

## My 10-Year Odyssey Through The Housing Crisis

REVIEW

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# THE WALL STREET JOURNAL. WSJ.



JESSICA CHASTAIN  
WSJ. MAGAZINE

WEEKEND

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## What's News

World-Wide

Trump addressed world leaders at Davos, saying the U.S. is "open for business" and interested in partnering with other nations. A1

◆ The president said his administration was open to joining a new version of the Pacific Rim trade bloc. A6

◆ A U.S. trade panel rejected a Boeing complaint against Bombardier, effectively blocking a Trump administration tariff proposal. A3

◆ Trump's legal team has been studying a court ruling that could be the basis for delaying, limiting or avoiding an interview with Mueller. A4

◆ Schools have closed in at least 11 states as the worst flu epidemic in nearly a decade intensifies. A1

◆ The Saudi crown prince has moved detained members of the elite from a hotel to prison as he steps up pressure for payments. A7

◆ Turkey is threatening to attack the Syrian city of Manbij, which Kurdish-led forces seized from Islamic State over a year ago. A9

◆ The EPA is maintaining restrictions on the Pebble Mine in southwest Alaska, in an unexpected reversal. A2

### Business & Finance

◆ The U.S. said economic output remained on an above-trend path in the fourth quarter, with GDP growing at a 2.6% annual rate. A1

◆ Stocks extended their rally and the dollar resumed its slide. The Dow advanced 223.92 points to 26616.71. B10

◆ Discount brokerages reported surges in client activity at the end of 2017 that have accelerated in January. B1

◆ Dozens of people interviewed by The Wall Street Journal recounted a pattern of sexual misconduct by Las Vegas mogul Steve Wynn. A1

◆ China's central bank is looking to rein in the yuan, which has risen 3% against the dollar this month. B1

◆ Outcome Health said it is replacing founder Rishi Shah as CEO and agreed to settle a suit brought by investors. B3

◆ Aramco is building a refining empire, a major shift for the Saudi oil giant. B1

◆ Cryptocurrency exchange Coincheck said it lost over a half-billion dollars in customer assets in a hack. B5

◆ The deaths of Apotex's founder and his wife are being probed as homicides. B2

◆ Staples named a veteran Coca-Cola executive to replace CEO Goodman. B4

## Inside NOONAN A13

Who's Afraid of Jordan Peterson?

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## Trump Dials Back in Davos

President portrays U.S. as willing trade partner at forum skeptical of his nationalist stance

By REBECCA BALHAUS AND PETER NICHOLAS

DAVOS, Switzerland—President Donald Trump told a gathering of government and business leaders that "America First" does not mean America alone," striking a largely conciliatory tone after what have at times been strained relations between the U.S. and its key global allies and trading partners.

"I am here today to represent the interests of the American people, and to affirm America's friendship and partnership in building a better world," Mr. Trump told a packed hall of about 1,600 at the World Economic Forum. He talked up the U.S. economy and said there "has never been a better time" for business to invest in the country.

Mr. Trump's brand of nationalism, especially on trade—the U.S. slapped tariffs on washing-machine and solar-panel imports this week and is renegotiating two key trade pacts—is at odds with the free-trade globalism espoused

Please see DAVOS page A6

◆ President shifts on Pacific trade pact he scorned..... A6

◆ Boeing is dealt bruising defeat in Bombardier fight..... A3



'America first does not mean America alone,' President Donald Trump told the crowd of about 1,600.

EVAN VUCCI/ASSOCIATED PRESS

## Wynn Accused of Sexual Misconduct

Interviews with employees and others describe CEO who pressured workers to perform sex acts

By Alexandra Berzon, Chris Kirkham, Elizabeth Bernstein and Kate O'Keeffe

according to people she gave the account to. The manicurist said she told Mr. Wynn she didn't want to have sex and was married, but he persisted in his demands that she do so, and ultimately she did disrobe and they had sex, the people remember her saying.

After being told of the allegations, the woman's supervisor said she filed a

detailed report to the casino's human-resources department recounting the episode.

Mr. Wynn later paid the manicurist a \$7.5 million settlement, according to people familiar with the matter.

The incident was referenced, in broad terms, in a lawsuit in which Mr. Wynn's ex-wife, Elaine Wynn, seeks to lift restrictions on the sale of her stock in Wynn Resorts Ltd. Attorneys for Mr. Wynn in a court filing admitted he made the personal payment; in a later hearing,

Please see WYNN page A10

## Antidote for a Distracted Age: Long Ads Where Nothing Happens

Latest entry is a 66-minute film of a wash cycle; 'I was starting to fall asleep'

By TIMOTHY W. MARTIN AND STU WOO

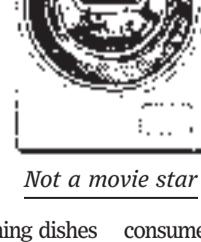
LONDON—After just 15 minutes, Samsung Electronics Co.'s debut feature film was already a drag. A young couple stood up and exited the theater.

"Washing Machine: The Feature Film" premiered recently at the Empire Theatre in London's glitzy Leicester Square. It is a 66-minute shot of a load of laundry being washed.

"We are unlikely to win any film awards," Samsung said.

Swedish retailer IKEA, in an online series last year called "Irresistible Pointless TrueView Ads," featured a teenager washing dishes and a young couple watching TV. Scotch distiller Lagavulin made a video of actor Nick Offerman taking eight sips of whisky over the course of an hour.

In September, a meditation-app company called Calm premiered a film, "Baa Baa Land," in which sheep graze in a field.



Not a movie star

## A Michelin-Starred Farewell for French Chef



KITCHEN SALUTE: Hundreds of chefs from around the world gathered at the Saint-Jean Cathedral in Lyon, France, Friday for the funeral of 91-year-old Paul Bocuse, the 'pope' of French cuisine. A7

## Schools Close as Flu Spreads

Schools in at least 11 states have closed as the worst flu epidemic in nearly a decade intensifies.

By Tawnell D. Hobbs, Sarah Toy and Betsy McKay

The dominant strain of flu this season, H3N2, known for being particularly virulent, has resulted in the deaths of at least 37 children and is ex-

pected to cause more as the epidemic persists several more weeks, the Centers for Disease Control and Prevention projected on Friday.

Seven children died this week, authorities said. Hospitalizations, a predictor of the death rate, rose to 41.9 people per 100,000, up from 36.9 the week before.

An estimated total number of deaths due to the flu won't be available until next season,

Please see FLU page A4

Please see FLU page A4

## U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

## Add One Taxing Situation to Your Virtual Cart



Are you a tax cheat? If you shop online, there's a good chance you have evaded taxes that perhaps you didn't even know were due.

Thanks to a U.S. Supreme Court decision that predates the boom in e-commerce, retailers with no physical presence in a state aren't required to collect its sales tax.

This month, the court agreed to hear South Dakota's argument to overturn that rule. But, for now, another tax is due, and consumers are supposed to pay it.

It's called a use tax, and it's applied to purchases made outside a shopper's state of residence on taxable merchandise that will be used, stored or consumed in the state of residence and on which no tax was collected at the point of sale.

For example, a New York City resident who goes online to order a premium set of golf clubs for \$2,000 from another state would owe approximately \$177 in New York state and local use taxes.

"What states did was say we can't impose a sales tax

on interstate transactions, but we can impose a use tax on the use of that item in our state," said John Swain, a law professor at the University of Arizona.

Use taxes, applied at the same rate as sales tax, are due on both business-to-business transactions, which account for roughly 85% of e-commerce sales, and business-to-consumer sales, which account for the remaining 15%.

Businesses, whose books are audited, tend to pay the tax. But individuals generally don't, leaving states increasingly short of money as e-commerce grows.

In 2012, an estimated \$11.4 billion in e-commerce use taxes went uncollected, according to William F. Fox, director of the Boyd Center for Business and Economic Research at the University of Tennessee, Knoxville. In 2015, the estimate increased to \$17.4 billion.

The mechanism for collecting use taxes varies, but 27 states, including New York, North Carolina, Kansas and California, include a line on their income-tax forms to report it.

Most states agree that en-



SCOTT OLSON/GETTY IMAGES

**The issue of paying taxes on online purchases is set to come before the Supreme Court. Above, an Amazon facility in Illinois.**

forcing a use tax on individuals is virtually impossible, and the states that attempt to collect the money through income-tax forms have found the response disappointing.

About 1.9% of taxpayers on average reported use tax on state income-tax returns in 2012, according to research by the Minnesota House of Representatives.

New York had the largest

collection, with \$33.5 million, and it also had a relatively high participation rate among individuals, with 4.3% of all income-tax returns reporting use-tax liability.

The 45 states that charge sales and use taxes would prefer to require online retailers and catalog companies to collect the taxes when a sale is made.

But because of the complexity of administering dif-

ferent state sales-tax laws, the Supreme Court—most recently in *Quill Corp. v. Heitkamp* in 1992—has opted not to require remote sellers to collect the taxes, deeming it an undue burden on interstate commerce.

Since the *Quill* ruling, 24 states have banded together to simplify tax collections with the goal of convincing Congress to compel remote vendors to collect the taxes.

They may be getting closer to their goal.

In 2015, Supreme Court Justice Anthony Kennedy invited states to craft legal challenges that would allow the high court to re-examine the *Quill* decision.

South Dakota was the first to oblige.

States worry about revenue lost to unpaid use taxes because it means they have less to spend on services and infrastructure and, they argue, waiving the tax for remote sellers gives them an unfair advantage over bricks-and-mortar stores.

"E-tailers love it," said LeAnn Luna, an accounting professor at the University of Tennessee. "It makes their product cheaper."

Over the past two years, Amazon began collecting sales and use taxes in the 45

states with a statewide sales tax, but only for sales made by Amazon, not those by third-party sellers on Amazon. (Amazon's warehouses, bricks-and-mortar stores and its recent purchase of Whole Foods would have given it a physical presence in states, which would have compelled it to collect taxes in those locales, anyway.)

Amazon's shift provided an opportunity for researchers to examine the difference in consumer behavior before and after the website began collecting the taxes.

Researchers at the University of Nebraska and Ohio State University analyzed transactions in 19 states that implemented the Amazon tax from 2012 through May 2015.

They found that Amazon purchases declined by 9.4% after the website began taxing online purchases. The effect was greater for purchases of at least \$250, with an estimated reduction of 29.1%.

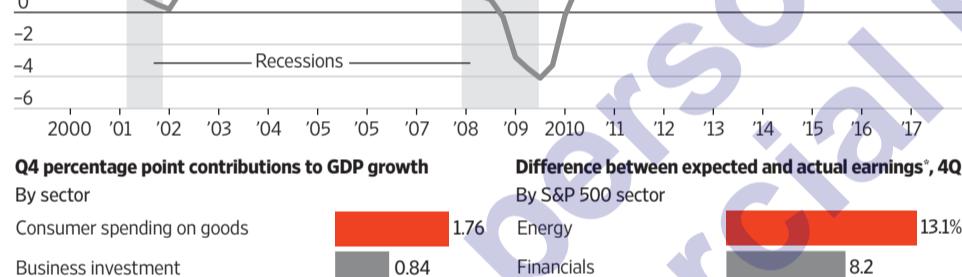
If the Supreme Court rules in favor of South Dakota, many more of us will be paying use taxes on our remote purchases—but without being asked to do it on our own.

## GDP

## Second Wind

The economy is accelerating deep into its eighth-year expansion, propelled by consumer spending and business investment, developments that are swelling profits for U.S. companies.

**Change in GDP from the same quarter a year earlier**



**Q4 percentage point contributions to GDP growth**

By sector

Consumer spending on goods

Business investment

Consumer spending on services

Residential investment

State and local govt. spending

Federal govt. spending

Change in private inventories

Net trade

**Difference between expected and actual earnings\*, 4Q**

By S&P 500 sector

Energy

Financials

Utilities

Industrials

Real Estate

S&P 500

Consumer staples

Consumer discretionary

\*For companies that have reported so far

Sources: Commerce Department (GDP, contributions); FactSet (earnings)

4Q: 2.5%

By S&P 500 sector

Energy

Financials

Utilities

Industrials

Real Estate

S&P 500

Consumer staples

Consumer discretionary

13.1%

8.2

7.5

6.5

5.5

4.5

3.0

1.5

1.76

0.84

0.82

0.42

0.28

0.23

-0.67

-1.13

THE WALL STREET JOURNAL.

quarterly results, and out of those, 77% beat earnings-per-share expectations, more than usual. The current growth rate for earnings compared with last year is 12.3%.

Firms that earlier in the expansion focused on boosting payrolls while labor was cheap now appear to be renewing investment in facilities and equipment. Investment in business equipment expanded at an 11.4% annual rate in the fourth quarter after a 10.8% growth rate in the third, the best six-month stretch since a burst of activity in mid-2014, Friday's economic-output report showed.

While they were investing more, businesses pared back their inventories in the fourth quarter, which helped to reduce output. Inventory rebuilding could boost output in the months to come.

Consumers are driving growth, too. Consumer spending rose at a 3.8% rate in the period, a pace last exceeded in late 2014. Spending on long-lasting items known as durable goods rose at a 14.2% rate, the fastest pace since 2009.

David Alter, 34 years old, spent much of the past decade building his savings and investing in stocks. In December, he bought a car and a second home, in Orlando, Fla., where he just started a job as a technology manager for a major theme-park company.

He said the new job coupled with a big rise in technology stocks he owns gave him the confidence he needed to take on a second mortgage, a fixer-upper for which he just bought a new heating and ventilation system.

"I feel very good on how things are performing," he said of the economy. "But it does

make me worry like when that's going to stop. It can't ride up forever."

There are other reasons for caution. A chunk of the fourth quarter's growth likely reflected a temporary boost in spending related to a pair of hurricanes that ripped through Texas and Florida last summer. Spending that was halted by the storms—such as restaurant visits by consumers and construction—was pushed back. Likewise the storms spurred a temporary boost in spending on repairs and replacement items, like cars.

Meantime, the global upswing is a two-edged sword for the U.S. Exports are rising, but so are imports. So while con-

*'It is unusual to see what looks to be a strong acceleration this late in the cycle.'*

sumer spending is rising, many of the goods Americans are buying are being produced abroad. That runs against Mr. Trump's "America First" agenda.

A widening trade deficit subtracted more than a percentage point from growth in the fourth quarter, the Commerce Department said. Some of that reading may have been skewed by goods piling up outside of ports during the storms. Still, with the dollar weakening and exports getting cheaper, the U.S. trade position ought to be improving rather than getting worse.

—Andrew Tangel contributed to this article

## U.S. WATCH

## CALIFORNIA

## DEATH PENALTY

## State Makes Push on

## Zero-Emission Cars

## Supreme Court Halts

## Alabama Execution

The Supreme Court stopped Alabama from executing an inmate sentenced to die by a judge who overrode a jury finding that life imprisonment was the appropriate punishment.

Vernon Madison, 67 years old, was to die by lethal injection at 6 p.m. Thursday for the 1985 murder of Cpl. Julius Schulte, a Mobile, Ala., police officer. The jury that convicted him in 1994 voted for a life sentence.

Judicial overrides have come into conflict with Supreme Court doctrine reserving for juries the power to impose death. In 2016, the court struck down Florida's judicial override provision.

"Executing a fragile, disabled man with dementia is unnecessary and cruel," said Mr. Madison's lawyer, Bryan Stevenson. Alabama Attorney General Steve Marshall said the state will continue to pursue Mr. Madison's execution.

Jess Bravin

Shelving manufacturer B-O-F

## EPA Is Reversing Course

## On Pebble Mine in Alaska

By TIMOTHY PUKO

The U.S. Environmental Protection Agency is maintaining restrictions on the Pebble Mine in southwest Alaska, an unexpected reversal of what had been strong Trump administration support for one of the world's biggest mining projects.

The administration had taken steps last summer to withdraw restrictions—advanced by Mr. Trump's Democratic predecessor—on development of the site. Friday's decision suspends that withdrawal, putting in limbo a permitting process that developers had been hoping would get fast-tracked under a GOP administration that has emphasized the need to help mining, drilling and manufacturing operations.

The EPA has decided, for now, to agree with a decision by former President Barack Obama's administration that a major wild salmon spawning area—and the Native Alaskan

communities that depend on them—merit special protection from the development.

"Any mining projects in the region likely pose a risk to the abundant natural resources that exist there," EPA Administrator Scott Pruitt said. "Until we know the full extent of that risk, those natural resources and world-class fisheries deserve the utmost protection."

The announcement is the latest blow to Vancouver-based Northern Dynasty Minerals Ltd. and its project in the Bristol Bay area. Officials at the Pebble Limited Partnership, Northern Dynasty's wholly owned subsidiary, said it would still proceed through the permitting process.

"The news does not change our approach," said Tom Collier, the company's chief executive in a statement. "We believe we can demonstrate that we can responsibly construct and operate a mine at the Pebble Deposit that meets Alaska's high environmental standards."

## CORRECTIONS &amp; AMPLIFICATIONS

## Gap Inc. reported in January

2017 that same-store sales rose at its Gap and Old Navy stores during the 2016 holiday season. A Life & Arts article

on Thursday about the clothing retailer's new ad campaign incorrectly said the sales figures were reported this month.

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.

## THE WALL

## U.S. NEWS

# Trump Team Seeks Leverage on Testimony

President Donald Trump's legal team has been studying a 1990s federal court ruling that could be the basis for delaying, limiting or avoiding an interview with special counsel Robert Mueller, who is head-

*By Del Quentin  
Wilber, Peter Nicholas  
and Michael C. Bender*

ing an investigation into Russian interference in the 2016 election, according to people familiar with the matter.

Mr. Trump this week told reporters he was "looking forward" to speaking to the special counsel's office, which has already interviewed more than 20 members of his White House staff.

"I would love to do it, and I would like to do it as soon as possible," the president said.

Yet he also said that any decision about testifying before prosecutors looking into possible obstruction of justice on his part would be "subject to my lawyers," whose interest is to spare Mr. Trump any legal jeopardy.

Mr. Mueller's investigation is looking into whether the Trump campaign colluded with Moscow during the campaign and whether the president obstructed justice when he fired former FBI Director James Comey, who initiated the probe.

Mr. Trump has denied both accusations, and Russia has said it didn't meddle in the campaign.

Granting Mr. Mueller an interview poses legal risks that some people close to the president find unacceptable. The 1997 case potentially gives Mr. Trump some leverage.

In that case, a federal ap-



ANDREW HARNIK/ASSOCIATED PRESS

**Special counsel Robert Mueller could face restrictions on an interview with President Donald Trump due to a 1990s court ruling.**

peals court ruled that presidents and their closest advisers enjoy protections against having to disclose information about their decision-making process or official actions.

The court ruled that prosecutors hoping to overcome arguments of executive and presidential privilege must show that such information contains "important evidence" that isn't available elsewhere.

A central piece of Mr. Mueller's inquiry is Mr. Trump's decision in May to fire Mr. Comey.

The Mueller team is examining whether the action

amounted to obstruction of justice, a finding that could touch off impeachment proceedings.

Legal scholars said that Mr. Trump's lawyers could invoke the 1997 case to obtain more favorable terms of any voluntary interview Mr. Trump gives, because a court fight over an interview or grand jury testimony could take months to resolve.

The president has taken shifting positions on the investigation. He has denounced it as a "witch hunt" and a "hoax," but also said he believes Mr. Mueller will treat

him fairly.

In June, Mr. Trump privately wanted to fire Mr. Mueller, though he backed off when his top White House lawyer, Don McGahn, raised objections, one person familiar with the matter said.

Asked about that episode, first reported by the New York Times, Mr. Trump said: "Fake news. Fake news," as he arrived in the World Economic Forum on Friday morning in Davos, Switzerland.

Others said that Mr. Trump never seriously considered dismissing Mr. Mueller. Though Mr. Trump privately

raised concerns about what he saw as conflicts of interest on Mr. Mueller's part, one former White House aide said he recognized that ousting the special prosecutor would backfire politically.

Mr. Trump has said that Mr. Mueller's conflicts include a friendship with Mr. Comey and Mr. Mueller's interest in succeeding him as Federal Bureau of Investigation director, according to people familiar with the matter.

"There was never a decision to even challenge Mueller on conflicts [of interest], let alone an order to fire him,"

one person familiar with the team's legal thinking said. "Had the president decided to challenge Mueller on conflicts, there were unquestionable mechanisms to raise that issue with the Department of Justice—and even that was not pursued."

If the president were to turn down an interview request by Mr. Mueller, the special counsel could seek to subpoena his testimony before a grand jury.

Mr. Trump could then seek to fight the subpoena, citing, in part, the 1997 ruling by the U.S. Court of Appeals of the D.C. Circuit in the case involving an independent counsel subpoenaing White House records about then-Agriculture Secretary Michael Espy.

Mr. Espy was indicted on charges of receiving improper gifts but acquitted at trial.

If Mr. Trump were determined not to speak to Mr. Mueller, he could also seek to assert his Fifth Amendment right against self-incrimination, legal experts said.

"This is really the only argument they can make outside of the Fifth," said Todd Presnell, an attorney who has researched and written extensively on presidential privilege. "The Fifth Amendment would be a public-relations nightmare."

Mr. Presnell noted that the Espy ruling would apply only to actions Mr. Trump took as president.

The case wouldn't shield him from testifying about matters that took place during the campaign, before he took office or those not related to his job as president, Mr. Presnell said.

—Rebecca Ballhaus contributed to this article.

## Worries Debated in Effort To Boost Career Programs

BY MICHELLE HACKMAN

A bipartisan push to bolster short-term training and certificate programs has prompted a debate in Congress over how to ensure it doesn't spawn a proliferation of shoddy programs or steer minorities into lower-paying fields.

A Republican rewrite of the Higher Education Act, passed by a House committee last month, would provide more loans and grants for students entering these programs. The training costs less than traditional degrees and equips students with technical skills that translate directly into jobs, advocates say.

But many Democrats and higher-education advocates warn that without stronger standards, such an influx of federal money would allow the creation of low-quality courses that don't lead to solid jobs.

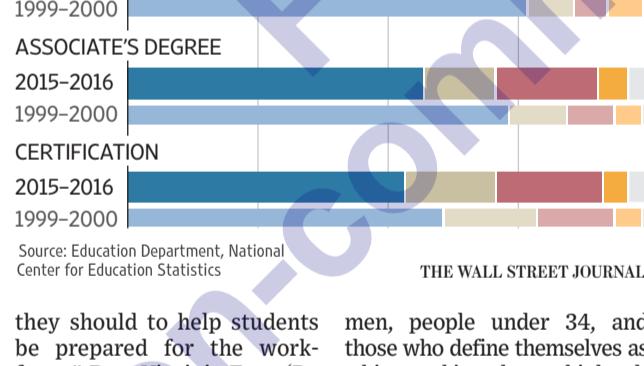
The push toward more career and technical training stems, in part, from concerns about rising tuition. It also reflects a larger backlash against the notion of a one-size-fits-all path to college, as millions of students rack up loans and many fail to graduate.

"Our postsecondary education system has not done what

### A Question of Degree

Groups vary in the types of education they receive.

#### Percentage of degrees by race/ethnicity



Source: Education Department, National Center for Education Statistics

they should to help students be prepared for the workforce," Rep. Virginia Foxx (R., N.C.), chairwoman of the House Education and Workforce Committee and the bill's author, said in an interview.

Conservatives in particular have become increasingly vocal in criticizing universities, whose faculty and student culture they often view as liberal. A Wall Street Journal/NBC News poll last summer showed majorities of certain groups—including

men, people under 34, and those who define themselves as white working-class—think college isn't worth the cost, a reversal from four years earlier.

At the same time, a skills gap has left more than 6 million jobs unfilled in fields like information technology, manufacturing and health care, according to the Labor Department. Those jobs don't call for college degrees but do require technical training.

That has spurred some lawmakers from both parties to



**Lawmakers want to provide more financial aid for students to attend certificate and vocational programs.**

conclude that students need more access to short-term training. "I think we've sort of perpetuated a myth that post-high school has to be college," Sen. Tim Kaine (D., Va.) said at a recent hearing.

Faith Blamon, 22 years old, enrolled in a three-month medical assistant program at Advantage Career Institute in Eatontown, N.J., because it was shorter than other programs and roughly half the cost. But the program's short

duration made it ineligible for federal student aid, so Ms. Blamon had to take out a loan for the \$6,000 cost. The program connected Ms. Blamon with an unpaid internship at a cardiology office, which she hopes will lead to full-time work. But a grant instead of her loan, she said, "would have been hugely helpful."

Still, the drive to popularize such short-term programs has sparked concern that their rapid proliferation could drive

down quality. And some education advocates worry that low-income and minority students could be nudged toward such programs rather than pursuing traditional degrees, which they say ultimately open doors to higher-paying jobs.

House Republicans hope to vote on their higher-education bill in coming months, while Senators Lamar Alexander (R., Tenn.) and Patty Murray (D., Wash.) have pledged to write a bipartisan bill.

## Little Sign of Progress On Immigration Deal

BY LAURA MECKLER AND SIOBHAN HUGHES

WASHINGTON—The White House's release of a framework for immigration legislation appears to have done little to bring Capitol Hill negotiators closer to agreement, while enraging outside advocates on both sides of the emotional debate.

President Donald Trump's framework, released Thursday, offered to give 1.8 million undocumented young immigrants a path to citizenship as long as Congress agreed to spend \$25 billion toward a U.S.-Mexico border wall and other security measures, reduce family-based legal immigration, ratchet up deportations and otherwise tighten enforcement.

Some of Mr. Trump's fellow Republicans, as well as many Democrats, have urged him to keep the measure narrowly focused on border security and

## FLU

*Continued from Page One* that number to rise dramatically, but said it was too early to tell if it will exceed last season's flu-related death toll of about 9,500.

The flu is particularly hard to fight this year because the H3N2 strain tends to strike the elderly and children hard. People over age 65, and between the ages of 50 and 64, are being hospitalized at higher rates, the CDC said.

The vaccine works especially poorly this year. Preliminary data suggest the shots are likely about 30% effective against H3N2 and closer to 40% against all viruses that they include, said Daniel Jernigan, director of the CDC's Influenza Division.

Schools closed doors anywhere from a day to a week due to widespread absenteeism as administrators try to stop the spread of the virus and disinfect buildings. Several school administrators said they have never seen closures of this scale.

Gulf District Schools in Port St. Joe, Fla., closed its four campuses Friday after about 20% of its 1,900 students missed school on three consecutive days this week due to flu-like symptoms.

"We have taken the steps necessary to act in the best interest of children," said Jim Norton, superintendent of Gulf District Schools. About 25% of his staff also was out sick or taking care of sick children.

States with schools that have closed include Texas, Illinois, Oklahoma, Idaho, North Carolina, Tennessee, Florida, Alabama, Kentucky, Michigan and Missouri.

The Melissa Independent School District in Melissa, Texas, plans to stay closed through Monday to disinfect schools. Duncan Middle School in Duncan, Okla., was closed on Friday. The Illinois Mathematics and Science Academy in Aurora, Ill., closed this past Monday for a week due to high levels of influenza cases.

Gunter Independent School District in Gunter, Texas, reopened Wednesday after closing for a week after about 27%

of its students, or 253, missed school. A vast majority of students had flu or flu-like symptoms, but some stayed away to avoid getting sick or had other illnesses, said Jill Siler, the district's superintendent.

It was a tough decision to close without notice, Dr. Siler said. "We closed to stop the cy-

**Several school administrators said they have never seen closures of this scale.**

cle," she added. "We're talking about almost a third of our population." The time off also allowed a professional company to come in and clean all schools. "Every single piece in every single classroom was disinfected," she said.

One big factor in the intense transmission occurring this month may be the return of children to school after the holidays, Dr. Jernigan said. Viruses spread easily among schoolchil-

dren, who spend their days in close quarters and then carry the viruses home.

Flu patients are most contagious during the early phases of their infection. "In particular when they have a runny nose and bad cough," said Paul Sax, an infectious disease specialist at Brigham and Women's Hospital in Boston. "That's a very important time for people to stay out of work and school."

People can also spread the virus for a period afterward. "When you start to make a turnaround and you start to feel better, give yourself another five to seven days," he said.

Around 60% of children under the age of 18 are vaccinated, Dr. Jernigan said. Among children aged 13 to 17, the rate is 46.8%, and among 5 to 12 year-olds, the rate is 61.8%. "The younger you are, the better your vaccine coverage," he said.

Hospitalization rates are now similar to those of the 2014-15 flu season, when up to 56,000 people died from flu-related illnesses, the CDC estimates. H3N2 also predominated in that season, Dr. Jernigan said.

# OBITUARIES

PETER STEWART  
1920 – 2018

## Dallas Tycoon Created A Shrine to Gratitude

Peter Stewart, a real-estate developer, in the early 1960s was a member of a commission planning to revitalize downtown Dallas as freeways slashed through it. Parks were on the agenda.

Mr. Stewart wanted more than a green space with benches. While on a fishing trip in Arkansas, he hit on the idea of a park dedicated to gratitude. He then led a drive that created Thanksgiving Square, a rallying point for interfaith dialogues.

Because Mr. Stewart insisted on it, the park includes a chapel made of white marble aggregate and shaped like a rolled-up scroll, topped with a spiral of stained glass.

Mr. Stewart, who died on Jan. 10 at the age of 97, saw gratitude as an idea that united people of different faiths. He said that gratitude should be an action, a spur to helping others, not just a feeling.

Why Dallas? "No one else is celebrating gratitude and thanksgiving," he often said.

Fixated on promoting gratitude, Mr. Stewart sometimes had trouble expressing it to those around him, said his son David. That changed as he neared death. "Thank you so much for all you do for me," he told Maria "Lupe" Galvez, a caregiver, shortly before he died. "But who is going to care for you?"

—James R. Hagerty

VINCENT M. GAUGHAN JR.  
1952 – 2018

## Lawyer Brought Golf To Turkmenistan

Turkmenistan didn't strike many people as a great prospect for developers of golf courses. Until recently, the game was virtually unknown in the Central Asian country, described by Human Rights Watch as "one of the world's most closed and oppressively governed."

Yet Vincent M. Gaughan Jr. saw potential. A lawyer from Buffalo, N.Y., he moved to Moscow in the early 1990s and worked in Russia and neighboring countries as an adviser and guide to foreign investors. In recent years, one of his main clients has been the golf-course design company owned by Jack Nicklaus.

Mr. Gaughan helped Mr. Nicklaus's company develop two golf

courses in the outskirts of Moscow and one in Ashgabat, the capital of Turkmenistan, where he persuaded the country's president, Gurbanguly Berdimuhamedow, to embrace the game.

"Vincent was a person who saw opportunities where most people did not," said John Reese, chief executive of Nicklaus Cos.

In the mid-1990s, Mr. Gaughan was beaten by burglars who broke into his Moscow apartment at night. He needed surgery to reconstruct bones in his face.

He spent most of the past three years overseeing construction of the golf course in Ashgabat, where he died Jan. 12, apparently of a heart attack. He was 65.

—James R. Hagerty

## FROM PAGE ONE

## ADS

*Continued from Page One*  
reach out to fans directly—and potentially hold their interest for several minutes or longer.

As an antidote to short attention spans, corporate marketing is embracing the banalities of regular life. The South Korean electronics giant, inspired by the "slow cinema" genre, hoped that lights, camera and inaction would do the trick.

"If it's exciting, people will watch it," says Ham Chang-dae, an advertising professor at the University of Illinois at Urbana-Champaign, who previously worked in South Korea's advertising industry.

Washing machines, however, pose a unique challenge. "You've got a white brick and what it does do is not interesting," said Matt Smith, co-creator of Viral Productions, a London-based firm that has worked with Samsung but wasn't involved in the "Washing Machine" flick.

Samsung's film, which is 66 minutes of washing and two minutes of credits, was intended to show how much faster its new appliance is compared with British rivals' offerings, says James Eadie, the company's brand and communications director in the U.K. American washers, allowed to use significantly more water, can finish the job in a half-hour.

Based on internal research, Samsung estimates the average Briton spends the equivalent of 61 days—or 1,481 hours—waiting around for their laundry to get washed over their lifetime.

The "Washing Machine" film has its admirers among those who believe mainstream advertising is soaked through with razzle-dazzle. "Brands are targeting you without you even knowing it—it happens so fast," says Bella Banbury, founding partner of Emotive Brand, a San Francisco-based brand-strategy firm, which reviewed the film. With Samsung's new piece of cinema, "you see time passing."

Nadin Mai, who runs a company that distributes "slow cinema" films, wasn't enamored with the washing-machine effort. "It was an attempt, but it failed," she says. The genre's true greats use the slowness to



Scotch distiller Lagavulin made a video of actor Nick Offerman taking eight sips of whisky over an hour.

make broader points about humanity, says Ms. Mai, who also started a website called "The Art(s) of Slow Cinema."

Lav Diaz's "Evolution of a Filipino Family," which runs nine hours and 53 minutes, unfolds as a contemplation of the trauma inflicted by colonialism. China's Wang Bing, in his nine-hour documentary "Tie Xi Qu: West of the Tracks," depicts the evolution of factory workers.

"Basically, Samsung used a sort of slow feature film to show they are faster than the competition," Ms. Mai says. "This, for me, is completely idiotic."

To produce "Washing Ma-

chine," Samsung turned to Taylor Herring, a London-based marketing agency. The film's director, Peter Mountstevens, said he drew inspiration from the "slow cinema" movement, hoping to subvert the inherent boredom of the home appliance by making it beautiful.

His film borrows the approach taken in Andy Warhol's 1964 film "Empire," an eight-hour movie showing slow-motion footage of the Empire State Building and one of slow cinema's most famous works.

Mr. Mountstevens sought to create a "ballet in the drum" of the washing machine. His 10-member crew spent one morning "casting" the film by selecting a mixture of T-shirts, shorts, bras, pants—and its stars, a pair of red socks.

All were clean. "Had the clothes been very dirty, the washer would have discolored, affecting the definition of the pic-

ture," said Mr. Mountstevens, a managing partner at Taylor Herring. Black items were jettisoned in favor of red and light-colored clothing, because black didn't "pop" enough on the screen. The washing machine was also altered so that its internal light stayed on throughout the entire wash cycle.

The film shoot took place over two days at a central London studio. On the second day, award-winning composer Michael Nyman arrived to play a score he wrote for the movie.

At the "Washing Machine" film premiere last month, the event began with a champagne reception and popcorn. More than five dozen people attended the film. The movie was introduced as a three-part act: wash, rinse and spin. It begins with a woman loading laundry into the washer and pressing start, while Mr. Nyman takes a seat at a grand piano. Midway through, one of the red socks is tossed into the drum.

By the end, nearly half of the audience had left. The holdouts were mostly Samsung employees, the film's crew and journalists. Among those who departed early was the wife of the film's supervising producer. "I was starting to fall asleep," said Lauren Gheysens, whose husband, Max, worked on the film.

Mr. Mountstevens, at least for now, won't stare at a load of laundry. "I have seen enough washing to last a lifetime," he said. But he wouldn't rule out a sequel. Perhaps one focused on a simple white wash. "Never say never," he said.

WILLIAM J. McDONOUGH  
1934 – 2018

## Diplomat-Turned-Banker Helped Steer U.S. Economy

BY JAMES R. HAGERTY  
AND MICHAEL S. DERBY

When William J. McDonough was 10, his mother died of a stroke while trimming the family's Christmas tree on Chicago's West Side. Within a year, his father died of a heart ailment, leaving young William and his three older sisters to fend for themselves, with help from relatives of modest means.

One thing William didn't lose was his exceptional ability as a student. A nun who spotted him helped steer him toward a Jesuit boarding school in Wisconsin. He went on to a career as a U.S. naval officer, diplomat, banker and president of the Federal Reserve Bank of New York, the second most powerful job in the U.S. central bank. His friends included Henry Kissinger and Paul Volcker.

Tall and trim, he was at ease singing an aria at one of his parties, chatting fluently in French or Spanish or delivering a speech. In public pronouncements, he was better known for homilies on business morals than for any oblique hints about monetary policy.

In 2002, he scolded corporate executives for greed, saying their rising compensation was "terribly bad social policy and perhaps even bad morals." In another talk, he chastised Wall Street for being "very long mammon and very short God."

Mr. McDonough died of heart failure on Tuesday at his home in Waccabuc, N.Y. He was 83.

In his Federal Reserve role, he helped orchestrate a private-sector bailout of the hedge fund Long-Term Capital Management in 1998, dealt with a Russian debt crisis and kept money flowing through the banking system after the Sept. 11, 2001, terrorist attacks.

William Joseph McDonough was

born in Chicago on April 21, 1934, the youngest of four children of Irish immigrants. His father owned a small insurance agency. His mother loved books and introduced him to "Moby-Dick" by age 7.

After his parents died, he lived with an aunt and uncle and then attended the Champion Jesuit high school in Prairie du Chien, Wis. After excelling there, he earned a scholarship to attend College of the Holy Cross in Worcester, Mass.

During a five-year career in the Navy, he spent time on a destroyer, was stationed in Pearl Harbor and taught at the U.S. Naval Academy. As a night student, he earned a master's degree in economics at Georgetown University.

After joining the State Department, he was sent to Uruguay and later worked in Washington on Latin American policy. As a father with children, he was open to better-paying alternatives. One of his sisters heard that a Chicago bank needed executives with international experience. So began his 22-year career at First Chicago Corp.

First Chicago sent him to Paris and London before bringing him back to the head office, where he rose to vice chairman. At age 55, he concluded he was unlikely to become CEO and retired early.

In 1992, the New York Fed hired him as a senior official. A year later, he was promoted to president of the bank, which oversees the Fed's dealings with Wall Street. As head of the New York bank, he was automatically vice chairman of the Fed panel that sets interest rates.

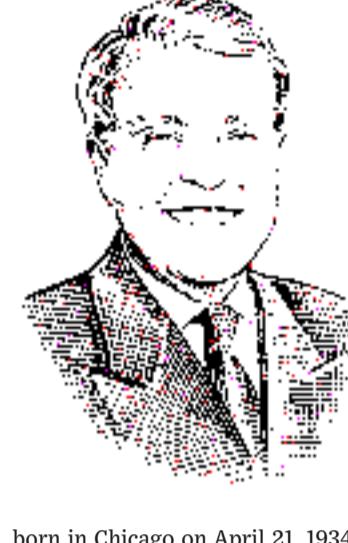
When Long-Term Capital was foundering, the Fed helped bring together private financial institutions to arrange a rescue, without government funds. Mr. McDonough rejected criticism the Fed had no business helping save wealthy investors who made bad bets: "With the full brilliance of hindsight, we could not, I think, have done anything better," he said later.

After a decade at the New York Fed, he stepped down in 2003 and became chairman of the Public Company Accounting Oversight Board, a new agency that was trying to restore confidence in corporate accounts after a series of scandals.

Mr. McDonough is survived by his wife of 33 years, Suzanne Clarke McDonough, six children, 10 grandchildren and a sister, Eileen Golan.

In a speech on the first anniversary of the Sept. 11 attacks, he said that "those of us who have lives of great comfort and success" should thank a "good set of genes, good health, being born to loving parents, the help of a loving friend, the support of a great teacher." Though "we deserve some credit," he added, the reasons for that success "have very little to do with our own virtue."

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## WORLD NEWS

## Trump Shifts on Trade Pact He Scorned

In Davos, U.S. leader signals openness to Trans-Pacific trade bloc he relished exiting

By JACOB M. SCHLESINGER

WASHINGTON—President Donald Trump said his administration was open to joining a new version of the Pacific Rim trade bloc he has long derided as unfair to the U.S.

"We would consider negotiating" with the 11 members of the Trans-Pacific Partnership "either individually or perhaps as a group, if it is in the interests of all," Mr. Trump said in a speech Friday to the World Economic Forum in Davos, Switzerland.

Even with the conditions and hedges, the statement marks a major change for the president. During the 2016 campaign and throughout the first year of his presidency he regularly blasted TPP specifically and multilateral trade deals in general. He said his administration would focus on bilateral agreements, which he argued could be better adjusted to U.S. interests. On his first workday in office a year ago, Mr. Trump signed an order withdrawing from the TPP, which was negotiated under the Obama administration.

Mr. Trump's comments



ANDREW WIEGAND/REUTERS

**Donald Trump preparing to board Marine One helicopter on Friday to begin his trip back to Washington from Davos, Switzerland.**

came three days after the remaining TPP countries reached an agreement in Tokyo to refashion and relaunch the trade pact without the U.S. The pact includes some of America's largest trading partners, such as Japan, Canada, and Mexico, and some of the world's fast-growing economies, such as Vietnam and Malaysia.

Many U.S. businesses have worried that the creation of a new Pacific trade bloc without the U.S. would cost them sales

in everything from beef to autos, as competitors inside the bloc become able to sell to those markets at reduced tariffs and under harmonized rules.

"Our nation's lack of participation in the Trans-Pacific Partnership is a grave mistake that will have consequences diminishing our position as a global economic power," Florida Republican Rep. Carlos Curbelo said earlier this week.

Mr. Trump had signaled a possible shift on TPP earlier in

the week in an interview with CNBC, and reaction to that from trading partners was welcoming—but cautious.

Toshimitsu Motegi, the Japanese minister handling the pact, said Friday that Japan's first priority was to get TPP-11 up and running, and that Mr. Trump's comments shouldn't be allowed to disrupt the careful negotiations to launch it.

Asked to explain the apparent policy shift, a top administration official said "several

circumstances have changed during 2017 creating an opportunity to see if there's a good deal for American workers."

One factor was that "China's economic aggression has intensified globally," said the official, David Malpass, undersecretary of the Treasury for international affairs.

In addition, he said, "the U.S. economy is doing well," which "creates negotiating opportunities." The completion this past week of a new TPP

framework, he added, "makes it possible to look at what they put together and think about American workers."

It isn't clear how serious the U.S. is about re-entering TPP negotiations, whether it would do so with all 11 members of the pact, and what demands it might make for joining. Diplomats from some TPP countries said they weren't aware of any overtures from the Trump administration about joining the bloc and that the president's remarks seemed to have come out of the blue.

Trading partners have nervously watched the Trump administration launch renegotiations of two existing trade pacts—the North American Free Trade Agreement with Canada and Mexico, and the U.S.-Korea Free Trade Agreement—seeking to "rebalance" them more toward American interests. The administration's approach to those talks has made some other countries, notably Japan, reluctant about taking the U.S. up on its offer to launch new bilateral trade deals.

"This isn't a revolution, but it's an evolution in how the president is messaging about trade, and in particular, on TPP," said Myron Brilliant, the top international-affairs official at the U.S. Chamber of Commerce, which has frequently criticized Mr. Trump's trade policy.

—Peter Landers in Tokyo contributed to this article.

## Mnuchin Says Dollar Remarks Taken Out of Context

## Market Mover

Treasury Secretary Steven Mnuchin's comments Wednesday on the dollar helped send the U.S. currency lower against a basket of 16 currencies.

## WSJ Dollar Index



BY GREG IP

DAVOS, Switzerland—Treasury Secretary Steven Mnuchin said Friday that his comments on the weak dollar earlier this week weren't meant to violate the U.S.'s commitment to refrain from competitive devaluation.

On Wednesday, Mr. Mnuchin told reporters a weaker dollar in the short term would be good for U.S. trade. The next day, European Central Bank President Mario Draghi, without naming Mr. Mnuchin, said the comments were at odds with last year's commitment by International Monetary Fund members, including the U.S., to refrain from competitive devaluations.

On Friday, Mr. Mnuchin said his comments were "in no way any intention to violate the commitment that we're not trying to intervene in currency markets."

He said his remarks, made Wednesday at the World Economic Forum in Davos, were "completely taken out of context."

They were, he said, a simple "statement of fact about the impact of a weaker dollar in the short term. I wasn't intending to endorse it or encourage it in any way."

Where the dollar goes in the short term is "not a concern of mine one way or the other." In the long run, he reiterated that a stronger dollar "is a sign of the economic success of the U.S."

Mr. Mnuchin said the U.S. didn't intervene in currency markets and discouraged other countries from doing so.

He noted U.S. and European interest rates were one influence on the dollar. "We fundamentally believe in the independence of the Fed so what happens to interest rates is completely up to them."

Mr. Mnuchin made his comments Friday on the sidelines of WEF in an interview with The Wall Street Journal.

He said that in Davos, many multinational companies had told him they were planning to move production to the U.S. He played down concerns that other countries, whose tax rates were generally lower until the U.S. corporate tax cut was signed into law in December.

ber, might have to slice their rates to compete.

"We obviously don't want a race to the bottom," he said.

Mr. Mnuchin said the new U.S. system benefits both America and Europe by removing much of the incentive for companies to set up operations in offshore tax havens.

He said that the U.S. wanted international trade, so long as it was "fair and reciprocal." China, he said, shares "a desire with us to shrink the trade deficit," but the U.S. remains concerned about how successfully Beijing is doing so. He said that when the U.K. was ready to negotiate trade agreements, it "absolutely" would go to the "front of the line" for bilateral deals with the U.S.



**President Donald Trump arriving at the World Economic Forum in Davos, Switzerland, on Friday.**

promote other aspects of his second-year agenda, including an infrastructure package, when he delivers his first official State of the Union address before Congress.

Still, his administration remains shadowed by the Russia probe that is now affecting Mr. Trump's closest advisers. According to his attorney, John Dowd, more than 20 White House officials have been interviewed by special counsel Robert Mueller's team.

Mr. Mueller is investigating whether Mr. Trump's campaign colluded with Russian interference in the 2016 election, and whether the president obstructed justice when he fired Federal Bureau of Investigation Director James Comey, who initiated that probe. The president has denied collusion, and Moscow has said it didn't interfere in the election.

The president said this week that, if advised by his attorneys, he would also speak to Mr. Mueller's team.

At the economic forum, Mr. Trump highlighted legislation overhauling the U.S. tax

code he signed in December and his administration's efforts to roll back regulations that it says stifled businesses.

Over the past year, he said, his administration has cut 22 "burdensome regulations for every one new rule."

Mr. Trump and his "America First" message have evoked skepticism among many at the

annual conference, which offers world leaders and wealthy executives the opportunity to hobnob—a practice the president decried during his 2016 campaign.

But while talking up successes back home, Mr. Trump also sought to emphasize the country's role as a partner for other nations. Mr. Trump issued a call to other world leaders to work

with the U.S. to combat Islamic State and the nuclear threat in North Korea.

Mr. Trump also echoed previous calls for "fair trade," saying the U.S. would "no longer turn a blind eye to unfair economic practices."

Earlier this week, the 11 remaining members of the Pacific Rim trading bloc announced they had reached agreement to move forward without the U.S. and suggested it was a response to Mr. Trump's "America First" approach.

What remains unclear is how serious the Trump administration is to re-engaging in talks, and how open the trading partners would be to the U.S., and on what terms.

Early reaction to Mr. Trump's speech was mixed. Cardinal Peter Turkson, who leads Pope Francis' initiatives on migration and the environment, said: "I was glad to hear him say it is 'America First' but not America alone. It begins to seem that they're thinking about the whole world."

—Jacob M. Schlesinger contributed to this article.

## Some See Global View In President's Speech

BY DEBORAH BALL AND NIHARIKA MANDHANA

DAVOS, Switzerland—One year ago, Davos was dominated by President Donald Trump's fiery "America First" inaugural address. A year later, attendees were weighing to what extent his "America First" agenda can also be good for the world.

Mr. Trump sought to address those concerns in a measured speech that focused largely on his domestic agenda and the strong U.S. economy.

For some in an audience made up of establishment figures from the world's business, political and academic elites, Mr. Trump's message softened impressions that the U.S. leader holds them and their countries in contempt.

"The president noted that 'America First' didn't mean America alone," Finland's foreign minister, Timo Soini, said. "That was important to hear from him at this forum."

Mr. Trump made a pitch for the U.S. as an investment destination, extolling the country's universities and labor force as the best in the world. "There's never been a better time to do business in America."

His blunt appeal for foreign investment struck the right chord for some in the audience, but others said it could have been better balanced with more discussion about the global role the U.S. seeks to play.

"It was a strong sales pitch to invest in America, and it's every leader's prerogative to do that," said Denmark's finance minister, Kristian Jensen. "I would have liked to hear a bit more, on a platform such as this, on how the U.S. plans to re-engage with the world on important issues."

For some in the business-minded crowd, Mr. Trump's talk about America's economic strength resonated as having a global benefit.

Charles-Edouard Boue, chief executive of global corporate-strategy firm Roland Berger Holding GmbH, based in Germany, rated the speech more positively than he had expected.

"Of course, President Trump will always put America first and did so this time," Mr. Boue said. "But he also presented himself much more open-minded with regards to other countries, globalization and world trade policy."

Another CEO, Tejpreet Singh Chopra of Indian energy company Bharat Light & Power Private Ltd., said: "Net-net, his policies will help growth in the U.S. And that will be positive for the world economy."

John Chipman, head of the London-based International Institute for Strategic Studies think tank, agreed that the speech was "very pro-business, marketing the U.S." But it was delivered in a way that was also "very mainstream. It is difficult for people to contest the assertion that he's in favor of free trade and critical of predatory trade."

Some suggested Mr. Trump could have gone further to assuage concerns created by some of his earlier and more bombastic rhetoric.

"This was, make no mistake, a stock 'America First' speech," said John McDonnell, a lawmaker and finance spokesman for the U.K.'s main opposition Labour Party. "We didn't hear very much about global challenges and what leadership America will provide."

—Jenny Strasburg contributed to this article.

## WORLD NEWS

# Saudis Move Elites to Prison, Plan Trials

Saudi Arabia's crown prince is stepping up pressure on detained members of the country's elite resisting his demands for billions of dollars in payments—moving them from a luxury hotel to prison, according to people familiar with the move, and threatening them with prosecution.

*By Benoit Faucon,  
Georgi Kantchev  
and Summer Said*

The kingdom has wrested about \$100 billion from most of the 350 Saudi royals and prominent business people arrested in what the Saudi leader has said is a corruption purge, Saudi officials said.

The public prosecutor's office said this week that officials were moving ahead with plans for trials of 95 holdouts who were still detained and have declined to pay what the government describes as financial settlements. The number of detainees has been dropping as talks continue.

Saudi officials have said they want to make financial deals rather than prosecute, and initially calculated that they could confiscate over \$800 billion in assets.

But rich Saudis have long parked much of their wealth outside the country, putting it

out of reach of authorities who would have to overcome legal hurdles and secrecy protections to seize it.

The Saudi leadership "is now realizing that you can't just press the button 'give me the money' because there's no such button in the first place," said a Europe-based financial adviser with clients detained in Saudi Arabia.

Among the holdouts are Prince Turki bin Abdullah, son of the late King Abdullah, and Prince al-Waleed bin Talal, holder of stakes in companies including Twitter Inc. and Four Seasons Hotel & Resorts.

Saudi officials have ordered Prince al-Waleed to pay \$6 billion, people close to him said. The billionaire has been moved from the Riyadh Ritz-Carlton to a palace compound in eastern Riyadh surrounded by a recently added barbed-wire fence, according to people familiar with his situation.

Prince al-Waleed, who hasn't spoken publicly since his detention began in early November, denies wrongdoing and is fighting allegations of bribery, extortion and money laundering, a person close to him said. Representatives of Prince Turki couldn't be reached to comment.

Many of the remaining de-



Saudi Prince al-Waleed bin Talal, center, arriving for a news conference in Jeddah, Saudi Arabia in May.

tainees have been moved to al-Hayar prison, a maximum-security facility about 25 miles south of central Riyadh. The relocation has taken place over the past two weeks and is continuing, according to two of the people familiar with the matter.

The Saudi public prosecutor said all detainees have had access to legal representation and suffered "no violations."

Officials have said the crackdown comes under Saudi

legislation and Islamic law forbidding forms of corruption—though no charges have been made public and it isn't clear whether the accused have been brought before judges.

King Salman and Crown Prince Mohammed bin Salman have ultimate power over the judiciary.

The crown prince has described the arrests as part of an effort to remake Saudi Arabia as a modern society with less dependence on oil.

The 32-year-old heir to the Saudi throne launched the antigrift campaign before announcing record government spending and unpopular measures including new taxes and cuts to fuel subsidies.

The government has tried to offset such measures with direct payments to Saudi citizens. Saudi Finance Minister Mohammed Al-Jadaan on Thursday said money confiscated from detainees would be used for welfare payments.

But Saudi officials have been unable to persuade most foreign banks to freeze or turn over funds belonging to detainees in part because they can't yet support the claims with legal decisions or rulings against the accused, people familiar with the matter said.

Outside the kingdom, officials have had success in freezing assets only in politically allied countries, including the United Arab Emirates, two of the people said.

Assets beyond their reach include London property trusts, offshore companies and shares in publicly traded companies, the people said.

Those who have settled so far paid with cash, real estate and other unspecified assets, Saudi officials said. The Saudi Central Bank has frozen Saudi assets of some detained individuals and the government has taken control of some companies owned by detainees, including construction company Saudi Binladin Group.

Saudi officials have pressed Swiss banks to disclose information about accounts, but most have declined, citing secrecy laws, while others are still negotiating, the European-based financial adviser said.

◆ Aramco is building an oil-refining empire ..... B1

## WORLD WATCH

## SOUTH KOREA

**Hospital Fire Kills 37, Injures 125 Others**

A fire tore through a hospital in South Korea early Friday, killing 37 people and injuring 125, authorities said.

The country's deadliest blaze in a decade began around 7:35 a.m. in an emergency room on the first floor of the Sejong Hospital in Miryang, Choi Man-wu, head of the city fire department, said.

There were 194 patients in the hospital at the time, includ-

ing 94 in a separate facility for elderly patients adjacent to the main building. All of the elderly patients and 15 patients from an intensive-care unit on the third floor of the main building were rescued, Mr. Choi said.

Television footage showed black smoke billowing over the city. The sky was "almost flaming" when firefighters arrived, said Mr. Choi, making it difficult for them to enter.

Friday's blaze was South Korea's deadliest in recent years. In 2008, 40 people died in a fire at a cold-storage facility near Seoul.

—Min Sun Lee

## FRANCE

**'Pope of French Cuisine' Is Mourned**

Hundreds of white-jacketed chefs and other French dignitaries paid tribute to Paul Bocuse, often referred to as the "pope of French cuisine."

Mr. Bocuse died a week ago at the age of 91 in Collonges-au-Mont-d'or, where he was born and had his temple to French gastronomy, L'Auberge du Pont de Collonges.

Renowned chefs lined the pews of the Saint-Jean Cathe-

dral in the culinary mecca of Lyon for Friday's funeral.

Speakers celebrated "Monsieur Paul" and his contribution to French cuisine and its global image as both refined and convivial. He was a pioneer in branding his cooking and image, and creating a world-wide restaurant empire.

Mr. Bocuse was a fan of butter and fresh produce. His specialties included truffle soup topped with a golden bubble of pastry and fricassee of Bresse chicken served in cream with morelles.

—Associated Press

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## WORLD NEWS

# Beijing Stakes An Arctic Claim

By EVA DOU

**BEIJING**—China planted a new flag in the Arctic, issuing a strategy paper that outlines its ambitions for a region where a warming climate is creating new opportunities for shipping and resource extraction.

In its first policy paper on the Arctic, Beijing acknowledges Chinese territory doesn't touch the Arctic Circle. Still, the paper declares China a "Near-Arctic State" with an interest in developing shipping, carrying out scientific research and exploiting the region's oil, gas, minerals, fisheries and other natural resources.

"China is an important stakeholder in Arctic affairs," said the report, issued Friday by the information office of the State Council, China's cabinet.

The report puts a policy gloss on China's increasing activities in the polar region, from sailing cargo vessels through its seas in the warmer months to a multibillion-dollar investment in a liquefied natural gas project on Russia's Yamal Peninsula. The strategy also fits with China's efforts to invest in new frontiers, such as space and deep-sea research, in a bid to surpass the U.S. and other powers.

"China is really good at long-term planning," said

Malte Humpert, founder of Washington-based think tank The Arctic Institute. He said China's plans amount to a low-risk bet with a payoff that may not come for decades. "They are ahead of the curve."

Beijing hasn't hidden its Arctic ambitions. In 2013, after several unsuccessful attempts, China gained observer status at the Arctic Council, a policy coordination forum whose members are the U.S., Russia, Canada, Denmark, Finland, Iceland, Norway and Sweden—countries with territory in the region. Last year, China's ice-breaking research vessel Snow Dragon sailed around the Arctic rim for the first time.

The policy paper appears aimed in part to alleviate international concerns about China's ambitions, pledging support for international standards and cooperation. It promises to help combat environmental degradation, balancing that with the economic opportunities presented by a melting polar ice cap that is making the Arctic more attractive for navigation and investment.

"As a result of global warming, the Arctic shipping routes are likely to become important transport routes for international trade," the paper said. It offers China's leadership in developing a "Polar Silk Road" for economic and social cooperation.

Kurdish authorities this week asked residents on the northern outskirts of the city, where a potential front line would be, to move out of their homes, according to the Manbij Military Council.

Residents fear more conflict. "People have rebuilt their houses, many others have started jobs," said Mohammad, 25, a resident who asked to be identified by his first name only. "Everyone is tired of war. We don't care who runs the city anymore."

Turkey has fought Kurdish

separatists, known as the PKK, at home for decades and it views the main Syrian Kurdish militia, the YPG, as an extension of it—deeming both groups terrorists.

The YPG's leading role in helping the U.S. drive Islamic State from northern Syria is a main source of tension between Washington and Ankara. Along the way, the Kurds have expanded the territory under their control, hoping to link the two enclaves of Afrin and Manbij, which are not contiguous.

"If the Kurds have Manbij and Afrin, one could imagine how they could ultimately link up these cantons and the Turks want to prevent that from happening," said Steven Cook, senior fellow at the Council on Foreign Relations.

Manbij sits at a strategic crossroads that was used by Islamic State to ferry weapons, supplies and fighters between the Turkish border and the group's former Syrian stronghold in Raqqa.

Turkey fiercely resisted U.S. proposals to allow YPG fighters from eastern Syria to cross the nearby Euphrates River to seize Manbij, calling it an unacceptable red line. But it re-

luctantly agreed in June 2016 because the U.S. assured Turkish leaders Kurdish forces would withdraw once the fighting was over.

Two months later, Mr. Erdogan accused the U.S. of renegeing on its promise and launched its first major military offensive into Syria. U.S. officials worked to defuse tensions and assure Ankara that it had made good on its promise.

In March 2017, the U.S. military took the unusual step of publicly sending forces into Manbij in armored vehicles prominently flying the Stars and Stripes. The U.S. made it clear that its forces would help defend Manbij as Turkey threatened again to seize the city.

The Pentagon acknowledges that the Manbij Military Council, with which it works, includes Kurdish fighters but says they are from the area. Mr. Erdogan has accused the U.S. of again failing to honor its pledges.

U.S. officials have expressed understanding of Turkey's security concerns even as Trump administration officials have repeatedly warned Ankara not to launch any attacks on Manbij.

In a call earlier this week, President Donald Trump urged Mr. Erdogan not to make a move for Manbij, according to U.S. and Turkish officials.

Manbij holds strategic value to the U.S. beyond protecting the multiethnic city, which is dominated by Arabs.

"Manbij is the gateway to the east," Mr. Cook said. "We want to control a place like Manbij to make sure Islamic State doesn't return and to keep an eye on Iran and Russia," he added, referring to the two main international allies of Syrian President Bashar al-Assad's regime.

—*Mohammed Nour Al Akraa in Berlin and Nazih Osseiran in Beirut contributed to this article.*

# Syrian City in War's Path

When a U.S.-backed ground force led by Syrian Kurds took control of the northern Syrian city of Manbij from Islamic State more than a year ago, Turkey was so alarmed it launched a campaign to block further Kurdish expansion in the border region.

By Sune Engel Rasmussen in Beirut and Dion Nissenbaum in Washington

At U.S. request, it agreed to curtail its effort to seize control of Manbij. But as tensions rise between the NATO allies over the Syria war, the city is fast becoming a flashpoint again.

After Turkey last week began an assault on the Kurdish-held enclave of Afrin, Ankara and its Syrian rebel allies in the Free Syrian Army are now threatening to attack Manbij to try to wrest control from the Kurds, risking a potential confrontation with U.S. special forces who helped oust Islamic State.

In Afrin, "we have once again thwarted the game of those sneaky forces," Turkey President Recep Tayyip Erdogan said this week. "Starting in Manbij, we will continue to thwart their game."

It isn't clear how serious the Turkish threats to Manbij are, but the recent tensions are worrying people in a city that has spent much of the past seven years battered by civil war and brutally ruled by Islamic State.

Kurdish authorities this week asked residents on the northern outskirts of the city, where a potential front line would be, to move out of their homes, according to the Manbij Military Council.

Residents fear more conflict. "People have rebuilt their houses, many others have started jobs," said Mohammad, 25, a resident who asked to be identified by his first name only. "Everyone is tired of war. We don't care who runs the city anymore."

Turkey has fought Kurdish



Ankara and its Syrian rebel allies have threatened to attack the city of Manbij. Above, Turkish-backed Syrian fighters are viewed through the window of an armed vehicle at the nearby town of Azaz.



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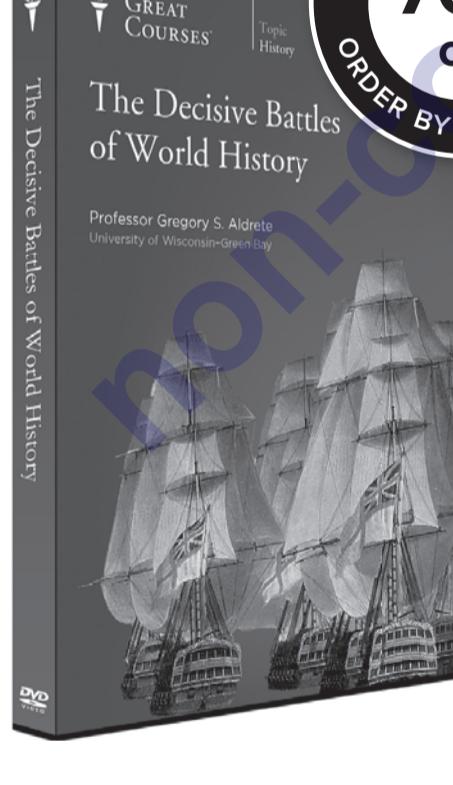
A scientific expedition team posed aboard the *Snow Dragon* in July.



A scientific expedition team posed aboard the *Snow Dragon* in July.

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## IN DEPTH

## WYNN

*Continued from Page One*  
his corporate attorney said there had been "allegations of assault." Court records in the suit are heavily redacted. Specifics of the allegation and the size of the settlement haven't been previously reported.

Beyond this incident, dozens of people The Wall Street Journal interviewed who have worked at Mr. Wynn's casinos told of behavior that cumulatively would amount to a decades-long pattern of sexual misconduct by Mr. Wynn. Some described him pressuring employees for sex acts.

In response to written questions about the manicurist's and others' allegations, Mr. Wynn said, "The idea that I ever assaulted any woman is preposterous."

He continued, in a written statement, "We find ourselves in a world where people can make allegations, regardless of the truth, and a person is left with the choice of weathering insulting publicity or engaging in multi-year lawsuits. It is deplorable for anyone to find themselves in this situation."

Mr. Wynn said that "the instigation of these accusations is the continued work of my ex-wife Elaine Wynn, with whom I am involved in a terrible and nasty lawsuit in which she is seeking a revised divorce settlement." He said he remained focused on the company, its employees and its shareholders.

Ms. Wynn declined to speak to the Journal. An attorney for Ms. Wynn said the notion she instigated the Journal's article "is just not true."

Mr. Wynn didn't provide further response to other allegations of sexual misconduct the Journal inquired about.

Wynn Resorts said it is committed to maintaining a safe and respectful culture, requires annual anti-harassment training for all, and offers an anonymous hotline. "Since the inception of the company, not one complaint was made to that hotline regarding Mr. Wynn," the company said.

Mr. Wynn, turning 76 on Saturday, is a towering figure in Las Vegas and the gambling industry. As builder of the Mirage, Treasure Island, Bellagio, Wynn and Encore casinos in Las Vegas—lavish, multiuse resorts with features such as artificial volcanoes, dancing fountains and French chefs—he brought new sophistication and scale to the Strip.

## Stock drop

Mr. Wynn no longer owns the Mirage, Treasure Island or Bellagio, but his empire now includes two casinos bearing his name in the Chinese gambling enclave of Macau, and he is building a \$2.4 billion Wynn casino in the Boston area. He is the chairman and chief executive of Wynn Resorts.

After publication of the Journal story on Friday, the Massachusetts Gaming Commission said it would conduct a regulatory review of the allegations. The commission gave a



Wynn Resorts Chairman and Chief Executive Steve Wynn at the Wynn Palace casino, which the company opened in the Chinese enclave of Macau in 2016.

Wynn's Odyssey:  
A Career in Gaming

**1970s:** A onetime bingo-parlor operator and liquor distributor, Steve Wynn gains a controlling stake in the Golden Nugget, an aging downtown Las Vegas casino. He remakes it into one of Las Vegas's most popular resorts.

**2000:** After adding to his Strip portfolio with the Bellagio and Treasure Island casinos, his company, Mirage Resorts Inc., is acquired by Kirk Kerkorian's

MGM Grand Inc. amid a sharp drop in its share price and pressure from investors.

**2002:** Now without a Las Vegas casino, Mr. Wynn is awarded a coveted license to operate in Macau, the Chinese gambling enclave. He has built two casinos there since.

**2005:** Mr. Wynn returns to the Strip with the building of the Wynn Las Vegas, a sleek

bronze resort that opens on the birthday of his then-wife, Elaine.

**2010:** Mr. Wynn and Ms. Wynn divorce after 46 years of marriage—the couple's second divorce. They agree to split their holdings in the company, but he receives voting control over her shares and her ability to sell them is restricted. That agreement has since become the subject of a long-running legal dispute.

**2014:** Mr. Wynn wins a license to operate in Boston. The \$2.4 billion resort is now under construction.

**2017:** Mr. Wynn, outspoken on politics, is named finance chairman of the Republican National Committee, making him the party's chief fundraiser, following the election of former business rival Donald Trump.

license to Wynn Resorts in 2014 to build a Boston-area casino. Wynn Resorts' shares fell more than 10% Friday, shaving about \$2.1 billion from its market capitalization.

Dozens of powerful men have faced consequences in recent months after accusations of sexual improprieties. Those against Mr. Wynn are the first in this wave to center on the CEO and founder of a major publicly held company, in this case one operating in a tightly regulated industry.

Mr. Wynn owns nearly 12% of Wynn Resorts, a stake worth \$2.4 billion, and is considered integral to its success. His signature is the company logo. In a recent securities filing citing possible risks to the business, the company said, "If we lose the services of Mr. Wynn, or if he is unable to devote sufficient attention to our operations for any other reason, our business may be significantly impaired."

Mr. Wynn is a former casino-business rival of President Donald Trump, who said in 2016 that Mr. Wynn was a "great friend." Mr. Wynn became Republican National Committee finance chairman.

He is a regular on his casino floors, known for a keen attention to details and what employees say is a temper that can flare when they fall short.

He has frequently had services such as manicures, massages and makeup application performed in his on-site office at the Wynn Las Vegas.

The contrast between Mr. Wynn's position and that of the salon and spa employees is stark. Ex-employees said their awareness of Mr. Wynn's power in Las Vegas, and the knowledge that the jobs they held were among the best-paying available there, added up to a feeling of dependence and intimidation when Mr. Wynn made requests of them. Some said that feeling was heightened at times by the presence in a confined office space of one or more of his German shepherds, trained to respond to commands in German.

The Journal contacted more than 150 people who work or had worked for Mr. Wynn; none reached out to the Journal on their own. Most of those who spoke to the Journal about Mr. Wynn said they worried that doing so could hurt their ability to work elsewhere because of his influence in the industry and the state.

Former employees said they sometimes entered fake appointments in the books to help other female workers get around a request for services in Mr. Wynn's office or arranged for others to pose as assistants so they wouldn't be alone with him. They told of female employees hiding in the bathroom or back rooms when they learned he was on the way to the salon.

"Everybody was petrified," said Jorgen Nielsen, a former artistic director at the salon. Mr. Nielsen said he and others repeatedly told high-level company executives Mr. Wynn's sexual advances were causing a problem, but "nobody was there to help us."

One former massage therapist at the Wynn Las Vegas spa said several years ago, when Mr. Wynn was booking multiple appointments a week with her in the private massage room in his office suite, he would continually adjust a towel to ex-

pose himself. Then at one session, she said, he threw it off and said, "Just get this thing off of me."

She said he wouldn't let her use a towel to cover his genitals after that, contrary to state licensing regulations, and he also began rubbing her leg while she massaged him.

After a few weeks, the former employee said, Mr. Wynn instructed her to massage his penis to climax. "Don't ignore it anymore," he said, by her recollection. The woman said that because he was her boss, she felt she had no choice but to agree to some of Mr. Wynn's requests, including that one. She said masturbating him became a frequent part of the massage sessions for several months.

At the end of each massage session, she said, he handed her \$1,000 in cash, which was the same amount as before the sexual activity began.

In subsequent sessions, the woman said, Mr. Wynn asked her to perform oral sex on him

departure to work for a Trump casino, Mr. Gomes described what he called a "disgraceful pattern of personal and professional conduct" that he said included Mr. Wynn's directing him to get the home phone numbers of casino cocktail waitresses. Mr. Wynn denied the allegations. In 1994 the parties agreed to end the suit.

**Ex-wife's assistant**

Shawn Cardinal, who was a personal assistant to Elaine Wynn while she was married to Mr. Wynn, said that around 1987, Mr. Wynn repeatedly asked her to spend time with him outside of work. She said he continued asking, often approaching her at her desk outside his wife's office, despite her telling him she had plans with her husband and child.

On the phone, he would ask, "What are you wearing? Why don't you hang out with me after work?" said Ms. Cardinal. "I was not brave enough to say, 'How dare you?' I just joked my

advances in detail at the time. The employee and the supervisor said they sought to manage the situation rather than report it because they believed there would be repercussions if they did.

The 2005 allegations of the manicurist that led to the settlement were the most striking described by former employees. In this instance, a woman who was a salon manager at the time said she filed a written report to human resources.

She said she got a call from an executive, Doreen Whennen, castigating her for filing to HR and saying she should have taken the matter directly to Ms. Whennen.

The former manager said no one followed up with her about the matter. The manicurist soon left.

Ms. Whennen, who is no longer at the company, declined to comment.

In the lawsuit between the Wynns, Ms. Wynn cited a "multimillion dollar payment" made by Mr. Wynn following allega-

**"I was not brave enough to say, 'How dare you?'  
I just joked my way out of it."**

Shawn Cardinal, ex-aide of Mr. Wynn's wife, who said he asked her to spend time with him.

and described in detail how he wanted it done. This request she refused, she said.

The woman said she told Mr. Wynn at a later session she was uncomfortable with his requests, and he stopped asking for massages from her.

She said she didn't tell anyone what happened at the time because she was embarrassed, adding she is still trying to deal with the incident emotionally. She did tell a colleague in a general way Mr. Wynn had been inappropriate with her, that colleague said.

The colleague said she offered advice—but didn't mention that Mr. Wynn had also made advances toward her while she massaged him in his office's private massage room.

The colleague said in an interview Mr. Wynn would remove his towel and, while she massaged the front of his thighs, would tell her to "go higher," which she understood to mean touch his genitals. She said she told him this made her uncomfortable, and his requests for massages got less frequent.

Dennis Gomes, who was an executive at the Golden Nugget in Las Vegas when Mr. Wynn ran it decades ago, said in a deposition in an early-1990s lawsuit that Mr. Gomes "routinely received complaints from various department heads regarding Wynn's chronic sexual harassment of female employees," according to a court filing that summarized his testimony.

In the suit over Mr. Gomes's

way out of it and I made sure I was never alone with him."

Several former employees said Mr. Wynn often walked around some areas of the complex in extremely short shorts without underwear, and he would sit in the salon to get pedicures in such a way that his genitals were exposed.

One ex-employee said after she had performed services in Mr. Wynn's office for years, one day he asked if he could kiss her. She said she laughed off the request, hoping to leave without upsetting him.

Another time, she said, she was performing services in her own workplace at the casino when Mr. Wynn said, "So when are you going to come into my office and f— me?"

She said that she again laughed off the proposition. "I would say, 'Oh Mr. Wynn,' she recalled. "I was just trying to get on with my job."

One time as she did her work in Mr. Wynn's office, this woman said, he repeatedly rubbed his genitals, which were falling out of his shorts, and commented about things he would like to do with her sexually. Once as she was leaving his office, she said, he grabbed her waist as she stood against a wall and told her to kiss him. She said she slipped out of his hold. After around two weeks of pursuit, she said, Mr. Wynn stopped.

The former employee's supervisor and another colleague confirmed being told of these

tions he had engaged in "serious misconduct" on company property against an employee not named in the suit. A filing said Ms. Wynn had learned of the settlement in 2009.

In the suit, Ms. Wynn, who is a co-founder and former board member of Wynn Resorts, is seeking to free herself from restrictions on the control of her estimated \$1.9 billion of stock that were imposed by a 2010 agreement with Mr. Wynn.

Her attorneys have argued that in making a settlement with a former employee without telling the board, Mr. Wynn recklessly exposed the company and other directors to liability.

Wynn Resorts, in its statement to the Journal, alleged that Ms. Wynn was trying to "tarnish the reputation of Mr. Wynn in an attempt to pressure a revised divorce settlement."

The company called it noteworthy that despite knowing of the allegations since 2009, Ms. Wynn didn't make them known to the board, of which she was a member, or raise them until after she lost her board seat.

An attorney for Ms. Wynn said she raised the issue internally when she learned of it.

Mr. Wynn's attorneys have argued the settlement wasn't relevant to the Wynns' dispute, which is headed for a trial this spring.

--Jim Oberman, Lisa Schwartz and Zusha Elinson contributed to this article.



Steve Wynn, third from right, and then-wife Elaine Wynn break ground for a new casino in 2002.

CHRIS FARINA/CORBIS/GETTY IMAGES



## OPINION

THE WEEKEND INTERVIEW with David Ridley | By Allysa Finley

## Medical Miracles From FDA Inefficiency

**Durham, N.C.** You've probably never heard of biallelic RPE65 mutation—and count yourself lucky. It's a genetic defect that causes a form of retinal dystrophy. People born with it gradually lose their vision, often while still children, until they go totally blind. But they are now fortunate: In December the Food and Drug Administration approved a new gene therapy called Luxturna that corrects the mutation and reverses the course of the disease. Patients don't get normal vision back but can read facial expressions and see stars for the first time. It's a partial cure for blindness.

The disease is very rare, afflicting only a few thousand Americans—and therein lies our tale. Spark Therapeutics, which developed Luxturna, charges \$850,000 for a course. Even at that high price, a drug with such a small market might not have been economical to develop as recently as a decade ago. This medical miracle was helped along by a federal law enacted in 2007 with bipartisan support—a rare governmental success, for which economist David Ridley deserves much of the credit.

**The economist behind the 'priority review voucher,' which advances treatments for neglected diseases.**

Mr. Ridley, 48, has spent two decades studying and teaching health-care economics at Duke. In 2006 he and two colleagues published a paper in the journal *Health Affairs* proposing a way to give pharmaceutical companies an incentive to develop treatments for so-called orphan diseases. Congress authorized the "priority review voucher" in 2007. The FDA has since issued 18 vouchers, including six last year: five for drugs to treat rare pediatric diseases and one for the tropical Chagas parasite, which afflicts more than six million people worldwide.

Here's how the system works: When the FDA approves a new treatment for a rare pediatric disease or an infectious tropical one, the drugmaker receives a voucher that can be used to fast-track FDA review on another drug. That allows it to bring the latter drug to market sooner, which can help increase sales, beat competitors and extend the patent's effective lifespan. The vouchers can be sold and never expire. Drugmakers are also required to pay a fee—\$2.7 million in 2017—to cover the FDA's cost of expedited review.

In an interview at an on-campus hotel, Mr. Ridley explains that the voucher idea was a refinement of an earlier proposal by other economists: "If you developed a drug for a neglected disease, you'd be rewarded with a voucher for an extra six months on your patent." For companies making more than

\$1 billion a month on drug sales, "that was real value."

The problem? "That proposal was both inefficient and unfair," he says. A patent confers a monopoly, which encourages innovation by allowing inventors to recover their investment and make a profit. But patents are time-limited for a reason: If they're too long, they can shield companies from competition, deterring innovation and raising costs.

So Mr. Ridley and his colleagues focused on the front end. "We thought that was both fair and efficient, because people are getting access to a drug even earlier," he says. The patent clock is already ticking while the FDA reviews a drug, so earlier approval means more time in which the company has the market to itself. That's a win-win for consumers, who get new drugs faster without any additional wait for less-expensive generics.

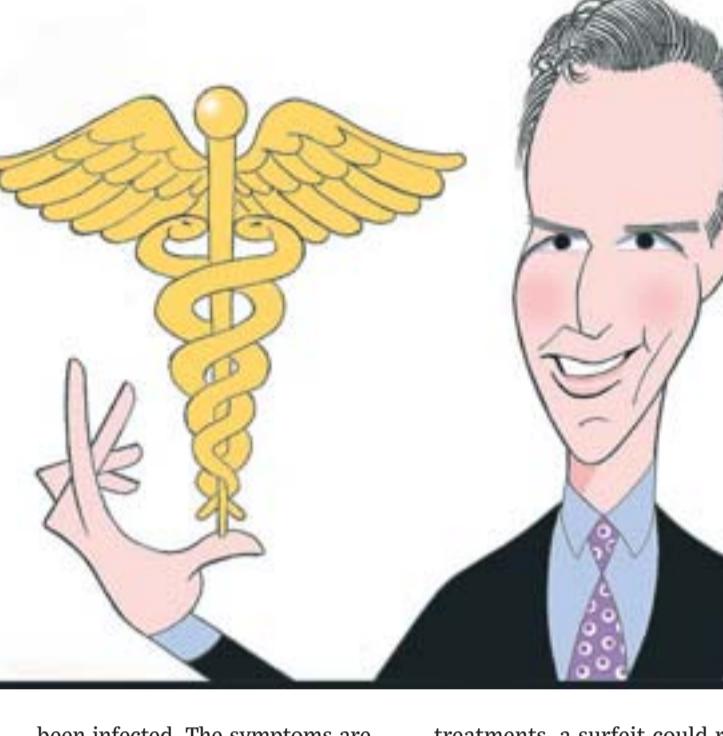
The FDA's review process normally took 18 months, but Mr. Ridley and his colleagues projected that a priority voucher could speed it to six months, which would mean an extra year of sales. For a blockbuster drug, the 2006 paper estimated, a voucher could be worth as much as \$322 million. Priority review, he emphasizes, does not make drugs less safe. Drugmakers still have to comply with all the FDA's clinical-testing and paperwork requirements.

The voucher idea became law after then-Sen. Sam Brownback, a Kansas Republican, heard of it, grew intrigued, and contacted Mr. Ridley. It was 2007, a time of divided government and wide public dissatisfaction with politics. Yet Mr. Brownback was able to assemble a bipartisan coalition with Sen. Sherrod Brown, a populist Democrat newly elected from Ohio.

It's easy to see how market-driven incentives in lieu of direct government funding would appeal to conservatives. The key to getting Democrats on board, Mr. Ridley says, was to make the argument that "the purpose is not to help drug companies get richer. The purpose is to help people suffering from diseases that would otherwise not get help."

The law initially provided vouchers only for infectious tropical diseases. Although scientists have performed plenty of molecular research on such ailments, large clinical trials are needed to bring a treatment to market—and they're expensive. Drugmakers are unlikely to recover the costs because the diseases mostly affect poor countries.

Consider Chagas, which the Centers for Disease Control and Prevention classifies as a "neglected parasitic infection." Most people with Chagas live in rural Latin America; few realize they've



been infected. The symptoms are vague: fatigue, body aches, headache, rash. But if left untreated, the infection can kill. The promise of a priority review voucher gave Chemo Research an incentive to develop a treatment, approved last year, even though the company is unlikely to turn a profit off its sale.

In 2012 Congress extended the vouchers to rare pediatric diseases. Asklepiion Pharmaceuticals received one in 2015 for developing the drug Cholbam to treat bile acid synthesis disorders. Children with those conditions can't properly absorb fats or the fat-soluble vitamins, A, D, E and K. That can lead to a variety of symptoms, including stunted growth, weak bones, vision problems and eventually neurological and liver disease.

A sklepiion didn't use the voucher; it sold it, along with the rights to the drug, in 2015, to bio-pharmaceutical company Retrophin, which in turn sold the voucher to the French pharmaceutical giant Sanofi for \$245 million. Sanofi redeemed the voucher later that year to fast-track review of a Type 2 diabetes medication, hoping to beat a competitor, Novo Nordisk, to market. (Both drugs were approved on the same day.)

Vouchers have sold for anywhere between \$67.5 million and \$350 million, though the price last year settled in the range of \$125 million to \$150 million. Mr. Ridley suspects one reason voucher values are lower than he originally projected is the FDA has become more efficient. Standard reviews now take only 10 months on average. "The FDA has been so great," he laughs, "this is a problem."

Another reason is the law's 2012 expansion to potentially thousands of rare pediatric diseases. Increasing the supply of vouchers would be expected to reduce their value—and thereby diminish the incentive to develop treatments for neglected diseases.

Thus the program's success may be self-limiting: If the vouchers succeed in encouraging novel drug

treatments, a surfeit could reduce their value and discourage investment. Might this cause Congress to restrict the diseases that qualify for vouchers? And if so, how would politicians choose between, say, helping a few thousand American kids with neuroblastoma and millions in Africa with malaria?

"I could certainly understand a member of Congress saying, 'I want to help sick kids in this country,'" Mr. Ridley replies. "My preference would actually be the opposite, and part of the reason is I'm lucky and my kids are healthy." With rare pediatric diseases, drugmakers will likely recover some of their costs from insurers. But there's not much payoff for treating infectious diseases endemic to poor countries. "As sort of a cold-blooded economist, I say, 'How can we help the most people?'"

Consider: The CEO of Nano-Viricides, Eugene Seymour, wrote to Mr. Ridley in 2015, saying that after learning of the voucher program, "I pushed my company to initiate development of a drug for dengue/dengue hemorrhagic fever." This investment would not have happened, Dr. Seymour continued, "had there not been a PRV program in place."

In 2012 the FDA approved the first drug in four decades to treat a resistant strain of tuberculosis, for which Janssen Pharmaceuticals received a priority review voucher. Nearly half of TB patients in Russia, Peru and Thailand have strains with demonstrated drug resistance. Killing resistant TB is exponentially more expensive and time-consuming than the normal first line of treatment. Drug resistance is becoming a bigger challenge for bacterial infections like TB because of the proliferation of antibiotics, so developing treatments could help millions of people.

While vouchers can't be revoked, there's a risk that Congress could fail to renew the program for rare pediatric diseases when it expires in 2020. Mr. Ridley acknowledges this could create uncertainty

for drugmakers and investors. The last time the program was up for renewal, in December 2016, one researcher at Duke's School of Medicine was told she wouldn't receive funding from investors until the program was reauthorized.

Another potential problem is that governments and insurers could use their negotiating power to drive down drug prices, leading pharmaceutical companies to produce fewer new drugs for common ailments. "If there aren't the blockbuster drugs of the past, then there aren't the huge returns to getting it to market sooner," Mr. Ridley says. "Even though I worry about the end of the blockbuster, we just had Sovaldi a couple of years ago." That's the hepatitis C treatment that earned Gilead Sciences Inc. \$10.3 billion in sales in 2014, its first full year on the market.

The potential problems notwithstanding, the voucher program must be reckoned a success. And Mr. Ridley thinks the principle could be applied in other regulatory areas. In 2010 he proposed a priority review voucher for Europe that would include faster regulatory review and decisions about how much national health services will pay for new drugs. "Part of the delay in getting to market in Europe is not just the regulators wanting evidence of your safety and efficacy, but the payers making you jump through some hoops," he says. Perhaps that's why European officials have expressed little interest.

He suggests a priority review voucher for the Environmental Protection Agency, also aimed at preventing infectious tropical diseases: "Our proposal is that if you develop a new pesticide to kill the pests carrying malaria or dengue or Chikungunya or Zika, then you get faster review at EPA for another product, say, for a herbicide to treat crops."

R egulatory agencies tend to move at a snail's pace, but Mr. Ridley says he's seen significant improvements at the FDA over the past decade, and especially within the last year under new Commissioner Scott Gottlieb. Which points to the paradox at the heart of Mr. Ridley's idea. The voucher, he says ironically, is "fundamentally built on inefficiency in regulation." If the FDA were more efficient, priority review wouldn't be valuable.

So why not simply allow all drug companies to pay for priority review? Don't economists prefer efficient markets? "Well, we could," he says, but "if companies could just pay for it, the voucher program would go poof."

*Ms. Finley is a member of the Journal's editorial board.*

## These Prices Are a Steal—and in Some States, That's Illegal



**Milwaukee** Are low prices putting your family at risk? Believe it or not, some regulators seem to think so. Twenty-six U.S. states still have a "minimum markup" law, a relic of Depression-era economics that prevents businesses from charging less.

In Wisconsin, the price police have gone after Meijer, a superstore that sells everything from groceries to electronics to pharmaceuticals. In 2015, when it opened its first two stores in the Badger State, the greeting Meijer received was far from "Wisconsin nice." Rivals filed complaints accusing it of pricing 37 items—including bananas, dog food, ice cream and Cheerios—below cost. Meijer, which runs 200 stores in five states, says this was the first time it had ever been accused of hurting consumers by charging too little. Nonetheless, Wisconsin's Department of Agriculture, Trade and Consumer Protection sent the superstore a letter explaining the requirements of the state's Unfair Sales Act.

The story is similar for Krist Oil, a family-owned gasoline company with more than 70 locations, mostly in Michigan's Upper Peninsula and Northern Wisconsin. Krist has the freedom to determine the most competitive price for its gasoline at its

stations in Michigan, but it is legally barred from doing so in Wisconsin. Although it wants to lower prices, Krist is forced by the state to charge a markup of no less than 9.18%. The biggest losers are workers in rural Northern Wisconsin, who could benefit from lower gas prices.

In the 1930s, many states tried to ward off economic collapse by barring businesses from selling goods below cost. The idea was that minimum markups would soften price competition and keep companies afloat. But almost 90 years after the stock crash of Black Tuesday, these laws are just propping up Overpriced Wednesdays.

**When Meijer opened two stores in Wisconsin, the state demanded it charge more for dog food.**

Some consumer advocates argue that minimum markups are still necessary to prevent big chains from using their economies of scale to drive small retailers out of business. This claim was debunked last year in a study by Will Flanders, research director at the Wisconsin Institute for Law and Liberty, and Ike Brannon, a fellow at the Cato Institute. After examining data from all 50 states, they concluded that there is no causal relationship between

minimum-markup laws and the number of small businesses. So-called mom-and-pop retailers are doing just fine in states that do not have these laws on the books.

But minimum markups do hurt consumers, since they act as a hidden tax that disproportionately harms poor and middle-income households. Wisconsin's markup law increases the price of back-to-school supplies, such as books, markers and crayons, by 12% to 146% compared with neighboring states, according to a study last year by the MacIver Institute, a conservative think tank.

In a free market, which thrives on price competition, there is nothing wrong with selling goods below cost. Businesses do this all the time in other states on Black Friday or during "back to school" sales. The goal might be to move inventory, minimize losses or encourage repeat customers.

It should be easy for lawmakers to repeal regressive regulations like this, but special interests in petroleum, agriculture and alcohol are invested in the anticompetitive status quo. Even in Wisconsin, a state controlled by conservative Republicans for the past seven years, bills to repeal minimum markups have gone nowhere.

So is this archaic regulation destined to stay? Perhaps not. Krist Oil, with the help of attorneys at the Wisconsin Institute for Law and Liberty, has filed a lawsuit currently

pending in state court that argues minimum markups arbitrarily and irrationally violate the economic liberty guaranteed by the Wisconsin Constitution. A victory here could be a blueprint for change in other states.

With wages flat in many parts of the country, Americans could use the savings to be had from allowing businesses to compete more effectively. If lawmakers in the 26 states

with minimum markups are looking for an issue to run on in 2018, one that can appeal to free-market conservatives, urban Democrats, Trump populists and soccer moms, this would be a great place to start.

*Mr. Szafir is executive vice president at the Wisconsin Institute for Law and Liberty. Mr. Gleason is director of state affairs at Americans for Tax Reform.*

## Notable &amp; Quotable: Kissinger

*From Henry Kissinger's prepared testimony before the Senate Armed Services Committee, Jan. 25:*

The most immediate challenge to international peace and security is posed by North Korea. Paradoxically, it is only after Pyongyang has achieved nuclear and intercontinental missile breakthroughs, accompanied by threatening assertions and demonstrations, that measures to thwart these activities have begun to be applied. This has raised the possibility that—as in the case of Iran—an international effort intended to prevent a radical regime from developing a destabilizing capability will coincide diplomatically with the regime perfecting that very capacity. For the second time in a decade, an outcome that was widely considered unacceptable is now on the verge of becoming irreversible.

While the pressure campaign against North Korea appears to have achieved gains in the last year, no breakthrough has taken place on the essence of the matter: North Korea acquired nuclear weapons to assure its regime's survival; in its view, to give them up would be tantamount to suicide.... An agreement on the future of Korea... is the best road to the denuclearization of the peninsula....

The widely discussed "freeze for freeze" scheme—halting North Korean missile tests in return for abandoning defined Allied military exercises—will not, however, fulfill this purpose or even advance it. That would equate legitimate security operations with activities which have been condemned by the U.N. Security Council for decades. And it would encourage demands for additional restraints on, and perhaps the dismantling of, America's alliances in the region.

## OPINION

## REVIEW &amp; OUTLOOK

## Thank You for Tax Reform

The "secular stagnation" thesis is having a bad year. Readers will recall that this idea, popularized by former Obama White House economist Larry Summers, held that America is fated to endure slow economic growth. This conveniently justified the Obama era's historic slow growth as an inevitable *deus ex machina*, and Mr. Summers's policy advice was for government to borrow more money to spend on public works.

A year after the Obama economists left town, stagnation may be following them back to Harvard. The Commerce Department announced Friday that the U.S. economy grew 2.6% in the fourth quarter of 2017, below what most economists expected but the third straight quarter of solid growth.

The details of the GDP report were stronger than the top line that was reduced by the volatile categories of trade and inventories. A fall in inventories accounted for most of the decline in growth from the third quarter, but inventories ebb and flow and the measure will rebound in future quarters. Exports rose more slowly (6.9%) than imports (13.9%), which reduced the trade contribution to GDP.

Consumer spending rose a healthy 3.8% in the quarter, while business nonresidential investment climbed 6.8%. The latter continues the trend during 2017 of rising capital spending, which underperformed across the Obama years. It's not too much to say that capital was on strike as CEOs and small-business owners tried to avoid becoming a target of new taxes or Obama regulators.

Growth for all of 2017 came in at 2.3%, mainly due to the slow first quarter of 1.2%. But the middle two quarters rose above 3%, and the faster growth momentum continued into the fourth. All of this took place before Congress passed tax reform in late December, and the fourth-quarter dip shows how important the tax reform is to maintain growth momentum in 2018 and beyond.

The rapid corporate response to reform has surprised even many of its most ardent supporters. FedEx on Friday became the latest company to commit to major new spending and wage increases in the wake of tax reform. The giant package shipper will spend \$1.5 billion to

expand its hub in Indianapolis and modernize its home-base hub in Memphis. It will also spend \$200 million in raises for employees, most of it for hourly workers, and another \$1.5 billion for employee pensions.

Americans for Tax Reform is keeping a tally of companies making new commitments, and the number as of midafternoon Friday was 263. At least three million Americans are receiving bonuses in the wake of tax reform, which are separate from wage or benefit increases. (It's good that Republicans ignored Americans for Tax Reform's president Grover Norquist's apology for a stealth tax rate of 45.6% on certain taxpayers in the original House bill and instead cut the top marginal rate to 37%).

The buoyant business mood even extended to Davos, Switzerland, this week, where CEOs like J.P. Morgan's Jamie Dimon praised a more "competitive tax system." Mr. Dimon said he wouldn't be surprised if the U.S. economy grew 4% this year, which hasn't happened since 2000. The economy hasn't grown by even 3% since 2005. Even Lloyd Blankfein, the Goldman Sachs CEO, said in Davos that while he has some problems with Donald Trump, he likes the results of the President's economic policies. Mr. Blankfein had better stay away from Manhattan dinner parties for a few weeks.

Faster growth isn't preordained, and there are risks to the 2018 outlook from trade policy, widespread labor shortages and monetary policy if it misses signals about rising prices. This week featured threats from all of those corners: washing-machine and solar-cell tariffs, polarized immigration politics, and a Treasury declaration that a weak dollar is good for the U.S. The good news is that both Mr. Trump and Treasury Secretary Steve Mnuchin walked back the weak-dollar talk later in the week.

But the point is that economic policies matter. The growth rebound in 2017 shows that secular stagnation isn't destiny; it was the result of policy choices by the previous Administration. The Obama Democrats put income redistribution ahead of growth and got more inequality and less growth. Mr. Trump and the GOP Congress have made growth a priority, and that's where they need to keep their focus if they want to keep the expansion going.

## Connecticut's S.O.S.

**C**onnecticut mayors grappling with rising retirement costs and sinking economies this week issued a distress signal to lawmakers in Hartford: Save us from our public unions.

The state would be in a "stronger position if we don't negotiate for benefits," Joe DeLong, the executive director of the Connecticut Conference of Municipalities, told a committee convened by the legislature to restore fiscal stability and economic growth. The conference of municipalities implored the state to end collective-bargaining for pensions and health-care benefits as well as limit binding arbitration when unions and local politicians deadlock during contract negotiations. This usually results in a sweet deal for the unions.

"We're suggesting it's very difficult in the state of Connecticut under the current labor agreements and under binding arbitration," said Waterbury mayor Neil O'Leary, a Democrat. His town's health care and pension costs make up 30% of its budget.

Gov. Dannel Malloy, after multiple tax increases, last year tried to close the state's \$3.5

billion deficit by shifting teacher pension costs to municipalities. Mayors warned that this would lead to property tax hikes. The legislature punted some pension payments to the future, but mayors are worried that they will eventually be required to pick up more of the bill.

That's because state lawmakers have little flexibility to cut spending since Mr. Malloy extended collective-bargaining agreements through 2027 despite receiving few concessions from government unions. Meanwhile, tax revenues have been declining amid a sluggish economy and retirement costs are soaring. About 35% of state revenues go to debt service and retirement obligations. Connecticut's annual teacher pension contribution is projected to quadruple by 2032.

While mayors say they're willing to pay more for pensions, many want the ability to shift their employees to defined-contribution plans that give them control over the costs. But will Democrats in Hartford defy their labor friends and rescue Connecticut's underwater cities? Connecticut voters are only beginning to understand the damage from two terms of Mr. Malloy.

## The Opioid Dens of Medicaid

**A**mericans are familiar with the horrors of the opioid crisis, and government at every level has tried to respond with spending on treatment programs and more. But one area that deserves more scrutiny is how government programs may be contributing to the epidemic.

Wisconsin Senator Ron Johnson released a report this month from the Senate Homeland Security and Governmental Affairs Committee that connects the dots between Medicaid and the opioid epidemic. The report doesn't claim too much, conceding that everything from too many prescriptions to drug marketing contributed to the epidemic.

Yet Medicaid offers cheap access to astronomical quantities of pills that can be resold on the black market. For as low as a \$1 co-pay Medicaid beneficiaries can get up to 240 oxycodone pills that can be resold for \$4,000, according to the report. Since 2010 more than 1,000 people across the country have been charged or convicted of improper use of Medicaid to obtain prescription opioids.

Mr. Johnson's report captures some of the sordid specifics, including a case in Connecticut where a perpetrator "preyed on" Medicaid beneficiaries who were "down on their luck," according to a detective the committee interviewed. The drug ring leader would pay Medicaid beneficiaries, say, \$50 to get a prescription filled. Pharmacists tended to trust the Medicaid system and filled the scripts. Then the perpetrator would sell the opioids on the street for up to \$3,000 for a single bottle. The perpetrator pleaded guilty to multiple charges in 2015.

## More evidence that the entitlement may be facilitating abuse.

States that expanded Medicaid as part of ObamaCare. More than 80% of nearly 300 cases were filed in Medicaid expansion states, the report found, with New York, Michigan, Louisiana, New Jersey and Ohio topping the roll call. Moreover, "the number of criminal cases increased 55 percent in the first four years after Medicaid expansion, from 2014 to 2017, compared to the four-year period before expansion."

This correlation doesn't prove causation but certainly warrants a closer look from Health and Human Services and fair-minded academics. The left says Medicaid isn't the problem and is essential to treating opioid addicts, though this overstates the case. Medicaid beneficiaries are often targeted by junk treatment centers that bill the government for reimbursement.

Also of note this month the inspector general of Tennessee told the Senate committee of his state's experience. One example: An addicted doctor's office manager who would steal prescription slips and write orders for a variety of people. The state Medicaid program TennCare picked up the tab for some.

Anecdotes shouldn't make policy, but the human wreckage ought to invite inspection of a health-care program whose ostensible purpose is to care for the poor and vulnerable.

## More evidence that the entitlement may be facilitating abuse.

## LETTERS TO THE EDITOR

## Carter Treasury Never Sought a Weaker Dollar

I could not agree more with the Journal that Treasury Secretary Steven Mnuchin's talking the dollar down is wrongheaded and injurious to U.S. interests. None of his predecessors in modern times, including myself, have taken a similar position for all the reasons you cite, and then some.

Unfortunately, you equate Secretary Mnuchin's recent statement with the Carter administration's dollar policies 1977-80, and with my own statements while at the Treasury ("Making the Dollar Weak Again," Review and Outlook, Jan. 25). That is a gross mischaracterization of the history of that period and bears correcting.

Here are the facts. Some time during the early weeks of the Carter administration, I publicly stated the obvious—that demand and supply in world markets will determine the value of the dollar. It was this which was erroneously interpreted by some as "talking the dollar down."

I quickly learned my lesson. The record will show that on innumerable subsequent occasions I made it a point to state firmly, over and over again, that the Carter administration believes and is committed to a stable and strong dollar, and that I led the effort for us to follow this policy. That was the very opposite of the

Mnuchin pronouncement.

It is true that the dollar nevertheless continued to be under pressure and weaken during the period. But that wasn't because of a deliberate weak-dollar policy. Quite the contrary. The prime reason for a weakening dollar was a major world energy crisis, with OPEC aggressively raising oil prices, excessive U.S. energy consumption and rising oil imports. The Carter administration worked hard to counter these trends, bring down consumption and reduce oil imports. At the same time, major efforts were undertaken—for which I was a tireless advocate—to stabilize and strengthen the value of the dollar, unfortunately, given international realities, with only limited success.

With hindsight, there may be legitimate arguments for questioning some aspects of the Carter administration's economic policies. Perhaps, even stronger fiscal measures and tougher monetary policies should have been undertaken more quickly. But a deliberate policy, a la Mr. Mnuchin, let alone statements by myself or others to weaken the dollar was never what we did.

W. MICHAEL BLUMENTHAL  
*Secretary of the Treasury, 1977-79*  
Princeton, N.J.

## What It Means to Be a Modern 'Gentleman'

I agree with Peggy Noonan's conclusions in "America Needs More Gentlemen" (Declarations, Jan. 20) but many women, particularly those younger than Ms. Noonan and myself, resent being treated as a "lady."

I have worked with many very competent women of all ages throughout my career. I have learned many resented my acting as Ms. Noonan's "gentleman" would, apparently because my being a man, it implies they are not my equal. I have been asked not to refer to them as "ladies" but rather as "women." They are offended when I hold a door for them or attempt to help them with their chair when sitting down at a table. Many women seem to feel a man treating them as would a 1940s gentleman is somehow demeaning. When offering my seat on transport one time, I was told to "stay seated, buster." Often when holding a door for a female colleague, I'm told to "go on in, please." A true gentleman would not act so as to offend. Should Ms. Noonan and I meet, I would be pleased, as a sign of respect, to hold the door for her.

SAM MCKIM  
*Stuart, Fla.*

I am 72 and have been fortunate to have raised wonderful children, three boys and two girls. As the boys grew, I taught them to act like gentlemen when it came to dealing with women. I emphasized that whenever they questioned how to act with women, they should treat women as they would want men to treat their sister—something that they could relate to immediately.

STEVE CRITTENDEN  
*Stafford, Va.*

Women don't need someone to hold open a door for them. They need someone to listen to them. Does the fact that Ms. Noonan chooses to paint what happened between Aziz Ansari and "Grace" as a sort of bad date mean that Mr. Ansari couldn't have possibly known what Grace wanted?

Exploitation happens because people do not listen to women when it comes to sex. They are told they don't know what consent is. They don't know the difference between a good touch and a bad one and they are infantilized over and over. When I read what happened to "Grace," all I can think about is how she is being destroyed for not screaming "no" and not climbing out the window.

TALIA SAMUELSON  
*Buenos Aires*

Excesses have always existed regardless of how a society described itself. A so-called "gentlemanly" society has never existed, except in fiction. So-called "proper behavior" was easier for the ruling elites to project. The reality of the "people," however, was usually different.

Society is changing. Exposure of rights and wrongs is much more likely. I challenge Ms. Noonan to show evidence of a nonfictional society in which her view of gentlemanliness predominated in practice.

JERRY NACHISON  
*Las Cruces, N.M.*

I am mystified that Ms. Noonan ends with a reference to Jimmy Stewart's gentlemanly decline of Katherine Hepburn's drunken advances. As a recovering feminist, I note that Ms. Hepburn chose Cary Grant, not the gentlemanly Jimmy Stewart at the end of "The Philadelphia Story." Many women, seemingly including "the girl in her 20s" in the *Babe.net* story, say they want the gentleman, but choose the jerk.

ALICE L. HARRON  
*Oakland, Calif.*

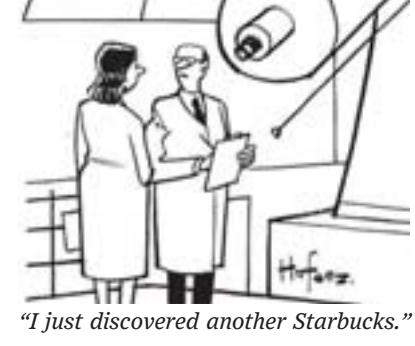
## CORRECTION

Politico quoted an unnamed former official of the Consumer Financial Protection Bureau as saying: "We wanted to send a message: There's a new cop on the beat. . . . Pushing the envelope is a loaded phrase, but that's absolutely what we did." This quote was misattributed in the Jan. 24 op-ed "The CFPB Has Pushed Its Last Envelope."

RAMA IYER, P.E.  
*Tampa, Fla.*

## Pepper ... And Salt

THE WALL STREET JOURNAL



"I just discovered another Starbucks."

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to [wsj.ltrs@wsj.com](mailto:wsj.ltrs@wsj.com). Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

## OPINION

# Who's Afraid of Jordan Peterson?

**DECLARATIONS**

By Peggy Noonan

**W**hen I speak with young people beginning their careers I often tell them that in spite of the apparent formidableness of the adults around them—their mastery of office systems, their professional accomplishments, their sheer ability to last—almost everyone begins every day just trying to keep up their morale. Everyone's trying to be hopeful about themselves and the world. People are more confused, even defeated by life, than they let on; many people—most—have times when they feel they've lost the plot, the thread. So go forward with appropriate compassion.

**When a British interviewer tried to shut him up, I knew he had something interesting to say.**

This flashed through my mind when I saw the interview this week between British television journalist Cathy Newman and clinical psychologist and social philosopher Jordan Peterson. It burned through the internet, in part because she was remarkably hostile and badgering: "What gives you the right to say that?" "You're making vast generalizations." He seemed mildly taken aback, then rallied and wouldn't be pushed around. It was also interesting because she, the fiery, flame-haired aggressor, was so boring—her thinking reflected all the predictable, force-fed assumptions—while he, saying nothing revolutionary or even particularly

fiery, was so interesting. When it was over, you wanted to hear more from him and less from her.

I wondered when I first read the headlines: What could a grown-up, seemingly stable professor (former associate professor of psychology at Harvard, full professor for 20 years at the University of Toronto) stand for that would make a journalist want to annihilate him on live TV—or, failing that, to diminish him or make him into a figure of fun?

He must have defied some orthodoxy. He must think the wrong things. He must be a heretic. Heretics must be burned.

I had not known of his work. The interview was to promote his second book, "12 Rules for Life: An Antidote to Chaos." Mr. Peterson is called "controversial" because he has been critical, as an academic, of various forms of the rising authoritarianism of the moment—from identity politics to cultural appropriation to white privilege and postmodern feminism. He has refused to address or refer to transgendered people by the pronouns "zhe" and "zher." He has opposed governmental edicts in his native Canada that aim, perhaps honestly, at inclusion, but in practice limit views, thoughts and speech.

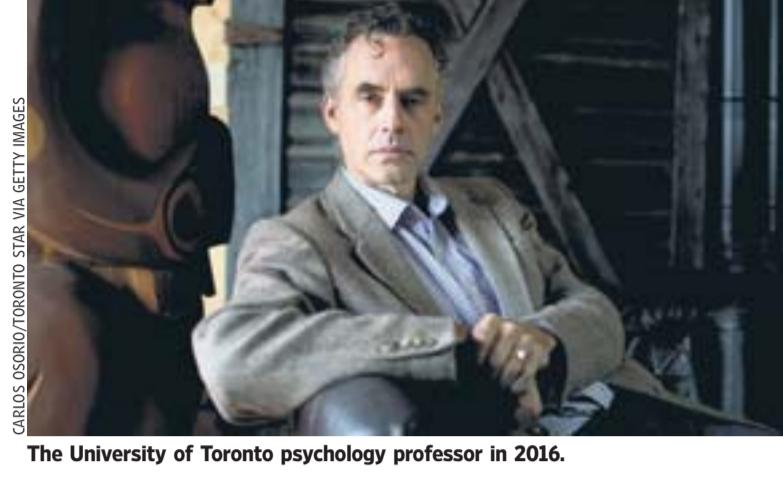
This is unusual in a professor but not yet illegal, so I bought his book to encourage him.

In it he offers advice, much but not all of it based on decades of seeing patients as a psychologist, on the big eternal question: How to Live.

He is of the tough school: Know life's limits, see and analyze your own, build on what you've got and can create.

And be brave. Everything else is boring and won't work.

Deeper in, you understand the reasons he might be targeted for annihilation. First, he is an intellectual who shows a warm, scholarly respect for the stories and insights into human behavior—into the *meaning* of things—in



The University of Toronto psychology professor in 2016.

the Old and New Testaments. (He'd like more attention paid to the Old.) Their stories exist for a reason, he says, and have lasted for a reason: They are powerful indicators of reality, and their great figures point to pathways. He respects the great thinkers of the West and the Christian tradition.

More undermining of the modernist project, Mr. Peterson states clearly more than once that grasping at political ideology is not the answer when your life goes wrong. There's no refuge there, it's a way of avoiding the real problem: "Don't blame capitalism, the radical left, or the iniquity of your enemies. Don't reorganize the state until you have ordered your own experience. Have some humility. If you cannot bring peace to your household, how dare you try to rule a city?"

That is a dangerous thing to say in an ideological age.

What should we do instead? Admit life ain't for sissies. You will die and on the way to death you will suffer; throughout you will be harassed by evil, both in the world and in your heart: "Earthquakes, floods, poverty, cancer—we're tough enough to take on all of that. But human evil adds a whole new dimension of misery to the world."

The only appropriate stance: "Stand up straight with your shoulders back" and "accept the terrible responsibility of life with eyes wide open." Literally: "Quit drooping and hunching around. Speak your mind." Competitors and predators will start to assume you're competent and able. Moreover, it will "encourage the serotonin to flow plentifully through the neural pathways desirous for its calming influence."

"Aim up. Pay attention. Fix what you can fix." Respect yourself, take part, keep "the machinery of the world running."

Don't be arrogant. "Become aware of your own insufficiency. . . . Consider the murderousness of your own spirit before you dare accuse others, and before you attempt to repair the fabric of the world. And above all, don't lie. Don't lie about anything, ever. Lying leads to Hell. It was the great and the small lies of the Nazi and Communist states that produced the death of millions of people."

He's suggesting here the personal is political, but not in the way that phrase is usually meant.

If I were of the radical established left, bent on squelching contending thought, I'd hate him too.

Success is a mystery, but failure is

not: "To fail, you merely have to cultivate a few bad habits." Drugs, drinking, not showing up, hanging around with friends who are looking to lose, who have no hopes for themselves or you. "Once someone has spent enough time cultivating bad habits and biding their time, they are much diminished. Much of what they could have been has dissipated," he writes. "Surround yourself with people who support your upward aim."

The past is fixed but the future is not. You can learn good by experiencing evil. "A bullied boy can mimic his tormentors. But he can also learn from his own abuse that it is wrong to push people around." Your future is not preordained by experience; don't be cowed by the stats. "It is true that many adults who abuse children were themselves abused. It is also true the majority of people who were abused as children do not abuse their own children."

"Pursue what is meaningful, not what is expedient."

It is a good book, blunt and inspiring.

We live in a time when so many young (and not so young) people feel lost, unsure of how they should approach their lives, or life in general. Mr. Peterson talks about the attitudes that will help find the path. It is not a politically correct or officially approved path, but it is an intensely practical and yet heightened one: *This life you're living has meaning.*

Back to the hostile interview, and the labeling of Mr. Peterson as "controversial," which is a way of putting a warning label on his work. When people, especially those in a position of authority, like broadcasters, try so hard to shut a writer up, that writer must have something to say.

When cultural arbiters try to silence a thinker, you have to assume he is saying something valuable.

So I bought and read the book. A small thing, but it improved my morale.

## At #MeToo U, the Faculty Loses Its Ideological Immunity

By Allen C. Guelzo

**T**he Pennsylvania Gazette, my alma mater's glossy alumni magazine, doesn't stray far from institutional self-admiration. Or it didn't, until this month's issue.

The letters column featured the frank narrative of a class of 1973 undergraduate who says she was sexually harassed by a long-affiliated, greatly honored (and deceased) chairman of the Graduate School of Fine Art. Women in the program called him "the Silver Fox," the correspondent reports.

**A 'down' Marxist prof is accused of harassing 'young women and gender nonconforming people.'**

She managed to evade an invitation to his island retreat to "model" for him: "Somehow I knew I would avoid him sleeping with me, and I was successful at that," she writes. But one-on-one sessions to discuss her work were 90 minutes of navigating sexual advances and innuendo.

Sexual harassment has been the official term for this since before Anita Hill accused Clarence Thomas in 1991. But in the 1990s, that decade of third-wave feminism, it was assumed that sexual harassment was something conservatives visited upon women to punish them for straying from traditional roles. When Bill Clinton was caught in the act, progressives from Gloria Steinem to Susan Faludi and Ms. Hill herself rushed to confer ideological immunity upon him.

That immunity ended with Hillary Clinton's political career, as Harvey Weinstein and a host of figures in entertainment, the news media, politics and the arts have learned. The Gazette letter is a sign that progressive immunity is disappearing from

an even more politicized zone: higher education.

Not that colleges and universities haven't come under scrutiny for sexual harassment before. The Obama Education Department's notorious 2011 "Dear Colleague" letter insisted that Title IX, which prohibits schools receiving federal money from engaging in sex discrimination, required them to abandon due process in adjudicating accusations of sexual misconduct.

But that effort was aimed mostly against accused students. Even after Betsy DeVos's Education Department withdrew the 2011 letter, it did not seem to occur to many observers that the arrow of sexual-harassment rules might point toward the faculty.

It is a truism that university faculties lean far to the left. Yet if the expectation was that campuses would therefore be laboratories for the pure application of feminist theory, it hit the shallow end very quickly. "When I was in college, hooking up with professors was more or less part of the curriculum," admitted Laura Kipnis, a Northwestern professor who found herself on the receiving end of a Title IX accusation in 2015. What better way to subvert the norms of staid bourgeois morality than the personal initiation of undergraduates into the world of uninhibited sexuality by a professoriate already committed to awakening young people to the oppressive malady of capitalist hegemony?

Until the vanguard of the proletariat was abruptly unmasked as a protector of the patriarchy.

In December 2017, Prof. Celeste Kidd and eight other current and former faculty members and students at the University of Rochester sued the university alleging retaliation after they complained that T. Florian Jaeger, a psycholinguistics professor in the Brain and Cognitive Sciences Program, "slept with graduate students, pressed others for sex, took them to hot tub retreats where drugs were used, asked graduate students to procure sexual partners for him, and made frequent

overtly sexual remarks in professional settings." (In a lengthy Jan. 19 Facebook post, Mr. Jaeger acknowledges having "made mistakes" but rejects "the claim that my lab has been a work environment hostile to women.")

This was not the first accusation against Mr. Jaeger. When a doctoral candidate filed a 2013 complaint with the university, it sided with him and later promoted him to full professor. But in the post-Weinstein era, the suit snared the attention of Time, which featured the Rochester "Silence Breakers" on its "Person of the Year" cover. Three weeks later, Joel Seligman announced his resignation as Rochester's president.

Meanwhile, Gopal Balakrishnan, a professor in the History of Consciousness Department at the University of California, Santa Cruz, was accused of "using his position of power . . . to intimidate, harass, and even assault young women and gender

nonconforming people" in a statement signed by 96 students, complete with graphic testimonies of seduction, assault and drug abuse.

Mr. Balakrishnan is no reactionary. One accuser called him the "down-Marxist professor." His presumption, they allege, was that because "he was a Marxist and supported the student movement," he was therefore free to be "creepy to women." (In a statement to a local TV station, Mr. Balakrishnan said "I have never done anything resembling the one, more lurid narrative of an encounter with me" and called his accusers "dangerous, nihilistic individuals.")

These are not your conventional he-said, she-said cases. They are accusations about power and its abuse by individuals who profess allegiance to a political ideal that ceaselessly complains about power when it comes in the form of capitalism and republican government.

But we can expect more of these accusations in academia. The university is one of the last domains of hierarchy, its Marxist residents notwithstanding, and hierarchy has always been conducive to the *droit du seigneur*. Throw in departmental happy hours, open bars at academic conferences, and job interviews in conference hotel rooms, and you have a recipe for a highly sexualized workplace.

Already Karen Kelsky's consultancy on academic sexual harassment, *The Professor Is In*, has collected more than 2,000 narratives of alleged misconduct by faculty. Universities are no more immune from hypocrisy than Hollywood. Concealing it will prove no less disastrous for other institutions than it has for the University of Rochester.

*Mr. Guelzo is a visiting professor at Princeton's James Madison Program in American Ideals and Institutions.*

## Why It's Hillary's Emails Again

**BUSINESS WORLD**

By Holman W. Jenkins, Jr.

The new year brings many a revisiting of the Hillary Clinton email server case, including one at the hands of the Justice Department inspector general (that's where all those FBI text messages are coming from), though his inquiry likely defines the matter too narrowly to get at the really important issues.

We should also stress that some kind of a revisiting would bedevil a Clinton administration now if Hillary Clinton had been elected instead of Donald Trump.

Way back in 2014, had Mrs. Clinton returned her "personal" emails and devices to the State Department instead of destroying them, it would have closed matters for most Americans.

After all, the Obama administration knew of and condoned her private server, amounting to an implicit endorsement of her unorthodox handling of classified materials.

But she didn't, and the administration was not about to prosecute its heir apparent, especially after she became the sole alternative to Bernie Sanders and then Donald Trump.

President Obama's public statements on the case could not have been clearer. He essentially directed his Justice Department that Mrs. Clinton did nothing wrong, as arguably a president is entitled to do.

The part that never made sense was why FBI Director James Comey intervened to do the president's bidding so the Justice Department wouldn't have to.

It was unnecessary and improper.

Whatever its wisdom, no serious person of either party believes the

outcome was anything but predetermined. Mr. Comey simply intruded himself as a more plausible vehicle to carry out the administration's will on the "matter" than Attorney General Loretta Lynch would have been. That much is clear by applying even the minimalist interpretation to the text messages of his lead investigator on the case, Peter Strozk, as well as other evidence surfaced by the Justice Department's inspector general.

Mr. Comey gave different reasons in public and private for his action. In closed congressional session, he pointed to intercepted Russian intelligence that he said could be used to discredit the Justice Department. That is, he relied on information from one or more U.S. intelligence agencies. It doesn't tax the imagination to suppose Mr. Comey and fellow intelligence officials were operating on a shared premise that a Clinton presidency was inevitable and needed to be protected from email-related risks.

Since then, Obama intelligence officials have leaked intelligence and planted scurrilous innuendo about Mr. Trump, apparently aimed at giving credibility to the "collusion" narrative and discrediting his victory. But what Mr. Comey did was worse. Again, I'm not saying it was realistic or desirable that Mrs. Clinton be prosecuted, but the choice not to prosecute was a political decision that the Obama administration and Obama Justice Department had a role to play and to own.

President Obama's public statements on the case could not have been clearer. He essentially directed his Justice Department that Mrs. Clinton did nothing wrong, as arguably a president is entitled to do.

The American people are not idiots. They would have considered the reasons, spoken and unspoken, understood the complexities, and come to their usual, wildly divergent views about the propriety of the Obama decision.

Instead, Mr. Comey lied to the electorate in the middle of a presidential race. He lied when he said

the FBI conducted a thorough, apolitical investigation of the candidate of the party in power. He lied when he said the evidence alone exonerated Mrs. Clinton and her aides. He withheld from the public information about Russian intelligence activity that appears to have been a pretext for his intervention.

When the partisan red mist clears, his surviving plausible defense will be that Mrs. Clinton was certain to win and needed to be protected from any attempt to use the controversy over her missing emails to weaken her. But Mr. Comey had no business prejudging the election based on his personal estimate that Mr. Trump was as unacceptable to the American people as he was to Mr. Comey and his Obama administration colleagues.

It almost slips by unnoticed, by the way, that all this was the consequence of the Obama Democratic Party's hosting itself to Mrs. Clinton—the same Mrs. Clinton whose law-firm billing records, under subpoena for two years, magically turned up on a table in the White House in the run-up to the 1996 election, while the world muffled its as-tonishment and skepticism.

In fact, the reaction was not dissimilar to the one that greeted Friday's report that Mr. Trump tried to fire Robert Mueller back in June but was stopped by his staff. Consider it another reminder, like the Clinton email case, that law and politics inevitably meld at this level.

Mr. Trump rightly fears that the Mueller investigation is becoming an open-ended inquiry into obstruction and/or his financial past. His best defense is to be a successful president. He needs to win an endorsement from voters this fall and keep the House in GOP hands. If he doesn't, the hard reality is that Mr. Trump can blame himself for what comes next.

## THE WALL STREET JOURNAL.

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## SPORTS

NBA

# The Player Who Lives by the Three

How Miami Heat guard Wayne Ellington started relying on shots from 3-point range more than anyone in NBA history

BY BEN COHEN

**WAYNE ELLINGTON** was not the most likely player to take the NBA's 3-point revolution to its latest extreme. He was known for his shooting even as he bounced around the league. But he had never been fully unleashed to shoot.

And then he signed with the Miami Heat. Ellington's seventh team in six years was the first to make him believe that he wasn't being used the right way. They wanted this peripatetic bench player to shoot as much as he possibly could.

"Because he's a great shooter," Heat coach Erik Spoelstra said. "Simple as that."

What happened next was one player's improbable reinvention that reveals a whole lot about today's NBA and how much it has changed over the course of Ellington's career alone. Ellington has become more useful than ever in large part because of how many of his shots this season have been 3-pointers: 83.4%. No player in the history of the league with as many shots in one season has launched a higher percentage of them from behind the line.

"I think this is the player he always envisioned he was supposed to be," Spoelstra said.

Except no one had seen him that way until he signed with the Heat. Ellington was a solid 38% 3-point shooter, but he averaged only 2.7 attempts per game, which accounted for 40% of his total field-goal attempts. Miami saw his potential value hiding in plain sight. Which is why Spoelstra begged Ellington to shoot. Ellington obliged. He's now taking 7.5 per game.

"When I first got here, he told me he doesn't want me pump-faking," Ellington said. "He wants me to let it fly." He didn't care if Ellington took bad shots, and he didn't care if his shots were blocked. Just shoot, he said, and keep shooting. "That's a shooter's dream," Ellington said. "He felt like it could help the team. I think he was right."

He was right. The Heat are in fourth place in the Eastern Conference, and Ellington is one of the explanations for their record. His net rating is the highest on the team. The Heat are at their best when Ellington is on the court.

"The more he shoots, the more of a threat he is, the better our offense runs," Spoelstra said.

So he shot more and more until he was shooting more 3-pointers than pretty much anyone ever.

There are two players who have logged regular minutes and taken at least 14 threes per 100 posses-

sions—a metric of how often they shoot when they're on the floor—while making at least 40% of them in any NBA season. Stephen Curry has done it in the last three years. Wayne Ellington is doing it this year. "That's crazy," he said.

He's shooting so much, and 3-pointers account for such an enormous percentage of his shots, in part because he doesn't wait to be open. James Harden is the only player who has attempted more closely guarded 3-pointers, according to NBA data. Harden is shooting 36% on those attempts. Ellington is shooting 45%. He's shooting virtually the same on tightly defended threes as Curry on totally open threes.

Let's be perfectly clear: Wayne Ellington is not Stephen Curry or James Harden. He only averages 11 points per game, which is by far the most of his career, and he still doesn't start for even his own team. But his job is to shoot 3-pointers and create space with his 3-point shooting. And he's very good at his job.

There are some players who have taken a higher percentage of their shots from behind the arc, but Ellington has already taken more 3-pointers than any of them, and his efficiency has only increased with his volume. He takes enough shots and makes enough of them that defenses gravitate toward him not unlike the way Curry and Harden stretch the dimensions of the court.

Ellington is 30 years old. He's in his ninth season. So what suddenly changed? Even he says it's as simple as his coach made it sound. "Spo," Ellington said. "Seriously, though. Spo."

Spoelstra, who is somehow the NBA's second-longest tenured coach behind only Gregg Popovich, had the power to experiment with an idea that seemed unconventional, even if it's worked so well that it now seems inevitable. It makes sense that one player like Ellington can help the entire offense in today's NBA. And it makes sense that he should be shooting more 3-pointers than he'd ever dreamed. But first Spoelstra had to give him permission.

"Some teams were stuck in the old ways and weren't evolving as fast as others," Ellington said. "You want to get to one of those teams that will allow you to play to your strengths. Coach Spo has seen where the game is going. He's willing to evolve."

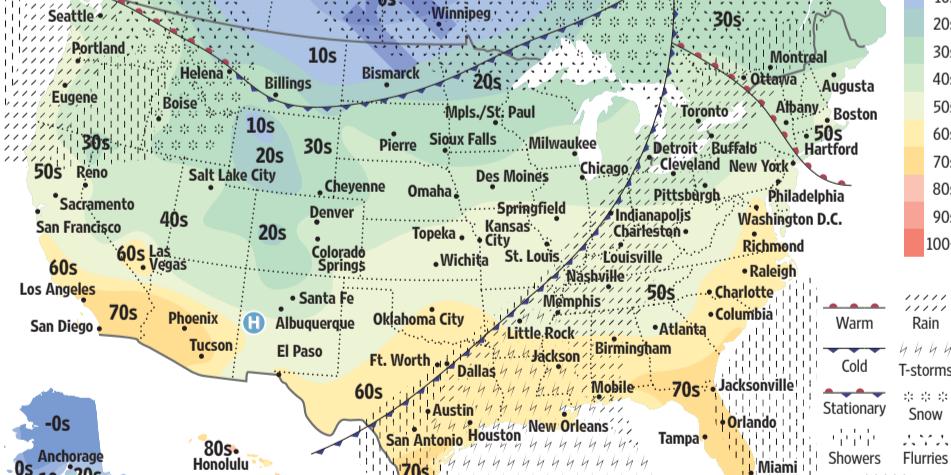
And he's still pushing Ellington to the next stage of his evolution. Ellington took 16 threes in one game this season. Once again Spoelstra wanted him to shoot more. "I'd love for him to get 20," he said last week. "How fun would that be?"



CHUCK BURTON/ASSOCIATED PRESS

The Heat are in fourth place in the East, and Wayne Ellington is one of the unlikely explanations for their record.

## Weather



## U.S. Forecasts

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

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

Today Tomorrow

Hi Lo W Hi Lo W

Anchorage 13 5 pc 13 7 s

Atlanta 59 51 sh 59 45 s

Austin 68 48 sh 67 35 s

Baltimore 58 46 s 53 36 r

Boise 41 34 sn 49 33 c

Boston 51 41 s 50 31 r

Burlington 43 34 pc 42 20 sn

Charlotte 60 49 pc 59 43 r

Chicago 46 27 pc 34 22 pc

Cleveland 48 31 r 43 26 c

Dallas 66 40 c 65 39 s

Denver 44 23 s 48 24 pc

Detroit 47 29 r 39 22 pc

Honolulu 83 69 pc 82 70 pc

Houston 68 55 t 66 43 pc

Indianapolis 50 28 r 45 24 pc

Kansas City 53 28 s 43 18 pc

Las Vegas 62 44 s 70 46 s

Little Rock 59 34 r 59 32 s

Los Angeles 76 55 s 82 56 s

Miami 76 72 pc 78 69 sh

Milwaukee 43 27 pc 31 20 sn

Minneapolis 33 14 pc 21 6 c

Nashville 58 43 r 55 31 pc

New Orleans 66 55 t 64 47 c

New York City 54 44 s 54 36 r

Oklahoma City 60 29 s 63 24 s

Today Tomorrow

Hi Lo W Hi Lo W

Orlando 46 23 s 32 13 c

Philadelphia 74 62 p 76 61 r

Phoenix 57 46 s 54 37 r

Pittsburgh 48 31 r 42 26 pc

Portland, Maine 43 37 pc 45 25 pc

Portland, Ore. 52 46 r 58 43 r

Sacramento 58 39 pc 62 40 pc

St. Louis 58 31 pc 49 24 s

Salt Lake City 44 33 pc 47 30 pc

San Francisco 57 46 pc 62 48 s

Santa Fe 44 17 s 51 20 s

Seattle 49 43 r 54 45 r

Sioux Falls 39 11 s 22 5 pc

Wash. D.C. 60 48 s 53 38 r

Today Tomorrow

Hi Lo W Hi Lo W

Frankfurt 47 39 pc 50 46 c

Geneva 49 35 sh 51 38 pc

Havana 81 68 pc 82 65 pc

Hong Kong 69 63 c 68 51 c

Istanbul 45 38 pc 46 39 pc

Jakarta 87 76 sh 86 57 t

Jerusalem 48 41 pc 50 40 pc

Johannesburg 78 59 t 78 57 t

London 52 49 r 56 48 pc

Madrid 50 35 pc 57 36 s

Manila 81 75 sh 83 75 c

Melbourne 90 72 pc 99 80 s

Mexico City 68 49 sh 62 47 sh

Milan 51 39 r 54 37 s

Moscow 22 18 sn 25 21 sn

Mumbai 87 64 pc 88 66 pc

Paris 46 42 pc 53 48 pc

Rio de Janeiro 83 75 t 86 75 c

Riyadh 74 46 pc 63 43 s

Rome 60 40 pc 60 40 s

San Juan 80 71 sh 81 73 sh

Seoul 24 18 pc 28 12 pc

Shanghai 39 38 r 41 28 r

Singapore 86 77 c 86 77 c

Sydney 83 75 t 82 73 pc

Taipei 70 61 pc 73 56 r

Tokyo 43 31 s 41 35 pc

Toronto 43 29 r 39 21 pc

Vancouver 44 38 r 47 45 r

Warsaw 40 34 c 42 39 sh

Zurich 47 34 sh 47 37 pc

## AUSTRALIAN OPEN

## CILIC SEEKS TO SPOIL FEDERER'S SLAM BID

BY TOM PERROTTA

**AT THE AUSTRALIAN OPEN** on Sunday, the world could witness an accomplishment in men's tennis that no one had ever thought possible: Roger Federer winning his 20th Grand Slam singles title.

The 36-year-old Federer has that chance after a victory against Hyeon Chung, the 21-year-old from South Korea who had an improbable run to the semifinals. Chung was behind 6-1 5-2 when he retired because of a blister in his left foot that all but ruined his ability to run.

Next up for Federer: Marin Cilic, the 6-foot-6 Croatian who owns one Grand Slam title, which he won in 2014 at the U.S. Open (he beat Federer in the semifinals). Federer and Cilic met in last year's Wimbledon final, with Federer winning easily in straight sets.

There was an asterisk in that match, though. Cilic was hobbled by a blister that hurt his movement, to the point where there was a moment of tears. But in this tournament, he's healthy and dangerous. Cilic was in a tight match against Rafael Nadal before Nadal had to retire. Against everyone else, Cilic has looked superb. If his power is on and accurate, he's just the sort of player who could keep Federer from controlling points as he would like to do.

"I'm feeling really, really good physically, even though I had few matches that went more than three hours," Cilic said. "But overall, feeling really good. I think I played great tournament so far with my level of tennis. I think I improved it comparing to end of the last year. I'm playing much, much more aggressive."

Federer has beaten Cilic eight times in nine meetings. A few of his victories have been tight, like the time he beat Cilic at Wimbledon, in 2016. Cilic won the first two sets of that match before Federer came back. In their most recent match, in the ATP



JULIAN SMITH/EPA/SHUTTERSTOCK

Finals at the end of last year, Federer won two sets to one. The two know each other well and even practiced lightly in November, during a random holiday meeting when they both were in the Maldives.

"He was eager to hit because it's good to stay in the rhythm," Federer said. "We also met up later for drinks, met his fiancée. We had cake together, my whole family and him. We had a good time."

This will be Federer's seventh final at the Australian Open, the most in the Open era, which began in 1968. He has won this title five times. He agreed that another victory in Melbourne would defy all expectations with a 20 Grand Slam career.

"It would be amazing," Federer said.

## International

Today Tomorrow

Hi Lo W Hi Lo W

Amsterdam 45 43 pc 52 46 c

Athens 54 41 pc 58 42 pc



CHINA HEY, BIG SPENDERS B3

# BUSINESS & FINANCE



CURRENCIES A STERLING RUN B11

LEON NEAL/GETTY IMAGES

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THE WALL STREET JOURNAL.

Saturday/Sunday, January 27 - 28, 2018 | B1

DJIA 26616.71 ▲ 223.92 0.8% NASDAQ 7505.77 ▲ 1.3% STOXX 600 400.57 ▲ 0.5% 10-YR. TREAS. ▼ 9/32, yield 2.661% OIL \$66.14 ▲ \$0.63 GOLD \$1,351.60 ▼ \$10.80 EURO \$1.2427 YEN 108.59

## Yuan's Resurgence Vexes Beijing

Trade tensions could accelerate as currency remains propelled by dollar's movements

By Lingling Wei  
in Beijing and Saumya Vaishampayan  
in Hong Kong

Fresh from its battle to defend the yuan last year, China's central bank is looking at another: how to rein in its recent fast ascent.

Driven by an unexpectedly prolonged softening of the dollar, the Chinese currency has surged to around its strongest level against the greenback since its surprise devaluation in August 2015. The yuan is now on track for its best monthly performance since April 1980, rising 3% against the dollar so far in January.

The yuan's move is roughly in line with the euro's 3.5% gain and yen's 3.8% gain against the dollar thus far in January. The Chinese currency strengthened 0.2% against the dollar Friday, with one dollar

buying 6.3154 yuan in late New York trading.

The yuan's resurgence is making the currency a policy headache for the Chinese government once again. If it keeps going up, government advisers and analysts say, it could encourage speculative fund flows from overseas and hurt exports amid already rising trade tensions between China and the Western world, particularly the U.S.

"This is not what the central bank would like to see," said Xiao Lisheng, a senior economist at the Chinese

Academy of Social Sciences, a government think tank, referring to the recent fast appreciation of the yuan, which is also known as the renminbi.

"The central bank wants the renminbi to move up and down according to market supply and demand," he added. "Now it's basically being held hostage by the dollar index."

The central bank's predicament shows how China still has a long way to go before it has a truly market-driven currency. In the past decade, Beijing has moved fitfully to liberalize its rigid currency regime

—an effort that culminated in August 2015, when the central bank devalued the yuan by almost 2% and gave market forces more sway over the currency's value.

But as that surprise move backfired, sending global markets reeling, China reinstated its heavy control over the yuan. Since late 2015, the central bank has embarked on a campaign to keep the yuan from weakening too quickly and to maintain confidence in the world's second-largest economy. It subjected out-

Please see YUAN page B2

## Retail Investors Jump Into Market

By LISA BEILFUSS

After sitting out most of the nearly nine-year bull market, individual investors are finally pouring in.

Discount brokerages TD Ameritrade Holdings Corp., E\*Trade Financial Corp. and Charles Schwab Corp. reported surges in client activity at the end of 2017 that have accelerated in January. The firms attributed much of the activity to retail, or individual, investors who are opening brokerage accounts for the first time, some of them lured by the boom in cryptocurrency and cannabis investments.

"There's pent-up activity and some element of the fear of missing out," said Devin Ryan, a brokerage analyst and managing director at JMP Securities LLC, especially among younger investors as the stock market continues to hit highs.

This rise in interest in some of the riskiest new areas highlights investor optimism that is spurring more trading activity across age demographics and markets. And analysts say the strong trading activity from Ameritrade, E\*Trade and Schwab—results reminiscent of their heady days during the

## Factories Plan Upgrades After Tax Windfall

BY ANDREW TANGEL  
AND PATRICK MC GROARTY

New tax rules are hastening modernization of U.S. factories by giving manufacturers an incentive to buy machinery and boost productivity in a tight labor market.

For the next five years, the revised tax code allows companies to immediately deduct the entire cost of equipment purchases from their taxable income. Previously, companies generally were allowed to write off only a portion of the cost in a single year.

The change is encouraging manufacturers to install robots and replace aging machines sooner than planned.

"We probably would have put it off another year" without the tax incentives, said Ken Mathas, president of Cornell Forge Co., a Chicago maker of gears and other components for heavy machinery. Mr. Mathas said he plans to spend at least \$1.5 million this year to add three or more robots to a production line in lieu of workers he is struggling to find.

U.S. manufacturers already are benefiting from a global economic upswing, a weaker dollar that has made American products more competitive overseas and improved business sentiment at home.

Manufacturing output in the U.S. rose 3% in December compared with December 2016, Federal Reserve data show, up from a year-earlier increase of 1%.

Some manufacturers have already increased their planned



Cornell Forge in Chicago and other manufacturers say the tax overhaul is enabling them to accelerate investment in new equipment.

capital spending. U.S. orders of manufacturing equipment this year are forecast to rise as much as 12%, according to the Association for Manufacturing Technology, up from an annual

rate of 9% as of November. About half of the factory equipment sold in the U.S. is made overseas, according to the association.

By effectively reducing the

cost of automation, the tax overhaul puts "another arrow in the quiver of companies that want to go that route," said Josh Pokrzewski, an analyst at Wolfe Research.

It will also hit government coffers. Full expensing, compared with the prior U.S. tax law, would reduce federal tax collections by \$36.5 billion in

Please see TAX page B2

**72%**

Rise in millennials' Ameritrade account openings at quarter's end

tech-stock boom—suggest the market rally is entering a "melt-up" stage that is bringing in once-skeptical investors.

At Ameritrade—among the first to give retail clients access to bitcoin futures—new account openings hit a record at the end of its latest quarter, driven by a 72% rise in new business among millennials. Chief Executive Tim Hockey said in an interview that most of the influx of younger, first-time investors was due to interest in the highly speculative areas of cryptocurrencies, including bitcoin, and cannabis.

"It's all correlated," said Mr. Ryan, as the 35-year-old and younger crowd wants to get in on the bull market before it ends and is more versed and interested in cryptocurrencies and "pot" investments than older investors.

But the craze hasn't been limited to millennials. "I'm seeing thousands of percentage points of returns," said William Starr, 58, an information-technology manager in Roseburg, Ore., of his investments in cryptocurrencies. An Ameritrade customer, Mr. Starr said he is considering putting some of his crypto gains in the stock market.

"Crypto and cannabis...volumes have been up big," E\*Trade Chief Executive Karl Roessner said Friday on the firm's fourth-quarter earnings call with analysts and investors. Despite the bitcoin-futures offering not being "a material offering," Mr. Roessner said about a 10th of daily average revenue trades—a key metric for brokerages—has so far this month been blockchain- or pot-related.

Schwab Chief Executive Walt Bettinger said retail business rose 49% in 2017 from a year earlier, with more than half of new clients age 40 or younger. Ameritrade reported record trades per day in the fourth quarter, up 49% from a year earlier, and E\*Trade said trading activity in November and December ranked as two of the three best months in the company's history.

## THE INTELLIGENT INVESTOR

By Jason Zweig

## A Sleuth Digs Deep And Lives His Passion

Retiree Tom Miller was recently talking with his friend Aaron Chow about an investment Mr. Miller had made in Rich Uncle's Real Estate Investment Trust I, a property fund whose shares don't trade publicly.

Yes, it's called "Rich Uncle."

Mr. Chow studied its website, read every page of every regulatory document the company had filed, researched its accounting practices and peppered its investor-relations staff with phone calls. By the time he was done, even the REIT's chief executive knew who he was.

A month ago, Mr. Chow turned 19 years old.

His story, and his approach, show that even in a

Please see INVEST page B5

## Saudi Arabia Turns Focus to Refining

By CHRISTOPHER ALESSI

DUBAI—Saudi Arabia's state oil company is building an oil-refining empire, a major shift for the world's No. 1 crude producer as it tries to shore up its balance sheet ahead of the world's biggest-ever IPO and make up for income lost to OPEC production cuts.

Over the past five years, Saudi Arabian Oil Co., known as Aramco, has boosted its global refining capacity by more than a third to 5.4 million barrels a day, according to Scottish energy consultancy Wood Mackenzie. New facilities along Saudi Arabia's Red Sea and Persian Gulf coasts are part of the increase, and the kingdom has commissioned an additional refinery in its southwest region that is set to come online in 2019.

These moves and others, including taking full control of the biggest U.S. refinery, in Port Arthur, Texas, have vaulted Aramco's global refining capacity beyond that of Western rivals such as Exxon Mobil Corp., Royal Dutch Shell PLC and BP PLC. But unlike Aramco, the international oil majors already had strong downstream businesses—including fuel and petrochemicals—to bolster their earnings when crude prices plummeted just over three years ago.

Saudi Arabia is now one of

### More Homework

Share of Saudi crude oil that is refined in Saudi Arabia



Source: Joint Organizations Data Initiative  
THE WALL STREET JOURNAL



Saudi Arabia has refining ventures with China, a key market.

the top three exporters of diesel fuel to Europe—the world's largest market for diesel used in passenger vehicles—grabbing market share from the continent's two longtime suppliers, Russia and the U.S.

Saudi diesel sales to Europe in October were up more than 50% from a year earlier, while European imports of American diesel were off 34%, according to the International Energy Agency.

Rising Saudi shipments of fuel products have helped soften the financial blow of decreased crude-oil production

and exports by the Organization

of Petroleum Exporting Countries cartel. Saudi Arabia's crude exports in November were down 15% from a year earlier, but exports of refined products were up nearly 28%, according to the Joint Organizations Data Initiative, an international group that tracks energy markets.

Russia

has passed Saudi Arabia as the world's biggest oil producer, and the U.S. is set to overtake Saudi crude output for the first time in a generation. At the same time, the kingdom is fighting to defend its market share in China against exports from Russia,

Please see SAUDI page B2

## BUSINESS &amp; FINANCE

# Deaths of Billionaires Ruled Homicides

Toronto police say the founder of drugmaker Apotex and his wife were targeted

BY VIPAL MONGA  
AND JACQUIE McNISH

TORONTO—The deaths last month of Barry Sherman, the billionaire founder of generics drugmaker **Apotex** Inc., and his wife are being investigated as a double homicide, Toronto police disclosed in the latest turn for a mystery that has drawn wide interest in Canada and beyond.

The lead investigator said Friday that police "haven't developed any suspects" but did conclude the couple was targeted before they were found strangled in their north Toronto home last month.

"We have an extensive list of people we are looking forward to speaking to," said Detective Sgt. Susan Gomes.

Police previously said the couple died from "ligature neck compression," a type of strangulation, but until Friday had only classified the deaths as "suspicious."

Detective Sgt. Gomes con-

firmed that the couple were found in a semiseated position, hanging by belts attached to a railing near their indoor pool. She said there were no signs of forced entry into the home.

News of the deaths had reverberated throughout the global drug industry, where Mr. Sherman was widely known as someone who sued and was in turn sued, and through Toronto society, in which Honey Sherman was an active champion of local charities.

Mr. Sherman had numerous foes in the drug industry as a result of hundreds of legal battles he pursued over nearly four decades against regulators and competitors that he believed wrongfully threatened his generic-drug business. He told author Jeffrey Robinson in 2000 that he had made so many enemies in his legal fights with major pharmaceutical companies that he once wondered "why didn't they just hire someone to knock me off."

Mr. Sherman was also entangled in a decadelong fight with five cousins who alleged that he improperly cut them out of the Apotex fortune after

UNITED JEWISH APPEAL FEDERATION/GREAT TORONTO/CANADIAN PRESS/AP



**Barry and Honey Sherman** were found strangled in their Toronto home last month. Police say they want to talk to a number of people.

he bought his first drug business from the estate of their deceased father in 1967. Their case was dismissed in September by an Ontario judge.

The Toronto police had also considered whether the deaths were a murder-suicide or double suicide, Detective Sgt. Gomes said Friday. In the days after the bodies were found, numerous friends and business associates were quick to counter speculation by the media that it may have been a murder-suicide.

Speaking at a memorial for the couple last month, their son Jonathon angrily disputed that either of his parents was responsible for their deaths.

"Our parents never left anyone behind. They were taken from us," he said.

The Sherman family, which has been steadfast in their belief that their parents were killed, issued a statement Friday after the police called it homicide.

"This conclusion was expressed by the family from the



Shermans' residence in north Toronto.

The deaths have also left uncertain the fate of Apotex, one of the world's largest makers of generic drugs.

On Friday, the company said that Chief Executive Jeremy Desai had resigned to "pursue other opportunities." He is being succeeded by Jack Kay, the current vice chairman. An Apotex spokesman declined to comment.

—Sara Schaefer Muñoz contributed to this article.

## YUAN

Continued from the prior page bound investments to heavy scrutiny, made bets against the yuan more expensive and burned through \$1 trillion in foreign-exchange reserves to support the currency.

Those strategies, helped by a weakening dollar and a rebounding Chinese economy, paid off. The yuan gained 6.7% against the dollar last year, according to Wind Info, more than erasing its loss in the prior year.

But along the way, it has remained tightly controlled and its movement has largely been propelled by how the dollar moves, not by economic fundamentals.

The People's Bank of China—which sets the yuan's daily official rate, dubbed the fixing—allows the yuan to go up if the dollar weakens and, conversely, lets it go down if the greenback strengthens. While predictable, this mechanism encourages one-way bets on the yuan.

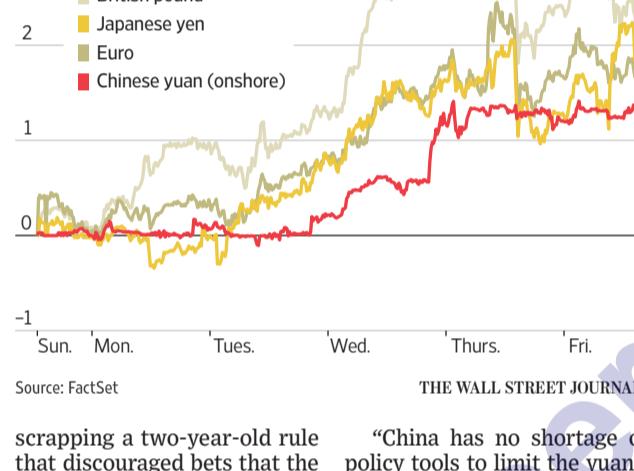
A case in point: In anticipation of continued dollar weakness, Chinese exporters have been rushing to convert their dollar earnings into yuan since late last year, reversing a trend of hoarding dollars.

The current dollar-driven mechanism also means limited options for the central bank.

The PBOC did try to stem the yuan's rise last year by reversing a range of measures it had previously put in place to prop it up. That includes

### Run-Up

Global currencies rose against the dollar this past week.



scrapping a two-year-old rule that discouraged bets that the yuan would fall in value.

This month, amid the yuan's resurgence, the central bank tweaked how it set the fixing by halting the use of a "countercyclical" factor introduced in May 2017.

The PBOC had since then applied the factor in a way that helped it to curb expectations for the yuan to weaken. Now if the yuan's continued surge results in abnormal cross-border capital flows, advisers and analysts say, the central bank could reapply the factor for the purpose of preventing it from rising too fast.

But a step like that would represent a further step back from making the yuan a market-driven currency. Intervention can boost

"China has no shortage of policy tools to limit the yuan's appreciation against the dollar," said Brad Setser, a senior at the Council on Foreign Relations. "But a lot of the most powerful tools would require backtracking on key reforms."

Falling yuan-trading volumes so far in January suggest that the PBOC hasn't been intervening much to stem the yuan's rise, said Roland Mieth, emerging-markets portfolio manager at Pacific Investment Management Co. in Singapore.

The average daily trading volume so far this month in China's domestic currency market is lower than the averages for last year and January 2017, according to central-bank data. Intervention can boost

trading volumes, as the central bank instructs Chinese banks to buy or sell the yuan.

Growing trade frictions with the U.S. could also complicate management of the yuan. President Donald Trump had made labeling China a currency manipulator a campaign pledge, but backed down after Beijing's enormous effort to support the yuan last year. A weaker yuan would make Chinese goods cheaper in the U.S. market.

The lag effects of the yuan's sharp depreciation in 2016 helped lift Chinese exports last year, with China's annual trade surplus with the U.S. widening to a record \$275.8 billion, based on Chinese data.

The yuan's surge is starting to rattle Chinese exporters and some officials. But any effort by Beijing to significantly weaken the currency could add fuel to the Trump administration's case for tougher penalties against made-in-China products.

Sheng Songcheng, a senior adviser at the central bank, said he expects "relative stability" in the yuan's exchange rate this year.

Many investors expect the yuan to strengthen further, on the belief the dollar's broad-based pullback isn't done yet.

"I do expect the PBOC to remain quite involved in the foreign-exchange market," said JC Sambor, deputy head of emerging-market fixed income at BNP Paribas Asset Management.

The yuan "has never been a free-floating currency and it will not be anytime soon."

## SAUDI

Continued from the prior page could happen this year, at the center of his efforts to energize and diversify his country's economy.

Aramco declined to answer questions for this article. Last April, in remarks at Columbia University, Aramco Chief Executive Amin Nasser said the company aims to increase its refining capacity to between 8 million and 10 million barrels a day in an effort to better balance the company's business.

For a company that lags behind Western peers in transparency and efficiency, Aramco's refining capabilities help it to be "more of an integrated global energy company" like the publicly listed oil giants, said Ayham Kamel, who heads the Middle East division for political-risk consultancy Eurasia Group.

BP, Exxon and others use their refineries to help them weather oil-market downturns because those parts of the business buy oil and do well when prices are low. Aramco refines less than half of its crude output, putting it behind nearly all the world's big oil companies in that measure of how vertically integrated an energy producer is, according to the IEA.

"It's important for the [Saudi] political leadership to have Aramco be more than

just a crude exporter in order to maximize the value of the company," Mr. Kamel said.

Aramco's refining operations span the world, with joint ventures in South Korea, Japan and China, in addition to the giant Motiva refinery in Port Arthur, Texas. These facilities give the company a guaranteed outlet for its crude oil in its most important markets.

But its biggest base is in Saudi Arabia itself, where Aramco has capacity to refine about 3 million barrels of crude a day. That is more than any single European nation, though it falls far short of the country with the most refining

*Aramco's refining operations span the world, from Japan to China to the U.S.*

capacity—the U.S., with 18.6 million barrels a day, according to Wood Mackenzie.

The Saudis have been exporting fuels like diesel at an opportune time. Since the summer, gasoil futures on London's Intercontinental Exchange—a benchmark for diesel—have soared by close to 30%, as a booming global economy has bolstered industrial demand for the fuel.

—Summer Said contributed to this article.



A robotic conveyor uses laser guides to sort through materials at a distribution facility in Ohio.

## TAX

Continued from the prior page

2019, according to congressional estimates.

Rick Toth, whose 66 employees at Toth Industries Inc. in Toledo, Ohio, make parts for heavy trucks and construction equipment, said the depreciation benefit has encouraged him to buy at least three computerized metal-fabrication machines this year for up to \$400,000 each. Before the legislation passed, he planned to buy just one machine to handle the 10% to 15% boost in business he expects this year. "You've got to be competitive in this marketplace to protect the jobs you have," Mr. Toth

said.

Aluminum producer **Novelis** Inc. is among the bigger companies planning to build new plants or spend more on factory equipment this year in part because of the beefed-up depreciation benefit.

"The tax reform solidified our decision and allowed us to feel very comfortable with the financial return," said Steve Fisher, chief executive of Novelis. It plans to build a highly automated \$300 million plant in Kentucky that would employ 125 experienced process engineers and metallurgists.

**PPG Industries** Inc., a paint and coatings maker, plans to spend \$50 million on capital projects in the U.S. this year in part because of the depreciation benefit.

The benefit led executives at diaper- and tissue-maker **Kimberly-Clark** Corp. to move up plans to spend as much as \$200 million to make one of its U.S. factories more productive. The plan, which awaits board approval, comes as the company plans to close 10 factories and lay off thousands of workers.

Some public companies may find the depreciation benefit less enticing, as it doesn't affect reported taxes and earnings under accounting rules. Other companies are boosting capital spending without singling out the depreciation benefit. **Apple** Inc. said the tax law's inducement to repatriate overseas cash contributed to its decision to commit \$4 billion more to modernizing pro-

duction facilities for its U.S. suppliers.

**Fiat Chrysler Automobiles** NV suggested the tax overhaul contributed to its decision to shift production of Ram Heavy Duty trucks in 2020 from Mexico to a partially automated plant in Michigan. "Tax reform, I think, was an absolute essential ingredient of the decision making," Chief Executive Sergio Marchionne said.

Joel Prakken, chief U.S. economist at the forecasting firm Macroeconomic Advisers in Washington, estimates the new tax law will add 5% to business spending on equipment nationally by 2024. He sees the tax law boosting manufacturing production an additional 1.25% by 2025.

"It's a positive effect," Mr.

Prakken said. "But at the national level it's not transformational."

Across the U.S., spending on business equipment rose at an 11.4% annual rate in the fourth quarter, the biggest gain in three years, according to Commerce Department figures released Friday.

The Minneapolis Federal Reserve said this month that 45% of manufacturers responding to a recent survey said they added automation over the past year to increase productivity. About a third did so to mitigate worker shortages and reduce labor costs.

Aneesa Muthana, owner of medical- and automotive-parts maker **Pioneer Service** Inc. in Addison, Ill., is willing to hire eight new workers to help op-

erate the 12 machines she plans to purchase as a result of the depreciation benefit. She doesn't know where she will find them, though. "It's almost impossible," she said.

The continuing trend toward automation has pushed down manufacturing employment overall since the financial crisis, but also has created some well-paying jobs that require years of training or an engineering degree.

Still, wages aren't keeping up with the upswing in production. Even as U.S. unemployment lingers at a 17-year low of 4.1%, factory wages rose 2% last year, down from a 3% bump in 2016.

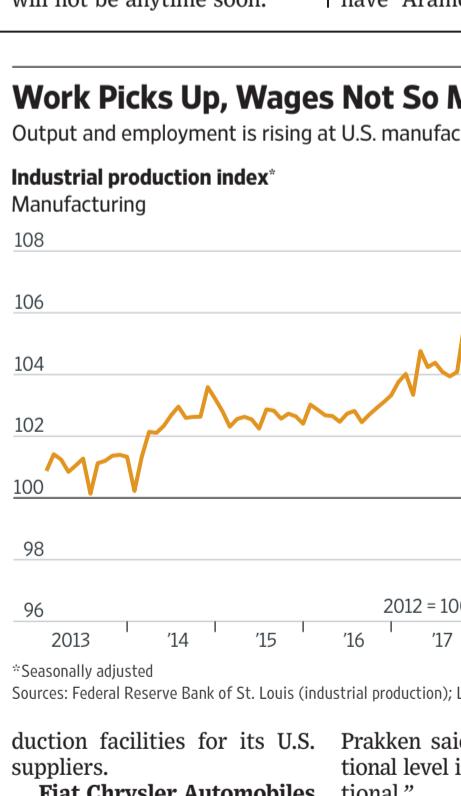
—Sharon Terlep, Tripp Mickle and Chester Dawson contributed to this article.

## Work Picks Up, Wages Not So Much

Output and employment is rising at U.S. manufacturers, but wage growth for factory workers is slowing.

### Industrial production index\*

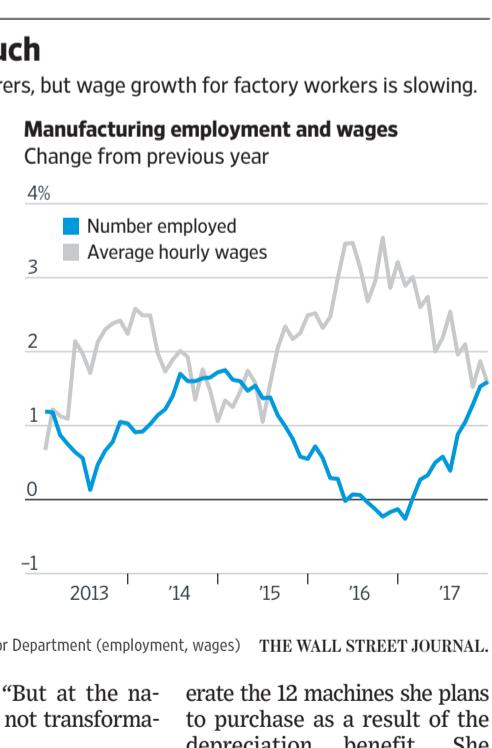
Manufacturing



### Manufacturing employment and wages

Change from previous year

Number employed      Average hourly wages



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—Sharon Terlep, Tripp Mickle and Chester Dawson contributed to this article.

## BUSINESS NEWS

# Outcome Health Strikes Deal to End Lawsuit

By ROLFE WINKLER

**Outcome Health** said Friday it is replacing founder Rishi Shah as chief executive and agreed to settle a lawsuit brought by investors, which had alleged the company defrauded them months after they invested nearly \$500 million.

The Chicago company also said the founders, investors and lenders are "recommitting" \$159 million to Outcome to help reduce its debt and reinvest in its operations. It wasn't immediately clear how much, if any, of the \$159 million is additional capital from the investors, or whether a portion of it is coming from \$225 million set aside for the founders from the investors' initial capital infusion.

Outcome's two founders—Mr. Shah and President Shradha Agarwal—will step down from their positions and become chairman and vice chairwoman of the board, respectively. The company said it is searching for a new CEO, while the board will expand to seven members from three and include new independent directors.

Outcome makes money by streaming pharmaceutical ads to flatscreens it installs in doctors' offices.

The settlement resolves a three-month public feud between Outcome and its investors, including **Goldman Sachs Group Inc.**, Google parent **Alphabet Inc.** and the venture-capital firm of Chicago's prominent Pritzker family. Led by Goldman, those investors last spring had put \$487.5 million in Outcome at a \$5.5 billion valuation, catapulting the company into the upper ranks of the most highly valued startups.

A spokesman for Goldman Sachs declined to comment. Alphabet and representatives for the Pritzker Group didn't respond to requests for comment.

In October, The Wall Street Journal reported allegations

by former Outcome employees and advertisers that some of its employees had misled customers by charging them for ads on more screens than the startup had installed. The company said then it "has always upheld the highest ethical standards" and adopted new policies to comply with customer contracts. It placed three employees, including a top executive, on paid leave and hired former U.S. Attorney Dan Webb to investigate the claims. Outcome hasn't released any of Mr. Webb's findings.

A few weeks later, Goldman, Alphabet and other investors sued Outcome in a New York court, alleging Mr. Shah and Ms. Agarwal misled them by knowingly providing false data and financial reports before the funding round. The investors, who claimed their shares "may be worthless," also sought to freeze \$225 million of the total that had been placed in a separate account to pay the founders a dividend.

Mr. Shah and Ms. Agarwal called the fraud allegations baseless and said the effort to freeze the funds was unfair and could financially damage the company.

Outcome has faced difficulties since the allegations surfaced. Several major advertisers suspended their business with the company, the Journal reported in November. An Outcome spokesman said then that the company had signed new advertising deals. The company has lost several key executives, and as of December about half of Outcome's staff had quit, been laid off or taken voluntary buyouts since September when the company employed more than 600 people.

Mr. Shah, 32 years old, who owned the majority of Outcome after the May investment, co-founded the company in 2006. After last year's funding, Forbes crowned Mr. Shah one of the world's newest billionaires.



People wait to enter a Gucci store at a mall in Hong Kong. A buoyant stock market is boosting Chinese demand for luxury goods.

# Chinese Shoppers Splurge

By MATTHEW DALTON

**PARIS**—A new wave of big-spending Chinese shoppers is driving torrid sales growth for the global luxury-goods industry after two years of cautious buying.

Buoyed by a surging stock market, Chinese consumers are splurging at home, during trips to Europe and increasingly online. Their pursuit of luxury items—including fancy watches, designer clothes, handbags and high-price liquor—has revved up as the damping effect of an anticorruption crackdown by Chinese authorities and terrorist attacks in Europe has faded over the past year.

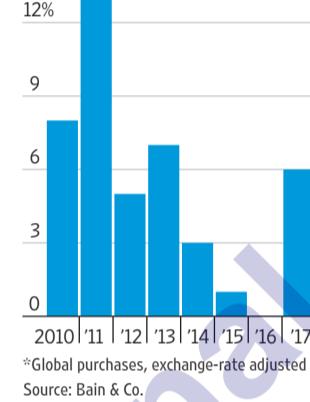
Luxury-goods purchases by Chinese shoppers jumped 12% last year to €84 billion (\$104 billion), according to consulting firm Bain & Co., with their share of the global total rising to 32% from 30% in 2016. Analysts said the pickup in spending could even accelerate this year.

"China has become extremely dynamic," said Ber-

## Back in Bling

Fashion-savvy Chinese shoppers are again driving global sales growth for personal luxury goods.

### Year-over-year growth of luxury purchases\*



\*Global purchases, exchange-rate adjusted

Source: Bain & Co.

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bellwether reported record annual revenue and profits, led by a surge in Chinese sales. Revenue for 2017 was €42.6 billion, up 13%, while profits rose 29%.

While megabrand such as Louis Vuitton and Gucci remain among their favorites, Chinese shoppers are also exploring more niche labels such as Céline or Derek Lam.

On a recent morning in the Parisian department store Galeries Lafayette, Meng Xin, a pharmaceutical company employee from Beijing, was at the Céline boutique to buy a €1,250 handbag. The brand, owned by LVMH, has a reputation for understated designs that draw from its Parisian roots, and until recently had little traction with Chinese consumers. But Ms. Meng said she liked the brand's simple style.

The search for new brands reflects the changing profile of Chinese luxury shoppers, analysts and retailers said. Compared with a few years ago, they are now younger, more likely to be women and more attuned to fashion trends.

"The Chinese used to buy brands mainly for the logo," said Alix Morabito, fashion editor at Galeries Lafayette, one of the premier destinations for Chinese shoppers. "Now, they are buying logos that are in style."

With demand reviving, Galeries Lafayette has opened a store across the street from its main location in central Paris to serve tour buses filled with Chinese shoppers. All signs are in Chinese and French. The new outlet is meant to free up Galeries Lafayette's main store for more discerning Chinese customers, who usually travel in small groups of friends and family and want the time to browse before buying, Ms. Morabito said.

Changing demographics in China have helped drive the surge in spending. People born after the introduction of China's one-child policy in 1979 account for an ever bigger share of consumers. They now have their own jobs and can draw on the resources of two parents, giving them more disposable income than their predecessors.

Harvey Keitel

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## BUSINESS &amp; TECHNOLOGY

# Staples Picks New CEO From Coca-Cola Ranks

Incoming executive was once considered potential candidate to lead beverage maker

By DREW FITZGERALD

**Staples** Inc. replaced Chief Executive Shira Goodman with a top Coca-Cola Co. executive, switching leaders after the office supplier was taken private in a leveraged buyout last year.

The company said Friday that Alexander "Sandy" Douglas, most recently the president of Coca-Cola North America, will take over the big-box retailer on April 2.

Mr. Douglas, 56 years old, announced in October he was retiring from Coca-Cola after nearly 30 years at the soda giant.

Private-equity firm **Sycamore Partners** bought Staples in September for about \$6.9 billion, after more than a decade of declines for the retailer's shares. Sycamore later split the company into three divisions focusing on U.S. retail, Canadian retail and a delivery business that serves big corporate and government customers.

Ms. Goodman, 57, who started working at Staples in 1992, became chief executive at the Framingham, Mass.,

company in 2016. She took the top job after her predecessor, Ron Sargent, resigned after failing to achieve a merger with rival **Office Depot** Inc. U.S. antitrust officials challenged the combination in court, forcing the companies to drop the effort.

John Lederer, executive chairman of Staples' delivery business, said in a letter to employees that Friday would be Ms. Goodman's last day.

"I know I speak for all our associates in acknowledging and thanking Shira for her years of dedicated leadership and wishing her the best in all future endeavors," he said.

Delivering printer paper, janitorial supplies and other workplace basics remains a relatively profitable business for the company, but its big-box stores have suffered years of slumping sales amid competition from Amazon.com Inc. and other discount retailers.

Mr. Douglas, who began his career at Procter & Gamble Co. in 1984, joined Coca-Cola in 1988 and rose through the ranks.

He was considered a potential candidate for CEO of the company. In 2017, Coca-Cola elevated its Europe head, James Quincey, into the top job.

Shira Goodman, who is being replaced by Alexander "Sandy" Douglas, became CEO before Staples was taken private last year.



Shira Goodman, who is being replaced by Alexander "Sandy" Douglas, became CEO before Staples was taken private last year.

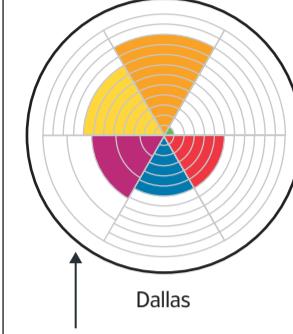
## Ranking Amazon's HQ2 List

Amazon has narrowed the list of metro areas it is considering for its new headquarters to 20 from 238. Now the real hunt begins. The company will visit cities, examine areas' attributes and negotiate incentives in a site-selection process expected to take months.

Here's how the chosen cities rank based on factors such as culture fit, state taxes and cost of living.

Tech labor force      Fiscal health      Cost of living      College educated      Culture fit      State tax rank

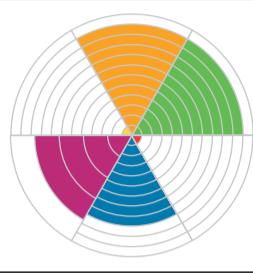
### FIRST TIER



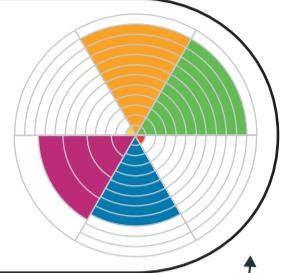
Dallas gets our top ranking based on its large tech labor force and midrange grades for nearly everything else.



D.C. proper\*



Montgomery County, Md.\*



Northern Virginia\*

Three of the top locations are around D.C.

### SECOND TIER



Miami, an affordable city, and Boston, with especially strong higher education, contrast sharply.



Atlanta



Miami



Boston



Seattle

### THIRD TIER



Raleigh, N.C.



Los Angeles

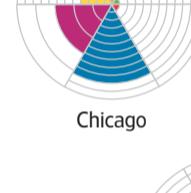


Indianapolis

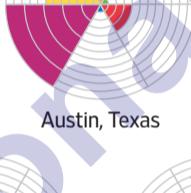


Denver

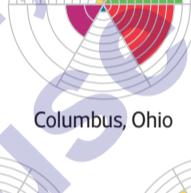
### FOURTH TIER



Chicago



Austin, Texas



Columbus, Ohio



New York

### FIFTH TIER

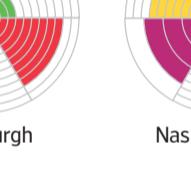
These cities have the lowest tech labor force rank and lower fiscal health scores.



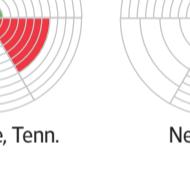
Philadelphia



Pittsburgh



Nashville, Tenn.



Newark, N.J.\*

Green Street Advisors does not formally track Canadian markets. However, in its proposal, Toronto said its region is second only to New York in the number of people holding higher-education degrees specializing in mathematics, computer and information sciences.

\*D.C. metro area data. †Newark includes all of northern New Jersey. Source: Green Street Advisors, Real Estate Analytics

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## BUSINESS WATCH

### SKY

#### Elliot Management Takes Stake in Firm

Hedge fund **Elliott Management Corp.** disclosed Friday that it had taken a 1.09% stake in **Sky PLC**, which could further complicate **21st Century Fox Inc.**'s \$16.6 billion effort to consolidate ownership of the British pay-TV giant.

Elliott, founded by Paul Singer, is known for its activist campaigns against giant companies. It was unclear whether the fund was taking an active or passive position in Sky.

Spokesmen for Elliott and Sky didn't return requests for comment. A Fox spokesman declined to comment.

Fox is trying to wrap up its latest attempt to buy the 61% of Sky it doesn't already own. Fox launched the bid in December 2016, but regulatory delays have stalled the deal. Most recently,

British regulators suggested that Fox would need to make concessions to win government approval.

—*Stu Woo*

### HONEYWELL INTERNATIONAL

#### Tax-Law Overhaul Leads to Loss

**Honeywell International Inc.** reported a net loss of \$2.4 billion for its fourth quarter due to a charge related to the new U.S. tax law.

Excluding that and other one-time items, the industrial conglomerate earned \$1.85 a share. On that basis, analysts polled by Thomson Reuters had expected \$1.84 a share.

The company's revenue met expectations, rising 9% to \$10.8 billion. Sales rose in each of the company's units, with the biggest increase in the safety and productivity division.

The tax-related charge came

to \$3.8 billion, which included tax on earnings of non-U.S. subsidiaries, write-downs on deferred-tax liabilities and effects of the implementation of a territorial tax system.

—*Cara Lombardo*

### ROCKWELL COLLINS

#### Profit and Sales Rise at Manufacturer

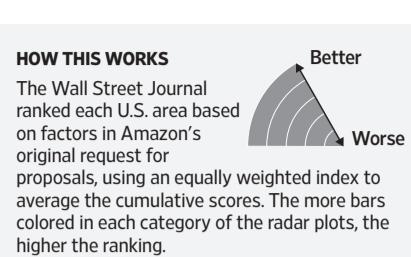
**Rockwell Collins Inc.** reported its fiscal first-quarter profit almost doubled from a year earlier to \$280 million.

The manufacturer's per-share profit of \$1.69 included a boost of 37 cents from the tax overhaul. Rockwell, which is being acquired by United Technologies Corp., said its deferred-tax liabilities were reduced by \$102 million, partially offset by a \$40 million tax obligation due on foreign earnings. Sales rose 69% to \$2.01 billion.

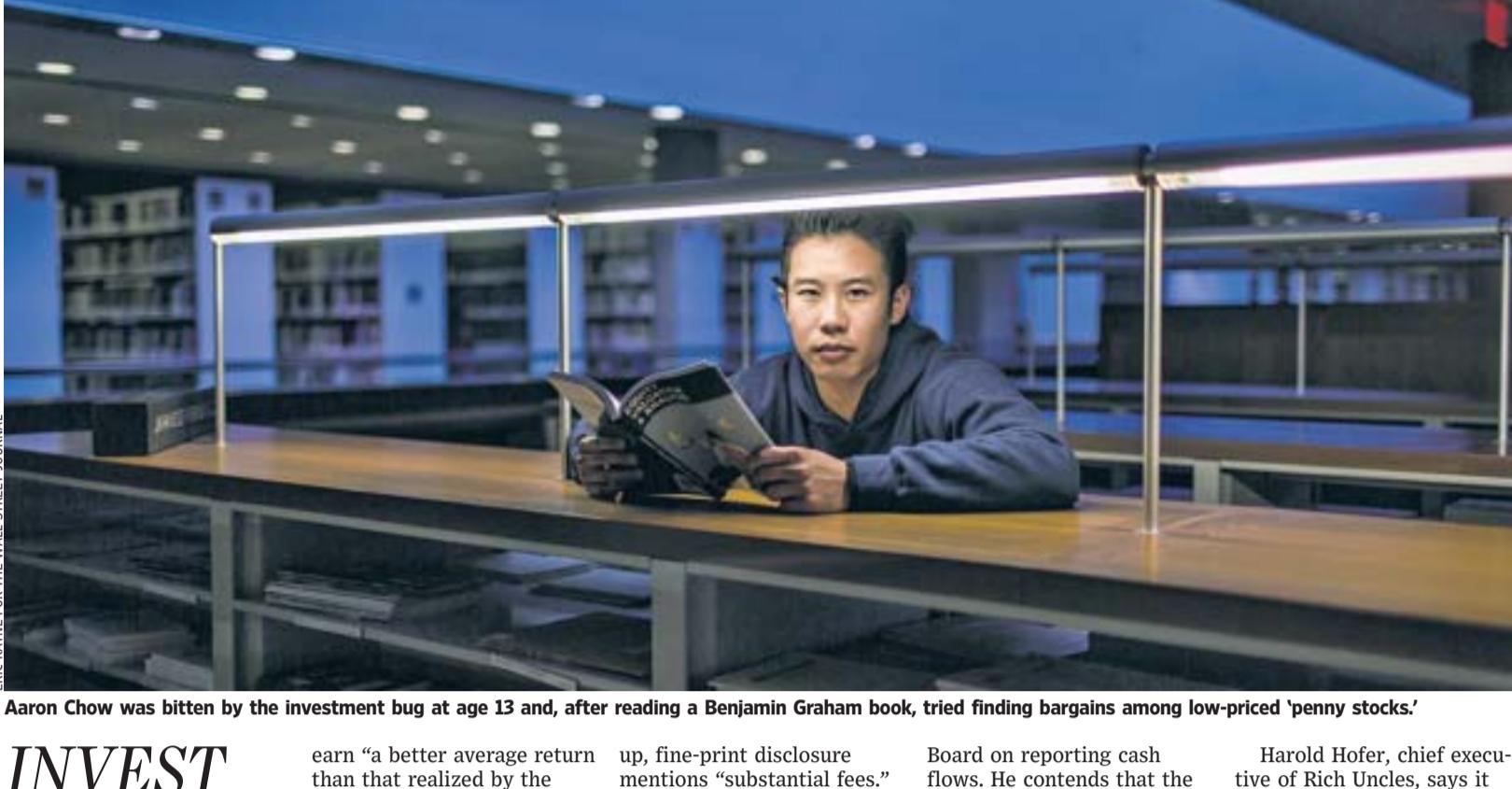
—*Allison Prang*



A worker at a Rockwell Collins plant inspects a display screen made for aircraft. The company reported a \$280 million profit for its latest quarter, aided by a benefit from the U.S. tax change.



## WEEKEND INVESTOR



Aaron Chow was bitten by the investment bug at age 13 and, after reading a Benjamin Graham book, tried finding bargains among low-priced 'penny stocks.'

## INVEST

*Continued from page B1*  
market dominated by fast-trading computers and by index funds that do no research on their holdings, intrepid individual investors can still distinguish themselves with diligent research.

Mr. Chow, now a freshman majoring in economics at the University of California, Berkeley, is curious, skeptical and relentless in the pursuit of information that others may have overlooked.

Benjamin Graham, mentor to Warren Buffett, defined two basic types of investors in his classic book "The Intelligent Investor": defensive and enterprising.

The defensive investor, wrote Graham, seeks "freedom from effort, annoyance and the need for making frequent decisions," while avoiding "serious mistakes or losses."

The enterprising investor is willing to "devote time and care to the selection of securities that are both sound and more attractive than the average." Over long periods, Graham added, the enterprising investor should

earn "a better average return than that realized by the passive investor."

Mr. Chow was bitten by the investment bug at age 13, when he picked up a copy of *The Wall Street Journal* while waiting to board a flight with his family. He soon borrowed Graham's book from the library and tried finding bargains among low-priced "penny stocks."

Before long he had burned through most of the \$2,000 his parents, a biotechnology consultant and an accountant, had given him. On the verge of tears, he exclaimed to his father, "I'm not going to lose any more money!"

While other teenagers were playing "Minecraft" and "Grand Theft Auto," Mr. Chow was reading Graham's masterwork, "Security Analysis," and teaching himself how to read companies' financial reports.

"Business is fascinating," he says. "Investing is just a way to own a stake in businesses that generate cash by producing the things you see around you in people's daily lives."

When he scoured Rich Uncle's website, Mr. Chow saw large type proclaiming its fees at "0%," although a pop-

up, fine-print disclosure mentions "substantial fees." In fact, the fund charges an offering fee of about 3%, along with 2% on each purchase of property, 3% on each sale and a 0.6% annual management fee. Total fees, as a percentage of the company's net worth, exceeded 1.8% in 2016, the latest year for which results are available. (Unlike mutual funds, private REITs generally don't express their expenses as a percentage of per share value.)

*While others were playing videogames, he was reading financial reports.*

Mr. Chow spotted a reference in a filing to a "fact-finding inquiry" by the Securities and Exchange Commission "related to the advertising and sale of securities by the company."

He even questioned a highly technical detail: how Rich Uncle's conformed with a 2016 rule from the Financial Accounting Standards

Board on reporting cash flows. He contends that the way the company changed its reporting makes its business look more robust and its dividend safer.

The accounting change does seem to have had the effect of making Rich Uncle's operating and free cash flows appear larger, says Howard Schilit, founder of Schilit Forensics, an accounting-analysis firm in New York.

John Davis, chief financial officer at Rich Uncle's, says the change had no impact on the REIT's cash or net income. The REIT, one of several from the Costa Mesa, Calif.-based firm, launched in 2012 and holds about \$130 million in commercial real estate.

Finally, Mr. Chow noticed that Rich Uncle's hadn't filed a report to disclose that its independent auditor, Anton & Chia LLP, was charged with fraud by the SEC in December.

"We respectfully disagree with the [SEC] proceeding against our firm," says Gregory Wahl, founder and managing partner of Anton & Chia. "We're committed to litigating and getting due process."

Harold Hofer, chief executive of Rich Uncle's, says it will soon file a disclosure relating to Anton & Chia and will do "whatever our legal counsel advises us to do."

Securities attorneys say such a disclosure is probably optional. He says Rich Uncle's voluntarily disclosed, and is cooperating with, the SEC's nonpublic investigation of its marketing practices, which isn't an allegation of wrongdoing.

The marketing statements on its website were all submitted for review to lawyers and regulators, says Mr. Hofer.

Mr. Chow was valedictorian of his high-school class and, as a first-year undergraduate, is taking an M.B.A. course on financial analysis and valuation at Berkeley's business school. His professor in that class, Panos Pataoutas, says Mr. Chow is "in the top 1%" of students he has taught at any level.

Mr. Miller, the friend who asked for Mr. Chow's advice, still holds the fund. Even so, this young investor is living proof that there is still scope for humans to analyze investments in a financial world dominated by machines.

# Hackers Plunder Crypto Exchange

BY TAKASHI MOCHIZUKI AND PAUL VIGNA

The operator of one of Japan's leading trading platforms for cryptocurrencies said it lost more than a half-billion dollars in customer assets, the largest known cryptotheft and a development that could chill the craze for bitcoin-related assets.

Coincheck Inc., a Tokyo-based cryptocurrency exchange, said Friday that 523 million units of a virtual currency called NEM disappeared due to unauthorized access by someone outside the system. It said the missing cryptocurrency all belonged to the exchange's customers and was valued at ¥58 billion, or about \$530 million.

The apparent heist, if confirmed, would likely go down as the largest in the tumultuous nine-year history of bitcoin and digital currencies, topping the roughly \$450 million in bitcoin that went missing at Japan's Mt. Gox exchange in 2014, based on the bitcoin price at the time. Some of those bitcoin were later recovered.

The size of the Coincheck theft shows how vulnerable investors remain in this nascent field, despite numerous efforts by regulators to reduce the risk of cyberattacks.

"We have a long way to go until we have the same level of operating security as traditional financial institutions," said Tyler Moore, a professor of cybersecurity at the University of Tulsa.

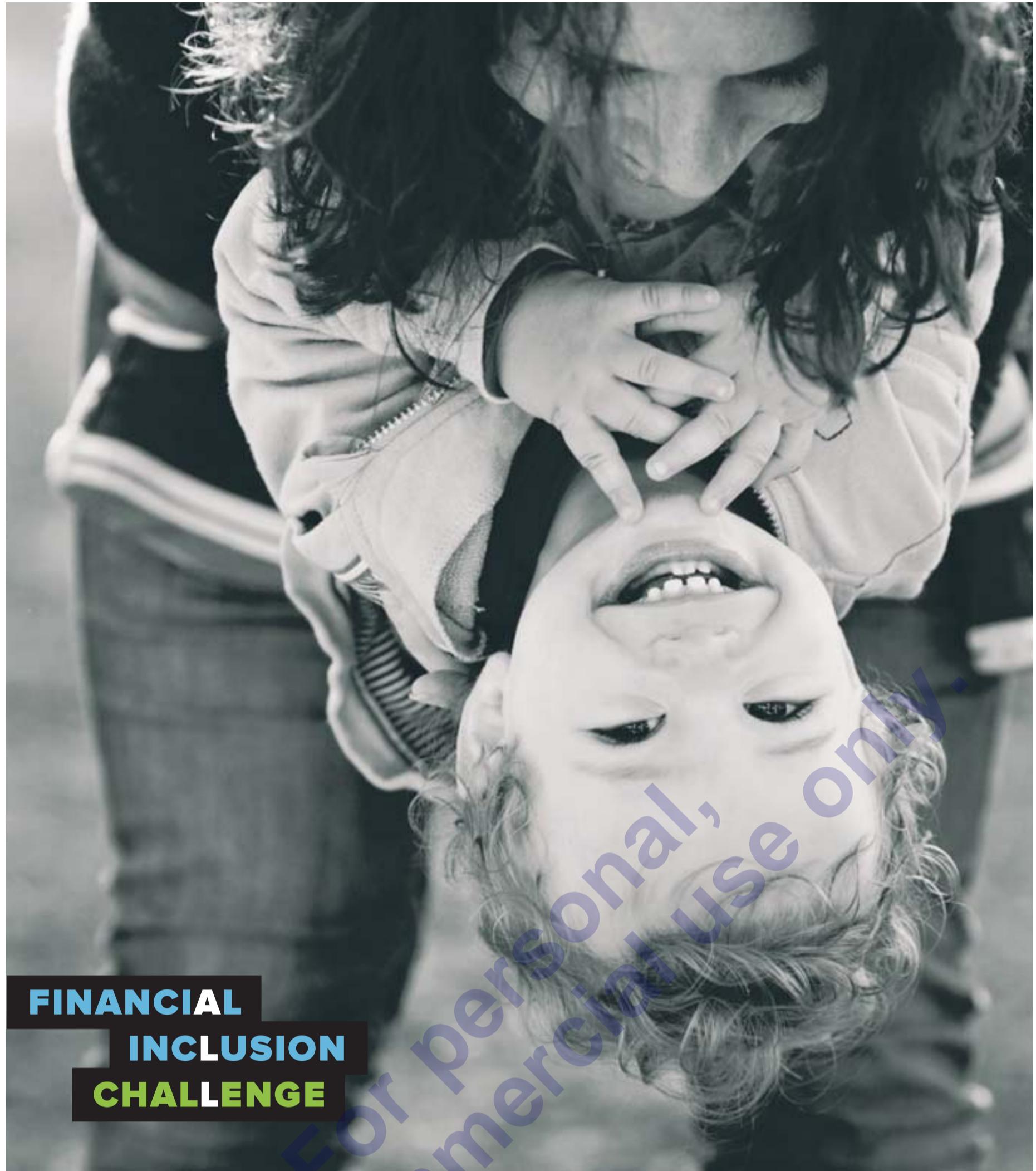
It is unclear how many U.S. investors, if any, were affected by the hack.

On Friday, Coincheck said that it didn't believe other cryptocurrencies traded on its platform such as bitcoin were missing.

## Futures Contracts

## Metal &amp; Petroleum Futures

	Contract			Open	High	Low	Settle	Chg	Interest
<b>Copper-High (CMX)-25,000 lbs;</b> \$ per lb.									
Jan 3,1745	3,1740	3,1745	3,1745	3,1825	-0,0165	188			
March 3,2040	3,2280	3,1850	3,1990	-0,0175	142,565				
<b>Gold (CMX)-100 troy oz;</b> \$ per troy oz.									
Jan 1351,60	1352,00	1350,90	1351,60	-10,80	4				
Feb 1346,40	1356,00	1343,70	1352,10	-10,80	105,365				
April 1352,70	1361,00	1348,60	1357,20	-10,80	329,502				
June 1356,90	1366,10	1355,80	1362,50	-10,90	66,055				
Aug 1363,20	1371,00	1363,20	1368,10	-10,90	23,136				
Dec 1373,20	1382,00	1372,60	1379,30	-11,10	33,636				
<b>Palladium (NYM)-50 troy oz;</b> \$ per troy oz.									
Jan ...	... 1087,70	1087,70	1087,70	-12,35	3				
March 1091,30	1096,75	1076,35	1085,05	-12,35	34,010				
June 1084,00	1089,55	1070,90	1079,00	-12,05	3,597				
<b>Platinum (NYM)-50 troy oz;</b> \$ per troy oz.									
Jan 1015,00	1026,30	1012,80	1018,40	-13,70	85,812				
<b>Silver (CMX)-5,000 troy oz;</b> \$ per troy oz.									
Jan 17,290	17,530	17,441	17,441	-0,174	138,390				
March 17,290	17,530	17,441	17,441	-0,174	138,390				
<b>Crude Oil, Light Sweet (NYM)-1,000 bbls;</b> \$ per bbl.									
March 65,25	66,35	64,91	66,14	0,63	616,632				
April 65,18	66,17	64,77	65,97	0,60	235,172				
May 64,83	65,87	64,53	65,67	0,57	181,610				
June 64,53	65,45	64,15	65,26	0,54	295,342				
July 64,04	64,93	63,93	64,76	0,49	116,261				
Dec 61,61	62,30	61,41	62,14	0,32	253,855				
<b>NY Harbor ULSD (NYM)-42,000 gal;</b> \$ per gal.									
Feb 2,1111	2,1431	2,1054	2,1360	-0,026	37,186				
March 2,1022	2,1362	2,0991	2,1275	-0,0171	170,428				
<b>Gasoline-NY RBOB (NYM)-42,000 gal;</b> \$ per gal.									
Feb 1,9039	1,9510	1,9029	1,9377	-0,023	27,464				
March 1,8966	1,9393	1,8950	1,9263	-0,0174	171,683				
<b>Natural Gas (NYM)-10,000 MMBtu;</b> \$ per MMBtu.									
Feb 3,437	3,611	3,410	3,505	0,058	34,239				
March 3,105	3,197	3,072	3,175	0,076	369,875				
April 2,940	2,947	2,884	2,929	0,028	172,633				
May 2,889	2,916	2,868	2,989	0,018	166,914				
July 2,954	2,977	2,935	2,960	0,014	90,654				
Oct 2,940	2,967	2,932	2,951	0,014	110,222				
<b>Agriculture Futures</b>									
<b>Corn (CBT)-5,000 bu;</b> cents per bu.									
March 355,00	357,00	354,50	356,50	1,25	789,240				
May 363,25	365,50	363,00	365,00	1,25	285,305				
<b>Oats (CBT)-5,000 bu;</b> cents per bu.									
March 261,00	266,50	256,50	266,00	5,00	3,639				
May 253,00	260,00	252,00	259,00	3,75	2,299				
<b>Soybeans (CBT)-5,000 bu;</b> cents per bu.									
March 990,25	995,50	983,75	985,50	-6,75	345,402				
May 1001,75	1007,00	995,25	997,00	-6,75	189,834				
<b>Soybean Meal (CBT)-100 tons;</b> \$ per ton.									
March 340,40	341,80	334,00	335,70	-4,70	166,489				
May 343,30	344,80	337,40	338,80	-4,70	115,091				
<b>Soybean Oil (CBT)-60,000 lbs;</b> cents per lb.									
March 32,59	32,92	32,50	32,79	.29	22,530				
May 32,74	33,11	32,69	32,99	.30	116,946				</td



**FINANCIAL  
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## MARKETS DIGEST

## EQUITIES

## Dow Jones Industrial Average

**26616.71** ▲ 223.92, or 0.85%  
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 28.45 21.11  
 P/E estimate \* 19.09 17.50  
 Dividend yield 1.97 2.38  
 All-time high 26616.71, 01/26/18

Current divisor 0.14523396877348



Bars measure the point change from session's open

Weekly P/E data based on as-reported earnings from Birnvi Associates Inc.

## S&amp;P 500 Index

**2872.87** ▲ 33.62, or 1.18%  
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 23.34 24.74  
 P/E estimate \* 18.67 17.52  
 Dividend yield 1.79 2.12  
 All-time high 2872.87, 01/26/18



65-day moving average

65-day moving average

## Nasdaq Composite Index

**7505.77** ▲ 94.61, or 1.28%  
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 27.82 20.10  
 P/E estimate \* 21.25 19.15  
 Dividend yield 0.98 1.16  
 All-time high 7505.77, 01/26/18



65-day moving average

65-day moving average

## Major U.S. Stock-Market Indexes

	Latest		52-Week		YTD		% chg	
	High	Low	Close	Net chg	% chg	High	Low	3-yr. ann.
Dow Jones								
Industrial Average	26616.71	26425.35	<b>26616.71</b>	223.92	0.85%	26616.71	19864.09	32.5 7.7 14.6
Transportation Avg	11128.93	11017.55	<b>11125.75</b>	118.09	1.07	11373.38	8783.74	17.8 4.8 7.2
Utility Average	702.12	691.75	<b>699.10</b>	2.58	0.37	774.47	656.08	6.3 -3.4 2.6
Total Stock Market	29630.47	29377.18	<b>29630.47</b>	313.08	1.07	29630.47	23699.03	24.2 7.1 11.4
Barron's 400	757.37	750.43	<b>757.37</b>	6.13	0.82	757.37	606.11	23.5 6.5 11.8

## Nasdaq Stock Market

Nasdaq Composite	7505.77	7431.22	<b>7505.77</b>	94.61	1.28%	7505.77	5613.71	32.6 8.7 16.3
Nasdaq 100	7022.97	6941.48	<b>7022.97</b>	106.67	1.54	7022.97	5116.77	35.9 9.8 18.0

## S&amp;P

500 Index	2872.87	2846.18	<b>2872.87</b>	33.62	1.18%	2872.87	2278.87	25.2 7.5 11.8
MidCap 400	1995.24	1978.56	<b>1995.23</b>	7.88	0.40	1995.23	1681.04	17.6 5.0 10.7
SmallCap 600	980.77	974.06	<b>979.57</b>	3.01	0.31	979.57	815.62	16.8 4.6 12.4

## Other Indexes

Russell 2000	1608.06	1599.50	<b>1608.06</b>	6.39	0.40	1610.71	1345.24	17.3 4.7 10.2
NYSE Composite	13637.02	13539.20	<b>13637.02</b>	124.36	0.92	13637.02	11205.24	20.9 6.5 7.9
Value Line	589.69	585.56	<b>589.69</b>	3.67	0.63	589.69	503.24	14.3 4.9 5.7
NYSE Arca Biotech	4929.89	4881.57	<b>4926.74</b>	53.65	1.10	4926.74	3134.03	54.7 16.7 9.5
NYSE Arca Pharma	593.69	583.76	<b>593.12</b>	13.79	2.38	593.12	473.61	25.2 8.8 2.4
KBW Bank	116.41	115.08	<b>116.41</b>	0.83	0.72	116.41	88.02	25.4 9.1 18.9
PHLX® Gold/Silver	90.79	89.88	<b>90.31</b>	0.40	0.44	96.72	76.42	0.8 5.9 4.3
PHLX® Oil Service	163.95	161.41	<b>162.84</b>	0.74	0.46	183.89	117.79	-11.4 8.9 -6.2
PHLX® Semiconductor	1381.28	1355.41	<b>1381.27</b>	43.65	3.26	1392.86	944.28	43.5 10.2 26.5
Cboe Volatility	11.60	11.08	<b>11.08</b>	-0.50	-4.32			16.04 9.14 4.7 0.4 -10.6

\$ 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	26,675.0	286.87	0.29	0.10	286.92	283.28
iShares MSCI Emg Markets	EEM	10,178.0	52.02	-0.06	-0.12	52.16	51.81
Intel	INTC	6,085.9	50.25	0.17	0.34	50.27	49.38
Pfizer	PFE	5,960.2	38.90	-0.11	-0.28	39.05	38.41
Microsoft	MSFT	5,090.6	94.30	0.24	0.26	94.35	93.12
LendingClub	LC	5,024.7	4.08	...	unch.	4.12	4.08
FirstEnergy	FE	4,650.1	32.05	-0.04	-0.13	32.10	32.05
PwrShrs QQQ Tr Series 1	QQQ	4,055.9	171.00	0.07	0.04	171.07	168.35

## Percentage gainers...

Synologic	SYBX	8.8	10.04	0.39	4.04	10.04	9.71
Solid Biosciences	SLDB	30.5	23.50	0.88	3.89	23.78	22.60
CARBO Ceramics	CRR	7.6	9.62	0.29	3.11	9.99	9.15
Sogou ADR	SOGO	22.0	12.68	0.36	2.92	12.69	12.32
CF Industries Holdings	CF	60.1	43.00	0.87	2.07	43.00	41.41

## ...And losers

W&T Offshore	WTI	378.5	4.98	-0.19	-3.68	5.20</td
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## 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:**  
↑New 52-week high.  
↓New 52-week low.  
dd—Indicates loss in the most recent four quarters.  
FD—First day of trading.

■ Does not meet continued listing standards  
■ If late filing  
q—Temporary exemption from Nasdaq requirements.  
■ 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 26, 2018

YTD %Chg Hi Lo Stock Sym % PE Last Net %Chg Hi Lo Stock Sym % PE Last Chg

**A B C**

	YTD	52-Week	Yld		%Chg	Hi	Lo	Stock	Sym	%	PE	Last	Net %Chg
6.64	28.67	22.04	ABB	2.7	2.6	28.60	0.32						
6.11	39.70	30.15	AECOM	A	18	39.42	0.16						
8.22	12.05	10	AES	AES	4.4	11.72	0.23						
3.66	91.73	66.50	Afiac	AFL	2.0	19.90	3.57						
-3.32	22.34	18.41	AGNC Inv	AGNC	1.1	5.19	0.02						
30.50	13.81	10.24	ANGI Homesvc	ANGI	..	13.65	0.09						
11.09	16.14	9.23	Ansys	ANSS	..	52.16	0.93						
18.81	20.8	11.89	ASML	ASML	0.8	206.51	0.56						
-2.73	42.70	32.55	AT&T	T	5.1	18.37	0.82						
11.13	64.60	40.60	AbbottLabs	ABT	1.23	63.42	0.04						
27.40	12.56	9.57	AbbVie	ABBY	2.3	30.12	1.91						
27.47	23.9	10.35	Abiomed	ABMD	..	118.38	2.99						
1.68	16.25	11.23	Academy	ACN	1.6	29.16	0.76						
14.53	72.59	38.93	ActivisionBlitz	ATVI	0.4	16.44	72.52						
-4.31	25.16	15.28	AcuityBrands	ATVI	0.3	25.16	1.35						
8.13	86.42	59.10	Adient	ADNT	1.5	72.30	0.29						
18.47	20.45	11.22	AdobeSystems	ADBE	..	501.30	3.30						
6.60	56.18	39.30	Aig	AIG	1.8	20.25	0.92						
3.52	175.17	133.63	AirProducts	APD	2.6	31.99	-0.15						
3.97	71.34	44.65	AkamaiTech	AKAM	4.1	47.67	0.52						
-12.20	101.43	59.25	AlaskaAir	ALK	2.0	8.64	0.24						
-10.54	19.44	9.90	Albemarle	ALB	1.6	21.11	4.41						
0.24	57.50	29.55	Alcoa	AA	..	47.54	0.89						
-3.15	13.47	10.68	AlexandriaREst	ARE	2.14	126.47	-0.50						
7.11	11.94	9.46	AlexionPharm	ALXN	..	57.12	0.14						
19.02	20.25	10.02	Alibaba	BABA	..	59.20	2.22						
27.81	28.27	8.85	AlignTech	ALGN	..	86.33	10.91						
8.22	63.40	46.42	Alkerme	ALKS	..	44.52	-0.62						
6.66	67.19	51.07	Allegany	Y	..	623.88	-5.62						
7.05	19.30	11.64	Aetna	AET	1.0	36.19	1.10						
5.12	17.17	12.42	AffiliatedMtrs	AMG	0.4	23.25	1.76						
11.72	74.43	47.38	AgilentTechno	ADS	0.8	74.82	0.96						
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## BANKING & FINANCE

# Bankers at Davos Talk Of Eerily Good Times

**Strength of corporate earnings helps fuel optimism; some worry about frothy markets**

DAVOS, Switzerland—Bankers and executives at the World Economic Forum are celebrating a growing economy and rising markets. They see a continuing string of deals flowing their way, cost-saving new technology and a boost from U.S. tax cuts.

*By Jenny Strasburg,  
Liz Hoffman  
and Thorold Barker*

But underlying worries persist despite an upbeat economy in practically all corners of the world, said delegates on the sidelines of the event. Among them: The market's ascent has been eerily, steadily calm.

"It does feel to me a little bit like 2006," said Jes Staley, chief executive officer of British lender **Barclays** PLC. "Maybe we've solved the riddle of economic cycles—that's what we were all saying. We really got that wrong."

One concern, Mr. Staley said, is that investors have become complacent with low market volatility. "The system is geared. When there's a reversal, it could be fast."

Investors' portfolios have chugged steadily higher in value.

"The whole world is going up in a straight line," said Michael Lavelle, who runs **Citigroup** Inc.'s investment bank in the U.K. "But for how long?"

Mark Hantho, **Deutsche Bank** AG's chairman of global capital markets, said he sees the ratio of optimism versus caution this year at 70-30. "Markets have run very quickly. People are asking, how can it be this good? What am I missing?"

But banking clients don't want to miss out on deals or securities issuance and regret that later, he said. "There's a little bit of fear of being left behind."

Some are roundly bullish. "I've been coming since 2010. I've never seen a Davos more positive," said Manuel Falco, Citigroup's head of corporate and investment banking for Europe, the Middle East and Africa.

Behind the optimism is fundamental strength in corporate earnings, commodity prices and accommodative central bank policies, said James Amine, head of investment banking and capital markets at Credit Suisse Group AG.

"The market will dip. It won't be a straight line up through Dec. 31. I still feel good," said Mr. Amine. He added that days packed with Davos meetings bolstered his view that CEOs are more confident than they have been since 2006-2007.

"There's always things to

worry about but not a lot until the middle of 2019," said Mary Callahan Erdoes, CEO of asset and wealth management at JP Morgan Chase & Co.

She said Europe is one of the most attractive areas for investment, and "there is an insatiable appetite for private equity right now."

Artificial intelligence, blockchain and other developing technologies permeated Davos presentations, and also meetings among bankers and company executives. Technology is driving deals but also presents risks, they said.

European companies recognize they have lost the battle for the online consumer to big U.S. technology companies. "Their attention is now turned to the business consumer," said Wolfgang Fink, co-head of Goldman Sachs Group Inc.'s German and Austrian business.

"There's an acute anxiety among European companies to protect their edge," Mr. Fink said. European companies are pausing in some cases when considering deals involving manufacturing technology and internet solutions.

**Zurich Insurance Group**

Ltd. CEO Mario Greco said he

doesn't see big financial risks in the system—not in inflation nor rising rates. More likely threats are political, social or ecological, he said.

That is a change from last year, when concerns such as China's economy were pronounced. Cybersecurity ranks high among bankers as a po-



Police guard an entrance to the venue of the World Economic Forum meeting in Davos, Switzerland. MIGUEL MEDINA/AFP/Getty Images

tential cause for a market downturn.

Some big investors feel the froth has gone too far, even with still-low interest rates. Canada's **PSP Investments**, which manages 140 billion Canadian dollars (US\$113 billion) in retirement assets, has shifted some money from stocks to fixed-income assets. They are "the lesser of two evils," said CEO Andre Bourassa.

For banks, the mood is partially dulled by investment-banking businesses grappling with new competition, pressure on fees and other long-term declines.

The lack of volatility is hurting banks' trading operations, which make money by seizing on price swings in

stocks, bonds and other assets. Trading revenues fell sharply in 2017 at big banks.

"From an economic standpoint, it is blue sky," said Andrea Orcel, who runs investment banking at **UBS Group** AG. "From an asset-price standpoint, blue sky. But investors are not trading. There is no in-and-out."

Merger and acquisition volume is running at a level well above the historical average. Cheap debt and sky-high stock prices give companies plenty of currency for deals.

With the U.S. tax changes, "CEOs have high confidence in the economy to be more acquisitive," said Daniel Pinto, who runs JPMorgan's corporate and investment bank.

Blockchain and bitcoin have been topics in just about every Davos venue, including a prominent street-front meeting spot in town. Payments executives expressed optimism about the technology's prospects to reduce costs and transaction times.

But to some economists it looks a lot like a bubble. Robert Shiller, Yale University professor and economics Nobel Prize winner, said buyers who missed out on the housing and stock-market boom are flocking to bitcoin. They are drawn in by "the existential meaningfulness of life when you're not invested in anything," he said.

*—James Mackintosh contributed to this article.*

# Indexes Close Out Four-Week Win Streak at Records

BY GEORGI KANTCHEV  
AND CORRIE DRIEBUSCH

U.S. stocks extended their rally, and the dollar resumed its slide, capping a week of increased volatility.

U.S. indexes were lifted on Friday by a new batch of strong corporate earnings reports and fresh

**FRIDAY'S MARKETS** data showing continued economic growth around the

world, while intraday stock swells picked up slightly.

The S&P 500 rose 33.62 points, or 1.2%, to 2,872.87, surging into the close for its 14th record in January, advancing 2.2% on the week. That marks the most records for the S&P 500 in a single month since June 1955.

The Dow Jones Industrial Average climbed 223.92 points, or 0.8%, to 26,616.71, and the Nasdaq Composite gained 94.61 points, or 1.3%, to 7,505.77, both setting highs as well. The blue-chip index rose 2.1% for the week, while the Nasdaq climbed 2.3%. All three indexes have risen four consecutive weeks.

Gross domestic product—the value of goods and services produced in the U.S.—rose at a 2.6% annual rate in the fourth quarter, the government said Friday. That didn't match the growth rates of the second and third quarters, but it exceeded the 2% average that has prevailed since the early part of the last decade.

Earnings also continue to boost stock indexes. Of the roughly quarter of companies in the S&P 500 that have reported fourth-quarter results through Friday, 77% have beat earnings estimates, according to research firm FactSet. That puts earnings for the companies in the index on track to rise 12% from the prior year, FactSet data show.

**Intel** was among the companies whose shares rose after reporting quarterly results. The chip maker late Thursday posted record revenue growth in the fourth quarter. The stock surged \$4.78, or 11%, to \$50.08, its highest close in more than 17 years.

**Wynn Resorts** fell 20.31, or 10%, to 180.29, after The Wall Street Journal reported allegations of sexual misconduct by

founder Steve Wynn. He has denied the allegations. Though earnings have dominated major stock moves in recent weeks, some traders said the focus has shifted slightly to "talks of trade war and the dollar," said Justin Wiggs, managing director in equity trading at Stifel Nicolaus.

In the past few days, President Donald Trump has un-

veiled trade tariffs on some imports, and he and Treasury Secretary Steven Mnuchin gave seemingly conflicting statements on the benefits of a weaker dollar.

The WSJ Dollar Index, which tracks the greenback against a basket of 16 currencies, fell 0.4%.

"It will be difficult for Washington to put the weak-

dollar genie back in the bottle," said Viraj Patel, foreign-exchange strategist at ING Bank. "The administration has already supported a weaker dollar, and there are structural factors pushing it down as well."

## A VIX Correlation Gets a Bit Jumbled

The relationship between market volatility and stocks is getting complicated.

A yardstick of expected stock swings, the Cboe Volatility Index, or VIX, has started darting higher even as the S&P 500 has risen in January. Strategists say that the correlation can't last forever.

The gauge, which is based on S&P 500 options prices, tends to rise when investors are jittery and stock markets are declining. It happens so regularly that the index has

been dubbed the stock market's "fear gauge." But that hasn't been the case this year.

In an unusual occurrence, the VIX has moved in the same direction as the S&P 500 on half the trading days in January. The VIX has risen 0.5% this year, while the S&P 500 has jumped 7.5%.

Some attribute the moves to investors springing for bullish call options on the S&P 500 in an effort to keep up with the stock rally. There appears to be little hedging against market drops, with some investors more fearful of missing out on the rally than of portfolio declines, analysts say.

—Gunjan Banerji contributed to this article.

bucked the trend, up 1.5% and rising to a record. In the past week, the index climbed 2.8%.

In commodities, U.S.-traded crude oil hit a string of three-year highs in recent sessions, ending the week up 4.5%, at \$66.14 a barrel. Gold dropped 0.8% on Friday, to \$1,351.60 a troy ounce.

—Lucy Craymer contributed to this article.

# Seoul Plan Fuels Worry On Foreign Investment

BY GREGOR STUART HUNTER  
AND KWANWOO JUN

South Korea's plan to change the tax rules for foreign investors could throttle the flow of overseas money that has helped push the stock market to records, index providers and financial-sector lobbyists warned.

Seoul is planning to lower the ownership threshold at which foreign investors will have to pay capital-gains tax when they sell shares.

It hopes that will boost the country's coffers and bring the tax treatment of domestic and overseas investors more into line.

Critics say the move won't notably increase the number of foreign investors subject to the tax because few single investors own 5% stakes in a particular company. But they say the proposal could prove rather expensive for funds to comply with related requirements and affect their liquidity.

The proposal would apply to any foreign investor who, along with any related parties, individually owns more than 5% of a South Korean company's shares. Under the changes, due to start in July,

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**Public Sale No. 1, Tuesday, January 30, 2018, 10:00 a.m. EST.** The Asset Type for Lots 1-24 is: Prime / Alt-A. The Asset Type for Lots 25-72 is: Subprime.

**Lot #** **CUSIP** **Issue Name** **Original Face (\$)** **Current Par Value (\$)**

1 05946XBQ5 BAFC 2005-2 B2 1,576,000 267,585.49

2 05946XB3R BAFC 2002-2 B3 975,000 141,817.09

3 05946XBZ BAFC 2004-A B3 4,591,000 529,348.30

4 05946XB63 BAFC 2004-A B2 3,000,000 942,033.26

5 05948X5C2 BOAMS 2004-2 A3B3 347,000 62,668.47

6 07384MRP9 BSARM 2002-12 B183 3,512,300 114,952.88

7 15132EDSA4 CDMC 2003-4 B2 946,800 108,027.68

8 22541NR76 CSFB 2003-AR9 CB3 2,185,500 84,728.62

9 12669DBX5 CWHL 2002-19 B2 2,720,000 298,690.97

10 36228FVC7 JSPM 2003-7 F3 4,543,000 637,208.85

11 146226TBNX1 JSPMMT 2004-A B2 2,674,530 332,328.85

12 146267ABK0 JPLMT 2004-A B1 1,440,130 256,542.93

13 576343RAK0 JPLMT 2002-1 B2 2,997,000 836,449.61

14 576434RKA0 MALT 2002-1 B2 5,000,000 1,208,926.49

15 576434DM3 MALT 2003-2 B3 3,332,000 616,285.41

16 576434DM5 MALT 2003-5 B2 4,230,000 37,190,634

17 589920F59 MLMI 2003-1 A1 B2 2,584,999 139,940.14

18 86359AV23 SACS 2003-15 A2 B2 5,299,000 682,755.67

19 93933EROB9 WAMMS 2003-M5 CB3 3,013,716 161,251.51

20 949770AP0 WAMMU 2003-S B3 995,000 139,365.00

21 94981VAQD9 WFMBS 2004-K B2 1,803,000 8,913.12

22 94981VAQD9 WFMBS 2004-K B2 4,867,000 700,329.61

23 949770AP0 WFMBS 2004-F B2 7,000,000 799,312.52

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## MARKETS

# U.K. Pound Is on a Sterling Run Higher

BY OLGA COTAGA  
AND MIKE BIRD

LONDON—The British pound has gained sharply against the currencies of the country's trading partners, pushing a measure of its strength to a level not seen in more than 18 months.

The Bank of England's Sterling Effective Exchange Rate Index rose above 80 this week, reaching its highest level since

**CURRENCIES** June 2016, when the

the pound was experiencing extreme volatility following Britain's vote to leave the European Union on June 23.

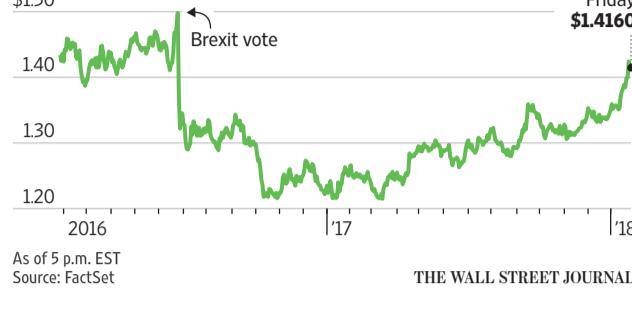
The index has climbed about 3% since the beginning of this year. It measures the pound against a basket of international currencies, as weighted in the index by how much trade the U.K. does with countries.

Sterling has already surpassed analysts' most bullish predictions for the first quarter of this year.

While the dollar's decline has helped the pound on its way higher, the euro is the

**Moving On Up**

The British pound is near its strongest level since the U.K. vote to leave the European Union

**How many U.S. dollars one British pound buys**

THE WALL STREET JOURNAL.

more important currency for Britain. The single currency makes up 47.6% of the Bank of England's index.

The dollar is falling as investors bet accelerating global growth will encourage central banks in Europe and Japan to begin tightening monetary policy—and raising interest rates—earlier than expected, among other reasons.

The euro has gained 5% against the greenback since Jan. 9.

High interest rates typically boost a currency by drawing in foreign money looking for the

better yields on investments.

The pound's push higher comes as many people bet that the country will maintain a closer economic relationship to the EU than they had thought.

"Sterling has held its ground surprisingly well," said Jane Foley, senior currency strategist at Rabobank. The pound's strength against the rallying euro is "indicative of a very resilient pound," Ms. Foley said.

Late Friday in New York, the pound was at €1.1395, compared with €1.1406 late Thurs-

day, and at \$1.4160, compared with \$1.4139.

The moves came on a day when Britain posted first estimates of fourth-quarter gross domestic product, which showed that the U.K. economy in 2017 expanded at the slowest pace in five years but still beat expectations.

U.K. Treasury chief Philip Hammond said on Thursday that changes in Britain's relationship with the EU are going to be "very modest" after the divorce.

The pound fell as low as 12% against the dollar to about \$1.32 and 8.5% against the euro to around €1.20 right after the Brexit vote, amid concerns that pulling out from the world's largest trading bloc would damage Britain's economy.

"The market has become less pessimistic about the political risks in the U.K.," Ms. Foley said.

ING had expected the pound to reach \$140 in the first three months of 2018, and strategist Viraj Patel said he was surprised by its appreciation.

Mr. Patel said he expects the recent rally to correct, but much will depend on Brexit.

If London and Brussels agree to extend trade negotiations beyond the Brexit deadline of March 29, 2019, investment and consumer confidence in the U.K. are likely to increase, triggering interest-rate rises by the Bank of England, he said.

Still, sterling's appreciation may take some pressure off the Bank of England to raise rates, because it damps the inflation that the central bank would move against.

The pound's sharp fall in 2016 boosted inflation in Britain. A weaker currency makes goods from abroad more expensive, driving up prices at home.

Consumer prices rose 3% in December 2017, compared with the same month a year earlier, well above the Bank of England's target for 2% inflation.

"The latest bout of sterling strength should weigh further on inflation," said Bank of America Merrill Lynch economists in a research note published Friday.

"Against a backdrop of underwhelming growth, this reinforces our view that the [central bank] will not hike in 2018."

# Spending Data Hit Treasurys

BY GUNJAN BANERJI

U.S. government bonds weakened Friday as fresh data showed that the domestic economy ended last year on a solid note, fueled by American consumers' healthy spending.

The yield on the 10-year Treasury note rose to 2.661%, capping off four consecutive weeks of gains, from 2.628% on Thursday. Yields rise as bond prices fall.

Treasury yields have risen this month as investors bet on a pickup in growth and inflation. Faster growth can cause investors to favor riskier assets while inflation chips away at the purchasing power of bonds' fixed payments.

Yields climbed Friday after new data showed that the domestic economy just finished its best year since 2014. Gross domestic product slowed but rose at an annual rate of 2.6% from October through December. The price index for personal-consumption expenditures rose at a 2.8% pace.

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Year 2017 - 18

Bid / Package No. AU-114 Subject : - Hybrid Annuity Mode to AU-114 Upgradation of Road

1. The Government of Maharashtra had entrusted to the Authority the development, maintenance and management of state high and major district road of state of Maharashtra. The Annuity head resolved to augment the existing road in the state of Maharashtra by improvement thereof, ("the project") on "Hybrid Annuity" basis and has decided to carryout the bidding process for selection of (a private entity) as the bidder to whom the project may be awarded.

Brief particulars of the project are as follows.

Sr. No.	Hybrid Annuity Mode Package No	Name of work	Length (in Km)	Estimated Project Cost (Rs. in Crores)
1	2	3	4	5
1	AU-114	[AU-114] Construction of two laning road with paved shoulders under for Package HAM Hybrid Annuity AU-114 Dist Hingoli in the state of Maharashtra under (Dist. Border (Yeldari) to Sengaon – Sawana Mop to Khaergaon Road Km. 0/00 to 57/694 (SH 248)	57.690	Rs. 152.59 Crores excluding GST
2.	All information of e-tendering is available on the following websites / Notice Board			
	i. <a href="http://www.mahapwd.com">http://www.mahapwd.com</a> (informatory Notice) ii. <a href="http://maharashtra.etenders.in">http://maharashtra.etenders.in</a> (subportal => http://pwd.maharashtra.etenders.in)			
	3. The complete bid document can be viewed / downloaded from E-procurement portal from 20/01/2018 10.01 to 03/02/2018 (upto 15.00 Hrs. IST). Bid must be submitted online only.			
	4. The e-procurement portal is given below i. <a href="http://maharashtra.etenders.in">http://maharashtra.etenders.in</a> (subportal => http://pwd.maharashtra.etenders.in)			
	5. e-Tender Schedule is as given below.			

6. Note:-

a) Bid submitted through any other mode shall not be entertained. However Bid Security, Proof of online payment of cost of bid document, Power of Attorney and Joint Bidding Agreement etc. as specified in Clause 2.11.2 of the RFP shall be submitted physically by the Bidder on or before 08/02/2018 at 11.00 (IST). Please note that the Public Works Department reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever.

b) Other terms and Conditions are detailed in online e-tender form. Right to reject any or all online bid of work, without assigning any reason thereof, is reserved with department.

Sr. No.	Event Description	Date
1.	Invitation of RFP (NIT) (Download period of online e-tender)	From 20.01.2018 at 10.01 Hrs. to 03.02.2018 at 15.00 Hrs. (IST)
2.	Last date for receiving queries for Pre-Bid	25.01.2018 up to 11.00 Hrs. (IST)
3.	Pre-Bid Meeting	25.01.2018 at 15.00 Hrs. in the office of the Chief Engineer Public Works Region, Aurangabad
4.	Authority response to queries for Pre-Bid Meeting	27/01/2018
5.	Bid Preparation (Technical and Financial Bid Last date and time)	20.01.2018 at 10.01 to 03.02.2018 at 22.00
6.	Last date and time for online superhash Generation & Bid Lock	03.02.2018 at 22.01 to 05.02.2018 at 00.05
7.	Control Transfer of Bid	05.02.2018 at 00.06 to 06.02.2018 at 00.06
8.	Physical submission of Bid Security / POA etc. (as per clause 2.11.2 of RFP)	On or Before 08/02/2018 @ any of the following please within 72 hours after Bid Lock at office of the (1) Chief Engineer, Public Works Region, Aurangabad, Adalat Road Behind old High Court Building, Aurangabad (2) Superintending Engineer, Public Works Circle, Nanded, Bandhkan Bhavan, Near Nanded Club, Shega Nagar, Nanded. (3) Executive Engineer, Public Work Division, Hingoli.
9.	Opening of Technical Bids,	On dated 06.02.2018 at 00.07 to 09.02.2018 at 18.00 Hrs. (IST) in the office of the Superintending Engineer, Public Works Circle, Nanded, Bankam Bhavan, Near Nanded Club, Shega Nagar, Nanded.
10.	Declaration of Eligible / Qualified Bidders	06.02.2018 at 00.07 to 09.02.2018 at 18.00 hrs.
11.	Opening of Financial Bids.	06.02.2018 at 00.07 to 09.02.2018 at 18.00 hrs.

6. Note:-

a) Bid submitted through any other mode shall not be entertained. However Bid Security, Proof of online payment of cost of bid document, Power of Attorney and Joint Bidding Agreement etc. as specified in Clause 2.11.2 of the RFP shall be submitted physically by the Bidder on or before 08/02/2018 at 11.00 (IST). Please note that the Public Works Department reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever.

b) Other terms and Conditions are detailed in online e-tender form. Right to reject any or all online bid of work, without assigning any reason thereof, is reserved with department.

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Executive Engineer  
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## MARKETS

## Energy Stocks Start to Reflect Oil Surge

Oil and gas companies' shares benefit as demand is spurred by global growth; investors are bullish about firms' focus on profits over volume

By JON SINDREU  
AND GEORGI KANTCHEV

Energy stocks are finally catching up to the rally in crude prices, a sign that investors are increasingly positive about the long-term prospects of oil companies.

Accelerating global growth has increased demand for commodities, drawing down oil inventories and helping push oil prices to three-year highs. Meanwhile, a rout in oil prices from more than \$100 a barrel to under \$30 in early 2016 led to extensive cost cutting by producers, meaning they can now make more money at lower prices, investors say.

Energy stocks are up about a fifth in the past six months, according to the MSCI World Energy Index. In the U.S., such stocks in the S&P 500 have returned 18.3% over that period, making them one of the index's best-performing sectors.

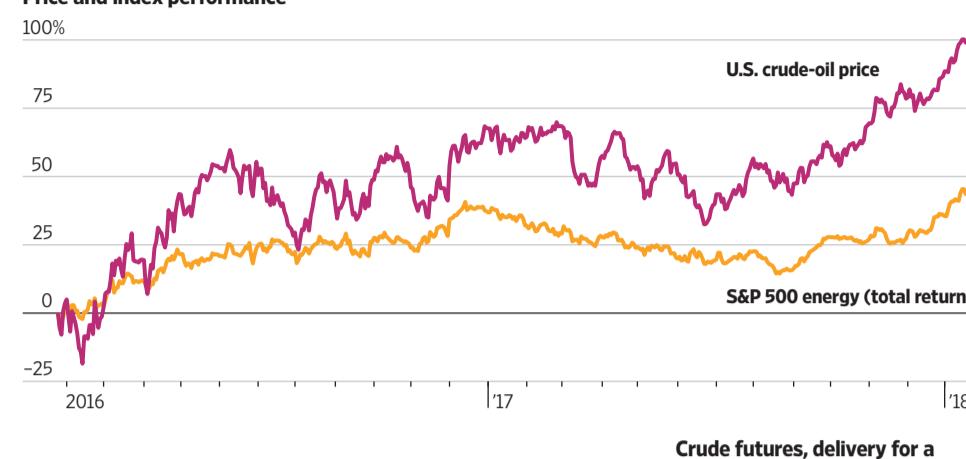
While oil and gas shares have broadly followed crude prices in those six months—West Texas Intermediate, the U.S. crude gauge, is up about 36—it took awhile for them to catch up, a sign that some investors lacked conviction in the oil recovery.

Now, they are seeing the sector differently.

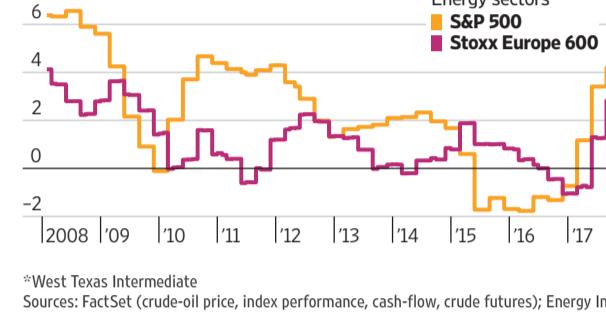
"It now appears, which it did not for a good portion of the last four or five months, that the supply-and-demand imbalance that was driving oil prices up is going to be sustainable for the rest of 2018," said Lisa Shalett, head of investment at Morgan Stanley Wealth Management.

Many analysts think that U.S. energy stocks will continue to outperform broader equity markets this year. To do that, "we don't think oil needs to move higher," said Ethan Bellamy, energy analyst at Baird. "Rather, oil just needs

## Price and index performance



## Free cash-flow margin of the energy sector

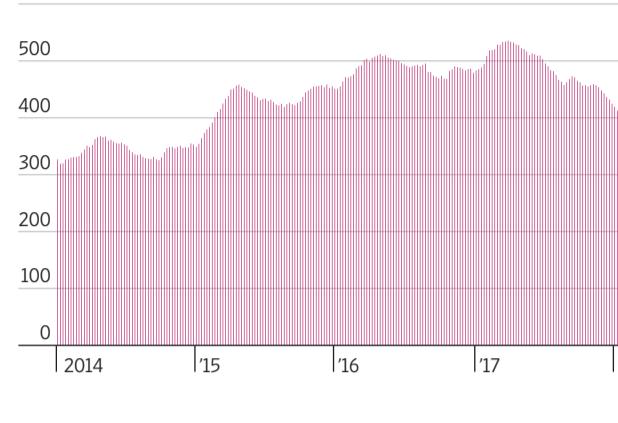


\*West Texas Intermediate

Sources: FactSet (crude-oil price, index performance, cash-flow, crude futures); Energy Information Administration (inventories); EPFR Global (flows)

U.S. crude-oil price  
S&P 500 energy (total return)

## Crude-oil inventories in the U.S., weekly



## Net flows into global energy funds, weekly



THE WALL STREET JOURNAL.

to avoid another correction."

The current recovery in oil prices started in the summer of 2017, helped by a deal by the Organization of the Petroleum Exporting Countries and other major suppliers to cut production to tackle a glut in supply.

Now demand is also increasing, and investors are focusing on a key bellwether that suggests it could at last be outstripping supply. Over the past month, long-term futures contracts have become cheaper than short-dated ones—a situation called backwardation.

For many years, storing crude was profitable because the price of oil delivered in the future was higher than the price of oil delivered right away, a sign of weak demand. Now, the premium is for delivery

ering the commodity sooner.

According to the Energy Information Administration, U.S. crude stockpiles have fallen for the past 10 consecutive weeks and are at their lowest since early 2015.

An analysis by Morgan Stanley Wealth Management shows that the energy sector tends to outperform the broader S&P 500 index by about 6 percentage points in the year after the oil market shifts to backwardation.

"We are still pretty constructive on demand," said Neil Gregson, a fund manager at J.P. Morgan Asset Management.

Mr. Gregson has ample holdings in oil behemoths such as Royal Dutch Shell PLC and Chevron Corp., but is especially optimistic about the

growth potential for smaller drilling firms, such as Pioneer Natural Resources Co. and Parex Resources Inc.

What makes many investors bullish about the energy sector is companies' newfound focus on profits over volume. Before 2014, many producers were pumping ever more oil and gas even while incurring losses doing so, but over the past six months they have focused on short-term profitability, analysts say.

Companies such as Anadarko Petroleum Corp. have detailed plans to reduce 2018 spending on drilling and operating wells. Chevron plans to cut such investments by almost 10%. Their share prices are up 35% and 26%, respectively, over the past six months.

Indeed, while net margins in the S&P 500 energy sector are still much below where they were between 2011 and 2014, when WTI traded around \$100, their profitability is getting close to levels then, even though they sell oil at much lower prices.

Free cash-flow margins, which measure how much cash a corporation generates for each dollar of sales after paying for investments, are now close to 4% in the sector. In 2013, they had dipped below 2%.

"It's a much better-run sector today," said Stephanie Butcher, a fund manager at Invesco Perpetual, who holds large allocations in energy stocks. "A few years ago, management teams were choosing volume over value; today it's all about cost control."

To be sure, energy companies still have their issues, such as the hefty piles of debt that were built up before 2014. Shares in the energy sector are also currently the most expensive in the S&P 500, trading at 24 times the earnings companies are expected to generate for investors over the next 12 months. That compares with 20 times for the tech sector and 18 times for the S&P 500 as a whole.

But oil itself is expected to stay outside for this sector. Analysts predict that crude will stay in the \$60s range this year, relative stability that is good for energy equities.

"As long as oil prices don't collapse, equities should grind higher," said Jon Morrison, Calgary-based oil equity analyst with CIBC Capital Markets.

## HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

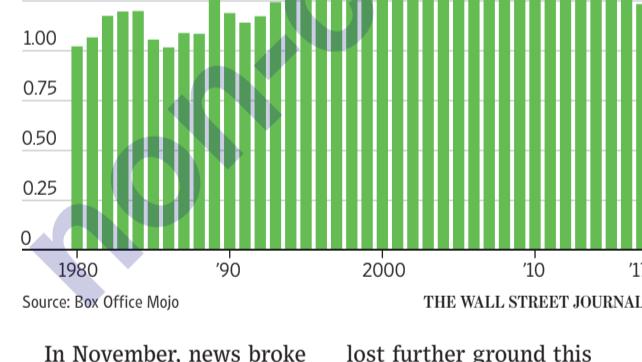
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## Suspense Builds Over a Big Bet on Movies

## The Long Goodbye

U.S. movie-theater admissions



Source: Box Office Mojo

bring Cineworld's net debt to four times earnings before interest, taxes, depreciation and amortization, even after factoring in a boost from cost savings.

The cloudy outlook for Regal and other U.S. cinema operators adds to the risk. Movie theater admissions were down 6% in 2017. The industry is debating whether the problem is cyclical—poor summer films—or structural—Netflix, Hulu and Amazon.com are eating away at the established relationship between consumers, movie theaters and Hollywood studios.

If the industry's challenges are merely cyclical, as the Greidingers believe, it is valid to ask why Philip Anschutz, the billionaire controlling shareholder of Regal, is selling for \$23 a share, a price the shares commanded a year ago, before the industry's horrible 2017.

Proxy advisers are divided on the vote: Glass Lewis and

Institutional Shareholder Services are, respectively, for and against. Yet the math favors the Greidingers. They need less than a third of external votes to achieve the simple majority required, given their 28% shareholding.

The family's management of Cineworld since 2014 has earned them good will among London investors. It also helps that they have pledged an extra \$700 million or so to maintain their stake (using money borrowed from an unnamed sovereign-wealth fund). Regal's shares trade at about the offer price, so clearly the market thinks the deal will go through.

The tension may ease after the vote. But whether the Regal takeout gets a Hollywood ending depends on how well cinemas adapt to the waning power of the studio system in the Netflix age. One to keep watching.

—Stephen Wilmot

## OVERHEARD

There's no time to worry in a bull market.

**Solid Biosciences**, a biotech startup focused on therapies for Duchenne muscular dystrophy, priced its initial public offering on Thursday at \$16 a share. Solid had earlier said in a regulatory filing that the Food and Drug Administration had placed a partial clinical hold on its most advanced drug candidate, SGT-001, back in November.

Solid explained in the filing that the hold is unlikely to affect the drug's development time frame over the long term. Still, Solid has never completed a clinical trial and is likely years away from achieving any product sales, so even a hint of trouble this early would seem to be a big worry for investors.

If investors were even a little bit nervous, however, they had a funny way of showing it. Shares opened for trading Friday at \$25.50 and closed at \$22.62, up 41%.

## Consumers Can't Keep Driving Economy

## Rainy Day Funds

The personal saving rate



Source: Commerce Department

people are saving less. The personal saving rate (the share of after-tax income that isn't spent) fell to 2.6% in the fourth quarter from 3.3% in the third quarter. That was the lowest level since 2005.

The drop in the saving rate might be a sign of confidence that workers believe they will soon be getting paid more. Higher pay would give assurance that economic growth could continue.

But if the recent burst of corporate largess proves to be more public relations than real wage increases, look for consumers to pull back.

Without solid consumer spending, economic growth will likely slow.

—Justin Lahart

in the trade deficit. Really, this just counts as a payback for the third quarter, when inventories and trade boosted growth.

The concern is whether demand will stay strong.

Consumer spending has been regularly outpacing income growth and, as a result, people

such as tissues or paper towels. Given this, Colgate-Palmolive's narrower focus on toothpaste and soaps compares well to P&G.

But Colgate-Palmolive's sales trends, nonetheless, look similar to P&G. Overall organic sales rose 2% in the fourth quarter from a year earlier, compared with analyst expectations of about 3%. Overall pricing was down 1%. These are exactly the same top-line figures that P&G reported this past week.

Colgate-Palmolive shares dropped 4.9% on Friday.

In North America, prices fell an especially steep 3.5% from a year earlier. The company didn't break out pricing by category, so it was unclear how much of this decline was attributable to

household cleaning brands such as Ajax and Palmolive and how much was due to its toothpaste and soap brands.

But P&G's earlier, more detailed breakdown suggests the weakness is widespread.

On a conference call, Chief Executive Ian Cook called out liquid hand soap and dish detergent as particular areas of price weakness in North America. He said "coupling was a factor for us in the fourth quarter" on toothpaste prices.

It is now easier than ever for consumers to compare prices online between e-commerce sellers and traditional retailers. This will keep prices, and companies' shares, under pressure for the foreseeable future.

—Aaron Back

## REVIEW



## MIND &amp; MATTER:

SUSAN PINKER

## For Happiness That Lasts, Take Those Vows

**LAST MONTH** I attended a family wedding in a city better known for its frigid winter winds and industrial history than for its natural beauty. Let's just say it wasn't a destination wedding. Still, the young couple and their families were over the moon with joy, as were the hundreds who attended.

In an era when the number of unmarried couples living together continues to rise, up by nearly 30% in the U.S. in the last decade alone, why make a big fuss over marriage?

One could say that by tying the knot, the 20-somethings were fulfilling religious and family traditions, making a public declaration of their love or expressing a vote of confidence in the future. A new study also suggests a more practical motive: Getting married is one of the best ways to cement a couple's long-term happiness.

Published in December in the Journal of Happiness Studies, the study analyzed people's responses to two huge British surveys about life satisfaction. The study's authors—John Helliwell, an economist at the University of British Columbia, and his former graduate student, Shawn Grover—hoped to answer two questions: Is marriage's effect on happiness short-lived? And does marriage cause happiness, or is it that happy people are more likely to get and stay married in the first place?

To isolate these different variables, the researchers turned first to a longitudinal survey project by a British institute. From 1991 to 2009, demographers asked 30,000 adults of varying ages about their lifestyles and moods, posing the same questions year after year. This allowed the Helliwell research team to see how happy people were long before—as well as a decade after—they met their partners, and also to assess how their levels of happiness changed over the long run. Whether they ultimately married, divorced, stayed single or were living together, the researchers thus had a snapshot in hand of their pre-relationship sense of fulfillment.

This is crucial, because happiness is U-shaped across the adult life-span, meaning that it normally rises when we're young adults, drops during middle age when life's stresses and existential questions loom large, and then rises again as older adults regain their equilibrium.

To bolster their findings, the researchers also used a second survey, 10 times as large as the first and based on U.K. census data. This Annual Population Survey by the national statistics office queried more than 300,000 people from 2011 to 2013 about their anxieties, social lives and happiness.

The researchers' answer to their first question—whether marriage had a merely short-lived effect on happiness—was definitively no. When they controlled for their pre-marriage status, married people were 10% more satisfied than people who were single—and were more likely to stay that way. While cohabiting couples were happier than single folks, they were only three-quarters as happy as marrieds. "Marriage seems to be most important in middle age, when people of every marital status experience a dip in well-being," the economists wrote.

Not all marriages are created equal, of course. At least a dozen studies show that marriages characterized by stonewalling, contempt or conflict are bad for us, undermining our sleep, immunity and cardiovascular health. Conversely, one of the most telling findings of the Helliwell study is that a close marital bond spurs long-term happiness. People who named their spouse as their best friend were twice as happy as those who didn't. "The more likely you are to regard someone as your friend, the more likely you'll think the best of them, and not take them for granted. If that's true, it's a very successful marriage," Prof. Helliwell said.

It's good to know that someone has your back. That level of commitment, formalized by a ritual and a legal document, may be one reason why the advantages of marriage trump those of just living together. Along with chocolate, it's all food for thought as we approach Valentine's Day.

## My Long 'Underwater' Nightmare

Continued from the prior page

their lease with me to move to the cheaper place. To most landlords this would have been a bad break. But in my upside-down situation, it was great news.

Home prices in the subdivision had not fully recovered from the crash, but they had crept higher, and years of mortgage payments had worn down the balance of my debt.

Now that it was empty, my real-estate agent said that if I fixed up the house and listed it in the spring, when the yard was in bloom, I might be able to get \$115,000 for it. That was \$22,500 less than I'd paid, but it would be enough to wipe out the mortgage debt and cover most of the sale expenses.

In late March I took a week off work, packed a rental car with tools and a sleeping bag and headed south.

When I was looking for my first home, many Americans were thinking about houses in a new way—less as shelter and more as investments. This prompted huge price increases, speculation and hurried construction. Few places embraced the frenzy as enthusiastically as the Gulf Coast.

Hurricane Ivan's direct hit in 2004 had cleared land along the shore for new development. Insurance money poured in, and zoning laws were rewritten. The next year, Hurricane Katrina kicked up demand for housing when it wiped out entire towns in neighboring Mississippi and Louisiana.

Oceanfront condominium projects that were little more than watercolor renderings and building permits sold out in minutes. Everyone made money—the developer, the lenders, the brokers and as many as a half-dozen flippers on a single unit.

My job at the Mobile Register, where I covered the boom, could not have been going better. My 1,000-square-foot cottage was shaping up nicely, too. I installed French doors that opened to a backyard planted with azaleas. I spruced up the front with oleander and ferns in a bed lined with decorative stones.

The marriage was another story. In the summer of 2007, my college sweetheart and I split up and agreed to sell the house as part of our divorce.

Unfortunately, the market had unraveled before our marriage.

For decades, the steady growth of U.S. home prices had attracted investors from all over the world to securities known as collateralized debt obligations, or CDOs, which pooled large numbers of individual mortgages into single securities. If borrowers paid their bills, investors made money.

As demand surged during the housing boom of the 2000s, mortgage underwriters began to cut corners. Borrowers with sketchy, or subprime, credit were lured with low teaser rates that ballooned over time. These loans were folded into securities that were given ratings on par with those assigned to U.S. government bonds.

In all, the trillions of dollars invested in securities backed by subprime mortgages represented a bet on U.S. housing that was considerably higher than the value of the actual property involved.

For me, the first hint of a brewing crisis was the smell of hot garbage wafting over the hedge. It was coming from the house next door. The young couple who owned it had paid \$153,000 for their house around the same time we'd bought ours. Now it was as if they had vanished—no note, no for-sale sign. They hadn't even bothered to take out the trash. Inside, a half-eaten pizza festered on a countertop.

On Nov. 19, 2007, we listed our house for \$149,000 with the understanding that we'd accept much less. An agent hosted open houses, tied balloons to the yard sign and baked cookies.

Not even the cookies got a nibble. After a few fruitless months she moved on. I stuck a for-sale-by-owner sign in the yard.

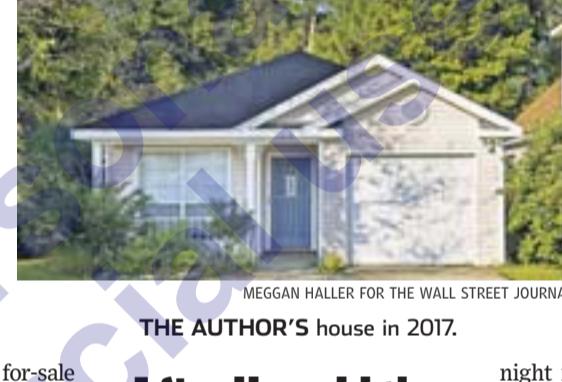
On the Gulf Coast, condo buyers balked and home prices plummeted. Subdivision developers disappeared and cranes idled at surfside towers. Jobs vanished. It was a bonanza for bankruptcy lawyers.

My neighborhood started going to seed. Some mornings when I fetched the newspaper, I was greeted by neighbors who were already drinking beer. A young woman who was renting next door lost custody of her children and began shuffling in her pajamas to a party house down the street. Sometimes I wouldn't see her for days. I tossed wadded-up slices of bread over the fence for the dog she left tied up in a dusty corner of the yard.

Another neighbor died from a drug overdose. Her corpse was wheeled out of the house as the afternoon school bus pulled up. On another occasion, the police arrived at a suspected drug den down the street to investigate the death of an 11-month-old boy.

One afternoon, I had to interrupt a phone interview that I was conducting to chase two fighting men from my front yard. They were flinging decorative stones from the flower bed at each other while they argued over a soured sale of pain pills.

In early June 2010, I noticed an acrid smell. The odor came from



MEGGAN HALLER FOR THE WALL STREET JOURNAL

THE AUTHOR'S house in 2012.

**I finally sold the house last year. Whatever the losses, it no longer mattered. I was free.**

Within a week, a retired couple from Minnesota agreed to pay \$112,000. They waived an inspection and my agent volunteered to cut his commission to help make the deal happen. The appraisal hit the mark, no termites turned up and the deal closed in May.

From the original purchase in 2005 to last year's sale, I lost \$25,500. My losses as a landlord? At least \$35,000. Whatever the sum, it no longer mattered. I was free.

About 2.5 million American homes are still worth less than their mortgage debt, according to estimates by CoreLogic. That is about double what it should be in an otherwise healthy market, said Frank Nothaft, CoreLogic's chief economist.

Those of us who have emerged from underwater missed the chance to buy low. Home prices in many markets now exceed their 2006 peaks.

At a wedding I attended recently, I met a real-estate broker who touted the riches to be made by buying units in the glassy residential towers popping up along the waterfront in Brooklyn, where I live. No matter how slapdash the construction, she said, prices have only one direction to go.

I had sunglasses on. She didn't see me rolling my eyes.

## Block Buster

Foreclosures (in red) struck about 30% of the homes in Audubon Place, a coastal Alabama subdivision.



## REVIEW



# When U.S. Troops Battled Bolsheviks

An early example of mission creep, the incursion still irks Russians a century later

BY NATHAN HODGE

**A CENTURY AGO** this year, a contingent of thousands of U.S. combat forces found themselves in the middle of Russia's communist revolution, fighting on Russian soil for months in a losing battle against the Bolsheviks. Americans have largely forgotten the episode. Many Russians have not.

An amateur historian and his team of volunteer excavators in Arkhangelsk, in the north of European Russia, have dredged up artifacts from the battles. Their collection of helmets, shell casings and shrapnel testify to the ferocity of the fighting, which also included British, French and Canadian troops.

On the other side of the country, in Vladivostok, a Soviet-era painting memorializes the other American military incursion of that era. A caricature of imperialism, the painting depicts a man in a Panama hat smoking a cigar on board the USS Brooklyn as representatives of Western powers sip cocktails and carve up a map of eastern Russia.

The 1918 intervention was fodder for Soviet propaganda during the Cold War. "Your armed intervention in Russia is the most unpleasant episode that ever arose in the relations between our countries," Soviet Premier Nikita

Khrushchev said during his 1959 visit to the U.S. "Our soldiers were never on American soil, and your soldiers were on Soviet land."

The episode has resurfaced in recent years as tensions have risen between the U.S. and Russia. In December, the head of Russia's Federal Security Service boasted to the state-run *Rossiskaya Gazeta* that the various anti-Bolshevik interventions by the Allies in 1918 prompted "the first significant success of Russian counterintelligence."

Though the failed incursion of a century ago is largely forgotten in the U.S., it still provides a relevant cautionary lesson. It was an early instance of the perils of small-scale military interventions abroad without a clear mission or support at home.

After taking power in 1917, the Bolsheviks concluded a separate peace agreement with Germany, pulling Russia out of World War I. In an effort to reconstitute an eastern front against Germany, the British and French sought help from the U.S. President Woodrow Wilson agreed to send two American contingents, to either end of the country, and they arrived in August and September.

Their initial goals were to protect caches of Allied arms and to help evacuate Allied forces. They tried to avoid contact with the Bolsheviks' Red Army, but they were soon drawn into Russia's raging civil war.

About 8,000 American soldiers, mostly from California and the Philippines, were sent to Vladivostok, at the eastern end of the Trans-Siberian Railway on the Japan Sea. An-



AMERICAN FORCES marched through the Russian Far East in 1918-1919 (top); an amateur historian has collected artifacts of fighting near the northwest town of Arkhangelsk at the time.

other 5,000, mostly from Michigan and Wisconsin, landed in Arkhangelsk by the White Sea, where they were placed under British command. They became known as the Polar Bear Expedition after the nickname for their infantry regiment, the 339th.

Before the Americans arrived, however, the Bolsheviks had secured many of the Allied arms. As for the Allied troops they were sent to rescue—mostly Czechs and Slovaks who had fought on the czar's behalf or deserted from the Austro-Hungarian army—they had largely evacuated themselves. By Nov. 11, when Germany signed an armistice with the Allies, there was no need for an eastern front.

But that was not the end of the campaign for the U.S., British and French soldiers in northern Russia. Under British command, they started fighting on behalf of the anti-Bolshevik White Army against the "Bolos," or Red Army, a determined enemy with a home advantage. Meanwhile, in the Far East, the Americans came into

confrontation with other forces in the many-sided conflict. The Cossack leader Grigori Semenoff, a one-time czarist officer who fought against the Reds, took advantage of the collapse of central authority to engage in banditry and plunder in the region. His activities brought him into conflict with American troops whose mission was to secure essential lines of communication in the Far East.

Many of the American soldiers questioned why they were still in Russia. "They wrote in their diaries, 'We think everyone back home has completely forgotten us,'" says Alexei Sukhanovsky, the amateur historian in Arkhangelsk who houses a growing collection, including military histories and memoirs from both sides, in a spare room of his office.

American families lobbied to bring the troops home, but while they urged action from Washington, more than 200 soldiers died, mostly from combat. By the spring of 1919, months after World War I had ended, conditions on the Arkhangelsk front were difficult, and morale was low. American soldiers began to resist orders. On March 30, when Army Sgt. Whitney McGuire ordered his men to an

outpost close to Bolshevik positions, they rebelled. "They say we are fighting for the [White] Russians," a soldier told a U.S. war correspondent shortly afterward. "Why don't they do some fighting for themselves?"

The colonel in command bluntly explained to the troops why they would still have to man the front line: Outnumbered by the Bolsheviks and thousands of miles from home, they would otherwise be annihilated. "That is reason enough for me," the officer said, according to an archival report.

Two days later, Corp. Cleo Colburn and nine other men would defend an isolated blockhouse from an assault by Bolshevik troops. According to a report by the same war correspondent, he fired 2,700 rounds from his Vickers machine gun over the course of one night. When the shooting ended, the Bolsheviks had disappeared into the forest, leaving 18 dead. Colburn's diary describes their bloody trails in the snow.

The old battleground still yields new finds. Mr. Sukhanovsky's reliquary includes a heavy steel pail, blown through with shrapnel, and the remnants of a first-aid kit, found near the frayed bits of a soldier's uniform sleeve. Soldiers fashioned primitive cups from wire and ration cans. And there have been more poignant finds as well. Mr. Sukhanovsky shows a sheaf of papers, discovered near the remains of an unburied Bolshevik soldier. The body was found in a bed of spent brass cartridges.

"At first we thought it was cigarette paper," Mr. Sukhanovsky says. His team sorted through the sheaf and found it was a book of school exercises. "That is, the man was illiterate, and was learning to read while he fought."

In April 1919, a new American commander arrived in Arkhangelsk, carrying orders to withdraw. The Polar Bears eventually made it home to Michigan and Wisconsin. But the unit's veterans would return to Russia on a final mission in 1929—to recover the bodies of their dead. The journey was sanctioned by the Soviet government. According to Mr. Sukhanovsky, Moscow had to instruct still-hostile local residents not to interfere with their work.

## SCREEN TIME FOR KIDS IS AWFUL—AND I CAN'T LIVE WITHOUT IT

BY JASON GAY

LIKE MOST ANNOYING hipster dingbat parents, my wife and I had a rigid plan for how we would raise our children. We would raise them like hipster wolves, wild and free. Wolves—but with better haircuts, cooler sneakers and, occasionally, matching Patagonia vests. We would give our children names like Stargaze and Bark, and teach them to be empathetic citizens, at home in the natural world.

Stargaze and Bark would eat organic only, and drink from mountain streams. They would never let a Cheeto pass their lips. They'd read books, handwrite letters, and never encounter a superhero or Disney princess. When their birthdays rolled around, Stargaze and Bark would simply ask for a rainbow. Or a stick.

Most of all, our children would never, ever, spend a second of their childhoods staring at a screen, because everybody knows screens are terrible.

Alas, our plan did not unfold as we imagined. We did not name our children Stargaze and Bark. Over the holidays, I may have bought the kids jelly doughnuts at a rest stop on the New Jersey Turnpike. And despite all the public shaming, it's possible my



children have...on occasion...been treated to a little bit of no-good, terrible, very bad screen time.

This is not the type of thing you're supposed to admit in public. I feel like I'm confessing to a crime. I want to stress that this is my failure alone. My wife reads to the kids, paints with them, sings them Joni Mitchell. She is going to kick me in the knee when she reads this.

You're judging me, too. Why give a kid screen time when there are frogs to catch, sand castles to build and puppet shows to produce? I know

there's evidence that screen time isn't the best activity for a growing mind. Or any mind. Have you ever had a conversation with someone who watches a lot of cable news?

I bet my kids' brains have already rotted. They're never going to get into great schools. They're going to end up scalping tickets outside Jets games, or running for public office.

But picture this: a four-year-old, writhing on the kitchen floor, refusing to put on his snow boots because he doesn't like the color. Three or four minutes of screen time—

whoosh! The boots go on without a peep.

Traveling? Any parent who's driven screaming children on a highway would give the Nobel Prize to the inventors of the iPad. Tomorrow, I could drive my children to the Arctic Circle and back, and they'd never complain. Or look out the window.

If your kids are all grown up, you're thinking: *I drove six kids to the shore every July in the back of a Buick Estate Wagon, and all we did was eat Slim Jims and listen to Orioles games!*

But what if I sit next to you on an airplane with two noisy, whiny kids? Be honest: you'll be OK if I let them watch "The Texas Chainsaw Massacre," if it means you can read your Grisham in peace.

The good news is: I may not have ruined my children. Yet. The other day, the Journal's Christopher Mims wrote about

the evolving science around children and screen time, and the belief that not all of it is as pernicious as previously believed. Specifically, there's growing consensus that "active" screen time—creative apps, educational games, maps, quizzes—are a

non-harmful and potentially even cognitively beneficial activity.

Cartoons? Videos of cats getting stuck in soup cans? That "passive" screen time will still shrink a young mind. But not everything on a screen is horrible.

I'm not saying I'm home free. My kids have years before they get rocking in social media, and that's apparently where the real nightmare begins. My brother has a 14-year-old, and he would happily take her smartphone and stick it in the microwave.

Meanwhile, social media is under siege, with our digital overlords getting zinged for manipulative tactics. Adults are going on "tech fasts" and buying old-fashioned flip phones. Friends of mine have quit Twitter, and look like they've just spent two months in Hawaii.

Maybe by the time my kids are adults, the pendulum will have fully swung back. Everyone will be reading books and writing letters, and asking for rainbows on their birthdays. That would be pretty great, until my children go on a road trip with my grandkids, Stargaze and Bark. Then I'd definitely recommend an iPad. And even some Cheetos, because Cheetos are delicious.

We were going to raise our children like hipster wolves.

## REVIEW


**WORD ON  
THE STREET:**  
BEN ZIMMER

# The Mysterious Origins of Our Most Enduring Symbol of Love

The heart icon is everywhere, but why does it look nothing like the beating organ in our chests?

BY MARILYN YALOM

**T**HE HEART SYMBOL, with its two scallops on top and V-shaped point at the bottom, is one of the world's most familiar emblems—found everywhere from jewelry to emojis to the Valentine's Day promotions now spread across store windows. But where did this perfectly symmetrical heart—a far cry from the lumpy organ we carry inside us—come from?

Since the time of the ancient Greeks and Romans, the heart has been viewed as the home of love. That's not surprising. Anyone who has ever been in love knows that your heart beats faster when you glimpse someone who sparks your romantic interest.

As for how to represent that impassioned organ, the lack of real knowledge of physiology left open fanciful possibilities. The second-century Greek physician Galen asserted that the heart was shaped like a pinecone and worked with the liver. This view carried into the Middle Ages, when the heart first found its visual form as the symbol of love.

The earliest illustrations of the amorous heart, created around 1250 in a French allegory called "The Romance of the Pear," pictured a heart that looks like a pinecone, eggplant or pear, with its narrow end pointed upward and its wider, lower part held in a human hand.

In one miniature, a kneeling youth offers such a heart to a standing lady, who raises her hand in a gesture of surprise. In another, a lady dressed in pink extends a similar heart to a young man. Medieval viewers would have interpreted these scenes as "heart offerings," a theme already popular in sentimental stories and songs.

Other artists and artisans quickly picked up the iconography. One of the most famous examples, now in the Victoria and Albert Museum in London, was carved in ivory around 1300 on the back of a French mirror. A man kneels before his lady and offers her his upside-down, pointed heart while she raises a large hoop above his head. Medieval artisans, without the benefit of Freud, knew exactly what they were doing when they used such sexually suggestive symbols.

But this same pinecone-shaped heart also found its way into religious works of art. When Giotto, in 1305, painted the theological virtue of "Caritas" (usually translated as "charity" or "love") among the panels that adorn the Scrovegni Chapel in Padua, he pictured a capacious woman lifting her heart toward a haloed, bearded figure, presumably Christ or God. Giotto's "Caritas" influenced subsequent Italian painters and sculptors, whose works still grace the churches and museums of northern Italy.

Whether intended for a loved one in secular manuscripts or for God in Christian art, these symbols expressed the meaning of the heart as love, but they still did not share the form that we know today. That shape evolved during the first decades of the 14th century, starting with images in the work of another Italian, Francesco da Barberino.

In his book called "Precepts on Love" ("Documenti d'Amore"), we see for the first time symmetrical hearts with rudimentary lobes strung across the neck of a horse (though, truth be told, they also look a good deal like triangles). Standing atop the horse is the figure of Cupid bearing arrows in one hand and a branch of roses in the other. Cupid races off victorious with the hearts he has pierced, leaving behind a row of love-struck individuals.

We finally find a clear instance of our contemporary heart icon in a French manuscript titled

"The Romance of Alexander," circa 1340. In the bottom border of one page, on the left-hand side, a woman raises a symmetrical heart with two clearly defined lobes that she has received from the man facing her. She accepts the gift of his heart, while he touches his breast to indicate the place from which it has come. Another couple in the same border, on the right-hand side, shows a very different scene: A lady turns away from a suitor who offers her a purse.

The two couples present a graphic vision of how men and women should and should not relate to each other. One is pure and inspired by feelings from the heart, the other is venal and based on material rewards.

From then on, the stylized heart became ubiquitous, not only on the pages of manuscripts but also on luxury items like brooches, pendants, rings and tapestries. Though a few medical pioneers began to observe directly the true ungainly shape of the human heart—so different from the popular symbol—artists and artisans remained faithful to the symmetrical, scalloped form.

The great exception, in this as in other matters of art and science, was Leonardo da Vinci, who studied both human and animal dissections. The painstaking illustrations in his notebooks show his longstanding dedication to anatomical accuracy. (Human dissection, long taboo, began appearing as early as 1315 in Italy, but it could be banned at any time, according to the mood of the pope.)

Andreas Vesalius, the 16th-century Flemish physician who is considered the father of modern anatomy, was allowed to dissect cadavers at the University of Padua, thanks to a judge who supplied him with the bodies of executed criminals. In his groundbreaking book "The Fabric of the Human Body" ("De humani corporis fabrica"), Vesalius corrected certain errors made by Galen that had been blindly repeated by successive generations of doctors since the second century.

The detailed plates in Vesalius's "Fabrica," like the drawings in da Vinci's notebooks, pictured a heart that looked more like the real thing. Yet the advance of science did nothing to shake popular attachment to the image of the heart as bi-lobed at the top and pointed at the bottom.

What explains the symbol's appeal and durability? Perhaps it is because the shape, with its two halves forming a single figure, so perfectly captures the Platonic idea of love as the longing to merge with an ideal soul mate. More unconsciously, and on a less ethereal level, perhaps its success has to do with its subtle evocation of the breasts and buttocks of the human body.

Over the centuries, the heart emblem has taken on new meanings and functions. It survived the Reformation, which set aside so much other traditional Catholic iconography, largely because Martin Luther constructed his personal seal from a red heart placed within a white rose, with a black cross at the center. Having thus been preserved for Protestants, it was available in the 19th century for romance-minded English and American consumers, who began to trade mass-produced valentines featuring hearts. In 1977, the heart icon even became a verb, with Milton Glaser's famous and endlessly repurposed "I ❤ NY" logo.

Today, the stylized heart symbolizing love reigns supreme throughout the world. It may be only a metaphor, but it serves us well as a universal sign for the mystery of love.

FROM TOP: the heart icon in the French manuscript 'The Romance of Alexander,' circa 1340; a 19th-century Valentine's Day card; New York City Mayor Michael Bloomberg with Milton Glaser's famous logo, July 4, 2005.

Dr. Yalom is a senior scholar at the Clayman Institute for Gender Research at Stanford University. This essay is adapted from her new book, "The Amorous Heart: An Unconventional History of Love" (Basic Books).

**Answers**  
to the News Quiz on page C13:  
**1.A, 2.D, 3.C, 4.C, 5.C, 6.C, 7.D,  
8.A**



**WITH THE** Philadelphia Eagles headed to the Super Bowl to face the powerhouse New England Patriots, the Eagles and their fans have been reveling in the role of the underdog. They have taken their underdog status quite literally, even sporting latex dog masks and barking in celebration after their victory over the Minnesota Vikings in last Sunday's NFC Championship.

How did we end up with this canine metaphor? Today it refers to a competitor who isn't expected to emerge victorious in arenas from sports to politics, but it all goes back to a mid-19th-century poem about a dogfight.

The origins of "underdog" were first discovered by Fred R. Shapiro, an associate library director at Yale Law School, when he was conducting research for "The Yale Book of Quotations," edited by Mr. Shapiro and published in 2006. The Oxford English Dictionary had dated "underdog" to 1887, but Mr. Shapiro took it back to 1859, in a poem that appeared in many American newspapers that year.

The poem, entitled "The Under Dog in the Fight," was first published on April 4, 1859, in the New York Evening Post and later republished in Washington, D.C. and other places. The poem was sent in by David Barker, a lawyer from Exeter, Maine, who specialized in homespun verse. His poem includes the lines, "But for me—and I care not a single fig / If they say I am wrong or right— / I shall always go for the weaker dog / For the under dog in the fight."

Barker's poem spread far and wide, even generating a versified response in the Boston Post satirically praising "the upper dog in a fight." Soon "under dog" (and the one-word version "underdog") began showing up on its own as a sentimental figure, as when Frederick Douglass, in an 1889 speech in Washington, D.C., said that "a sense of justice common to all right minded men" is "that which gives the sympathy of the crowd to the under dog, no matter what may be his color."

Variations on the theme also followed, such as "underdogger" for one who supports an underdog, and "top dog" or "overdog" for the competitor favored by the odds.

After the death of Sherlock Holmes creator Arthur Conan Doyle in 1930, journalist Christopher Morley, who soon after helped to found the Baker Street Irregulars fan group, lauded the author in the Saturday Review with a pseudoclassical spin on the term: "Doctor, whaler, athlete, writer, speculator, dramatist, historian, war correspondent, spiritualist, he was always also the infracaninophile—the helper of the under dog."

As Barker's original verse became forgotten, other explanations for the origins of "underdog" have sprung up over the years. One popular theory, seen in some museum displays, relates the term to the old practice of sawing wooden planks in a saw pit, with men working the ends of a long two-handed saw. The senior man at the saw's top handle was known as the "top dog," while the junior man, stuck in the pit with the sawdust, was the "under dog."

But while saw pits really did work that way, there is no evidence that "underdog" came out of that context. The 1859 poem is still the scrappy winner of this etymological fight.

# BOOKS

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## When Empires Collided

Three decades after Columbus, the Spaniards finally reached the long-imagined realms of gold

### When Montezuma Met Cortés

By Matthew Restall

Ecco, 526 pages, \$35

BY DAVID ABULAFIA

**IN THE MID-19TH** century, the eminent historian Thomas Babington Macaulay insisted that "every schoolboy knows who imprisoned Montezuma, and who strangled Atahualpa." The extraordinary history of small squads of conquistadores who overwhelmed the two greatest empires of pre-Columbian America has long been told from a European perspective, which is hardly surprising when the great majority of surviving accounts of the conquest of Mexico and Peru were written by Spaniards or their European imitators. Not surprisingly, Hernán Cortés's own letters have often been read uncritically—as the conqueror's unvarnished account of events addressed to the Holy Roman Emperor and others—rather than as a self-glorying justification for his actions. Several Nahuatl (native Mexican) accounts of Cortés's conquests also survive, sometimes strikingly illustrated, but by the time these were recorded, the Mexicans' own account of their pre-Christian past already had become contaminated by the European version of the story. Even the interpretation of what might at first sight seem objective evidence, archaeological finds, often has been influenced by the traditional narrative: Were those large stone receptacles on show in the world's museums really used in gruesome acts of human sacrifice?

Matthew Restall, a professor of history at Penn State, has a well-earned reputation as a mythbuster in the history of the New World; one of his books was even called "Seven Myths of the Spanish Conquest." His new book, "When Montezuma Met Cortés," likewise presents doubts about the reputation of Cortés as a great warrior and inspired leader. But it focuses most intensively on the meeting between Cortés and the Aztec emperor Montezuma in November 1519—or, rather, a series of meetings that took place around then, since Cortés spent the days following their first encounter in the Aztec emperor's company.

The question then arises of whether power was transferred willingly (as some contemporary Spanish accounts implied) from a ruler whose territories had not really been conquered—indeed barely even had



FATEFUL A mural at the Museo de la Ciudad de México depicts the meeting between Cortés and Montezuma on Nov. 8, 1519, in Tenochtitlan.

been invaded—to a chancer who had arrived with only limited Spanish forces (although Cortés did have the help of native Mexican rivals of the Aztecs). Underlying all this is the question of what sort of people Montezuma thought the Spaniards were—Mr. Restall is rightly dismissive of the idea that the Aztecs were impatiently awaiting the arrival of a great white god from the East, as the British historian Hugh Thomas insisted in his massive account of the conquest of Mexico.

Mr. Restall has chosen to handle these issues by taking the various accounts to pieces in a virtuoso display of source criticism. Instead of retelling the story in sequence, the author homes in on the first meeting of the two major protagonists before looking at important aspects of Aztec society, arguments justifying European dominion over heathen peoples and the early career of Cortés in the Caribbean islands—a period of his life marked mainly by a lack of real dis-

tinction: "Cortés lived an ordinary life on Hispaniola and Cuba," Mr. Restall writes, "because he was an ordinary man of ordinary abilities."

All the while Mr. Restall keeps readers unfamiliar with the wider course of events well grounded. Notably, he makes clear that distortions of the history of the conquest of Mexico were taking place from the very start: He discusses these as the action unfolds, rather than consigning them to later chapters dealing with how the conquest was remembered in Spain and beyond in later centuries.

Mr. Restall does not restrict his gaze to 16th-century sources but takes aim too at much later writers, of whom the most famous is W.H. Prescott. Prescott's "History of the Conquest of Mexico" (1843) was handed out to American troops fighting against the Mexicans in 1846-48, so that the war between the U.S. and Mexico was presented as a re-enactment of the war between the Spaniards and the Aztecs.

To say that Prescott leaned too heavily on the European sources is only to say that he used what was available; his ability to weave together the complex negotiations, betrayals

Cortés was a soldier of no particular distinction, Montezuma the emperor of a rich and stable land.

and conflicts of the conquest period into a readable and coherent narrative remains impressive.

Mr. Restall goes beyond the written accounts, and dwells also on the portrayal of the conquest in paintings and film. The book therefore has some of the qualities of a learned monograph about the reinterpretation of the conquest, showing an acute eye for inconsistencies within and between the sources. Yet it remains a

lively, original and readable book aimed at a wider audience. To succeed in maintaining that balance is a remarkable achievement.

One of the most contentious issues, even in the 16th century, was the European claim to dominion over non-Christian peoples. Some medieval authorities were prepared to accept the legitimacy of a pagan ruler's authority, so long as the ruler governed in accordance with "natural law." The question became particularly acute as the Spaniards opened up the New World. First in the Caribbean, where they heard tales of cannibals who were said to raid the innocent people of the scattered islands, and then in Central America, where stories of mass human sacrifice grew in the telling, the European conquerors observed peoples who appeared not to act in accordance with natural law. Human sacrifice would be cited again and again, serving as the great justification for taking charge of the

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## Renaissance Man

### The New Negro

By Jeffrey C. Stewart

Oxford, 932 pages, \$39.95

BY CLIFFORD THOMPSON

**WITH THE EXCEPTIONS** of Langston Hughes and Zora Neale Hurston, the term "Harlem Renaissance" is better known than the names of the artistic movement's important figures. Outside the world of African American Studies, the mention of Alain Locke, the Harlem Renaissance's visionary and impresario, tends to leave the listener with a blank look. Now comes a monumental effort to change that. Jeffrey C. Stewart's 900-plus-page "The New Negro: The Life of Alain Locke" is a vitally important, astonishingly well researched, exhaustive biography of the brilliant, complex, flawed, utterly fascinating man who, if he did not start the movement, served as its curator, intellectual champion, and guiding spirit.

"The New Negro" takes its title from the seminal 1925 book of the same name edited by Locke and containing fiction, nonfiction, poetry and visual art by such Renaissance luminaries as Hughes, Hurston, Rudolph Fisher, Jean Toomer, Countee Cullen, Arna Bontemps, Georgia Johnson, W.E.B. Du Bois and Aaron Douglas. "This volume aims to document the New Negro culturally and socially," Locke wrote in the anthology's foreword, "to register the transformations of the inner and outer life of the

Negro in America that have so significantly taken place in the last few years." More had been written about African Americans than by them, Locke added, but that was changing for good. The world was about to see, if it had not seen already, the sophisticated work of a people prepared to speak for themselves.

The title of Mr. Stewart's book also refers to Locke himself, the likes of whom, indeed, the world had rarely if ever seen. This all-but-openly gay, rather dandified man, who stood four

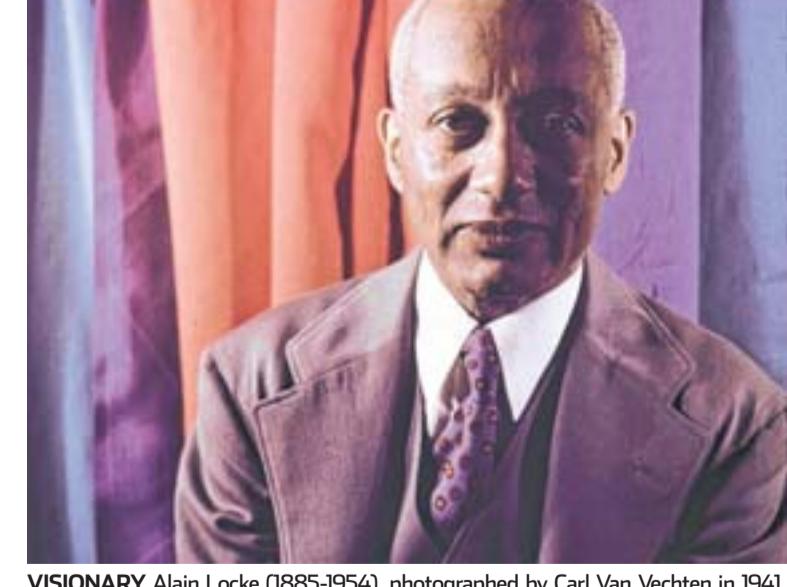
A life of the spearhead of the Harlem Renaissance, the flowering of black culture in Jazz Age America.

feet eleven inches and weighed all of 95 pounds, was the first African American Rhodes Scholar as well as the first black person to earn a doctorate in philosophy from Harvard University, and it was Locke, a professor at historically black Howard University for several tumultuous decades beginning in 1912, who conceived the field of African American Studies as we know it today, with its emphasis on both parts of the compound modifier. Those accomplishments belie the sometimes paralyzing personal and intellectual contradictions with which Locke struggled. It fell to this fiercely proud, sexually active but often lonely, mother-

obsessed man to resolve the contradiction between a celebration of black art and a rejection of the notion of racial essentialism; between his passion for European culture and his call for black Americans to embrace the art of their African past; between his

are often taken for granted, and where he failed, as in his focus on the arts as the path toward black equality through self-realization, it is possible that no one could have succeeded.

Alain Locke was born in 1885 in Philadelphia to a middle-class family



VISIONARY Alain Locke (1885-1954), photographed by Carl Van Vechten in 1941.

brother who was born in 1889 and died six months later. "Clearly the existence of a rival to his mother and father's affections was too much for Locke to bear," Mr. Stewart writes, and one is left with the impression that if the younger brother hadn't died on his own, Alain might have figured out a way to kill him. (In a manner of speaking, he did just that: He never publicly acknowledged having had a sibling.) Alain himself contracted rheumatic fever as a newborn, which permanently affected his heart; his condition no doubt contributed to the way the boy was pampered. While Alain's mother and father competed for his affections, his father also disapproved of the boy's effeminate ways, and after the single occasion on which Pliny Locke whipped his son—the reason is unknown—Pliny lost the competition, with Mary Locke physically shielding her son and Alain burning with resentment toward his father. When Pliny died of heart disease, Alain, not quite 7 years old, became king of the household.

Alain was an intellectual from a tender age. He almost didn't have a choice: His father, an educator and civil servant, had taught him to read in part by sharing aloud passages from the works of Virgil and Homer. "By age four," Mr. Stewart writes, Alain "was already serious, so unconcerned with humor and frivolity that he later recalled that, when given the task of going downstairs on Sunday mornings to retrieve the paper, he first cut out the comics section before

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## BOOKS

'Statesmen should remember that they have been elected to persuade and to lead, and not just to accept as fixed [the] prejudices of the public.' —Stanley Hoffmann

# United by a Common Language

**Lincoln & Churchill**

By Lewis E. Lehrman

Stackpole, 526 pages, \$34.95

BY MICHAEL F. BISHOP

**THE ENDURING FAME** of Abraham Lincoln and Winston Churchill rests chiefly on their leadership during existential conflicts. And while the American Civil War and World War II differed in scale, strategic difficulty and technological complexity, the two leaders indelibly stamped their respective causes in similar ways, as Lewis E. Lehrman observes in his penetrating new book, "Lincoln & Churchill: Statesmen at War." Decades and much else divide the two men, but the qualities they share inspire all who defend the cause of freedom.

At first glance, their contrasts seem to loom larger than their similarities. Lincoln was born in a frontier cabin, Churchill in a ducal palace. The American president was nearly monkish in his asceticism, eating little and drinking not at all; Churchill relished fine food and champagne (and whisky and brandy). "My tastes are simple," Churchill said, "I am easily satisfied with the best."

Lincoln was an enigmatic figure even to his closest associates; his long-time law partner called him the most "shut-mouthed" man that ever lived. Churchill was ceaselessly voluble, pouring out his thoughts and opinions in an endless geyser of rhetoric, publishing more words than Shakespeare and Dickens combined.

Their martial experience, too, could hardly have been more different. At about the age when Churchill was charging with the British cavalry in the Sudanese desert, Lincoln waged "bloody struggles with the mosquitoes," as he self-mockingly put it, during the Black Hawk War in Illinois. Pacific by nature, the young Lincoln refused even to hunt game, while Churchill lunged into conflicts from Cuba to India to Africa.

Ultimate power came to Churchill late. He was 65 when a reluctant King George VI appointed him prime minister. By that time, he had held every high cabinet post save that of foreign secretary. Lincoln was inaugurated a few weeks after his 52nd birthday, one of the youngest presidents yet elected, having served only a single term in Congress.

The offices they held were also profoundly different. The American Constitution explicitly states that "the President shall be Commander-in-Chief," while the prime ministerial authority over the armed forces was murkier upon Churchill's appointment in May 1940. Having learned from the



MOVING A NATION Winston Churchill at the Royal Albert Hall on Thanksgiving Day, 1944.

shambolic conduct of the war since its outbreak the previous year, Churchill recognized the need for unified command. He not only created the position of minister of defence; he appointed himself to it.

For all these differences, however, the frontiersman and the aristocrat had much in common. Modern history's two greatest war leaders were masters of the English language. Their pre-eminence rests not only on a genius for waging war but also a peerless gift for explaining why it needed to be waged. "They had," as Mr. Lehrman puts it, "mastered the natural rhythms of their native tongue." During the fateful first weeks of Churchill's premiership, when Hitler's armies swept all before them and the British war cabinet teetered on the brink of capitulation, Churchill's words were the most powerful weapons in the British arsenal. He rallied Parliament and the people with declarations that "we shall fight on the beaches" and "never surrender."

Lincoln's prose, borne of his immersion in Shakespeare and the King James Bible, invested the Union cause with a moral majesty that sanctified a fratricidal conflict. "The struggle of today, is not altogether for today," he declared to Congress in 1862, but "for a vast future also."

Churchill was compulsively peripatetic. He embarked on perilous journeys by sea and air throughout his premiership, traveling some 180,000 miles before the war was over. Whether haranguing commanders in distant theaters or conducting personal diplomacy with Roosevelt and Stalin, Churchill was not content to lead from London. Lincoln, too, was often on the move, visiting battlefields and encampments and rallying the men charged with delivering his "new birth of freedom."

Both Lincoln and Churchill had a strategic sense that was often at odds with that of their generals. They felt certain that they possessed, as Mr. Lehrman puts it, a "superior understanding of military reality." Alan Brooke, chief of the imperial general staff, filled his diary with condemnations of Churchill's interference in military affairs. Gen. George McClellan, Lincoln's general in chief during the first part of the Civil War, dismissed the president as "a well-meaning baboon." Brooke sometimes had a point, and Churchill was lucky to be surrounded by such excellent military advisers. The feckless and preening McClellan, however, was the Confederates' secret weapon; Lincoln far outclassed him as a strategist and dismissed him as soon as he could. The president would have to wait until the emer-

gence of Ulysses S. Grant and William Tecumseh Sherman before enjoying the kind of military counsel on which Churchill could more readily rely.

Lincoln's was the sort of death Churchill envied, cut down at the moment of victory like Churchill's hero, Horatio Nelson. Churchill's own tenure ended differently: The prime minister who defeated Hitler was himself defeated weeks later in a Labour landslide. It was a terrible blow, but it allowed him to quickly begin his war memoirs and make good on his promise that "history will be kind to me, for I intend to write it." Lincoln never had the chance to write his own record of the Civil War, but in his second inaugu-

ral address—the greatest speech ever uttered by an American statesman—he submitted his own first draft of history, declaring that slavery "was somehow the cause of the war" and marveling at the conflict's "fundamental and astounding" result.

"Courage," Churchill observed, "is rightly esteemed the first of human qualities." He and Lincoln possessed it in abundance. Heedless of their own safety, they exposed themselves to enemy fire and risked their reputations on behalf of unpopular causes. Both suffered the slings and arrows of critics while remaining faithful not only to their country's interests but also to those of posterity. The world is a freer and nobler place for their having lived.

Deeply researched and elegantly written, Mr. Lehrman's "Lincoln & Churchill" is a valuable contribution to our knowledge of the past. By expertly conjoining two great leaders in a single volume, he has enhanced our understanding of both.

*Mr. Bishop is executive director of the International Churchill Society, director of the National Churchill Library and Center, and the former executive director of the Abraham Lincoln Bicentennial Commission.*

## A History of Near Misses

**What You Did Not Tell**  
By Mark Mazower  
Other Press, 379 pages, \$25.95

BY OWEN MATTHEWS

**THERE COMES** a moment in every historian's life when his thoughts turn homeward, away from grand clashes and epic struggles. Who were they, my people, the flesh of my flesh? What currents of history shaped them, inspired them, traumatized them, destroyed them?

In "What You Did Not Tell," Mark Mazower, a distinguished British-born historian, explores the story of his own family, especially that of his paternal grandparents, Jews who emerged at the turn of the 20th century from the poverty and backwardness of the Russian provinces into the ferment of socialist struggle and, eventually, into the turmoil of the wider world. Mr. Mazower quotes a former schoolmate of his father's who, referring to this generation of Russian Jews, cites their "boundless energy, their intensity, their seriousness."

The story opens with Mr. Mazower's grandfather, Max, leading a double life as a merchant's bookkeeper in Vilna, Lithuania, and as an agitator for the Bund, an organization rooted in Russia's Jewish working class. Max publishes an underground newspaper, is involved in stirring up the proletarian masses during the 1905 revolution and is exiled to Siberia for his activities. Lulling a czarist guard into friendship with games of chess, he escapes to London, where he signs up as a typewriter salesman. In an impressive display of chutzpah, he later returns to

revolutionary Petrograd to make a fortune selling typewriters across the disintegrating Russian Empire. Tipped off that the Bolsheviks have become over-interested in his money and in his links to counterrevolutionary Britain, he escapes through the chaos of the civil war to Paris and eventually back to London.

Hindsight gives a terrible poignancy to the stories of 20th-century lives. Max's two brothers remained behind—Zachar in Vilna (modern-day Vilnius); Semyon in Leningrad (St. Petersburg). "Three brothers and three choices, or better—since choice does

not feel quite right—three wagers on fate is how it might seem," writes Mr. Mazower. "Time becomes a series of might-have-beens, history a slalom course, a battle of wits with whatever lies round the next corner."

Zachar disappears after the German occupation in 1941, either dead in the Vilnius ghetto or shot by executioners. Mr. Mazower is able to find only the faintest echo of him at the Holocaust museum at Yad Vashem in Jerusalem. Semyon survives the war, but his son, Ilya, freezes and starves to death in the siege of Leningrad. Another cousin endures the war in the east in the ranks of the Wehrmacht. "Within the ambit of [one] family alone," Mr. Mazower writes, "the entire spectrum of the war's

European destinies was contained."

His redoubtable grandmother, the daughter of a timber merchant who grew up in a series of remote cabins deep in the Russian interior, fled the Bolsheviks and witnessed fellow passengers hauled off a train to summary execution. One great-aunt was secretary to Maxim Litvinov, the Soviet foreign minister, but her sister was deemed a dangerous subversive and

Paris—blasted the Mazowers' extended family in every direction.

Mr. Mazower's grandparents, along with the few members of the family who managed to escape the charnel house of midcentury Europe in time, were among history's winners—they survived. But a lifetime's habit of conspiracy bred a silence in his grandfather that is a challenge to the later historian. "His wife, Frouma, called

company working in St. Petersburg at the time of the revolution, could have been a spy. But a foray into the archives of MI6 draws a blank.

"What You Did Not Tell" is full of such near-misses, like Max's fleeting relationship with Shmuil Zygielboym, a Pole who escaped to London and attempted to persuade the Allies to take action to stop the Final Solution. When he failed, Zygielboym took his own life. Mr. Mazower's half-uncle André had a glancing friendship with T.S. Eliot while at Cambridge in the early 1940s—Eliot was at his snobbish and anti-Semitic worst.

For obvious personal reasons, Mr. Mazower is interested in the history of his late father's life and loves. But the stories of William Mazower's friendship with the Hampstead milkman, his walking tours with his Oxford friends and his unexciting service as a national serviceman at the tail end of World War II and career as a manager seem thin stuff in comparison with the dramas of his grandparents' generation.

The trajectory of the Mazowers through modern history, as with that of so many families of the Jewish diaspora, begins with passionate engagement, continues through disillusion, war and exile, and ends, for a happy few, with comfortable domesticity. And so it is with the trajectory of Mr. Mazower's book, which starts in the world of "Dr. Zhivago" and ends up closer to that of Barbara Pym. For those of us not blessed, or mostly cursed, with such stormy lives, it is the distant past rather than the more-familiar present that engages.

*Mr. Matthews is the author of "Stalin's Children: Three Generations of Love, War, and Survival."*



GENERATIONS The Mazowers, including Max and his son, Bill, in London, ca. 1936.

## BOOKS

'Athens, the eye of Greece, mother of arts / And eloquence.' —John Milton

# Love Among the Ruins

**The Real Life of the Parthenon**

By Patricia Vigderman

Mad Creek, 195 pages, \$21.95

BY WILLARD SPIEGELMAN

**IN 'QUESTIONS OF TRAVEL'** Elizabeth Bishop asks: "Is it lack of imagination that makes us come / to imagined places, not just stay at home?" Why travel in the first place? What centrifugal impulse makes us hungry for strangeness? All travel, from the cushiest package cruises to the most daring and dangerous explorations, inspires such questions.

Another pair of questions: What do readers expect from travel writing? How does this genre differ from others?

These matters occurred to me as I read Patricia Vigderman's enthralling account of several forays to the Mediterranean, detailing her search for pleasure and enlightenment in the ancient world. Ms. Vigderman is not a professional archaeologist, classicist or art historian. She is a literary person. Her deeply personal book mixes memories of an American adolescence spent in Athens with mature and informed speculations on ancient life, observations on contemporary Greek culture, and rapturous descriptions of landscape and artworks. In her nuanced analyses of the complex issues regarding the provenance of those artworks, their plunder and their repatriation, she rehearses the old controversies without attempting to settle them.

The work is a sequence of beautifully interwoven meditations. Like any wide-awake traveler, Ms. Vigderman asks questions. Should the British Museum answer Melina Mercouri's 1986 call to send the Elgin Marbles to Athens, or do the Parthenon fragments now belong in Russell Square owing to long residency there? Should a vase or limestone statue return to native soil or may it stay at the Metropolitan Museum or the Getty Villa in California? What are the practical and ethical, as well as existential, ramifications of stewardship? Where do people, as well as things, belong? Even the book's title implies questions: about the "real" life of an iconic building, or how an artwork might establish a life independent of its history, its changes, its visitors. Ms. Vigderman takes no sides, but weighs alternatives, refraining from judgment.

Her book succeeds in two ways. First, it is a series of 10 individual essays, some of which were published in literary quarterlies (including one that I formerly edited). An essay is not a position paper. It is an exploration, a wandering. The pleasures of reading it are like those of traveling. You want to be surprised; you don't want to be battered by too much information; you don't want to be lectured to. When traveling, you are grateful for prior arrangements but you try not to fret when they are disrupted. Disappointment is



part of life. Trains go on strike; museums close for restoration; your recommended restaurant has been shuttered; weather interferes with the anticipated seashore excursion. You recalibrate.

Second, the book is greater than the sum of its parts. It is "a mighty maze," as Alexander Pope might say, "but not without a plan." This is because it also has an overarching narrative structure: The author first visits, and then revisits—following a temporary setback—the sites that she cherishes, notably Athens and Pompeii. Ms. Vigderman's story begins with the "nested confusions of opposing claims to antiquity's beautiful objects and [her] own impulse to revisit a lost past." Owing to bravura writing, this book is as rewarding for an armchair traveler as for a first-time or seasoned one.

At its heart is the Parthenon, with its well-documented history of occupation, destruction and renovation. In the fifth century A.D., it became a Christian church. It served both western and eastern Orthodox Christianity. The decisive blow came in 1687 when the Venetians, under Francesco Morosini, decided to liberate the Athenians from Ottoman occupation. They shelled it. By 1801, many surviving figures had disappeared. Some of the marble was being ground up to make mortar. Then Lord Elgin removed his pieces. According to the commonsensical British classicist Mary Beard, Elgin did not ransack an "archaeological site" but a ruin that had been "colonized by a mosque,

encroached by a garrison shantytown." History marches on.

There are two kinds of travel. "Pilgrimage" implies purpose and destination; "tourism" suggests the vagaries of merely looking around. The best travel, like the best travel writing, embraces both. When Ms. Vigderman arrives at an intended destination—Athens, Sicily or Naples—she may have a purpose, but then she gives in to surprise and chance. She finds it hard to think of excavations, tomb robbing, plunder, spoliation when she is entranced by the immediacy of ordinary life: men mowing the fields, the beauty of local flora, the market complex, the food.

To wander in writing, one needs a very good style. She's got it. We accompany her with considerable gratification, stopped by the unexpected image or metaphor, as a traveler is by a new sight: "Abandoned stone farmhouses were roofless punctuation, speaking of desolation and hardship if you were listening that way, but in our immediate context pure aesthetic bonus." Travel itself is like writing: "My traveling companion compared the trip to a rough draft, the way groping toward language feels partial, he said, only vaguely in touch with what needs to be said." Ms. Vigderman's polished prose is never vague; it never gropes, nor does it disappoint.

Neither does her narrative strategy. A bit after the book's halfway point, the unplanned, the unimagined happens. In Naples, local thugs grab the author's purse, which contains, well, everything: wallet, iPod, camera,

sketchbook, notebook, cellphone, photos, all the stuff she requires for her work. All has been lost: "My encounters with the past"—her personal past as well as antiquity—"would indeed become an excavation of loss, past observation hijacked by a present suddenly and most sharply defined by its feeling of unreality." The history of her time among ruins becomes itself a heap of fragments if not ruins: "The abduction of my notebook—my little

Once burned, Ms. Vigderman is not twice shy. She makes another journey, a reminder that life is a series of repetitions, a theme with variations. Her book ends with a return to the Parthenon, after the 2009 opening of the astounding new Acropolis Museum. She confronts the glories of the Parthenon frieze, now indoors, with empty spaces and plaster reproductions for sections lost or in London. She sees a reconstruction different from the original, and in some ways superior to it: "Here was the conception whole and, simultaneously, the sense of what was not here." All artistic representation involves both presence and absence. Within this elegant 21st-century edifice is "a continuing note of insubstantiality and uncertainty, the quiet acknowledgment of ruin as the basis for everything here." Reconstructing the past requires an acknowledgment of its dispersals.

The absence of the Elgin Marbles in the new museum is part of the distance of that past. Ms. Vigderman acknowledges that "Diaspora's song is always a little sad, but it is the indifferent sadness of history, which rolls endlessly on like the sea." She concedes as well that "the past is also in need of the present's care and memory in order for it to have meaning and worth." Such level-headed judiciousness inspires gratitude as well as assent.

*Mr. Spiegelman is the author, most recently, of "Senior Moments," a collection of essays.*

## When Montezuma Met Cortés

Continued from page C5

Aztec Empire. Mr. Restall points to the objections of the unceasing defender of "Indian" rights Bartolomé de Las Casas, who recoiled at the massive destruction the Spaniards unleashed—one area on which he focused was Cuba, conquered by Cortés's boss, Diego Velázquez, whom Las Casas portrayed as perpetrating acts of horrific brutality that would now be classed as genocide.

Mr. Restall is of two minds about Aztec human sacrifice, the victims of which were generally war captives. He shows that an oft-cited figure of tens of thousands supposedly sacrificed each year was generated by European authors ever more keen to shock their readers. At times, he even seems to recoil from the belief that human sacrifice was practiced on any significant scale at all, arguing that few human remains have been found associated with the main temple in Tenochtitlan, the modern Mexico City. (The bones of wolves, he notes, are more common.)

But the foot of the temples may not be the best place to look. Aztec warriors flayed the bodies of their victims, soldiers they had captured in battle, and then wore the skin over their own body. What happened to the bones seems to be unclear. Mr. Restall accepts that ritualized slaughter did take place, following ceremonial dances in which both the victim and his captor took part. Of course, this also meant that Aztec warriors

accepted that they might be captured by their enemies and made to undergo similar rituals before their heart was cut out at the top of a temple pyramid.

The author suggests that killing one's captives ceremonially was no worse than killing them on the field

comes visible behind it." But what disconcerted Europeans was that this was a ceremony presided over by priests. Some historians have argued that the very purpose of war in Aztec society was to capture sacrificial victims, whose blood would appease the angry gods.

Neither does her narrative strategy.

A bit after the book's halfway point, the unplanned, the unimagined happens. In Naples, local thugs grab the author's purse, which contains,

well, everything: wallet, iPod, camera, Mexican expedition, and the fires of the Inquisition "purified" Spain of its heretics, many of whom were accused of secretly being Jews. This too was a variant on human sacrifice.

It is certainly true, as the author argues, that we should not judge the Native Americans by the standards of the Christian West; they had, as Montaigne pointed out centuries ago in his essay on cannibals, their own moral standards. On the other hand, Mr. Restall does apply Western standards, and modern ones at that:

He is keen to show that human sacrifice mattered rather little in Aztec society, and to relativize its mass slaughter.

In treating such themes, Mr. Restall makes one stop and think hard. There is a magical account of the Spaniards' first sight of Tenochtitlan by Bernal Díaz (whose history of the conquest has been relied upon rather too often, as Mr. Restall shows). Looking down from the heights above the teeming city on its lake, the Spaniards seem to be able to pick out telescopically everything that is going on in its streets: merchants selling their goods in the great marketplace; canoes traveling back and forth across the lake, laden with foodstuffs; temples and shrines rising above the flat city. Díaz's image was as much informed by memories of Granada or Seville as by the facts on the ground, even though, in his account, none other than Montezuma was pointing out the sights of his capital—others came to

describe the waterlogged city as "the Great Venice." It was impossible for these new arrivals to break away from European models of what a city was, down to the details of how goods were traded (using quills as currency). Most of the subjects of the Aztec emperor were, in fact, farmers of maize or traders and artisans who did not eat the heart of their sacrificial victims, and, as Mr. Restall's book shows, Montezuma managed to maintain peace and prosperity at least at the heart of his empire.

Prosperity was what particularly attracted the Spanish conquerors. Twenty-seven years had passed since Christopher Columbus landed on the shores of islands that turned out not to be China or Japan, and those shores did not overflow with wealth. Montezuma's Mexico was the imagined China or Japan of the early explorers. It seemed all the richer, Mr. Restall suggests, because Montezuma himself was an avid collector, like the Habsburgs in Europe, owning a huge zoo and boasting of his collection of fine objects to the greedy Europeans. He may even have seen them as objects to add to his collection. In the end, roles were reversed, and his empire was added to their collection.

*Mr. Abulafia is a professor at the University of Cambridge and the author, most recently, of "The Great Sea: A Human History of the Mediterranean."*



DOOMSDAY The calendar stone from the Great Pyramid at Tenochtitlan.

of battle, as would have happened in Europe: "If we allow the centuries-old monolithic image of the Aztecs as bloodthirsty cannibals, devotees of monstrous ritual, to pixelate and crumble, a very different picture be-

comes visible behind it." But what disconcerted Europeans was that this was a ceremony presided over by priests. Some historians have argued that the very purpose of war in Aztec society was to capture sacrificial victims, whose blood would appease the angry gods.

## BOOKS

'The relation that Shakespeare himself bore to the plays he created is one of the mysteries and blank places in history, a gap that staggers the mind.' —John Jay Chapman

## FICTION CHRONICLE: SAM SACKS

## All the World's a Stage

  
**IT'S OFTEN SAID** of William Shakespeare that everything we know for certain about him can fit on a single sheet of paper. Being stuck with such meager biographical detail about the greatest English-language poet in history seems an intolerable state of affairs, and it has engendered a kind of madness in scholars and aficionados. This is most clearly seen in the persistence of the so-called authorship question, in which Shakespeare's plays have been attributed to virtually every Elizabethan halfwit who ever wore a jerkin.

But there's one upside to our ignorance: It allows novelists the license to imagine the Bard in a thousand different guises. The thriving little subgenre of fiction *about* the Swan of Avon is delightfully diverse. While John Brophy cast him as an arrogant social climber in "Gentleman of Stratford," Rudyard Kipling made him a dutiful servant of church and crown in the story "Proofs of Holy Writ." He plays a straight man to the dangerous Christopher Marlowe in George Garrett's masterly "Entered From the Sun" and a rom-com dreamboat in Caryl Brahms and S.J. Simon's "No Bed for Bacon." He's a sensitive dandy whose heart is broken by a callow young actor in Oscar Wilde's "The Portrait of Mr. W.H.;" a lusty Don Juan in Erica Jong's "Serenissima"; and, in Anthony Burgess's "Nothing Like the Sun," a dissolute philanderer who contracts syphilis from his Malay mistress Fatimah.

With "Fools and Mortals" (Harper, 370 pages, \$27.99) Bernard Cornwell joins the speculative fun, presenting a portrait of Shakespeare that seems impressively original. Mr. Cornwell's playwright is 31 and balding, his demeanor cold or sarcastic, his expression furrowed, his eyes "secrective, shadowed, and always watching cautiously." He writes hurriedly and at the request of patrons. He's assailed by troubles about money, political enemies, theatrical rivals, heckling groundlings and vainglorious actors who complain that their parts are too small. To boost his earnings he's bought shares in a brothel. He is, in short, an unsentimental, business-savvy showman and deadline writer, more naturally suited to Grub Street than Parnassus.

Among his problems is his younger brother Richard, the novel's narrator. Like William, Richard Shakespeare is a historical figure about



whom next to nothing is known, and Mr. Cornwell has fitted him out with a superb dramatic trajectory, from street urchin to acclaimed actor. To William's great displeasure, Richard arrived in London as a teenager, having fled a miserable apprenticeship in Stratford. At the age of 21, when the book begins, he's a junior player in the Lord Chamberlain's Men theater company, playing women's parts, being paid a pittance and enduring the contumely of his perpetually scowling older brother.

This book is a change of pace for Mr. Cornwell, who is best known for his historical novels about the Napoleonic Wars starring English rifleman Richard Sharpe, or else for his series of "Saxon Tales" set during the rule of Alfred the Great. "Fools and Mortals" features a bit of swordplay—as Richard points out, any actor worth his salt needed to know how to handle a rapier—but readers should still expect less action here than in the author's usual fare.

The plot is almost insouciantly slight. William and his company have been charged with performing an original play for the wedding of their patron the Lord Chamberlain's granddaughter. This will be the light-hearted farce "A Midsummer Night's Dream." But as the play is in rehearsal, an upstart theater company sets about trying to steal William's scripts, offering Richard a plum position if he betrays his brother.

Mr. Cornwell fattens up this story with a splendor of period detail, introducing a range of London characters from cutpurses and bear-baiters to noblemen, and distinguishing each through colorful speech and dress. (When we meet the bride-to-be, she's "glorious in a farthingale of cream linen, slashed to show the shimmer of silver sarsenet beneath.") Amid the hurly-burly is Richard's engaging

## Shakespeare as deadline writer, in a theater-world counterpart to Grub Street.

quest to prove his manhood, and so be deemed worthy of finally playing male roles.

As the novel moves toward the climactic performance of "A Midsummer Night's Dream" (attended by Queen Elizabeth herself), it takes on that odd play's merry magic. "It's all bloody nonsense, isn't it?" the Lord Chamberlain says after reading the script, and in his bluff way he means it as a compliment. The hard-bitten playwright doesn't totally understand his own incomparable gift for poetry—"sometimes the words come and you have no idea where they come from"—but like any popular artist, he knows exactly what his audience is paying for: "They want to believe. They do half our work for us."

They come wanting to be amused, to be impressed, to be awed, to be frightened. And they have imaginations too, and their imaginations amend our work."

Awe, anger and terror are some of the more volatile emotions explored in "Temple of the Scapegoat" (New Directions, 193 pages, \$18.95), a collection of "opera stories" by the German writer Alexander Kluge. One point made in "Fools and Mortals" is that while theater-going is now considered a sign of high culture, in Shakespeare's time playhouses were widely condemned as "sinks of sin, and cockpits of corruption." Similarly, opera is commonly regarded as the most elitist and inaccessible of all the art forms. But Mr. Kluge's book argues that it is animated by humankind's most primal and inflammatory passions.

Mr. Kluge is a philosopher and filmmaker as well as a writer, and the vignettes in "Temple of the Scapegoat" blur the lines between fiction, historical accounts and personal reflections. Many explore the synergy between operatic performances and the fascist powers of World War II. On the day after the German invasion of the Soviet Union, a theater in Leningrad was scheduled to premiere Richard Wagner's "Lohengrin" (after much debate, the show went on—the day after the orchestra members were sent to the front). Events in Puccini's "Tosca," performed in Rome in 1943, uncannily foreshadowed aspects of the Nazis' imminent occupation of Italy. In one of his "Table Talks," Hitler mused about the possibility of turning powerful tenor voices into weapons that could, in Mr. Kluge's words, "dash a person to pieces or convulse or dissolve a brain."

The collection has been translated with appropriate *Sturm und Drang* by a team of six led by Isabel Fargo Cole and Donna Stonecipher. The title refers to the "scapegoat principle" of opera, which theorizes that performances are, at heart, substitutes for ancient religious rituals that allowed the public to release its violent energies by viewing the sacrifice of an innocent victim. The fact that an opera-going society embraced the genocidal ideology of Nazism is usually cited as a great historical paradox, but Mr. Kluge's provocative suggestion is that a love for opera bespeaks an underlying fanaticism. That, and much else in this artful book, is worth contemplating the next time you put on top hat and tails for a refined evening at Lincoln Center.

## Planting Questions

## The Art of Mystery

By Maud Casey  
Graywolf, 141 pages, \$14

BY DANNY HEITMAN

**WITH THE RISE** of reality television, social media and confessional memoir, modern culture swims in a sea of self-disclosure, embracing explicit detail as a path to personal discovery. In "The Art of Mystery," her book-length critical essay, novelist Maud Casey offers an alternative view, arguing that what isn't shown and said can often deepen us even more than what's openly revealed.

Ms. Casey's subject is mystery in fiction. She doesn't mean mystery of the whodunit variety but the puzzles embedded within literature, in which the reward is "finding the questions."

Drawing on authors as varied as Isaac Babel and James Baldwin, Flannery O'Connor and Henry James, Ms. Casey explores narratives that allow a reader, as the poet John Keats put it, to dwell "in uncertainties, Mysteries, doubts, without any irritable reaching after fact and reason." Such fiction can help cultivate wonder, she suggests, which is how we appreciate whatever, in art as in earthly existence, "cannot be fully understood."

Ms. Casey's premise is important given the high profile of titles such as "How Proust Can Change Your Life," which can easily be misread as a way to reduce literature to a TED talk. But real fiction isn't "purely functional" or "only a morality tale," Ms. Casey tells readers. "Art requires mystery. Mystery . . . requires plunging the reader into that Keatsian state of uncertainty and doubt."

Ms. Casey's book also hints at the limits of those "One Book, One Community" initiatives, in which reading is cast as an exercise in civic solidarity: "There's a lot of talk about the way fiction unites us . . . But it seems useful too to consider the ways fiction divides us. As in: wow, look at that, here is this mind moving through this minute in a manner wholly unfamiliar to me . . . How mysterious."

Ms. Casey summarizes the plots of her selected texts copiously, but her abiding message brings confidence that she hasn't given too much away. "Books are shape-shifting wild creatures no amount of reading can tame," she writes. "So much depends on how we approach them, on what each of us, as readers, has to offer them."

Mr. Heitman is a columnist for the Advocate newspaper in Baton Rouge.

## Alain Locke, Visionary of the Harlem Renaissance

Continued from page C5

bringing it upstairs." He attended the prestigious Central High in Philadelphia, where the mostly white boys "accepted him," according to Mr. Stewart, "even as they thought him odd."

During this period, though the details are sketchy, Alain Locke had his first sexual encounter, with another male. Not only was Locke, roughly seven decades before the Stonewall Riots, unashamed, he immediately told his mother about it. "The only surprise to him later in this," Mr. Stewart reports, "was the naturalness with which he found himself this close to another besides his mother." Indeed, when one tries to think of a man who identified more closely with his mother, it is hard to avoid mental images of Norman Bates. After his mother's death, when he was 37, Locke would seek mother-substitutes, which in one case brought him as much conflict as comfort.

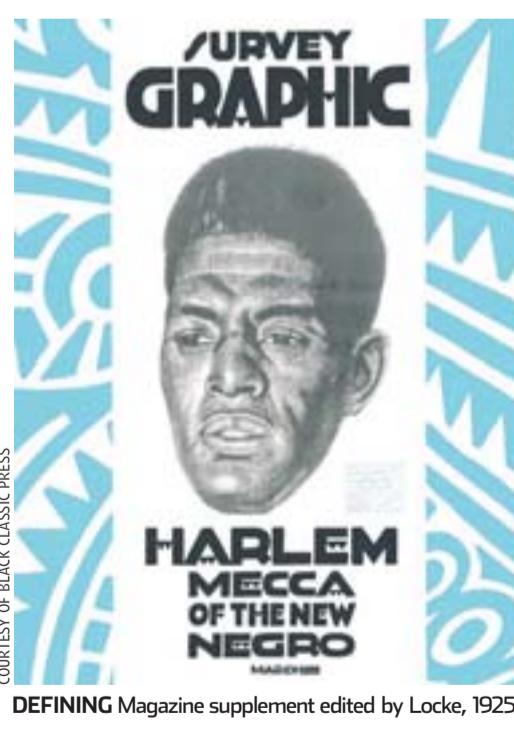
Locke attended Harvard as an undergraduate, then went to Oxford before returning to Harvard to complete his doctorate. Ironically, it was overseas that he got his first serious taste of American racism: the white Rhodes Scholars from the southern United States wanted nothing to do with him, an attitude that Oxford officials were shamefully willing to accommodate. But if Jim Crow had followed Locke to England, it was in pre-World War I Berlin—where he went to finish his thesis, away from his many social distractions—that Locke found, in Mr. Stewart's words, his "spiritual home," a place that appealed to him socially and aesthetically, a city where he found it easy to be gay. While Oxford rejected the thesis—seeming to disapprove of Locke himself, and his footloose, debt-incurring ways, at least as much as they disapproved of his

work—the act of writing it, in Mr. Stewart's view, was the first mark of his manhood, a praiseworthy effort made without the aid and comfort of his mother. (In another mark of his character, Locke claimed, upon returning home, that he had received a degree from Oxford.)

Back in the States, six years before earning his doctorate from Harvard, Locke went in 1912 to Washington, D.C.—where his mother would later join him—to take up his post at Howard. He participated in salons run by Jean Toomer and Georgia Johnson, making connections with black writers and artists based in both Washington and New York. In 1924 Charles S. Johnson, editor of the black-themed magazine Opportunity, asked Locke to play a major role in a dinner meant to bring together black writers and culturally important white Americans—an invitation that, in Mr. Stewart's words, "changed [Locke's] life and the future of Negro literature forever." At the dinner, Paul Kellogg, the editor of Survey magazine, offered Locke and Johnson the opportunity to put together a special illustrated supplement to Survey dedicated to the emerging black artistic movement. This publication inspired "The New Negro," the volume with which Locke, at 40, made an indelible mark on American literature.

It is difficult to imagine a more able chronicler of Alain Locke's singular journey than Mr. Stewart, a professor of Black Studies at the University of California at Santa Barbara and the author, as well, of a biography of Paul Robeson. His account of Locke's life is

detailed, sometimes astoundingly so—"The heavy lunch combined with another rough crossing aggravated his stomach distress"—but never descends into tedium. More important, he displays a thorough grasp of the intellectual challenges Locke took on. Mr. Stewart's explanation of value theory, the focus of Locke's Oxford thesis, is



particularly impressive, as is his fascinating synopsis of a series of lectures Locke delivered at Howard, which did much to resolve the tension between a rejection of racial essentialism, on the one hand, and the celebration of black people's art, on the other. The lectures, he writes, "laid out a new sociological theory that race was not a biological but a historical phenomenon," suggesting that black people's art could be lauded as cultural achievement with-

out being seen as the result of racial determinism.

Mr. Stewart also provides a solid understanding of his subject's importance, and of the social and cultural contexts from which Locke emerged and into which he entered. One example is the sharp contrast Mr. Stewart draws between Locke and the most

famous intellectual of his day, Du Bois, noting about Locke's writing on the New Negro: "Gone was the sense one always received from reading Du Bois that the history of the Negro since the Civil War had been a long history of degradation at the hands of Whites. Locke's history was a narrative of reinvention and focused on . . . the ability of Black people to transform their futures by reacting creatively to their present."

Another example: Though Mr. Stewart stops just short of saying so, his book suggests that, in a way, the Harlem Renaissance was as much a gay movement as a black one. Not only were its major male figures (Hughes, Cullen, Wallace Thurman, Claude McKay, Bruce Nugent) homosexual or bisexual, but Locke, its intellectual leader, appeared to draw his creative energy from an active love life that centered on young black men. ("He messed up a lot of young boys" is how one observer put it.) Hughes, in fact, was arguably the (mostly unrequited) love of Locke's life.

Mr. Stewart has a keen insight into his subject's habits and what they said about him, such as Locke's exactingness (and worse) with lovers, which stemmed from the fact that "better men catalyzed his creativity" but which tended to drive those men

away. And Mr. Stewart attributes Locke's failure as a creative writer to his having, with all his learning, developed standards he himself could not meet. Mr. Stewart's obvious admiration for Locke does not blind him to his subject's faults. He does not give Locke a pass for marginalizing the women of the Harlem Renaissance or for failing to appreciate fully the value of Hurston's scholarly work. The reader can all but see Mr. Stewart's head shaking as he reports on Locke's relationship with his mother-substitute Charlotte Mason, a wealthy white patron of black writers, whom the biographer characterizes as being controlling and condescending and as being quite possibly, and increasingly, off her rocker; and Mr. Stewart suggests that Locke's own pettiness helped prevent him from being the black leader he aspired to be.

None of that lessens Locke's accomplishments, and his contributions to black and American culture did not end with the publication of "The New Negro." Among other things, there was no more important curator of African and African American art in that era than Locke, and he went on to write more books—"The Negro and His Music" and "Negro Art: Past and Present"—and to edit the Bronze Booklets, a series of pamphlets that focused on topics related to African Americans and paved the way for "a knowledge revolution later called Black Studies." On his death, in 1954, Locke left behind achievements that deserve to be more widely celebrated, and this biography represents a serious, worthy attempt to get the party started.

Mr. Thompson, the recipient of a Whiting Award, is the author, most recently, of the memoir "Twin of Blackness."

## BOOKS

'The heart is the only organ that takes no rest.' —Martin H. Fischer

# How the Beat Goes On

**The Matter of the Heart**

By Thomas Morris

Thomas Dunne, 414 pages, \$26.99

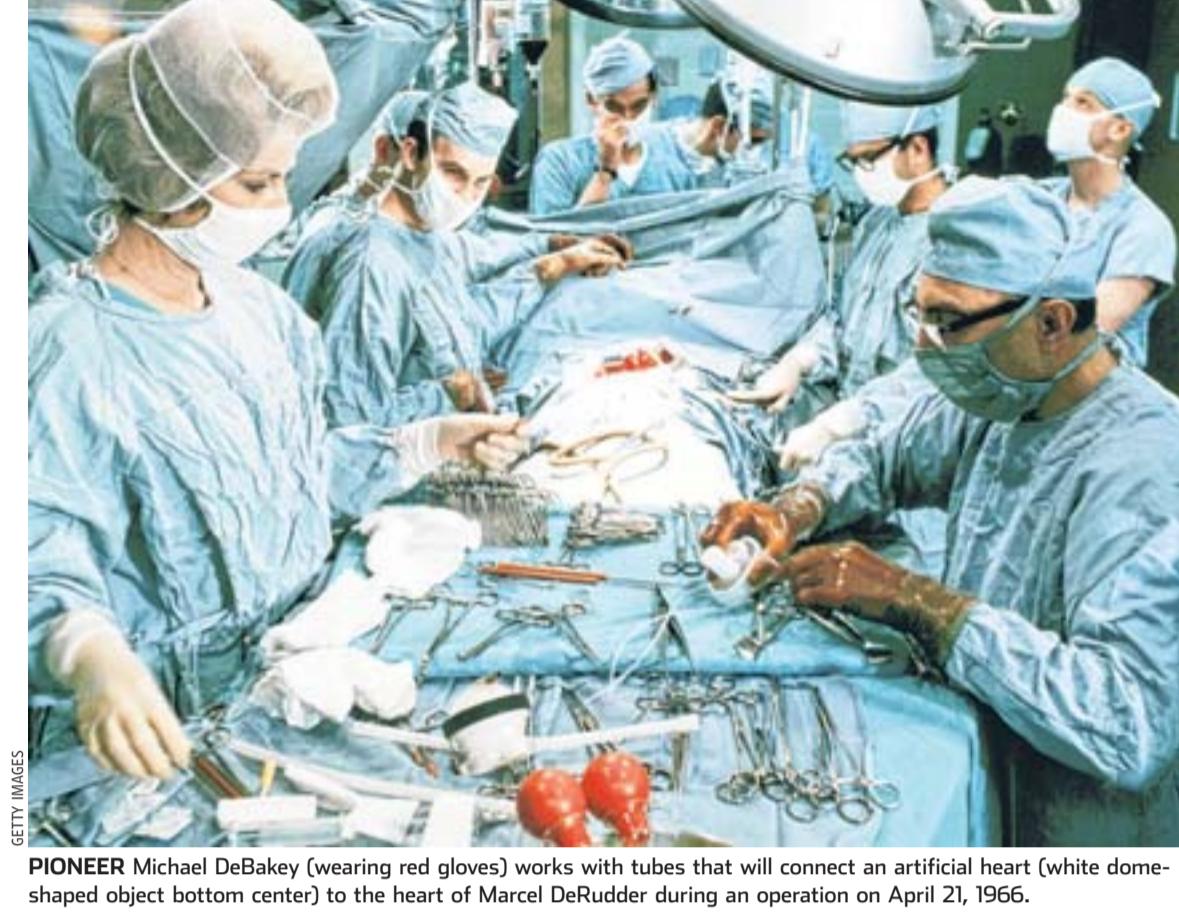
BY STEPHEN WESTABY

MANY WHO READ this review will have lived through the whole golden age of cardiac surgery. I was born in a northern steel town in the U.K. in 1948. My mother's account of the "blue baby" who died in the maternity cot next to mine was one of my earliest childhood recollections. Then I watched my grandfather suffer multiple heart attacks and die from heart failure at the age of 62. In the 1950s nothing could be done to help him, or so we were told. In 1955 I watched a television program called "Your Life in Their Hands." It described the efforts of pioneers in Philadelphia to build a heart-lung machine—futuristic technology that would allow surgeons to stop the heart, open it and repair it. Captivated by these stories, I decided, at the age of 7, to become a heart surgeon.

The battle to operate meaningfully within the heart was a source of wonder and inspiration. Innovative in the extreme, brave to the point of recklessness, only exceptional characters could succeed. Some people claimed that only psychopaths could thrive in this environment. They were correct. More sensitive souls, like John Gibbon, who launched open-heart surgery in 1953, gave up after a spate of child deaths.

Thomas Morris tells this history well. "*The Matter of the Heart*" provides a thoroughly researched and detailed account of the major advances in cardiac surgery as derived from surgical literature, media reports and textbooks. Most of the previous tomes were written for the profession. Mr. Morris, a radio producer, author and journalist, brings the epic tales to life for the lay reader. To his credit, he sought out and interviewed a number of prominent British heart surgeons (including me) and watched heart operations for himself.

Surgery on living hearts is a fairly recent development in medicine. "Surgeons were so convinced of the unique fragility of the heart that they scarcely dared touch it until the last years of the nineteenth century," Mr. Morris writes. The first successful operation on a beating heart wasn't until 1896, and even after that, only "simple suture repairs" were performed. Mr. Morris's story begins in the 1940s with "smash and grab" operations carried out while the failing heart continued to support the circulation.



**PIONEER** Michael DeBakey (wearing red gloves) works with tubes that will connect an artificial heart (white dome-shaped object bottom center) to the heart of Marcel DeRudder during an operation on April 21, 1966.

On Feb. 19, 1945, the courageous U.S. military surgeon Dwight Harken was attempting to remove bullets and shrapnel from in and around wounded soldiers' hearts as a group of senior British surgeons looked on. His operating theater consisted of a ramshackle hut with corrugated iron roof in the English Cotswolds. "Working as quickly as he could, Harken now made a small incision in the heart wall and inserted a pair of forceps to widen the opening," Mr. Morris recounts. "Through this aperture he introduced a clamp and fastened it around the elusive piece of metal. For a moment all was quiet. And then . . . suddenly, with a pop as if a champagne cork had been drawn, the fragment jumped out of the ventricle, forced by the pressure within the chamber. Blood poured out in a torrent." . . . Harken put a finger over it, and picking up a needle started to sew it shut. . . . He discovered that he had sewn his glove to the wall of the heart. Finally his assistant cut him loose, and the job was done. Opening the heart, removing the shell fragment and repairing the incision had taken three minutes. His distinguished guests were deeply impressed: this was surgery of a sophistication and audacity which none had seen before. This was the case that persuaded the English and American allies that heart surgery was indeed a possibility.

While in Western religions heaven is a place but somehow timeless, in eastern religions—especially their new-age versions—heaven is to be found by living in the "now," yet it is somehow also "nonlocal." That's the word Mr. Shermer's friend Deepak Chopra uses to describe the cosmic

Successive chapters describe the first "blue baby" operations in Baltimore, attempts to treat aneurysms in Houston, the development of the heart-lung machine in Philadelphia, and the evolution of artificial heart valves on both sides of the Atlantic. In the 1940s, one young thoracic surgeon, Horace Smithy of South Carolina, was desperate to find a solution for heart valves deformed by rheumatic fever. Why? Because he suffered from a tightly narrowed aortic valve himself. Having developed and tested a valve-dilating instrument (or valvulotome) on dogs, Smithy moved on to treating human patients with limited success. By 1948, when he was 34, his own health was in steep decline, so he approached Alfred Blalock, famous for his blue-baby operations, to operate. Blalock was prepared to help, but a trial operation at which Smithy assisted was a disaster. My own mentor, Dr. Denton Cooley, was present and recalled Smithy's reaction as their patient died: "I looked over at him and saw his face fall. He thought that this was his only chance at having a successful operation for himself." Blalock could not be persuaded to repeat the tragic experience, and poor Smithy died a few months later.

Mr. Morris does an admirable job of capturing the agony and the ecstasy of those turbulent times. Yet

I have a few small reservations. December 2017 marked the 50th anniversary of the first heart transplant, carried out by Christiaan Barnard in Cape Town. The impact of this operation was as powerful as the first moon landing or the assassination of President Kennedy in Dallas. While Mr. Morris's account is factually detailed, it is hard to convey the true passion of that operation without

A daring attempt to pick shrapnel from a soldier's beating heart opened the door to cardiac surgery.

interviewing those present in that operating theater. Just four are still alive and I found them, along with Barnard's daughter Deirdre, to make a 50th-anniversary program for the BBC. I would dispute that Barnard's team was well prepared. Barnard had studied immunosuppression in the U.S. and had his own dog organ-transplant program, but his surgical team on the night of the operation had little experience with these.

After the uproar that had followed the transplant of a kidney from a mixed-race boy into a white Afrikaner, Barnard was instructed not to use

mixed-race donors for white recipients again. As a result the heart-transplant patient almost died waiting for an organ. Then his wife actually drove past the accident that generated her husband's donor. The sight of the dying young woman who was about to give up her heart caused great distress to many of the nurses, who had been urgently called in from Christmas parties. Then there was an argument between the surgeons about whether her heart should be allowed to "die" before it was removed. They waited too long, and it was difficult to wean the heart recipient from the bypass machine because of the damage. And then, because everyone was so tense, there was an accident with the heart-lung machine. Deirdre told me that "we lost our dad after the transplant." Ultimately Barnard's doctor-son committed suicide.

Was cardiac transplantation such a great contribution? It was sensational, yes, but 50 years later it is restricted to less than 1% of those who might benefit, due to a lack of donors. Though animal organs have been tried, they are no substitute. As the great U.S. heart-transplant pioneer Norman Shumway stated: "Xenotransplantation is the future—and always will be!"

I enjoyed Mr. Morris's account of the early work on artificial hearts but disagreed with his statement that "it was not until the 1990s that 'total artificial hearts' became a widely accepted therapy." They still aren't. Total artificial hearts will never be used on a widespread basis. The concept is flawed. Instead, miniature high-speed rotary blood pumps, an "off the shelf" commodity, now provide outcomes that are virtually equivalent to heart transplantation for those who will never be considered for a donor organ. I was the first surgeon to implant one of these on a "lifetime" basis in 2000, and the patient survived for almost eight years. Many feared that it was not feasible to have "pulseless people" with continuous blood flow or to introduce electrical power into the body through a plug in the skull. We proved them wrong. Unfortunately this landmark operation did not make it into Mr. Morris's chapter on artificial hearts. Despite that, I recommend the book to all who are fascinated by the medical world. Academic nitpicking should not detract from the fact that "*The Matter of the Heart*" is a thoroughly engaging history.

*Dr. Westaby is the author of "Fragile Lives: A Heart Surgeon's Stories of Life and Death on the Operating Table" and "Landmarks in Cardiac Surgery."*

# Imagining a Celestial Realm

**Heavens on Earth**

By Michael Shermer

Holt, 305 pages, \$30

BY ANDREW STARK

IF YOU EVER have a spare minute, watch the YouTube video "30 Stars Thank God for Their Grammys in 60 Seconds." There you will see the likes of Kelly Clarkson and Carrie Underwood tearfully thanking the Almighty, exactly as they might their long-suffering agent or their inspirational first-grade teacher, for the help that propelled them to recorded music's highest honor.

What you will also be witnessing, though, is the playing out of a theological conundrum. To not have thanked God for one's Grammy would be arrogant. It would suggest that you and your creative team, mere handfuls of dust, did it on your own. It would be to deny that God's hand is in everything we do in this world. Yet to thank God also comes across as arrogant. It seems to suggest that God himself wanted you to win the Grammy instead of Beyoncé. It denies that God is anything other than utterly transcendent, untainted by anything remotely this-worldly.

As Michael Shermer shows in "Heavens on Earth," his inviting and informative tour of humankind's various conceptions of where God locates himself, heaven is built to resolve such paradoxes. The major Western religions treat it as a place, but it is a place outside the ordinary workings of time. Generations of family members can die at wide intervals and yet be reunited in heaven in an eternal present, and we can sing God's

praises there endlessly without getting bored. More important, a heavenly God who sits outside of time itself, looking down compassionately on the temporal world, is at once transcendent and intimately concerned with us.

While in Western religions heaven is a place but somehow timeless, in eastern religions—especially their new-age versions—heaven is to be found by living in the "now," yet it is somehow also "nonlocal." That's the word Mr. Shermer's friend Deepak Chopra uses to describe the cosmic

consciousness that pervades all of space. We can access it at any time through meditation and practice.

But its nonlocality—it pulsates throughout the entire universe—ensures its claim to transcendence, to being above and beyond this sublunar world.

Mr. Shermer, the publisher of *Skeptic* magazine, isn't buying any of this. He equates the Western concept—living eternally in the presence of an omniscient and omnipotent God—with residence in a "celestial North Korea" (here he gives a nod to Christopher Hitchens). He deems the Eastern version "woo-woo nonsense." And he adroitly dismisses various "earthly" versions of these theological heavens, such as the Marxian promise of a communist paradise that abides outside of history or the trans-

humanist prospect of digitally uploading our minds into a collective consciousness.

Mr. Shermer instead finds heaven in the laws of science—of relativity, say, or planetary motion—because they are both transcendent and immanent, embedded in the world we know firsthand. Beautiful mathemati-

this world, in the unique mark we make and the new generations we create. He notes that most Americans don't want to live beyond 120 anyway, even assuming relatively good health. And yet a significant majority feel the need for some kind of heaven, as does he. So perhaps it fills some other role for us.



cal ideas that lie wholly outside space and time, they nevertheless explain the observable reality of space and time perfectly. He also finds heaven in the natural world. Matthew Arnold put it best. When we sense the "glimmering verge of Heaven" in a forest, what we experience is something temporally ephemeral and spatially liminal, seemingly neither inside nor outside this world.

Of course, Mr. Shermer's heavens contain no promise of life after death. But that's no loss, he believes, since we can find a kind of immortality in

Although Mr. Shermer dwells on their differences, all of his major heavens share certain traits. As countless great pieces of art and literature testify, we are capable of richly imagining and describing the Western heavens that Mr. Shermer discusses. And yet they can never be experienced with our senses, which is why near-death episodes so fascinate us. Nor—think of all those tangled arguments about how resurrection works—can they be fully understood by our mortal intellects. It's precisely because monotheistic heavens

activate some of our cognitive abilities while lying beyond others that they feel both accessible and mysterious. The very idea of them is endlessly tantalizing.

Buddhist sages, meanwhile, say that humans can indeed directly experience cosmic consciousness; we can even comprehend its contradictions in the form of riddles and koans. But if you simply want the highest plane of enlightenment described in words, or think you can imagine what it's really like, forget it. It lies beyond those faculties and so gains the allure that draws multitudes to ashrams around the world.

Even scientists yearn for the ability to directly experience or picture the heavenly beauty they can know only, as Mr. Shermer says, through "linguistic descriptions" and "mathematical" comprehension. Meanwhile poets grapple exquisitely with how to understand or describe what they so vividly sense and imagine whenever, in William Blake's words, they encounter "Heaven in a Wild Flower."

In bringing so many heavens together, Mr. Shermer does us a service. Among other things, he shows us why we are lucky that not everything can be fully grasped by our limited capacities. In our minds can be found the mixtures of immanence and transcendence that we call "heavens." Like Grammy winners, we might think that we should thank heaven for being created that way. But, of course, it's thanks to the fact that we were created that way that we have heavens.

*Mr. Stark is the author of "The Consolations of Mortality: Making Sense of Death."*

## BOOKS

'There are people . . . ready to go along with anything evil—anything so as not to be suspected of disagreeing with whoever's in power.' —Vasily Grossman

## MYSTERIES: TOM NOLAN



## Stealers of Secrets

**THE SPIRIT** of John le Carré informs the style and story of the espionage thriller "Traitor" (Atria, 311 pages, \$27) by Jonathan de Shalit—a pseudonym for "a former high-ranking member of the Israeli Intelligence community" who has translated Mr. le Carré's autobiography, "The Pigeon Tunnel," into Hebrew. In "Traitor," Israeli operative Aharon Levin at one point praises that English spy-turned-novelist for showing that "literary fiction can sometimes paint a truer picture of our gray reality."

There's little grayness in "Traitor," a breakneck hunt for a Russian mole in the upper levels of Israel's power circle. Levin, retired head of the Mossad, is entrusted with identifying the betrayer—code-named "Cobra"—about whom little is known. His existence was revealed only through a deathbed confession by a former Stasi employee in East Germany. "We have no idea where he could be," Israel's president tells Levin. "He could be in a key position in the defense establishment, the army, the Mossad, even the . . . internal security service."

Speed and secrecy are of the essence in trapping this viper—who has been at his furtive work for decades. Levin assembles an elite squad of intelligence agents and calls on the expertise of former colleagues in and out of Israel. The hunt takes the unit on covert trips from New York to Zurich to deepest Russia and back to Tel Aviv. In alternating chapters, the reader is made privy to the behavior of Russian intelligence runners and to Cobra himself, as they all become aware of Levin's ensemble closing in.

Mr. de Shalit has learned well from the likes of Mr. le Carré. "Traitor" reveals enough of its characters' personalities to give the reader a stake in their fates. The story has enough shocks and an adequate amount of suspense to earn it a place alongside the best of its genre.

Maggie Barnes, the 26-year-old mailroom worker in Mick Herron's surprising "This Is What Happened" (Soho Crime, 261 pages, \$25.95), seems little more than an anonymous face in the crowd. Having come to London in the cruel aftermath of a breakup, she has discovered that the city's "heart was carefully guarded." Friendless, she is startled but grate-

ful to be approached one day by Harvey Wells, a member of the British Security Service ("We just call it Five"). Harvey wants to recruit her for a top-secret mission, and she agrees at once: "Nobody had ever thought of Maggie Barnes as being an asset before."

Maggie's assignment is to insert a thumb drive into a computer on an upper floor of the office building where she works. Her employers' complex, Harvey tells her, "is a cover for some of our nation's deadliest

A thumb drive loaded with spyware draws an unwitting woman into a world of deadly espionage.

enemies . . . the kind who undermine the financial stability of the country." The thumb drive is loaded with spyware that will give the Five a better handle on the villains' activities. Maggie succeeds in her task, but her escape goes awry—and the consequences are severe. In her misstep's wake, Harvey reveals, comes disaster: failure of the greater mission, and, as the two retreat to a blinds-drawn existence in the basement of a shabby safe house, the eventual collapse of the European establishment. "The world you used to know," Harvey tells Maggie, "it's gone."

Malleable Maggie accommodates herself to this strange new existence, though she knows that she has been taken advantage of. Yet as time passes, she becomes frustrated and yearns to leave the safe house, no matter the perils outside. As she becomes more agitated, Harvey announces a new plan: Soon they will both leave their basement sanctuary for a place in the country. But does Harvey really have Maggie's interests at heart? Meanwhile, a woman named Sue has insinuated herself into Harvey's life, much as he did into Maggie's. Is she intent on exposing their role in the current state of affairs?

Mr. Herron cleverly employs the tropes of spy fiction to construct a frightening psychological puzzle. He then transforms the conundrum into yet another unexpected story, one that leaves the reader hoping for a resolution that may or may not materialize.

## FIVE BEST: A PERSONAL CHOICE

Lynne Viola  
on perpetrators of genocide and terror**Ordinary Men**

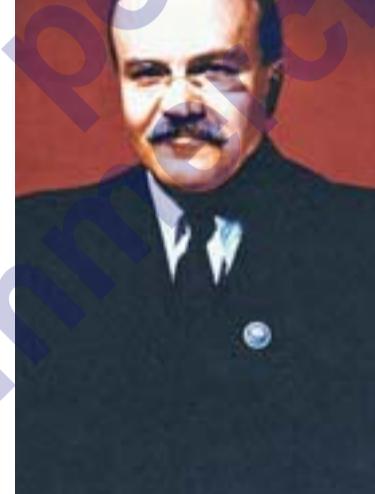
By Christopher R. Browning (1992)

**1 IN THIS SEMINAL** work on German perpetrators of the Holocaust, Christopher Browning writes that, "the fundamental problem is to explain why ordinary men . . . under specific circumstances willingly carried out the most extreme genocide in human history." Mr. Browning follows the murderous path of reserve police battalion 101 as it participated in the direct killings of Jewish men, women and children in Poland in 1942 and 1943. He explores the ways in which obedience, higher orders, careerism and alcohol, among other causes, conditioned these men to become murderers. Though some of the policemen refused to kill, most of the others had no qualms. During 17 hours of shooting Jews in the Polish village of Jozefow, one former policeman recalled, "the naked Jews were driven directly into the graves and forced to lie down quite precisely on top of those who had been shot before them." The commander of battalion 101, Maj. Wilhelm Trapp, unnerved by his assignment, was moved to prophesy, fearfully, to his driver, about the consequences for Germans "if this Jewish business is ever avenged on earth." "Ordinary Men" demonstrates unforgettably the way in which "mass murder and routine had become one."

**Agents of Terror**

By Alexander Vatlin (2016)

**2 IN 1937-38**, the years of Stalin's Great Terror, the NKVD arrested 1.5 million



STALINIST V.M. Molotov, 1945.

people and executed close to 700,000. In 2004, Moscow State University professor Alexander Vatlin published a micro-history of the terror as experienced in the small district of Kuntsevo in the greater Moscow region. Mr. Vatlin writes: "The most frightening aspect of Kuntsevo's experience of the terror is that it contained more of the typical than the unique." The perpetrators of Kuntsevo were, more or less, "ordinary men" who operated within "regime-sanctioned repression [that] gave people the chance to settle old scores and awakened in them the instinct to hunt cornered prey." According to one NKVD investigator: "During the day we usually made up fabricated interrogations for the accused and at night we made them sign." Mr. Vatlin's book ends with the charge that "society continues to be reluctant to remember the dark pages of its past, and post-Soviet state security agencies still resist attempts to reveal the truth about them."

**Into That Darkness**

By Gitta Sereny (1974)

**3 GITTA SERENY**, a welfare worker in the displaced persons camps after World War II, had long after sought a way to explain how presumably normal human beings had been brought to do what they had done during the Holocaust. She found it interviewing Franz Stangl, commandant of Treblinka, who had been tried for the murder of 900,000 people. "The arguments, the phraseology, the very words he used were gratingly familiar . . . : he had done nothing wrong; there had always been others above him." When asked how he felt about the camp's "liquidations" of Jews, he said: "To tell the truth . . . one did become used to it." He continued, "I repressed it all by trying to create a special place: gardens, new barracks, new kitchens, new everything." Further, he did not feel that Jews were human beings. "They were cargo," Stangl told Sereny. "I rarely saw them as individuals. . . . How can I explain it—they were naked, packed together, running, being driven with whips."

**Everything Flows**

By Vasily Grossman (1955-64)

**4 IN THIS UNFINISHED** novel about a Gulag inmate's return to freedom after the death of Stalin, Vasily Grossman, arguably the Soviet Union's great-



MS. VIOLA is the author of 'Stalinist Perpetrators on Trial: Scenes From the Great Terror in Soviet Ukraine.'

est writer, asks, "Who is guilty?" for the consuming terror of the Stalin years. We must not answer too quickly, he warns. "Here they all are: expert reports from lying engineers and literary critics; speeches denouncing enemies of the people; intimate conversations . . . transformed into the reports and denunciations of informers and stoolies." For Grossman, "everyone is guilty" in a society where "life outside the barbed wire had become, in its essence, no different from that of the [camp] barracks."

**Molotov Remembers**

By Felix Chuev (1991)

**5 BETWEEN 1969** and 1986, Felix Chuev conducted 140 interviews with V.M. Molotov, one of Stalin's closest associates in the 1930s. Molotov did not deny his role under Stalin: "As chairman of the Council of Ministers, I am accountable for all the repressions." Those repressions, he explained, were defense measures. "Bear in mind that after the Revolution we slashed right and left; we scored victories, but tattered enemies of various stripes survived, and as we were faced by the growing danger of fascist aggression, they might have united." Most historians today believe that this is an accurate description of Stalin's main motivation for the Great Terror. A stalwart Stalinist to the end, Molotov does concede that, "of course, Stalin was inclined to certain excesses." But, he declares, "despite Stalin's mistakes, I see in him a great, an indispensable man! In his time there was no equal!" Molotov's lofty disdain for the Leader's critics is amply evident in these remarkable conversations. He notes, for example, that "only philistines see nothing but the repressions" under Stalin's rule. Stalin could have found no loyalist equal to this one.

## Best-Selling Books | Week Ended Jan. 21

With data from NPD BookScan

## Hardcover Nonfiction

TITLE	AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Fire and Fury</b>	Michael Wolff/Henry Holt & Company	1	1
<b>The Subtle Art of Not Giving a F*ck</b>	Mark Manson/HarperOne	2	4
<b>It's Even Worse Than You Think</b>	David Cay Johnston/Simon & Schuster	3	New
<b>StrengthsFinder 2.0</b>	Tom Rath/Gallup Press	4	6
<b>Together We Rise</b>	Condé Nast Publications/Dey Street Books	5	New

## Nonfiction E-Books

TITLE	AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Fire and Fury</b>	Michael Wolff/Henry Holt & Company, Inc.	1	1
<b>Horse Soldiers</b>	Doug Stanton/Scribner	2	-
<b>It's Even Worse Than You Think</b>	David Cay Johnston/Simon & Schuster	3	New
<b>Lost In Shangri-La</b>	Mitchell Zuckoff/HarperCollins Publishers	4	-
<b>The Subtle Art of Not Giving A F*ck</b>	Mark Manson/HarperCollins Publishers	5	3
<b>The Pharmacist of Auschwitz</b>	Patricia Posner/Crux Publishing	6	-
<b>Call the Midwife (Vol. 3)</b>	Jennifer Worth/HarperCollins Publishers	7	-
<b>A World Undone</b>	G.J. Meyer/Random House Publishing Group	8	-
<b>Trumpocracy</b>	David Frum/HarperCollins Publishers	9	New
<b>The One Pot Ketogenic Diet Cookbook</b>	Liz Williams/Liz Williams	10	New

## Nonfiction Combined

TITLE	AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Fire and Fury</b>	Michael Wolff/Henry Holt & Company	1	1
<b>The Subtle Art of Not Giving A F*ck</b>	Mark Manson/HarperOne	2	3
<b>The Sun and Her Flowers</b>	Rupi Kaur/Andrews McMeel Publishing	3	4
<b>Milk And Honey</b>	Rupi Kaur/Andrews McMeel Publishing	4	6
<b>It's Even Worse Than You Think</b>	David Cay Johnston/Simon & Schuster	5	New
<b>A Merciful Secret</b>	Kendra Elliot/Montlake Romance	6	7
<b>Astrophysics for People in a Hurry</b>	Neil deGrasse Tyson/W.W. Norton & Company	7	5
<b>Instant Pot Miracle: From Gourmet</b>	The Editors at Houghton Mifflin/Houghton Mifflin	8	-
<b>Leonardo da Vinci</b>	Walter Isaacson/Simon & Schuster	9	-
<b>Trumpocracy</b>	David Frum/Harper	10	New

## Hardcover Fiction

TITLE	AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Dog Man and Cat Kid (Dog Man 4)</b>	Dav Pilkey/Graphix	1	1
<b>The Woman in the Window</b>	A.J. Finn/William Morrow & Company	2	8
<b>City of Endless Night</b>	Douglas Preston & Lincoln Child/Grand Central Publishing	3	New
<b>The Getaway (DWK #12)</b>	Jeff Kinney/Amulet Books	4	4
<b>Wonder</b>	R.J. Palacio/Alfred A. Knopf Books For Young Readers	5	3

## Fiction E-Books

TITLE	AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>City of Endless Night</b>	Douglas Preston & Lincoln Child/Grand Central Publishing	1	New
<b>The Woman in the Window</b>	A.J. Finn/HarperCollins Publishers	2	2
<b>A Merciful Secret</b>	Kendra Elliot/Montlake Romance	3	New
<b>Iron Gold (Red Rising Series, Book 4)</b>	Pierce Brown/Del Rey Books	4	New
<b>Rescuing Casey</b>	Susan Stoker/Susan Stoker	6	New
<b>Sex, Not Love</b>	Vi Keeland/Vi Keeland	5	New
<b>The Wife Between Us</b>	Greer Hendricks/St. Martin's Press	7	4
<b>Little Fires Everywhere</b>	Celeste Ng/Penguin Press	8	5
<b>Beneath a Scarlet Sky</b>	Mark Sullivan/Lake Union Publishing	9	6
<b>Forever My Girl</b>	Heidi McLaughlin/Heidi McLaughlin	10	-

## Fiction Combined

TITLE	AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>City of Endless Night</b>	Douglas Preston & Lincoln Child/Grand Central Publishing	1	New
<b>The Woman in the Window</b>	A.J. Finn/William Morrow & Company	2	1
<b>Iron Gold (Red Rising Series, Book 4)</b>	Pierce Brown/Del Rey Books	3	New

## REVIEW



CHRIS SORENSEN FOR THE WALL STREET JOURNAL

WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

# Marc Lore

Wal-Mart's U.S. e-commerce chief looks to the future of shopping

**MARC LORE** wants to make Wal-Mart cool. Since taking over as president and chief executive of the retail behemoth's U.S. e-commerce division 16 months ago, he has acquired five companies, including brands that he says "resonate with millennial shoppers," such as clothing retailers Bonobos and Mod-Cloth. He's also launched a new in-house startup incubator.

Mr. Lore, 46, is known for founding another company that didn't sound particularly cool at first. In 2005, he started Diapers.com after wishing it was easier to replenish baby supplies for his newborn. He sold the business

that he built around it to Amazon five years later for \$545 million. Then, in 2014, he built Jet.com, which started as a discount retailer and now aims to attract more affluent, urban millennial customers. In 2016, Wal-Mart bought Jet.com for \$3.3 billion and named Mr. Lore head of its U.S. e-commerce business in September that year.

Wal-Mart's U.S. e-commerce sales have increased since then, growing 50% in the most recently reported quarter. This spring, Mr. Lore will unveil an overhaul of the website, with the idea of transforming it from meat-and-potatoes functionality to a more

modern feel. The company won't reveal many details, but it hints at a cleaner look and easy access to specialty shopping experiences, such as Lord & Taylor, directly on the site.

Another one of Mr. Lore's strategies: thinking of the 4,700 stores as warehouses. Wal-Mart now offers a discount for shoppers who buy online and agree to pick up their orders at stores. The company is experimenting with different ways of offering same-day delivery—including a service being tested in a handful of stores in which employees deliver goods to customers on their way home from work. Em-

ployees use an internal app to look at current orders and can see which ones are on their commute home. They get extra pay for the delivery.

Across the country last spring, Wal-Mart started offering free two-day shipping on more products, similar to Amazon Prime, but without a membership fee. And Wal-Mart's site has added items aimed to appeal to young people, including from Bose and KitchenAid.

What will the future of retail bring? Mr. Lore expects that within 10 years, shoppers will be able to use voice commands to interact with websites conversationally—for

example, to ask for help in buying a gift. He sees those conversations as a bridge to the use of virtual reality in retail, particularly for home and fashion products. "You can see a couch as if it were there in your living room," he says.

To come up with new technologies that have an impact on the way people will shop, in March, Mr. Lore created an in-house startup incubator called Store No. 8, named for the store that founder Sam Walton once used for experimentation. The incubator currently includes four startups, all still in stealth mode.

Mr. Lore, who grew up in New York City's Staten Island and in Lincroft, N.J., says that his own entrepreneurial tendencies started at age 4, when he charged family members a nickel to hear his narrated slide-shows about Casper the Friendly Ghost.

In high school, he bought and sold baseball cards at trade shows.

After he graduated from Bucknell University, he went into banking. "I graduated in

1993, and there was no e-commerce, there was no internet," he says. "If there was, I would have done that."

Seven years later, he decided to leave his job to try to start his own business, even though he didn't have an idea for a company yet. "We had just had a newborn baby, and it was tough for people to believe or understand why I would just quit," he says. He convinced his two best friends from grammar school to quit their jobs with him, and they spent months brainstorming ideas before starting a collectibles company, which they sold to Topps Co. for \$5.7 million in 2001.

A few years later, he and Vinit Bharara, one of those grammar-school friends, co-founded the company that became Diapers.com. It grew to include several other sites, including Soap.com. In 2010, Mr. Lore sold the parent company, Quidsi, to Amazon. (Amazon shut down Quidsi last year, saying it was unprofitable.)

Since joining Wal-Mart, Mr. Lore has spent three or four days a month at both its headquarters in Bentonville, Ark., and its offices in California. He's mainly based at Jet.com's headquarters in Hoboken, N.J.

He and his wife and their two teenage daughters live about an hour away in Mountain Lakes, N.J. Mr. Lore commutes to the office by Uber each day. He decided that owning a car was too much of a hassle, so eight months ago he got rid of his. "I've just been focused on trying to simplify life and create routines that create more time," he says. He doesn't like to watch television or read, he says. "I prefer to spend time thinking," he explains. "I feel like that's where a lot of the innovation comes from."

Despite his enthusiasm for e-commerce, Mr. Lore says, "I'm not a big shopper." When he finds something he likes, he adds, "I'll just buy it over and over again."

## MOVING TARGETS: JOE QUEENAN

# We've Only Just Begun With Self-Driving Stuff

THE CONSUMER Electronics Show in Las Vegas usually produces its share of wide eyes and gaping mouths. This time around, the excitement is being generated by suitcases that have minds of their own. Joanna Stern of the Journal fearlessly took on these "autonomous carry-on bags"—self-driving suitcases that will follow you around the airport and, presumably, anywhere else.

The mechanics are simple. One test suitcase, linked to its owner via remote, travels upright on two wheels and lumbers along at 5 mph. True, it can be knocked over if it hits a bump and sometimes falls flat on its face. But so do many business travelers. Nothing to be ashamed of there.

Is there a downside to self-driving luggage? Sure. Criminals could use self-driving suitcases to smuggle contraband into the country, with the "mule" bailing if airport security takes the suitcase into

custody. And yes, self-driving suitcases could conceivably be used to spy on law-abiding citizens.

But even at this early stage, the technology holds great potential—and naturally makes many of us dream of other autonomous devices that could soon hit the market. Gadgets like these:

**Self-driving smartphones.** People are constantly complaining about the growing size and bulkiness of smartphones—and about misplacing them. Self-driving will eliminate these problems for good. With autonomous cellular vehicular technology, there's no reason that a smartphone can't be the size of a suitcase. Great for the near-sighted and way more fun when watching YouTube videos of amusing cats. And you couldn't lose it, because it would always be hot on your heels.

**Self-driving kegs.** Until now, primitive brewing technology required frat boys to stay in

### Suitcases for now, but soon beer kegs and bicycles too.



one place. Self-driving kegs put the party on wheels, allowing you to leave a dud venue and go elsewhere. You can even program autonomous kegs to return themselves to the beer distributor all by themselves. Presumably, the deposit can be returned via bitcoin.

**Self-operating bicycles.** Who wants to slave up those endless hills and dales, buttes and arroyos? It's bad for your back, your knees, your heart. Just let your autonomous bicycle do the heavy lifting. And you needn't tell your exercise-conscious, competitive buddies who envy your marathon weekend treks.

**Self-driving baby carriages.** Yes, yes, you have to keep the carriage in sight at all times. But why should you have to push it all the way back to the Subaru Forester, parked three blocks away, with your arms full of groceries? OK, here's an alternative, if you insist: Hold the baby and load the groceries into

the carriage. Less embarrassment if the carriage wanders off.

**Self-driving hipster scooters.** You see friends approaching and you don't want them to know that you're trying to be oh-so-cool with your stylish Brooklyn-approved scooter. Dismount and let it follow you at a safe distance, or you could even program it to hide from your friends until the coast is clear.

These devices are first on my must-have list. But can self-driving tool chests, autonomous wet bars, self-motoring shopping carts and even self-operating 72-inch HDTV screens be far behind? Ditto self-driving MRI machines.

Perhaps the nicest thing about self-driving objects is that they can be used just to keep you company. Wandering around the streets of Ankara or Angkor Wat, you won't feel nearly as far from home. Happy the Suitcase will be right there behind you.

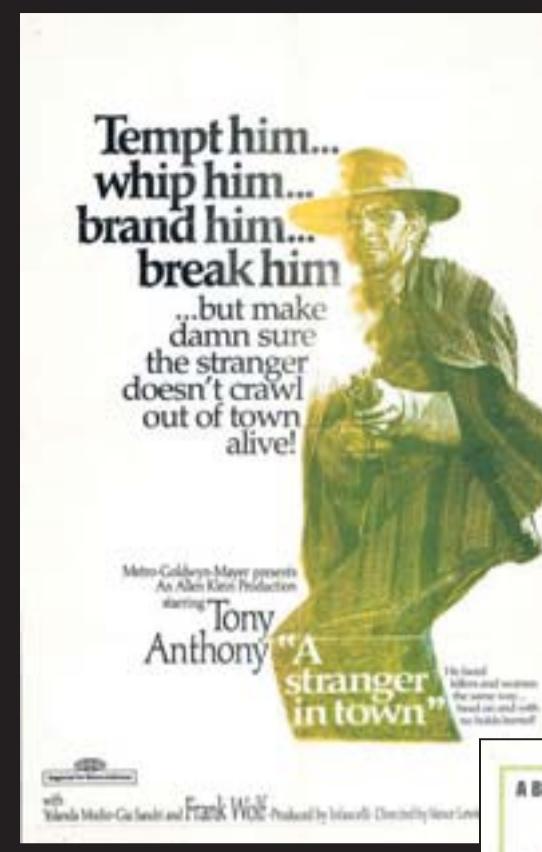
Maybe even scaring off muggers.

## REVIEW

## EXHIBIT



▲ 'Adiós, Sabata,' 1970. Spaghetti westerns emerged in the 1960s as a more violent, brutal form of the genre.



▲ 'A Stranger in Town,' 1967. This spaghetti western was a surprise hit with international audiences. The violent art aimed to appeal to a younger audience.



▼ 'The Magnificent Seven Ride,' 1972. The art and lettering suggest action-packed entertainment, reflecting the more conventional appeal of this sequel to a classic.

▲ 'Oklahoma Crude,' 1973. In their light-colored long underwear, the gun-toting characters stand out against the bright red background and distant action scene of this poster.

## POSTERS BLAZING

graphing and cataloging its collection of some 10,000 posters. Last month it began the process of putting the digitized images online ([www.hrc.utexas.edu](http://www.hrc.utexas.edu)) for all to see. The movies range from the classic to the arcane, and one of the collection's strengths, naturally, is posters for westerns. In some cases, the posters are so intricate and artfully done, says Steve Wilson, the center's film curator, that "it looks like they spent more on the film poster than they did on the film." —Alexandra Wolfe

COURTESY HARRY RANSOM CENTER

## PLAYLIST: JOELY FISHER

## A Far-Off Father

A Kate Bush song helped the actress-singer accept a parent's limitations

*Joely Fisher, 50, is an actress and singer, and the author of the memoir "Growing Up Fisher" (William Morrow). She spoke with Marc Myers.*

I was 2 when my parents—actress Connie Stevens and singer Eddie Fisher—divorced. I was too young to experience the pain of their split, but it was rough growing up with a father who wasn't there.

In 1987, when I was 19, I was studying musical theater at Boston's Emerson College. My sister, Tricia Leigh, told me about a summer acting retreat in Italy. Mom paid, so off we went. For six weeks, we lived in a villa and worked with acting coach Sandra Seacat. Her method included a deep, intense excavation of self that was designed to free yourself emotionally. It also allowed you to apply the technique when creating a character. We worked from morning to night, and I felt on the precipice of my life.

One of Sandra's exercises included a ritual to help us understand who we were. For me, I had to find my own identity, separate from my parents. Then I was expected to share my discoveries with the class as a performance.

But first I had to find a way inside. When I had arrived in Italy, I had my CD Walkman and about 100 CDs. The song that spoke to me was Kate Bush's "**THE MAN WITH THE CHILD IN HIS EYES**," from 1978. Bush sings about a woman re-

flecting on a man who sees the world through a child's point of view: "And suddenly I find myself listening / to a man I've never known before / telling me about the sea / Oh his love is to eternity."

Listening to the song helped me understand and accept my father's childlike quality. Years earlier we had spent a few summers together traveling in France. Being with him was important, but there also was sadness. He wasn't capable of being the daddy I always wanted.

Several years after my time in Italy, I played my father the song. I told him it reminded me of him. He listened but seemed baffled. "That's not me," he said.

In the old days, I would have gone after my father and challenged his denial. Instead, I let him off the hook.



KATE BUSH onstage in 1979.

## The world viewed by a child.

## HISTORICALLY SPEAKING: AMANDA FOREMAN

## Hostages as Propaganda Tools

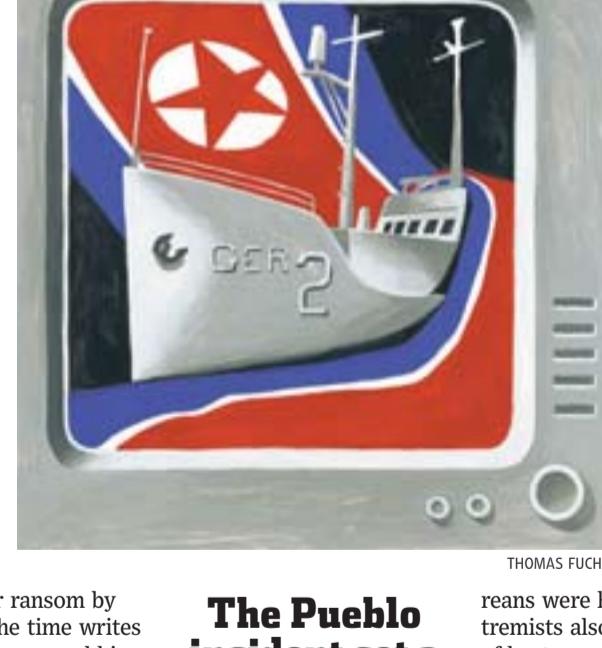
**FIFTY YEARS AGO**, on Jan. 23, 1968, North Korean forces captured the U.S. Navy spy ship Pueblo in international waters. North Korea took 82 crew members hostage (one was killed in the attack) and subjected them to 11 months of sporadic torture and starvation, humiliating appearances and forced confessions before an international radio and TV audience. Communications technology had given the ancient practice of hostage-taking a whole new purpose as a tool of propaganda.

Hostages have always been a part of warfare. By the second millennium B.C., Egyptians would take the young princes of conquered states and hold them as surety for good behavior, treating the young nobles well with the aim of turning them into future allies.

The Romans admired this tactic and imitated it. But others were simply interested in money. As a young man, Julius Caesar (100-44 B.C.) was held for ransom by pirates. A biographer of the time writes that while hostage, Caesar amused himself by reading his poems and speeches to his captors. The pirates assumed he was mad, especially when he promised to come back and hang them all. Once the ransom had been paid, the future general fulfilled his vow, hunting down the pirates and executing all of them.

During the Middle Ages, a hostage was better than money in the bank. Negotiating parties used hostages to enforce peace treaties, trade deals and even safe passage. In 1412, for instance, a French political faction sealed an alliance with the English King Henry IV. As part of the guarantee, the 12-year-old John of Orléans, Count of Angoulême, was sent to England, where he remained a political hostage for the next 32 years.

If a deal fell apart, however, retribution could be devastating. During the Third Crusade (1189-1192), King Richard I of England, known as the Lionheart, or



## The Pueblo incident set a precedent.

dered the massacre of nearly 3,000 Muslim hostages after the Sultan Saladin reneged on his promise to pay a ransom and return his Christian prisoners along with relics of the True Cross.

Brutality toward hostages has been a lamentably common feature of modern warfare. The Germans showed little compunction during the Franco-Prussian War of 1870-71, when they used civilians as human shields on military trains. During World War II, amid a range of other atrocities, the Nazis killed thousands of civilian hostages across Europe, often in reprisal for earlier attacks. During one massacre in German-occupied Serbia in 1941, 100 hostages were to be shot for each dead German soldier.

The idea of hostage-taking as an end in itself is largely a 20th-century development—a way to exploit the powerful reach of mass media. The North Koreans were hardly alone. Domestic extremists also saw the propaganda value of hostages, as in the 1974 kidnapping of Patty Hearst by the Symbionese Liberation Army.

Just five years later, students supporting Iran's Islamic revolution stormed the U.S. Embassy in Tehran

and took 66 American hostages. The students had various demands, among them the extradition of the deposed shah. But their real motivation seemed to be inflicting pain on the captive Americans—who were beaten, threatened with death and paraded in blindfolds before a mob—and on the U.S. itself. There were some early releases, but 52 hostages were held under appalling conditions for 444 days.

Today, memories of the Pueblo incident and the Iran hostage crisis have faded, but both hostage takings have had a lasting influence on American attitudes. In certain ways, they still define U.S. relations with the regimes of North Korea and Iran.



## REVIEW

## ICONS

# A New Twist on Classic China

A Minneapolis show puts a theatrical spin on vases, painted dragons and more

BY SUSAN DELSON

**NEXT WEEKEND** in Minneapolis, visitors can take on the roaring spectacle and thudding body contact of the Super Bowl—or listen to a single chopstick drop into a darkened room, courtesy of an avant-garde director offering a unique look at classic Chinese culture.

“Power and Beauty in China’s Last Dynasty: Concept and Design by Robert Wilson” will open Saturday at the Minneapolis Institute of Art (Mia). Midwesterners hungry for more Chinese art can travel later in February to the Art Institute of Chicago, for an exhibition focusing on how Chinese emperors collected ancient bronzes and used them in affairs of state.

The Minneapolis Institute of Art’s collection of Chinese art numbers some 6,600 objects, and the Asian galleries occupy a fifth of its gallery space. But in a well-loved museum, even the most dazzling pieces can become overly familiar.

So Mia decided to present its treasures in a fresh way, giving visitors a more theatrical experience of the imperial court of the Qing (pronounced “Ching”) dynasty.

Enter the experimental stage director Robert Wilson, best known for “Einstein on the Beach,” his groundbreaking 1976 collaboration with composer Philip Glass. Mr. Wilson, 76, has also directed Wagnerian opera in Zurich, guest-curated at the Louvre and designed the set for Lady Gaga’s 2013 MTV Video Music Awards performance. And he happens to be a passionate collector of Chinese art.

The Minneapolis exhibition will take viewers into the public and private realms of imperial life, from large reception halls to the intimacy of court ladies’ quarters. Admitted



A QING Emperor's court robe, above, of the Qianlong period (1736-95) will be on view in Minneapolis.

Right, a ‘Nine Dragon Box,’ carved lacquer, of the same era.

one small group at a time, visitors first enter a darkened anteroom displaying a single object—a porcelain vase with a black glaze, barely discernible in the faint light and accompanied by the sound of the dropping chopstick. “This is totally Bob’s idea,” said exhibition curator Liu Yang, of Mr. Wilson. Mr. Liu, who heads the museum’s department of Chinese, South and Southeast Asian art, added that the aim of the first room is “to let the visitor simplify their mind” before the exhibit proper begins.

The Qing dynasty, which ruled from 1644 to 1912, was China’s last imperial lineage. Particularly during the 18th-century reign of Emperor Qianlong, the Qing era was renowned for sophisticated artistry, technical skill and prosperity. Almost a third of Mia’s Chinese works date from this dynasty.

Mr. Wilson has organized the exhibition in

large part as a study in contrast and juxtaposition. One room decked in gold leaf, with a painted dragon stretching over its walls, presents an ornate imperial throne—a symbol of the Qing emperor’s authority. That chamber faces a room with brilliant emerald-green walls, holding just one small object: a standing bronze figure inlaid with gold, dating from the 5th-4th century B.C. The figure stands for the Chinese people, Mr. Liu explained, adding that Confucian philosophy holds that the emperor serves the welfare of the people—or his mandate is lost.

Among the Qing objects are a series of sumptuously embroidered court robes, arrayed in strict order to suggest the rigorous formal-

ity of court life—set, with Mr. Wilson’s touch, in a room lined in rough straw. One robe, made for the emperor himself, is a literal diagram of Chinese cosmology, its lower areas worked in mountains and oceans, with nine dragons—symbols of imperial power—flying through clouds front and back.

Aside from brief introductory panels outside the exhibition, “Power and Beauty” has none of the usual wall texts and labels, to encourage a direct experience of the art. Though the Mia team enthusiastically supported Mr. Wilson’s vision for the show, they could not implement certain proposals. In an environment about the emperors’ love of nature and mountains, for instance, Mr. Wilson had wanted to suspend boulders from the ceiling. “We all loved the idea,” said Mr. Liu with a laugh, “but that was really too expensive.” Still, the room’s giant carved jade mountain, weighing more than 600 pounds and inscribed in Emperor Qianlong’s hand, is one of the exhibition’s showstoppers.

Like “Power and Beauty” at Mia, “Mirroring China’s Past: Emperors and Their Bronzes,” opening Feb. 25 in Chicago, will present the classical art of China in a fresh way. “The Bronze Age started in China around 1900 B.C.,” said Tao Wang, the Art Institute of Chicago’s chair for Asian art and curator of the exhibition (with assistant curator Lu Zhang). In ancient China, bronze was regarded as a “magical metal, with a spiritual quality to it,” said Mr. Wang. While other cultures commonly used it for tools and weapons, in China, bronze was largely used for objects linked to ancestor worship—the core of Chinese religion.

Close to half of the show’s more than 170 objects come from the Shanghai Museum and the Palace Museum in Beijing.

In researching the exhibition, Mr. Wang found that the Song dynasty’s Emperor Huizong (1082-1135)—generally portrayed as an artistic type with little interest in politics—was in fact an astute statesman. “He used ancient bronzes to implement his policies,” Mr. Wang said, by shrewdly presenting them as emblems of a long-vanished “golden age” that aligned with his own agenda.

The Chicago exhibition will have the usual labels and wall texts, but Mr. Wang, too, would like visitors to feel free to follow their eyes. He’s hoping they will be naturally curious about the unusual royal personalities associated with these venerable objects. “There are a lot of stories,” Mr. Wang said. “A lot of stories.”

MINNEAPOLIS INSTITUTE OF ART (2)



## MASTERPIECE: ‘MASS’ (1971), BY LEONARD BERNSTEIN

### MYSTICAL MUSICAL MÉLANGE

BY REBECCA SCHMID

**THE COMPOSER**, conductor and educator Leonard Bernstein left behind an unusually broad legacy, as the deluge of events for his centennial this season reveals. But if Bernstein the composer is best known for the Broadway tunes of “West Side Story,” his “Mass” comes closest to a summation of his artistic mission.

By juxtaposing Catholic liturgy with a modern libretto and musical idioms as various as rock and 12-tone technique, the stage work makes a statement about faith, art and the possibility of human progress. Many listeners, however, were left only perplexed after the 1971 premiere. The New York Times’ music critic Harold Schonberg compared the “mélange of styles” to a “recipe for steak fried in peanut butter and marshmallow sauce.”

About a half-century later, “Mass” is valuable because of that very eclecticism. The “theatre piece for singers, players, and dancers” will be heard across the U.S. and Europe in the coming months, with performances at the Los Angeles Philharmonic under Gustavo Dudamel Feb. 1-4.

The commission to write a piece inaugurating the Kennedy Center in Washington came to Bernstein at a time of increasing instability, both personally and politically. With “Mass,” he was not afraid to lay bare his persona of conflict and contradiction.

By the late 1960s, between the Vietnam War



and the assassination of Martin Luther King Jr., the nation was divided into bitter factions. The jet-setting Maestro, meanwhile, struggled to find time for composing.

Bernstein’s life became further complicated when, at age 52—on the final sprint to complete “Mass”—he fell in love with a man. Thomas Cothran, music director of a radio station, would proofread the entire work—and trigger an irreparable rupture between Bernstein and his wife, Felicia, after an oath to keep his bisexuality secret.

Bernstein’s seemingly boundless ability to love was both his gift to humanity and his Achilles’ heel. He heard in Beethoven’s Ninth Symphony—which he led on Christmas Day af-

ter the fall of the Berlin Wall—the notion of all men together as children as God.”

The approximately two-hour “Mass” is a collective ritual in which music leads the way to a sense of personal faith. The ceremony of a priest-like central character, the Celebrant, meets with headstrong responses from a dancing street choir, blues band and other unexpected factions. The protest reaches its height in a rocking “Dona Nobis Pacem,” prompting the Celebrant to shatter the Communion chalice and have a breakdown until a boy soprano restores his ability to celebrate life.

The libretto co-written with Stephen Schwartz, whose musical “Godspell” opened four months before “Mass,” nevertheless does not provide easy answers.

Each listener, perhaps, is encouraged to choose his or her medium of expression from the score. Rock appealed to the youth; atonal-instrumental stretches to modern-music aficionados; rhythmically upbeat passages to Broadway fans. Latin text settings are by turn ironic and earnest.

Consider the saccharine “Gloria in Excelsis,” punctuated by stabbing, syncopated rhythms in the strings and percussion. The following chorus quotes a line from Paul Simon, the rights to which Bernstein received as a Christmas present: “Half the people are stoned / And the other half are waiting for the next election.”

Bernstein then moves into a haunting

“Meditation” sub-headed “On a Sequence by Beethoven.” A sobbing, Mahlerian cantilena emerges in the strings until crashing organ chords send them into fretful trilling and climbing arpeggios that anticipate a short quote of “Ode to Joy” from Beethoven’s Ninth on the large organ.

Standoffs both musical and spiritual create dramatic tension throughout “Mass.” The Rock Singer interrupts the Blues Singer to admit his sense of doubt, concluding with a line that could be seen to capture Bernstein’s own feelings at the time: “What I want, I don’t know.” By the “Jesus Christ Superstar”-flavored “Credo,” he concludes that it is easier to believe in “each note I sing” than in one God.

Tonal harmony has the final word, if only equivocally. The pre-recorded jagged melodies and percussion accompaniment of the opening “Kyrie Eleison” are silenced by a major-mode chord of acoustic and electric guitars. The Celebrant then interjects “A Simple Song,” which invites anyone to “sing like you like to sing” in praise of God. The same melody will restore his faith in the final movement after he has shattered the Communion chalice.

The extremes of style and mood of “Mass” may be baffling, but it incarnates the qualities that made Bernstein such an enduring figure. Exploring music in all its dimensions was for him a spiritual necessity—from con-

ducting Mahler, to writing Broadway opera, to breaking down Beethoven’s Fifth Symphony for television audiences. Whether or not one finds its stark stylistic contrasts convincing, “Mass” paved the way for composers to absorb popular elements into the complex structures of classical music.

*Ms. Schmid is a music writer and a doctoral candidate at the Humboldt University of Berlin.*

DAVID GOTTSARD

A thrifty traveler's guide to Venice's extravagant Carnival

D8



# OFF DUTY



The 2018 Toyota Camry: hornly but otherwise terrific

D10

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE WALL STREET JOURNAL.

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**LOOK WHAT BLUE IN** Designer Thom Filicia outfitted a Vail, Colo., kitchen in the client's favorite color, including the cobalt Viking stove and cabinets painted in Benjamin Moore's Champion Cobalt.

ERIC PIASECKI/OTTO; REFRIGERATOR BY JOHN KUCZALA

## Kick Your Kitchen Out Of Neutral

The new status symbol? A larder that's colorful and charismatic after decades of all-white palettes and clinical stainless-steel

BY SARAH KARNASIEWICZ

**R**ECENTLY, IN THE midst of renovating my Brooklyn row house's kitchen, I developed a crush on a slab of stone called pietra del cardosa, a dark blue sandstone with pale whorls like cosmic dust. Inky and imperfect, it struck me as the antidote to the morgue-like expanse of white marble that greeted me each time I scrolled Pinterest for kitchen-design ideas. Never mind that the surface was prone to staining: I had to have it. Messes and marks might happen, but I would proudly call them patina—and enjoy my moody blue counter.

Little did I know I was a trend setter. Though the clinical white-and-stainless-steel look has reigned for decades, with its aura of the professional chef's kitchen and promise of cleanliness, a backlash is growing.

Take a closer look at shelter magazines

and interior designers' social-media feeds and you'll see a new kind of luxury larder is generating buzz: one that's riskier with color, accessorized by surfaces that visibly wear and age and, above all, more personal and idiosyncratic.

Manufacturers are feeling the shift. Viking Ranges is the company that in 1987 nearly single-handedly led the stainless-steel appliance invasion. In 2017, said brand communications manager Katy Coleman, sales of its color line—which encompasses two dozen bold finishes including cobalt blue, racing red, plum, sea glass and pumpkin—jumped by 31% over the previous year. Likewise, BlueStar, the manufacturer that introduced 190 range colorways in 2007, has seen the percentage of its sales from colored appliances grow steadily year over year.

While the midprice segment of the market tends to be more conservative, even there a new attitude is bubbling up. "When we talk to consumers about stain-

Please turn to page D2



### [ INSIDE ]

#### I CAN SEE CELERY NOW

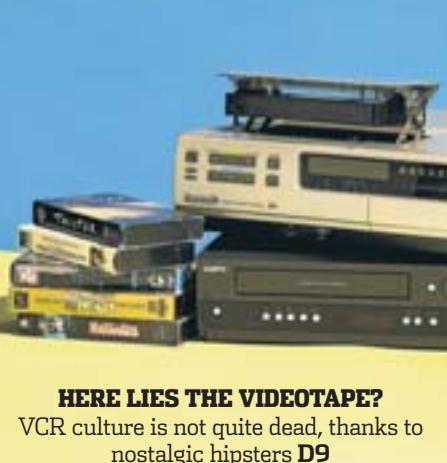
Take a new look at the oft-dismissed crudité: three elevating recipes D5



**FASHION SHOW-OFFS**  
Down the fall 2018 runways came this array of menswear trends D4

#### ATTENTION LOUSY SKIERS

If you're still honing your skills, these five resorts are just the lift ticket D7



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VCR culture is not quite dead, thanks to nostalgic hipsters D9

## DESIGN &amp; DECORATING

## THE CACHET OF COLORFUL KITCHENS

*Continued from page D1*

less steel, they're saying it's ubiquitous, it's not special anymore," explained Marc Hottenroth, industrial design leader for GE. In response, Mr. Hottenroth's team in recent years added three new, more-dramatic colorways to their appliance lineup: slate (a warm, matte charcoal with earthy bronze undertones), a deep black slate and a rich black stainless steel. The reception, said Mr. Hottenroth, has significantly exceeded expectations.

According to Dallas designer Jean Liu, this shift in tastes may be an emotional reaction as much as an aesthetic one. "Let's face it—the world has been a scary place this year," Ms. Liu said. "Many of my clients are taking money they would have spent on travel and spending it on their house." As a result, "kitchens get elevated from a functional to a focal space."

One design publicist in Palm Springs, Calif., an older millennial who happens to be embarking on a kitchen remodeling, credits social media with triggering his thirst for individuality. "You can see a white-and-stainless kitchen on the most basic home-renovation show," said Rich Pedine. "And then we saw it on blogs. And then on Instagram and Pinterest. Particularly given the color possibilities now, I personally

want the big payoff of risk-taking."

Designer Kati Curtis has noticed an uptick in clients' receptiveness to the type of color choices that make a space unique. "In New York every kitchen has white or gray cabinets, a white or gray backsplash, white or gray floor tile and stainless appliances," she said. "It's almost a status symbol to have color and pattern in the kitchen now."

Of course, that's how these cycles work: Luxury designers embrace a look that trickles down to the mass market before ending up in every anodyne builder's kitchen, thereby becoming a surefire way of dating a space. When I first saw my husband's family's "Harvest Gold" outer-borough New York kitchen, it was as good a proof of his age as his 1977 birth certificate.

Phyllis Taylor, a Miami designer and author of "Classic Florida Style," urges clients to embrace the confidence—and prestige—that comes from creating a completely personal space, resale value be damned. With one recent project, for a pair of Miami Beach empty nesters who moved from their home of 50 years into an oceanfront high-rise, that meant cladding the kitchen in glossy panels lacquered in a saturated red. The inspiration? The wife's prized Jaguar sedan. Paired with a walnut herringbone floor and metallic countertops, the look might not work for everyone—but that's the point. "I tell clients I can only design for one person at a time," said Ms. Taylor. "Let another person worry about whoever comes after them. And that resonates."

New York designer Thom Filicia agrees. "I'm finding clients are more determined to create spaces that feel personality-driven, not store-bought, and color is a big part of that." One approach, he said, is to see the kitchen as a continuation of the rest of the home, not a sterile, isolated nook—which, given the enduring popularity of open-plan living spaces, few actually are. In a Vail, Colo., vacation property Mr. Filicia designed (see D1), a cobalt blue as brilliant as the high-desert sky covers not only the kitchen millwork and the cooking range but every interior door in the house.

To be sure, the line between color that enlivens and color that irritates can be fine. To strike a balance, New York designer Tina Ramchandani suggested using neutral textured tile for a backsplash and letting colorful cabinetry do the talking. For Ms. Taylor, light is the crucial consideration. "In Florida we have phenomenal light—colors just seem to translate better. But you only learn that by experimenting," she said. "I did a lime green kitchen that was stunning here—but in New York, a dark teal would look great. Color choices need to be local, not trendy, because light is different everywhere."

Fixtures and faucets, too, are veering away from cold white porcelain and silver metals. "Stainless steel, flat-bottom, hard-corner kitchen sinks are a nightmare to clean and maintain," said Kevin Kemper of H3K Design, in Palm Springs, Calif. "In their place, we are using a lot more fireclay and granite composite colored sinks."



Designer Leslie Dunn, based in Rowayton, Conn., contrasted custom black cabinets with a ceiling of copper-leaf squares, an oil-rubbed-bronze sink and complementary patterns in the pantry of a Bronxville, N.Y., kitchen.

Nashville designer Jonathan Savage sees brass as a incoming finish for sinks and hardware.

The kitchen equivalent of expertly distressed \$500 jeans? "Living metals" such as unfinished brass. Amber Lewis, of Amber Interiors, trades the lab-like feel of stainless steel and the trendy flash of chrome or rose gold for accessories with a patinated charm that naturally ages. "I'm always thinking, how can we make this feel richer," said the Los Angeles designer whose barefoot elegance might best be described as So-Cal meets Shropshire. "I don't like surfaces that won't live, so anytime I can use an unlacquered brass or copper, I will."

Indeed, the rambling, mismatched manor-house kitchen aesthetic—think Downton Abbey with Wi-Fi—has never felt so au courant. Or accessible. After decades of catering to an exclusive U.K. and Continental clientele, the British firm Plain English—makers of custom kitchens in vibrant hues like "sculley latch" (robin's egg blue) and "boiled egg" (a sunny, saturated yellow)—are opening their first U.S. office and a showroom in New York this April. Said the company's design director, Merlin Wright, "I think we've had quite enough of the tasteful grays, haven't we?"



L.A.'s Amber Interiors punctuated cabinetry painted in Dunn Edwards's Black Spruce green with a black La Cornu range in this Ohai, Calif., kitchen; the sink's unlacquered brass fittings, unlike stainless steel, will patinate with age.

ERICK PIASECKI/OTTO (BRONXVILLE KITCHEN); TESSA NEUSTADT (OHAI KITCHEN)

## What Your Kitchen Will Be Wearing This Year

Our five favorite vivid accessories from the 2018 Maison & Objet design fair



1. GoAvocado Tool, \$8, [josephjoseph.com](http://josephjoseph.com)
2. Jamida Fiesta Tray, \$54, [gretelhome.com](http://gretelhome.com)
3. Mini Blender, about \$41, [detoxmix.com](http://detoxmix.com)
4. H45 Chair, about \$228, [chaises-nicole.com](http://chaises-nicole.com)
5. Service Salade Utensils, about \$29 per pair, [sabre.fr](http://sabre.fr)

## RANGE OF COLORS // HOW THE MODERN AMERICAN HEARTH HAS EVOLVED FROM GRIM TO GARISH TO CHILLY—AND WHAT'S NEXT



1920s-1930s

As American culture grows preoccupied with efficiency and microbes, appliance makers take cues from laboratories, offering sterile surfaces like white porcelain and enamel.



1970s

Earthier hues like harvest gold, avocado, burnt orange and chocolate brown reflect hippy-chic style and the influence of modern Scandinavian home accessories.



1990s

As cooking becomes a competitive sport, how better to outfit the sprawling open-plan kitchens of McMansions than with stainless steel, celebrity-chef-quality ranges?

1800s

The first step away from open-hearth cooking, early commercial coal and wood-fired ranges are hulking cast-iron behemoths. They rule for centuries.



1950s

Slick refrigerators and ranges become middle-class fixtures, and manufacturers adopt bright colors—canary yellow, aqua, two-tone pink—inspired by automotive-industry trends.



1980s

Appliance giants phase out color-saturated finishes in favor of neutrals like almond and onyx—a high-sheen black that looks luxe against the decade's minimalist kitchens.



TODAY

Homeowners begin art-directing their homes and jockeying for "likes." Design-forward brands like Smeg and BlueStar—which offers 750 colors—get buzzy. —S.K.



VIKING RANGES (1990S); BLU STAR COOKING (TODAY); GETTY IMAGES (5)

## STYLE &amp; FASHION

## Under the Influence

**Constance White**, a former editor of *Essence* and author of the new book 'How To Slay: Inspiration from the Queens and Kings of Black Style,' chooses five of the black icons who've shaped fashion the most

**WITH AWARDS SEASON** and the barrage of global fashion shows in full swing, February is a very stylish month. It is also Black History Month, an apt moment to acknowledge the hefty contributions of black people to fashion's livelihood. From sneaker chic to diva glamour, many trends that we take for granted arose from the black community. Here, I single out a handful of the most notable black style influencers, and detail how each has made an impact on what we wear.

## 1. DIANA ROSS

**THE GLAM DIVA** Diana Ross, with her big hair, big jewelry, big style and big attitude, has mattered since she first commanded attention in the 1960s as the most famous third of the Supremes. Ms. Ross (or "Miss Ross" in her Motown days) keeps the glamour quotient high to this day with accessories like huge sunglasses (often in bright shades like yellow), fur coats and serious gems. As her solo career thrived in the '70s, the diva's stage outfits hit their glittery groove. Over-the-top designer Bob Mackie created winking looks for her: A one-shouldered sequined gown printed with watermelons was not subtle. Even when Ms. Ross dialed it back, as she did in a white T-shirt on the cover of her 1980 album "Diana," she had presence. Her glam trajectory arguably peaked at a 1983 outdoor concert in Central Park, where her many costume changes included a red, sequined catsuit that withstood a torrential downpour and no doubt empowered a generation of wannabe minxes. As the *New York Post* declared: "Diana Rains Supreme."

## 2. KANYE WEST

**THE SNEAKER AUTEUR** The rapper who slumped on the cover of his first album (2004's "The College Dropout") in a rather frumpy bear suit has become a fashion plate—*Vanity Fair* put him on its International Best-Dressed List—and a designer in his own right. His subdued Yeezy line with Adidas is a love letter to the insider sportswear designers he adores, including Helmut Lang and Raf Simons. The musician and his much-photographed family are walking advertisements for his own cozy, earth-toned loungewear and hyped sneakers. With so many admirers eager to emulate Mr. West's luxurious sneakerhead aesthetic, the kicks he designs inspire multiday lines outside retailers and multi-thousand dollar prices on eBay. As Mr. West told Zane Lowe of the BBC, "No one can say I cannot design or understand how to design a guy's sneaker."

## 3. RIHANNA

**THE STREETWEAR EMPRESS** The Barbados-born pop phenomenon

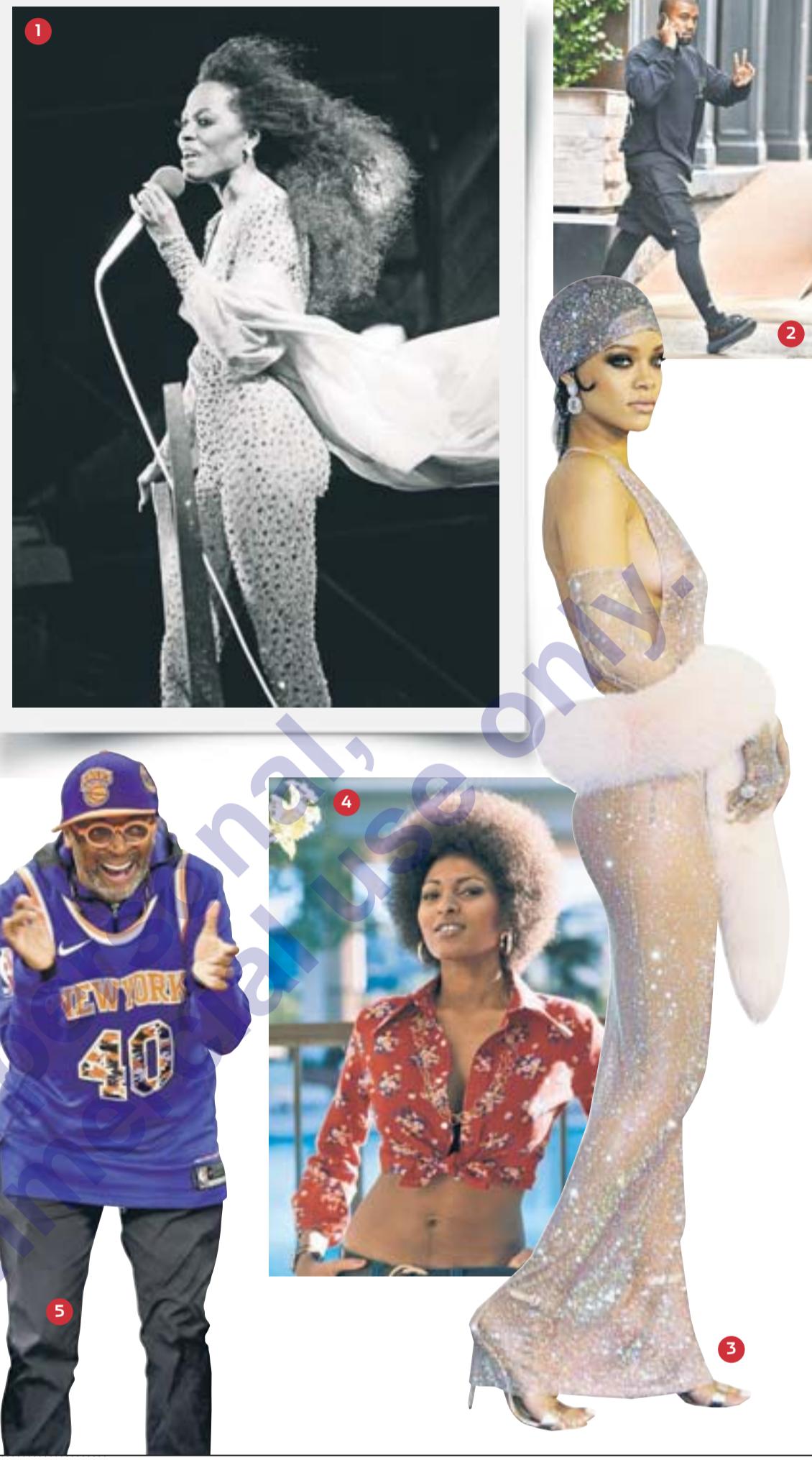
Robyn Rihanna Fenty has built a fashion and beauty empire around her untimely sense of style. Ms. Fenty breaks ground most notably when she pairs streetwear-influenced looks with elevated constructions and designs. Case in point: the iconic—and completely sheer—Adam Selman gown she wore to the 2014 CFDA awards. The break-the-internet look combined high-fashion decadence (over-230,000 crystals, a strategically deployed fur stole) with a du-rag-inspired headress that riffed on urban streetwear. That mix of aspirational and unexpected is what compels her acolytes to snap up the \$50 lace version of her signature du-rag from her fashion collaboration with Puma.

## 4. PAM GRIER

**THE BODACIOUS NATURAL BABE** One of the biggest stars of the blaxploitation film genre that helped define the '70s, North Carolina-born actress Pam Grier exuded a new kind of on-screen appeal, one rooted in natural beauty and down-to-earth pieces like denim cutoffs, button-up shirts and hoop earrings. As the titular character in "Foxy Brown" and "Coffy," Ms. Grier inspired a new generation of women to bare their midriffs and cultivate lush afros. Those halter tops might feel too brazen today, but Pam Grier's sass and confidence are still just right.

## 5. SPIKE LEE

**THE HIGH/LOW INDIVIDUALIST** If it's game night at Madison Square Garden, you can bet that New York Knicks superfan Spike Lee will be sitting courtside in his signature basketball jersey and colorful spectacles. Since his appearance as Mars Blackmon in his own 1986 film "She's Gotta Have It," Mr. Lee has pioneered a high/low look featuring designer frames and New York- and Brooklyn-centric logo gear. Thirty-two years later, "She's Gotta Have It" has been reprised as a new Netflix series and Lee's brightly colored specs and athletic wear are an established part of the contemporary style lexicon.



PHOTOFEST/RIZZOLI (GRIER); GETTY IMAGES (4)

## Van Cleef &amp; Arpels

Haute Joaillerie, place Vendôme since 1906

Alhambra Vintage necklaces  
yellow gold,  
mother-of-pearl and carnelian.

## STYLE &amp; FASHION

# THE ONE SHEET

If you aren't the sort to sport a yellow duffle coat or a reflective strip on pants, our fall 2018 runway-trend report may change your mind

**AT THIS SEASON'S** men's fashion shows, the buzziest news broke off the runway, when Céline revealed that its new designer for both menswear and womenswear would be Hedi Slimane, the man who mainstreamed the skinny suit at Dior Homme and transformed Saint Laurent's look into Iggy Pop's dream wardrobe. We'll have to wait until Mr. Slimane's take on Céline debuts in September to see how much it departs from the relaxed el-

egance of Phoebe Philo, the label's current creative director, who is stepping down after nearly a decade.

Few shows in London, Milan or Paris delivered the drama of the Céline announcement, but that's a good thing. Many designers focused on refinement, from Berluti's just-so butterscotch leather coats to Giorgio Armani's well-cut double-breasted suits. Function, too, was a concern. For his final collection at

Louis Vuitton, Kim Jones sent out safari jackets teeming with stash pockets. Lanvin's plastic-coated plaid macs were truly stormworthy. At Undercover's show in Florence, primary-colored down jackets promised legitimate coziness, while Junya Watanabe shrewdly co-opted the reflective patches found on construction workers' uniforms for parkas that shone like a beacon through a month of fashionable clutter. —Jacob Gallagher

**Button, Button, Who's Got the Button?**

Though more-casual versions of suits are trending, some designers still prioritized a buttoned-up suit-and-tie pairing. From left: **Giorgio Armani**'s double-breasted élan; **Ralph Lauren**'s matchy-matchy houndstooth; **Hermès**'s traditional dark suit and spotted tie; **Versace**'s navy suit with gold-buckle boots.

**The Non-Suit Suit**

Meet the boardroom suit's informal younger brother. A boxy jacket with relaxed pants make the clean coordination of a head-to-toe look seem nonchalant. From left: **Ermenegildo Zegna**'s neat duo with a notch-lapeled jacket; **Neil Barrett**'s micro-checked zip-up; playful emblems at **Marni**; **Sunnei**'s cornflower blue workwear riff; **Lemaire**'s swirl-patterned set.

**Bright Future**

Grey drizzly days will feel less monochromatic next winter with puffer colors that make black seem blandly basic. From left: **Prada**'s icy blue coach's jacket; **Undercover**'s tomato-red pullover; **Études**'s shiny orange coat with matching scarf.

**Rebel Yellow**

The mood was rather sunny at shows throughout the month, with many designers choosing citrusy shades. From left: **Maison Margiela**'s head-to-toe embrace; **Valentino**'s shining sweater; **Kenzo**'s ivy League duffle coat; **Dior Homme**'s lemon lining peeking out like a cocktail garnish.

**Eastern Parade**

Silk fabrics and lush embroidery showed up as designers tapped Chinese craftsmanship for inspiration. From left: **Marni**'s cherry topper; **Dries Van Noten**'s stitch-rich bomber jacket; **Kenzo**'s shiny windbreaker with a sprig of a floral motif; **Haider Ackermann**'s band-collared shirt; **Etro**'s long and louche robe.



On their way to the Louis Vuitton show, David, Victoria and Brooklyn Beckham competed for the title of most fashionable family alive.



Ugggs, often associated with celebrities' supermarket runs, attained high-fashion status in Paris thanks to the brand's collabs with labels Sacai and Y/Project.

**Is This Too Flashy?**

There was plenty of outerwear with high-visibility reflective patches a la traffic cop. Top to bottom: **Louis Vuitton**'s jacket that shines in low light; **Junya Watanabe**'s neon-embellished get-up; **Lanvin**'s pocketed parka with silver-toned sleeves.



The models at Comme des Garscons Homme Plus all wore fabric dinosaur masks. Have we learned nothing from "Jurassic Park"?



The crowd at Vuitton's show cheered boisterously when Naomi Campbell and Kate Moss flanked Kim Jones as he took his final bow.



GETTY IMAGES (BECKHAMS, DRIES VAN NOTEN), VETEMENTS

## MOMENTS WE (ESPECIALLY) ENJOYED

Beckhams, beards and bows with supermodels



Ugggs, often associated with celebrities' supermarket runs, attained high-fashion status in Paris thanks to the brand's collabs with labels Sacai and Y/Project.



The models at Comme des Garscons Homme Plus all wore fabric dinosaur masks. Have we learned nothing from "Jurassic Park"?



The crowd at Vuitton's show cheered boisterously when Naomi Campbell and Kate Moss flanked Kim Jones as he took his final bow.



GETTY IMAGES (BECKHAMS, DRIES VAN NOTEN), VETEMENTS

# EATING & DRINKING



## Stalks With High Dividends

Celery can be so much more than a crudité. (The leaves and roots are pretty terrific, too)

BY BETSY ANDREWS

**I**T'S SWEET ON the inside, bitter on the outside, crunchy, juicy and aromatic, and you can cook every inch of it. Right now, chefs are taking celery in unexpected directions, far beyond the crudité platter.

In California, our biggest celery-producing state, where this member of the parsley family grows year-round, chef and restaurateur Daniel Patterson has dipped into local culinary history to add spark to the stalks. For Alfred's Steakhouse in San Francisco, Mr. Patterson developed a poached celery, cold, with mustard dressing and Parmesan—an amped-up riff on Celery Victor, named after Victor Hirtzler, chef at the city's St. Francis Hotel, who invented the dish around 1916.

'Cooking it like this mingles it out and brings a richness to it.'

Back then, celery was served every which way from raw to stewed to fried. Hirtzler's preparation awakened diners' palates with anchovy and tangy vinegar. To prime the appetite for big hunks of beef at Alfred's Steakhouse, Mr. Patterson lays on even more flavor, boosting the amount of mustard and showering on freshly grated sharp cheese.

This dish features in the chef's latest cookbook, "The Art of Flavor"—a badge of honor for a vegetable he claims to not even like. "The recipe was meant to show that you can use umami to create deliciousness," he writes, "even with ingredi-

ents that are not that exciting."

Not that exciting? Trey Bell begs to differ. The former chef-owner of LaRue Elm in Greensboro, N.C., dubs celery a "flavor amplifier." He uses it to improve upon a classic vichyssoise, served warm or chilled.

"With potatoes and leeks, the soup's a little tired," said Mr. Bell, so he swapped out the standards and whipped up a green, creamy soup using all the parts of the celery plant. Boiled celeriac, the root of a variety of celery grown expressly for its underground assets, provides a starchy base. Raw stalks and leaves add bittersweet bite. Celery seed imparts what Mr. Bell calls "nostalgic flavor."

"It has always been in my cupboard," said the chef, who learned his leaves-to-roots way with vegetables from his grandmother. She grew celery in her South Carolina garden, stirring it into the boil for her chicken and mixing its grassy-tasting seeds into her coleslaw.

At Henrietta Red in Nashville, chef Julia Sullivan focuses on celery's tender inner stalks, searing and then slow cooking them. Into the braise go bacon, wine, chicken stock, garlic and shallots. The dish is finished with a butter glaze. "Cooking it like this mingles it out and brings a richness to it," said Ms. Sullivan—so much so that the dish can stand on its own as the centerpiece of a meal.

Of course, butter, bacon and cream annul the benefit the health-obsessed like to tout: that each celery stalk contains a mere six calories. Let them have their crudités. It's worth letting this versatile ingredient shine in full-flavored, indulgent, fully winterized dishes once in a while.

### Poached Celery with Mustard Dressing and Parmesan

ACTIVE TIME: 15 minutes TOTAL TIME: 45 minutes SERVES: 4

Salt  
1 bunch celery, stalks trimmed and peeled  
4 tablespoons neutral oil, such

as grapeseed or canola  
1 tablespoon Dijon mustard  
2 tablespoons white wine vinegar

6 anchovy fillets, minced  
Freshly ground black pepper  
1 cup freshly grated Parmesan

1. Bring a large pot of salted water to a boil and reduce heat to medium to maintain a simmer. Add celery and cook until tender, about 10 minutes. Drain and refrigerate 30 minutes.
2. Meanwhile, in a small bowl whisk together oil, mustard, vinegar and anchovies. Season with salt and pepper.
3. Transfer celery to a serving platter. Top with dressing and Parmesan.

—Adapted from Daniel Patterson of Alfred's Steakhouse, San Francisco

## HAVE YOUR PUDDING

The best way to show off all that striking winter citrus? Scattered over a creamy, elegantly simple blancmange



### THIS IS A WINTER-WHITE CLASSIC.

Known as blancmange in English, from the French blanc-manger (literally white-eat), it's very similar to Italian panna cotta: a slightly wobbly, cool and soothing pudding of milk and cream. In the recipe at right, I swap in almond milk, which lends subtle nutty flavor. You may also use coconut or dairy milk, so long as you stick to full-fat. Few of us have decorative pudding tins or Jell-O molds stashed in our cabinets; if you do, this is the moment to dust them off. Otherwise, individual porcelain ramekins will do the trick and will eliminate the need to unmold the dessert.

Blancmange makes a pretty base for a variety of toppings. Highlight the almond notes with a shower of crushed amaretti cookies. Add a sprinkling of citrus zest for color and liveliness, or juicy citrus sections—perhaps blood oranges, briefly soaked in a Grand Marnier-infused simple syrup or caramelized under the broiler. And toasted sliced almonds will counter the creamy texture of the pudding. With all the antioxidants and nut protein, this dessert could easily double as the breakfast of champions, so save some for the morning. —Aleksandra Crapanzano

### Blancmange

ACTIVE TIME: 15 minutes TOTAL TIME: 4½ hours (includes chilling) SERVES: 4

4 cups cold almond milk  
½ cup heavy cream  
½ tablespoons unflavored powdered gelatin  
¼ teaspoon almond extract or 1 tablespoon amaretto  
Zest of half an orange or 1 lemon

½ cup superfine sugar  
Toasted sliced almonds, more citrus zest or citrus slices, or crushed amaretti cookies, for garnish

1. In a medium pot, warm 1 cup almond milk and all cream, but do not simmer. Remove from heat. Pour gelatin over warm milk mixture and let sit 5 minutes. Set a double boiler or a bowl placed on a pot of water over medium heat. Once water simmers, transfer milk-gelatin mixture to double boiler and stir until smooth. Add almond extract, zest and sugar. Cook until gelatin and sugar dissolve, 2-3 minutes. Stir in 1 cup almond milk to lower temperature, then add remaining almond milk.
2. Pour mixture through a sieve into a 4-cup mold or 4 ramekins. Chill, uncovered, in refrigerator until firm, 4-5 hours.
3. Unmold blancmange by inverting it directly onto a serving plate. Garnish with almonds, zest, citrus sections and/or crushed amaretti.



### Celery Vichyssoise

ACTIVE TIME: 30 minutes TOTAL TIME: 2 hours SERVES: 4

1 celeriac (about 2 pounds), peeled and chopped into 1-inch pieces  
1 cup dry white wine  
1 tablespoon salt, plus more

for serving  
1 tablespoon celery seed  
1 tablespoon fresh thyme  
4 garlic cloves

4 cups half-and-half  
8 stalks raw celery, roughly chopped  
1 bunch parsley, roughly chopped  
Olive oil, for drizzling

1. In a large pot, combine celeriac, wine, salt, celery seed, thyme and garlic. Simmer over medium-low heat until celeriac is tender, about 30 minutes.
2. Transfer half the celeriac and cooking liquid to a blender. Add 2 cups half-and-half, half the celery stalks and half the parsley. Blend until smooth. Transfer to a large bowl.

Repeat with remaining celeriac, cooking liquid, half-and-half, celery stalks and parsley.

3. Strain soup through a mesh strainer and serve warm. Or, if you like, refrigerate 1 hour and serve chilled. To serve, garnish with a drizzle of olive oil and pinch of salt.

—Adapted from Trey Bell

### Braised Celery with Bacon and Lemon

ACTIVE TIME: 30 minutes TOTAL TIME: 1½ hours SERVES: 6-8

8 ounces applewood-smoked bacon, diced  
2 tablespoons shallots, minced  
3 cloves garlic, minced  
3 tablespoons extra virgin olive oil  
3 bunches celery, tender inner stalks and leaves only, quartered  
Salt  
1 cup dry white wine, plus more as needed  
1 cup chicken stock, plus more as needed  
½ cup (1 stick) butter, cold and cubed

3 tablespoons lemon juice  
3 tablespoons chopped parsley, for garnish  
½ teaspoon sugar

1. Preheat oven to 375 degrees. In a large Dutch oven over medium heat, cook bacon until fat renders and bacon browns, about 8 minutes. Use a slotted spoon to remove bacon and set aside. Add shallots and garlic. Continue to cook until aromatic, about 1 minute. Remove shallots and garlic and set aside.
2. Add 1 tablespoon olive oil and reduce heat to medium-low. Add a quar-

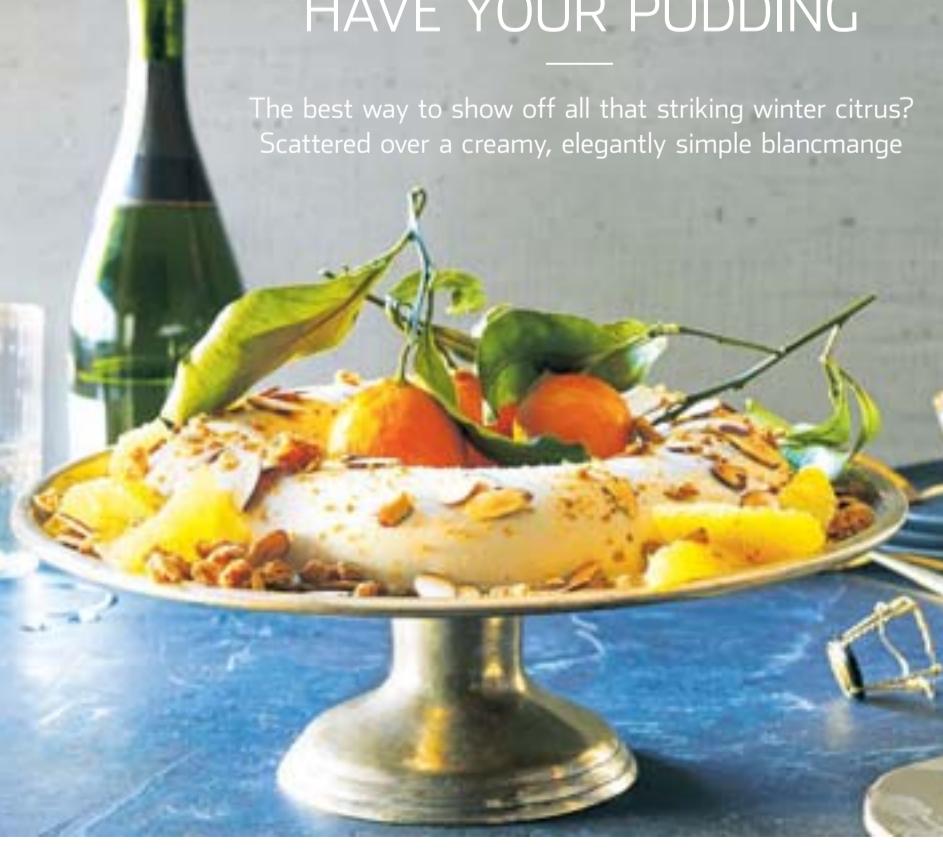
ter of the celery, spaced ½-inch apart, and cook, turning halfway through, until golden brown all over, about 10 minutes. Season with salt. Remove celery and set aside. Repeat with remaining celery.

3. Drain fat and return celery to Dutch oven, arranged snugly in a single layer. Add wine and stock to cover. Add reserved bacon, shallots and garlic. Bring to a simmer over medium heat. Transfer to oven and braise, uncovered, until tender, about 40 minutes.
4. Set Dutch oven over medium heat. Add butter and lemon juice. Return to a simmer and baste to glaze. Add sugar and season with salt. Garnish with parsley and serve immediately.

—Adapted from Julia Sullivan of Henrietta Red in Nashville, Tenn.



## A LITTLE SOMETHING SWEET



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## EATING &amp; DRINKING

ON WINE LETTIE TEAGUE



## What Sort of Meal Matches Up to Amarone?

I DON'T KNOW many chefs who care as much about wine as they do about food. Mario Carlino, a native of Calabria and the chef-owner of Divina Ristorante in Caldwell, N.J., is one of the few. Most of the time, our taste in wine intersects. We both love Chablis and Domaine Huet (a top Vouvray producer), and both look skeptically on inexpensive Barolo. ("You can't get a good Barolo for under \$40!" I've heard Mario declare.) But our tastes diverge when it comes to Amarone, the noble red of Italy's Veneto region. It's one of Mario's favorites but not one of mine. I've always found Amarone hard to pair with food.

A very full-bodied, dry, powerful and often quite tannic red, Amarone can be high in alcohol too—sometimes as much as 17%, close to the alcohol level of a fortified wine like Port. It is made in the Valpolicella subregion of Italy's Veneto in a unique way. Various grapes (chiefly Corvina) are first dried, in a process called appassimento, which concentrates flavor, color and tannins. The dried grapes are then fermented to the point where enough sugar is converted to alcohol to produce a dry wine. In commercial production only since the 1950s, Amarone della Valpolicella, as the wine is officially known, was granted DOCG status in 2010.

Most Amarone producers make other wines too, including the light, simple Valpolicella Classico and the more concentrated Valpolicella Superiore, aged at least one year and slightly higher in alcohol than Classico is. A step further up the quality ladder are Valpolicella Ripasso Superiore wines, traditionally made by "repassing" a Valpolicella wine over a pomace of grape skins and seeds left over from making Amarone. A Ripasso will typically be bigger and more complex than the other types of Valpolicella but not quite as complex as Amarone; some wine drinkers call this wine "baby Amarone." The dry Amarone della Valpolicella also has a sweet cousin, Amarone della Valpolicella Recioto. This sweet wine is made by the same appassimento process, but the fermentation is stopped sooner so that some residual sugar remains in the wine.

Although Amarone della Valpoli-



CLARA PHELAN; F. MARTIN RAMIREZ/THE WALL STREET JOURNAL (BOTTLES)

cella is, as noted, traditionally unfined dry, some Amarones at the cheaper end of the price scale can be a bit sweet. (Sweetness can help to mask a wine's flaws.) The sweet, cheap examples are nothing like great Amarone, said chef Mario. It's a demanding method of winemaking, and that shows in the wines. A

Its tannins had softened; fruit and oak melded nicely together.

sports car enthusiast as well as an aficionado of Amarone, Mario offered the following analogy: "If you drive 150 miles an hour in a Ferrari you're fine but if you go 150 in a stupid car, you'll crash."

When Mario offered this observation, he and I were sitting in Divina a couple hours before the start of dinner service. He'd offered to

prepare several dishes that would demonstrate just how well Amarone pairs with food. I'd brought along 10 bottles for us to taste, all current-vintage, ranging from 2007 to 2013. (Different wineries have different release-date policies.) They were priced from \$35 to \$90. The priciest was a 2007 Bertani Amarone (\$90) that my husband and I had received as a gift. Mario regarded this last bottle with delight. "That's a great wine," he said.

Most of the wines I brought were too young to drink that day, Mario explained. He's currently drinking Amarones from the 1997, 2000 and 2001 vintages. "I try to avoid young Amarone because I feel the alcohol a lot," he said. Mario usually has plenty of well aged examples to choose from: Amarone accounts for a full half of his personal wine cellar. If the Amarone is a great one, he said, "you can drink the whole bottle yourself" (i.e., in one sitting), while a merely drinkable bottle is one "to share

with two or three friends." In other words, a less-than-great Amarone isn't interesting enough to hold his attention, and a wine very high in alcohol must be apportioned moderately.

Before bringing food to the table, we tasted the wines to determine which were worthy of pairing. A few we tasted would require more than two or three people sharing the bottle—such as the massive and massively high-alcohol (17%) 2011 Tommaso Bussola Amarone della Valpolicella Classico (\$45). "You don't want to drink a half bottle of this. You'd crash your car," said Mario (who is prone to automotive references). Some of the wines he deemed unworthy of drinking at all, including the bitter, astringent and faintly herbaceous 2013 Allegrini della Valpolicella Classico (\$56) and the thin 2013 Bolla Amarone della Valpolicella Classico (\$40), which tasted mostly of alcohol and oak.

Fortunately, our group also included some standouts. The 2013

Zenato Amarone della Valpolicella Classico (\$40) was marked by bright red fruit and lively acidity. Mario and I both found the lithe, textured 2013 Tommasi Amarone della Valpolicella Classico (\$58) remarkably drinkable despite its youth. Yet while we admired the bright fruit of the 2013 Tedeschi Amarone della Valpolicella (\$55), we also found it overwhelmed by oak. The 2012 Masi Costasera Amarone della Valpolicella (\$45) was a well made, very traditional wine; though still quite tannic and tight, it showed promise. The 2010 La Formica Amarone della Valpolicella (\$50), meanwhile, was very well balanced and approachable—surprisingly ready to drink for an Amarone its age. "Very solid," declared Mario, adding that it was a wine he'd purchased himself in the past.

Mario's favorite of the wines I'd brought was that 2007 Bertani Amarone. Its tannins had softened; fruit and oak melded nicely together. It had texture, richness and complexity. "This is a bottle I will drink myself," Mario said.

Later that evening, my husband, his daughter Leah and her fiancé, Lou—who had given us the 2007 Bertani—sat down with me at Divina to taste the five Amarones Mario and I liked best, along with five dishes the chef made to pair with them. We started with pastas: pappardelle with wild boar ragù, and a creamy fettuccine with Gorgonzola and walnuts. "Gorgonzola is perfect with Amarone," Mario said, and he was right. The richness of the dishes countered the wines' tannins, making even younger Amarones seem supple and approachable.

The next three dishes were filet mignon with porcini mushrooms, pork chops with potatoes and hot peppers, and roast quail. Every one of them was substantial enough to stand up to the bold flavors of the Amarones and, like the rich pastas, helped to soften the tannins.

By the time Mario pulled up a chair, there wasn't a lot of Bertani left in the bottle. He'd been right about one thing: Amarone pairs very well with the right food. But after drinking the Bertani, we decided Mario was wrong about the way Amarone should be enjoyed. A great bottle is even better shared.

► Email Lettie at [wine@wsj.com](mailto:wine@wsj.com).

## OENOFOLY // AMARONES THAT PAIR PARTICULARLY WELL WITH FOOD



## 2013 Zenato Amarone della Valpolicella Classico \$40

Made from select dried grapes and aged for 36 months in the barrel, this Amarone is fairly high in alcohol (16.5%). It's a rich and powerful wine best paired with equally rich and powerful food.



## 2012 Masi Costasera Amarone della Valpolicella Classico \$45

The Boscaini family of Masi has made wine in the Veneto for almost 250 years; their Amarone is considered an archetype. Still tight and tannic, this wine will unwind over time. Decant or cellar several years.



## 2010 La Formica Amarone della Valpolicella Classico \$50

This is a very well balanced Amarone, aged one year in barrels, another in stainless steel tanks and yet another in bottle before release. Its ample fruit offsets its relatively high alcohol content (16.5%).



## 2013 Tommasi Amarone della Valpolicella Classico \$58

Marked by aromas of dark cherry and spice, this is a lithe wine (15.5% alcohol) with lively acidity, aged in barrel a minimum of three years before release. It's particularly versatile with food.



## 2007 Bertani Amarone della Valpolicella Classico \$90

The 2007 vintage was a great one for Amarone, and this supple wine, aged six and a half years in barrel, is an elegant exemplar of the year. It's drinking beautifully right now but can also be cellared for many years.

## SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

## Swiss Chard Enchiladas With Tomatillo Salsa



## The Chef

Gonzalo Guzmán

## His Restaurants

Nopalito, two

locations in San

Francisco

## What He's Known For

Real-deal regional-

Mexican cooking

that makes

the most of

San Francisco's

market produce.

"YOU EAT first with your eyes," said chef Gonzalo Guzmán of these enchiladas. On that basis alone, the rolls of corn tortilla topped in a vibrant tomatillo salsa are delicious.

Swiss chard is the hero ingredient here. "Tomatillos turn a little brown when cooked, but the chard reintroduces a bright green color to the sauce," said Mr. Guzmán. There's

chard, sautéed and garlicky, inside the enchiladas, too, complemented by mild, melty Oaxacan cheese.

Garnished with tangy crema, queso fresco and a flurry of fresh cilantro, these enchiladas will bring a vitamin-charged dose of harvested sunshine to even the most relentlessly gray winter week. —Kitty Greenwald

TOTAL TIME: 30 minutes SERVES: 4

**6 tomatillos, husks removed and rinsed** **½ cup leaves for garnish** **¾ cup canola oil**  
**½ jalapeños, stemmed and seeded** **12 cups crema or sour cream** **12 corn tortillas**  
**3 cloves garlic** **12 cups Swiss chard, ribs removed and leaves roughly chopped** **½ cup Oaxacan or Monterey Jack cheese, coarsely grated**  
**3 cups fresh cilantro, plus Kosher salt** **½ cup queso fresco, crumbled** **Lime wedges, for serving**

1. Make salsa: Place tomatillos and jalapeños in a medium pot and cover with water. Bring to a boil, reduce heat to medium and simmer until tomatillos fully soften, about 8 minutes. Drain.
2. Transfer cooked tomatillos and jalapeños to a blender and add half the garlic, 3 cups cilantro, 3 tablespoons crema and 3 cups chard. Season with salt and purée until smooth.
3. Heat 3 tablespoons oil in medium pot over medium-high heat. Pour in salsa and simmer until thickened slightly, about 5 minutes.
4. Make filling: Heat 2 tablespoons oil in a large sauté pan over medium heat. Thinly slice remaining garlic and add it to pan. Sauté garlic until aromatic and lightly golden, about 1 minute, then

add remaining chard. Sauté until leaves wilt but retain their bite, about 2 minutes. Turn off heat, stir in Oaxacan cheese and season with salt.

5. Fill a small pot with remaining oil and set over medium heat. Once small bubbles form, reduce heat to low. Use tongs to dip tortillas, one at a time, into oil until fully submerged. Once puffed but not at all browned, about 15 seconds per tortilla, set aside on a plate. Add oil as needed.

6. Divide warm tortillas among 4 plates and top with filling. Roll tortillas around filling to make cylinders and arrange seam-side down. Generously spoon warm salsa over rolled tortillas. Garnish with remaining crema, queso fresco and cilantro leaves. Serve warm with lime wedges.



STRING THEORY Meltable, mild Oaxacan cheese, a close cousin to mozzarella, lends a nice, gooey richness to the earthy Swiss chard.

# ADVENTURE & TRAVEL



**EASY LIKE SUNDAY MORNING**  
While Revelstoke Mountain attracts experts, nearly half its runs (including Critical Path, shown here) target intermediates.

## Superior Hills for So-So Skiers

Five resorts where even the mediocre can excel at fun, both on and off the slopes

**I** CAUGHT THE SKI BUG at 43, after a false start. Having been deposited atop a mogulled run by a boyfriend in my 20s (he sped down leaving me to descend by rump), I was in no rush to strap on skis again. Some two decades later, a girlfriend invited me to Utah's Park City Mountain Resort. Instead of foolishly braving too-difficult terrain, we took lessons with an affable instructor gleefully shrieked through extra-wide turns and felt supremely accomplished as our face plants became less frequent. The après-ski bubbly soothed our singed muscles, the 5 p.m. massage even more so. Since then, I've become what is delicately known as a powder pig. I count the days until ski season opens. Though the physical challenge is part of the attraction, truth be told it's the mental liberation—being forced to live in the moment—that hooked me. My drive isn't to be an expert. I simply want to hone my mediocre skiing abilities and bask in the charms of a glamorous resort, content that I've earned every bit of pampering.

Here, we've rounded up five resorts for enthusiastic but not-great skiers. All offer good ski schools or excellent private instruction (I've learned that proper lessons are crucial) and varied terrain so a more advanced travel companion won't have to suffer through the bunny slopes. —Amy Tara Koch

### Big Sky, Mont.

Unlike in the Colorado Rockies—where much of the snow that's accumulated so far this season is man-made—Montana is seeing some of its best conditions in a decade. Fewer flights also mean fewer crowds. And while Big Sky is revered for steep chutes and terrifying couloirs, of the resort's 5,800 acres, 40% is made for newbies and intermediate skiers. Off the slopes, you'll find an inviting cowboy version of hygge: rustic-chic cabins and restaurants adorned with hard-won taxidermy.

**STAY** The 24 just-upgraded log cabins of Lone Mountain Ranch (right) sit on a century-old homestead surrounded by Nordic ski trails and pristine wilderness. *From about \$249 a night, [lonemountainranch.com](http://lonemountainranch.com)*

**APRÉS** Slope-facing Montana Jack stocks 30 beers on tap, many local. *[bigskyresort.com](http://bigskyresort.com)*

**DINE** Amid roaring fireplaces and sweeping alpine views, Everett 8800 serves up hearty fare like rack of lamb with porcini flan. *[bigskyresort.com](http://bigskyresort.com)*



### St. Moritz, Switzerland

For anyone too intimidated to venture into the same turf that hosted five Alpine Ski World Championships and two Winter Olympic Games, take heart: St. Moritz also has an abundance of non-expert terrain. But the hand-holding tactics of American resorts are noticeably absent. There's little signage and few English speaking "ambassadors" to help you navigate the resort. Private instruction helps smooth the way.

**STAY** Kulm Hotel offers airy chalet-style rooms, lake views, a huge spa and six restaurants, from swanky pizza to (very) formal. *From about \$350 a night, [kulm.com](http://kulm.com)*

**APRÉS** Join the international jet set for raclette and Cristal at El Paradiso (pictured right). *[el-paradiso.ch](http://el-paradiso.ch)*

**DINE** Fuel up on grilled specialty meats at Hatzke, a tiny restaurant/gourmet butcher shop in town. *[hatzke.ch](http://hatzke.ch)*



### Aspen, Colo.

Aspen may be a glitzy alpine playground, but its Buttermilk Mountain is as non-threatening as it sounds, full of gentle terrain. Once you progress, head over to Snowmass where 48% of the runs are intermediate. Even the black diamond-filled mountains of Aspen and Highlands offer manageable intermediate options.

**STAY** Along with elegant, refurbished rooms the Little Nell—Aspen's only ski in/ski out property—offers can-do service (in-room boot fitting, for starters) and concierges will wrangle lift tickets,



book ski school and ferry gear to and from the slope. *From \$1,100 a night, [thelittlenell.com](http://thelittlenell.com)*

**APRÉS** Partake in a boozy fondue lunch at Cloud Nine, perched at 11,000 feet. *[aspen-snowmass.com](http://aspen-snowmass.com)*

**SPA** At the St. Regis hotel's Remede Spa, cushy lounge beds come with oxygen machines (to combat altitude sickness) and the "healing"

massages rely on hemp-based oils. *[stregis.com](http://stregis.com)*

**DINE** The Little Nell's Element 47 is known for its innovative fare (above), and spirited ambience.

675 Durant Ave, *[thelittlenell.com](http://thelittlenell.com)*

## ADVENTURE &amp; TRAVEL

# A Doge's Life

The Venice Carnival might be thoroughly indulgent, but you needn't spend a fortune to party like an aristocrat

BY TARA ISABELLA BURTON

**I**T TOOK ME 24 hours in Venice to crash my first party. On my way to the Palazzetto Pisani for a Mozart-themed ball, I'd gotten lost down a moonlit alleyway. I'd caught sight of a woman in an 18th-century dress and followed her straight into a palazzo. Five minutes later, the bouncers arrived. As it happened, I'd confused the Palazzetto Pisani with the much larger Palazzo Pisani Moretta. Both were having 18-century balls on the same night and I'd gone to the wrong one.

When I finally made it to the right party, a man in a ruff collar and a finely waxed mustache shrugged at my predicament. "You haven't done Carnevale until you've crashed at least one ball," he said. Besides, he told me, tickets for the ball I'd inadvertently infiltrated—the Gran Ballo Mascheranda—cost as much as 750 euro (about \$930) a person. I liked my way better.

Few celebrations are as famous as Venice's Carnival—the raucous, wildly indulgent series of wine-soaked period-costume parties leading up to Ash Wednesday, when festivities traditionally gave way to penitence and fasting in observation of Lent.

Acrobats in harlequin suits do cartwheels on the Strada Nuova. Women in powdered wigs and feathered hairdos jostle past one another at the train station. Men on the Rialto dress as doges—the traditional rulers of Venice during its decadent heyday as the maritime trading capital of Europe. Attending the most famous ticketed balls at Carnival can be a staggeringly costly affair: Tickets for the Doge's Ball, typically held on the last Saturday of Carnival, can cost more than \$2,400, not including the price of costumes. But, I learned, you can experience a great Carnival much more cheaply by combining

The Venice I found last February was far more ebullient, far less formal.

people-watching (free) and quintessentially Italian spontaneity.

The Venice I found last February was far more ebullient and far less formal than the steep admission to its most famous balls would suggest. Wandering the back streets of the Cannaregio district at sunset, tourists in \$5 plastic masks pushed past English 20-somethings in repurposed Halloween costumes, American women in hand-stitched historical reproductions and drag queens whose wigs nearly struck the ceilings of San Marco's arcades. Nearly every mask shop in Venice rents period costumes of varying quality. Hairdressers like Michele Doardo near Ca' d'Oro, wrap women's tresses around wire frames, weaving feathers into them, while tourists gawk through the windows.

At Il Milion, an inexpensive, all-but-hidden osteria in Cannaregio, I



GETTY IMAGES (2)

**FEAHERED FRIENDS** From top: Carnival revelers in Venice; last year's Corteo Acqueo, or water parade, on the city's Grand Canal, which typically kicks off Carnival festivities.

found myself eating thick, black-sauced squid-ink spaghetti among friends of friends at an informal "cross-dressing" party. Each of the 30 or so attendees wore 18th-century court dress appropriate to the opposite sex. A popular pre-party venue for those off to balls, Il Milion functions as a prime people-watching spot and all are welcome. Our party shared the space with a mix of Venetians and tourists in costume and ordinary garb, taking photos, bantering with the proprietress and ordering carafe after carafe of prosecco, Carnival's signature drink (it's easily quaffable and won't stain your costumes.)

Still, Venice has its aristocracy. Outside Caffè Florian—the opulent 18th-century coffeehouse that doubles as the unofficial headquarters of Venice's Carnival cognoscenti—the best-dressed posed for tourists' photographs before gliding past a lengthy queue straight through the door. The Studio 54 of Venice, Florian is where anybody who's anybody meets up before their various evening exploits. It's where you go to see and, if your costume is inventive enough, be seen (and hope to be invited to exclusive private parties). There, the dour doormen adhered to a strict if not immediately graspable entrance policy, allowing the odd tourist in civilian dress to enter with the elite. Later, I learned that he gives priority to regulars, costume or not.

As Carnival went on, and I grew used to the rhythms of the city, I formulated a list of tricks for doing the festival right:

1) Avoid the too-crowded streets around San Marco.



2) Go to Florian right at 5 p.m. to avoid the lines. It will already be buzzing, but you'll have a better shot of getting in.

3) Buy your beauty supplies in advance or from chain drugstores. The intensely focused nature of Venetian craftsmanship means that most local beauty or craft shops carry a narrow range of supplies. The elderly proprietor of a hairbrush shop I entered was appalled by my presumption that he could also supply me with bobby pins.

4) Grab food whenever you're able. Revelers cited the "Carnevale diet"—prosecco and walking—as the ultimate weight-loss plan. Dinners at the formal parties are served as late as midnight.

As I attempted to follow my last guideline, I found Venice's culture of *cicchetti*—small, often seafood-based snacks served with prosecco or Aperol—valuable. Ev-

ery time I left my guesthouse I'd stop for a \$5 *baccalà mantecato*, pungent creamed stockfish on toast, along the pastel waterfront just off the Rialto Market. These cichetterias also proved useful as a way to meet locals; at the Enoteca Rio Marin, an old man,

amused by my Renaissance costume (I'd stayed out all night at one of the balls), started to flirt with me. "Ignore him," said the waiter, enveloping him in a bear hug. "He's *furo* [sly]". He was also, it turned out, one of Venice's oldest gondoliers, Umberto Pavan, pushing 91. The waiter kissed his cheek, and made me promise to come back and entertain Mr. Pavan again. "Next year at Carnevale," he said. I agreed.

By Fat Tuesday, Carnival's last day, I was exhausted. I had drunk my weight in prosecco and my feet were blistered from walking all

over the city. One night, at 3:30 a.m., I'd passed graffiti strangely pertinent to my hung-over, blearily existentialist state: "There is nothing behind your masks."

Still, on that last evening I dragged myself once more to Florian. I caught sight of a fellow reveler I'd met at Il Milion, Erwan de Fligué, a historical clothing specialist from Paris. He took my arm, led me straight inside. We sat on Florian's red plush banquettes and I ordered my last prosecco of Carnival. One by one, I said my goodbyes to people I recognized: the bartender, a few couples at tables. I promised to return next year. "Now that I know the rules of Carnival," I said. One of them shrugged. "It's Carnival. There are no rules."

► For more details on visiting the Venice Carnival, see [wsj.com/travel](http://wsj.com/travel).

## SITES &amp; SIGHTINGS

## DISTANT COUSINS—AND OTHER OPINIONATED TRIP PLANNERS

Catering to specific types of travelers and their varied needs and quirks, the latest crop of travel apps get personal. One promises to be your all-knowing relative, another your devoted travel agent, and a third helps solo female travelers navigate the world—online and off



### THE KNOW-IT-ALL Cool Cousin

Most everybody's got one. That cousin in a far-off city, who, when you visit, brings you to impossibly hip galleries, restaurants and shops that you'd never have discovered on your own. Imagine then, having not just one, but 900 cousins in 65 cities, from Tel Aviv to Taipei. That's the



### THE ACE TRAVEL AGENT Lola

For many, the real headache in planning a trip is winnowing down that flood of options to those that satisfy your often idiosyncratic needs. Lola uses artificial intelligence to generate custom flight and hotel options, based on past bookings and information you give it during setup (e.g. favorite ho-



### THE (PLATONIC) MATCHMAKER Tourlina

One of the great, paradoxical pleasures of solo travel is meeting people on the road. For women exploring by themselves, this is, unfortunately, not without risks. Tourlina has cultivated a globe-spanning, female-only community (users are verified via their Facebook profiles) that lets women swipe through fellow voyagers and friendly locals for advice and platonic companionship. The interface is Tinder-like, but instead of romance, users find buddies for that train ride from Ho Chi Minh City to Hanoi, or the lowdown on good, safe bathhouses in Tbilisi or hostels in Prague. [tourlina.com](http://tourlina.com)

—Matthew Kronsberg

# GEAR & GADGETS

## Bursting at the Screens

4K TVs are streaming football, films and flowers into your home with stunning quality. Here, a state-of-the-art guide

BY JOSHUA FRUHLINGER

**Y**OU'VE LIKELY heard of 4K, the new super-high-definition television format that has the consumer electronics industry in overdrive. "Buy!" it's been saying, "BUY!" You may have even seen a 4K television in all its glory at an electronics store, its crazily precise images of flowers so real you could reach through the screen and touch the petals or—why not?—smell them.

"But 4K is expensive," you discovered. "4K is confusing," you thought. "Avoid it," you eventually told yourself. After all, you just bought an HD TV a few years ago and you're more apt to watch football, not flowers. So you went home with a microwave instead.

Welcome to 2018, where 4K is no longer expensive and there's plenty of content to enjoy. But should you...buy? Here's everything you need to prepare for the next TV revolution.

### THE BASICS

4K is short for 4,000 pixels, give or take. But here's another way to understand it: Your TV at home is likely 1080P HD, a format that's been around now for two decades. HD delivers 1,080 lines of horizontal resolution, while 4K offers 2,160 lines—twice as many. But it also has twice the vertical resolution of 1080P.  $2 \times 2 = 4$ , hence 4K.

But 4K is only the resolution, or the number of pixels, that you're seeing. A companion of 4K technology, High-Dynamic Range (HDR), is ushering in a new level of quality when it comes to how TVs render light and shadow. Watch out, though: Not all 4K TVs or devices feature HDR tech, so if you want to be future-proof, make sure those three letters are on the box.

Experts say that HDR comes very close to reproducing the way a hu-



man eye sees levels of brightness. Imagine a dark film scene of a person's face lit by a candle. In a theater, the flame's highlights on the face would be super bright, while the darks on the ear (further away from the flame) would be super dark, almost inky black. On TVs without HDR, this contrast is a bit muted—the pixels a shade of gray—because such sets lack the dynamic range necessary to display these levels of brightness at the same time. That's the power of HDR.

### THE PRICE

The average cost for 4K TVs plummeted from about \$1,000 in October

2017 to about \$600 by the holiday season, according to the research firm Thinknum. So while 4K was once more likely to attract the well-to-do, it's now widely accessible, with 4K devices (See "Get the Most Out of Your New TV") ideal for film buffs and gamers also coming down in price. A 32-inch Vizio 4K TV now sells for a meager \$239 ([gamestop.com](http://gamestop.com)). That's probably less than your last HDTV.

### THE CONTENT

Finding 4K content used to be so difficult that upgrading seemed pointless. Then Netflix started streaming "Breaking Bad" and

"House of Cards" in the format (for an extra \$4 each month) and many customers wanted in. Now 4K is everywhere.

Of the 10 bestselling movies on Amazon right now, half are being bought in 4K (including "Blade Runner 2049" with its stunning Oscar-nominated cinematography), according to Thinknum.

The 2018 Super Bowl will be shot in 4K even though NBC isn't ready to beam it out at that resolution just yet (it might be available in streaming highlights and on Ultra HD Blu-ray, the 4K cousin to DVD). Select Olympic events will be the first things the broad-

caster transmits in 4K HDR—albeit on a one-day delay—and by the time the 2020 Tokyo Olympics roll around, most major sporting events will be viewable in the format. (Japan's NHK plans to shoot the hometown games in 8K, but let's not get ahead of ourselves.)

### THE TELEVISIONS

Since most 4K TVs are "Smart," with processors and Wi-Fi for streaming built in, you really only need the set and a wall outlet to start enjoying the highest resolution content. But if you want to impress on game day, versions with OLED (Organic Light-Emitting Diode) displays are the best on the market. OLEDs feature natural colors, striking saturation and perfect blacks because when a pixel on an OLED screen goes dark, it has actually been turned off. An LG OLED 4K TV might cost you more (*starting at \$1,699 for 55-inch displays, bestbuy.com*), but connoisseurs consider the expense worth it for the even stronger contrast and eye-popping details.

For those who want a more budget-friendly version of the best, stick with Vizio. This California-based company is somehow cramming all its impressive advances into sub-\$1,000 packages, complete with Smart TV capabilities, easy-to-use interfaces and even voice command. In particular, check out Vizio's XLED line of TVs (*starting at \$999 for 55-inch displays, vizio.com*). You'll get bright, vibrant screens with enough features—including HDR—to keep you swimming in high-resolution content for years.

### GET THE MOST OUT OF YOUR NEW TV // DEVICES THAT HELP BRING THE BEST OF 4K CONTENT TO YOUR LIVING ROOM



#### FOR STREAMING Apple TV 4k

If you don't have a smart 4K TV, you can stream favorites from Hulu, Amazon Prime and more in 4K HDR with this box. It also gets you access to Apple's growing library of digital content; the iTunes store is probably the best place to rent and buy new-release 4K titles like "Wonder Woman" and "Dunkirk." What's more, many of the films are released in HDR, giving them even more pop on TVs that support the format. \$179, [apple.com](http://apple.com).



#### FOR GAMING X Box One X

Microsoft's latest console gets you in the 4K game. Titles like Halo 5 and Forza Motorsport 7 are already available in 4K with more coming soon. You also gain access to 4K content from the standard streaming services and get an Ultra HD Blu-Ray player to boot—a nice bonus when you factor in the reasonable pricing. It's everything you need in one box, \$499, [xbox.com](http://xbox.com).

#### FOR BLU-RAY Oppo UDP-203

Not every film on Netflix is streaming in 4K, but you can still get a top-quality, at-home movie experience with this Ultra HD Blu-ray player. Oppo's device is up-to-date with all the HDR formats, including Dolby Vision, and it even includes an HDMI input that lets you plug in and upscale older 1080P devices so your old stack of DVDs can shine in brilliant 4K. \$559, [crutchfield.com](http://crutchfield.com).

## BE KIND, REWIND

The VCR may be dead, but hipster cineastes who fondly recall hulking 1980s machines can still buy last-gasp models to play collectible 'Star Wars' tapes



**THEN**  
**NOW**  
**STREAMING KILLED THE VIDEO STAR**  
Panasonic's top-loading behemoth was a high-tech fixture in '80s homes. Today, you might actually want to get its sleeker Sanyo cousin.

#### I NEVER LET GO of my VHS tapes.

Long after my VCR gave out, I've hung onto movies in the now-antique format, including "The Little Mermaid" in the clamshell collector's box whose cover infamously features a suggestive castle spire.

VHS and VCRs may never attain the retro cachet of vinyl, but old Disney Classics tapes and theatrical cuts of the Star Wars trilogy—created before George Lucas "fixed" the films in 1997—have a devoted following and can fetch serious cash on sites like eBay. In a Netflix HD streaming culture, it's easy to forget that this faded format was how most people first watched their favorite films "on demand" at home (versus praying they might make a surprise appearance on TV), rewinding the cassettes until they were frazzled and unplayable.

The video era created a generation of cinema geeks. "If I grew up without a VCR, I don't think I would be a filmmaker today," said Ryan Patrick, 29, a director whose recent "Gremlins"-inspired short film went viral. He remembers seeking out rare behind-the-scenes tapes as a kid to learn about in-

dustry people and jobs.

Luckily, for people like Mr. Patrick, VCRs linger even in the face of their demise. Though Funai, the last known manufacturer of the technology, ceased production in 2016, you can still score one of Funai's refurbished Sanyo DVD/VCR combos at B&H in New York (\$250, [bhphotovideo.com](http://bhphotovideo.com)); the site claims it's a "top-seller." A related Sanyo product (\$399, [newegg.com](http://newegg.com)), also still on store shelves, lets you transfer cherished home videos to DVD. These machines' black casing looks downright sleek and modern compared to chunky top-loading ancestors. Used devices are also widely available secondhand.

I'm reminded as I test a new machine that there's something undeniably satisfying about the way a VHS tape clicks into place, kicking off the presentation. (The FBI warning!) The fuzzy lo-fi quality has an analog charm that feels out of place on my HD flat-screen. As a kid, I mastered the tracking controls on my family's JVC player to make the picture's static lines disappear. Decades later, I've still got the touch. —Paul Schrot

## GEAR &amp; GADGETS



CAMRY READY?

America's top-selling sedan got a dubious face-lift for 2018 that may be too radical for Toyota fans. On second thought, nah.

TOYOTA (2)

RUMBLE SEAT DAN NEIL

## 2018 Toyota Camry: Upgrading Old Faithful



**OWNER LOYALTY:** What is it and where does it come from? Every year tens of thousands of Americans go to dealerships and trade in their old cars for new ones of the same make and model, sometimes for the second, or third, or fifth time. This car-buying behavior dates back to 1950s-era expansion of the middle class and the doctrine of planned obsolescence.

Such fealty isn't the market force it used to be. But they are still out there, these swallows of Capistrano, and they will be returning to Toyota dealerships in great murmurations this year for the redesigned Camry (\$24,390-\$35,845). The best-selling sedan in the land has enjoyed historically

high owner retention rates—the most recent figure is 36%—but that's down. Everyone wonders, will they roost again?

The U.S.-spec Camry is built in Kentucky on Toyota's New Global Architecture (TNGA) and competes with other mid-size front-drive sedans such as Honda Accord (also reborn for 2018), VW Passat, Nissan Altima and Mazda6. Camry's powertrain options include a 203-hp four-cylinder; a 301-hp V6; or a hybrid gas/electric combo (208-hp system net). The hybrid is the penny-pinchers' special: 52 mpg average and \$28,695 MSRP.

Our test car was the speedy one: the XSE powered by a 3.5-liter V6 and 8-speed automatic,

which ran like a naturally aspirated sewing machine on 87 octane. The 3,572-pound sedan accelerates to 60 mph in a crisp, matter-of-fact 6 seconds, if so asked. That's special. The TGNA Camry is also a bit lower and broader than before, on a slightly longer wheelbase. The added stance, combined with the XSE's firmer suspension and the 235/40R19 Bridgestones, helped our test car access stick and stability well beyond the Camry's usual adequacy. And yet even on the more aggressive tires, our tester fairly glided on interstate, with minimal tire noise seeping it into the cabin.

It's a better Camry: rock solid, silky smooth, super safe (five-star crash ratings across the board), and surprisingly vivacious.

Alas, the price of loyalty is high. For example, a 2018 Honda Accord EX-L with navigation undercuts a comparably equipped Camry by about \$4,000. Sheesh.

But given the trend lines, Camry's real rival sits across the dealer lot: the RAV4. The compact crossover has nearly the same starting MSRP, with the same passenger volume (100 cubic feet or so), higher ground clearance and higher driver sight lines, optional all-wheel drive, and 38.4 cubic feet of cargo capacity, to the Camry's 15.1. Except for the fuel economy (30 mpg for RAV4 to 41 mpg for Camry), why wouldn't you switch?

Here we can make some deductions about Camry lifers. Obviously, they skew older, having lived long enough to own a series of cars. Second, they enjoy long-term stability, in finances and family, so that a single car style can fill their needs for many years.

Third, it seems fair to say, these men and women have an uneasy relationship with change. Histori-

cally, Camry's product boffins have avoided big swings in tech and taste so as not lose its huge, risk-averse audience. Over time, however, that approach set the car on its path of spiraling beigeness.

No more. In the run-up to the new Camry, Toyota CEO Akio Toyoda ordered his designers to be bold, to banish the boring. And they have tragically succeeded. Actually, the Camry team managed the rare double-header, drafting not one but two atrocious front clips, one for the S line and another for the L. Never mind traditionalists. The rest of us can't get our heads around it either.

Typically I don't bang on about exteriors because, first, styling is subjective; and second, it's objective, in the sense that aerodynamics largely dictates the surface of things, especially on the nose of the car. Fun fact: The front of the

Camry is rock solid, silky smooth, super safe and surprisingly vivacious. Alas, the price of loyalty is high.

Camry is so aero efficient that NASCAR teams were able to use a version of its production XSE grille, not a decal, on the nose of its NASCAR stockers.

But visually it's a mess, a tangle of two grilles, actually: the webbed hourglass shape of the Lexus brand, above and over which is imposed Toyota's recognizable spread-wing design, rendered in composite. It's like the pharaohs wearing two crowns to signify the Upper and Lower Egypt. It looked naff on them too.

I'd also issue demerits for the vulgar hood shut-line and the faux air ducts in the lower bumper. And the mug they hung on the L-trim models is even worse—like the car has a mouthful of Venetian blinds.

It seems I have a couple bones to pick with the new Camry. For example: the product planners chose to retain the big 3.5-liter V6 in the powertrain mix. That committed the silhouette to a higher hood height than otherwise, which equates to a higher scuttle, the intersection of hood and windshield. Meanwhile, the new architecture lowered the H point (for "hip") as well as the window sills. Together these features create a sense of having to look over Camry's hood rather than across it.

Contrast that with the new Accord, in which the dash top slopes down and away, like the floor of a movie theater. As in all shared-architecture car designs, the scuttle area is where the dreams of designers meet the reality of platform engineering.

I actually like the Camry interior, especially the way the dash contours together on the diagonal, overlapping like the lapels of a double-breasted blazer. Front and center is a black-glass panel, about the size of home plate, which hosts the app-driven touchscreen interface controlling navigation functions (if so equipped), entertainment, and connectivity functions. The system even allows owners to start their cars remotely using a smartphone app. But, weirdly, it doesn't include Apple CarPlay or Android Auto.

Loyalty to an automobile is a kooky, irrational impulse, a debt of gratitude paid to an object that doesn't know and cannot feel. But it's real and it's powerful. Grille or no grille (no grille!), I predict the Camry faithful will keep the faith.



## 2018 TOYOTA CAMRY XSE V6

**Base Price** \$35,845**Price, as Tested** \$39,253

**Powertrain** Naturally aspirated 3.5-liter DOHC V6 with direct injection and variable valve timing; eight-speed automatic transmission with paddle shifters; front-wheel drive

**Power/Torque** 301 hp at

6,600rpm/267 lb-ft at 4,700 rpm

**Length/Width/Height/Wheelbase**

192.7/72.4/56.9/111.2 inches

**0-60** 6 seconds (approx.)**Curb Weight** 3,572 pounds**EPA Fuel Economy** 22/32/26 mpg, city/highway/combined**Cargo Capacity** 15.1 cubic feet

## SELFIE EVALUATION

A new smart mirror helps you reflect on your makeup strategy

**IMAGINE IF YOUR** vanity mirror suddenly sprung to life and declared that, although you are indeed among the fairest, an emphatic red lip could help you top the list.

Toronto-based tech company ModiFace has created a fairytale-like "mirror" that comes close. The brand launched in 2008 with additively playful apps that let you virtually makeover selfies with exotic hairstyles, eye colors and more. Big beauty brands took notice when ModiFace moved their tech into an augmented reality experience, powered by high-tech cameras and backed by more than 30 patents, that lets you manipulate your look more ambitiously and subtly.

I recently virtually tested out an array of eye shadow, lipstick and blush effects at a MAC makeup store in Soho, New York. ModiFace's interactive mirror/camera splits the screen into before and after views

of your face. The looks I tried during a demo—including that crucial bold red lip—were for the most part detailed and convincing, not like a sticker or an obvious Snapchat filter harshly stamped onto your face. It was like I was on camera literally changing my makeup from moment to moment.

A MAC artist I talked to said the mirror has quickly drawn a crowd because it lets busy women try on a ton of items when they're short on time. As someone who's always in a hurry, I liked how quickly I could flip between items and colors, select a look and then text myself all the products needed to create it. Of course, everything you virtually try on is available in store.

Next for ModiFace is a tool that offers a 3D skin analysis and promises to identify the best products for you. The line starts behind me.

—Katie Linendoll



TRY BEFORE YOU BUY At a MAC store in Manhattan, ModiFace's augmented-reality mirror lets women virtually test makeup effects. The technology is rolling out into 5,000 stores worldwide, including Sephora locations.