38 pc

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50 56 s 56 49 s 74 57 r 75 47 s 74 57 r 73 56 r 50 44 r 35 24 sf



FREIGHT RATES KEEP TRUCKIN' B3

# BUSINESS & FINANCE



BANKING AN OVERSEER'S WRATH B10

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THE WALL STREET JOURNAL.

Saturday/Sunday, January 6 - 7, 2018 | B1

DJIA 25295.87 ▲ 220.74 0.9% NASDAQ 7136.56 ▲ 0.8% STOXX 600 397.35 ▲ 0.9% 10-YR. TREAS. ▼ 7/32, yield 2.476% OIL \$61.44 ▼ \$0.57 GOLD \$1,320.30 ▲ \$0.90 EURO \$1.2032 YEN 113.05

## More Debt a Downside to 401(k)

**Study finds workers auto-enrolled in plans borrow more, but the trend has benefits**

BY ANNE TERGESEN

Automatic enrollment has pushed millions of people who weren't previously saving for retirement into 401(k)-style plans. But many of these workers appear to be offset-

ting those savings over the long term by taking on more auto and mortgage debt than they otherwise would have.

The finding, from a new study from academic economists known for their work on retirement-saving plans, answers a question that has concerned supporters of auto enrollment since the 1980s, when some employers began putting workers into 401(k) plans and giving them the option to drop out, rather than requiring

them to sign up on their own: While many employers assume that new hires who are swept into 401(k) accounts adjust by spending less, do some people—particularly lower-income savers—take on debt to compensate for the loss of take-home pay?

"It seems logical that some of the benefits of auto enrollment are offset by increases in debt, which is what this study tells us," said Steve Utkus, a principal at Vanguard Group,

which manages more than \$990 billion in 401(k) assets.

The good news, he and others said, is that the study finds no evidence that people who are automatically enrolled are running up more credit-card debt than employees who are required to sign up for a 401(k) on their own. Nor is the extra debt auto-enrolled employees take on causing their credit scores to deteriorate. Some of the added debt, particularly mortgage debt, may

even boost participants' net worths over the long run, the study says.

"Our conclusion is that people who are auto-enrolled do eventually take on more debt," said co-author James Choi, a professor of finance at the Yale School of Management. "But they don't take on more of the kind of debt that would be clearly worrisome," such as credit-card debt, second mortgages or installment loans,

Please see 401K page B2

### On the Rise

More employers have been automatically putting their employees into 401(k) plans.

#### Plans with auto enrollment

75%



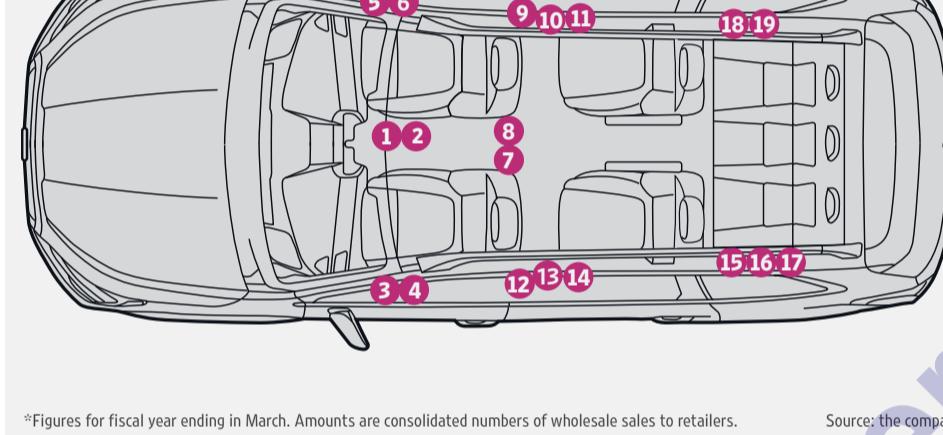
Source: Alight Solutions LLC

THE WALL STREET JOURNAL.

## Hold My Drink: New Subaru Entry Adds Liquid Assets

Subaru is wheeling out a bigger SUV in seven- and eight-seat versions to appeal to American tastes. Among other features, the Ascent offers 19 cup and bottle holders, which works out to 2.7 beverage holders per passenger in the seven-seat version. B3

Subaru Ascent SUV



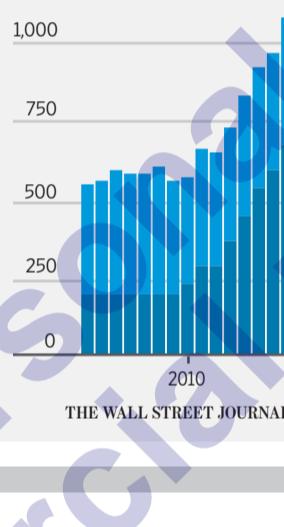
\*Figures for fiscal year ending in March. Amounts are consolidated numbers of wholesale sales to retailers.

Source: the company

Subaru's sales have soared in the U.S., though the brand's market share remains below 4%.

#### Subaru vehicle sales volume\*

■ U.S. ■ Total



## Boeing Takes Up Brazil's Concerns

BY DANA MATTIOLI  
AND DANA CIMILLUCA

Boeing Co. is in talks with Embraer SA and Brazil's government on ways to address the government's concerns about the U.S. plane maker's potential takeover of its Brazilian rival, according to people familiar with the matter.

Boeing and Embraer informally agreed to terms that would value the Brazilian company at \$28 per U.S. share, the people said. But after The Wall Street Journal reported on the talks last month, some Brazilian officials came out against a deal.

President Michel Temer said the government would welcome a new investment in Embraer but wouldn't permit a change in control of the company. A government spokesman said Friday that the country's position hasn't changed.

The companies are now trying to overcome the government's resistance, which centers largely on Embraer's defense business. Boeing is sensitive to those concerns and is proactively trying to address them, one of the people said.

The American company is considering whether to allow Brazil's government to retain a so-called golden share in Embraer's defense business, the people said. The government now has a golden share in the whole company, giving it veto power over any transaction



The Brazilian government has balked at Boeing's bid to take over aircraft maker Embraer.

that would transfer control of the former state-owned business, which is considered a jewel of Brazilian industry. Embraer still has close ties to the country's military establishment.

Boeing is also willing to take steps to protect Embraer's brand, management and jobs, people familiar with the matter have said.

As of Friday morning, Embraer's U.S. shares were trading at just under \$27, nearly 35% more than their price just before the talks surfaced. That gave the company a market value of about \$5 billion. The

stock dropped by roughly 5% Friday afternoon after the Journal reported on the state of the talks, as some investors were disappointed that the potential price isn't higher. The shares closed down 4.2% at \$25.76. Boeing closed 4.1% higher at a record \$308.84.

It is uncertain whether the parties will find a mutually agreeable arrangement. But any deal would likely take between nine months and a year to close, one of the people said.

The talks have drawn a rebuke from Bombardier Inc., Embraer's Canadian rival.

Bombardier faces potential

U.S. tariffs after Boeing lodged a complaint over alleged state subsidies and unfair pricing. The Chicago-based company has also objected to a proposed joint venture between Bombardier and Airbus SE. People familiar with the deal see that venture as a catalyst for Boeing's bid in Brazil.

"Boeing's acquisition of Embraer undercuts everything it said to the U.S. government in the trade cases," a Bombardier spokesman said on Friday.

Embraer, based in the city of São José dos Campos in the state of São Paulo, is the

Please see BOEING page B2

## Ripple Steals Some of Bitcoin's Thunder

BY PAUL VIGNA

In 2017, bitcoin became a household word among investors. This year, it may be Ripple's turn.

XRP, a five-year-old digital currency offered by San Francisco startup Ripple, has soared 1,135% in the past month alone, quickly becoming the second-largest crypto-asset behind bitcoin. The rally included a 32% jump in the first days of 2018.

Such moves have become almost normal in the tumultuous virtual-currency mania of the past year. Ripple, like a bevy of other crypto startups, has benefited from the blind hope many investors are placing in largely unregulated and loosely defined bitcoin-related businesses. What is surprising about Ripple, though, comes from some of the differences that it has with bitcoin, the largest cryptocurrency by market value.

While both focus on electronic payments, bitcoin is

governed by a fractious global array of technologists and anti-establishment libertarians. It was created nine years ago to reduce the power of big banks widely blamed for the financial crisis.

XRP, on the other hand, is centralized around a single for-profit company, Ripple, that has courted banks with a promise to reduce their costs. While some banks such as Spain's Banco Santander SA and Bank of America Corp. have signed up for Ripple's in-

ternational money-transfer services, many large players such as Citigroup Inc. and HSBC Holdings PLC have stayed away and are pursuing their own payment improvements.

Ripple hasn't disclosed how much money the banks are moving over its payments network, which offers software to transfer dollars, yen and euros more quickly and inexpensively. It says it has signed up about 100 banks, but that is a fraction of the 16,600 institu-

Please see RIPPLE page B11



Forget Dow 25,000. Every year is full of surprises, but there are a few things every investor should expect to see happen in 2018.

With companies moving less in lockstep, professional investors will declare this a "stock pickers' market." Asset managers will proclaim that the impending rise in interest rates means you need bond funds that can hold any kind of debt. After years of smooth increases, even a 5% decline will set off cries of panic. And reported returns will shoot upward as the financial crisis of 2008 is jettisoned from 10-year track records. A look at these trends now should help keep you from overreacting, or acting at all, when they transpire.

Correlations, or the extent to which companies move up or down together, are at their lowest in more than 25 years, according to T. Rowe Price Group Inc.

Whenever stocks rise and fall independently like this,

portfolio managers say beating the market becomes easier.

History says otherwise. Most funds run by stock pickers struggle to outperform in years of high and low correlation alike. Such active portfolios charge higher fees than market-matching index funds. And for every stock picker who buys a stock, another is selling; only one of them can be right.

With many professional investors expecting interest rates to climb this year, you should also expect a push to invest in unconstrained bond funds.

Such portfolios can, in theory, generate higher returns by ranging across the entire market—government and corporate debt, inside and outside the U.S.—to buy cheap bonds wherever they may be found.

Bear two things in mind. First, a jump in interest rates is probable, not certain. Second, even if rates do rise, unconstrained portfolios are riskier than those

Please see INVEST page B4

## BUSINESS &amp; FINANCE

# Jessica Alba's Startup Struggles

Honest Company loses unicorn status as sales stall; no quick exit for shareholders

BY SERENA NG

Sales growth at the Honest Company Inc. stalled in 2017, as product woes continued and the consumer-goods startup co-founded by actress Jessica Alba lost its unicorn status, according to people familiar with the matter.

Annual sales at the 6-year-old company, which reached \$300 million in 2016, were roughly flat last year, the people said. Meanwhile, in late September, they said, Honest raised funds from existing investors at a valuation of less than \$1 billion—the threshold for so-called unicorn startups—and well under the \$17 billion the company was valued at in 2015.

The comedown reflects how Honest—which markets its wares, including diapers, household cleaners and cosmetics, as safer and more ecologically friendly than rival brands—has struggled to achieve sustainable growth after being hobbled in recent years by product problems.

The company has conducted voluntary recalls of its baby powder and baby wipes, reformulated its laundry detergent after The Wall Street Journal reported on an ingredient-labeling issue, and battled class-action lawsuits over its ingredients and claims.

When Honest last raised money, in the summer of 2015, its revenue was growing at a rapid clip. From 2013 to 2016,



**The consumer-goods vendor co-founded by the actress has been hobbled by product problems.**

sales rose fivefold from \$60 million to \$300 million, and the company was seen as an upstart competitor to household and personal-care products giants such as Procter & Gamble Co. and Kimberly-Clark Corp.

In 2016, Honest was in talks to sell itself to Unilever PLC, but the consumer-products giant ended up acquiring one of Honest's main rivals. An initial public offering was also considered at one point.

Now, faced with no quick exit for its shareholders, who have collectively pumped more than \$300 million into the Santa Monica, Calif., company, Honest is trying to stabilize its business and get back on a growth path. Last March, it named a new chief executive, replacing co-founder Brian Lee with Nick Vlahos, a consumer-products veteran from Clorox Co., and tasking the 49-year-old executive with revamping the business and improving quality control.

Mr. Vlahos, in a recent interview, wouldn't comment on

Honest's sales trends but said the company has been culling some products such as sunscreen and insect repellent to focus on its three core categories of baby, beauty and household products.

"We have to drive good growth on a consistent basis, which means getting out of businesses we can't win in," Mr. Vlahos said.

He said Honest's diapers, one of its top products, are selling well. Sales of the diapers at drugstores and other U.S. stores rose 10.5% last year to \$46.8 million, according to data from IRI, a Chicago-based market research firm. The company is also expanding its retail distribution; it recently started selling on Amazon.com Inc.

Product issues, however, linger. When Mr. Vlahos arrived at Honest in early May, he immediately had a problem on his hands. Customers were posting images on social media of Honest baby wipes with dark spots. Tests conducted by the company confirmed the presence of



not included in the recall were put through a process known as irradiation, a technique designed to kill microorganisms that could lead to mold.

In mid-July, about two months after the recall was announced, Honest wipes were back on store shelves, and online shipments resumed. But by the fall, some customers were once again complaining of mold, including in some of the U.S.-made wipes. A person close to the company said one possible reason was that Honest's wipes weren't processed with chlorine and didn't contain certain ingredients like alcohol that could have prevented mold.

Mr. Vlahos said Honest has addressed the problem. "As much as I want to bulletproof issues," he said, there will be times "when things do come up." He added that Honest has stepped up efforts to improve product testing and overall quality control, hiring new staff and putting new procedures in place. The company also set up an in-house lab for product-formulation work.

Honest didn't disclose how much it raised in its latest funding round, led by existing shareholder Fidelity Investments, but a person familiar with the matter said the company obtained about \$70 million. Mr. Vlahos said Honest is now "fully funded" and he is focused on building up the business rather than trying to sell it or take it public in the near term. "It's why I'm here," he said. "I'm interested long term in creating a legacy and brand that will test time."

—Sharon Terlep contributed to this article.

## Bristol Cites Tax Impact

BY JONATHAN D. ROCKOFF

Bristol-Myers Squibb Co. said Friday it expects to pay an extra \$3 billion in taxes on its overseas cash in the fourth quarter, a result of the U.S. tax overhaul.

The New York-based drugmaker is the latest company to outline the tax bill it faces under the new law, which levies a tax on profits made abroad ahead of eliminating U.S. taxes on future foreign earnings.

Technology and drug companies especially had been keeping hundreds of billions of dollars outside the U.S. to avoid paying the 35% corporate tax under the old U.S. tax system.

The biggest drug companies, including Bristol, have \$166 billion in cash overseas and \$501 billion in unremitted earnings overall, Morgan Stanley estimates. Bristol has \$8 billion in cash and \$26 billion in unremitted earnings, according to the bank's estimates.

In a filing with securities regulators, Bristol said the tax charge "will impact" the company's forecasted 2017 tax rate and earnings per share, but won't affect the financial guidance it gives that doesn't necessarily comply with generally accepted accounting principles.

Bristol said it "is still evaluating all the provisions of the tax reform legislation and currently estimates that the net impact of tax reform on the non-GAAP tax rate as roughly neutral in 2018."

Goldman Sachs Group Inc. has said it would take a \$5 billion charge to earnings, while biotech Amgen Inc. has said it expects to pay at least \$6 billion because of the new law.

## Education Firm Seeks Nonprofit Standing

BY BOWDEYA TWEH AND AISHA AL-MUSLIM

For-profit education company Grand Canyon Education Inc. wants its main university to operate as a nonprofit school, less than two years after withdrawing a similar proposal to its accreditor.

The Phoenix-based company said in a securities filing Friday that the Higher Learning Commission could vote on the application for Grand Canyon University to be classified as a nonprofit institution as early as February. The proposal calls for separating the company from the education institution, and allowing Grand Canyon Education to operate as a third-party provider of services to Grand Canyon University.

A sale of Grand Canyon University would allow Grand Canyon Education to potentially reach shared-services agreements with other institutions in the future, the company said in the filing.

The Higher Learning Commission is reviewing the proposal and will take action on it in the coming months, a spokesman said in an email.

## BOEING

Continued from the prior page world's third-largest commercial-jet manufacturer by revenue and has some 18,000 employees. It is best known for making regional jets in the 70-to 100-seat range, and will deliver the first of its larger E2 jets later this year. Embraer would expand Boeing's product range in commercial and military jets and provide additional engineering resources, said people familiar with the U.S. company's thinking.

Boeing is the world's largest aerospace company with a market value of about \$180 billion. It makes commercial jetliners and defense, space and security systems as well as military aircraft, weapons, satellites and helicopters.

—Luciana Magalhaes in São Paulo and Doug Cameron in Chicago contributed to this article.

## Drinks Seller Plays It Cool

BY CARA LOMBARDO

Constellation Brands Inc. isn't worried beer sales will slow down in California now that recreational cannabis is legal, even as the Corona distributor develops cannabis-infused drinks that could launch in Canada by 2019.

There has been little consensus among beer-industry executives on whether marijuana legalization could cannibalize or conversely complement their sales. Constellation Chief Executive Rob Sands argued both sides of the debate on an earnings call Friday.

The law change in California, Constellation's biggest beer market, is a "nonevent" since marijuana has already been widely available there for medical use, he said.

But the beverage company

is also investing in cannabis. Constellation last year spent about \$191 million for a 9.9% stake in Canopy Growth Corp., a Canadian cannabis grower. Together they are developing nonalcoholic drinks, though they haven't said what the drinks might taste or look like.

"We don't have everything fully baked nor should we or would we at this point in time," Mr. Sands said.

Constellation expects the drinks to be legal in Canada beginning in 2019.

The company doesn't have plans to market any cannabis-infused drinks in the U.S. unless the drug becomes legal at the federal level. While more than 25 states allow it for medical or recreational purposes, federal policy has recently inched in the opposite

direction. Attorney General Jeff Sessions this past week rescinded Obama-era measures that took a hands-off approach to enforcing federal marijuana laws, and President Donald Trump's administration has said federal law should be enforced.

Constellation's beer sales rose 7.8% in its latest quarter, with most of the gain continuing to come from the company's Mexican imports such as Corona and Modelo. But results in its wine and spirits business, which includes brands such as Svedka Vodka and Robert Mondavi wine, were weaker than expected.

Comparable sales in that segment hardly moved.

Constellation shares, up more than 50% in the past year, fell 2.6%, to \$219.88, on Friday.



**Constellation, which owns a stake in Canopy Growth, says California's legalization of marijuana won't hurt beer sales there.**

The Victor, N.Y., company plans to spend \$35 million on the national launch of a lower-calorie Corona called Corona Premier, with advertising beginning in April. At the same time it will roll out a product called Corona Familiar in major Hispanic markets, a key demographic for the brand.

Constellation's profit for its

fiscal third quarter ended Nov. 30 was \$491.1 million, up from \$405.9 million a year earlier. Net sales were flat at \$1.8 billion and missed Wall Street's expectations. The company cautioned that wine and spirit volumes for the year would be at the low end of its previous forecast of a decline of 4% to 6%.

### Practice Still Seen As a Good Option

Retirement specialists say most employers should stick with automatic enrollment into 401(k) plans despite new academic research that finds the practice appears to be driving up mortgage and auto debt among participants.

Neil Lloyd, head of U.S. defined contribution and financial wellness research at consulting firm Mercer, said the findings aren't a total surprise. He cites a client with high employee turnover that recently added auto enrollment only to reverse course after the number of 401(k) loans increased. But, he said, the arrangement remains "a good solution for the vast majority of clients."

buy a home." The study's authors and others contend that having a higher mortgage may not be a bad thing for many employees because it can contribute to a higher net worth over the long run.

Rob Austin, director of research at Alight, said the study shows that with auto enrollment "people have more in their 401(k)s" and possibly "a little larger house."

A bigger mortgage can put homeowners at greater risk of default if home prices decline or the owner suffers a financial setback, he says. But in recent decades, the long-term trend is that "homes have been appreciating assets" and having a higher 401(k) balance and a bigger mortgage "is not bad and possibly even good

Lori Lucas, defined contribution practice leader at investment-consulting firm Callan LLC, said employers should consider adding financial wellness programs, which aim to help 401(k) participants better manage their finances.

But rethinking auto enrollment, she said, would be a mistake. "Auto enrollment is the most successful way to get people into a plan and that's a highly desirable outcome. I don't think this research does anything to undermine that."

Recently, a number of employers have boosted the percentage of workers' paychecks that are automatically diverted to 401(k) plans above the long-term standard of 3%.

Many are also automatically increasing employees' saving rates by 1% a year.

for net worth, depending on what the housing and stock markets do."

In contrast, Prof. Choi said, because cars depreciate quickly, "a more expensive car will be a bigger drag on net worth" than a cheaper car would be.

Why do auto-enrolled participants tend to take on more auto and housing debt? Bridgette Madrian, a professor at Harvard's John F. Kennedy School of Government and one of the study's five co-authors, said it's possible they borrow from their 401(k)s to finance larger down payments. With more in savings, auto-enrolled employees may also feel wealthier and able to afford a larger home, Prof. Madrian said.



**Sen. Chuck Schumer wants to protect retirement savings.**

32,073 civilian employees the U.S. Army hired in the 12 months before Aug. 1, 2010, when the federal government adopted automatic enrollment in its \$537 billion Thrift Savings Plan. (While not technically a 401(k) plan, the plan operates in a similar way.) The authors compared the payroll and credit-rating records of those employees with similar data for the 26,803 civilians the Army hired in the 12 months immediately after the government adopted auto enrollment. With an average salary of just over \$55,000, the civilian employees' earnings are fairly close to the median household income in the U.S.

After adjusting for differences in the economic cycle and in characteristics of the two employee groups, including education and salary levels, the study found that four years after hire, the employees who were auto-enrolled amassed an average of \$3,237 more in 401(k) contributions than those who were left to sign up on their own. (That

number includes both employee and employer contributions, but not market growth.) But the auto-enrolled employees also had an average of \$1,563 more in consumer and auto debt than those who were hired before auto enrollment. When mortgage debt is factored in, the picture becomes more complicated. The auto-enrolled employees owed \$4,131 more, on average, on their homes than their colleagues who were hired before auto enrollment.

This debt more than offsets the extra \$3,237 the auto-enrolled employees contributed to the plan, including the employer match.

"A big question is whether auto enrollment makes you save more overall. My reading of the paper is that no, it doesn't," says John Friedman, an economist at Brown University. The results, he said, indicate that "maybe auto enrollment is helpful not because it helps you save more for retirement but because it helps you put away a nest egg to

buy a home." The study's authors and others contend that having a higher mortgage may not be a bad thing for many employees because it can contribute to a higher net worth over the long run.

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## BUSINESS NEWS

STEVE REMICH FOR THE WALL STREET JOURNAL  
Demand from retailers and manufacturers is outstripping the supply of trucks and drivers in the U.S.

# Freight Rates Jump In Robust Economy

By JENNIFER SMITH

Retailers and manufacturers grappling with an unusually tight trucking market are paying the steepest prices in years to keep their goods moving.

Freight demand had been ticking up for months, closely tracking the strengthening U.S. economy. The market got a boost from retailers needing to restock stores and distribution centers amid the biggest jump in holiday sales since 2011. That wave of demand hit the trucking market just as a new federal safety rule kicked in, leading some drivers to idle their big rigs.

By the end of last week, just one truck was available for every 12 loads needing to be shipped, according to online freight marketplace **DAT Solutions LLC**. That is the most unbalanced market since October 2005, after Hurricane Katrina, and compares with a roughly 1-to-4 ratio at the end of 2016.

Some companies are delaying nonessential shipments rather than scramble to find a truck. Others are paying a premium to ensure big rigs will be waiting at their warehouses when they need them. The cost to hire the most common type of big rig shot up to \$2.11 per mile, including a fuel surcharge, in the week ended Dec. 30, a 3½-year high, DAT said.

"There's a shortage of trucks available...there's delays in shipping," said DAT analyst Mark Montague. "Some loads that have to move [right now] are paying extremely high rates."

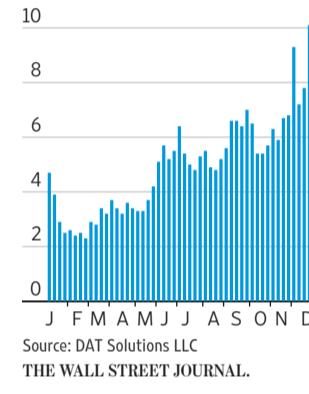
Trucking companies are responding to strong demand by ordering more trucks from manufacturers.

Freight demand strengthened in recent months as manufacturing activity expanded and retailers stocked up for the holidays. Year-end sales soared past expectations,

## Trailing Behind

Shipping demand is soaring, and the number of trucks available to haul freight isn't keeping up

### Number of loads per available truck, 2017



growing at their fastest pace since 2011, according to Mastercard SpendingPulse. That led some retailers to hire even more trucks to replenish stores and distribution centers. Surfing online sales have extended freight demand deeper into the holiday season, as retailers and delivery firms hustle to ship millions of packages to consumers' doorsteps by Christmas.

The new federal mandate may have exacerbated the capacity crunch. Starting Dec. 18, most big rigs must be equipped with electronic devices that monitor drivers' hours behind the wheel. The rule is meant to reduce accidents stemming from driver fatigue by increasing compliance with existing limits on driving time.

While most large fleets already track driver hours electronically, many smaller fleets and truckers who own their own vehicles waited until the last minute to switch over from paper logs, which officials say are easier to falsify.

Some drivers reported trouble getting their new electronic logging devices, or ELDs, up and running. Others said they planned to park their trucks over the holidays. Analysts expect some drivers will now cover fewer miles a day because the devices make it easier for law enforcement to know when truckers have exceeded federal limits on driving time.

For example, in the past few weeks the price to ship freight between 500 miles and 750 miles has shot up 30% on some routes, said Dave Menzel, chief operating officer for Echo Global Logistics Inc., a brokerage. With stricter timekeeping, routes of that length might take two days instead of one, forcing companies needing next-day delivery to hire more-expensive team drivers, Mr. Menzel said.

"We're seeing a premium on teams that can move loads quickly," he said.

Frigid weather across much of the U.S. has also increased demand for trucks with temperature-controlled trailers that can keep perishables from freezing. Last week the average rate for refrigerated trucks hit \$2.46 on the spot market, the highest since July 2014, according to DAT.

The winter storm pounding its way up the East Coast this week is expected to boost freight rates, as icy conditions and blinding snow make roads treacherous, slowing deliveries.

Trucking capacity was tight through Christmas "and the rates are still high," said Troy Cooper, chief operating officer at **XPO Logistics Inc.**, which has a large trucking division and brokers freight.

Mr. Cooper said demand typically slows through January and February, "so if it stays elevated, that will give you a sign," he said.

## New-Truck Orders Surged in Late 2017

December marked strongest monthly tally in three years

Freight-hauling firms are loading up on new trucks to meet strong demand from shippers and to attract drivers.

Trucking fleets in the U.S., Canada and Mexico ordered 37,500 heavy-duty trucks of the sort used on long-haul routes, in December, according to ACT Research, which compiles industry statistics. That was up 76% from a year earlier and marked the strongest monthly demand for new trucks in three years.

"It's been building," said ACT analyst Kenny Vieth. "You typically expect a good year-end, but we did see a change in the pace of orders starting in October." Soaring demand in the fourth quarter led to full-year order growth of 59% after a slump in 2016, Mr. Vieth said.

The gains are expected to continue this year. In a note to investors Thursday, analysts with Stifel said "2018 will not represent the 'peak' of this [truck-buying] cycle, which has become a concern among investors, as we believe 2019 will be stronger yet."

The top truck manufacturers include **Navistar International Corp.**, **Daimler AG**, **Paccar Inc.** and **Volvo AB**. ACT has projected that the industry pro-

duced 256,000 units last year. December's new orders, which will be delivered over the next several months, are mostly replacing older vehicles in trucker fleets. That provides firms with savings in fuel economy and insurance costs, while also serving as a way to recruit and retain drivers. "Drivers would rather drive new trucks than old trucks," Mr. Vieth said.

Incentives are crucial in today's trucking market, where many fleets struggle to find drivers. An annual survey, released in October by the American Transportation Research Institute, found that "driver shortage" ranked as the trucking industry's top concern for the first time since 2006.

—Erica E. Phillips

# China Is Now Tops for Cadillac

By MIKE COLIAS

Cadillac sold more vehicles in China than in the U.S. last year for the first time, an unexpected milestone marking both the storied brand's woes at home and its momentum abroad.

Annual sales of **General Motors Co.**'s luxury brand surged 51% to 175,489 vehicles in China, where it began selling cars in earnest only in the last decade. Cadillac's tally for 2017 in the U.S.—where it domi-

nated automotive luxury for nearly a century after its 1902 founding—sank 8% to 156,440.

The two markets account for nearly all of Cadillac's sales, and the strength in China drove a nearly 16% rise globally for the brand's second-best sales year ever. However, Caddy has taken a backseat in a U.S. luxury market dominated by German brands and **Toyota Motor Corp.'s Lexus**.

GM has long been a top seller in China, with the Detroit auto giant's volume in

that market outpacing its U.S. deliveries for several years. Buick, once a prominent American brand, thrives in China.

Global brand chief Johan de Nysschen has made China the linchpin of Cadillac's growth strategy since taking over in mid-2014. But until recently he figured it would be another decade before Cadillac's China sales took the lead.

A Cadillac spokesman said success in China "allows us to better handle headwinds in other markets."

# Subaru Goes Bigger in U.S. To Expand on Its Success

By CHESTER DAWSON

**Subaru Corp.** has become one of the world's most profitable car companies by selling Japanese-inspired wagons to American buyers with unconventional tastes.

Now, with its dependence on the U.S. market increasing, the Tokyo-based auto maker is launching the Ascent, an eight-seater sport-utility vehicle that it hopes will appeal to Middle America's infatuation with larger and heavier transportation.

Two-thirds of new vehicle buyers in the U.S. choose SUVs or pickup trucks, according to Kelley Blue Book, up from about half in 2013—a trend that has helped boost overall transaction prices.

When the Ascent goes on sale this summer—starting in the low \$30,000s—Subaru will join Volkswagen AG, **Nissan Motor Co.**, **Hyundai Motor Corp.** and other foreign brands adding bigger vehicles to their lineups.

The U.S. accounts for nearly 70% of Subaru's global sales volume. Scandals involving questionable factory inspection protocols and fuel-economy numbers are severely denting the company's sales in Japan. Its European business is stagnant, and Subaru sold fewer than 50,000 cars in 2016 in China—the world's largest car market with a total of 28 million vehicles sold that year.

Subaru's Ascent, with an all-wheel drive and a prominent trucklike front grille, is designed for the preferences of American drivers. The model has 19 cup holders and boasts nearly twice as much towing capacity as the company's popular Outback model, a crossover wagon.

Many Subaru dealerships are welcoming the new addition, saying the brand's exist-

ing line is losing Subaru owners seeking more towing power, seating options and extra room.

"Our customers have been asking for it," said Wally Sommer, president of an eponymous Subaru dealer near Milwaukee. "We've lost business because we didn't have a vehicle like this."

Subaru has tried to expand its portfolio before. It stumbled badly the last time with a three-row SUV called the Tribeca, which made its debut as a 2006 model. Many customers saw it as cramped and ungainly, and the company pulled the vehicle in 2014.



Model includes 19 cup holders.

647,956 Subaru vehicles last year, nearly twice as many as five years ago, the company said. That gave Subaru a 3.8% market share—on par with Hyundai's 3.9%, according to Autodata Corp.

Having entered the U.S. five decades ago when Detroit's Big Three dominated, Subaru has evolved from marketing itself in the 1960s as "A Cheap and Ugly Little Car" manufacturer—as an early ad campaign read—to one that offers reliable and sporty, if quirky, cars that are ubiquitous in many coastal Snowbelt states.

The U.S. overtook Japan as Subaru's top market in 2009, and today the company sells four times more in the U.S. than in its home market. However, it still earns far more from sales in Japan than anywhere else, and increased price competition in the U.S. has crimped profit growth.

Subaru's net profit fell 25% in its last fiscal year to ¥282 billion (\$2.51 billion). The company blamed increased discounts in the U.S., amounting on average to \$1,850 per vehicle, up 22% from the previous year. That compressed Subaru's profit margins from 17.5% to 12.4%, though still comparing favorably with the single-digit margins of most rivals, including Honda Motor Co., Ford Motor Co. and General Motors Co.

Subaru expects U.S. growth to continue with the Ascent coming to market, and has forecast a slight sales increase for its current fiscal year through March to 668,000 vehicles. By 2021, it envisions selling 800,000 vehicles in North America, mostly in the U.S.

"With our market share growth, we're no longer niche," said Bob Alvine, president of Premier Subaru in Branford, Conn.

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## WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

# Overhaul Gives a Lift to College-Saving Plans



Education-savings accounts, and Americans who can benefit from using them, are big winners in the recent tax overhaul.

New curbs on state and local tax deductions will make these tax-sheltered 529 accounts more attractive. Many people will also benefit from a change that now allows assets in these plans to be used to pay elementary and high school tuition.

In addition, 529 account assets can now be transferred to 529 ABLE accounts. These accounts offer tax-favored savings for people with disabilities without affecting eligibility for benefits such as Medicaid.

"The recent tax changes expanded the benefits for 529 plans, which are already highly popular with middle- and upper-income families," said Mark Kantrowitz, a college-savings analyst in Chicago who tracks 529-account features.

These accounts, which are named after a section of the tax code enacted two de-

cades ago, allow savers to contribute dollars after federal taxes have been paid on them. The assets are then invested and can increase free of federal and state taxes. Withdrawals are tax-free if they are used to pay eligible education expenses such as college tuition, books, and often room and board.

According to the latest data from the College Savings Plans Network, assets in 529 plans climbed to \$275 billion in 2016 from \$106 billion a decade earlier.

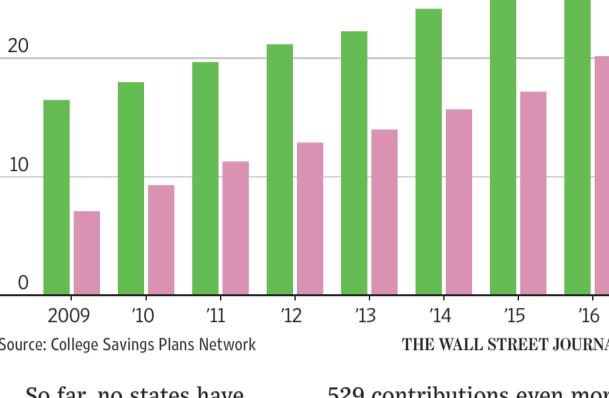
Most 529 plans are offered by states, and almost all states have them. Typically, they are open to all savers, not just their own residents. So savers dissatisfied with their own state's offerings can go elsewhere, although investment options are limited in most states.

About three dozen states allow an income-tax deduction or credit for savers who contribute to them, and the amount varies widely. Seven allow deductions for 529 contributions to any state plan; others only allow a tax break for contributions to in-state plans.

## Stepping It Up

Total contributions to and distributions from 529 plans have risen steadily.

\$30 billion



THE WALL STREET JOURNAL.

So far, no states have changed their 529 features since the tax overhaul. Mr. Kantrowitz said Colorado and New Mexico allow a full deduction for contributions to 529 accounts, while New York and Connecticut limit them to \$5,000 per single taxpayer and \$10,000 per couple. California, New Jersey, North Carolina, Tennessee and Kentucky don't offer any deduction.

Many taxpayers will find

529 contributions even more attractive following the tax overhaul, said David Taylor, a certified public accountant with Anton Collins Mitchell LLP in Denver. The overhaul limits deductions for state income or sales and property taxes to \$10,000 per return. So a write-off for a 529 contribution can help lower state income taxes that may no longer be deductible on a federal return.

Another landmark change

of the overhaul allows 529 plan assets to be used for up to \$10,000 a year, per student, for private-school tuition for kindergarten through 12th grade.

This change is a mixed blessing. It provides savers who have 529 plans with more flexibility, but private schools will want to know about families' 529 savings and may take that information into account when making financial-aid decisions.

The change "will likely affect some financial aid calculations" for the year 2019-20, according to a spokeswoman for the National Association of Independent Schools, which has 1,600 member schools in the U.S.

Taking 529 withdrawals for private-school fees also shrinks the time that assets can compound tax-free, a principal benefit.

The overhaul also enabled savers to transfer funds from 529 plans to 529 ABLE accounts. 529 ABLE accounts benefit those who become blind or disabled before age 26 without limiting their access to Medicaid and Supplemental Security Income, or

SSI, benefits.

Like 529 plans, 529 ABLE plans allow assets to compound tax-free. Annual contributions are capped at \$15,000, and withdrawals can be tax-free if used to pay expenses such as housing, legal fees and employment training. The total assets in an account can reach \$100,000 without affecting SSI benefits.

The recent change allows transfers of up to \$15,000 a year from a regular 529 plan to a 529 ABLE account. Such rollovers will help expand ABLE accounts because they help deal with a drawback. After the beneficiary's death, remaining funds in an ABLE account typically go to the state to repay benefits if the person was receiving Medicaid, as many are.

The assets of regular 529 plans, however, needn't go to the state at death. Under the new rules, said Mr. Kantrowitz, someone could fund a 529 account for a disabled person and transfer money as needed to a 529 ABLE account. This arrangement offers tax-free growth and perhaps a state-tax deduction, without giving up ownership of assets.

months will finally be more than 10 years behind us, and, as a result, the long-term return on stocks will go up like a rocket.

In fact, the S&P 500's 10-year cumulative return would leap from 82% at the end of 2017 to 198% at the end of this coming November, even if stocks go absolutely nowhere for the first 11 months of 2018, says Howard Silverblatt, senior index analyst at S&P Dow Jones Indices.

That would nearly double the average 10-year gain to 12% annually from 6.2%, without even counting dividends.

Stocks will then look much more attractive in the rearview mirror, even though nothing will have changed but the calendar. Don't believe the hype.

the threat, including rolling out software fixes for Meltdown. But several also emphasized that customers of their products should also execute the updates on their own.

Amazon said it had notified its web-services clients that it was patching its data centers, but that customers need to patch the operating systems they are running on top of Amazon's infrastructure.

Apple weighed in late Thursday, saying all of its iPhones, iPads and Mac computers are affected, though no known exploits had hit its customers. The company said it issued updates to address the Meltdown vulnerability for its products, including the Apple TV, and that the Apple Watch wasn't at risk. A fix for its Safari web browser to defend against the Spectre flaw was expected in the coming days, Apple said.

**Alibaba Group Holding** Ltd.'s cloud-services business on Friday said that it like other big tech companies had been working with Intel before the disclosure of the bugs and had plans to fix any vulnerabilities by Jan. 12.

"My hope is that by the time attackers learn to exploit this thing, the defense improves to the point that it's no longer a serious threat," said Werner Haas, chief technology officer of Germany-based Cyberus Technology and another of the researchers who helped uncover the vulnerabilities.

—Yang Jie in Beijing contributed to this article.

# INVEST

*Continued from page B1*  
targeting only U.S. government or investment-grade debt.

Unconstrained funds invest in less-stable corporations or foreign governments, hoping that these borrowers will get stronger, boosting the value of their debt. That can raise returns when all goes well. Unfortunately, as analysts at **AQR Capital Management** LLC have shown, it also makes these funds behave more like stocks, weakening their usefulness as protection against a rate increase.

If you want a buffer against rising rates, then hoarding cash and minimizing your

holdings of long-term debt will likely be more effective than most unconstrained bond funds.

Meanwhile, for stock investors, the apparent lack of risk may be a risk in itself.

The S&P 500, including dividends, has gone up for 14 months in a row, the longest consecutive run since 1928, according to Bank of America Merrill Lynch. And stocks' recent movements up and down have been smoother than in most periods since 1885, according to William Schwert, a finance professor at the University of Rochester.

A 5% or 10% decline in an otherwise placid market is a lot more upsetting than a similar fall in a more-turbulent time. Research by David Le Bris, a finance professor at

Toulouse Business School in France, suggests that the pain of a decline depends not merely on its size, but also on its steepness relative to what investors have become used to.

Consider the epic crash of Oct. 28, 1929. That day, the Dow Jones Industrial Average fell 13%, or 12.75 times its standard deviation, a measure of how much its returns had recently been varying from their typical level.

Nowadays, says Prof. Le Bris, the market has been so tranquil that it would take only a 5% one-day drop in the Dow to match the same extreme measure of risk from that horrific day in 1929.

So you should brace yourself. In this environment, even slight declines are apt to set

off talk of Armageddon, and you will need to focus harder than ever on long-term returns to keep short-term losses from rattling you.

And long-term returns are

likely to be distorted this year. In September and October 2008, the depths of the financial crisis, U.S. stocks fell 9.1% and 17%, respectively.

This fall, those apocalyptic

## BUSINESS AND TECHNOLOGY

# Medical-Device Firms Fight Tax

BY PETER LOFTUS

As companies celebrate expected savings from the U.S. tax overhaul, one industry is battling the reinstatement of what it sees an onerous levy: A 2.3% excise tax on sales of medical devices such as pacemakers and artificial knees.

The tax took force again on Jan. 1 after the expiration of a two-year suspension that was approved by Congress and signed by President Barack Obama in 2015.

The tax originally was enacted with the Affordable Care Act in 2010 to help fund some of its provisions, and medical-device makers paid it from 2013 through 2015. The status of the device tax wasn't addressed by the tax overhaul enacted in December.

The medical-device industry is now spending millions of dollars on a new advertising and lobbying campaign to pressure Congress to either permanently repeal the tax or suspend it again. The industry has opposed the tax from the start, saying it hurts device makers' ability to create jobs and invest in developing new devices.

The device trade group AdvaMed on Friday began running TV ads in California, Texas, New York and Pennsylvania, some of which have a big industry presence. AdvaMed said it planned to spend millions of dollars on the campaign, which will include print and digital ads.

"Congress has just raised taxes on life-changing medical devices," a voice-over says in one ad, which shows actors portraying patients who have benefited from devices. "Now, new treatments and cures could be out of reach for patients and families across the country."

AdvaMed has run ad campaigns promoting the industry before, but it is rare for it to run TV ads focusing on a specific issue like this, said Vincent A. Forlenza, CEO of Be-



Employees at their stations at a Medtronic Inc. plant in Tijuana, Mexico.

ton Dickinson & Co., a maker of medication-delivery devices such as insulin syringes, and a member of AdvaMed's board of directors.

A repeal or suspension of the tax would reduce federal revenues by about \$1.37 billion this year, rising to about \$2.7 billion in 2026, according to the Joint Committee on Taxation, the nonpartisan arm of Congress that analyzes tax policies.

The Ardsley, NY, maker of medicines for patients with neurological disorders is working with investment bankers from CenterView Partners and MTS Health Partners, the people said. The proceedings are at an early stage and it is possible that Acorda will decide not to move forward with a formal auction—and that if it does move forward, it won'tulti-

mately find a buyer.

As of Friday afternoon, Acorda had a market value of \$970 million. The shares have essentially gone sideways in the last decade and the company has suffered some setbacks lately.

Acorda has been facing the threat of generic competition for its main product, multiple-sclerosis drug Ampyra, since a federal court invalidated several key patents early last year. It has taken steps to conserve spending, including a restructuring to eliminate a fifth of the company's jobs, while waiting on its most advanced drugs in development to pan out.

—Dana Mattioli and David Benoit

suspend the tax.

Mr. Lobo estimated that Stryker, which makes artificial hips and knees and other devices, paid about \$100 million in excise taxes in 2015, the last year the levy was in effect, and would pay about \$120 million this year if it isn't repealed or suspended.

The two-year moratorium on the tax allowed Stryker to increase its spending on research-and-development to about 6.5% of sales from 5.9% of sales in 2013, he said.

The excise tax, though, "is an important source of revenue to support health coverage and programs under the ACA," said Eliot Fishman, senior director of health policy for Families USA, a nonprofit group advocating for affordable health care.

Without it, "we would be concerned about ensuring that funding for ACA health coverage and programs is maintained at current levels and that no other programs important to families are harmed."

A proposal to repeal the tax was included in Republicans' proposed legislation to dismantle the Affordable Care Act that Congress failed to enact last year.

## PATCH

*Continued from page B1*  
around this is not going to be conventional."

**Intel** Corp., which dominates the market for chips that run servers and personal computers, said Thursday that it was "rapidly" issuing fixes it had developed for all types of Intel-based computer systems, including PCs and servers, that could be vulnerable to the two flaws. The company said it expects that by the end of the coming week it will have issued updates for more than 90% of its processor products of the past five years that could be vulnerable.

Intel said software patches and other fixes could affect performance, though disruptions would be "workload-dependent." It said it didn't expect the average computer user to experience significant disruptions, and any delay would lessen over time.

The Financial Services Information Sharing and Analysis Center, a group that banks and other financial-services firms use to communicate on cybersecurity issues, said it expects any fixes will involve "performance degradation" and "require more processing power for affected systems to compensate."

**Microsoft** Corp., Amazon.com Inc., **Alphabet** Inc., and others moved to explain the nature of the bugs and what they have done to minimize



An illustration of Intel's 8th generation Core i5 processor.

## Biotech Firm Acorda Exploring Sale

Biotechnology company **Acorda Therapeutics** Inc. is exploring a potential sale, according to people who are familiar with the matter.

The Ardsley, NY, maker of medicines for patients with neurological disorders is working with investment bankers from CenterView Partners and MTS Health Partners, the people said. The proceedings are at an early stage and it is possible that Acorda will decide not to move forward with a formal auction—and that if it does move forward, it won'tulti-

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—Dana Mattioli and David Benoit

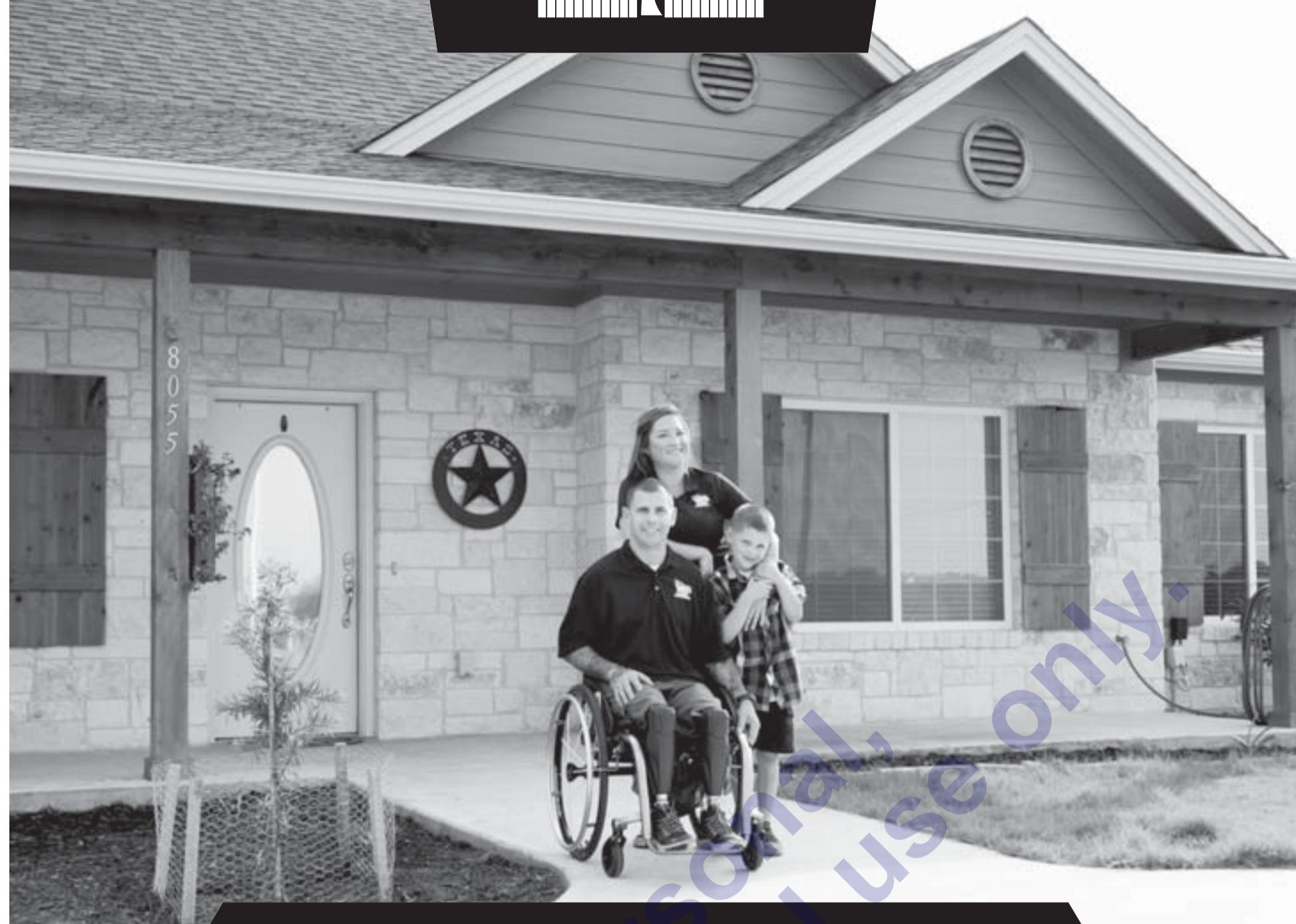
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—Dana Mattioli and David Benoit



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## MARKETS DIGEST

## EQUITIES

## Dow Jones Industrial Average

**25295.87** ▲ 220.74, or 0.88%  
 High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Oct. Nov. Dec. Jan.

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

## S&amp;P 500 Index

**2743.15** ▲ 19.16, or 0.70%  
 High, low, open and close for each trading day of the past three months.



## Nasdaq Composite Index

**7136.56** ▲ 58.64, or 0.83%  
 High, low, open and close for each trading day of the past three months.



## 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	Industrial Average	Transportation Avg	Utility Average	Total Stock Market	Barron's 400	25295.87	25295.87	19732.40	26.7	2.3
Industrial Average	25299.77	25112.01	<b>25295.87</b>	220.74	0.88%	25295.87	19732.40	26.7	2.3	13.1	
Transportation Avg	10986.83	10845.08	<b>10911.74</b>	57.19	0.53%	10911.74	8783.74	19.9	2.8	7.2	
Utility Average	703.83	696.74	<b>700.74</b>	0.22	0.03%	774.47	651.14	5.9	-3.1	4.5	
Total Stock Market	28351.56	28207.75	<b>28349.31</b>	181.51	0.64%	28349.31	23526.88	19.8	2.4	10.5	
Barron's 400	728.07	724.67	<b>728.00</b>	3.89	0.54%	728.00	600.24	20.1	2.4	11.2	

## Nasdaq Stock Market

Nasdaq Composite	7137.04	7097.08	<b>7136.56</b>	58.64	0.83%	7136.56	5521.06	29.3	3.4	15.3
Nasdaq 100	6654.98	6605.03	<b>6653.29</b>	68.71	1.04%	6653.29	5007.08	32.9	4.0	16.9

## S&amp;P

S&P	500 Index	2743.45	2727.92	<b>2743.15</b>	19.16	0.70%	2743.15	2263.69	20.5	2.6	10.7
MidCap 400	1936.82	1928.79	<b>1936.27</b>	7.82	0.41%	1936.27	1667.44	15.1	1.9	10.7	
SmallCap 600	949.20	942.83	<b>949.18</b>	3.85	0.41%	949.18	815.62	13.0	1.4	11.8	

## Other Indexes

Russell 2000	1560.07	1552.13	<b>1560.01</b>	4.29	0.28%	1560.01	1345.24	14.1	1.6	9.7
NYSE Composite	13104.52	13039.08	<b>13103.23</b>	74.77	0.57%	13103.23	11148.85	16.6	2.3	7.3
Value Line	573.16	570.90	<b>573.16</b>	1.82	0.32%	573.16	503.24	11.7	1.9	5.3
NYSE Arca Biotech	4348.31	4307.05	<b>4333.74</b>	12.11	0.28%	4374.04	3134.03	31.9	2.6	7.7
NYSE Arca Pharma	559.21	555.31	<b>559.01</b>	4.11	0.74%	560.52	469.13	13.7	2.6	1.8
KBW Bank	109.15	108.17	<b>108.90</b>	0.23	0.21%	108.90	88.02	17.4	2.1	14.9
PHLX® Gold/Silver	87.75	86.98	<b>87.39</b>	-0.40	-0.45%	96.72	76.42	2.4	2.5	6.8
PHLX® Oil Service	157.49	154.89	<b>157.11</b>	0.08	0.05%	192.66	117.79	-18.5	5.1	-8.1
PHLX® Semiconductor	1330.31	1316.13	<b>1325.71</b>	8.47	0.64%	1341.69	908.65	45.9	5.8	25.3
Cboe Volatility	9.54	9.00	<b>9.22</b>	...	unch.	16.04	9.14	-18.6	-16.5	-22.6

\$ Nasdaq PHLX

Sources: SIX Financial Information; WSJ Market Data Group

## Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 5,000 shares.

## Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	18,768.0	273.71	0.29	0.11	273.85	271.63
Cnsmr Staples Sel Sector	XLP	5,468.1	56.85	-0.08	-0.14	56.95	56.85
Industrial Select Sector	XLI	4,080.8	77.60	-0.02	-0.03	77.62	77.52
Nike Cl B	NKE	4,022.6	64.09	0.11	0.17	64.20	63.98
iShares MSCI Emg Markets	EEM	2,894.5	49.10	-0.03	-0.06	49.15	49.06
Bank of America	BAC	2,419.2	30.28	-0.05	-0.16	30.35	30.16
Hewlett Packard Ent	HPE	2,119.5	15.05	...	unch.	15.05	15.00
Microsoft	MSFT	2,038.6	88.13	-0.06	-0.07	88.30	88.02

## Percentage gainers...

ChinaCache Intl Hldgs ADR	CCIH	22.6	2.84	0.12	4.41	2.85	2.74
Virgil Green Energy ADR	YGE	13.4	2.20	0.09	4.02	2.26	2.09
Community Health Systems	CYH	15.7	4.24	0.16	3.92	4.24	4.08
Dicerna Pharmaceuticals	DRNA	70.9	9.00	0.24	2.74	9.00	8.76
Credit Suisse Income Fnd	CIK	14.2	3.40	0.09	2.72	3.40	3.38

## ...And losers

Five Oaks Investment	OAKS	17.2	3.75	-0.20	-5.06	3.99	3.70
ABB ADR	ABB	7.9	26.24	-1.39	-5.03	27.63	26.24
China Internet Nationwide	CIFS	5.4	41.18	-0.97	-2.30	42.35	41.00
Lexicon Pharmaceuticals	LXRX	10.1	10.00	-0.19	-1.86	10.19	10.00
Winnebago							

## BIGGEST 1,000 STOCKS

## How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

**Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

**Footnotes:**   
I-New 52-week high.   
L-New 52-week low.   
dd-Indicates loss in the most recent four quarters.   
FD-FIRST day of trading.

**H-Does not meet continued listing standards**   
**I-If listed**   
**q-Temporary exemption from Nasdaq requirements.**   
**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, January 5, 2018

YTD % Chg	52-Week			Yld %	52-Week % Chg		Net Chg
	Hi	Lo	Stock	Sym	% PE	Last	
<b>A B C</b>							
1.302 27.68 21.38 ABB	<b>ABB</b>	2.9 26 27.62	0.18	-4.00 96.39 78.38 CamdenProperty	<b>CPT</b>	3.4 54 88.38	-0.31
3.04 39.50 30.15 AECOM	<b>ACM</b>	18 38 28.67	-0.67	-1.70 64.23 44.99 CampbellSoup	<b>CPB</b>	3.0 17 47.29	0.18
0.37 12.06 11.00 AES	<b>AES</b>	4.8 10 10.87	0.04	1.54 100.01 77.20 CIBC	<b>CMI</b>	4.1 12 99.88	0.63
2.22 89.84 66.50 Afpac	<b>AFL</b>	2.0 12 89.73	0.59	1.29 87.53 68.27 CanNtRlwy	<b>CNI</b>	1.6 24 84.95	0.69
-1.63 22.34 18.41 AGNC InvIt	<b>AGNC</b>	10.5 19.85 19.85	0.13	2.27 37.37 24.52 CanNaturalRes	<b>CNG</b>	2.4 22 36.53	-0.72
3.29 155.14 92.33 Ansys	<b>ANSS</b>	45 124 155.2	0.63	1.09 186.17 143.20 CapnRlwy	<b>CPL</b>	1.0 20 18.47	0.79
5.21 186.37 110.30 ASML	<b>ASML</b>	0.7 182.87	2.12	1.63 39.15 28.45 Canyon	<b>CIAJ</b>	2.7 30 38.01	-0.51
1.19 42.70 24.52 AT&T	<b>T</b>	5.2 18 38.14	0.14	1.86 102.13 76.05 CapitalOne	<b>CFO</b>	1.6 14 101.83	0.01
3.36 59.60 39.25 AbbottLabs	<b>ABT</b>	1.9 46 58.99	0.17	1.76 20.95 17.22 CIBC	<b>CIM</b>	4.1 12 99.88	0.63
4.55 101.20 59.29 AbbVie	<b>ABBV</b>	2.8 25 101.11	0.73	1.29 87.53 68.27 CanNtRlwy	<b>CNI</b>	1.6 24 84.95	0.69
7.96 202.96 103.53 Abiomed	<b>ABMD</b>	100 202.32	3.07	2.27 37.37 24.52 CanNaturalRes	<b>CNG</b>	2.4 22 36.53	-0.72
2.99 158.44 112.31 Accenture	<b>ACN</b>	1.7 27 156.67	0.71	1.09 186.17 143.20 CapnRlwy	<b>CPL</b>	1.0 20 18.47	0.79
4.82 67.40 37.37 ActivisionBlitz	<b>ATVI</b>	0.5 150 66.37	0.71	1.63 39.15 28.45 Canyon	<b>CIAJ</b>	2.7 30 38.01	-0.51
5.32 241.02 155.28 AcuityBrands	<b>AYI</b>	0.5 25 185.36	0.76	1.86 102.13 76.05 CapitalOne	<b>CFO</b>	1.6 14 101.83	0.01
6.57 86.42 55.85 Adient	<b>ADNT</b>	1.3 83 83.71	0.51	1.76 20.95 17.22 CIBC	<b>CIM</b>	4.1 12 99.88	0.63
5.73 188.27 20.55 AdobeSystems	<b>ADBE</b>	55 185.34	0.21	1.09 100.70 80.10 CelaneseA	<b>CE</b>	1.7 19 102.85	1.01
1.23 155.70 78.81 AdvanceAuto	<b>AAP</b>	0.2 24 112.18	0.18	0.60 147.17 95.49 Celgene	<b>CELG</b>	2.5 10 104.99	-0.16
15.56 16.65 9.42 AdMicroDevice	<b>ADM</b>	.. dd 118.88	-0.24	1.50 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
3.40 7.52 19.19 AdmSeiEngg	<b>ADS</b>	3.4 15 6.70	0.01	1.04 18.84 5.66 Carnival	<b>CIV</b>	1.5 4 10.12	-0.24
1.98 6.44 4.73 Aegeon	<b>AEG</b>	48 18 6.42	0.01	1.45 106.02 60.08 Centene	<b>CNC</b>	.. dd 105.49	2.99
1.25 54.50 41.45 AerCap	<b>AER</b>	9.3 53 27.30	0.01	1.73 30.45 24.74 CenterPointEne	<b>CNP</b>	4.0 20 27.87	-0.52
3.00 192.37 116.04 Aetna	<b>AET</b>	1.1 34 185.81	0.44	1.09 109.70 80.10 CelaneseA	<b>CE</b>	1.7 19 102.85	1.01
2.82 207.67 139.52 AffiliatedMgns	<b>AMG</b>	0.4 22 199.47	0.93	0.61 167.49 55.49 Celgene	<b>CELG</b>	2.5 10 104.99	-0.16
4.35 70.93 46.46 AgilentTechns	<b>A</b>	0.9 33 99.10	0.10	1.27 30.11 25.52 Chipotle	<b>CHE</b>	11 7.89	-0.06
1.82 51.86 39.30 AgriCoopEagle	<b>AMC</b>	0.9 40 47.02	0.16	1.04 18.84 5.66 Carnival	<b>CIV</b>	1.5 4 10.12	-0.24
2.66 168.97 133.63 AirProducts	<b>APPD</b>	2.3 30 168.45	0.21	1.45 106.02 60.08 Centene	<b>CNC</b>	.. dd 105.49	2.99
1.21 71.64 44.65 AkamaiTech	<b>AKAM</b>	40 65.83	0.23	1.73 30.45 24.74 CenterPointEne	<b>CNP</b>	4.0 20 27.87	-0.52
0.31 101.43 61.10 AlaskaAir	<b>ALK</b>	1.6 12 73.74	-0.11	1.09 109.70 80.10 CelaneseA	<b>CE</b>	1.7 19 102.85	1.01
2.99 144.99 69.99 Albermarle	<b>ALB</b>	1.0 30 132.72	1.50	0.60 147.17 95.49 Celgene	<b>CELG</b>	2.5 10 104.99	-0.16
0.41 55.23 29.21 Alcoa	<b>AA</b>	.. .. 54.09	-0.01	1.50 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
2.75 134.37 106.89 AlexandriaREst	<b>ARE</b>	2.8 14 127	0.26	1.04 19.84 5.66 Carnival	<b>CIV</b>	1.5 4 10.12	-0.24
2.68 149.34 96.18 AlexionPharm	<b>ALXN</b>	.. .. 52.00	-0.01	1.52 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
10.60 191.75 92 Alibaba	<b>BABA</b>	55 190.70	0.49	1.52 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
8.50 266.41 88.56 AligentTech	<b>ALGN</b>	73 241.07	0.77	1.45 106.02 60.08 Centene	<b>CNC</b>	.. dd 105.49	2.99
1.08 63.40 46.42 Alkermes	<b>ALK</b>	.. .. 54.04	-0.01	1.73 30.45 24.74 CenterPointEne	<b>CNP</b>	4.0 20 27.87	-0.52
1.21 66.71 52.01 Allegheny	<b>Y</b>	.. dd 58.86	-0.21	1.29 27.61 22.33 CheniereEnHdg	<b>CHE</b>	3 5 7.2	0.01
2.53 89.81 63.81 Allegion	<b>ALLE</b>	0.8 23 81.57	0.01	1.92 27.61 21.36 CenturyLink	<b>CLT</b>	27 19 27	0.03
5.32 186.27 139.52 AffiliatedMgns	<b>AMG</b>	0.4 22 199.47	0.93	1.46 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
4.35 70.93 46.46 AgilentTechns	<b>A</b>	0.9 33 99.10	0.10	1.50 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
1.82 51.86 39.30 AgriCoopEagle	<b>AMC</b>	0.9 40 47.02	0.16	1.04 18.84 5.66 Carnival	<b>CIV</b>	1.5 4 10.12	-0.24
2.66 168.97 133.63 AirProducts	<b>APPD</b>	2.3 30 168.45	0.21	1.45 106.02 60.08 Centene	<b>CNC</b>	.. dd 105.49	2.99
1.21 71.64 44.65 AkamaiTech	<b>AKAM</b>	40 65.83	0.23	1.73 30.45 24.74 CenterPointEne	<b>CNP</b>	4.0 20 27.87	-0.52
0.31 101.43 61.10 AlaskaAir	<b>ALK</b>	1.6 12 73.74	-0.11	1.09 109.70 80.10 CelaneseA	<b>CE</b>	1.7 19 102.85	1.01
2.99 144.99 69.99 Albermarle	<b>ALB</b>	1.0 30 132.72	1.50	0.60 147.17 95.49 Celgene	<b>CELG</b>	2.5 10 104.99	-0.16
0.41 55.23 29.21 Alcoa	<b>AA</b>	.. .. 54.09	-0.01	1.50 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
2.75 134.37 106.89 AlexandriaREst	<b>ARE</b>	2.8 14 127	0.26	1.04 19.84 5.66 Carnival	<b>CIV</b>	1.5 4 10.12	-0.24
2.68 149.34 96.18 AlexionPharm	<b>ALXN</b>	.. .. 52.00	-0.01	1.52 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
10.60 191.75 92 Alibaba	<b>BABA</b>	55 190.70	0.49	1.52 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
8.50 266.41 88.56 AligentTech	<b>ALGN</b>	73 241.07	0.77	1.45 106.02 60.08 Centene	<b>CNC</b>	.. dd 105.49	2.99
1.08 63.40 46.42 Alkermes	<b>ALK</b>	.. .. 54.04	-0.01	1.73 30.45 24.74 CenterPointEne	<b>CNP</b>	4.0 20 27.87	-0.52
1.21 66.71 52.01 Allegheny	<b>Y</b>	.. dd 58.86	-0.21	1.29 27.61 22.33 CheniereEnHdg	<b>CHE</b>	3 5 7.2	0.01
2.53 89.81 63.81 Allegion	<b>ALLE</b>	0.8 23 81.57	0.01	1.92 27.61 21.36 CenturyLink	<b>CLT</b>	27 19 27	0.03
5.32 186.27 139.52 Alcoa	<b>AA</b>	.. .. 54.09	-0.01	1.46 10.37 7.09 Cermex	<b>CX</b>	11 7.89	-0.06
4.35 70.93 46.46 AgilentTechns	<b>A</b>						

## NEW HIGHS AND LOWS

| WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG—Daily percentage change from the previous trading session.

Friday, January 5, 2018																													
Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg						
<b>Highs</b>			Bio-Techs TECH	137.34	1.1	Cimpres CMPR	125.67	-1.0	EmergentBiosol EBS	49.25	2.7	JanusHedgeFund JHG	40.12	1.9	RossStores ROST	8.99	0.0	SunLifeFinancial SLF	41.99	0.5	Unifirst UNF	176.15	0.2	DigitalRealty DRPH	26.36	-0.2			
AAON AAON	38.25	1.6	BlackBerry BB	14.10	3.4	CitrixSystems CTXS	91.63	0.9	EmersonElec EMR	72.47	1.3	JasonIndustries JASN	2.82	5.8	RoyalBankCanada RY	84.70	0.6	SuncorEnergy SU	38.39	-0.8	UnionPacific UNP	139.72	1.3	Dogz DOGZ	47.9	-10.5			
ABB ABB	27.68	0.7	BlueBuffaloPet BUFF	33.40	1.6	Coheren&Steens CNS	47.83	-2.1	EncomHealth EHC	52.58	...	IPMUSMinimunVol JMIN	25.96	0.5	RoyalDutch RDSA	69.11	0.2	TE Connectivity TEL	99.70	2.3	UnitedInsurance UIHC	18.32	2.1	EPR Prop EPR	62.16	-0.1			
Abaxis ABAX	55.52	11.2	Boeing BA	308.89	4.1	Comerica CMA	88.57	1.1	EsperionTherap ESPR	69.74	2.8	KCAPinHts2 KCAP	25.67	...	Nutrien NTR	56.18	0.3	S&P Global SPG	175.79	1.3	TimPart TSU	20.48	0.5	UnivInsurance UVE	28.70	3.8	EducationRealty EDRI	33.55	-0.7
Abimed AMED	209.26	1.5	BoydogGaming BYD	37.07	4.8	ComericaWt CMS	59.62	2.0	FiveScript ESRX	76.73	-0.1	KapStonePaper KS	25.02	0.9	OldDomFreight ODFL	136.89	0.9	SEI Investments SEIC	73.63	0.7	TPH TPH	19.55	2.0	VFC VFC	76.16	0.3	EmpireStateES ESEA	19.44	0.9
Abylnx ABLY	26.00	3.4	BroadfireInl BRDF	92.65	1.2	ConchoRscs CXO	155.70	1.3	Facebook FB	186.90	1.4	Kenonmetal KMT	51.07	0.5	Olin OLN	38.80	2.3	ProTechCorp SPX	33.18	-1.0	VitraePrice TRWV	107.42	1.8	Visa V	119.00	2.4	Francesca's FRAN	5.94	-20.7
AcornIntl ATVI	18.95	2.6	Buenaventura BVN	15.15	-1.2	ContinentBldg CBPX	31.00	8.4	FateTherap FATE	7.25	-2.4	KenonHoldings KHN	23.96	5.5	OneMain OMFG	35.11	0.4	SVB Fin SIVB	244.44	1.6	TaylorMorrison TMHC	27.38	3.5	ValeantPharm VRX	24.43	3.5	Geo Group GEO	22.78	1.0
AdvAlctApp AAPA	81.86	0.2	BulldogsFirstSrc BLDR	22.79	1.9	Cooker-Standards CPS	130.94	2.4	FrontBrandsHome FBHS	71.65	2.1	FdtdFdx FD	271.39	0.4	KincoRetailFdtd KIMp	25.19	0.4	EnviroCarbons DEC	27.25	1.1	SandstormGold SAND	5.38	-0.8	ValeroEnergy VLO	94.30	0.5	GlobalNetLease GNL	19.92	-0.4
AdverumBiotech ADVM	4.44	0.2	CDW CDW	73.57	-0.2	Corning GLW	33.89	-0.4	FiatChrysler FCAU	21.88	5.4	Kingstone KNS	20.80	1.7	Oversock OTSC	85.65	8.4	SantanderCons SC	18.89	1.2	TeledyneTech TDT	188.62	-0.4	Vantiv VNTV	77.66	0.4	GolubCapital GBD	17.80	-1.1
Aeon AEG	6.44	0.2	CF Industries CF	43.98	0.2	Cosan CZZ	105.4	2.8	FranklinCovey FC	19.91	0.8	Futura WUBA	81.20	2.0	HorizonIndustries OXIM	80.58	0.8	JPMorgan PJT	47.45	2.1	Teradyne TER	45.76	2.3	VinaConcha VCO	39.00	1.0	HCP HCP	24.75	-1.0
AirProducts APPD	168.97	0.8	CH Robinson CHRW	90.67	-0.2	Crane CR	91.39	0.3	Fiserv FISV	134.99	1.0	LKQ LKQ	42.32	-0.1	Textron TXR	58.51	1.6	Viteon V	119.00	2.4	JerniganCapital JCAP	18.38	0.2	WingWing WIG	9.63	-3.3			
AirT ART	32.10	17.0	Cloudscape CLOUD	125.65	0.1	ConTomka CTQ	65.50	1.5	FiveBelow FIVE	73.55	-0.4	LKQ LKQ	42.32	-0.1	ProElectrohome PKHE	21.19	0.7	Wt Offshore WTI	4.39	2.8	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3			
AlbireoPharma ALBO	30.50	2.5	CRISPR Therap CRSP	28.50	1.2	CubeBiopharma CUE	15.71	0.3	FiveBelow FIVE	73.55	-0.4	LKQ LKQ	42.32	-0.1	ServiceNow NOW	135.13	0.5	EnviroFisherm TMO	20.65	1.7	WestRock WRK	67.82	0.4	OhrPharm OHRP	0.35	-8.13			
AllscriptsItl MDRX	15.40	1.1	CVR Energy CVI	39.20	3.8	Cummins CMI	182.30	-0.2	FiveBelow FIVE	73.55	-0.4	LKQ LKQ	42.32	-0.1	ShewinWilliams SHW	421.99	1.1	Geno Group GEO	22.78	1.0	WingWing WIG	9.63	-3.3						
AllyFinancial ALLY	30.24	1.7	Cabot CBT	65.54	4.1	CymaBayTherap CBAY	10.25	-2.1	FiveBelow FIVE	73.55	-0.4	LKQ LKQ	42.32	-0.1	TechRcsd TECK	27.45	0.8	Geno Group GEO	22.78	1.0	WingWing WIG	9.63	-3.3						
AlonUSAPartners ALDW	18.35	2.0	CAE CAE	19.88	0.7	CytomXTherap CTMX	25.21	8.7	GillApparel GH	39.21	1.0	LKQ LKQ	42.32	-0.1	TeledyneTech TDT	188.62	-0.4	Geno Group GEO	22.78	1.0	WingWing WIG	9.63	-3.3						
Alphabet A GOOG	11,045	1.2	CheetahMobile CML	60.49	1.1	CytomXTherap CTMX	7.19	2.0	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	Teradyne TER	45.76	2.3	VinaConcha VCO	39.00	1.0	HCP HCP	24.75	-1.0						
Alphabet A GOOGL	11,113.58	1.3	Chevron CV	39.20	3.8	CytomXTherap CTMX	7.19	2.0	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	Viteon V	119.00	2.4	JerniganCapital JCAP	18.38	0.2	WingWing WIG	9.63	-3.3						
AltaBaba AABA	76.75	2.6	ChinaAirlines CNAI	41.70	8.2	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	Wt Offshore WTI	4.39	2.8	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
Amazon.com AMZN	1,129.14	1.6	ChinaGreenAg CGA	21.11	11.2	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
AndinaAcqnlRt ANDAR	1.45	-1.4	ChinaGreenAg CGA	186.17	4.0	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
ApellisPharm APHL	45.24	-5.8	Carso.com CARS	31.20	4.0	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
Appian APPN	43.26	0.8	CastaliaWaste CASH	20.57	0.8	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
AppliedIntechs AIT	70.70	0.8	Caterpillar CAT	162.05	1.6	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
Autoliv ALV	133.85	2.0	CellularBiomed CBMG	18.25	2.4	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
ArenaPharm ARNA	41.92	-0.6	Centene CNE	106.02	2.9	Cloudscape CLOUD	125.65	0.1	GilmerGlobe GLB	10.54	2.8	LKQ LKQ	42.32	-0.1	WingWing WIG	9.63	-3.3	KalPharm KALA	11.81	-2.9	WingWing WIG	9.63	-3.3						
ArmstrongWorld AWI	63.95	0.9	CenturyComm CCS	34.6																									

## BANKING &amp; FINANCE

# Wells Fargo Earnings New Ire From Bank's Overseers

By EMILY GLAZER

Banking regulators in mid-2017 downgraded one part of a secret assessment of Wells Fargo & Co.'s health and strength, according to people familiar with the decision.

The assessment—known as a bank's CAMELS score—ranks a firm on a variety of measures including capital, management and liquidity. The scores are confidential and can affect the level of insurance payments a bank must make as well as the level of regulatory oversight of a firm.

The reduction in the management component of Wells Fargo's CAMELS score, which hasn't been previously reported, reflected concerns about Wells Fargo's management and its ability to manage risk, the people familiar with the decision said.

The downgrade occurred as Wells Fargo continued to grapple with issues related to how it treats customers, after the revelation in September 2016 of years of improper sales practices. The methods resulted in potentially 3.5 million accounts opened without customers' knowledge.

Elsewhere in the bank, more than 550,000 auto-loan and mortgage customers were potentially overcharged for products for years as well.

Regulators' concerns focus

on the bank's overall approach to catching and preventing problems that can harm customers.

The Office of the Comptroller of the Currency has been weighing a new enforcement action against the bank related to such risk controls, according to people familiar with the matter. A decision could be made in coming weeks and is likely to result in an enforcement action, these people said. If this happens, Wells Fargo may also be required to pay tens of millions of dollars as part of any settlement, one of these people said.

A Wells Fargo spokeswoman declined to comment on the bank's CAMELS rating or any potential OCC actions.

The spokeswoman said the bank is "very focused on prudent and effective risk management" and continues to enhance those matters. She cited the bank's work to centralize risk-management functions for better oversight; create a conduct-management office to protect employees and customers; and build centers of excellence in areas like testing and validation.

An OCC spokesman declined to comment on "supervisory matters pertaining to any specific institution."

The possibility of a regulatory sanction follows months of back and forth between the

bank and the OCC over how Wells Fargo assesses risks, according to people familiar with the process. During that time, Wells Fargo has had to bring in an outside consultant to try to revamp its procedures and has had to undo some structural changes made in response to the revelation of the sales-practices scandal in September 2016.

That scandal led to an enforcement action with regulators and kicked off a public and political firestorm around the bank. It also prompted Wells Fargo to examine its businesses and practices, which led last year to the disclosure of additional problems related to auto-loan and mortgage charges to customers. The bank is in the process of refunding more than \$100 million to customers.

The issues continue to weigh on the bank in a variety of ways. In 2017, Wells Fargo was the worst performing of the biggest U.S. banks; its shares rose 10%, 6 percentage points below the performance of the KBW Nasdaq Bank Index and 9 percentage points below that of the S&P 500.

In addition, Wells Fargo continues to make changes to its management. The bank recently pushed out regional executive John Sotoodeh. He had led Wells Fargo's retail-banking business in the Los Angeles area during a time several years ago when questionable employee behavior was rampant, according to people familiar with the matter.



A scandal around years of overcharging customers continues to weigh on Wells Fargo.

les area during a time several years ago when questionable employee behavior was rampant, according to people familiar with the matter.

The now-former executive didn't respond to requests for comment. Another Wells Fargo spokeswoman confirmed he no longer works for the bank.

For regulators, the number and scope of problems within different areas of the bank and the difficulty its management has had in addressing them suggest problems at the core of the way Wells Fargo manages risk, people familiar with the concerns said.

In mid-2017, the OCC downgraded one element in Wells Fargo's CAMELS rating, according to people familiar with the rating. The M component of this rating, which stands for Management, was downgraded

to a 3 from a 2, some of these people said. The ratings are ranked on a scale from 1 to 5, with 5 being the worst.

The downgrade to a 3 signifies that oversight "needs improvement," based on factors including the sales-practices scandal and problems in the auto-lending and mortgage businesses, the people said. The 2 rating had indicated "satisfactory management."

The adjustment also included a downgrade of the bank's credit-risk rating to "insufficient" in late 2016 due to a lack of policies, procedures and documentation, one of the people said.

It isn't publicly known whether the bank's composite CAMELS rating moved up or down in the past year. The management-category rating "is given special consid-

eration when assigning a composite rating," according to OCC guidelines. CAMELS stands for capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk, according to the OCC.

One particular point of contention for regulators was that issues related to risk management that resulted in formal warnings to the bank hadn't been resolved, the people familiar with the decision said.

The problem for the OCC, people familiar with the matter said, relates to the way the bank's corporate arm manages and oversees potential risks in individual businesses.

Regulators believe that Wells Fargo failed to build a functioning line of defense, people familiar with the matter said.

# Payday Lender Sentenced to Long Term for Racketeering

By REBECCA DAVIS O'BRIEN

A federal judge in New York sentenced Kansas City businessman Scott Tucker to 16 years and eight months in prison, following his conviction last year on an array of racketeering charges stemming from his payday lending empire.

"What I see here is a scheme to extract money from people in desperate circum-

stances," U.S. District Judge P. Kevin Castel said Friday before delivering the sentence, taking aim at Mr. Tucker's representation of himself as an honest businessman. "Don't give me the nonsense that you were transparent, that you were acting in the daylight."

Timothy Muir, a former lawyer for Mr. Tucker's company who was convicted as a co-defendant in the case, was sentenced to seven years for

his role in the business, which prosecutors argued at trial was a 17-year criminal scheme built on illegal partnerships and predatory loans. Millions of Americans took out loans through the company, with interest rates as high as 700%, prosecutors said.

Lee Ginsberg, a lawyer for Mr. Tucker, said they would appeal the verdict and the sentence. In presentencing filings, Mr. Tucker's lawyers had

argued for a sentence of no longer than 15 years.

Thomas J. Bath, a lawyer for Mr. Muir, said they intended to appeal the verdict. At the sentencing hearing, Mr. Bath asked for a sentence of no more than seven years for his client.

Prosecutors from the Manhattan U.S. attorney's office had asked Judge Castel in presentencing filings to impose a 20-year sentence on Mr.

Tucker—twice the time they sought for Mr. Muir—citing a "multiyear effort to evade law enforcement" and a longstanding pattern of criminal activity, including a federal fraud conviction and prison term two decades ago.

According to prosecutors' presentencing filings, Mr. Tucker's company took in about \$3.5 billion in short-term loan payments from more than 4.5 million custom-

ers, including \$1.3 billion in improper interest rates, figures that Judge Castel called "staggering."

A strong sentence, prosecutors argued in the court filings, would deter other payday lenders from attempting to evade state caps on interest rates by creating sham partnerships with banks and Indian tribes, allegations that were central to the five-week trial.

## Futures Contracts

### Metal & Petroleum Futures

Contract Open High Low Settle Chg interest

**Copper-High (CME)**-\$25,000 lbs.; \$ per lb.

Open 3,209.00 3,210.00 ▼ 3,207.50 3,207.00 -0.035 1,276

March 3,258.50 3,276.00 ▲ 3,222.50 3,229.50 -0.0335 176,654

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

Open 13,16.50 13,16.50 ▲ 13,16.50 13,20.30 0.90 183

Feb 13,24.40 13,24.70 13,14.60 13,22.30 0.70 370,433

April 13,28.70 13,29.30 13,19.60 13,27.10 0.70 76,468

June 13,33.70 13,34.10 13,24.60 13,31.90 0.80 44,411

Aug 13,36.80 13,37.10 13,30.80 13,36.60 0.70 13,735

Dec 13,47.20 13,47.90 13,39.80 13,46.50 0.90 26,103

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

Open ... 1084.85 -12.55 3

March 1093.25 1098.00 1080.50 1082.20 -12.55 36,633

June 1088.45 1088.45 1073.70 1074.40 -12.65 1,737

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

Open 963.00 970.50 ▲ 963.00 971.20 5.10 172

April 968.80 975.50 ▲ 963.70 975.20 5.00 77,768

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

Open ... 17,205 0.016 41

March 17,265 17,325 ▲ 17,130 17,285 0.016 151,388

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

Open 61.90 62.04 61.09 61.44 -0.57 456,748

March 61.80 61.96 61.07 61.41 -0.49 386,465

April 61.64 61.80 60.97 61.30 -0.43 171,495

May 61.42 61.55 60.82 61.15 -0.37 130,355

June 61.19 61.28 60.58 60.93 -0.30 270,350

Dec 58.91 59.08 ▲ 58.48 58.93 -0.02 254,481

**NY Harbor LUSD (NYM)**-42,000 gal.; \$ per gal.

Open 2,080.1 2,080.2 ▼ 2,049.2 2,058.7 -0.183 149,082

March 2,061.4 2,063.6 2,034.3 2,043.2 -0.164 98,262

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

Open 1,890.5 1,890.9 ▼ 1,876.0 1,876.0 -0.209 129,225

March 1,892.0 1,892.1 1,870.3 1,870.7 -0.193 89,541

**Natural Gas (NYM)**-10,000 MMBtu.; \$ per MMBtu.

Open 2,877.0 2,887.0 ▼ 2,746.0 2,795.0 -0.085 304,415

March 2,809.0 2,817.0 ▼ 2,693.0 2,745.0 -0.068 293,077

April 2,696.0 2,696.0 ▼ 2,602.0 2,650.0 -0.046 161,192

May 2,695.0 2,695.0 ▼ 2,607.0 2,655.0 -0.037 129,357

July 2,761.0 2,767.0 ▼ 2,688.0 2,735.0 -0.030 51,285

Oct 2,771.0 2,771.0 ▼ 2,697.0 2,747.0 -0.029 89,535

**Agriculture Futures**

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

Open 350.75 352.25 ▼ 350.25 351.25 .25 815,487

July 367.50 369.00 ▼ 366.75 367.50 -.25 247,045

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

Open 245.50 250.00 ▲ 245.50 248.50 2.75 4,814

May 249.75 253.00 ▲ 249.00 252.00 2.00 1,803

**Soybeans (CBT)**-5,000 bu.; cents per bu.

Open 960.00 966.50 ▲ 960.00 961.50 2.25 1,776

March 968.00 977.00 ▲ 967.50 980.50 1.50 349,007

**Soybean Meal (CBT)**-100 tons; \$ per ton.

Open 315.90 318.90 ▲ 315.80 317.90 2.10 1,370

March 319.80 323.30 ▲ 319.60 321.90 2.10 181,782

**Soybean Oil (CBT)**-60,000 lbs.; cents per lb.

Open 33.73 33.74 33.66 33.65 -.09 1,039

March 33.86 34.10 ▲ 33.70 33.76 -.11 215,202

**Rough Rice (CBT)**-2,000 cwt.; \$ per cwt.

Open 115,200.00 115,200.00 115,650.00 116,50.00 9.00 13

## MARKETS

## RIPPLE

*Continued from page B1*  
tions that use Visa Inc. or the thousands that use the cooperative that runs the international bank messaging service, known as Swift.

Investors have been lining up anyway. XRP's rise in 2017 was 24 times steeper than bitcoin's own ascent. Overall, the company has sold about 38.7 billion tokens, which are called XRP by some and Ripple by others. The CURRENCIES market value of those tokens, according to research site coinmarketcap.com: about \$118 billion.

"It's amazing what's going on," said Chris Larsen, Ripple's co-founder and chairman. "You've got to be standing in the middle of the road when the luck-truck hits you."

A former online-lending specialist who co-founded Prosper Marketplace Inc., Mr. Larsen owns roughly 5% of the outstanding XRP tokens, according to a person familiar with the company. That stake is now valued at about \$15.8 billion at current market prices, up nearly 500-fold from its \$32 million value a year ago.

The huge rise shows that "real utility matters," said Ripple Chief Executive Officer Brad Garlinghouse. "Real customers matter."

Despite bitcoin's popularity among investors, its utility as a payments platform has suffered because of network de-



Ripple CEO Brad Garlinghouse

lays and rising transaction costs. And many bankers still distrust bitcoin, with JPMorgan CEO James Dimon last year calling it "a fraud."

Ripple, meanwhile, has become a cash-flow positive, profitable business, according to Mr. Garlinghouse. That is a rarity among crypto startups, though a big part comes from the XRP sales themselves in addition to the fees that Ripple generates by selling software licenses and collecting fees on individual money transfers.

Then there are the 61 billion tokens that Ripple owns and hasn't yet sold. Those have soared to a value of about \$185 billion. While the lofty sum could plummet at any time, it is still a staggering amount, greater than the

## Making Waves

Ripple's XRP token has soared to become the second most valuable virtual currency.

## Daily price of an XRP token



Sources: coinmarketcap.com (price); the company (proceeds) THE WALL STREET JOURNAL.

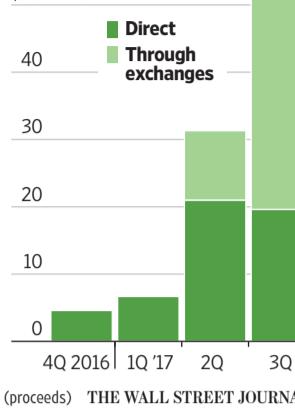
cash hoards of nearly every company in the S&P 500 stock index, including Microsoft Corp., which has \$138 billion.

Also, since the XRP held by Ripple isn't easy to trade like a major currency, Ripple couldn't quickly convert major amounts of XRP to dollars without risking a crash in XRP's price, a possibility that has made some investors nervous.

To counter those criticisms, Ripple took 90% of its remaining XRP holdings, about 55 billion tokens, and put them in 55 separate contracts designed to prevent the company from tapping more than 1 billion tokens in any one month.

At the beginning of 2017, Mr. Garlinghouse, a 46-year-old former Yahoo and AOL executive, took over the chief executive spot from Mr. Larsen,

## Proceeds from Ripple's XRP sales



who remained chairman. Mr. Larsen says the Topeka, Kan., native impressed him with his blunt assessment of some of Yahoo's past problems.

Mr. Garlinghouse, who joined the company as president and chief operating officer in 2015, has a stake of about 6% in Ripple, said a person familiar with the company.

Despite the surge in XRP's value, Ripple, like all crypto companies, carries big questions. One is whether more banks will adopt it instead of choosing payment projects where they have more control and a greater stake. There are also well-funded startups, including R3 and Digital Asset Holdings, which recently scored a contract from Australian exchange operator ASX Ltd.

## Emerging Markets' Mobius to Retire

BY AISHA AL-MUSLIM  
AND CHRIS DIETERICH

Emerging-markets guru and evangelist Mark Mobius, who has spent more than three decades with Franklin Templeton Investments, will retire from the global investment-management firm at the end of the month.

Mr. Mobius, executive chairman of Templeton Emerging Markets Group, joined the firm in 1987 to launch one of the first funds dedicated to emerging markets. His star rose during an ensuing bull market and, with his signature shaved

head, trotted the globe to meet executives of companies he and his team invested in. A prolific writer, Mr. Mobius became among the best-known evangelists for investing in Asia and Latin America and, later, Africa and other "frontier" markets.

"There is no single individual who is more synonymous with emerging-markets investing than Mark Mobius," said Greg Johnson, Franklin Resources Inc. chairman and chief executive. Franklin Resources operates as Franklin Templeton Investments.

Mr. Mobius, 81 years old,

was born to German and Puerto Rican parents in New York. He earned a bachelor's and a master's degree from Boston University and Ph.D.'s in economics and political science from the Massachusetts Institute of Technology.

Over the past 15 years, the Templeton Emerging Markets Investment Trust has returned 16.2% annualized, roughly 4 percentage points above the MSCI Emerging Markets Index, according to Morningstar.

All told, Mr. Mobius worked in emerging-markets investing for more than 40 years and captained Templeton's emerg-

ing-markets team from 1987 to 2016. What began with \$100 million in the Templeton Emerging Markets Fund blossomed into the firm's sprawling Emerging Markets Group, with more than \$28 billion in assets under management as of Sept. 30.

Mr. Mobius last year received the Lifetime Achievement Award from Global Investor Magazine.

"Why invest in emerging markets?" Mr. Mobius wrote in "The Little Book of Emerging Markets," published in 2012. "Because that's where the growth is."

## Crude Prices Slip but End Week Higher

BY CHRISTOPHER ALESSI  
AND ALISON SIDER

Oil prices pulled back on Friday after hitting fresh three-year highs earlier in the week.

Crude for February delivery fell 57 cents, or 0.9%, to \$61.44 a barrel on the New York Mercantile Exchange. Brent for March delivery, the global benchmark, dropped 45 cents, or 0.7%, to \$67.62 a barrel on ICE Futures Europe.

Prices had closed at three-year highs on Wednesday and Thursday, on the back of declining U.S. crude stockpiles

and perceived geopolitical risk to supply because of antigovernment protests in Iran. Both benchmarks ended the week higher for a third week in a row, with West Texas Intermediate rising 1.7% and Brent gaining 1.1%.

But the higher prices have also spurred more concern about rising production in places like the U.S.

"There's a lot of talk of more and more production, more and more hedging," said Ric Navy, senior vice president for energy futures at RJ O'Brien & Associates.

The decline Friday was "more related to profit-taking after a good week," said Giovanni Staunovo, a commodity analyst at UBS Wealth Management. Mr. Staunovo said the market was likely also reconsidering petroleum stocks data released Thursday by the U.S. Energy Information Administration. The agency reported a 7.4-million-barrel decline in crude for the week ended Dec. 29, but said gasoline inventories rose by 4.8 million barrels and distillate stocks climbed by 8.9 million barrels. "It's just moving crude from one barrel to another one," Mr. Staunovo said.

## Benchmark Treasury Price Falls

BY GUNJAN BANERJI

U.S. government bonds weakened after the monthly jobs report showed that U.S. employers' hiring slowed in December while still signaling strength in the labor market.

The yield on the benchmark 10-year U.S. Treasury note

rose to 2.476%

from 2.452% on

Thursday and 2.409% at last

week's close.

Yields rise as bond prices fall.

The 10-year yield has climbed recently as U.S. stock indexes rose to fresh milestones, posting gains in four of the past six weeks.

On Friday, the 10-year yield dropped as low as 2.438% after the jobs report indicated employers added 148,000 jobs in December, less than what economists surveyed by The

Wall Street Journal had expected. It recovered quickly, with analysts saying the U.S. economy still appears strong, with the unemployment rate staying steady at 4.1% for the third consecutive month and at its lowest level since late 2000.

Signs of an improving economy can threaten the value of government bonds, because faster growth can lead to higher inflation, which chips away at the purchasing power of the debt's fixed payments.

Some investors and analysts said the report didn't significantly change their picture of the U.S. jobs market or suggest the Federal Reserve might increase its pace of interest-rate increases. A robust private employment figure released Thursday also could have set investor expectations high for Friday morning's report, making it seem initially

lackluster, said Jeff McDonald, head of fixed-income strategies at Fiduciary Trust Company International.

Policy makers have penciled in three rate rises for 2018.

"I don't think this report, disappointing as it might look, will necessarily mean that [the Fed] will look to take three hikes down to two hikes," said Boris Rjavinski, director of rate strategy at Wells Fargo Securities.

The Treasury Department has scheduled auctions of \$146 billion of debt for the coming week, adding new supply.

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S.D. Cal. No. 3:16-cv-01352-GPC (BLM)

If, at any time between May 6, 2012 to June 30, 2017, inclusive, you received a telephone call from Zacks Investment Management, Inc. ("ZIM") or Zacks Investment Research, Inc. ("ZIR") that was initiated using an automatic telephone dialing system ("ATDS"), you could receive money under a class action settlement. A proposed class action settlement has been reached in a lawsuit called Kerr, et al. v. Zacks Investment Research, Inc., et al., Case No. 3:16-cv-01352-GPC (BLM), which is pending in the United States District Court for the Southern District of California. The lawsuit claims that ZIM and/or ZIR initiated or caused to be initiated telephone calls to the cellular telephones of certain of customers or potential customers using an ATDS and without obtaining the requisite consent, in violation of the Telephone Consumer Protection Act, 47 U.S.C. § 227 ("TCPA"). ZIM and ZIR deny the claims in the lawsuit and the Court has not decided which party is right.

The deadline for filing claims, opting out, or objecting to the settlement is February 16, 2018. To learn more about the settlement, please visit [www.kerrzirsettlement.com](http://www.kerrzirsettlement.com) or contact the Settlement Administrator at 1-888-202-1727. You may also contact Class Counsel, Dostart Hannink & Coveney LLP, at 1-858-623-4265.

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## MARKETS

## Stocks Get Off to a Strong Start in 2018

Dow industrials gain 2.3% during the week; S&P 500 posts four records in a row

By CORRIE DRIEBUSCH AND DAVID HODARI

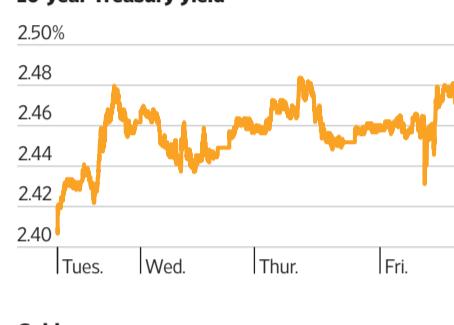
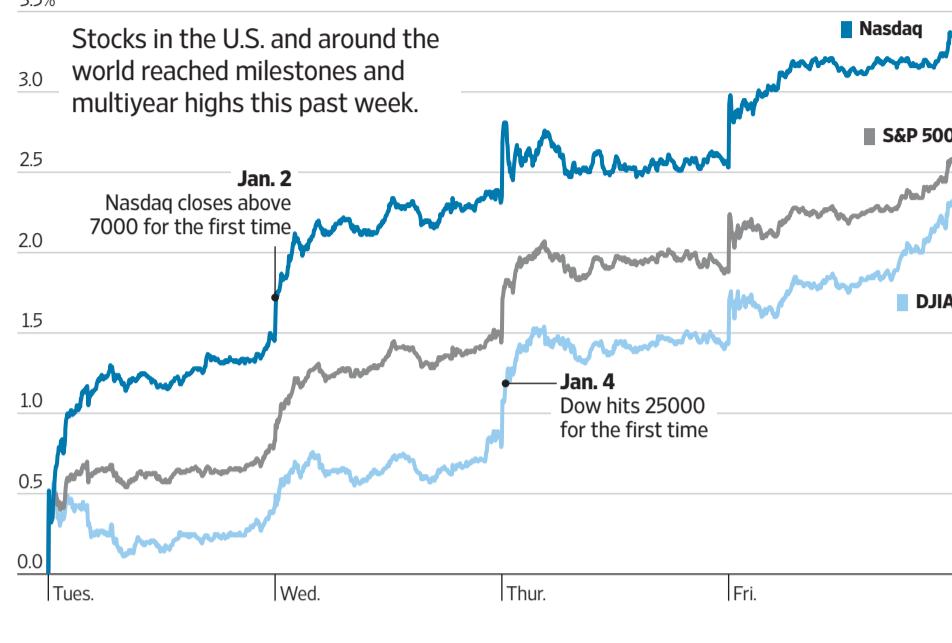
The Dow Jones Industrial Average notched its best start to a year since 2003 as further signs of a solid economic backdrop helped push stocks to new highs during the week.

The strong start to 2018 builds on last year's remarkable gains, which were powered by investors' optimism over the global economy and a belief that central banks won't hurt markets and economic growth by withdrawing stimulus too quickly.

The S&P 500 posted four fresh records in four consecutive trading sessions in the past week, rising 2.6%, its biggest weekly gain since December 2016 and its best start to the year since 2006. The Dow, which catapulted above 25,000 for the first time Thursday, ended the week up 2.3%, its best four-day start to the year since 2003.

On Friday, the Dow industrials rose 220.74 points, or 0.9%, to a record close of 25,295.87. The S&P 500 gained 19.16 points, or 0.7%, to 2743.15. The Nasdaq Composite also ended the week at a record, adding 58.64 points, or 0.8%, on Friday to 7136.56 as technology stocks continued to rise sharply. Technology companies in the S&P 500 ended the week 4.2% higher, making the sector one of the best-performing groups in the index.

"Over the last year or so, we had low interest rates, low inflation, accelerating global growth, stellar earnings, and all that translated to a perfect environment for stocks," said Tim Courtney, chief investment officer of Exencial Wealth Advisors, which over-



Sources: FactSet; WSJ Market Data Group (dollar index)

sees more than \$2 billion in client assets.

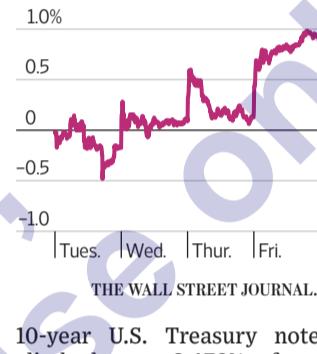
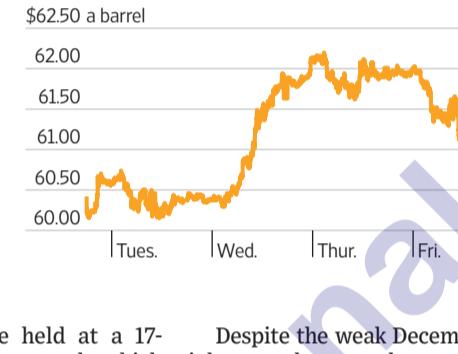
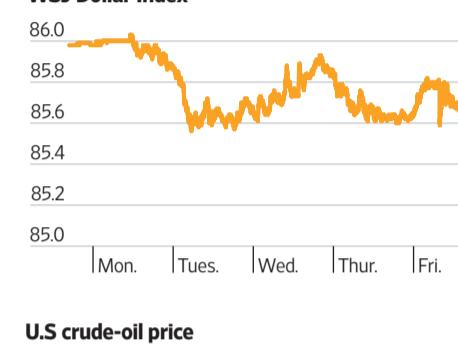
Those factors aren't showing many signs of changing in early 2018, analysts say.

On Friday, data showed the pace of U.S. hiring slowed in December even as the unem-

ployment rate held at a 17-year low. Wage growth, which many investors look to as a sign of inflation, remained relatively subdued, with hourly wages improving modestly last month and rising 2.5% from a year earlier.

Despite the weak December jobs number, analysts and traders said they don't expect the disappointment to halt stocks' run higher or significantly change expectations for interest-rate increases in 2018.

The yield on the benchmark



increases are on tap for 2018. The jobs report was "not a big driver," said Justin Wiggs, managing director in equity trading at Stifel Nicolaus, adding that with leadership changes pending at the Federal Reserve, it could take several meetings to ascertain where the central bank is going in terms of its rate-increase policy.

Some money managers are more concerned about stock-market valuations. Mr. Courtney said he is increasingly worried about how pricey certain companies have become relative to their earnings and is considering moving money from U.S. markets to international stocks.

Companies in the S&P 500 currently trade at an above-average price relative to their past 12 months of earnings.

International stocks joined the U.S. in the early-year rally over the past week. The Stoxx Europe 600 rose 0.9% Friday, putting its weekly gain at 2.1%.

Japan's Nikkei Stock Average closed up 4.2% for the week at another 26-year high. South Korea's Kospi gained 1.3% Friday after falling Thursday, putting its weekly advance at 1.2%. China's Shanghai Composite ended the week up 2.6%, its largest weekly rise since July 2016. Meanwhile, Hong Kong's Hang Seng Index rose 3% in the past week, reaching a fresh 10-year high.

The dollar rose against both the euro and the yen on Friday. The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, was up less than 0.1%.

U.S.-traded crude oil for February delivery slipped 0.9% Friday to \$61.44 a barrel after closing at a three-year high on Thursday. Recent gains in the price of oil have boosted shares of oil-and-gas companies, lifting the S&P 500's energy sector 3.9% in the past week.

—Lucy Craymer contributed to this article.

## HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

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## The Wage Outlook Gets Brighter

## Solid, but Slower

U.S. payrolls, change from a year earlier



Source: Labor Department

ber.

There is good evidence that January will be relatively strong, too. The corporate tax cut is giving businesses more wherewithal to compete with each other for workers. In a recent report, Strategas Research listed 79 U.S. companies that publicly announced they were giving out bonuses, increasing wages or taking other employee-friendly steps since the tax cut passed into law.

If the start of the year is strong, wage gains could soon approach 3% compared with a year earlier. Higher wages would start to solve one of the riddles about the economy since unemployment reached low levels.

More cash for workers could boost consumer spending and make a slight dent in income inequality.

Stronger wage growth is exactly what Federal Reserve policy makers want. If it comes, they will be emboldened to keep raising rates this year, perhaps by more than the three increases they have penciled in.

For companies, it would be more of a mixed bag. On the one hand, they would need to pay workers more; on the other, they are getting a windfall from tax cuts, and workers with more cash may mean better sales.

For investors, a combination of higher rates and rising labor costs could be challenging, but it would probably be better than the alternatives.

—Justin Lahart

## Smartphone Suppliers Get a Hang-Up Call

a phone to produce better images. It shipped 69% more handset lenses in the first 11 months of 2017 than it did in the year-earlier period.

Taiwanese lens maker Largan Precision has likewise seen its share price double in the past two years. Shares in Hong Kong-listed AAC Technologies Holdings, which makes smartphone speakers, have tripled over the period.

But the bright weather may be coming to an end. The iPhone X hasn't been selling as well as hoped. In China, domestic smartphone makers are also seeing weak demand, with consumers balking at paying higher prices for new phones. Sunny has already seen shipments of its handset lenses slow in recent months.

The shares of Sunny, Largan and AAC have pulled back since November, but still trade at elevated levels. Sunny trades at 25 times this year's expected earnings, and based on market forecasts its profit will rise by nearly 50%.

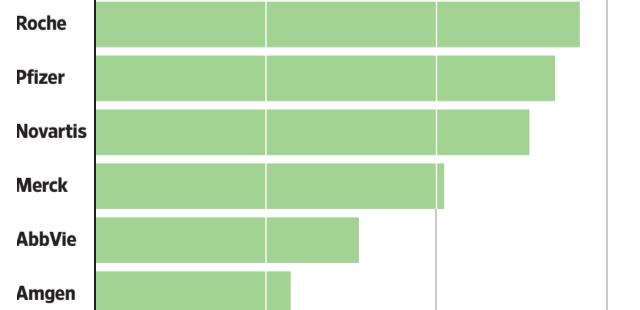
It's time for investors to look at Sunny and its peers through a new lens.

—Jacky Wong

## Drug Industry Is Primed for Deals

## Bigger Fish

Consensus analyst forecasts for 2018 sales



Source: FactSet

Now, consolidation among insurers and pharmacy-benefit managers means drugmakers are seeing a smaller share of those increases than in recent years, while money paid as rebates to pharmacy-benefit managers increases.

"Biopharma companies now have a reduced ability to increase net, realized price in the U.S.," analysts at Leerink Partners said.

Buying up smaller biotech startups has also helped boost growth rates for big pharmaceutical companies.

But years of brisk acquisitions means that there is a relative scarcity of targets

with drugs that are close to generating revenue and have strong enough sales potential to move the needle for bigger outfits.

Balance sheets within this group are generally strong enough to absorb larger-scale transactions, while debt capital remains extremely cheap. And company executives finally have clarity on U.S. tax policy. There is no shortage of opportunities for partnering. More than 20 branded drug companies have projected 2018 revenue above \$10 billion, according to FactSet.

The main obstacles to deals are regulatory approval and integration concerns, which are particularly important because the companies in question are so large.

For big pharma, a new set of challenges could lead to a familiar solution.

—Charley Grant

## OVERHEARD

When Kraft Foods agreed to buy Britain's Cadbury seven years ago it wasn't taken well by the locals. Cadbury was no cottage operation with its \$19 billion valuation, but to some it was as if Slugworth was purchasing Willy Wonka's chocolate factory.

With sales slumping, though, Cadbury is taking a page out of Roald Dahl's playbook by planting white chocolate Creme Eggs among the usual variety between now and

Easter. Cash prizes for finding them are worth up to £2,000, about \$2,700. Like golden tickets, you have to buy them first, in theory.

Some supermarket employees are channeling Veruca Salt and allegedly opening the eggs, according to the Sun newspaper. Customers say they have found tampered and partially unwrapped eggs, an unappetizing prospect for people who were just seeking to satisfy their sweet tooth.

Life after 200  
mph. New  
challenges  
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Danica Patrick



C11

# REVIEW

Can we grow  
meat without  
animals? A book  
on the future of  
cultured cells

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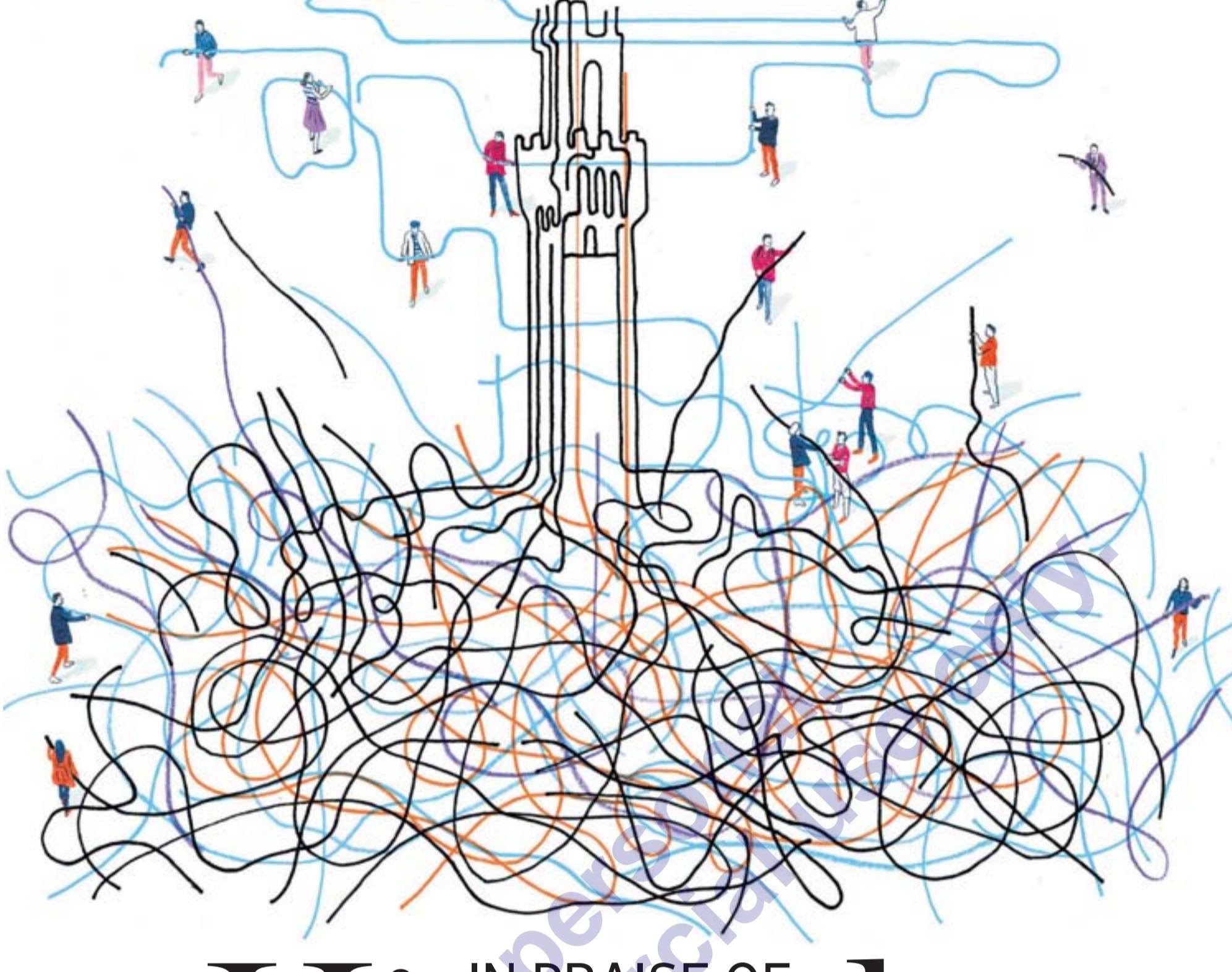
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## IN PRAISE OF Hierarchy

Established, traditional order is under assault from freewheeling, networked disrupters. But society craves centralized leadership, too, writes **Niall Ferguson**.

**I**t is a truth universally acknowledged that we now live in a networked world, where everyone and everything are connected. The corollary is that traditional hierarchical structures—not only states, but also churches, parties, and corporations—are in various states of crisis and decline. Disruption, disintermediation, and decentralization are the orders of the day. Hierarchy is at a discount, if not despised.

Networks rule not only in the realm of business. In politics, too, party establishments and their machines have been displaced by crowdfunding campaigns and viral messaging. Money, once a monopoly of the state, is being challenged by Bitcoin and other cryptocurrencies, which require no central banks to manage them, only consensus algorithms.

But is all this wise? In all the excitement of the age of hyper-connection, have we perhaps forgotten why hierarchies came into existence in the first place? Do we perhaps overestimate what can be achieved by ungoverned networks—and underestimate the perils of a world without any legitimate hierarchical structure?

True, few dare shed tears for yesterday's hierar-

chies. Some Anglophile viewers of "The Crown" may thrill at the quaint stratification of Elizabeth II's England, but the nearest approximations to royalty in America have lately been shorn of their gilt and glamour. Political dynasties of the recent past have been effaced, if not humiliated, by the upstart Donald Trump, while Hollywood's elite of exploitative men

May. "I was wrong about that."

Far from being a utopia in which we all become equally empowered "netizens," free to tweet truth to power, cyberspace has mutated into a nightmare realm of ideological polarization, extreme views and fake news. The year 2016 was the *annus horribilis* of the liberal internet, the year when the network platforms built in Silicon Valley were used not only by Donald Trump's election campaign but also by the proponents of "Brexit" in the United Kingdom to ends that appalled their creators. In 2017, research (including some by Facebook itself) revealed the psychological harm inflicted by social media on young people, who become addicted to the network platforms' incessant, targeted stimuli.

Most alarming was the morphing of cyberspace into Cyberia, not to mention the Cyber-caliphate: a dark and lawless realm where malevolent actors ranging from Russian trolls to pro-ISIS Twitter users could work with impunity to subvert the insti-

Please turn to the next page

is in disarray. The spirit of the age is revolutionary; the networked crowd yearns to "smack down" or "shame" each and every authority figure.

Nevertheless, recent events have called into question the notion that all will be for the best in the most networked of all possible worlds. "I thought once everybody could speak freely and exchange information and ideas, the world is automatically going to be a better place," Evan Williams, a co-founder of Twitter, told the New York Times last

Mr. Ferguson's new book, "*The Square and the Tower: Networks and Power, from the Freemasons to Facebook*," will be published by Penguin Press on Jan. 16.

**It turns out that we need towers as well as town squares.**

ILLUSTRATION BY PETER OUMANSKI

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**ESSAY**  
An ambitious reform plan by India's Modi just got a wake-up call.

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An epic, elegant biography captures the complexities of the Vietnam War era.

C5



#### ESSAY

How do we move from our faltering selves to a virtuous ideal? Gradually. A few tips.

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## REVIEW

# The Chaos of Networks

*Continued from the prior page*

tutional foundations of democracy. As Henry Kissinger has rightly observed, the internet has re-created the human state of nature depicted by 17th-century English philosopher Thomas Hobbes, where there rages a war "of every man against every man" and life (like so many political tweets) is "nasty, brutish, and short."

We should not be surprised. Neither history nor science predicted that everything would be awesome in a world of giant, online networks—quite the contrary. And now that it becomes clear that a networked world may be an anarchic world, we begin to see—as previous generations saw—the benefits of hierarchy.

The word hierarchy derives from ancient Greek (*hierarchia*, literally the "rule of a high priest") and was first used to describe the heavenly orders of angels and, more generally, to characterize a stratified order of spiritual or temporal governance. Up until the 16th century, by contrast, the word "network" signified nothing more than a woven mesh made of interlaced thread.

For most of history, hierarchies dominated social networks, a relationship exemplified by the looming Gothic tower that overshadows the Tuscan town of Siena's central piazza. This is roughly how most people think about hierarchies: as vertically structured organizations characterized by centralized and top-down command, control and communication. Historically, they began with family-based clans and tribes, out of which more complicated and stratified institutions evolved: states, churches, corporations, empires.

The crucial incentive that favored hierarchical order was that it made the exercise of power more efficient. Centralizing control in the hands of the "big man" eliminated or at least reduced time-consuming arguments about what to do, which might at any time escalate into internecine conflict. The obvious defect of hierarchy—in the mid-19th century words of Lord Acton, "power corrupts, and absolute power corrupts absolutely"—was not by itself sufficient to turn humanity away from the rule of "big men."

There have been only two eras of enhanced connectedness, when new technology helped social networks gain the upper hand. The second is our own age. The first began almost exactly half a millennium ago, in 1517, and lasted for the better part of three centuries.

When the printing press empowered Martin Luther's heresy, a network was born. Luther's dream was of a "priesthood of all believers." The actual result of the Reformation he inspired was not harmony, but 130 years of polarization and conflict. But it proved impossible to kill Protestant networks, even with mass executions. Hierarchy had to be restored in the form of the princely states whose power the Peace of Westphalia affirmed, but this restoration was fleeting.

Like the Reformation, the 18th-century Enlightenment was a network-driven phenomenon that challenged established authority. The amazing thing was how much further the tendrils of the Enlightenment extended: as far afield as Voltaire's global network of correspondents, and into the depths of Bavaria, where the secret network known as the Illuminati was founded in 1776.

In Britain's American colonies, Freemasonry was a key network that connected many of the Founding Fathers, including George Washington and the crucial "node" in the New England revolutionary network, Paul Revere. At the same time, the American revolutionaries—Franklin, Jefferson, Lafayette—had all kinds of connections to France, land of the philosophes. The problem in France was that the ideas that went viral were not just "liberty, equality and fraternity," but also the principle that terror was justifiable against enemies of the people. The result was a descent into bloody anarchy.

Those who lived through the wars of the 1790s and early 1800s learned an important lesson that we would do well to relearn: Unless one wishes to reap one revolutionary whirlwind after another, it is better to impose some kind of hierarchical order on the world and to give it some legitimacy. At the Congress of Vienna, the five great powers who defeated Napoleon agreed to establish such an order, and the "pentarchy" they formed provided a remarkable stability over the century that followed.

Just over 200 years later, we confront a similar dilemma. Those who favor a revolutionary world run by networks will end up not with the interconnected utopia of their dreams but with Hobbes's

state of nature, in which malign actors exploit opportunities to spread virus-like memes and mendacities. Worse, they may end up entrenching a new but unaccountable hierarchy. For here is a truth that is too often glossed over by the proponents of networked governance: Many networks are hierarchically structured.

Nothing illustrates this better than the way the internet has evolved from being an authentically distributed, decentralized network into one dominated by a few giant technology companies: Facebook, Amazon, Netflix and Alphabet's Google—the so-called FANGS. This new hierarchy is motivated primarily by the desire to sell—above all, to sell the data that their users provide. Dominance of online advertising by Alphabet and Facebook, coupled with immunity from civil liability under legislation dating back to the 1990s, have created an extraordinary state of affairs. The biggest content publishers in history are regulated as if they are mere technology startups; they are a new hierarchy extracting rent from the network.

The effects are pernicious. According to the Pew Research Center, close to half of Americans now get their news from Facebook, whose incentive is to promote news that holds the attention of users, regardless of whether it is true or false, researched by professional journalists or cooked up by Russian trolls. Established publishers—and parties—were too powerful for too long, but is it really a better world if there are no authorities to separate real news from fake, or decent political candidates from rogues? The old public sphere had its defects, but the new one has no effective gatekeepers, so the advantage now lies not with leaders but with misleaders.

The alternative is that another pentarchy of great powers recognizes their common interest in resisting the threat posed by Cyberia, where jihadism and criminality flourish alongside cyberwarfare, to say nothing of nuclear proliferation. Conveniently, the architects of the post-1945 order created the institutional basis for such a new pentarchy in the form of the permanent members of the United Nations Security Council, an institution that retains the all-important ingredient of legitimacy, despite its gridlocked condition throughout the Cold War.

It is easy to be dismissive of the UNSC. Nevertheless, whether or not these five great powers can make common cause once again, as their predecessors did in the 19th century, is a great geopolitical question of our time. The hierarchical Chinese leader Xi Jinping likes to talk about a "new model of great power relations," and it may be that the North Korean missile crisis will bring forth this new model. But the crucial point is that the North Korean threat cannot be removed by the action of networks. A Facebook group can no more solve it than a tweet storm or a hashtag.

Our age may venerate online networks, to the extent of making a company such as Facebook one of the most valuable in the world. Yet there is a reason why armies have commanding officers. There is a reason why orchestras have conductors. There is a reason why, at great universities, the lecturers are not howled down by social justice warriors. And there is a reason why the last great experiment in networked organization—the one that began with the Reformation—ended, eventually, with a restoration of hierarchy.

There is hope for hierarchies yet. "The Crown" is not mere fiction; the hierarchy of the papacy remains an object of authority and veneration, despite the tribulations of the Roman Catholic Church. Revolutions repeatedly sweep the countries of the Middle East, yet the monarchies of the region have been the most stable regimes.

Even in the U.S., ground zero for disruptive networks, there still is respect for hierarchical institutions. True, just 32% of Americans still have "a great deal" or "quite a lot" of confidence in the presidency and 12% feel that way about Congress, according to a 2017 Gallup poll. But for the military the equivalent percentage is 72% (up from 50% in 1981), for the police it is 57%, for churches 41%, and for the Supreme Court 40%. By comparison, just 16% of Americans have confidence in news on the internet.

We humans have been designed by evolution to network—man is a social animal, of course—but history has taught us to revere hierarchy as preferable to anarchy, and to prefer time-honored hierarchs to upstart usurpers.



## EVERYDAY MATH: EUGENIA CHENG

### An Exponential Approach to Too Many Sweets

**EVERY YEAR**, I bake dozens of macarons to share with friends over the holidays—and to eat myself. After my festive baking marathons, I always seem to eat a fixed proportion each day of however many egg-white-and-ground-almond sweets I have left.

We could model the situation by saying that I eat one-fifth of the total remaining stash, rounded to the nearest whole macaron. I might start with 50 and eat 10 that day, then eat eight of the remaining 40 the next day, and so on. By the time 10 are left, I'll finally be eating a sensible number of macarons a day. My dilemma is that making a big batch of macarons is more efficient, but when I have so many of them left over, I eat too many of them too quickly.

The math involved here is the math of exponentials.

Exponentials arise when the rate at which a quantity changes is proportional to the quantity itself at the time. In mathematical terms, an exponential is a continuous function that satisfies the stipulation that the rate of change of the quantity "y" at time "t" is proportional to the value of "y" at time "t." If the quantity is increasing, we have exponential growth. In a viral video, for example, if each person who sees it passes it on to five new people each day, the daily rate at which new people see it is five times the number of people who have already seen it the day before. In nine days, then, the number can rise from five to almost two million.

So it's understandable that in everyday language we tend to use the word "exponentially" to mean "very fast"—but that isn't what "exponentially" technically means in math. Often, the rate of growth is just a small percentage of

the total amount. Money in a bank savings account, for example, might get you 1.25% interest a year.

As for my macarons, they aren't multiplying each day (alas) but decreasing—what's called exponential decay. The principle is the same, but the rate of "growth" is now a negative proportion of the amount present. To stay realistic, we can add a condition for the end, when the numbers become too small. For example, to our principle of eating one-fifth of the macaron stash each day, we could add a condition saying that once I'm down to five, I eat one a day until they're all gone. According to this model, a batch of 25 will disappear on day 12, a batch of 50 on day 16.

Radioactive decay also works exponentially. A short calculation shows that once you've figured out the proportional relationship between the quantity of a radioactive substance and its rate of change, its half-life is constant. That is, no matter when during the decay of the material you start counting, the time it takes until only half remains will always be the same. In the case of my macarons, the half-life seems to be about 3.5 days.

I could add another real-life condition to my macarons experiment: Is there a limit to the number of macarons I can eat in one day? There are also limits to our viral video example: the size of the audience. A better mathematical model in the video case, for example, says that the rate of growth is proportional to both the number of people who have seen the video and the number of people who haven't yet. A function that behaves like this is called the logistic function and is built from exponentials. Early on, it behaves as if the number of past video watchers is simply growing exponentially, but then it dramatically slows down. This is why viral videos burst into our consciousness and then seem to vanish.

As for my macarons, I've found that the best solution is my freezer. I now freeze them in boxes of 10. Using the 20% rule to start, I eat two for each of the first two days, then one on the third day. Then I switch to my one-a-day rule for the last five. Each box lasts me eight days, so I can make my 50 macarons last 40 days instead of just 16.

FROM TOP: STOCK MONTAGE/GETTY IMAGES; UIG/GETTY IMAGES; NETFLIX/EVERETT COLLECTION; NOAH BERGER/ASSOCIATED PRESS



**DISRUPTION AND STRUCTURE** have competed across centuries. From top: The printing press helped Martin Luther challenge the established Catholic Church; the Congress of Vienna reset order in Europe after the Napoleonic Wars; Netflix's popular 'The Crown' attests to fascination with the British monarchy; Mark Zuckerberg's Facebook benefits from leading a hierarchy and a network.

monarchy has continued to elevate the head of the British state above party politics. In a similar way, the papacy remains an object of authority and veneration, despite the tribulations of the Roman Catholic Church. Revolutions repeatedly sweep the countries of the Middle East, yet the monarchies of the region have been the most stable regimes.

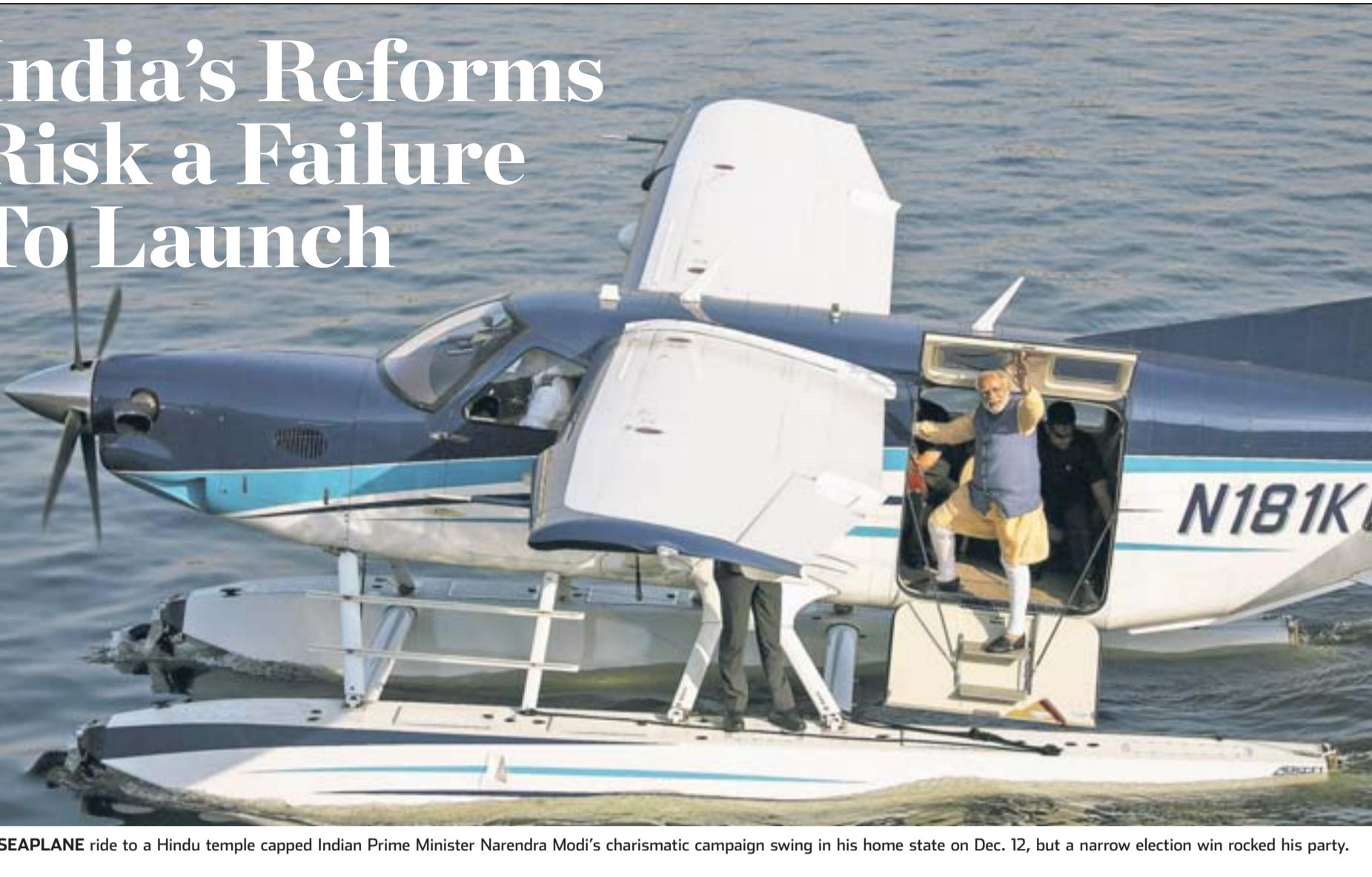
Even in the U.S., ground zero for disruptive networks, there still is respect for hierarchical institutions. True, just 32% of Americans still have "a great deal" or "quite a lot" of confidence in the presidency and 12% feel that way about Congress, according to a 2017 Gallup poll. But for the military the equivalent percentage is 72% (up from 50% in 1981), for the police it is 57%, for churches 41%, and for the Supreme Court 40%. By comparison, just 16% of Americans have confidence in news on the internet.

We humans have been designed by evolution to network—man is a social animal, of course—but history has taught us to revere hierarchy as preferable to anarchy, and to prefer time-honored hierarchs to upstart usurpers.

## REVIEW

# India's Reforms Risk a Failure To Launch

DIVYAKANT SOLANKI/EPA-EFE/SHUTTERSTOCK



A RARE SEAPLANE ride to a Hindu temple capped Indian Prime Minister Narendra Modi's charismatic campaign swing in his home state on Dec. 12, but a narrow election win rocked his party.

**A surprise setback unsettles Prime Minister Modi's plans to rapidly transform the economy**

BY BILL SPINDLE  
AND KRISHNA POKHAREL

**PRIME MINISTER** Narendra Modi of India capped a week of barnstorming for last month's election in his home state by flying over cheering constituents in a seaplane—a rarity in his country, and the kind of feel-good campaign flourish that has helped make him one of the most popular leaders in India's history.

But on the ground in the state of Gujarat, where Mr. Modi headed the government for more than a decade, political reality is considerably more complicated. A self-billed dramatic reformer, the prime minister launched two big efforts that hit the economy hard last year, taking a toll on growth and raising protests.

The dynamics suggest a pause in the pace of reform, which matters hugely to foreign investors and the global economy. India is in the midst of surpassing both the U.K. and France to rank as the world's fifth-largest economy, and is on track to outpace China to become the most populous country by 2025. How fast and thoroughly its complex, hidebound and often-corrupt economy can transform into a more efficient engine of job growth is critical not only to Mr. Modi but also to India's place in the new international order.

The ruling party pulled out a win in the December vote in Gujarat—but just barely, and the close call underscored some nationwide issues for Mr. Modi. Viewed as an invincible juggernaut just months ago, his Bharatiya Janata Party was given a run for its money in a state it had dominated for more than two decades.

While the affection many voters feel for the Indian leader remains strong, as his first term nears its end next year they are increasingly asking him to deliver—and making him sweat when he doesn't. Small and medium-size businesses, critical to generating the jobs India

needs, have been buffeted and are making it known. Farmers, who still shoulder a large chunk of India's economy, have become more restive as inflation has outrun the price supports and subsidies they receive; increasingly, they are demanding more.

The wake-up call in Gujarat may temper Mr. Modi's zeal for more ambitious moves that are central to his economic plans—particularly to boost investment in manufacturing and spin off some big companies, such as the national airline—before the 2019 vote. For those efforts to get traction, more painful reforms are likely needed, to make employment laws more flexible and reduce the bureaucratic and legal barriers to acquiring land for factories.

"It's going to be a tightrope walk for the government, definitely not a cakewalk like earlier days," says Arun Gopalan, vice president of research at the Mumbai-based financial firm Systematic Shares & Stocks.

The Gujarat results were largely of Mr. Modi's own making. A 2014 sweep in national elections delivered Mr. Modi a government fully under his control, a first for his party. He promised his "Gujarat Model" writ large, rebranded as the "Modi Model"—that is, attract foreign investment, cut through bureaucracy to increase the ease of doing business, focus on economic growth as opposed to redistribution and raise India's profile abroad. In Gujarat, the combination had helped drive a state economy that routinely outperformed the rest of the country. As long as it delivered that growth—double-digit during some years—the politics worked splendidly.

But as Mr. Modi introduced some of the same reform-minded boldness at the national level—attempting to address entrenched challenges such as corruption and tax evasion—he has bumped into opposition even where he is most beloved.

Economic reforms kicked into high gear in dramatic fashion late in 2016 when Mr. Modi scrapped large currency notes worth almost 90% of the country's currency in circulation. The

idea, he said, was to hit tax evaders and black-marketeers, who presumably deal almost exclusively in cash, while creating an incentive for India's large informal economy to take up cashless e-commerce. But the surprise move was tremendously disruptive for many regular Indians and businesses, while illicit operators found ways around it, later analyses showed.

Mr. Modi followed that with an overhaul of the country's tax system, introducing a nationwide Goods and Services Tax that replaced a

several cities staged protests and strikes as the measures were rolled out. "If the government doesn't simplify GST, take my word the government won't win the 2019 elections," says Sanjay Jagnani, whose family owns a textile business and who has generally supported Mr. Modi's party. "The public will not understand. If they don't change, we will protest again."

The struggles of India's giant population of farmers has presented the BJP with defections from longtime supporters. Rural incomes haven't kept pace with price increases of goods and services. Access to water is a growing problem. The BJP has tried to resist the timeworn measures of boosting additional price supports, subsidies and debt forgiveness. But Rahul Gandhi, the newest head of the dynamic clan that has led the rival Congress Party, surprised observers with Congress's ability to muster new electoral support around these issues. "We voted for the BJP in earlier elections because we were deluded," said 45-year-old farmer Nagenbhai Patel, as he attended a Congress Party rally.

A 24-year-old Gujarati activist, Hardik Patel, became a focus of the election by leading a protest movement among the group known as Patidars, a farming caste that has grown into a wider political force as younger members migrate to cities because of a lack of rural jobs.

Modi and the BJP have put their best spin on the election, pointing out that a win is a win and vowing to carry on with reform. But overhauling the country's vast array of subsidies and handouts to farmers, a BJP priority aimed at getting the government's budget in order, may wait. Instead, the BJP will likely have to address the demands of farmers across the country for debt forgiveness and price supports.

"Now the BJP will be more cautious," says Sanjay Kumar, director of the Centre for the Study of Developing Societies, which conducts electoral polling. "They will try to react to any simmering unrest in the population as soon as possible—sooner than they have been doing."



CHILDREN JOINED farmer protests in New Delhi in July.

patchwork of state and federal fees and assessments. But the new system, intended to simplify things, was itself complex—and the rollout was hampered by glitches.

Both measures, whatever their long-term merits, dealt India's economy a one-two punch in 2017. Growth dipped to a three-year low of 5.7% by midyear. Though it rebounded some, it is well below the roughly 10% growth many economists believe the economy needs. India must create almost a million new jobs a month to keep up with the rapid growth of its working-age population.

Even in longtime BJP strongholds, such as the textile markets in the Gujarati port city of Surat, some criticized the party for being slow to respond to complaints. Gujarat's textile and diamond industries are dominated by small and medium-size companies that couldn't adjust quickly to the double blow. Business districts in

## EVERYONE NEEDS SOME PERSONAL SPACE

BY MICHAEL GRAZIANO

**WE ALL HAVE** an invisible, protective bubble around us. Personal space, margin of safety, bad breath zone—whatever you call it, we have it constantly switched on like a force field. It comes in layers, some layers close to the skin like a body-suit, others farther away like a quarantine tent.

Elaborate networks in the brain monitor those protective bubbles and keep them clear of danger by subtly, or sometimes drastically, adjusting our actions. You walk through a cluttered room weaving effortlessly around furniture. A pigeon swoops past your head in the street and you duck. You stand a little further from your boss than your friend, and much closer to your lover. Usually hidden under the surface of consciousness, occasionally rising into awareness, personal space affects every part of human experience.

In the 1950s, the director of the Zurich Zoo, Heini Hediger, saw the evolutionary roots of this behavior in his careful studies of animals. Many animals have a territory based on external landmarks. Hediger noticed that most animals construct a second kind of territory that is ego-



BIRDS have been found to have their own buffer zones.

centric, a bubble of space that moves as they move, and it serves a specific function. He called it an escape distance, or a flight zone.

When a wildebeest sees a potentially dangerous animal—a lion, or perhaps Hediger with a tape measure walking around the veld—it doesn't simply run. This isn't a simple stimulus-response proposition. The animal seems to make a geometric assessment. It remains calm until the threat enters a protected zone, and then the wildebeest moves away and reinstates the flight zone. That escape distance is apparently consistent

enough to measure it to the meter.

The flight zone is not the same as fear. It's also not the same thing as running or flying away. It's neither an emotion nor a behavior. It can certainly come with these properties, but the flight zone is a specific spatial computation that can proceed in the animal's head in absence of any obvious fear or escape.

Animals can have a buffer even with respect to other animals of the same species. One of Hediger's most famous photographs was of a line of seagulls sitting on a log, spaced in such perfectly even increments that

they looked almost like carved decorations.

In more recent decades, psychologists have conducted a vast number of studies around the human phenomenon of personal space. The most consistent finding out of this literature is that personal space extends with anxiety. If you score high on stress, or if the experimenter stresses you ahead of time—maybe you take a test and are told that you failed it—your personal space grows with respect to other people. If you're put at ease, or the experimenter flatters your self-esteem ahead of time, your personal space shrinks. In at least some studies, women have an especially large personal space when approached by men—presumably fueled by our culturally learned expectations.

When tested at finer precision, personal space tends to stick out farther in the subway and the balloon of personal space is compressed, you can see its intrinsic shape particularly well. If you could sneak around with a tape measure and record the average distance between the body

parts of adjacent travelers, you would see an overall trend toward buffering the front of the face and especially the eyes. As always, the eyes are the epicenter of self-protection.

The most recent wave of research on personal space focuses on the brain mechanisms. Specific areas of the brain contain neurons that monitor the space around the body and track objects. These neurons are almost like radar, firing off signals when something looms close, their activity rising to a frenzied peak if the object touches.

When those neurons become highly active, they feed directly into our movement control, subtly adjusting our movement or, in extreme cases, causing flinching or cringing.

All this machinery impacts the rest of our lives: our sense of self, our ability to use tools, our culture and our social and emotional behavior—in other words, what it means to be human.

Dr. Graziano is a professor of neuroscience and psychology at Princeton University. His new book is "The Spaces Between Us" (Oxford University Press).

### Anxiety extends the bubble.

## REVIEW



Cleveland State University paired 112 participants with a stranger (actually an actor) in the same room. After a while, the pair heard a crash in the next room and cries of, "Oh, my foot. Damn, I think it's broken. Oh, Jesus, it hurts. Ow-ow-ow..." What the participant did next was rated on a scale of 1 (doing nothing) to 10 (going to the other room and offering help).

When the stranger/actor "remained in his seat and essentially ignored the crash," according to the study, participants helped at a level of 6.21. It was a different story if the stranger "looked up from his work and said, 'Jesus, what was that?' and walked into the control room and asked, 'What happened? Are you OK? Let me help you!'" In that case, participants sprang into action, helping at a level of 9.05.

In another study, psychologists at the University of Western Ontario and Oxford University looked at how role models can inspire people to make blood donations. They paired each

unsuspecting participant with an actor, and had them complete what was really a bogus study. Then the pair was sent across the building to get paid for participating. Along the way, they were bound to walk by a table with "Give Blood"

posters. If the participant saw his or her companion sign up for the blood drive, 18 out of 27 participants signed up, too. When the day came to donate, nine of them even gave blood. But in the control condition, in which the participant walked alone by the blood drive table, not one person ended up giving any blood.

**Education in self-awareness.** For several decades, psychologists have found that in emergencies, we are unlikely to help if the people around us aren't doing anything to help. This includes when someone is crying out in pain from a serious electric shock or even when a bully is beating up a child. Why? One important part of the story is that we are afraid of embarrassing ourselves in front of complete strangers.

The fear of being embarrassed (or shamed, ostracized, ridiculed and so on) isn't just a relic from our middle-school years. It is a serious obstacle to our helping other people, and we don't always realize the powerful role it can play.

By learning from the psychological research, we can respond differently the next time we hesitate in an emergency. We can remind ourselves that someone's life is more important than what a stranger thinks of us.

In a classic 1978 study published in the *Personality and Social Psychological Bulletin*, researchers at the University of Montana had 12 students attend a lecture on how groups can inhibit helping. Then as the students were leaving the building, they would see a (rigged) emergency in the form of a bike accident. What did they do? The vast majority (67%) helped, even when others in the situation did not. That's impressive. With a control group of 15 students who had not gone to the lecture, only 27% helped. The lecture made a big difference.

To find out if the effect would last more than one day, the researchers tested another group of students (60 in the lecture group, 20 in the no-lecture one). This time, the emergency was finding someone slumped against a wall two weeks after the lecture. The effect lasted, though to a smaller degree: 42% of those who attended the lecture helped, compared with 25% of students who had not been to the lecture.

So the next time you're out for a walk and hear what sounds like a bicycle crash—or even if someone just drops some papers on the floor at work—remember not to be too timid or embarrassed to respond. Our world needs more people willing to take the first step, so that others may follow.

*Dr. Miller is A.C. Reid Professor of Philosophy at Wake Forest University. His most recent book, "The Character Gap: How Good Are We?" has just been published by Oxford University Press.*

# We Can Encourage Our Better Angels

Social science points to several ways we can be more virtuous people

BY CHRISTIAN B. MILLER

**GOING ALL THE WAY** back to Plato, Confucius and the Bible, writers have talked about the twin poles of human character—virtue and vice. We're familiar with the extreme examples of each, from Jesus and Gandhi on the one hand, to Nero and Hitler on the other. But the broad categories of virtue and vice don't describe most of us very well. While there may be some outliers on either end, most of us fall somewhere in the middle, in that great bulging center of the classic bell curve. Given our mixed characters, we tend to be neither good enough to count as virtuous nor bad enough to count as vicious.

Hence we are confronted with what I call the character gap. There is the virtuous person we should be. There is who we actually are. And there is a big difference between the two.

The good news is that our characters aren't carved in stone. Social science suggests several ways we can all become better people, not

overnight but slowly and gradually.

**Moral reminders.** Often we know the right thing to do, but we get distracted or lose sight of what really matters. Moral reminders help get us back on track. And the more often we are reminded, the more natural it will be to think of what is right and wrong the next time.

In one 2008 study by Nina Mazar, On Amir and Dan Ariely, researchers used three groups of roughly 35 student participants each. One group took a 20-problem test and had to submit it to the person in charge when they were done. The test was graded, and each student was paid 50 cents for each correct answer. These students solved an average of 3.4 problems.

A second group took the same test—but they got to grade it themselves, recycle their work sheets and report how many they got "correct." In other words, they knew they could lie to earn more money, with no chance of getting caught. This group reported getting an average of 6.1 problems right. Clearly, there was some cheating going on.

The really interesting group was the third

one. They had the same opportunity to cheat, but before they took the test, they had to sign an honor code. Did that make a difference? These students ended up solving just 3.1 problems. Cheating disappeared, thanks to the moral reminder about the importance of honesty.

**Role models.** Role models can help us see the world in a new way. They can be some of the people closest to us—my role models include my parents and my college roommate. Or they can be people we don't know, such as the Polish sewer worker Leopold Socha, who saved 10 Jews from the Nazis by protecting them underground for more than a year. They can even be examples from stories, like the good Samaritan or the bishop who forgives Jean Valjean in "Les Misérables."

Role models reshape our imagination, serve as great sources of wisdom and advice, and perhaps most important, inspire us to change our lives and become better people.

Research supports the importance of role models. In a 1984 study in the *Journal of Personality and Social Psychology*, psychologists at

were terms she heard used colloquially among friends in Harlem, where she had grown up, and on campus at City University of New York's Brooklyn College, where she had recently graduated.

"The notion of 'cuffing season' was like, who can you get to be your winter love interest or partner, to bear the cold weather of the season with you?" Ms. Murchison told me.

"I think on a deeper level it speaks to how people really do want intimacy in their relationships," she continued. "It's like, oh, people don't want to be lonely, even if it's just for a three-month span in the winter. You can put a name on it, and then go be free again."

**Answers**  
to the News Quiz on page C13:  
**1.D, 2.A, 3.C, 4.B, 5.B, 6.C, 7.A, 8.C**

## WORD ON THE STREET: BEN ZIMMER

### It's Warmer Together! 'Cuffing Season' Heats Up

**THE FRIGID WEATHER** affecting much of the country is actually a boon for online dating. Match.com reports that its peak season runs from Dec. 26 to Feb. 14, when the dating site experiences a 42% spike in member registrations.

There's even a name for the cold months when people seek out companionship, though it's not exactly the most romantic expression: "cuffing season."

Collins Dictionary, which put "cuffing season" on its shortlist for 2017 Word of the Year, defines the phrase as "the period of autumn and winter, when single people are considered likely to seek settled relationships rather than engage in casual affairs."

Why "cuffing"? The underlying image likens being in an exclusive relationship to wearing handcuffs. (Think of similarly playful expressions for establishing relationships, like "getting hitched," or on the

marital level, "the old ball and chain.") It comes out of African-American slang in the New York area, hitting it big in 2013 when the rapper Fabolous released the song "Cuffin Season."

The following spring, the expression showed up in lists of slang terms compiled by the students of Connie Eble, a professor of English at the University of North Carolina, Chapel Hill. The undergraduates defined "cuff" as "form a relationship," as in: "It's cuffing season. Can we spend some time together?"

Since then, "cuffing season" has entered the lingo of dating apps like Tinder. Twentysomethings have grown used to finding mates on Tinder and similar apps by a simple swipe (left to reject, right to accept), an approach that encourages "relationship shopping," as Sklyer Wang, a Ph.D. candidate in



sociology at the University of California Berkeley, told National Public Radio earlier this week.

While Tinder may have introduced "swiping," many other terms characterizing the modern dating world arose before the popular app was launched in 2012. "Relationship shopping," for instance, was investigated by researchers in

a 2010 paper in the *Journal of Social and Personal Relationships* (and "relationship" showed up on Urban Dictionary as early as 2005).

As for "cuffing season," the earliest known example (as documented by Paul McFedries on his site *Wordspy*) comes from Twitter, dating back to November 2008. Holley Murchison, who was hosting a show called "Cuz We Said So" on Brooklyn College Radio, tweeted, "Tonight's topic: 'Wifing' somel for the winter aka 'Cuffin Season,' yay or nay?"

I got in touch with Ms. Murchison, who went on to found an Oakland, Calif.-based communications agency and speaker collective called *Oratory Glory*, which helps young artists and entrepreneurs tell their stories. She recalls that at the time of the radio program, "cuffing" and "cuffing season"

# BOOKS

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## The Vietnam That Never Was

As war began, a lonely voice argued that winning local support—not battles—was key to victory

### The Road Not Taken

By Max Boot

Liveright, 715 pages, \$35

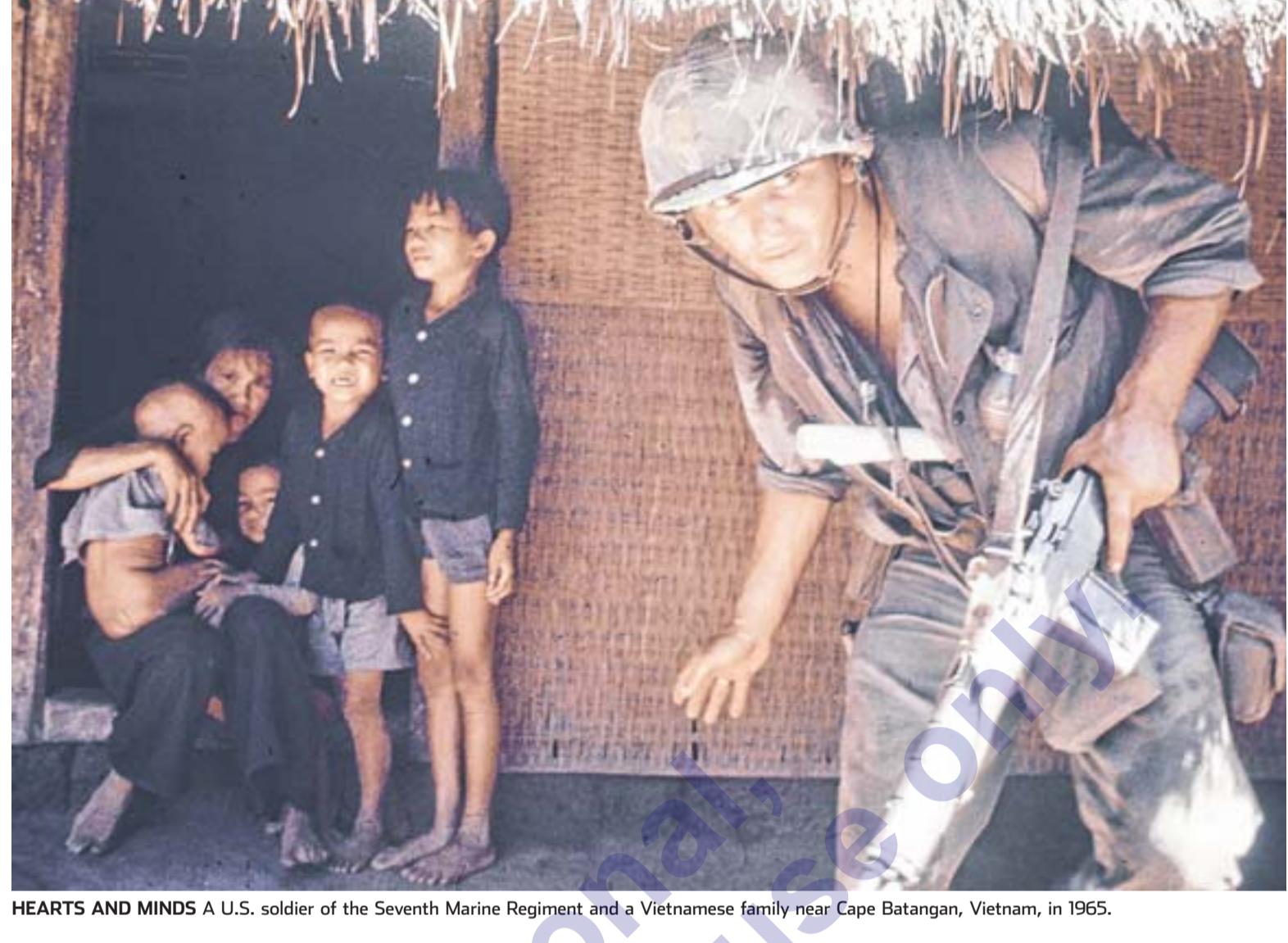
BY ROBERT D. KAPLAN

**EDWARD LANSDALE** (1908-87) was one of America's most important military thinkers and practitioners, and yet he is barely known to the wider world. In "The Road Not Taken," Max Boot aptly calls him "the American T.E. Lawrence": eccentric, rebellious and charismatic, a man who had an uncanny way of bonding with Third World leaders and who believed that the art of war was, as Mr. Boot puts it, "to attract the support of the uncommitted."

He changed the course of history in the Philippines by leading a fight against Marxist guerrillas there in the 1950s and played a key role in the early stages of the Vietnam War—though with tragically less success. Had Lansdale's advice been taken, Mr. Boot argues, South Vietnam might still have fallen to the communists, but far fewer than 58,000 Americans would have died there. "The Road Not Taken" is an impressive work, an epic and elegant biography based on voluminous archival sources. It belongs to a genre of books that takes a seemingly obscure hero and uses his story as a vehicle to capture a whole era.

Lansdale grew up in Detroit, the son of a businessman who worked in the auto industry. As the father's fortunes rose, Mr. Boot tells us, the family moved from a working-class neighborhood to the suburbs. Lansdale attended UCLA, where he earned a degree in English and participated in ROTC, receiving a reserve commission in the Army. During World War II, he joined the Office of Strategic Services, though not as an overseas operative. Stateside, he gathered intelligence and recruited agents. "Not much in the way of heroics," he later said, "but it was truly fascinating work for me." About a year later he was accepted back into the Army and, near the war's end, shipped out to the Philippines, where he remained for a few years after the war, returning there again in 1950 as an adviser to the government (and reporting to the CIA).

Like Lawrence of Arabia and Kit Carson among the Indians, Lansdale immediately grasped that wars can be about cultural expertise as much as battle formations. "I have always felt," he said, "that if you are going to report on something, don't take the word of other people, go out and eyeball it." His technique, natural to his larger-than-life personality yet unusual



HEARTS AND MINDS A U.S. soldier of the Seventh Marine Regiment and a Vietnamese family near Cape Batangan, Vietnam, in 1965.

GETTY IMAGES

for American officialdom at the time, was to get to know the indigenous people and to treat them as equals. He believed that the answers to Washington policy questions emanate upward from the foreign terrain itself. As one Filipino remarked: "Ed had a way, he could make a friend of everybody except Satan."

In the Philippines, where guerrillas were attempting to overthrow the government, it did not take long for Lansdale to realize that the "blunderbuss" approach of the Filipino security forces was making enemies of the very rural population that needed to be won over. He not only befriended Ramon Magsaysay, the Philippine defense minister, but literally moved in with him. They spent days at a time together out in the mountainous jungles until they both thought as one.

It was in the Philippines, while fighting the Marxist Huks, that Lansdale coined the phrase "civic action," a reference to the need for giving the rural population a stake in the outcome of an insurgency war so that it

is motivated to join your side. "Lansdale was one of the few Americans of this period who had read Mao Zedong's works," Mr. Boot notes. Quoting Mao, Lansdale said that one must "keep the closest possible relations with the common people." On a small scale, that meant being "courteous and polite." In a larger and more lethal dimension, it meant avoiding indiscriminate violence. Lansdale hated airborne strikes because they killed civilians. He gave Filipino soldiers cheap cameras to photograph the enemy they had just killed: This simple plan made casualty figures more accurate and encouraged the troops not to shoot women and children. By the early 1950s he had come to hate the mentality of body counts and other statistical reductions of war that would later defeat the United States in Vietnam.

On the heels of victory in the Philippines, Lansdale headed for South Vietnam, where his worst enemies would be not the Vietnamese but American officials. The French would soon leave

the country, and the U.S. would step into their imperial-like role. In 1954, following the French defeat, Vietnam was divided into two parts, with the northern part governed by a lethally

Lansdale, quoting Mao, said one must 'keep the closest possible relations with the common people.'

aggressive regime that combined nationalism and communism and was soon fomenting guerrilla attacks in the pro-Western south.

First, Lansdale alienated the U.S. Ambassador, J. Lawton Collins, one of the few generals who had seen action in both the European and Pacific theaters during World War II and who, partly because of that experience, inhabited a military mind-set that was, Mr. Boot says, "unsuited to the complexities and difficulties of Vietnam."

Collins wanted to cut the South Vietnamese army in half, partly because, in his view, it was costing U.S. taxpayers too much money. Lansdale, by contrast, wanted it to take control of rural areas being vacated by the anti-French, communist Vietminh and then to integrate local militias into the national army so as to provide a Vietnamese solution—and not a foreign one—to communist aggression.

By 1955, Lansdale and his small team were writing a counterinsurgency blueprint for South Vietnam. The core of it was, as one might expect, an approach centered on protecting the local population and winning its support, not winning large "battles" and claiming conquered acreage. The strategy could only succeed, Lansdale believed, with credible civilian governance. And so he befriended the leaders of various South Vietnamese sects—political and tribal—as well as the prime minister, Ngo Dinh Diem, just as he had befriended Magsaysay in the Philippines. He was accused of

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## A Portrait of Elaine de Kooning

### A Generous Vision

By Cathy Curtis

Oxford, 292 pages, \$34.95

BY KAREN WILKIN

**THERE'S A FREQUENTLY** reproduced, disconcerting photograph of Willem and Elaine de Kooning made in 1950 by Rudy Burckhardt. Posed on opposite sides of the frame, the couple turn toward each other but look in different directions, separated by dark and light zones that split the image vertically. Willem, in an open-necked work shirt—clearly studio clothes—faces an enormous canvas smudged with what seems to be a preliminary charcoal drawing. He looks down, reaching for a paint tube on his palette. Elaine stands in front of the pale canvas, arms folded, staring past her husband, holding what might be a pencil. With a fashionable short haircut, wearing a narrow skirt and a prim sleeveless blouse buttoned to the collar, she seems dressed for the office—like a capable Gal Friday in a late-1940s movie. There are no clues that she too is a painter. The photograph could be read as a double portrait of a bohemian artist and his rather conventional, subservient companion, except for the woman's impenetrable gaze. Instead of the expected adoring focus on the creative male, we are presented with an enigma. Is she looking beyond the man in front of her or is she turning in-

ward? Are those folded arms a metaphorical walling off? Then there's the dramatic contrast of the dark and light planes behind each figure. Are the two as isolated as the composition implies?

Cathy Curtis's "A Generous Vision:

The Creative Life of Elaine de Kooning," the first biography of the photo's primly dressed woman, makes the ambiguous subtext of Burckhardt's portrait impossible to ignore. The book makes clear that far from being defined as Willem de Kooning's wife,

Anxiety-driven Abstract Expressionism dominated the art world, but she took to freewheeling figuration.

Elaine was a force to be reckoned with in her own right, neither a worshipful acolyte nor, as was common among the couple's peers, the breadwinner who made it possible for the Great Man to pursue his art. Elaine always acknowledged her husband's importance as a painter and spoke often of how much she learned from him, describing him as "more alert visually than anyone I ever met." Most important, she said, he taught her "that painting was not about presenting literary ideas, but [about] the wordless part of the brain." But she was a notably powerful, independent personality and a deeply engaged painter, as ambitious and dedi-

cated to her work as her husband was to his. (Whether she was in any way as potent, innovative or significant an artist is not the question.) Her portraits were acclaimed; she was commis-

sioned to raise in 1918, she died just short of her 71st birthday, in 1989—remembered as a generous spirit who seems to have known everyone from Arshile Gorky and Jackson Pollock to Frank



INDEPENDENT Far from being defined as the wife of a celebrated artist, Elaine de Kooning (1918-89) was a force to be reckoned with in her own right.

to paint President John F. Kennedy in the last year of his life. She was a valued teacher and an insightful, nimble writer about art and artists whose published criticism attests to her acute eye, independent mind and sharp wit. And she was a formidable presence in the New York art world for most of her

O'Hara and Wayne Thiebaud, who delighted in connecting people and was remarkably helpful to young artists new to New York.

Characterizing her subject as a quicksilver personality who lived in the moment and reveled in impulsive adventures and constant activity," Ms.

Curtis, a former staff writer at the Los Angeles Times, acknowledges the difficulties she encountered in writing Elaine de Kooning's biography. We learn that little of her correspondence has survived and that the many notebooks and journals she filled over decades, along with the preparatory notes for a memoir left incomplete when she died, mysteriously disappeared from where they were supposedly securely stored. There are numerous extant interviews conducted throughout Elaine's life, beginning in the 1960s, but she was a notoriously unreliable subject who embellished and altered anecdotes, playing fast and loose with dates and sequences; she habitually subtracted two years from her age, for example. Ms. Curtis's careful research allows her to raise pertinent questions about many stories and correct others, but she also presents alternative versions of some of the better-known incidents, gleaned from sources who were often vague about when things happened. These sometimes opposing quotations from a wide variety of Elaine's friends, colleagues and relations, threaded through the text, enliven the book.

Since it was impossible to establish a firm, accurate chronology, "A Generous Vision" has been organized "thematically," which means that each chapter moves loosely through time. Titled as specifically as "Life With Bill" and "Painting the President," or as elastically as "Illuminating Art" and

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## BOOKS

'I did not become a vegetarian for my health, I did it for the health of the chickens.' —Isaac Bashevis Singer

# Making Livestock Obsolete

**Clean Meat**

By Paul Shapiro

Gallery, 241 pages, \$26

BY MATTHEW SCULLY

**RUN THROUGH** anyone's list of "disruptive" innovations in the works today and they begin to seem like small-time stuff as we contemplate "Clean Meat: How Growing Meat Without Animals Will Revolutionize Dinner and the World." Driverless cars, virtual reality, robots—these are interesting possibilities. But slaughter-free flesh for humanity, meat without misery, dinner without death: Now we're talking "transformational."

Who would not wish—all the more so if it meant giving up nothing—to make the abattoirs of the world fall silent? Suppose, as Paul Shapiro asks us to imagine, that after 10,000 or so years of raising other creatures for the killing, and some 60 years of raising them in the pitiless conditions of factory farms, we produced meat and other animal products from cultured cells, with no further need of the animals themselves, or at least no need that required their suffering.

A bit of muscle tissue placed in some tank akin to a fermenter, a medium supplying nutrients to keep the cells replicating, electrical currents to warm and stimulate them, and, potentially, we're looking at real meats, indistinguishable from the accustomed fare of the fussiest gourmands. Tissue engineering for medical purposes today yields human skin, bone and cartilage. If the technologies can also produce animal flesh, at scale and at a competitive price, why say no?

A brisk and engaging case, "Clean Meat" advocates without overselling, anticipating our uneasiness with a process that many will at first glance reject as "unnatural." An odd objection, given that all but a slight percentage of meats now come from factory farms, and those places aren't exactly a picture of nature's wonders in all their glory.

No one is better acquainted with the wretched reality of factory farms than Mr. Shapiro, a longtime executive at the Humane Society of the United States. But here he spares us the details, allowing the sins of livestock producers to stay in the background of an affirmative, moral-action-made-easy approach that invites their careful attention as well as ours. Maybe the most subversive thought in the book is that cellular meat could be the industry's greatest opportunity instead of its undoing.

Modern "mass confinement" livestock production is designed for hyper-efficiency, but only in the context of the massively inefficient enterprise of using 50 billion or 60 billion creatures per year, world-wide, to convert plant protein into nutritionally inferior animal protein. Some 70% of all agricultural land supports meat production, mostly to grow feed, and the industry accounts for at least as much carbon emission as the global transportation sector. Pure reason might devise a different system, but it's not reason at work: Most people



still want meat, and, Mr. Shapiro concedes, as nations begin to prosper "the first thing they do is add more meat to their diet."

With so many animals treated, as historian Yuval Noah Harari writes in a foreword, "not as living creatures who can feel pain and distress but as machines for producing meat, milk, and eggs," the moral costs long ago became untenable. Citing a trend in modern history—innovation to the benefit of humanity and to merciful effect for other creatures—Mr. Shapiro essentially asks: Why not use real machines to make animal products instead of using animals as though they were machines?

As kerosene replaced whale oil in lamps and factories, and the combustion engine replaced "horse power," perhaps biotechnology can now spare those vast multitudes of factory farm animals. We could begin to appreciate pigs, cows, chickens and others as creatures instead of just commodities, leaving behind practices that nobody will miss, with changes worth making even if one cared only about the economic benefits.

Take the savings alone and the investment thesis begins to write itself: Growing clean meat would reduce to the merest fraction the current inputs in time, fuel, land use and water required for industrial farming. And it would eliminate entirely the pollution, pathogens, bacteria, growth hormones and antibiotics that have already made healthier and more humane alternatives to animal products a growth industry.

Such a transformation would fulfill the prophecy of, amazingly enough, Winston Churchill in a 1931 essay titled "Fifty Years Hence": "We shall escape the absurdity of growing a whole chicken in order to eat the breast or wing, by growing these parts separately under a suitable medium.... The new foods will from the outset be practically indistinguishable from the natural products, and any changes will be so gradual as to escape observation." He was off a bit in timing, but today, Mr. Shapiro reports, this process is well along at

startup companies, and in five or so years customers can decide for themselves whether they are up for a bite.

On that score, it was wise to drop the term "in vitro" meat, which didn't have anyone slavering for a sample when, in 2013, the first cultured hamburger hit the pan. That experimental patty—made by scientists at Holland's Maastricht University, with a donation from Google's Sergey Brin covering the \$330,000 cost—was judged to be OK in taste but not quite there. We're told that the meat is getting closer in flavor and texture and that a burger might soon be made for \$11. It's close enough to have moved the enterprise

imagining blobs of "lab meat" expanding in petri dishes, we should picture clean-meat factories with rows of culturing vats—resembling breweries where, he likes to point out, we already rely on cell cultivation without even thinking about it.

The comparison leads him to wonder if one day we might even see the meat-making equivalent of your local craft-beer house, cozy little "carneries" to replace butcher counters, although this, Mr. Shapiro concedes, is just a reverie until some technical obstacles are met. Industrial-size bioreactors, able to produce at scale, do not yet exist. The method for now can

**Manufacturing meat without raising animals will soon shift from fantasy to reality. Early investors include Bill Gates, Richard Branson and Cargill Inc.—already the world's largest supplier of ground beef.**

from philanthropy to venture capital, with even the Dutch scientists forming a startup, Mosa Meat.

Mr. Harari notes the billions spent to scan the first human genome to achieve what can be done now for hundreds of dollars. He and Mr. Shapiro plausibly argue that the economics can work even better in a technological pursuit of boundless commercial application and lesser complexity. What might meat production look like, if they are correct? The current method takes a biopsy of muscle and fat tissue, selects the

most promising starter cells, and subjects them to conditions that mimic the growth processes of a living creature. As the cells proliferate, a liquid medium feeds them vitamins, minerals, amino acids and sugars. Scaffolding material, as in regenerative medicine, serves in place of the connective tissue, providing anchor points around which the cells organize. All of this in bio-reactors that stimulate the cells to build muscle fiber. The bio-reactor, "a fancy word for a steel drum," will be the centerpiece of the industry, Mr. Shapiro says. Instead of

make only ground meat; duplicating a steak is a tougher proposition without channels to do the work of blood vessels in delivering nutrients and oxygen to the deeper cells. And immortalized cell lines, for each species, will have to be established and perhaps shared.

As a cost-efficient source of nutrients to grow the cells, we learn, plant proteins show promise. Leading the way is San Francisco-based Hampton Creek, the maker of plant-based products like Just Mayo. It has lately ventured into the field with the aim of becoming the "world's largest meat company by 2030" and to that end directs a third of its budget to research and development. Cultured meat can also grow with healthy substitutes for the saturated fats that leave arterial plaque. As long as we're rethinking meat, reasons a cardiologist who co-founded the Bay Area's Memphis Meats Inc., why not make it a preventer of heart disease instead of a prime cause?

As a gateway product, meanwhile, cultured leather will soon be on offer from the Brooklyn-based Modern

Meadow, with backing from Hong Kong's Horizons Ventures, on the theory that people will more readily wear cultured animal products than eat them. An executive in the conventional leather industry asks a question we can easily imagine applying to every livestock commodity: "Why grow the whole cow when all I want is the skin?" Then there is the book's most striking update: In a 2017 funding round for Memphis Meats, already supported by the British private-equity investor Jeremy Coller, new investors included not just Bill Gates, Jack and Suzy Welch, and Richard Branson but Cargill Inc., the world's largest supplier of ground beef.

One challenge that the startups will never face is costly raw material: We're told that the cells from one live cow, left to graze in peace, could be "enough to make about 175 million Quarter Pounders." Why should we be surprised if Cargill aims to get in early on such possibilities?

Conventional livestock companies are invested ultimately in protein production and its profits, not in the inefficiencies and suffering entailed in confining, hauling and killing animals. If cellular agriculture can produce the protein without the animals, and if the demand is there, in what respect would the businesses and reputations of these companies not be far better off? Indeed, as Bruce Friedrich of the Good Food Institute put it to Mr. Shapiro, citing the distribution channels, brand influence and scientific knowledge of established companies: "Who better to create the best chicken nuggets without chickens than Perdue? Who better to create real Spam without pigs than Hormel?"

To assume that the entrepreneurs and scientists described in "Clean Meat" cannot one day match precisely the beef, pork, chicken, duck and all the rest that carnivores demand is a bet against human ingenuity. Consider how close plant-based alternatives to meat, milk and eggs have come already. Not for nothing has Tyson Foods acquired a 5% stake in the startup Beyond Meat, through a venture fund focused, as Tyson announced, on "breakthrough technologies," including clean meat.

"Eat Meat, Not Animals"—a slogan of the future, Mr. Shapiro hopes. It will take a while, and he speculates that the hardest sell for clean meat will turn out to be the "foodies," who, though ever in search of new adventures in cuisine, say that they would miss the thought of actual farm animals living upon the earth to make their pork loins, lamb chops, foie gras and other favorites. Having given little attention before to what existence is like for those creatures, suddenly they'll feel a void. Perhaps they are too accustomed to what has been called "the taste of a bitter life" in every factory-farm product. Whatever science can come up with to please every palate, it will surely be an improvement on that.

*Mr. Scully, a former presidential speechwriter, is the author of "Dominion: The Power of Man, the Suffering of Animals, and the Call to Mercy."*

## The Road Not Taken in Vietnam

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bribing the sect leaders, but as a British officer once said about Lawrence, he "could certainly not have done what he did without the gold, but no one else could have done it with ten times the amount."

It was Lansdale's genius to intuit in the 1950s that, despite the great set-piece victories just a few years before—at El Alamein and Stalingrad, for example—the future would be less one of conventional warfare than of guerrilla fighting. He advised the Kennedy administration that it needed a new ambassador in South Vietnam who could "influence Asians through understanding them sympathetically" and who would be alert to the guerrilla tactics being employed to topple South Vietnam. His advice was ignored. Writing much later from hindsight, after tens of thousands of body bags had come home, Walt Rostow, Lyndon Johnson's national security adviser, would say that Lansdale's counsel represented "a kind of last chance" to avoid the ensuing tragedy.

From the beginning, Diem had been a difficult ally for the U.S. In the 1950s, Lansdale argued that Diem, for all his faults, represented the best available option for a non-communist government in Saigon. He was, however, increasingly concerned about Diem's

brother, Ngo Dinh Nhu, a paranoid, Mussolini-esque figure, and about his wife, the scheming Madame Nhu. Even so, he advised President John F. Kennedy to keep Diem in power.

countryside by reducing communist infiltration through protected communities. Indeed, Diem's assassination led to a situation in South Vietnam that went from bad to worse, with massive U.S. escalation, high body counts, and a terror-stricken population. The war continued in such a way through 1968, when Gen. Creighton Abrams would turn the strategy in a direction vaguely akin to Lansdale's intentions.



**STRANGE BEDFELLOWS** Front row, from left: Gen. John W. O'Daniel, Amb. G. Frederick Reinhardt and Ngo Dinh Diem. Lansdale tips his hat behind Reinhardt.

The most iconic moment of Mr. Boot's biography comes in 1961, when Lansdale, just back from Vietnam, briefs the new defense secretary, Robert McNamara. Lansdale "unceremoniously dumped his cargo of dirty weapons caked with mud and blood, on the secretary's immaculate desk." He told McNamara that these very weapons had been used "just a little bit ago before I got them." Lansdale then talked about how and why an enemy with tattered pajamas and sandals was "licking" South Vietnamese soldiers who had been generously supplied with equipment by the United States.

"Always keep in mind," Lansdale told McNamara, that the struggle was not about weapons and the material things of life but about "ideas and ideals," which the communists had in abundance. McNamara listened stone-faced, uncomprehending. After all, Lansdale's ideas could not be reduced to the logic of mathematics by which the defense secretary lived and breathed.

Lansdale was also alienated by President Johnson's military commander, Gen. William Westmoreland, another hero of World War II, who oversaw the build-up of conventional U.S. forces in Vietnam. In the mid-1960s, Lansdale wrote in a letter: "Are paddy farmers in a combat zone to be shot just because they inadvertently

tently are standing in the way of Vietcong targets or are they to be protected and helped?" Westmoreland would choose the former option. For his part, Lansdale ended his involvement with Vietnam in 1968. He brought out "In the Midst of Wars" in 1972—Mr. Boot calls it a "deliberately opaque" memoir—and died of a heart ailment 15 years later, at the age of 79.

Mr. Boot's full-bodied biography does not ignore Lansdale's failures and shortcomings—not least his difficult relations with his family—but it properly concentrates on his ideas and his attempts to apply them in Southeast Asia. In Mr. Boot's judgment, the American war there "would have been more humane and less costly" if McNamara, Westmoreland and other American officials had taken his advice. "The Road Not Taken" gives a vivid portrait of a remarkable man and intelligently challenges the lazy assumption that failed wars are destined to fail or that failure, if it comes, cannot be saved from the worst possible outcome.

*Mr. Kaplan is the author of "The Return of Marco Polo's World," to be published in March. He is a senior fellow at the Center for a New American Security.*

## BOOKS

'Freedom is my pleasure' ('La liberté, c'est mon plaisir'). —Robert de La Rochefoucauld

# A Gentleman Among the Maquis

**The Saboteur**By Paul Kix  
Harper, 286 pages, \$27.99

BY CAROLINE MOOREHEAD

**THAT ROBERT** de La Rochefoucauld, descendant of the illustrious François who gave France his "Maxims," was extremely brave, there is no doubt. As a young member of the Resistance in World War II, he carried out perilous acts of sabotage, blowing up train stations and munitions factories, and killing Nazi officers with guns, knives and (once) with his bare hands. He also escaped several times from German captivity, on one occasion jumping from a moving truck en route to his own execution. But it is for an odd, ill-judged episode that took place when he was in his late 70s that he is best remembered in France, and this forms both the prelude and the epilogue to Paul Kix's biography, "The Saboteur."

La Rochefoucauld was not yet 17 in June 1940, when the German army broke through the Maginot Line and Marshal Pétain signed the armistice that split France in two. The south of the country fell, at least nominally, under Vichy rule; the north and the coast to the west were occupied by the Germans. His family's ducal estate outside Soissons was commandeered by a German unit, with whom his mother and brothers and sisters cohabited in icy silence. It took Robert two years to make his way via the Pyrenees and Spain to London.

There—since he was bold, determined and very fit—he was soon recruited by SOE, the Special Operations Executive, which trained foreign nationals before dropping them back into their home countries as spies, radio operators, saboteurs and coordinators for supplies parachuted in by the Allies to bolster the local resistance. Having learned about weapons, explosives and hand-to-hand fighting, and having been subjected to punishingly tough physical challenges during his escape from France, La Rochefoucauld was given a cyanide pill to use as last resort and dropped from a Halifax plane into Burgundy, dressed as a French laborer.

For the next two years he led a resourceful and intrepid life, gathering information on the German troops, carrying out a number of specific missions and training others to do the same. By age 21, he had survived three arrests, a great deal of torture and long periods on the run. He ended up as a commando mopping up pockets of German resistance in the Gironde estuary, though liberation saw him convalescing from a shattered knee, after being blown up by a mine. Military honors followed.

Mr. Kix has consulted numerous diaries, interviewed survivors and spent much time with La Rochefoucauld's family and friends. For the most part his research is meticulous, though small errors have crept in—the Milice



**SCRAPBOOK** Clockwise from top left: A photo of Robert de La Rochefoucauld with his girlfriend and friends at a dinner after the war; Robert with his fellow parachutists; his father, Olivier, during World War I; and his 'comrades de guerre.'

was set up by the French, with German help, but not as a joint enterprise, and his claim that 75,000 Resistant fighters would "die at the hands of the Germans" seems somewhat high. The author's account is most compelling as a portrait of France under German occupation, when collaborationist journalists such as Robert Brasillach—who referred to the French Republic as a "syphilitic strumpet"—and Pierre Drieu La Rochelle openly championed the invaders and vilified the Jews of France. Mr. Kix rightly describes, at some length, the often-neglected Alliance network, the group La Rochefoucauld connected with after parachuting into France near the Massif Central. The Alliance network fed crucial information to the Allies and was headed by a remarkable young woman, Marie-Madeleine Fourcade: By the end of the war, the network had seen almost half of its agents either killed or deported to concentration camps.

After the war was over, La Rochefoucauld married, had children and returned to his family estates. Modestly, he seldom mentioned his war. And there his reputation might have stood, that of a valiant fighter during what the writer Jean Guéhenno memorably called "les années noires," had Maurice

Papon, the secretary general in the prefecture of the Gironde between 1942 and 1944, not been finally brought to trial in 1997, after 14 years of bitter political wrangling.

More than many other countries, France has engaged in what historians have called "memory wars," bitterly debating the events that took place in their country during the years of occupation. De Gaulle's determination to put France back on its feet as rapidly as possible, and to cast its inhabitants not as treacherous collaborators but heroic resisters, effectively helped conceal—right up until the 1980s—the guilt of some of the worst offenders.

Maurice Papon was one of them. It was under his watch in Bordeaux—he was, among other things, responsible for Jewish affairs—that 1,560 Jews were handed over to the Germans and deported to the death camps in the east. Not only did Papon zealously implement Vichy's anti-Semitic decrees, but he "dejudaised" the city—that is to say he stole from its Jewish citizens, including some 64 properties. Only in late 1943 and 1944, doubtless seeing the way the wind was blowing, did he begin to make gestures toward the resistance.

In the dock, Papon's crimes were at

last described and documented, much helped by the remarkable sleuthing of Serge and Beate Klarsfeld, who devoted their lives to uncovering French war crimes against the Jews. Confronted by a powerful array of historians, Papon argued that he had simply been obeying orders and that he was in fact nothing but a victim of "the saddest chapter in French legal history."

**The young noble blew up train stations, killed Nazis barehanded and escaped an expected execution.**

It was here that La Rochefoucauld entered the story. Appearing for the defense, he gave evidence that a member of the resistance had told him that Papon had given warnings about forthcoming raids against the Jews. He called him a "brave" man. And when Papon, found guilty of "crimes against humanity," was awaiting an appeal, La Rochefoucauld slipped him his own passport, on which Papon was able to flee to Switzerland. Though caught, extradited and finally sent to jail,

Papon eventually died a free man, having served just three years of a 10-year sentence. For his part, La Rochefoucauld was much reviled. The memoir he wrote, "La Liberté, c'est mon plaisir" (2002), which says little about the incident, was largely ignored.

"The Saboteur," as Mr. Kix describes it, is a work of "narrative nonfiction," and it is written in a novelistic style, with much reported speech and many references to smells, sights, thoughts and feelings not actually possible to corroborate. Given La Rochefoucauld's peculiar intervention in Papon's trial, it might have been interesting to hear more about the accommodations and ambiguities of the war years, most of all the complicated loyalties that could lead a lion of the resistance to defend a convicted collaborator. This book does little to explain the decades of willful amnesia that settled over swathes of French society. But it provides a lively picture of a brave man, for whom patriotism, nobility and duty were immutable principles of life.

*Ms. Moorehead is the author, most recently, of "A Bold and Dangerous Family: The Remarkable Story of an Italian Mother, Her Two Sons, and Their Fight Against Fascism."*

## The Generous Vision of Elaine de Kooning

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"Loft Life, Speaking Out, and European Vistas," they recount sometimes tenuously related events in overlapping, occasionally repetitive sequences that can be hard to follow, at best, and downright confusing, at worst. Obtaining images for reproduction presented additional difficulties. Most of Elaine's work, we learn, is in private collections and impossible to locate or unavailable. Nonetheless, Ms. Curtis describes many works of art in detail, often discussing color and other crucial elements to make points about Elaine's attitudes or evolution. We are told that these paintings are "reproduced elsewhere, often online," but that doesn't make reading long passages of unverifiable description interesting. Fortunately, some two-dozen paintings could be reproduced in color, so there's some evidence of the trajectory of Elaine's work.

A strong, willful, competitive woman emerges from these pages, someone who both needed and often deserved constant admiration for her intelligence, energy, wit and good looks. Ms. Curtis is frank about her subject's appetite for alcohol and male attention. Contradictions abound. Elaine was a demanding but generous friend, self-indulgent but ready to help others, extravagant but able to live in penury (albeit with overdrafts), an abominable cook who loved entertaining—and more. We learn about the influence of Elaine's mentally unstable but culturally and intellectually ambitious Irish Catholic mother, about her

Brooklyn schooldays (museum going, portrait painting, and athletics), her decision to attend art school after a disappointing semester at Hunter College, and her precocious entry into the burgeoning New York vanguard art scene. Typically, the story of how and when the 18- or 20-year-old Elaine Fried met Willem de Kooning, which Ms. Curtis calls "a quasi-mythical event," varies.

Elaine was involved with the painter Milton Resnick at the time—sometime between 1936 and 1938—but was, apparently, instantly smitten by both Willem, who also had other commitments, and his work.

(Resnick is quoted as saying that Willem seduced Elaine "by teaching her art.") Elaine moved in with him in 1939. They married in 1943. Ms. Curtis details the many people both de Koonings had affairs with, throughout their marriage, both before and after they separated in 1957, but they never divorced. When Willem became incapacitated, through the combined effects of alcoholism and Alzheimer's disease, Elaine moved to Long Island to supervise his care.

Ms. Curtis evokes the alcohol-fueled New York art world in the 1940s, as well as the atmosphere of such avant-

garde centers as Black Mountain College and Provincetown, and provides capsule portraits of many of the artists, writers, critics, dealers and curators who inhabited that world—many of



**TABLE TALK** Frank O'Hara, Elaine de Kooning and Franz Kline at New York's Cedar Tavern, ca. 1957.

whom Elaine painted. An anxiety-driven Abstract Expressionist approach dominated among the senior artists, but Elaine and some younger painters, such as Grace Hartigan and Jane Freilicher, as well as the older Fairfield Porter, were experimenting with free-wheeling figuration. Elaine was, of course, closely associated with leading

members of the movement, as a participant in the debates at The Club (an artists' salon on Eighth Street) and the Cedar Tavern, and was known for keeping pace with the hard drinkers of

the era. Yet despite her inclusion in exhibitions such as the recent "Women of Abstract Expressionism," the label is not accurate. As a mature painter, Elaine used uninhibited Ab Ex gestures, working rapidly and energetically, and granting line and areas of color equal independence, but her urgent touches were always in the service of free reference. While never literally rendered, the stance and features of her portrait subjects are always recognizable, as are the athletes in her sports paintings and the animals in her bullfight and cave-art pictures, coalescing out of flurries of unfettered strokes.

Perhaps the most compelling section of "A Generous Vision" is the chapter devoted to Elaine's writing. Hired by Thomas B. Hess (later one of her many lovers), the assistant editor of ARTnews, then a distinguished publication, she began by writing short reviews—as did Fairfield Porter and other artist colleagues—basing her conclusions on studio visits made in advance of the exhibitions. She soon began writing

feature articles titled "X Paints a Picture," illuminating combinations of interviews and discussions of technique, accompanied by photographs of the artist at work and in the studio. It could be argued that Elaine's writing about art is stronger than her paintings. (Twenty-nine of her essays and reviews, together with selections from her letters and journals, were collected, by the critic Rose Slivka, as "The Spirit of Abstract Expressionism," published in 1994.) Describing a Nicolas Poussin loaned by the Louvre to an exhibition at Wildenstein Gallery, on 64th Street, this downtown resident called it "a perfect picture . . . worth walking all the way for." In a posthumous tribute to Gorky, who died in 1948, she praised him for dismissing the concept that "originality in art is measured in terms of rejection of tradition" and pointed out the connections between a late Gorky canvas and the rhythms of Jacques-Louis David's last painting. Close study of the Gorky, she says, helps us to see the David freshly.

Elaine de Kooning comes vividly alive in "A Generous Vision." (Oddly enough, Willem de Kooning doesn't.) Most refreshing is her resistance to being pigeonholed. Just as she can't be labeled an Abstract Expressionist, her own statements (and enthusiasm for tangible male admiration) make it impossible to call her a feminist. As I said, contradictions abound. That's part of what made her interesting.

*Ms. Wilkin is an independent curator and critic.*

## BOOKS

'Everyone wishes to be saved, but few will use those means which religion prescribes.' —Abelard, to Héloïse

## FICTION CHRONICLE: SAM SACKS

# The Cloud of Unknowing

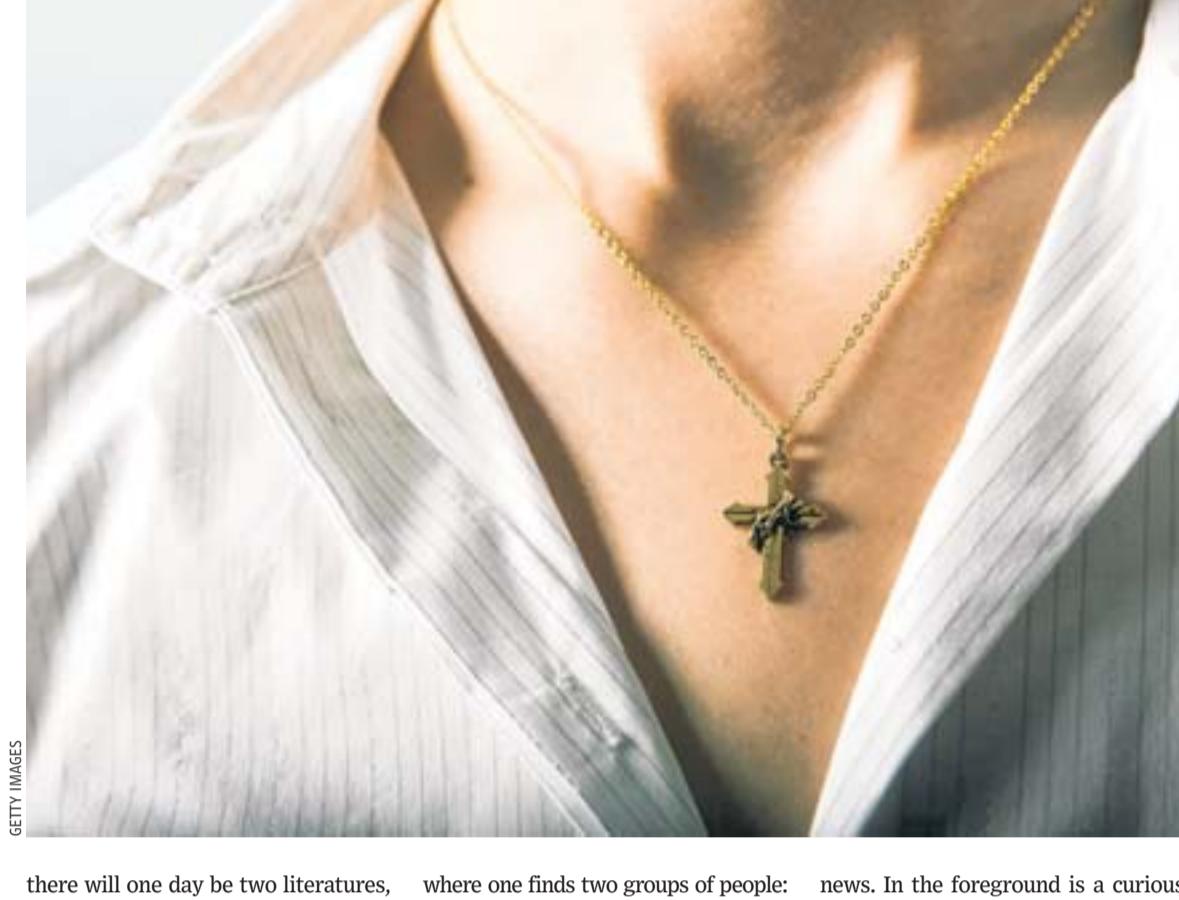
**THE NOVELIST**  
Dana Spiotta observed, harshly but perceptively, that "desire makes us ugly unless the other person is lost to it too." In Jamie Quatro's hot-blooded first novel, "*Fire Sermon*" (Grove, 208 pages, \$24), Maggie Ellmann, a scholar of Christian mysticism, has started an extramarital flirtation with a poet named James Abbott, and if their coquetry is too bookish to be ugly, it definitely crosses into the ridiculous. The two email sweet nothings about T.S. Eliot and C.S. Lewis. Maggie effuses over the "erotic language" of medieval women visionaries. "Do you read much apophatic literature?" James asks, in a come-on for the ages. His missive ends, "p.s.: let's not talk about our spouses?"

While attending an academic conference their courtship culminates in a passionate fling—"It was otherworldly, ecstatic in a religious sense." But afterward Maggie guiltily breaks off contact and pours her confessions into a journal, unsure whether to renounce her attraction to James or pursue him at the cost of her family and the peril of her soul. Or maybe, she muses, the way to salvage her soul is to dive headlong into the flames of an affair: "Forbidden love as tutelage. As if God wants us to feel it, requires it, in order to reach us."

Ms. Quatro's attempt with "*Fire Sermon*" is to meld a story of midlife adultery with an enquiry into the fate of religious faith in the secular world. Maggie, a semi-lapsed Catholic going through the motions of a dutiful marriage, has found in her feelings for James something nearing the intensity of divine communion, and as the novel delves into her memories and feelings, it tries to bridge two ideas: First, that Christian belief is far more rooted in sex and the body than many realize; and second, that even illicit passions contain the seeds to spiritual transcendence.

It's a daringly unguarded experiment that matches some of its overwrought silliness (apophatics, indeed) with generous samplings of poems and sermons, as well as Ms. Quatro's own fine turns of phrase. Does love "exist independently," Maggie wonders in her journal, "a potential fire hovering in the middle space between us, appearing only when we looked at one another?"

Still, a frustrating imbalance persists. As is usually the case in contemporary fiction, faith is honored more in the breach than the observance, and while we get a vivid picture of the love Maggie transfers from God to James, it's hard to see what God did for her in the first place. Churchgoing, worship and even prayer are all but absent. Was she ever a real believer or did she just play one in academia? Maggie quotes T.S. Eliot's worry that



GETTY IMAGES

there will one day be two literatures, "one for Christian consumption and the other for the pagan world." Ms. Quatro commendably seeks to close the divide, but pagan rites still take up all the space.

In Leila Slimani's "*The Perfect Nanny*" (Penguin, 228 pages, \$16), a prizewinner and *succès de scandale* in France, Myriam Charfa, a harried mother-of-two in Paris's wealthy tenth arrondissement, hires a "Sphinx-like" woman named Louise to care for her children. The effect on the household is miraculous. Louise is tidy and efficient. The children adore her. Myriam, who returns to work as a lawyer, feels rejuvenated. "Louise has pushed back the walls. She has made the cupboards deeper, the drawers wider. She has let the sun in."

But as the children age, the balance of dependency shifts and Louise, saddled with debts by her deceased husband, begins to face the truth of her expendability. In a stripped-down translation by Sam Taylor, the novel proceeds gradually but ineluctably to the scene foreshadowed in the prologue, the murder of both children in their bathtub.

The murders have understandably commanded the novel's publicity efforts, but in truth Ms. Slimani mostly leaves them off the page. Despite its packaging, "*The Perfect Nanny*" is less a thriller than a sociological study, and it doesn't shock so much as usefully destabilize current bourgeois customs of parenthood. Brilliantly observed phenomena capture the times. One chapter, tinged with existentialism, describes city parks during frigid winter afternoons,

where one finds two groups of people: the homeless, and nannies supervising bundled-up children. Struggling to fill the long hours between nap time and dinner, they too find themselves "confined to the world's edge."

Ms. Slimani is brilliantly insightful about the peculiar station nannies assume within the households of working families, at once intimate and subservient. Louise wields incredible power, molding her charges, directing their affections and overseeing their safety, yet her position hangs on the

Lending substance to an often-silly tale of adultery is a serious enquiry into Christian faith.

whims of her employers. When Myriam and her husband bring Louise on their vacation to Greece—a busman's holiday for her—she is consumed by "the burning and painful conviction that her happiness belongs to them. That she is theirs and they are hers."

So knotted is their relationship that it takes the slash of a knife to resolve it.

Ali Smith continues her planned Seasonal Quartet with "*Winter*" (Pantheon, 322 pages, \$25.95), following last year's celebrated novel "*Autumn*." Although its characters are entirely different, "*Winter*" joins its predecessor in delivering an up-to-the-minute snapshot of a Great Britain splintered by politics and alienated by technology. In the background is the "usual comforting hysteria" of the national

news. In the foreground is a curious story of a Christmastime reunion in Cornwall involving two estranged sisters, Sophia and Iris, Sophia's nebbishy son, Art, and a mysterious woman named Lux, whom Art has hired to impersonate his ex-girlfriend.

Threaded through the tale are darting flashbacks to Sophia's and Iris's youth, recounting their ideological disputes. While Iris was protesting nuclear proliferation, Sophia, a self-made businesswoman, was making a bundle selling Afghan coats. Back in the present, we discover that Art's girlfriend has left him over his "default to selfishness" (he takes more interest in the natural world than in social justice). The unspoken suggestion is that the turmoil and bitterness of today's conflicts are anything but novel. Activists have always sparred with the conscientiously apolitical for the moral high ground. Periods of intense political fracture are as cyclical as the seasons.

Ms. Smith is about as close as you can come in fiction to a sure thing. Her writing is so reliably fresh and amusing that even her lesser books are crammed with delights. (Winter, she writes here, is "an exercise in remembering how to still yourself then how to come pliantly back to life.") So far, the installments in this quartet have been lesser books. Ms. Smith's boundless inventiveness works best within a stricter framework—the sublime "*How to Be Both*" (2014) being a good example. "*Winter*," for all its pleasures, feels shapeless and haphazard. Though maybe those are qualities that best represent the age today.

**RECKLESS YOUNG**  
people—and their hapless parents—lead L.A. private detective Elvis Cole into another dangerous case in Robert Crais's "*The Wanted*" (Putnam, 322 pages, \$28). In Mr. Crais's latest story featuring Cole and his partner, Joe Pike, Cole concerns himself with 17-year-old Tyson Connor: an indifferent, introverted student who has taken to wearing expensive clothes, hanging out at "celebutante" clubs and carrying large rolls of cash. Cole's client is Tyson's frantic mother, a type he knows well: "I had met a hundred parents like [her], and seen the same fearful confusion in their eyes. Like people who didn't know how to swim, watching their children drown."

The mother fears her son is selling drugs. But instead, Cole finds, Tyson has gotten in over his head as one-third of a youthful burglary ring breaking into rich people's homes. Unbeknownst to the burglars, they've stolen something that its wealthy owner is

Teenage burglars end up in danger after stealing an item the wealthy victim is desperate to recover.

desperate to retrieve—desperate enough to hire two unscrupulous operatives ("one big, one bigger") who prove over and over that they're willing to kill to fulfill their assignment.

The book alternates Cole's first-person account with third-person chapters charting the deadly thugs' progress. When Tyson flees, Cole (and that evil duo) pursue. In time, Cole calls in the redoubtable Joe Pike, whose particular expertise proves invaluable in protecting clients—not to mention his partner.

Cole, of course, has plenty of expertise too, and he dresses the part: "Faded stone-washed jeans, blue mesh sneakers, and a blue-and-white rayon Hawaiian shirt.... Detective couture." Under a dark sport coat he conceals (when needed) a .38-caliber revolver. Hidden beneath the gun is his empathetic heart, which has Cole serving as father figure, romantic knight and avenger of the dead as much as private eye. Not that those extra attributes slow his pace. "*The Wanted*" is a firecracker of a book—a great way to jumpstart the new year.

# Facing Fate at Stalin's Orders

**Red Sky at Noon**  
By Simon Sebag Montefiore  
*Pegasus*, 397 pages, \$25.95

BY ELLIOT ACKERMAN

'POWER IS ALWAYS personal,' Simon Sebag Montefiore wrote in 'The Romanovs,' his 2016 history of the Russian royal family. 'In any court, [it] is as fluid as human personality.' Mr. Montefiore is one of those rare creators who cuts across forms—whether it be history, fiction or documentary film—to get at the true nature of those powerful personalities. His latest work, 'Red Sky at Noon,' is a novel that imagines the interior lives of some of the historical figures who regularly populate his other works, as well as the lesser common figures upon whose backs history is so often written. The final volume in his so-called Moscow Trilogy, 'Red Sky at Noon' is the worthy conclusion to these three partially linked novels, all of which serve as vivid companions to Mr. Montefiore's histories.

'Sashenka' (2008), the trilogy's first book, covered nearly a half century of history beginning with the days before the Russian revolution. That novel, which was about the eponymous protagonist's secret life, was equal parts political thriller and love story. 'One Night in Winter' (2014), which followed, was inspired

by a true story and deals with the murder of two teenagers on a Moscow bridge shortly after the Soviet Union's victory in World War II.

As 'Red Sky' opens in January 1940, Benya Golden—who also appeared in the trilogy's two earlier books—finds himself imprisoned in the Kolyma gulag. A victim of Stalinist paranoia, Benya is being worked to death in a gold mine scratched into a frozen Siberian hillside when an opportunity for redemption and freedom presents itself in the form of

Sent from Siberia to the Eastern Front, a political prisoner marches west toward 'a horizon on fire.'

Hitler's invasion of Russia. The panicked Red Army retreat results in Stalin's Order 227, more widely known as his 'Not One Step Back!' policy, which calls for every man—including those in the penal battalions—to hold the line against further German advances. Benya joins a battalion of Cossacks and convicts that will fight the Nazis so that they might redeem themselves by shedding blood for the Motherland.

Mr. Montefiore's chapters flash with detail, whether about life in the gulag ("the stinking bucket overflow-

ing with urine and dysentery") or in Moscow's halls of power ("the bureaucrat who never saw the sun, a condition known to Stalin's familiars as 'the Kremlin tan'"). The reader can appreciate the historian Montefiore rendering good service to the novelist Montefiore. Benya's story takes place

within the seams of history, in those places where we do not know exactly what happened but can surmise what could have happened.

As Hitler's forces converge on Stalingrad, the landscape is bleak, violent and portentous. 'The red earth was already baking and the sun was just

Deception and betrayal are central themes in the novel, which in the second half turns into a love story. Benya begins an affair with an Italian nurse who tends to him after he is wounded, and Stalin's daughter, Svetlana, is seduced by a war correspondent back from the frontlines. Mr. Montefiore, who is heralded for his two biographies of Stalin, puts that knowledge on full display in the imagined intrigue between the dictator and his daughter. The results are some of the most memorable scenes in the book.

The vivid interplay between a war story and a love story, and between the Kremlin and the frontline, grants the novel its momentum. Like so much historical fiction, 'Red Sky at Noon' keeps readers turning pages not to learn the end but to better understand the individuals who brought about this end. In this respect, Mr. Montefiore acts as both a novelist and a historian. He inserts fictional characters into true events and imbues those characters (both real and imagined) with fully created interior lives. In so doing, he has written a gripping adventure, a compelling history and a work that adds humanity to stories we thought we already knew.

Mr. Ackerman is the author of 'Dark at the Crossing,' a finalist for the National Book Award. His next novel is 'Waiting for Eden.'



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FORWARD Red Army troops storm a Stalingrad apartment block in 1941.

rising when they mounted their horses and rode across the grasslands towards a horizon that was on fire." The source of that fire is not just the sun, but the onslaught of Germany's military machine. When Benya's band of Cossacks is decimated in an ill-fated cavalry charge, its remnants are assigned to a suicide mission that could alter the course of the war.

## BOOKS

'After all, we make ourselves according to the ideas we have of our possibilities.' —V.S. Naipaul

# Tourists in Their Own Country

**A State of Freedom**

By Neel Mukherjee

Norton, 278 pages, \$25.95

BY TOBY LICHTIG

**IN THE OPENING** paragraph of Neel Mukherjee's powerful new novel, a man checks out of a fancy Indian hotel. Something is wrong, he cannot concentrate. People are staring at him. "The news had spread," he realizes. "It was then that he broke down and wept for his son."

It's a confident beginning—and an invitation, in lesser hands, to mawkishness. But the risk pays off. Over the following 20 pages, as we run through the previous day's events—a trip taken by the man and his 6-year-old boy to the Taj Mahal and Fatehpur Sikri—we are haunted by this teasing half-knowledge. What has happened?

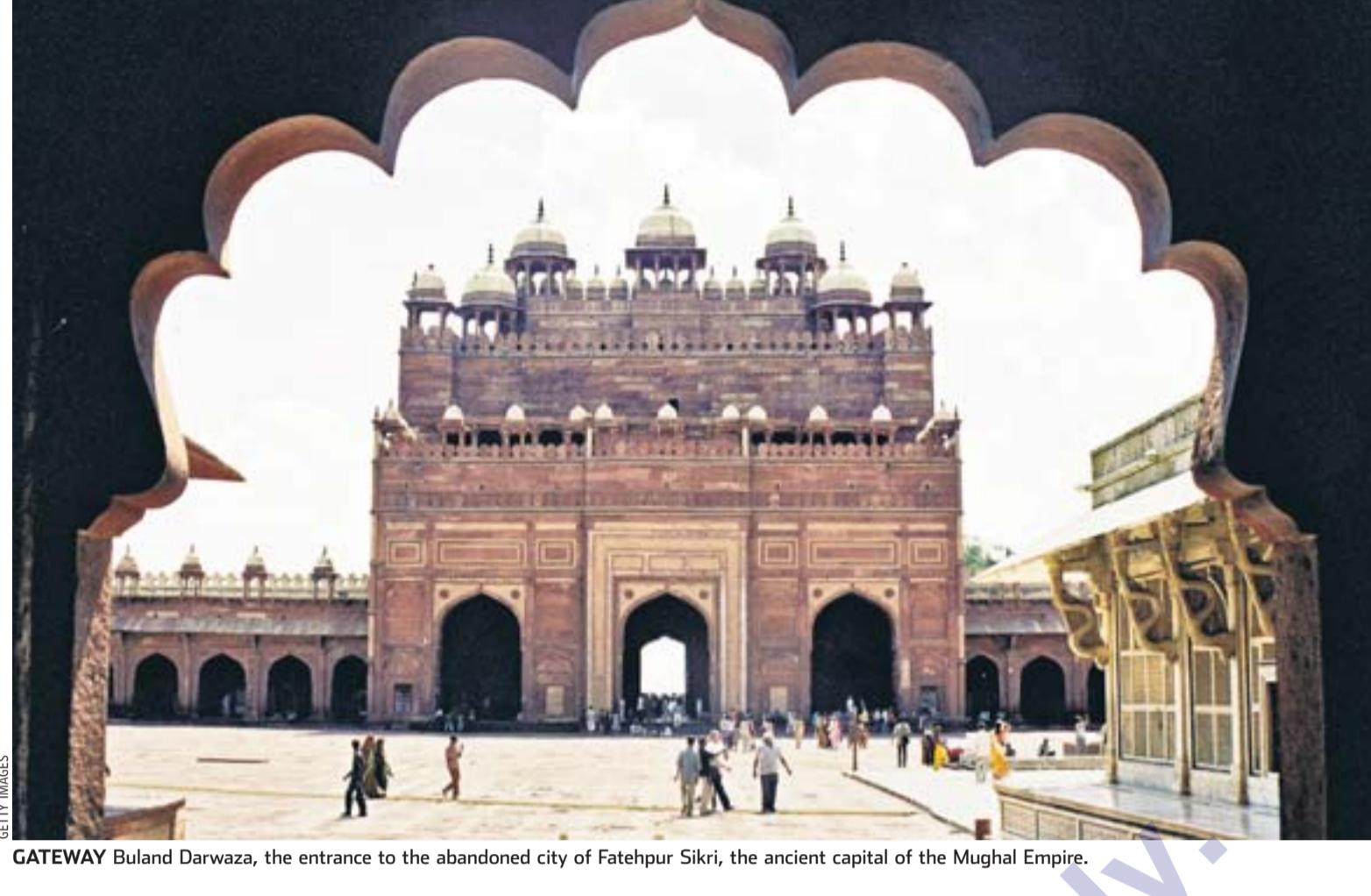
In the end, revelation turns out to be less effective than apprehension. Indeed, the one bum note in this otherwise exemplary novel—exquisitely written, cleverly structured, powerfully resonant to the very final line—is when we find out. It's in the haunting that Mr. Mukherjee has us rapt.

"A State of Freedom" is made up of five discrete chapters—five short stories, each in its own style, that symmetrically overlap, sending echoes one through the next. Characters recur, now in the background, now the foreground. Themes are established, then return in slightly altered guise, depending on whose tale we are following. Ideas of migration (internal and external), identity, friendship, status and appetite mean very different things to different people.

Styles and registers ebb and flow. The opener is written in realist vein, though there is a feverish, dreamlike quality ("a man materialised behind him"). The final chapter is an unpunctuated stream of neo-modernism ("there are days when there is nothing only waiting only time and hunger"). In between there is plenty of fine-grained social observation, a mixture of tenses, of first- and third-person narration. We discern a deliberate patterning: The odd chapters and the even ones speak to one another.

The tonal variety and architectural arrangement aren't just there for aesthetic effect. "A State of Freedom" deliberately forces us to make connections, and to notice when there are none, when any sense of unity is nothing but a chimera. This, more broadly, is how the novel haunts us.

The spirit of E.M. Forster ("only connect") is evoked in the opening

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**GATEWAY** Buland Darwaza, the entrance to the abandoned city of Fatehpur Sikri, the ancient capital of the Mughal Empire.

when the man—originally from Calcutta, now resident in the United States, and feeling dislocated, like "a tourist in his own country"—has a disorienting experience at Fatehpur Sikri. The ancient capital of the Mughal Empire, a city of tombs and memorials to the dead honoring "an order of things . . . residing under the visible world and as vivid as the real one," has a profoundly disorienting effect on him, much as the Marabar caves had on Mrs. Moore in "A Passage to India." The dimness inside the Turkish Sultana's house "play[s] havoc with his perception. Shapes and colours got unmoored and reconstituted into different configurations." A sense of foreboding descends—one that seems specifically tied to India: "His son was American, so he was not growing up, as his father had, with the gift of ghost stories."

Two incidents—visitations—will prove central. In one the man "narrowly avoid[s] witnessing" a "terrible accident" when a construction worker falls to his death: "He saw, for the briefest of flashes, a patch of dusty earth stained the colour of old scab from the blood it had thirstily drunk." A little later, stuck in traffic, he is approached by a beggar with a dancing bear. Both the worker, named Ramlal, and the bear-wallah,

Lakshman, will get their own chapters. It emerges they are brothers, brought from the boondocks to the city in search of employment.

The novel ends with Ramlal's plunge ("because everything is air everything pouring up around . . ."), while Lakshman's story is at its core, both structurally and emotionally. It is a stunning chapter, capable of being read as a stand-alone short story.

It begins with a bear cub, found in a remote village. Here, the ne'er-do-well Lakshman decides to train it. He is pathetically clueless but gets help from a *qalandar* (a Sufi mystic), who specializes in such matters. The cub, Raju, is defanged and pierced above the nose (the descriptions are heart-breaking); he is gradually taught to dance. Lakshman and Raju then hit the road.

A love-hate relationship develops. Raju is both a burden and a livelihood, a drain on his master's resources and "the only freedom he has ever known." They have good days and bad, often going hungry. Lakshman is proud, irascible, incompetent and vicious; he has been bound by strict social codes and a tragic past. With his "freedom" comes a softening, seen in sporadic moments of tenderness with the bear. Mr. Mukherjee has created something

deeply memorable in this vision of a Beckettian vagrant shackled, quite literally, to his liberty.

Flanking this chapter are two others focused on the upstairs-downstairs of a wealthy family. In the first, our narrator—another returnee, this time a resident of Britain, who is

An intricately woven novel-in-stories about privilege and poverty, freedom and entrapment, in modern Indian life.

compiling a cookbook of "real" Indian recipes—is visiting his parents in Mumbai. There are staffing problems ("cooking-aunty" is temperamental), which bring out the family's differences. The son, now used to Western ways, feels uncomfortable about the naked hierarchies of class and caste. We are treated to sumptuous descriptions of food and a brilliant scene in which our narrator visits a poor village and unwittingly puts everyone to trouble ("I had failed to imagine how other people live").

In the follow-up—or flip-side—we trace the fortunes of cooking-aunty's

nemesis, the family's "maidservant" Milly, who grows up in rural Bengal, amid penury and violence. She becomes a domestic slave at successive postings before eventually gaining her freedom, carried out in a cupboard by the man she will marry. We learn revealingly little about this union. Now living in a Mumbai slum, and made happy by the "generosity and kindness" of her new employers, she can dream of a better life for her daughter. It is an emancipation of sorts.

This hugely affecting tale, which could also work as a stand-alone, tessellates beautifully with its companion pieces. The result is a profoundly intelligent and empathetic novel of privilege and poverty, advancement and entrapment. Mr. Mukherjee constantly makes us grapple with our understanding of free will and self-determination, the contingency of worldview in a seething and populous country that offers great opportunity and far greater desperation. "A State of Freedom" is always moving, sometimes horrifying, never gratuitous. That it has so far been ignored by all the major British literary prizes is nothing short of a scandal.

*Mr. Lichtig is the politics and fiction editor of the Times Literary Supplement.*

**CHILDREN'S BOOKS:** MEGHAN COX GURDON

## Of African Chiefs and Chinese Emperors

**IN THE** early 19th century, as Americans moved west and Napoleon Bonaparte bestrode Europe, a young Zulu warrior

was rising to prominence in southern Africa. His name was Shaka, and such were his gifts as a military and political tactician that he was able to build a small Zulu chiefdom into a kingdom that he ruled until his murder in 1828. It endures today. Many of the details of the great man's life and exploits belong as much to legend as to the contentious historical record, a point important to keep in mind for young readers of "Shaka Rising" (Story Press Africa, 90 pages, \$24), an exciting graphic-novel account of the warrior's early life illustrated by Luke W. Molver and written by Mr. Molver and Mason O'Connor.

In this telling, the South American slave trade forms the bloody backdrop to Shaka's youth. The trade's regional supplier, the Ndawandwe kingdom, is pressing ever southward and inland from its center (in what is now Mozambique). In procuring fresh victims, its hunters are destabilizing the region's clans and alliances.

Mr. Molver's pictures will leave readers ages 10 and older in no doubt as to the nature of Shaka's friends and foes amid this tumult. The hero's half-brothers, Dingane and Sigujana, wear sneers of cold command that bespeak their ambition and treachery. Shaka's tribal protectors and allies, meanwhile, have clear brows and wise expressions. These visual cues will help children unfamiliar with the setting to keep track of the characters,

but in other respects the men and women in this story are shown with admirable nuance, as the principal actors in their own lives and era rather than as moving parts in a modern-day morality play. A sequel is planned for this first installment of Shaka's story, which itself marks the launch of a welcome historical graphic-novel series set in Africa.

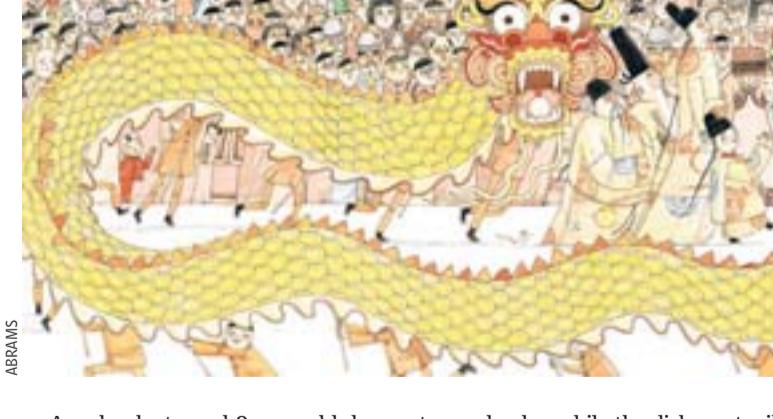
of a silly adult emperor strutting about in the nude with his courtiers pretending that they see magnificent clothes, the clever child-emperor in this version knows very well that he's donning stained robes of old sacking. It is a trap to catch his thieving advisers, who are plundering the royal coffers. "Honest people," the ministers are told, "will see [the clothing's]

no years, or days, or hours. The sun

rose and fell without anyone knowing

how much time had passed, as there was no way of telling."

Resolving to address this problem, the Jade Emperor summons the animals of his kingdom and announces a great race. The first 12 creatures to make it across the river will have a year named after them. In gorgeous naif artwork, we see the black-bearded emperor throwing his arms wide in his colorful robes, his tiered red head-dress a visual echo of a nearby



As a book-starved 8-year-old during China's Cultural Revolution, Ying Chang Compestine was thrilled to get her hands briefly on a copy of one of Hans Christian Andersen's most famous tales. The story stayed with her, adapting itself to things she saw and thought in China, and arrives now sumptuously fitted with David Roberts's striking illustrations (see above) as a picture book: "**The Chinese Emperor's New Clothes**" (Abrams, 32 pages, \$17.99). In this picture book for 6- to 10-year-olds, the old story has a new twist: Instead

true splendor, while the dishonest will see only burlap sacks." Well, of course, the ministers—splendid in their Ming headwear—fall for the scheme. Mr. Roberts makes wonderful use of red lacquered screens to frame and set off the action in this elegant and satisfying story.

An ancient folk tale that explains the origins of the Chinese zodiac plays out in rich colors in the picture-book pages of Christopher Corr's "**The Great Race**" (Frances Lincoln, 32 pages, \$17.99). "Long ago, in very ancient China," it begins, "there were

pagoda. Rat arrives first, having failed to wake his best friend, Cat, and having forded the river on the back of Ox. Ox wins second place, and so it goes, animal after animal, until Cat arrives, too late to make the zodiac and spitting mad. And that is why, children, through 'all the many years leading up to this day . . . rats have always fled from cats!'

The old story of a newborn usurper disrupting an older sibling's enjoyment of power unfurls with great good humor in Alexandra Penfold's picture book "**The Littlest Viking**" (Knopf, 34 pages, \$17.99). Ideal for toddlers and young children who are soon to confront the reality of a new baby brother or sister, this entertaining tale follows little Sven, a

formidable shouter, biter and pillager (of other people's suppers). He's also a brilliant storyteller. "When Sven told a story, all of the other Vikings stopped to listen," we read as, to the admiration of his parents, the boy conjures scenes of dragons, longboats and heroes on horseback. Isabel Roxas uses mostly green in her illustrations, which adds to the book's quirky charm: Hair and beards are green, and so are the scenes in Sven's stories. But then comes a day when no one has time to listen to the littlest Viking because an even smaller one has arrived: "A fair maiden? No, a warrior princess?" Can anyone tame the ferocious newcomer, glaring from her crib? As it happens, yes, there is someone, and not such a little Viking anymore either.

A goggle-eyed gladiator returns to the arena for a second adventure in "**Julius Zebra: Battle With the Britons!**" (Candlewick, CCLXXIII pages, \$15.99), a cartoon-dappled chapter book by Gary Northfield. This sequel to 2016's "**Julius Zebra: Rumble With the Romans!**" brims with goofy humor and preposterous plot turns. Its pages numbered according to the Roman system, the story follows Julius Zebra and his fellow animal-combatants—Cornelius the warthog, Felix the antelope, et al.—from the Colosseum in Rome, where they fail to win their freedom from the fickle Emperor Hadrian, to the rebellious, woad-daubed imperial outpost of Britannia. As Julius and his companions join in fresh bouts of (bloodless) combat, readers ages 7-11 will pick up bits of classical language and history in this zany entertainment.

## BOOKS

'The many great gardens . . . of literature and poetry . . . all make the point as clear as possible: The soul cannot thrive in the absence of a garden.' —Thomas More

# Eye in the Sky

**Blackbird**

By James Hamilton-Paterson

Pegasus, 224 pages, \$26.95

BY DANIEL FORD

**WHEN IT ZOOMED** into history in the late 1960s, the Blackbird was the fastest and most expensive plane ever to take off under its own power, soar on the lift provided by its own wings and land on its own tires—though, to be sure, only on certain runways.

It came in two versions: the A-12, built for the Central Intelligence Agency (13 copies) in 1967; and the somewhat beefier SR-71, built for the U.S. Air Force (32 copies) a year later. They were designed to do the same work—to serve as spy planes over the territory of Cold War enemies and friends alike. But the specs were so different that parts from one couldn't be used in the other.

As James Hamilton-Paterson tells us in "Blackbird: A History of the Untouchable Spy Plane," a single SR-71 cost "an astronomical \$34 million (roughly \$250 million apiece at today's rates)." He finds the price tag unacceptably high, since the earlier U-2 spy plane cost only \$1 million or so.

But the U-2 was easily shot down, as Gary Powers discovered to his cost and President Eisenhower's embarrassment in 1960. The Blackbird promised to be immune to such catastrophe, since no jet fighter of the day could get anywhere near its altitude. As for surface-to-air missiles, if a Blackbird were targeted, its pilot could simply accelerate and—poof!—leave the missile behind. Like the U-2, the Blackbird was a product of Lockheed's fabled "Skunk Works" and its resident genius, the engineer Kelly Johnson.

Even putting price aside, Mr. Hamilton-Paterson finds the whole Blackbird project absurd. A spy plane wasn't needed, he argues, quoting I.F. Stone to the effect that the Cold War was "a gigantic hoax" and using Stanley Kubrick's satiric "Dr. Strangelove" to claim that the U.S. was in the grip of a "mutually sustained paranoia" from 1946 to 1991. Maybe, but it sure didn't feel that way at the time.

The CIA's A-12, it is true, had virtually no useful spying life by the time it went into service in 1967. President Kennedy, a few years before, had promised to end spy flights over the Soviet Union, and satellite photography was getting better and better. The A-12s were used instead to locate North Vietnamese missile sites, which were killing a shocking number of U.S. fighter pilots. The

planes also made some overflights of North Korea when the USS Pueblo was hijacked in 1968 and its crew taken prisoner. Then, after just a year of service, they were replaced by the SR-71. The Air Force's Blackbird had a second crew member to handle electronics and navigation. It also carried more fuel, making it a bit longer and heavier than its predecessor.

This is where Mr. Hamilton-Paterson shines. He explains this impossibly complex aircraft in terms that anyone can understand. The Blackbird was largely made of titanium. Well and good, except that most aerospace tools are plated with cadmium, an element that eats tita-

If a missile targeted the Blackbird spy plane, the pilot could simply—poof!—outrun it.

nium—as does the lead in a pencil. So both cadmium and lead were banned, along with chlorine in the wash water, another titanium enemy. And even soap! "Any new-born baby given its first bath," the author notes, "is more robustly treated than was this aircraft designed to fly at over three times the speed of sound."

Mach 3, the SR-71's top speed, is about 2,100 miles an hour. The plane generated so much heat that the wings had to be corrugated so

that they could expand and contract, and the crew had to wear refrigerated space suits so that they wouldn't fry. Put

another way, a Blackbird could fly from New York to London in less than two hours.

It's a surprise to learn that, like the author, the Air Force brass hated the aircraft. (They preferred to spend money on warplanes that could shoot down the enemy.) The SR-71 Blackbird spied out the Yom Kippur War of 1973, the Falklands War of 1982 and the U.S. punitive strike on Libya in 1986. Then the Air Force killed it, when 30 SR-71s were still operational. Because the generals wouldn't spend the money to destroy them, they all went to museums.

Despite the trashing he gives the Blackbird in the pages of his book, Mr. Hamilton-Paterson relents a bit toward the end, quoting Richard Graham, an SR-71 pilot, to the effect that it was "the greatest aircraft ever flown." Indeed, it was. And wasn't that worth a few billion dollars?

*Mr. Ford is the author of "Incident at Muc Wa: A Story of the Vietnam War," which was filmed as "Go Tell the Spartans."*



GETTY IMAGES

## Best-Selling Books | Week Ended Dec. 31

With data from NPD BookScan

**Hardcover Nonfiction**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Leonardo da Vinci</b> Walter Isaacson/Simon & Schuster	1	3
<b>The Wisdom of Sundays</b> Oprah Winfrey/Flatiron Books	2	-
<b>Obama: An Intimate Portrait</b> Pete Souza/Little, Brown and Company	3	8
<b>The Whole30 Fast &amp; Easy Cookbook</b> Melissa Hartwig/Houghton Mifflin	4	-
<b>The Subtle Art of Not Giving a F*ck</b> Mark Manson/HarperOne	5	-

**Nonfiction E-Books**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Hidden Figures</b> Margot Lee Shetterly/HarperCollins Publishers	1	5
<b>The Little Book of Mindfulness</b> Dr Patrizia Collard/Octopus Books	2	-
<b>Astrophysics for People in a Hurry</b> Neil deGrasse Tyson/W.W. Norton & Company, Inc.	3	-
<b>10% Happier</b> Dan Harris/HarperCollins Publishers	4	-
<b>Kindness Boomerang</b> Orly Wahba/Flatiron Books	5	1
<b>Make Your Bed</b> Admiral William H. McRaven/Grand Central Publishing	6	-
<b>Uninvited</b> Lysa TerKeurst/Thomas Nelson, Inc.	7	-
<b>The Radium Girls</b> Kate Moore/Sourcebooks	8	-
<b>Thanks, Obama</b> David Litt/HarperCollins Publishers	9	-
<b>Modern Romance</b> Aziz Ansari & Eric Klinenberg/Penguin Publishing Group	10	-

## BOOKS

### FIVE BEST: A PERSONAL CHOICE

# Lucy Hughes-Hallett

on gardens in fiction

**Villette**

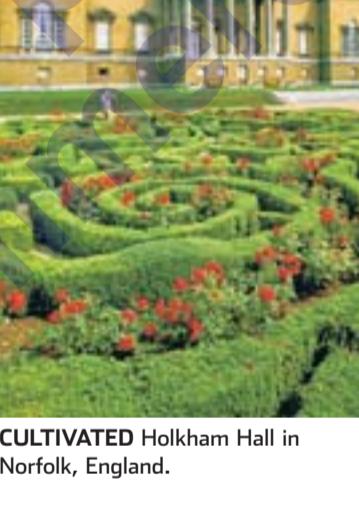
By Charlotte Brontë (1853)

**1 AT THE** turning point of Charlotte Brontë's other masterpiece (less loved but, in my opinion, greater than "Jane Eyre"), Lucy Snowe buries a bundle of love letters in a garden hemmed in by the buildings of the Belgian girls' school where she teaches. The garden is a place of repression, haunted by the ghost of a medieval nun who, according to legend, was buried alive there for breaking rules containing female sexuality. But it is also an erotic space. The bolder girls have assignations there, and Lucy watches yearningly as her fellow-teacher M. Paul strolls along its alleyways smoking a suggestive cigar. Madame Beck, the proprietor—with her "shoes of silence" and "face of stone"—is always on the watch. At times, Lucy imagines that even the flowers are staring at her. In happier stories, things planted return to light as green shoots. In "Villette," after planting her letters, Lucy dreams "strangely of disturbed earth, and of hair, still golden and living, protruding through coffin-chinks."

**The Long Afternoon**

By Giles Waterfield (2000)

**2 AN ENGLISH COUPLE** move to the French Riviera in 1912. Henry has given up his job in the colonial service because his health is "delicate" (though certainly more robust than Helen likes to believe). They lead a languid and elegant life. Wisteria cloaks the veranda, and the garden descends down the mountainside



GETTY IMAGES

CULTIVATED Holkham Hall in Norfolk, England.

to the sea. Every week Helen takes a "jour de repos," lying in bed all day, gathering her strength for the next tea party. Everything is "pleasant" and "agreeable," except that beyond the garden some uncouth people (like the fascist guards on the Italian border a few miles away) are acting in a most unseemly way. And except that, although the first world war comes and goes without upsetting the couple unduly, the second one kills them. Giles Waterfield's novel is an acutely perceptive portrait of a marriage in which one partner's life is destroyed by the other's kindly solicitude.

**The Go-Between**

By L.P. Hartley (1953)

**3 THERE ARE** two gardens at Brandham Hall. There are the sunlit lawns surrounding the house, where, in 1900, the grown-ups play croquet. Further off, there is the abandoned kitchen garden where a deadly nightshade flourishes, its shoots loaded with poisonous berries and "dull, purplish, hairy, bell-shaped flowers." There, at the book's climax, the child Leo is horrified to see a couple lying on the ground, "two bodies moving like one." L.P. Hartley's meticulously paced narrative of adult passion and childish corruption carries a tremendous charge. Ordinary phenomena—a heat wave, a birthday cake—bear a significance lurking just beyond the reach of definition, as disquieting as familiar things glimpsed in a bad dream. One can catalog the themes—the wastage of lives in war, the emotional price paid for the maintenance of social hierarchies. But, like the pagan myths to which Hartley alludes, this book has an irreducible mystery at its core.

**The Garden of the Finzi-Continis**

By Giorgio Bassani (1962)

**4 THE ACTION** takes place in 1938-39. The place is Ferrara, Italy, famous for its Renaissance palaces and infamous for the outrages that fascists committed there. Most of the characters are Jewish. Many of them will die in the camps. Giorgio Bassani treats the impending historical disaster as an obscenity—something not to be brought onstage—and focuses instead on an unrequited love. The

**Look At All Those Roses**

By Elizabeth Bowen (1941)

**5 THE ROSES** in Elizabeth Bowen's short story are so "overcharged with colour" that they seem to burn. There's nothing delicate or fresh about them. "They disturbed with fragrance the dead air" (the arrestingly odd phrasing is typical of Bowen). To the couple obliged to seek help there after their car has broken down, the rose garden around a cottage in a remote part of rural England "looked like a trap baited with beauty, set ready to spring." Edward walks off to find a garage. Lou—hobbled by her good manners—is left at the mercy of what are obviously (to anyone who has read the Brothers Grimm) a witch and her familiar, or perhaps a princess and her goblin attendant, or—and this is the most frightening option—a pair of ordinary, if unfortunate, females whose husband or father has gone missing. What exactly, one wonders, is the fertilizer that makes the roses so floriferous? Bowen wrote some fine ghost stories, but this one has no ghost, unless perhaps the roses themselves are revenants.

**Methodology**

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Walmart) and web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Peter.Saenger@wsj.com.

**Hardcover Business**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Tribe of Mentors: Short Life Advice</b> Tim Ferriss/Houghton Mifflin	1	1
<b>Principles: Life and Work</b> Ray Dalio/Simon & Schuster	2	2
<b>You Need a Budget</b> Jesse Mecham/HarperBusiness	3	New
<b>Total Money Makeover</b> Dave Ramsey/Thomas Nelson	4	3
<b>Extreme Ownership</b> Jocko Willink/St. Martin's Press	5	5
<b>Emotional Intelligence 2.0</b> Travis Bradberry & Jean Greaves/TalentSmart	6	9
<b>Creating Great Choices</b> Jennifer Riel & Roger Martin/Harvard Business Review	7	-
<b>Fast/Forward</b> Julian Birkshire & Jonas Ridderstråle/Stanford	8	-
<b>The Power of Moments</b> Chip Heath and Dan Heath/Simon & Schuster	9	10
<b>The Daily Stoic</b> Ryan Holiday & Stephen Hanselman/Portfolio	10	-

## REVIEW



**'I just wasn't having quite as much fun with it anymore.'**

goal, she adds, just the success it represents.

One of her goals is writing books. Her first book, "Danica—Crossing the Line," published in 2006, told the story of her rise.

Ms. Patrick grew up in Roscoe, Ill., the daughter of two small-business owners. Her father raced motorcycles and snowmobiles, and she was "fascinated by his knowledge of engines and the technical engineering aspects of engines and body frames," she writes in her memoir. Then her parents bought her a go-kart, and at age 10 she started racing. Her father helped coach her, and at age 12 she won her first of three national championships in go-karting.

"The exhilaration I felt when I stepped on the pedal of my first go-kart was enough to hook me for life," she writes. "I felt a freedom unlike anything I had experienced before that day." (In 2015, her parents started a go-kart team in Indianapolis to teach other kids how to race.)

She dropped out of high school in her junior year to race cars in England. She returned to the U.S. a few years later, in 2001.

She wasn't the first woman to make it into racing; the first female Nascar driver was Sara Christian in 1949. But she has become one of the most prominent. Once she finishes her last two races, there will be no full-time female drivers in Nascar's top racing series, out of about 40 drivers total.

She plans to spend more time on her athleisure line of clothing, called Warrior by Danica Patrick. She says she has always enjoyed sewing, if only for practical reasons. "Since I'm 5-foot-1 and a half, I need to hem a lot of stuff," she says with a laugh.

She's also just released a new fitness and wellness book, "Pretty Intense." Two years ago, she decided to freeze her eggs; she wanted to keep her options for having children open. "It's an insurance policy," she says. The monthlong process involved hormone treatments and rest, and led to her gaining 5 pounds.

Even that small amount of weight made a difference on her 100-pound frame. After the treatment, she started working out twice a day, eating a natural, protein- and vegetable-based diet, meditating and walking in nature to relax. About a third of the book covers her mindfulness practice and mental motivation.

She's ready for her next chapter, including in her personal life. Last month, she and her boyfriend of five years, fellow racer Ricky Stenhouse Jr., broke up. After spending the holidays with her parents and sister in Indianapolis and finishing her book tour, she'll head back to her house in Arizona. For now, she says, she's enjoying having less on her plate. "I'm the creator of my schedule now, and more so moving forward."

## WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

# Danica Patrick

The famed race-car driver is ready for a new career track

**DANICA PATRICK** knows that driving a race car may not look all that athletic. But it's actually an arduous job, she says. Moving your hands and feet, even in small ways, requires strength and concentration given the intense gravitational pressure and extreme heat inside a car going more than 200 miles an hour. And drivers have to keep themselves tense at all times during a race, ready to

make any sudden adjustments. Races can last three or four hours.

"It doesn't really look like we're doing much...but basically we do a marathon every weekend," she says. "So I guess if I want to keep my fitness up this year, I'm going to have to do a marathon every Sunday."

Ms. Patrick, 35, recently finished her last season as a full-time race-car driver. (She will do two final races this spring.) She started racing full-time in the U.S. a dozen years ago in IndyCar (the racing body that includes the Indianapolis 500), then in Nascar

in 2010. She was the first woman to hold the lead during the Indianapolis 500 in 2009, and scored the highest finish for a woman in the Daytona 500 in 2013, at eighth place.

She decided to leave racing to pursue other interests, including a clothing line, a wine label and a writing career. "Honestly, racing is something I enjoy, and I love it sometimes," she says, but "I just wasn't having quite as much fun with it anymore." After some reflection, she realized she wasn't as passionate about the sport as she thought. "If I'm not at the race-

track, I don't go to the track and watch races," she says. "I don't go to the shop and work on cars."

As a Nascar driver, she gets a salary as well as money from endorsements, purse winnings and sponsorships. Full-time drivers typically get anywhere from \$1 million to \$20 million a year. She hopes that going out on her own will give her more freedom to do what she wants. "I'll never be a billionaire driving a race car, but with all these other companies I could be...so let's get on with this," she says. "The sky's the limit." The money isn't really the

## MOVING TARGETS: JOE QUEENAN

# The Slow Creep of Slowed-Down Products

**LAST WEEK**, Apple apologized to millions of customers for deliberately slowing down some of its older iPhones. To make it up to owners, it offered people with certain out-of-warranty models replacement batteries at the dirt-cheap price of \$29. Apple insists it slowed down the phones to preserve overall performance as batteries age and never went out of its way to sabotage the older models. I'm not sure the public is convinced.

It would be hopelessly naive to think that other companies never secretly install technology to make older models work less efficiently. In my own experience, I have found a dozen products that I use on a daily basis whose speed and efficiency has slowed down alarmingly.

I now suspect that in many cases, the manufacturer surreptitiously introduced some form of time-bomb technology that would hamstring the unit to such an annoying degree that I would replace

it with a newer, fancier model. Here are a few examples:

**Teakettles.** For decades I've been brewing my wife a heaping pot of English Breakfast tea every morning in about three minutes flat. Now it takes an hour. After I read about Apple's tactics, I suspected that underhanded behavior might be taking place elsewhere. So I took the kettle apart. Sure enough, burrowed deep inside the device's otherwise primitive design, I found a tiny sensor attached to the heating surface that not only slows down the boiling process but makes it almost impossible to hear the whistle. I now believe the teakettle company is trying to get me to junk my trusty model and switch over to more upscale, expensive tea-making products such as Mister Camomile and the Assam-ulator.

**Exercise bicycles.** Why does it take two hours to burn off 125 calories, even with the controls set to Level 40 on the Himalayan

## First, the iPhone. Now, shoes and teakettles.



Burn? Obvious. The last time I took the device into the shop, the service rep deliberately inserted a speed-reducing device that makes it impossible for the user to make any real cardiovascular headway.

**Fast-acting pain relievers.** Time was, I'd pop a couple of these suckers into my mouth and my headache would vanish in 10 minutes flat. Now it takes three hours before the discomfort starts to fade. I got a chemistry major at the local community college to analyze the medications, and sure enough, the cheaper varieties all contain a mysterious ingredient known as ipodassium that derails the effects of the other contents so that it takes hours for relief to kick in. Nasty.

**Soy sauce.** Since I was a child, I would drown my bland sesame noodles in soy sauce and see dinner perk up in a jiffy. Now it takes 15 minutes before I notice any difference.

Lately I just load up on reliable old General Tso's Chicken. Luckily, that yummy concoction hasn't lost its edge—yet.

**My shoes.** This one really grinds my gears. I used to average a city block a minute, no matter what shoes I wore. Now it takes me two hours to go around the block. Explanation? I removed the innards from my double-E's, and there, lodged between the insole and the sole itself, was a sliver of reinforced concrete. You think Apple is bad? Talk to these guys.

This creeping slowpokedness doesn't stop at everyday products. I don't know how they did it, but I think someone has figured out a way to slow down Major League Baseball to the point that you might want to switch to another sport. Sounds like the work of the North American Soccer Association or the Jai-Alai Confederation to me.

I also think someone got to professional golf.

## REVIEW



**Bert's Barges.** This boat, moored on Regent's Canal in East London, is actually a one-bedroom hotel suite, with a full kitchen and walk-in shower.

HOUSEBOATS USED TO BE for the very poor or very rich. Now, floating structures come in many forms, including hotels, spas and work spaces. "Rock the Boat" (Gestalten, \$60), edited by Robert Klanten and Maximilian Funk with text by Alisa Kotmair, showcases a range of water-based projects. The quiet, open space out on the water is often a big draw. "In the world where the ability to disengage from the constant whir of modern life is a rare luxury, a houseboat provides its owner with a chance to reconnect with nature, and reclaim a sense of independence that is becoming increasingly difficult to achieve on land," writes Ms. Kotmair.

—Alexandra Wolfe



**Left:** The Exbury Egg, an art and design project in southern England, served as artist Stephen Turner's home for 12 months. **Above:** This custom-made houseboat, on Lake Eildon in Victoria, Australia, has an interior of 936 square feet.

CLOCKWISE FROM TOP: BERT'S BARGES; CHRISTINE FRANCIS; NIGEL RIGDEN

## PLAYLIST: ABIGAIL MARSH

## Cue Up the Angst

On a 4-mile run, a scholar ponders her future, courtesy of a song by the Black Eyed Peas

Abigail Marsh, 41, is an associate professor of psychology and neuroscience at Georgetown University. She is the author of "The Fear Factor" (Basic). She spoke with Marc Myers.

The daffodils were out when I started my four-mile run in April 2004. I was engaged and had just moved to Washington, D.C., from Boston to take a job with the National Institutes of Health. The first song on my iPod that morning was the Black Eyed Peas'

"WHERE IS THE LOVE?"

The song was new to me.

As I ran, I was excited about this new stage of my life. My fiancé, Jeremy, who was in the Marines, had just returned from his deployment in Iraq. I also was eager to start my research project on child psychopathy.

The other side of me was anxious. My work at NIH would delve into the darkest parts of human nature. And Jeremy and I had been separated for nine months. When he returned, there was at first a hardness I hadn't known in the years since we met. As I ran and listened to "Where Is the

## Jitters before a marriage.

Love?" a few times, the juxtaposition of the upbeat music and stark lyrics reflected how I felt.

The song opens gently until a strong beat kicks in with ominous symphonic strings. The song's melody is beautiful and bright. Then the rap lyrics sung by will.i.am and Justin Timberlake begin: "Wrong information always shown by the media / Negative images is the main criteria / Infecting the young minds faster than bacteria / Kids wanna act like what they see in the cinema / Whatever happened to the values of humanity?"

The song's last verse returns to the optimism of the melody: "We only got (one world, one world) / That's all we got (one world, one world.)"

Jeremy soon returned to his former self, and we married in August. One day we were in our car and I had him listen to "Where Is the Love?" He liked it but it didn't strike him the way it struck me.

I didn't hold that against him. He knows I have a strong nostalgia for the song. It takes me back to that run, when everything seemed bright but a little uncertain.



THE BLACK EYED PEAS, photographed in 2004.

## ASK ARIELY: DAN ARIELY

## The Right Way to End a Workout

## Dear Dan,

As a personal trainer, I work with older adults who say they want to exercise every day. But after a few sessions at the gym, many of them don't come back. How can I get them to stick with their exercise program? —Hal

There are lots of ways to make exercise into a habit, but to start with I would change the way you end your sessions—and I would try to engineer the experience so that it makes people feel good at the end. Research on the "peak-end rule" shows that when people evaluate an experience, they pay particular attention to the end.

In research published in 2016 in the Journal of Sport & Exercise Psychology, Pantelimon Ekkakakis, Zachary Zenko and I showed that when people ramp down the intensity of the exercise at the end, they feel happier after the exercise session and expect to enjoy future exercise more. So, when an experience ends on a more positive (or at least a less negative) note, we remember the whole as better and are more likely to want to repeat it.

## Dear Dan,

I've wanted to buy a new iPhone for a while, and I've been holding off so that I can save for a vacation with my wife. But recently, I got some extra money as an end-of-the-year gift from my job. I'm tempted to use this money for my vacation and the money I have been saving in the bank toward a



new phone. Why am I thinking differently about spending the gift money versus what's in my savings account? —Ron

An essential feature of money is that it's fungible: this means that each dollar is in principle worth the same. Yet, in reality, our minds create separate "accounts" for different sources of income and expenses, and we spend money based on what we think is reasonable for each account. Behavioral economists call this "mental accounting."

When you got some extra end-of-year money, it felt like this money belonged to a different account from our standard savings.

This is clearly not an ideal way to think about spending. I

would put the year-end money in your saving account for a month or two, let the money "get used" to its new mental account (more accurately to let you get used to it), and only then decide what to do with it. My guess is that in two months you will feel less inclined to splurge on the phone.

## Dear Dan,

What are the odds that my New Year's resolution to eat healthily every day will stay with me until the summer? —Yoram

Very close to zero. If I were you and I wanted to increase the odds of success, I would make the resolution more clear-cut, and I would allow myself a way to eat less healthily from time to time without feeling like I've failed. For example, to make your resolution more specific, replace "eating healthily" with cutting out baked goods (for maximum effect, be specific and include both breads and sweets). And to give you a way to enjoy life without feeling like a failure, take the sabbath as a day off from your diet.

Have a dilemma for Dan?  
Email AskAriely  
@wsj.com

JASON SCHNEIDER



## PLAY

## NEWS QUIZ: Daniel Akst

From this week's  
Wall Street Journal

**1.** NBC tapped Hoda Kotb to replace Matt Lauer as permanent co-anchor of the "Today" show's 7 a.m.-to-9 a.m. block. Who's her co-host?

- A. Robin Roberts
- B. Lara Spencer
- C. Katie Couric
- D. Savannah Guthrie

**2.** Antigovernment protests erupted in Iran. Where did they start?

- A. Mashhad
- B. Isfahan
- C. Tehran
- D. London

**3.** North Korea's Kim Jong Un and President Trump made remarks about nuclear buttons, but a statement from South Korea's presidential palace said officials were ready to meet with the north. Name that palace.

- A. Gracie Mansion
- B. The Green House
- C. The Blue House
- D. 10 Downing Street

**4.** Annual U.S. sales of which item dropped for the first time since the financial crisis?

- A. Bourbon
- B. Cars
- C. Homes
- D. All of the above

**5.** For supermarkets, rotisserie chickens are a species of golden

goose that throws off crucial profits. How many did Americans buy last year?

- A. 62.5 million
- B. 625 million
- C. 6.25 billion
- D. A lot, but nobody actually knows

**6.** Spectre and Meltdown have people worried. Why?

- A. These two "Transformer" superheroes flopped in their movie debut over Christmas.
- B. The mysterious hacking duo is blamed for massive ransom attacks on computers.
- C. The two hardware vulnerabilities could affect most modern computing devices.
- D. The last two living descendants of Rin Tin Tin have failed to reproduce.

**7.** George Weah was declared the winner of Liberia's presidential election. Previously he starred in what other arena?

- A. Soccer
- B. Cricket
- C. Soap operas
- D. Philosophy

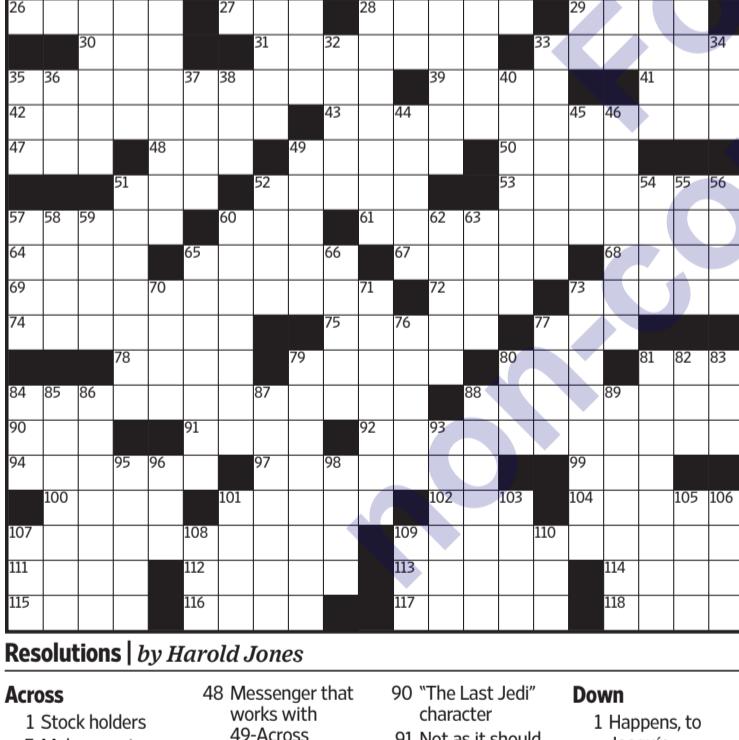
**8.** Sometimes a cigar is just a cigar—but what else has it become lately?

- A. The logo of the American Society of Freud Impersonators
- B. A weapon in the fight against bedbugs
- C. The basis of a sport whose object is to keep the stogie lit longest
- D. A sculpture by Damien Hirst, who has dipped cigars in brass and chocolate.



To see answers, please turn to page C4.

## THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk



## Resolutions | by Harold Jones

**Across**

- 1 Stock holders
- 5 Make \_\_\_\_ at (try to pick up)
- 10 Pig turner
- 14 Where the Mavs play
- 18 Frank O'Connor short story collection "Variations"
- 19 Spiny flora
- 20 Barber work
- 21 About
- 22 The boxy Kia Soul, e.g.?
- 24 Action to become an emancipated minor?
- 26 2017 World Series MVP George Springer, for one
- 27 Veggie burger protein
- 28 Ordering aids
- 29 Tight bunch?
- 30 DDE's WWII command
- 31 Wrapped garments
- 33 Least loony
- 35 Trash generated by proofers' insertions?
- 39 Spring
- 41 Aussie spritzer
- 42 Awls and needles, e.g.
- 43 Cabin in the woods?
- 47 Previous

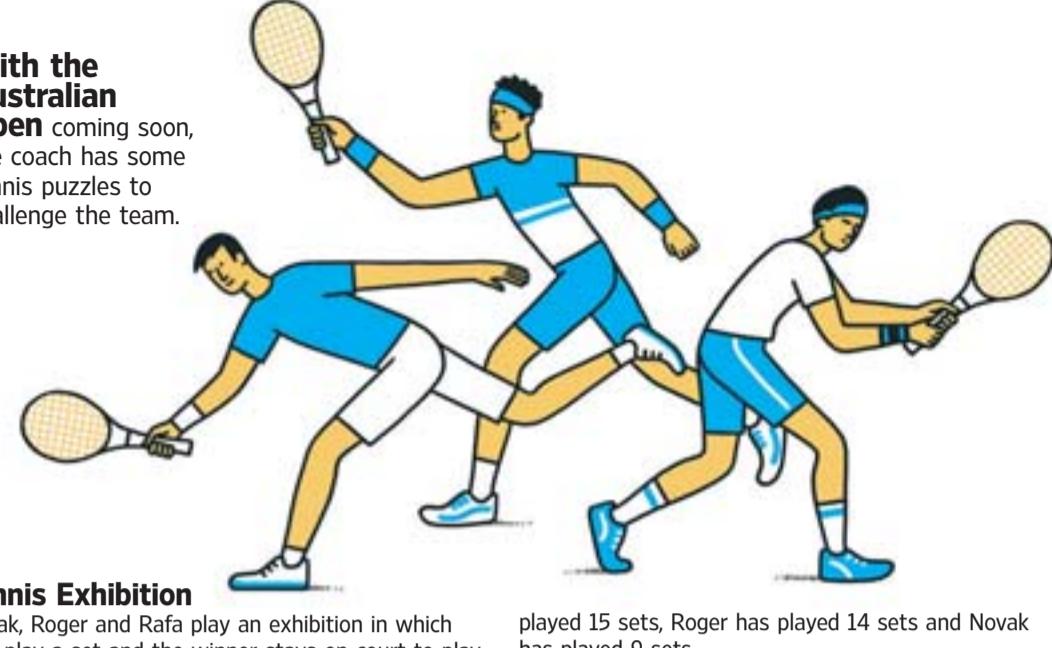
**Down**

- 48 Messenger that works with 49-Across
- 49 See 48-Across
- 50 "The Last Jedi" character
- 51 Dash counterpart
- 52 Andrea \_\_\_\_ (ill-fated ship)
- 53 Prettified
- 57 Enjoy immensely
- 60 Newsstand buy, for short
- 61 Origami class?
- 64 "New Jack City" co-star
- 65 Present-day song?
- 67 More scheming
- 68 Script unit
- 69 Guild of cargo haulers?
- 72 Arles article
- 73 Prefinal versions
- 74 Basket height
- 75 Spelunking spots
- 77 Tissue layer
- 78 San Rafael Swell setting
- 79 Belong
- 80 His 1975 autobiography was edited by Toni Morrison
- 81 Prefix with metric or phonic
- 82 Container for a bishop's beverage?
- 84 Events for select customers
- 90 "The Last Jedi" character
- 91 Not as it should be
- 92 Well-secured playground equipment?
- 94 Denny's dish
- 97 Take note of
- 99 Flowed into
- 100 Company with HydroFit and SkyRise products
- 101 Disney film that takes place during the Han dynasty
- 102 List-shortening letters
- 104 1972 #2 hit for Bill Withers
- 107 Entertainment for those awaiting surgery?
- 109 One who wonders where his Wonder went?
- 111 Org's kin
- 112 Deep valleys
- 113 "Send My Love (To Your New Lover)" singer
- 114 Ventimiglia of "This Is Us"
- 115 Team begun as the New Jersey Americans
- 116 Funnyman Foxx
- 117 Time being
- 118 Doesn't last forever
- 10 "The Last Jedi" character
- 20 Happens, to Joaquin
- 21 Noteworthy attys.
- 22 Fixed
- 23 Person with a pistol
- 24 Person with a pistol
- 25 Polite address
- 26 Visit on vacation
- 27 Disney film that takes place during the Han dynasty
- 28 List-shortening letters
- 29 1972 #2 hit for Bill Withers
- 30 Entertainment for those awaiting surgery?
- 31 Deep valleys
- 32 List-shortening letters
- 33 Ticket recipient, maybe
- 34 Sock section
- 35 Navy noncom
- 36 Suffer
- 37 Palm Sunday period
- 38 Savings option
- 39 Books with legends
- 40 Brings up
- 41 Kia sedans
- 42 Justin of "This Is Us"
- 43 "Tara Bulba" author
- 44 "Conscientious"
- 45 Jeanne ("La Pucelle d'Orléans")
- 46 When la lune shines
- 47 Aunt in "National Lampoon's Vacation"
- 48 Salon stock
- 49 Hitcher's hope
- 50 Tract measure
- 51 Machinist's hammer part
- 52 First Gospel
- 53 Four-time winner of the Outstanding Talk Show Host Emmy
- 54 Supporters' shouts
- 55 Play unfairly
- 56 Donizetti's "di Lammermoor"
- 57 "grip"
- 58 Strikers in cricket, e.g.
- 59 Rapturous
- 60 Cap projection
- 61 Implored
- 62 Proceed without help or instructions
- 63 Polite address
- 64 Makes it over
- 65 Hot states
- 66 Almond or caramel
- 67 Yellowstone herd
- 68 Before birth
- 69 Polite address
- 70 Before birth
- 71 Hot states
- 72 Almond or caramel
- 73 Yellowstone herd
- 74 Before birth
- 75 Deep valleys
- 76 Polite address
- 77 "Way cool!"
- 78 "Send My Love (To Your New Lover)" singer
- 79 Belong
- 80 "Kritik der Politischen Ökonomie"
- 81 "Sam for whom Sam's Club is named"
- 82 "Major League team with a halo in its logo"
- 83 "Posthumous Rock and Roll Hall of Fame inductee Kurt Cobain"
- 84 "Full-price payers"
- 85 "Rarely in office, as a reporter"
- 86 "State with the motto 'North to the Future'"
- 87 "Sam for whom Sam's Club is named"
- 88 "Major League team with a halo in its logo"
- 89 "Posthumous Rock and Roll Hall of Fame inductee Kurt Cobain"
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- 115 "Rarely in office, as a reporter"

## VARSITY MATH

Provided by the National Museum of Mathematics

**With the Australian Open** coming soon, the coach has some tennis puzzles to challenge the team.



## Tennis Exhibition

Novak, Roger and Rafa play an exhibition in which two play a set and the winner stays on court to play the waiting player. At the end of the event, Rafa has

played 15 sets, Roger has played 14 sets and Novak has played 9 sets.

What pair played in set number 13?

## Losing Streak

Maria will be playing a singles match, and to win the match, she must win two out of three sets. In tennis, a game is won by the first player to win four or more points by a margin of at least two. A set is won by the first player to win six or seven games by a margin of at

least two. At six games apiece, a set is decided by a tiebreaker in which the first player to win seven or more points by a margin of at least two wins the set.

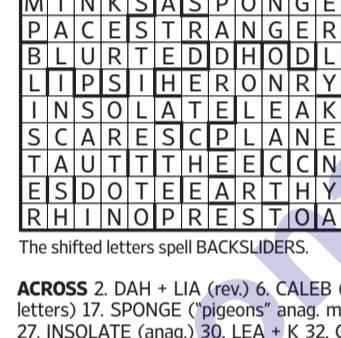
What is the longest streak of consecutive points possible for Maria to lose in a match and still win it?

ILLUSTRATION BY LUCI GUTIÉRREZ

+ Learn more about the National Museum of Mathematics (MoMath) at [momath.org](http://momath.org)

## SOLUTIONS TO LAST WEEK'S PUZZLES

## Last Shift



## Finally!



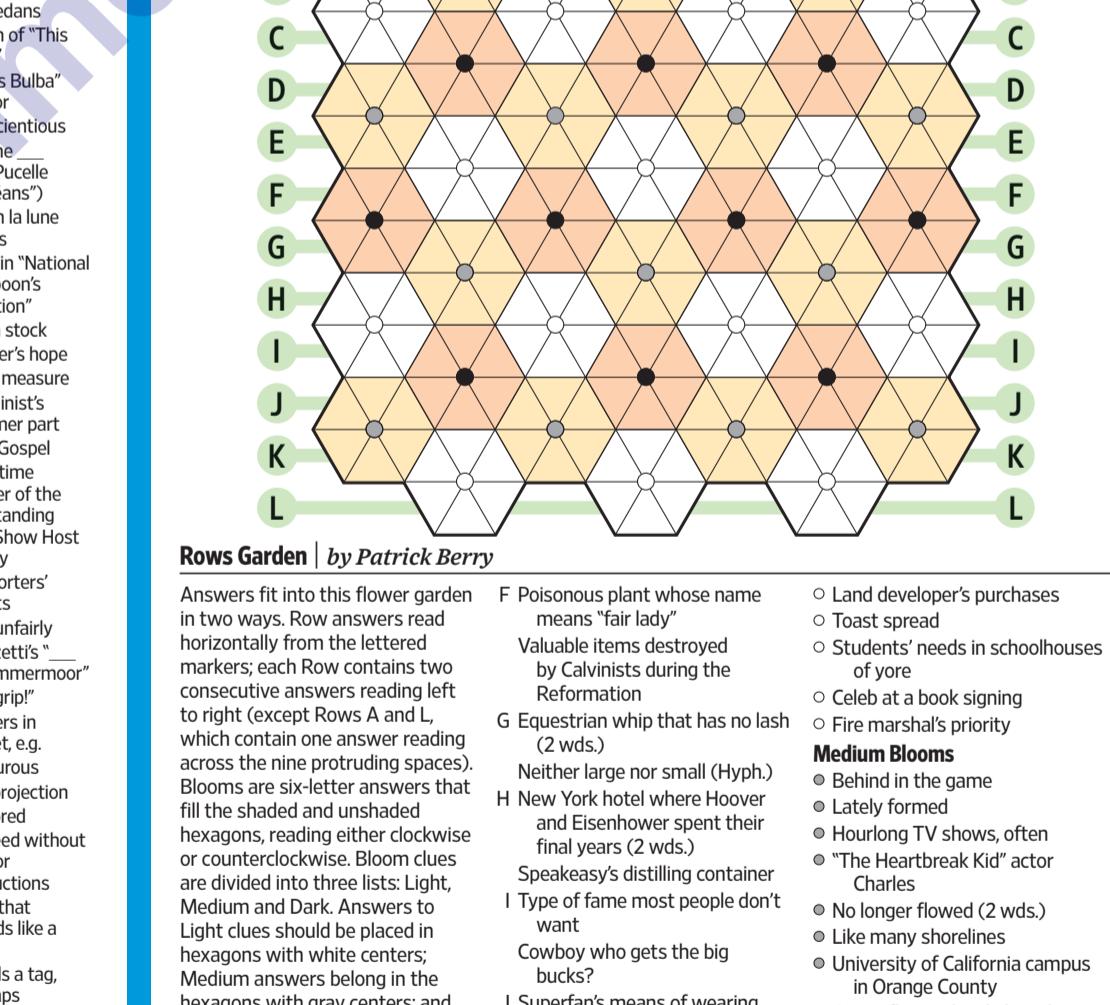
The shifted letters spell BACKSLIDERS.

**ACROSS** 2. DAH + LIA (rev.) 6. CALEB (hid.) 11. RETIN + A (rev.) 13. O + PEC 14. NONE (2 defns.) 15. RING (2 defns.) 16. MINSK (first letters) 17. SPONGE ("pigeons" anag. minus "l") 18. PAC + E 19. S + T + RANGER 20. BLUR + TED 24. HE(RO)NRY ("or" rev.) 27. INSOLATE (anag.) 30. LEA + K 32. CA(RESS) 34. PAN + EL 35. TAUT ("taught" hom.) 36. THE + E 37. DO(TE) 38. EARTHY (anag.) 39. RH(INO) 40. PR(EST)O

**DOWN** 1. CRAM + P 2. DEN + ALI 3. SHANKERS 4. INN + ATE 5. ACES (anag.) 6. COMPARED (anag.) 7. A(PRON) 8. BINGE (anag.) 9. LUNGED (2 defns.) 10. EA(GET)RLY 12. TIN CUP (anag.) 19. ST(EL)ETTO ("lit" rev.) 20. B-LISTER 21. HOLLERS (2 defns.) 22. ONE-ACT (anag.) 23. INCA + SH 25. ET + CHER 26. ANCHOR (anag.) 28. AU + DIS 29. O(R + TO)N 31. K + ENYA 33. STEP (rev.)

**Varsity Math**  
In Breakfast, Lunch, or Dinner? Malcolm is finishing lunch. To see the proof required in The 2018 Puzzle, go to WSJ.com/puzzles.

For previous weeks' puzzles, and to discuss strategies with other solvers, go to [WSJ.com/puzzles](http://WSJ.com/puzzles).



## Rows Garden | by Patrick Berry

Answers fit into this flower garden in two ways. Row answers read horizontally from the lettered markers; each Row contains two consecutive answers reading left to right (except Rows A and L, which contain one answer reading across the nine protruding spaces). Blooms are six-letter answers that fill the shaded and unshaded hexagons, reading either clockwise or counter-clockwise. Bloom clues are divided into three lists: Light, Medium and Dark. Answers to Light clues should be placed in hexagons with white centers; Medium answers belong in the hexagons with gray centers; and Dark answers belong in hexagons with black centers. All three Bloom lists are in random order, so you must use the Row answers to figure out where to plant each Bloom.

## Rows

A Ocean liner now permanently docked at Long Beach (2 wds.)  
B Yellow pages? (2 wds.)  
C Bond girl portrayer in "Dr. No" (2 wds.)  
D Beachfront construction projects that don't require permits (2 wds.)  
E Epitome of stubbornness (2 wds.)  
F Trig may be a prerequisite for it (2 wds.)  
G Double pinochle, e.g. (2 wds.)  
H Amorous god (2 wds.)  
I No-star review (2 wds.)  
J Ballpark figure: Abbr. (2 wds.)  
K Outlaw (2 wds.)  
L Ruby of movies (2 wds.)

F Poisonous plant whose name means "fair lady"  
Valuable items destroyed by Calvinists during the Reformation  
G Equestrian whip that has no lash (2 wds.)  
Neither large nor small (Hyph.)  
H New York hotel where Hoover and Eisenhower spent their final years (2 wds.)  
Speakeasy's distilling container  
I Type of fame most people don't want  
Cowboy who gets the big bucks?  
J Superfan's means of wearing the team colors (2 wds.)  
Easily distracted (Hyph.)  
K Turnpike pull-offs (2 wds.)  
Place to buy staples (2 wds.)  
L What an animal that lacks side-to-side jaw movement probably is

## Light Blooms

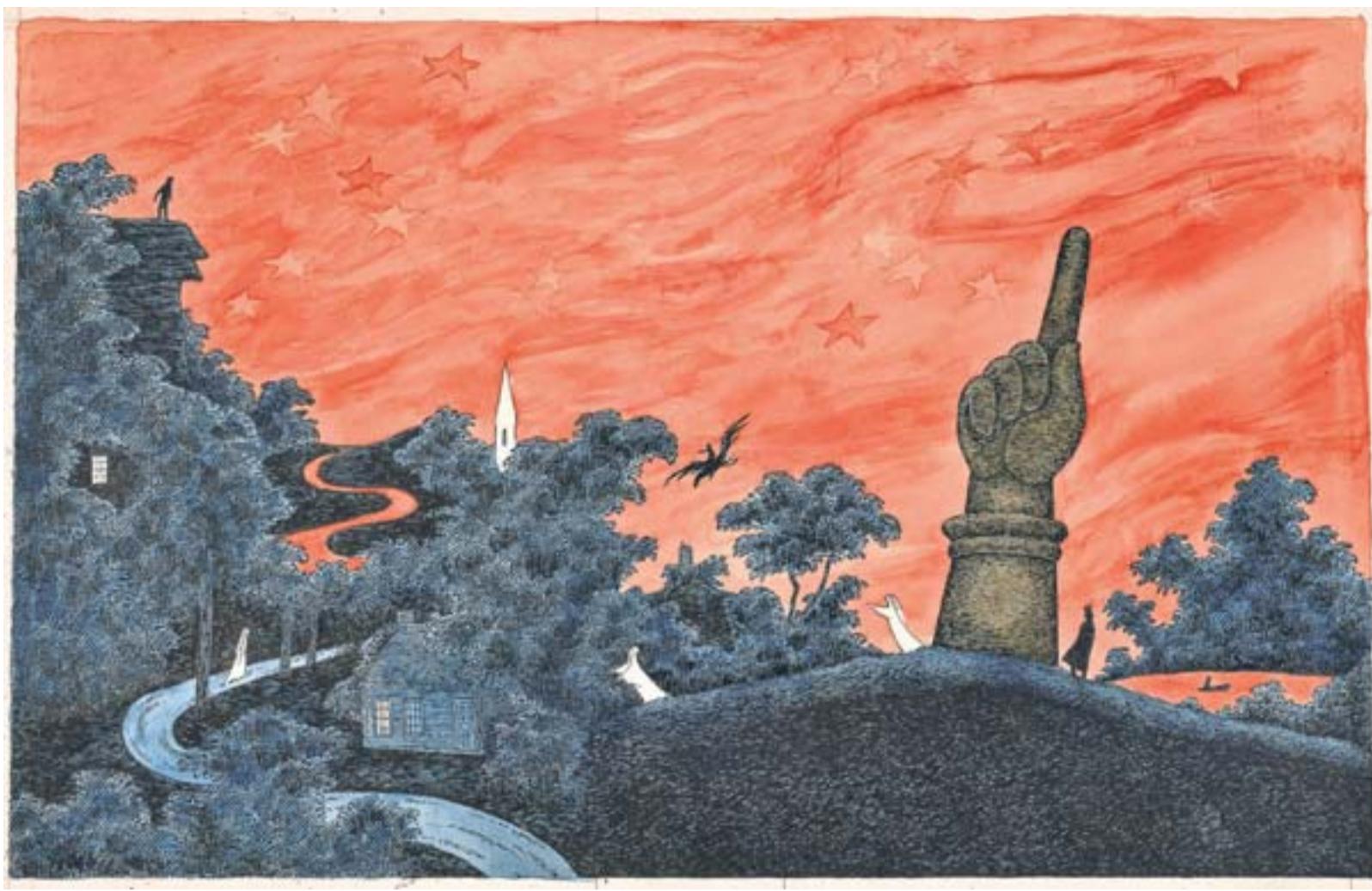
O Roofer's need  
Posthumous Rock and Roll Hall of Fame inductee Kurt Cobain  
Full-price payers  
Rarely in office, as a reporter  
State with the motto "North to the Future"  
Sam for whom Sam's Club is named  
Major League team with a halo in its logo  
Shellfish slurped from a shell  
Looked on in disbelief

Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

D Soak up  
Restrant for a horse's head  
Like soap in a dispenser  
Brought on  
Polar sheet (2 wds.)  
Aura surrounding a saint  
Large numbers of people  
"The Terminator" heroine Sarah  
Illinois city that symbolizes Middle America  
Forcibly took

Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

## REVIEW



**GOREY'S** 'Haunted in America' (1990), at left; below, the artist photographed in 1977 on the set of Broadway's 'Dracula.'

breadth of these works will be publicly displayed. The museum has gone on to expand its own Gorey holdings. In 2015 it bought Gorey's colorful "Haunted in America"—a 1990 watercolor, pen-and-ink illustration, first used as a book cover. Ms. Monroe says a major reason was that the watercolor shows some affinity with the folk landscapes that Gorey collected, featuring abandoned buildings and deserted settings. The section also includes Gorey's Atget photo of spidery trees on a Parisian boulevard.

Gorey himself was a photography subject. Scottish-born photographer Harry Benson, known for his portraits of the Beatles and Andy Warhol, photographed Gorey in his cluttered New York apartment. The exhibition includes a previously unpublished, wryly macabre image from that shoot—Gorey posing with bald mannequins and a spare forearm in a Manhattan department store.

In conjunction with the exhibition, the museum will screen on March 3 a rough cut of a long-awaited film about Gorey. Near the end of Gorey's life, filmmaker Christopher Seufert recorded dozens of hours of footage of Gorey at home with his art and his 26,000 books, and has combined that with interviews with disciples like children's book author Daniel Handler, also known as Lemony Snicket. "Gorey was one of the funniest people on the planet," says Mr. Seufert, now 50 years old. "He was a tall, gruff, menacing figure, but when you talked to him, he was light and campy and constantly cracking jokes."

Gorey was a ballet enthusiast and attended just about every performance of any work by the celebrated choreographer George Balanchine at the New York City Ballet. The exhibition includes a 1971 program he designed for the troupe.

And then there were the cats. Many of the works in Gorey's art collection have animal imagery, like his Delacroix etching, from 1846, which shows a tiger sleeping in a desert, and his Edvard Munch lithograph, showing a woman and a bear in a mysterious embrace.

While Gorey's personal life remains a mystery—"he resisted being called gay or straight," says Mr. Seufert—Ms. Monroe says Gorey's cats were his family. He had up to six shorthairs at any given time, she says, with names like Maude and Agrippina, the mother of Roman emperor Nero. In one of the Benson photos on view, Gorey is at work at his Manhattan desk, with one cat looking on while another gazes out the window. A third is wrapped around his shoulders, like a fur stole come to life.

## ICONS

## A Connoisseur of the Eerie

A new Edward Gorey exhibit showcases the collection of the master of the macabre

BY J.S. MARCUS

**THE THRILLING**, chilling, eerie and witty images of Edward Gorey are a benchmark of 20th-century American graphic art. New England museum-goers will soon get to see what thrilled Gorey, when the Wadsworth Atheneum Museum of Art in Hartford, Conn., mounts "Gorey's Worlds," featuring his personal collection of artworks and objects, along with rare examples of his own drawings.

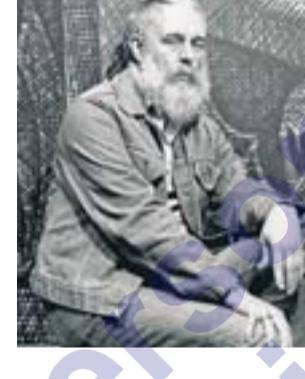
The exhibition is rich in works on paper by a range of French artists, from Eugène Delacroix and Édouard Manet of the 19th century to Jean Dubuffet of the 20th. Gorey also had a passion for the pioneering French photographer Eugène Atget (1857-1927). Gorey's spare, strange drawings find an echo in Atget's barren, surreal views of Paris, says the show's curator, Erin Monroe, associate curator of American art at the Wadsworth.

"Gorey's Worlds," featuring 130 objects, runs from Feb. 10 to May 6, before traveling this summer to the Tacoma Art Museum in Washington. The Hartford version intersperses Gorey's collected art with his own

creations, "highlighting the intersections between Gorey's imaginary worlds and the worlds around him," says Ms. Monroe.

Gorey (1925-2000), who grew up in Chicago, had a distinctive style characterized by crosshatch drawings of humanoid animals, which he liked to complement with nonsense verse. The style was already on full display in his early 30s, when he published "The Doubtful Guest," about a penguin-like creature who invades the home of an Edwardian family. The Hartford show features some of the book's original drawings. His audience widened in the 1970s as he worked for Broadway (costumes and sets for "Dracula") and, a bit later, designed the opening sequence of PBS's "Mystery!" series.

Although he was thought of as an eccentric recluse, Gorey was engaging and even jovial, says Ms. Monroe. In his New York years, he would frequent Midtown Manhattan's Gotham Book Mart, a legendary bookstore that closed in 2007, and Lincoln Center, where he could be seen in one of his signature fur coats.



**Atget, Manet and a yellow coyote coat.**

The show includes two of his furs: a lynx coat from around 1970, and a very unusual yellow-dyed coyote coat. "Gorey was 6 feet 4," says Ms. Monroe. "So that's a lot of yellow-dyed coyote." In a section dealing with

Gorey's larger interest in animals, works from his own art collection on display include Manet's 1869 etching "Cat and Flowers." Ms. Monroe says, "Gorey felt remorse at wearing fur and refused to later in life."

Gorey collected American folk art—the exhibition includes anonymous, mid-19th-century landscapes—and a few artists whose careers overlapped with his, like eccentric American Donald Evans, best known for painting sets of postage stamps of fictional countries. Gorey also bought the work of another eccentric, English cartoonist Glen Baxter; a typical drawing shows a hard-to-identify landscape with the title, "The Desecration of the Tennis Courts Has Produced a Very Difficult Situation."

Gorey bequeathed the core of his art collection to the Wadsworth, much to the museum's surprise, and this is the first time the

FROM TOP: WADSWORTH ATHENEUM MUSEUM OF ART, AMERICAN PAINTINGS AND DRAWINGS PURCHASE FUND; JACK MITCHELL/GETTY IMAGES

## MASTERPIECE: 'LOVELIEST OF TREES, THE CHERRY NOW' (1896), BY A.E. HOUSMAN

## A VITAL CALL TO SEIZE THE DAY

BY WILLARD SPIEGELMAN

**FOR PEOPLE** scared away from poetry by bad high-school teaching, or a fear of missing the "hidden" meanings lurking beneath the surface, here's a piece of advice: Do not worry. Poetry need not be hard.

Appreciating it requires only two things: an eye for figures of speech (saying something a little slant); and an ear for music, rhythms and forms. Accessible poems can be deep; seemingly complex ones can be shallow.

An example of the former: A.E. Housman's cherished and much anthologized "Loveliest of Trees, the Cherry Now," from "A Shropshire Lad," his 1896 book of lyrics about eros, friendship, nature, and life's transience. The book was popular with British soldiers who went to the trenches in World War I. George Orwell, one of the least sentimental of 20th-century writers, called Housman's work "the poems which I and my contemporaries used to recite to ourselves, over and over, in a kind of ecstasy" at Eton after the Great War.

With three quatrains, four-beat lines and easy "aabb" rhymes, this little poem looks transparent. Its theme, a perennial favorite, is a version of "carpe diem" ("seize the day," from Horace, Roman master of exquisite formal arrangements). Like any great poet, Housman takes a cliché, enlivens it, and makes it his own. Even the ordering of his stanzas is effective. The first deals with a tree and the second with a young speaker. The first is all about space, the second about time. In the third, nature and humanity, space and time, come together.

The first quatrain acknowledges nature's temperate, seasonal beauty: "Loveliest of

trees, the cherry now / Is hung with bloom along the bough, / And stands about the woodland ride / Wearing white for Easter-tide." The tree sports delicate blossoms, but why is it "wearing" them, as if it were a human being? And "hung"? Blossoms grow on branches; "hung" suggests someone decorated the tree, not for Christmas but for another holiday in the Christian calendar, the one signaling sacrifice and springtime renewal.

Rhyme unites things, at the end of lines and also internally ("white" and "tide," for example). Gentle alliteration ("bloom" and "bough"; "woodland," "wearing" and "white") makes for other connections.

Then images disappear in favor of mathematical calculation: "Now, of my threescore years and ten, / Twenty will not come again, / And take from seventy springs a score, / It only leaves me fifty more."

You can almost see him counting on his fingers. Readers who don't recognize the Old Testament phrase from Psalm 90 about the span of human life may get confused. A 20-year-old speaker now figures he has but 50 more chances to enjoy nature's pristine charms.

He makes a decision. Appreciatively, almost heroically, he will venture forth: "And since to look at things in bloom / Fifty springs are little room, / About the woodlands I will go / To see the cherry hung with snow." A reader alert to the old distinction between "will" and "shall" might detect a deepened resolution.

Most interesting, Housman brings back salient earlier words: "bloom," "springs," "woodlands," "about," "cherry" and "hung with." After all, this poem concerns life's temporal repetitions.

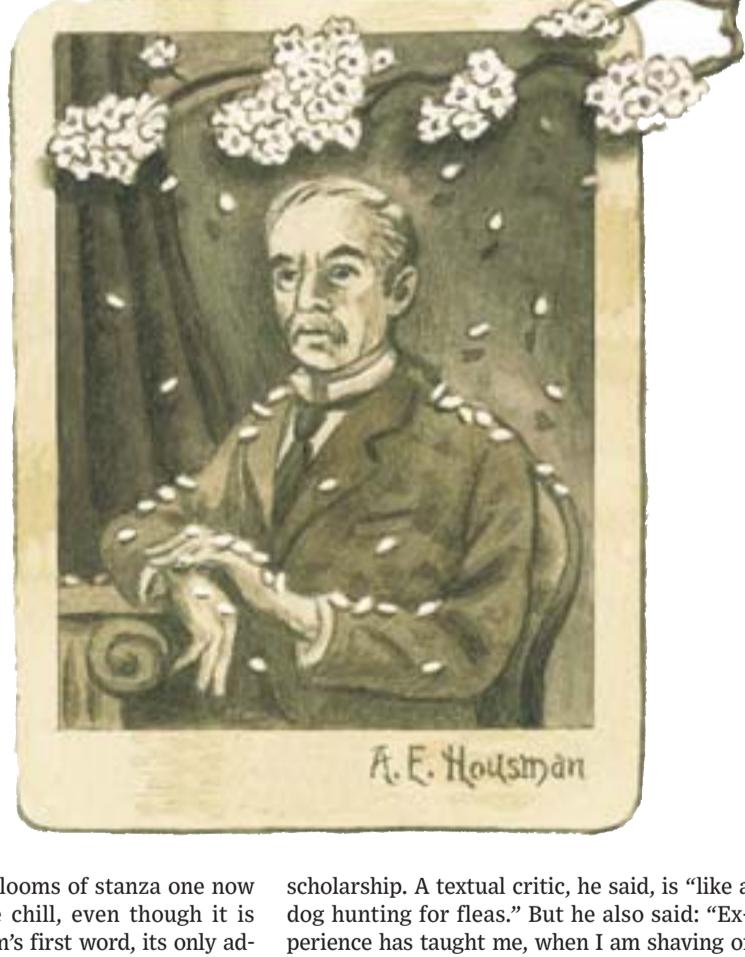
Repetition does not mean that things stay the same. Time moves linearly, too. Housman

ends with a subtle suggestion of menace. Why does he not repeat "white"? Why that foreboding "snow"? Some readers think the young man now feels obliged to enjoy the cherry in wintry cold as well as springtime mildness.

It's hard to prove them wrong, but it's more appropriate to figure "snow" as purely metaphorical. A youth has wised up, and now understands that death will put an end to everything. Spring leads inexorably to winter. The fragile blooms of stanza one now take on a figurative chill, even though it is still spring. The poem's first word, its only adjective in the superlative, never recurs. And if you look and listen carefully, you notice that the end of the last line subtly echoes the end of the first: There's "now" in "snow."

Housman (1859-1936) was a textual editor, one of the most distinguished classical scholars of any age. His life as a closeted gay man inspired Tom Stoppard's 1997 play "The Invention of Love," which contrasts this supposedly dry scholar with his more flamboyant contemporary, Oscar Wilde.

Housman was a man of passion, as fervent about poetry as he was scrupulous about



scholarship. A textual critic, he said, is "like a dog hunting for fleas." But he also said: "Experience has taught me, when I am shaving of a morning, to keep watch over my thoughts, because, if a line of poetry strays into my memory, my skin bristles so that the razor ceases to act." Poetry is of the body.

He also made a more relevant remark, with which all writers and readers of poetry would agree: "Poetry is not the thing said, but a way of saying it." In other words, it ain't what you say, it's the way that you say it.

*Mr. Spiegelman's books include the essay collections "Seven Pleasures" and "Senior Moments."*

Décor values:  
What's in  
and out for  
2018

D6



# OFF DUTY



Dan Neil tests  
the latest Toyota  
Prius—with  
mounting dismay

D10

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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\* \* \* \*

THE WALL STREET JOURNAL.

Saturday/Sunday, January 6 - 7, 2018 | D1

## Gene Pool 1 Wool Topcoats

Formal, professional,  
too flimsy for  
the cold

## Gene Pool 2 Down Jackets

Sporty, cozy, too  
casual for the  
office

# The Crossbred Coat

Menswear designers are engineering outerwear  
that combines the tailoring of a camel-hair coat  
with the high-tech heat of a puffer

HIGH-MILEAGE HYBRID A coat like this one by Isaia goes the distance on both the style and warmth fronts. Quilted Wool Overcoat with Aqua Treated Fabric, \$2,750, *Isaia*, 212-262-6798

F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY JILL TELESICKI

BY JACOB GALLAGHER

**A** COUPLE OF WINTERS ago, staring at the coats in his closet, Eitan Abraham felt a certain kinship with Goldilocks and her too-hot, too-cold porridge dilemma: He knew he'd be freezing in his Billy Reid topcoat, a tailored wool number that wouldn't stand up to New York City's nose-numbing freeze, and thought he'd look ridiculous in a cocoon-like down parka. "In a Canada Goose coat, I always feel like a kid in one of those Christmas movies—like a 'Sorry, my mom made me put my coat on' sort of sad look," said Mr. Abraham, 32, the organizer of

Liberty Fairs, a clothing trade show. What he needed was a coat that was both well-insulated and tailored. So out shopping he went, eventually finding his "just right" solution: a thigh-length, down-filled overcoat from Arc'teryx Veilance, a performance outerwear-focused company based in Vancouver. Sleek as a classic Macintosh topper on the outside, covertly insulated on the inside, it promised to do it all.

Increasingly, men like Mr. Abraham are realizing they do not have to compromise, either on creature comforts or on style, when it comes to a winter coat. Tom Kalenderian, the executive vice president and general merchandise manager of men's at Barneys New York, remembers a time when the store sold as many cashmere top-

coats as it does jeans today. But nowadays a business-appropriate cashmere overcoat doesn't have the same draw, said Mr. Kalenderian, unless it's as storm-ready as a slicker, or as bluster-busting as a parka. "You need something warm at night when you go out to dinner, but you don't want to look silly or out of step."

These twin desires for tailoring and warmth have spawned a new kind of double-duty coat, with menswear labels engineering handsome hybrids that combine a nice cut with a sleek layer of cozy heat. "When you're going outside, you just put on one thing instead of two or three," Takanori Kasuga, the director of design behind Arc'teryx Veilance said of his motives

Please turn to page D2

## [ INSIDE ]



**PORRIDGE IS HOT**  
Chefs are giving it a savory, buzzy rethink  
without going against the grain D5

**WHAT I DID ON MY SUMMIT VACATION**  
Once a battle zone, mountainous Columbia  
is luring travelers again D7

**CRIMSON ALSO RISES**  
Red is resurgent in fashion. A historian  
traces the power color's roots D3

**PLAY THE POUNDS AWAY**  
In fitness, the 'gamification' trend makes  
working out feel less dreary D9

## STYLE &amp; FASHION

## YOU'RE GETTING WARMER

*Continued from page D1*

for stitching a slender down lining inside a traditional trench-coat silhouette. He's not the only one playing with recombinant DNA. Ermenegildo Zegna bolstered its classic high-necked cashmere coat with a down filling, and Brunello Cucinelli gave its single-breasted cashmere balmacaan a synthetic-insulated center. Even a straight-shooting essentials label like Club Monaco recently opted to line a dapper overcoat with a quilted cold barrier.

This concept has roots in the 1990s, when Italian menswear labels began experimenting with waterproofing wool and cashmere. Isaia's "Aqua Cashmere" and Loro Piana's "Storm System" are two examples of high-tech (and high-priced) treatments used to make coats relatively invincible to damp weather. If you're caught in a blizzard that would turn lesser outerwear into a soggy Labradoodle, the snow mysteriously slides off the shoulders of your "Storm System" coat.

Yet, as Gianluca Isaia, the CEO of Isaia, explained in an email, even a wool or cashmere coat made in weatherproofed fabric has its shortcomings. "A traditional topcoat can achieve a level of warmth comparable to down but with a major downside: weight," wrote Mr. Isaia. "Your topcoat weighs on your shoulders a lot more."

A best-of-both-worlds coat really earns its stripes as a dressier alternative to a frumpy ski parka or a sheeny down jacket, atop a casual outfit.

His brand landed on a solution to lighten the load: three-in-one coats that combine an unusually trim outer layer and an insulated down center that can be zipped out (the "three" references the number of ways you can wear the pieces—the outer layer alone, the inner layer alone, or as one combined piece). Other companies such as Z Zegna, Fay and Canali have riffed on this sartorial formula with their own popular, neatly-tailored versions.

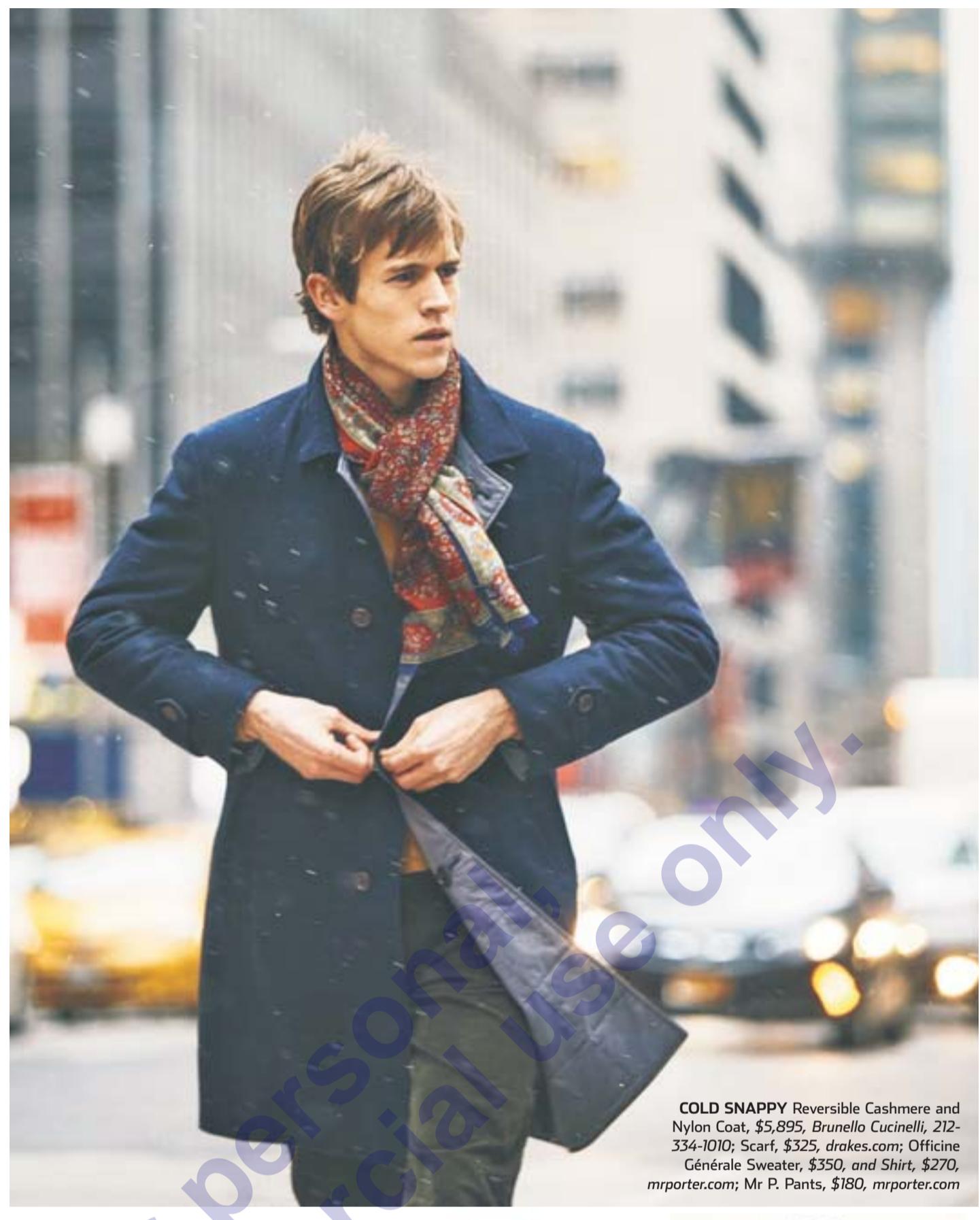
Yet not everyone loves the idea of zipping or snapping that added layer in or out of a coat, especially when you're barreling out the front door to an early-morning meeting or business dinner and have no patience for extra steps.

That's where the double-duty topcoat comes in: These iterations take the time-consuming, zip-in-zip-out step out of the process of bundling up. Such coats often look distinctly sophisticated, too: While the shoulders might be softer and the length a bit shorter, by and large, the cuts resemble that of a classic camel-hair topcoat. Yet no one will accuse you of appearing stuck in the past. When you pop the collar or your coat flaps open in the wind, a nice glint of down-lining or quilted fill peeks out.

"A coat has to look just as good with a pair of jeans and a chunky turtleneck as it does with a beautiful dark dressy suit," said Mr. Kalenderian, nodding to men's demands for chameleon-like coats that serve multiple fashion purposes and occasions.

Case in point: Joe Peters, 33, the head of marketing for Vasque Footwear, craved an outerwear option that would garner nods of approval when he traveled to Manhattan for work yet wouldn't get him labeled as a try-hard in Saint Paul, Minn., his more conservative home base. He found that an Arc'teryx Veilance jacket achieves all that, with the added (and surprising) benefit of being a conversation starter no matter where he is, thanks to its lack of noticeable branding. "Ninety-five percent of people I meet don't know what it is, which is part of the charm," said Mr. Peters.

For many, though, a best-of-both-worlds coat really earns its stripes as a dressier alternative to a frumpy ski parka, or a sheeny down jacket atop a casual outfit. Such coats can too often skew slovenly. Instead, a snow-resistant wool peacoat or a neat mac reinforced with down can stealthily elevate a basic weekend outfit. As Mr. Isaia said, "You should be able to feel sophisticated even when you're being casual." And look good and feel warm all at the same time.



**COLD SNAPPY** Reversible Cashmere and Nylon Coat, \$5,895, Brunello Cucinelli, 212-334-1010; Scarf, \$325, drakes.com; Officine Générale Sweater, \$350, and Shirt, \$270, mrporter.com; Mr P. Pants, \$180, mrporter.com

## HANDSOME HYBRIDS

This new breed of coverup looks spiffy in multiple iterations, from classic topcoats to duffle coats and double-breasted peacoats



Galvanic Down Insulated 3-layer Gore-Tex Coat, \$1,400, [veilance.arcteryx.com](http://veilance.arcteryx.com)



Texture Twill Topcoat (With Quilted Lining), \$550, [clubmonaco.com](http://clubmonaco.com)



Double Wool Peacoat with Removable Down Collar, \$1,585, Moncler, 646-768-7022



Cashmere Down-Filled Jacket, \$3,495, Ermenegildo Zegna, 212-421-4488

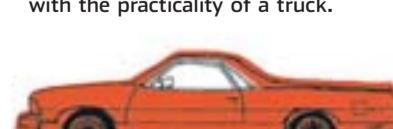


Rain System Camel Coat, \$4,595, Loro Piana, 212-980-7961

## OTHER FEATS OF RECOMBINANT DNA // NOT ALWAYS MORE THAN THE SUM OF THEIR PARTS

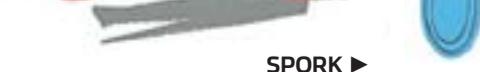
## EL CAMINO ▼

The Chevrolet coupe questionably combines a muscle car's sleekness with the practicality of a truck.



## SPORK ▶

Spoon meets fork, but they don't meet cute. A guy named Samuel W. Francis patented it in 1874.



## MULLET ▼

This "party in the back," a favorite haircut for hockey players, has been reported for disturbing the peace.



## INTERROBANG ▼

Useful for rhetorical put-downs, this crossbreed of an exclamation point and question mark speaks volumes.



## BRUNCH ▲

The in-between meal caught on in ways "linner" and "dinack" (dinner plus midnight snack) never did.



## SHAMPOO-CONDITIONER ▲

A match made in heaven for those who have very, very little storage space in their showers.



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## STYLE &amp; FASHION

'The Red Studio' by Henri Matisse (1911), \$18 for a 14" x 11" print, [art.com](http://art.com)Boots, \$778, [trademark.com](http://trademark.com)'Written in Blood' Lipstick, \$24, [ritueldefille.com](http://ritueldefille.com)Atlantique Ascoli Top, \$845, [neimanmarcus.com](http://neimanmarcus.com)

Richard Ginori Plates, \$110 each, Barneys New York, 888-222-7639

IN THE AIR

## Cherry's On Top

Red—a color associated with wealth and happiness, but also with fury, passion and certain defiant handmaids—is again ascendant

**THE AL SMITH DINNER**, a white-tie fundraiser for Catholic charities, has been an annual ritual in American politics for 72 years. For the first time last year, a woman, the actress Patricia Heaton, presided over the ceremonies. She wore what she described as a "cardinal red" dress. In the hierarchy of the Catholic Church, red is reserved for the upper echelons: cardinals, whose distinctive vestments gave that shade its name, and the pope. Was Ms. Heaton suggesting it was high time women were allowed into this exclusively male preserve?

She was certainly on trend: Scarlet, vermillion and burgundy burned brightly in the last few seasons of designer collections. The red dress is claiming the spotlight, in iterations from romantic (Giambattista Valli, Valentino) to modern (Stella McCartney, Sonia Rykiel) to sporty (Miu Miu). In interior design, the bright shade has reassumed its role as a key accent. "Baby pink is out, and red is back in where it belongs," said Dallas interior designer Michelle Nussbaumer.

To understand why red rules requires unpacking its cultural significance. In language, it conveys heightened emotion: We see red when we're angry, raise a red flag when alarmed, roll out the red carpet when extending a particularly warm welcome, and have a red-letter day when things go splendidly. Red is not a color to be ignored.

"Red is powerful but also pure," said Laura Vassar, the co-designer of Brock Collection, who, with Kristopher Brock, re-

cently conjured up lipstick-red dresses in crisp cotton taffeta. "The silhouette is sweet," said Ms. Vassar, "but the color makes it feel sexy."

The hue has long been associated with prestige, in part because red dyes were so expensive. Spain's control of the trade in cochineal, a crimson dye the Aztecs extracted from insects, helped make the country a world power during the Renaissance.

Cosmetics lines such as the Los Angeles-based Rituel de Fille still prize carmine, as cochineal is also known, for its rich intensity. After co-founder Katherine Ramos rejected synthetic dyes ("they looked like melted popsicles"), she used carmine to create a fiery shade that complements a range of skin-tones, from porcelain to tawny to dark. The Fenty Beauty by Rihanna line also offers a multi-skin-tone-flattering red in its Stunna Lip Paint.

Clearly attention-getters, crimson clothes were often selected for portraiture to emphasize the sitter's importance, said Dr. Valerie Steele, author of "The Red Dress" and director of the Museum at the Fashion Institute of Technology in New York. As a young princess, for example, Elizabeth I was painted in a red dress. Yet, for all its links to establishment rule, the color is also associated with the red flags of socialism and an upstart political radicalism that goes back to the French Revolution. Donning a red dress might not be the same as staging a coup, but it does send a signal that the wearer intends to be heard.

—Nancy MacDonell

VALENTINO

Dress, \$995, [Burberry](http://Burberry.com), 212-407-7100BIDKhome Hourglass, \$66, [wayfair.com](http://wayfair.com)Coat, \$2,890, [Sportmax](http://Sportmax.com), 212-674-1817

BROCK COLLECTION

'Ruby' by Joanna Hardy, \$125, [thamesandhudsonusa.com](http://thamesandhudsonusa.com)

## THE COMMANDMENTS OF CLEAN

Get evangelized at this Midwest 'laundry camp'

**AS A COMPULSIVE collector of vintage fashion, I often despair at finding incredible clothes compromised by stains. So when my sister, who lives in Saint Paul, Minn., invited me and ten of her friends and relatives to an evening known as "laundry camp," I heeded the call.**

No one asked me to build a fire at this campsite, held in a vintage designer clothing store called Mona Williams at the Mall of America. The owner Patrice Richardson (dubbed "the Laundry Evangelist") greeted us in a pressed gingham shirt and khaki pants with Robert Plant hair. We'd been told to bring hopelessly stained items along, and he swiftly went to work on the intensely grass-stained white overalls my niece offered up, using a vinegar concoction.

Vinegar, it turns out, is a godsend. He dazzled us further by removing BBQ sauce from a napkin, starting with a spritz of a vinegar-

and-water solution to zap the oiliness. He then applied a drop of stain remover with a horsehair brush (he favors Stain Solution, \$18, and Stain Brush, \$10, both made by The Laundress and sold in his shop). His tip? Brush gently; undue scouring can damage fabric.

We watched the BBQ stain vanish as he recounted, in his sweet Southern drawl, how he'd indulged as a child in the fad of wearing multiple polo shirts layered one atop the next—in his case, eight at a time. His mother refused to wash them except on laundry day, so his grandmother taught him the basics. Later, while getting a degree in marketing, apparel and textiles at the University of Kentucky, he developed true expertise.

Like any man of the cloth, Mr. Richardson has commandments:

*Thou shalt not dry clean.* Even a suit or overcoat, he believes, can be washed by tucking it into a zip-

pered mesh laundry bag and using the "hot/fast" cycle. Avoid the "delicate" cycle; it won't spin out excess water and a soggy garment will stretch when hung to dry. Once dry, steam or lightly press it.

*Be frugal.* Mr. Richardson eschews most detergents, which can

leave a residue, and he makes and sells his own soap flakes, using just a meager tablespoon per load.

*Send dryer sheets to the hereafter.* They also leave a residue, he intoned. Instead, use a ball of tinfoil in the dryer to remove static electricity. I also use felted-wool dryer

balls for static-free laundry.

The 3-hour camp had sped by, and we'd witnessed a miracle: the banishing of the grass stain.

*Laundry Camp* is held on Tuesday nights; sessions are free but require a reservation at [monawilliams.com](http://monawilliams.com). —Kyle Erickson



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CHRISTIAN DIOR

VAQUERA

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Laulhere & Fivestory Beret, \$130, [fivestoryny.com](http://fivestoryny.com)

Necklace

\$1,995, [foundrae.com](http://foundrae.com)

BALIENCIAGA

Earrings

Earrings, \$345, [rebeccaderavenel.com](http://rebeccaderavenel.com)

JOSHUA SCOTT FOR THE WALL STREET JOURNAL, STYLING BY GABRIEL RIVERA (NECKLACE, BERET, LIPSTICK, SHIRT, DRESS, COAT, EARRINGS); DAVID CHOW FOR THE WALL STREET JOURNAL (SHOE); DAN AND CORINA LECCA (BROCK COLLECTION)

# EATING & DRINKING

MESSAGE IN A BOTTLE AUTHOR JOANNA SCUTTS ON ANCHOR DISTILLING COMPANY'S OLD POTRERO HOTALING'S 11 YEAR OLD SINGLE MALT RYE WHISKEY



## History—and a Glimmer of Hope—in a Glass

**JUST AFTER FIVE O'CLOCK** in the morning on April 18, 1906, what came to be known as the San Francisco earthquake trembled down the coast from southern Oregon to Los Angeles and inland as far as Nevada. "Rumors of great disaster from an earthquake in San Francisco, but know nothing of real facts," President Roosevelt wrote anxiously to the Governor of California, eager for some solid ground to stand upon. There was no reply. In his next message, after the rumors had collapsed into facts, the President struggled to believe them. "It was difficult at first to credit the catastrophe that has befallen San Francisco," he admitted. Nobody could. According to the U.S. Geological Survey, it would be half a century before the science of plate tectonics could explain what had happened, geologically speaking, to shake San Francisco all but off the map. Quite literally, it could not be understood. How could it not be an act of God—or the devil?

This event came to mind this fall, all too poignantly, as fires raged in northern and southern California—and again when my editor at The Wall Street Journal sent me a bottle of the Anchor Distilling Company's Old Potrero Hotaling's 11 Year Old Single Malt Rye Whiskey. This rye aged in "three once-used charred-oak barrels" is intended to commemorate the 1906 earthquake and the fire that followed, and, on a more heartening note, celebrate the rebirth of the city.

The bottle's label quotes an exuberant little rhyme, which also appears on a brass plaque on the distiller's former Jackson Street warehouse, making it probably the most enduring work by its author, Charles K. Field. It poked fun at the moralizers who saw the 1906 earthquake and fire as judgment on the city as a modern Sodom:

If, as they say, God spanked the town

For being over frisky  
Why did He burn the churches down  
And save Hotaling's whiskey?

A journalist, poet and literary man-about-town, Field was an active member of the Bohemian Club, the men-only arts club founded in 1872 by San Francisco Chronicle reporters, which has counted Ambrose Bierce, William Randolph Hearst and Richard Nixon among its members. He had

migrated west from Vermont to attend the newly established Stanford University, graduating a decade before the earthquake and becoming a booster and ready mythologizer of the school. According



F. MARTIN RAMIN/THE WALL STREET JOURNAL; ILLUSTRATION BY ANGELA SOUTHERN

to the legend on label and plaque, Field spontaneously composed the ditty after a night spent at the Berkeley faculty club shortly after the earthquake, as the guest of a professor and fellow Bohemian named Jerome B. Landfield.

In San Francisco after the earthquake, fire roared through the buckled streets for four days and nights. Lost buildings can be

counted, but lost lives, in such a conflagration, only guessed at. For years the estimate stood around 700, but likely it was three or four times that. The disaster stripped the city of its class distinctions and laid bare the shared human suffering. Half a million people, "deprived of all modern conve-

niences and necessities," had within a day or two "been relegated to conditions of primitive life," according to the U.S. Army officer in charge of relief efforts.

In the post-earthquake "Emergency Edition" of Sunset magazine, Field contributed another poem. "The Choice" was far less breezy than his rhyme about the whiskey. It describes "the Fiend" torching San Francisco with his breath, and demanding that its citizens choose between "life or treasure." They abandon their inanimate possessions in favor of rescuing their pets; in a factual footnote, the editor backed up the poem's claim that the refugees went out of their way to save

"dogs, cats, canary birds, parrots and monkeys." The poet imbues this act of love with the power to run the terrible film in reverse: Citizens are "unbereaved," and the city, just weeks after being

brought low, is "already uprising."

Did Charles Field really believe

the city was destroyed by a vengeful Fiend, as he would have it in the latter poem—or a God with a sense of humor and a taste for single malt, as in the former one? A disaster on such a scale would make anybody superstitious, make it easy to believe in a divine, hidden calculus. Did we deserve this? Either this loss, or this whiskey?

Field was friends with Dick Hotaling, another Bohemian and a

city supervisor, whose father owned the eponymous liquor company, so he likely knew full well that the warehouse was not saved by divine mercy but by the calculations of capital: thousands of barrels; tens of thousands of dollars. Men pumped seawater from a mile away for two full days, then kept going with sewer water. The warehouse survived, and the whiskey didn't explode to fuel the fire further. Several less well-connected saloon and liquor-store owners had their stocks of booze destroyed by law enforcement, and submitted claims to Congress seeking reimbursement for some 30,000 dollars' worth of alcohol poured—or perhaps, spirited—away in the name of public safety.

If any part of San Francisco could be called "over frisky," it was the area around the Hotaling warehouse. This was deep in the Barbary Coast, the notorious port district packed with bars, brothels, opium dens and dance halls. Many of its dives were killed off by the fires, but its seedy allure survived. Cleaned up just enough by those who spied an opportunity, it came roaring back a few months later. (Today the warehouse is home to two private-equity firms, an organic-food startup and an Isabel Marant store.)

What remains of all this in the glass? The Hotaling's 11 Year Old is smooth and sweet, with more of bourbon's unctuousness than rye's sting of pepper. Vanilla comes at you in a cloud, but it quickly burns itself out, leaving a little caramel, a little buttery oak. Perhaps a little char, the faintest whiff of burning. Looking for some citrus to balance it, I shook in drops of orange bitters (Angostura, better than Regan's in this instance), then tried the more complex Fee Brothers Whiskey Barrel-Aged bitters, aromatic with citrus oil and spice. One of my more adventurous fellow drinkers tried the Bitter Truth Bittermens Xocolatl Mole, which took things in the not-unpleasant direction of molasses cookies.

In the end I liked this whiskey best, aptly enough, in a rough Old Fashioned: light turbinado sugar, water and a slip of tangerine peel muddled with the Fee Brothers bitters and stirred with the rye around a big ball of ice. The fresh citrus cut through the vanilla and smoke and created a drink with a lighter heart. It dispelled, for the moment, any thoughts of disaster—surely the most important thing a good whiskey, like a good story, can do.

*Joanna Scutts is the author of "The Extra Woman: How Marjorie Hillis Led a Generation of Women to Live Alone and Like It" (Liveright).*

### SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

## Roast Lamb Chops With Brussels Sprout Slaw



**The Chef**  
Edward Lee

**His Restaurants**  
610 Magnolia and MilkWood in Louisville, Ky., Succotash in National Harbor, Md., and Succotash DC in Washington, D.C.

**What He's Known For**  
Highly personal takes on Southern dishes, often referencing the Korean cooking he grew up on

**COOKING FOR** his family has been a sort of second culinary education for chef Edward Lee. "At home you cook by feel, so dishes come out different every time," he said. "And there's something great about imperfection."

This lamb chop recipe checks a few of Mr. Lee's boxes when it comes to cooking at home: keeping mess to a minimum, reducing the ratio of time spent to flavor gained, and overall wholesomeness. With a punchy, pretty Brussels sprout-pomegranate slaw, the quick-roasting chops make a great dinner-party dish, too.

"People don't think to bake lamb

chops, but I find it easier than pan searing on the stove top, and it doesn't create a mess," said Mr. Lee. The marinade of honey, soy sauce, fish sauce, coriander and garlic caramelizes as it cooks, for a flavorful, lightly browned exterior. The shredded sprouts in the slaw retain a nice bite and the pomegranate seeds bring a pop of tartness and color.

You'll likely commit this method to memory doing it just once. After that, tweak at will, adjust the level of salty to sweet, dial up the spice or grate some other green for the slaw. The goal here is delicious, not perfect. —Kitty Greenwald

TOTAL TIME: 30 minutes SERVES: 4

4 cloves garlic, minced	4 teaspoons fresh lime juice	¼ cup pomegranate seeds
2 tablespoons honey	2 teaspoons fish sauce	3 cups finely shredded Brussels sprout leaves
1 teaspoon ground coriander	5 tablespoons olive oil	1 tablespoon rice vinegar
1 teaspoon red chile flakes	12 lamb loin chops, 1½ inches thick	Kosher salt and freshly ground black pepper

- Preheat oven to 425 degrees. Make marinade: In a medium bowl, whisk together garlic, honey, coriander, chile flakes, soy sauce, lime juice, fish sauce and 2 tablespoons olive oil. Toss lamb chops with marinade, massaging marinade into meat. Arrange chops evenly across a large sheet pan and marinate at room temperature at least 10 minutes. Roast chops until they start to brown, 5 minutes, then flip and continue roasting until medium-rare, about 6 minutes more.
- While lamb cooks, make slaw: In a medium bowl, toss pomegranate seeds with shredded Brussels sprouts. Season slaw with remaining olive oil, rice vinegar, and salt and pepper to taste, and toss to combine.
- Remove lamb chops from oven and let meat rest at least 3 minutes. Distribute chops among 4 plates, with slaw alongside. Serve immediately.



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## EATING &amp; DRINKING

# Please, Sir, I Want Some More

Oliver Twist was ahead of his time. Embracing humble porridge as a canvas for creativity, chefs are pushing the limits, too

BY ELIZABETH G. DUNN

**O**VER THE last decade-plus, Danish food entrepreneur Claus Meyer has done a very good job of promoting New Nordic Cuisine around the world. Who knew porridge would be the next big thing?

Mr. Meyer himself has been surprised to see the number of New Yorkers lining up at Grain Bar, his market stall in Grand Central Terminal, for bowls of sprouted and cracked rye, barley and freekeh, bolstered with chicken and cabbage, or tender greens and Havugus cheese. "They come for lunch and dinner even more than they do for breakfast!" Mr. Meyer said. It makes perfect sense to me: Few foods are as undeniably appealing as a warm, brothy porridge.

Simmered until soothing and spoonable, porridge is essentially a Stone Age dish, an easy way of softening cereal grains in order to access their calories. Many Americans think of it as a sweet, somewhat stodgy breakfast, but chefs across the country are liberating porridge from that pigeonhole, looking way beyond oatmeal and coming up with savory, indulgent spins.

For the heirloom grain porridge on the breakfast menu at Little Park in New York City, Chef Andrew Carmellini trades the old brown sugar and cinnamon treatment for hen of the woods mushrooms, poached eggs and pine nuts. Porridge defies its homely roots at the Morris, a bistro in San Francisco, where Gavin Schmidt

Few foods on earth are as undeniably appealing as a warm and brothy porridge.

folds Dungeness crab meat and carrot-lemongrass sauce into a creamy broken-rice cereal for a winter starter.

Savory broken-rice porridges known as congees or jooks (among many names) have long been a dietary staple throughout Asia, and chefs at restaurants all over the American culinary spectrum have taken particular inspiration from that tradition. In Cambridge, Mass., Tracy Chang updates her grandmother's congee with local grains at her Japanese tapas restaurant, Pagu. At Blackbird in Chicago, Ryan Pfeiffer includes a lobster congee with trout roe, lime, and chestnut broth as a course on his \$125 tasting menu. Jenn Louis sometimes serves savory porridges at Ray, her Israeli-inspired restaurant in Portland, Ore., and she includes a Thai-style coconut-milk rice congee in her latest cookbook, "The Book of Greens."

The surge of interest fits into a broad dietary trend embracing fiber- and antioxidant-loaded whole grains. Think of these porridges as soupy cousins to the more salady grain bowls that have become a staple of better-for-you cafés and fast-casual menus.

Jesse Schenker, chef-partner of 2 Spring in Oyster Bay, New York, further situates the porridge trend within what he sees as a prevailing appetite for simple foods. "It's becoming glaringly obvious to me that what sells is really good French fries, great pasta, pieces of good fish, pot pies and grain dishes," he said. "Trying to do more with humble ingredients like oats has really worked for me."



## Savory Oats

TOTAL TIME: 40 minutes SERVES: 2

2 cups vegetable stock	mushrooms, stemmed and sliced	wine vinegar
1 cup steel-cut oats	Kosher salt and freshly ground black pepper	
2 tablespoons extra-virgin olive oil	1 fennel bulb, cored and finely diced	1½ cups water
4 ounces shiitake	1 tablespoon red-wine vinegar	2 large eggs

1. Add stock to a medium saucpan over medium heat, and bring to a simmer. Add oats and simmer, partially covered, stirring occasionally, until oats are thick and creamy but still hold their shape, about 30 minutes.
2. Meanwhile, in a medium skillet, heat olive oil over medium heat until shimmering. Add mushrooms and fennel and cook until soft and golden, about 10 minutes. Stir in vinegar. Season with salt and pepper to taste. Remove from heat.
3. In a small saucpan, heat water over high heat until sim-
- mering, 3-4 minutes. Reduce heat to maintain a bare simmer. Crack each egg into a small bowl and gently tip into saucpan. Turn heat off and cover. Let eggs cook until whites are firm and yolk is still soft, about 4 minutes. Use a slotted spoon to lift egg from water and transfer to a plate.
4. To serve, divide oats between 2 bowls. Spoon mushrooms and fennel over porridge and top each bowl with a poached egg. Season with salt and pepper to taste.

—Adapted from Jesse Schenker of 2 Spring, Oyster Bay, N.Y.



## Barley Porridge With Chanterelles, Baby Onions and Pork

TOTAL TIME: 40 minutes SERVES: 4

½ cup pearl barley	1 cup beer	1¼ teaspoons flaky sea salt, plus more for seasoning
2 cups chicken stock or water	1¼ cups water	½ cup grated hard cheese such as aged Gouda or Grana Padano
1 cup beer	2 tablespoons unsalted butter	2 tablespoons pearl onions, quartered
1¼ teaspoons flaky sea salt, plus more for seasoning	3 tablespoons water	3 tablespoons water
½ cup grated hard cheese such as aged Gouda or Grana Padano	Freshly ground black pepper	Freshly ground black pepper
2 tablespoons pearl onions, quartered	1 tablespoon extra-virgin olive oil	1 tablespoon extra-virgin olive oil
3 tablespoons water	2 pork sausages, casings removed	2 pork sausages, casings removed
Freshly ground black pepper	3½ ounces chanterelle or maitake mushrooms, cleaned and trimmed	3½ ounces chanterelle or maitake mushrooms, cleaned and trimmed
1 tablespoon extra-virgin olive oil	2 tablespoons apple cider vinegar	2 tablespoons apple cider vinegar
2 pork sausages, casings removed	Chopped flat-leaf parsley, for garnish	Chopped flat-leaf parsley, for garnish

1. In a food processor or blender, pulse the pearl barley just until grains are reduced in size by a quarter to a half.
2. In a large saucpan over high heat, combine chicken stock, beer and salt, and bring to a boil. Add barley. Reduce heat to medium and simmer, stirring occasionally, until thick and creamy, about 40 minutes. Add grated cheese and 1 tablespoon butter, and stir until smooth.
3. While porridge cooks, in a small saucpan over medium heat, combine onions, 1 tablespoon butter and water. Season with salt and pepper. Cook until onions are tender, 4-5 minutes.
4. Heat olive oil in a medium skillet over medium-high heat. Add sausage, breaking up meat into small pieces with a wooden spoon. Add mushrooms and cook until browned, 3-4 minutes. Add sausage and mush-
- rooms to saucpan with onions. Cook, stirring, until well combined, 1 minute. Season with vinegar, salt and pepper to taste.
5. To serve, divide porridge evenly among 4 bowls. Spoon sausage and pork mixture over porridge and top with chopped parsley. Sprinkle flaky salt over top to finish.

—Adapted from "The Nordic Kitchen" by Claus Meyer

## Coconut Milk Rice Porridge With Tatsoi

ACTIVE TIME: 35 minutes TOTAL TIME: 2 hours SERVES: 4-6

1 (3-inch) piece fresh ginger, peeled and roughly chopped	plus more as needed
2 bird's eye or cayenne chiles, stemmed and halved lengthwise without separating halves (optional)	2 bird's eye or cayenne chiles, stemmed and halved lengthwise without separating halves (optional)
1 lemongrass stalk, tough outer layers removed	5 kaffir lime leaves (optional)
1 jalapeño, stemmed	2 tablespoons fish sauce
2 cloves garlic	Fine sea salt
Juice of 1 lime	4 ounces young tatsoi, mache or celery leaves
2 tablespoons palm sugar or light brown sugar	¼ cup chopped roasted peanuts
1 cup jasmine rice	2 teaspoons toasted white sesame seeds
½ (13.5-ounce) can coconut milk, shaken before opening	
3 quarts chicken or vegetable stock,	

1. Using a mortar and pestle or food processor, pulverize ginger, lemongrass, jalapeño and garlic to a chunky paste. Stir in lime juice.

2. In a 5-6 quart pot over medium-high heat, combine paste with palm sugar, rice, coconut milk, chicken stock, bird's eye chiles and kaffir lime leaves, if using. Bring to a gentle simmer then reduce heat and cook, stirring occasionally to prevent rice from sticking to bottom of pan, until rice is extremely soft, tender and breaking apart, 1½-2 hours. Add water or stock to thin to desired consistency. Discard chiles and kaffir lime leaves. Stir in fish sauce. Season with salt and more fish sauce to taste.

3. To serve, ladle porridge into bowls and top with tatsoi, peanuts and sesame seeds. Porridge can be stored in an airtight container in the refrigerator up to 1 week. Warm over medium-low heat and add enough water or stock to thin to original consistency.

—Adapted from "The Book of Greens" by Jenn Louis with Kathleen Squires

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## DESIGN &amp; DECORATING

What's Fading,  
What's Flourishing

RIP the white kitchen? Make way for metals you want to look unpolished? We polled over 100 design pros for predictions on what's trending and ending in 2018. Here's the consensus

## OUT



## Literal Nature

"Predictable [floral] prints and repeats don't add any excitement to upholstery, but they were very popular with the maximalist trend last year," said New York textile designer Michele Dopp of the bold botanicals that got tangled into the more-is-more aesthetic. Rhode Island furniture and lighting designer Asher Dunn said of classic, chintz applications, "I actually have very fond memories of the traditional floral upholstery in my grandparents' home, but florals have run their course."



## Moody Gray Hues

"It's like 'Fifty Shades of Grey' in a lot of Pinterest images," lamented Boston designer Erin Gates of the smoky-colored paint phase that once seemed cool. "Without any contrast, gray can feel tired and uninspiring," cautioned Johanna Uurasjarvi, creative director at West Elm. "We're long overdue for the return of color in décor." But will the drab habit be hard to quit? "The only gray we see standing the test of time is very subtle," said East Hampton architect Erica Broberg Smith: "Off white with a tinge of cool gray will outlast the dark and heavy trend."



## Perfect Posturing

So long, strict linearity. "There's an uncomfortable neatness that comes with hard lines that people are opting away from these days," said New York designer Tina Ramchandani, invoking the boxiness of Midcentury Modern credenzas as well as sofas with rigid cushions and unbending arms. "Everyone used to show off their overly formal living room with stringently shaped furniture that no one ever sat in. Now people think of that as unwelcoming and outdated."



## High-Polish Hardware

Spit-shined drawer pulls, faucets, and even sinks are starting to look like glaring mistakes. "Slick metals seem as though they belong in a diner with bad vinyl furniture," said Nashville designer Jonathan Savage of treated metals such as chrome and titanium, which remain impersonal and pristine no matter how often they are touched. "Rose gold faucets and shiny copper can also read as cheap and trendy," warned Boston's Ms. Gates. "Anything that looks bright and new and like it was mass produced in China yesterday is something we run away from," said interior designer Chad James, also of Nashville.



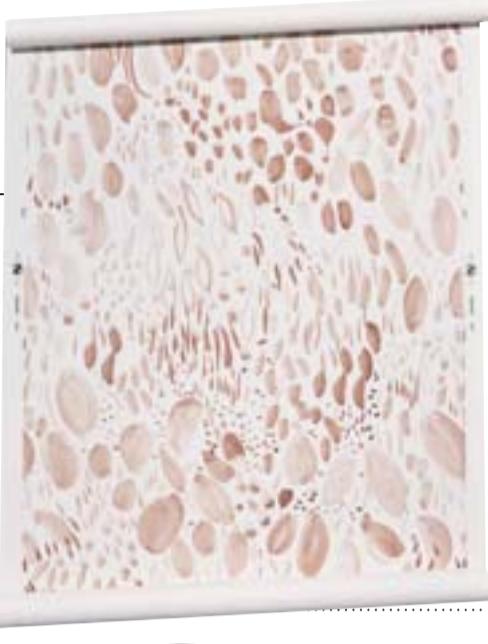
## Lab-Like Kitchens

Many of the designers we surveyed forecast a 2018 expiration date for kitchens that resemble forensic labs, heavy on stainless steel, gray or—the most overplayed tone—white. "I feel like white kitchens are so expected these days that we're just tired of seeing them," said Dallas interior designer Jean Liu. "They can also be scary, especially for families with children. From counter tops to cabinets, keeping them clean is a challenge." Conceded North Carolina designer MA Allen: "The all-white kitchen is such a classic, it's hard to say it's reached its peak, but in 2018 I think people will want a more unique look of their own."

**WHAT BETTER** way to cleanse the spirit for a new year than the roomfuls of colorful work by British artist David Hockney at New York's Metropolitan Museum of Art (until Feb. 25)? As the jumping-off point for this month's arrangement, I chose "Mr and Mrs Clark and Percy" (1970-71), one of his early double portraits. It depicts, in the intimacy of their London bedroom, Mr. Hockney's newly married friends, fashion designer Ossie Clark and textile designer Celia Birtwell, with Percy, their cat. The couple and even Percy, though ostensibly relating to each other, struck me as curiously isolated. To express that, I gathered ceramic vessels of varying heights, shapes and hues: turquoise, teal, green and a white round vase that resembled the phone on the floor. I cut a few white lilies to mimic those in the painting. I cut two more short and turned them away, a stand-in for Percy, who gazes differently out the window. A delightful mix of yellow, fuchsia and red tulips, delicate, busy yellow mimosa and branches of magenta beautyberry mingle to represent blond Celia and her dress. The green ceramic, a nod to Ossie's clothes, hold flesh-colored anemones, their dark centers alluding to his hair and judging eyes. On the surface, this vivid painting conveys peace, but beneath, it explores the human condition: Even together, we are alone.

STEPHEN KENT JOHNSON FOR THE WALL STREET JOURNAL; FLORAL STYLING BY AMY WILSON (ARRANGEMENT); © DAVID HOCKNEY; PHOTO: © TATE, LONDON 2017 (INSPIRATION)

## IN



## Distilled Flora and Fauna

Meanwhile, abstractions of nature are heating up. "Nature will always fascinate," Mr. Dunn observed, "and bio-mimicry is an intuitive next step in bringing the outdoors inside in an abstract and visceral way." Rebecca Atwood's Blooms Wallpaper, at right, exemplifies the trend, evoking nature with randomly scattered biomorphic shapes. "An all-over organic approach to pattern feels more honest than rigid patterns that you can see stop and start," said Ms. Dopp, who took a cue from stone veining for one of her recent textile designs.



## Earthy Pastels

"This year will bring more soft pastels, gentle colors that appear in nature, and oak-hued wood finishes," predicted New York Designer Ámbar Margarida. Fellow New York designer Ghislaine Viñas pointed out that these pastels aren't pure but rather have been muddled with earthier tones in the mixing process—see Benjamin Moore's Silver Marlin and Farrow and Ball's Cinder Rose and Cooking Apple Green, shown right. "We'll see mint greens mixed in with jades and sages and other combinations working off some very grounded mustard tones," she added.



## Not Broken, Just Bent

"Curvy is a natural expression of maximalism: luscious spaces, unabashed layering and sensuous shapes," said Anna Brockway, co-founder of design site Chairish, which predicted rounded furnishings for 2018. Soft lines, like those in this swerve-legged desk by Marmol Radziner for McGuire, out this spring, "feel more fluid and casual," said Ms. Ramchandani, who finds herself inspired lately by Vladimir Kagan's curvaceous sofas. "U-shaped chairs, for example, hug you, creating a cozier, more inviting space," added Houston designer Nina Magon.



## Tarnish Appreciation

"For a more relaxed, residential environment, we lean toward living metals that show someone actually lives in the home," said Mr. Savage of finishes that develop character over time, like these unlacquered-brass shower controls by Waterworks. Pale composite white bronze, which also patinates, is seeing more use. "It's richer and more substantial than nickel," said New York designer Alan Tankley. The au courant will say goodbye to stainless steel kitchen sinks and choose living metals such as copper, said San Francisco designer Grant Gibson. "There's something nostalgic about metals that have warmth and evolve with the oils of someone's hands," added Mr. James.



## Pigmented Pantries

"For 2018 we can expect to see an increase of color in kitchen designs, from the cabinetry to the sink materials," said Houston's Nina Magon, who foresees basins in granite and concrete as well as copper. U.S. companies are offering exuberantly toned enamel stoves, which have long warmed French and English kitchens. Viking, the maker of the stove in this Colorado kitchen by designer Thom Filicia, offers ranges in apple red, cobalt blue and Bordeaux. BlueStar offers appliances in 750 color options. "Kitchens are treated more like living and dining rooms," said New York designer Vanessa Deleon. Their design is following the general wave of layered eclecticism.

F. MARTIN RAMIN/THE WALL STREET JOURNAL (FABRIC, WALLPAPER, PAINT, PLANT); ERIC PIASECKI/OTTO ("IN" KITCHEN); GETTY IMAGES ("OUT" KITCHEN)

## FLOWER SCHOOL

## TOGETHER ALONE

Floral designer Lindsey Taylor riffs on the alienation in a David Hockney portrait



## THE INSPIRATION

White lilies turned away suggest the aloof kitty in David Hockney's 'Mr and Mrs Clark and Percy' (1970-71).

Vessels, designer's own

hair and judging eyes.

On the surface, this vivid painting conveys peace, but beneath, it explores the human condition: Even together, we are alone.



## THE ARRANGEMENT

# ADVENTURE & TRAVEL

## That Touch of Minca

Off-limits during Colombia's long-running guerrilla conflict, this bohemian mountain town now specializes in soft adventure

BY GABRIELLE LIPTON

**J**ONI MITCHELL's "Both Sides Now" played in my head as I watched the sunset from the Cerro Kennedy peak in Colombia's Sierra Nevada range. From one side of the mountaintop, I could see the coastal cities of Santa Marta and Barranquilla some 10,000 feet below, their orange lights blinking along the Caribbean Sea. From the other, I saw clouds spiraling through the snow-capped ridges like a pinched candle's smoke.

The view was well-earned: My friend and I spent seven hours hiking up to the peak from Minca, a small mountain town that serves as a gateway to the Sierra Nevada. We could have hired motorcycles (with drivers) to chauffeur us up and back down, but that would have meant speeding past the dozen or so waterfalls pouring down through the jungle and the orange-blossomed trees vibrating with thousands of butterflies. Besides, the gentle ascent and lack of cell service made the

Minca is shaping up as a modern bohemia for travelers who cap their sunsets with moderate partying.

long walk meditative. That night we bunked down at the bare-bones guesthouse at the peak and woke to a sunrise just as captivating.

Eleven years ago, we wouldn't have been able to get up there at all. From the mid-1990s to 2006, Minca and its surrounds were a base and battleground for the Revolutionary Armed Forces of Colombia (FARC) during the country's long-running civil conflict. Over the last decade, a Colombian military offensive led to peace talks with FARC, and an accord in 2016 has cultivated a new calm in this corner of Colombia. Yet Minca seems to have slipped onto the tourist map only within the last two years.

Venturing into the Sierra Nevada has long been difficult. Some parts are still dangerous (armed groups continue to occupy some areas), while others require permission from indigenous groups that often deny it to anyone except accredited researchers. But Minca, set in the foothills of the range, makes an increasingly comfortable base for forays into the mountains. In town, a growing number of gardened bun-

### THE LOWDOWN // PEACE, QUIET AND COFFEE IN COLOMBIA'S SIERRA NEVADA



**Getting There** Santa Marta's Simon Bolívar International Airport offers flights to and from Bogotá and Medellín. Or, from Cartagena, head east to Santa Marta via any one of the four-hour buses from the Cartagena Bus Terminal (approximately \$15). With its handful of cultural attractions, Santa Marta is worth a day or two of exploration. From there, hire a

taxis for the 45-minute drive up to Minca.

**Staying There** On the upper edge of the coffee finca La Victoria just outside Minca, the new Casa Viejas offers the nicest rooms

around, along with views of the mountains down to the ocean, hiking trails and bird watching tours. It is, however, a half-hour hike uphill from Minca's center, so if you'd rather not walk, you'll need to hitch a ride on the back of one of the motorcycle-taxis. From \$45 a night, [www.casaviejas-minca.com](http://www.casaviejas-minca.com). Sweet Harmony is set back on a

dirt road much closer to town, and offers polished-concrete minimalism and private trails leading to waterfalls. From \$55, [mincasweetharmony.com](http://mincasweetharmony.com).

**Eating There** For warm chocolate breakfast bread and hearty sandwiches to take on



A coffee roaster at Finca La Victoria.



**LUSH LIFE** From top: A hacienda in Colombia's Sierra Nevada range near Minca; the dining area at Casa Viejas, set on a historic coffee farm.

from Bogotá. Mr. Echeverri moved to Minca in 2014 to found the craft brewery Nevada Cervecería, which occupies an old Catholic church on the 125-year-old organic coffee finca La Victoria. Inside the brewery, a statue of the Virgin Mary still stands behind the metal casks holding Mr. Echeverri's three types of beers. Each one is named after a local species, such as the Happy Coca pale ale brewed with (nonnarcotic) coca leaves, a tradition carried on from the finca's original owners who used coca for bitterness in lieu of hops. It's a small operation, producing around 120,000 bottles a year, but known as some of Colombia's best beer.

Following the stream upward through the finca leads to Casa Viejas, a surprisingly chic lodge that makes a persuasive argument for green living. Less than a year old, it feels much older and blends in deliberately with the mountain scenery. The

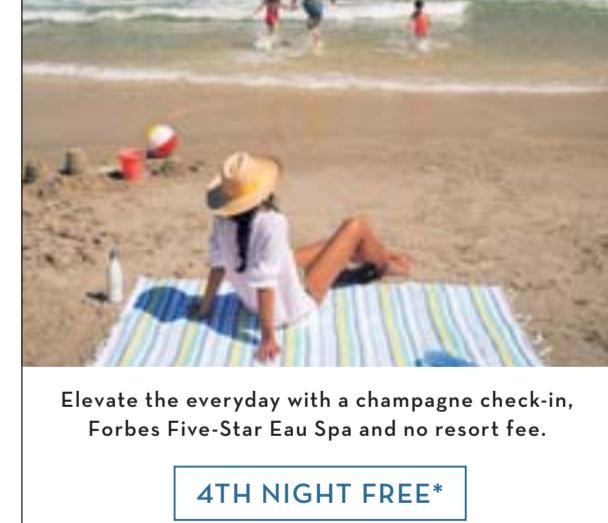


concrete floors are made from riverbed sand, the walls fashioned out of repurposed wood and cane and the gardens kept lush and wild. The shared rooms offer white hammocks comfortable enough for sleeping or twin beds draped in mosquito nets, while private quarters come with natural-stone bathrooms and, most unexpectedly, toile comforters—a reminder, along with the decent wine list, that the three owners are French.

Charline Prioult, one of the owners and a former engineer from Brittany, walked me around the property one morning, brainstorming about building a sauna and massage hut. "We came to Colombia two years ago and stayed in Minca for three months looking for a spot with water, electricity and a view," she said. "We heard a lot of stories from when the FARC were here. Now people are really happy to help with tourism. But it needs to be controlled. Minca is a sacred place. We need to preserve it."

That evening, I made my way to the sunset lookout point a short climb up from Casa Viejas. As I meandered up a winding dirt road, a dark fog set in. Fireflies appeared by the hundreds, stringing the air with flickering lights. It was even better than the sunset—and no seven-hour hike required.

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## ADVENTURE &amp; TRAVEL

TRAVELERS TALE NOVELIST LYNN FREED ON HER FIRST WILDLIFE OUTING IN SOUTH AFRICA

## A Too-Close Encounter on an African Safari



**I CAN NEVER WATCH** a nature show without thinking: Everybody's somebody's lunch. And every time it occurs to me, I find myself glad not to have to spend my life avoiding being gobbled up by something higher on the food chain.

The closest I've come to being eaten was on my first trip into the African bush. Even as a child in South Africa, I had never seen animals in the wild. My parents went; we stayed behind. But now, decades on, here I was at last.

We were seven in the Land Rover: the guide and I in front, my sister and brother-in-law behind me, and, on a raised bench at the back, an Israeli paratrooper and his wife. On a platform behind them sat the African game spotter. It was late afternoon and the sun was about to sink. The African sun does not subside gently through a dramatic sunset; it simply plunges to the horizon in about 30 minutes, sending the world quite quickly from light to dark.

It was during those 30 minutes that we were parked on a high river bank, watching a lion and two lionesses roll around on the dry riverbed. All afternoon we'd been driving around in search of game, but had seen little more than a few springbok and some birds—no sign until now of any of the Big Five (lion, leopard, rhinoceros, elephant, Cape buffalo), the Mona Lisas and Last Suppers of the bush.

We sat in silence, watching the trio laze in the last of the sun. Believe me, it can be boring watching animals not eating each other. One forgets that they have to eat at all, or what, or whom. "How long are we going to stay here?" I said to the guide. He clenched his jaw. His job was to delight us, this much I had gathered. Still, it really was boring sitting there in the chilly gloom, watching lions doing nothing much.



hardly breathing. The radio crackled on. The other guides were too far away to help, it seemed. So there we were with the night noises of the bush, a huff from the lion down on the riverbed, the arc of the spotter's light, left to right.

And then suddenly, without warning, the guide reached for the key again and the engine roared to life. Instantly, the lionesses were up, but this time he didn't back down. Still holding the rifle, he gunned the engine and plunged us precipitously down the river bank, down toward the lion. Before we reached him, the Land Rover swerved left and roared up the riv-

erbed. He unsnapped the rifle. The lionesses were up in a flash. 'We're surrounded.'

erbed. No one looked back to see if the lions were chasing us. And no one spoke, not even me.

Not until we were safely back at the camp, showered and changed and sitting around the fire as the guide took orders for drinks, did the Israeli paratrooper speak for the first time. "I have landed behind enemy lines," he said, "I have hidden all night in a tree. But never until now have I known such fear."

"Agh no," said the guide, flashing me a look that clearly said, You keep out of this—my job is on the line. "Those lions were only bluffing. They don't go for human flesh."

*Ms. Freed is the author, most recently, of "The Last Laugh" (Farrar, Straus & Giroux) and "The Romance of Elsewhere: Essays" (Counterpoint Press).*

I looked back at my sister. She was an old hand at the bush. She'd paddled down the Zambezi in a canoe, slept in tents, gone on bush treks. I'd done none of this. In my 15 years in America I'd seen nothing more menacing than a small black bear. And so, until now, I'd never really experienced the boredom of the wild except in the 8mm cinés my father had taken—lion, leopard, rhinoceros—mostly out of focus, and, very occasionally, a chase, a kill.

The light was almost gone, casting the world in silhouette. One of the lionesses stood up, stretched, glancing toward us. The

spotter turned on his flashlight. In its beam her eyes seemed to catch fire. She loped casually toward the river bank, and then was up it in a few leaps, stopping at the top to look around, about 20 feet away.

The other lioness followed, leaping the bank and settling herself on the other side of us. Then both,

as if in a ballet, sank to a crouch.

"Uma eqa, ngizomshaya," the spotter said softly. I looked back at my sister. We understood some Zulu. "Shaya" means "hit." "What's going on?" I said to the guide.

Slowly, he unsnapped the rifle from the dash. Holding it ready with one hand, he turned the key with the other. As soon as the en-

gine came to life, both lionesses were up in a flash. So, he switched it off again, reached for the walkie-talkie and pressed the button. "Ons is omring. Waar is jy?" This, too, we could understand: "We're surrounded. Where are you?"

"If one of them jumps, you duck and I'll cover you," my brother-in-law said to my sister. "And me?" I said to the guide, "What do I do?"

All we could see as the flashlight swung from one side to the other were two pairs of yellow eyes, one left, one right. The lionesses were down in the crouch again. "You must shut up!" the guide hissed.

I shrank as low as I could go,

## GEAR &amp; GADGETS

## Let the Games Begin

'New Year, new you?' Cue eye roll. Boring workouts wear thin by February, but these playful new classes— injected with competition—will bolster your resolutions



BY EMILY ABBATE

**IMPATIENT TO ESCAPE** a mundane exercise routine of running, Andrew Feigelman stepped into Throwback Fitness in Midtown Manhattan, a retro gym that aims to make workouts a game—and felt like he was stepping back through time. Beneath a poster of Schwarzenegger hulking out in his '80s action-star prime and Ferris Bueller in full recline, the New York native was greeted by a trainer decked out like

'Adults need playtime, too. Finding those slices of joy is what's important.'

a junior high Phys Ed. coach: crew cut, high socks, varsity tee, whistle around his neck. Pop music blared as Mr. Feigelman, 31, was introduced to intense variations on relay races, basketball and dodgeball inspired by the days of recess past.

The sweat session culminated in an unconventional game of basketball. Divided into two teams, players earned a shot on their opponents's basket only by completing a quick circuit of push-ups, sit-ups and mountain climbers. The 45-minute workout left Mr. Feigelman gassed—and his team victorious.

"I was sore for days," he said, masochistically content. "The actual workout was fun. The games

made me want to work out more, and I never sat in the room wondering how much time is left until this is over."

While hitting the "dreadmill" alone or listening to the same pumped-up Spin class instructor yodel commands over Beyoncé loses its charm over time, turning fitness into a competitive game helps ensure no two workouts are alike. Injecting your exercise with an element of play might help you pursue your passionate 2018 New Year's fitness resolution beyond...tomorrow.

"Adults need playtime, too," said Dr. Bonnie Marks, a psychologist at NYU Langone Health. "The kind of intensity that these classes offer gets your endorphins going. And as a result, they can help reduce stress, lower blood pressure and potentially reduce your risk for heart disease. Finding those slices of joy is what's important."

About 50 blocks and a generation away from Throwback's analog workouts, the recreation center Asphalt Green offers "AG6," a heart-pumping, high-tech experience with stations designed to make participants feel immersed in a videogame. Under blacklight, Spandex-clad weekend warriors high-five, stomp and slam medicine balls against glowing dots as they move across a life-size game board, advancing from one exercise to the next.

And at more than 500 locations across the country, running fanatics can jog into an OrangeTheory for

the chance to race competitive classmates and best personal records in treadmill sprints. Between intervals, members steal glances at an overhead leaderboard as it constantly updates their "splat points"—earned by spending time in the heart rate zone where the most calories are burned.

That desire for competition with a side of sweat can make you work harder to attain an ever-evolving set of goals. In 2016, researchers from the University of Pennsylvania found that contests encourage a higher participation rate than solo pursuits, where your only companion is a smart-watch indifferently blinking out your stats. In an 11-week study of nearly 800 people, those motivated by competitive classes exercised 90% more than those sweating it out alone. Such classes seem

even more appealing when you consider that about 92% of people never see their New Year's resolutions through according to research from the University of Scranton, while gyms continue to make millions off those who sign up in January, go twice and never return.

"Competition shifts the main objective from the more obscure goal of general fitness to a simple one: Get more points now," said Dr. Don Vaughn, a neuroscience postdoctoral fellow at UCLA. Gamification helps us transcend our "impatient biology," Dr. Vaughn said, by giving us short-term highs—win or lose—that keep us motivated and determined to chase long-term fitness goals.

Gaming your workouts can make them feel less like a chore and more like something to look

forward to. And it seems the trend isn't about to exhaust itself anytime soon. According to a review by Brigham Young University, more health apps than ever in the Apple store offer elements of play. Take Spar, an app that lets users challenge friends to athletic feats for a pot of cash; winner takes all.

As bored fitness seekers continue to patronize boutique studios to get their play fix, demand for instructors is growing. Throwback co-founders Ryan Wilke and Brian Gallagher recently partnered with the National Academy of Sports Medicine to create a certification course for anyone hoping to teach Throwback's method—one that hasn't yet gotten old for Mr. Feigelman. "The class helped people bond while working as hard as possible," he said. "That's what kept me going back for more."

## MAKING FUN OF FITNESS // WORKOUTS THAT EXEMPLIFY THE 'GAMIFICATION' TREND

**Brooklyn Boulders**  
New York

Augmented reality and indoor climbing are married in an experience called Time Trial, in which challengers chalk up, jump on the wall, and aim to beat the clock as they slap virtual targets on their way to the top. \$32/day pass, [brooklynboulders.com](http://brooklynboulders.com)

**LazRfit**  
Los Angeles

This laser-tag-inspired class starts with a dynamic warm-up followed by two rounds of play. Class-goers wear special vests and guns while weaving between wooden obstacles and exploiting hiding spots in pursuit of one another. \$29/class, [lazrfit.com](http://lazrfit.com)

**SoccerShape**  
Miami

Founded by soccer pros, this class combines strength training and cardio with fun, challenging drills. Leave your shin guards at home and prepare to get sweaty—most classes are held outside at local Miami parks and beaches. \$20, [soccershape.org](http://soccershape.org)



The incline at Brooklyn Boulders.

## TECH NOSTALGIA

## FLASHBACK

New fixed-lens cameras recall the simple charmers of the past

THEN



NOW



**SHOOTOUT** How does a state-of-the-art Fujifilm X100F (right) stack up against mom's 1970s-era Olympus Pen?

**MODERN CAMERAS**, data storage and software allow you to immortalize pretty much any situation in any configuration, nearly infinitely. Even the pros didn't have all that 20 years ago.

The digital age has spoiled us to the point that the options seem overwhelming. A versatile single-lens reflex (SLR) camera with an arsenal of lenses is downright affordable, turning everyone into an ace

overnight. Still, my best pictures are almost always those taken using the simplest, most practical means, something that dates back to my childhood when my mom gave me her 1970s Olympus Pen—a sleek,

impossibly sturdy compact with a fixed-length 28mm lens. It had no zoom, no frills, no laissez-faire "point and shoot" mode that leaves it up to the camera to figure things out. A fixed lens forces you to be intentional—to move in to capture what you want.

My mom took it everywhere, from the Loire Valley of France, to Skid Row in downtown Los Angeles, shooting sharp, gorgeous images of châteaux and vagrants. It was all the camera she ever needed until it stopped working. "I thought it was special," she told me. I kept it on a shelf and always considered getting it fixed, but it seemed like too much effort.

Then I didn't have to. Legendary brands like Leica, Olympus, and Pentax have now released digital cameras that overtly recall their analog ancestors—both in solid design and the way they work. Of these, the Fujifilm X100F, the latest iteration in a cultishly beloved series, caught my eye. Like my mom's Pen, it's built like a tank—substantial in the hand but slim enough to fit in a pocket. Its gleaming silver magnesium-alloy body with a black, finely textured grip is

just cool. If you're going to wear a camera around your neck, after all, it might as well be handsome.

But the X100F is more than that. As I played with it, quickly snapping photos that got the most out of it, the camera became second nature. Every knob and dial clicked noiselessly into place, a sign that it had done its job. Manual focus and aperture rings offered total control, while auto mode was equally satisfying when I felt too lazy to live in the past. The Acros mode successfully simulated the richness of black-and-white film and the 35mm view made me more thoughtful about compositions.

After carrying it for a full day, from home to a museum and finally a neighborhood cocktail bar where I kneeled on the hardwood floor to snap an insanely cute pit bull named Pat Benatar (studded collar and all), I had trouble putting it down. Given its limitations, the X100F is not for everyone. But for a certain kind of person who wants to do one thing exactly right, while still exploiting the convenience of digital, it's nearly perfect. It's all the camera I need. \$1,299, [fujifilm.com](http://fujifilm.com)

—Paul Schrot

## GEAR &amp; GADGETS

**POWERED UP, GOING NOWHERE** America's top-selling plug-in hybrid can only travel about 25 miles on battery-power alone.



TOYOTA

RUMBLE SEAT DAN NEIL

## 2017 Prius Prime: The 3,375 Pound Weakling

**DID MOZART** ever write a clunker? Did Jerry Rice ever drop a pass? Of course they did, and, by the way, Mozart was absolute crap on crossing routes.

Likewise, Toyota has a glorious history of car design in which the Prius Prime (\$34,189, as tested) plays no part. This plug-in version of the beloved Prius hybrid has a Samsonite-sized battery tucked in its bum, which allows it to move on electrons alone for up to 25 miles before it must summon the chthonic forces of its 1.8-liter, 95-hp inline four.

That makes the Prius Prime a plug-in hybrid electric vehicle, or PHEV, like the Chevrolet Volt, except that the Toyota isn't a patch on the Chevy. Let me count the ways: The Prime has only four seats to the Volt's five; the Volt is peppy and fun to drive, while the Prime feels like it's towing Noah's Ark; and, critically, the Prime's all-electric range is less than half that of the Volt—my observed average was closer to 16 miles.

Toyota took a halfhearted swing at PHEV with its previous generation Prius, using a barely-there 4.4 kWh battery providing an official range of 11 miles. The 2017 Prius Prime, with a new name to go with its bad-acid styling, roughly doubles those capacities, and yet it's nowhere near enough. From its torpid performance to its fretful user experience—watching your EV range evaporate like spilled ether anytime you touch the accelerator—the Prime seems to be less an endorsement of PHEV than a repudiation.

What follows represents a change of heart: Being an advocate for vehicle electrification, I have regarded PHEV to be practical transitional technology in the next decade. After all, a large majority of car owners in the U.S. drive fewer than 30 miles a day. A PHEV

allows them to drive some or all of their commutes on electric power; should the day take them further, the gas-powered engine can take over. No range anxiety.

But the best use of these machines depends on the human equation. With the Prime that meant faithful, once or even twice-daily charging at my Level 2 home charger (about 2 hours at 240V) in order to keep it in its electric happy place. Sure, within this

The Prime's problem is fundamentally one of packaging, which is a pretty way to say the battery is too small to do any good.

brief, blessed window, the Prime is extremely efficient, with an EPA-rated fuel economy of 133 mpg-e (gas and electric equivalent). But beyond these easily exceeded limits, it reverts to just another Prius, albeit one lugging around 300 pounds of dead weight.

Five years ago, I regarded the frequent charging required by PHEVs to be a reasonable expectation of consumer behavior. But after testing a dozen plug-in-capable cars I realize how easy it is to fall behind on charging and how bothersome it can be. In my experience the threshold of aggravation is around 40 miles of EV range. In cars with less EV range—like that BMW i8—I experience a microcosmic version of range anxiety.

Moreover, this complicated

technology—requiring not one but two power sources on board, gas and electric, with all the cost and maintenance of both—seems destined to be pushed aside by long-range battery-electric vehicles.

Consider the case of Chevrolet's Volt and Bolt: The former, a beautifully engineered PHEV sedan with real-car performance and a practical EV range of 53 miles, has sustained respectable sales since 2011, despite historically low gas prices. But as soon as the all-electric Chevy Bolt (238 miles range) hit showrooms in 2017, it started devouring Volt sales. In November Bolt outsold Volt nearly 2-to-1.

The Chevy case should worry carmakers counting on PHEVs to ease or delay their transition to electrification. If consumers have a better option, they will take it.

The Prime's problem is fundamentally one of packaging, which is a pretty way to say the battery is too small to do any good. The Prime, like its siblings, is built on Toyota's New Generation Vehicle Architecture rather than a dedicated platform. This cost-saving decision constrained the space and configuration available to the batteries. As it is, the Prime's lithium-ion pack consumes nearly 5 more cubic feet of cargo space than a standard Prius, as well as the rear-center seat position.

In a 3,375-pound car (300 pounds more than standard Prius) that juice doesn't take you very far or very fast. In EV mode the Prime accelerates to 60 mph in a shockingly deliberate 12 seconds. In hybrid mode (121 hp system net), it's a bit quicker—10.2 seconds. These full-throttle exertions fill the cabin with the keening of engine, motors, transmission and power electronics, a chamber orchestra of mechanical lament. Oof. That will lighten your foot.

But you're probably wondering about the styling. Yeah. One hemisphere of my brain celebrates the rationalism of the Prius form. The car's low snout, high scuttle, raked windscreens and roof peak directly over the front seats are all beauti-

ful in the eyes of the wind tunnel. Following the laminar flow across the roof, we encounter the Prius Prime's signal flourish: the contoured glass in the hatch flaring to meet the curved wing of the decklid spoiler/tail-light assembly, encrusted with ruby LED's. It all contributes to the Prius Prime's excellent 0.25 coefficient of drag.

The other side of my brain can't believe what I'm thinking. What a scow. The Prime looks like erotic disappointment in gel-cap form.

To its credit, Toyota never really wanted to build a plug-in Prius. This story goes back to 2003 and the release of its second-generation Prius, the hybrid that changed the world. It was so good, the hybrid mechanism so robust, that EV enthusiasts wondered why

it couldn't have a bigger battery? That way the car could provide limited all-electric range and only then, if necessary, turn on the gas.

Ron Greban, of the advocacy group CalCars, built the first proof-of-concept Prius PHEV conversion in 2004 using technology from EnergyCS in Monrovia, Ca.

Toyota's engineers (and lawyers) weren't amused by people hacking the Prius, I recall, and were dismissive of PHEV technology. The company argued that the return on investment wasn't there, given the added cost, complication and weight, all to eke out a few miles of EV range that would never pay for itself. The Prius was already remarkably efficient.

The Prime only proves how right they were.



## 2017 TOYOTA PRIUS PRIME ADVANCED

**Base Price** \$27,995**Price, as Tested** \$34,189**Powertrain** Gas-electric hybrid system: naturally aspirated 1.8-liter DOHC inline four cylinder with variable valve control and automatic stop/start; front wheel drive; continuously variable transmission**System Net Power** 121 hp**Length/Width/Height/Wheelbase** 182.9/69.3/57.9/106.3 inches**Curb Weight** 3,375**0-60 mph** 10.2 seconds**EPA Fuel Economy** 133 mpg-e**EV Mode Range** 25 miles**Cargo Capacity** 19.8 cubic feet

## BOOKSHELF

## TIMELY READS TO HELP YOU GET AHEAD IN 2018

Why a perfectly timed marriage has better odds of skirting divorce—and other geeky observations on the tick, tick, tick that heals all wounds

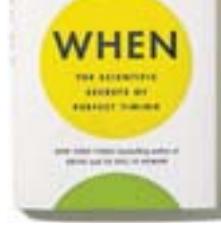
**Why Time Flies: A Mostly Scientific Investigation**

By Alan Burdick

**Elevator pitch** Ever wondered why time seems to move so fast? In this witty, relatable exploration, New Yorker writer Alan Burdick probes for scientific answers but settles for the philosophical: Time is an enigma even the brightest of us may never comprehend. Still, he gives us reason to think deeply about how this precious resource tick away.

**Very brief excerpt** "The most commonly used noun in American English is time. But if you ask a scientist who studies time to explain what time is, he or she invariably will turn the question on you: 'What do you mean by time?'"

**Surprising factoid** Every country has a "master clock" at the International Bureau of Weights and Measures in Paris. Some clocks don't exactly agree, but these discrepancies are a matter of a few nanoseconds—or billionths of a second.

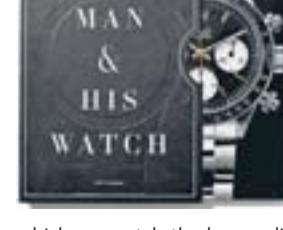
**When: The Scientific Secrets of Perfect Timing**

By Daniel H. Pink

**Elevator pitch** Minutes are precious—and easier than ever to waste. Daniel H. Pink's deeply researched but never boring study could be a turning point. College students and business managers alike may find new ways to organize their schedules and ease difficult decisions by using the "hidden pattern" of time to their advantage.

**Very brief excerpt** "Our lives present a never-ending stream of when decisions—when to change careers, deliver bad news...or get serious about a project or person. But most of these decisions emanate from a steamy bog of intuition and guesswork."

**Surprising factoid** Someone who gets married at 25 years old is 11 percent less likely to get divorced than someone married at age 24. But after age 32, the odds of divorce increase by 5 percent each year "for at least the next decade."

**A Man and His Watch**

By Matthew Hranek

**Elevator pitch** From the \$40 Casio G-Shock worn for decades by sculptor Tom Sachs to the Rolex Daytona that Paul Newman wore behind the wheel (on which his wife inscribed the warning "Drive Slowly"), Matthew Hranek reminds us that timepieces are more than just instruments with

which we watch the hours slip by; each has its own tale.

**Very brief excerpt** "I used to cut out my favorite watches from magazines, tape them around my wrist, and wear them in the privacy of my own room. With a little imagination I could have any watch I wanted—as long as I could find a picture of it."

**Surprising factoid** One of the modest watches featured, a glow-in-the-dark Timex, was given to a Hollywood maître d' by Bill Murray (from his own wrist) when he noticed the man's classic Baume & Mercier watch was "no good in the dark." —Jason Diamond