

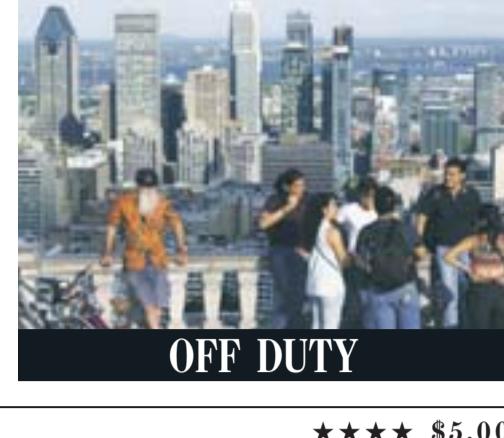


REVIEW

# THE WALL STREET JOURNAL.

# WSJ

A Summer Weekend  
In Montreal



OFF DUTY

VOL. CCLXX NO. 12

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WEEKEND

★★★★ \$5.00

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SATURDAY/SUNDAY, JULY 15 - 16, 2017

WSJ.com

## What's News

### World-Wide

A startup partly owned by Jared Kushner's brother was invited to a White House tech summit that the president's son-in-law helped organize. A1

◆ The Russian lawyer with whom Donald Trump Jr. met says she talked with the office of Russia's top prosecutor while waging a campaign against a U.S. sanctions law. A5

◆ The revised Senate GOP health bill is stoking new debates among conservative Republicans without easing centrists' concerns. A4

◆ State insurance officials are trying to shore up marketplaces where consumers currently buy ACA coverage, amid uncertainty over the law. A1

◆ The Justice Department moved quickly to appeal a judge's ruling trimming Trump's travel ban, while the administration is laying groundwork for new curbs. A4

◆ The cleric accused by Turkey's Erdogan of planning last year's coup attempt urged the West to stand up to the Turkish leader. A7

◆ Poland's Senate approved new laws that allow the current government to retire every judge on the Supreme Court. A7

### Business & Finance

◆ Indicators pointed to an economy that is entering the ninth year of expansion steady and still creating jobs at a healthy clip, but lacking obvious additional momentum. A1

◆ A still-challenging environment around lending and interest rates helped take some of the shine off solid financial results from three big banks. B1, B11

◆ The Dow industrials and the S&P 500 closed at records as investors anticipated low rates for the foreseeable future. B12

◆ Sprint Chairman Son met separately with Buffett and John Malone about investing in the embattled wireless company. B1

◆ AT&T plans to split the management of its telecom operations and its media assets if it clinches a takeover of Time Warner. B2

◆ Singapore's GrabTaxi is poised to get a huge cash injection that could help it in its home-region battle against Uber. B3

◆ Canada's top securities watchdog ruled that Sino-Forest and four former top officials engaged in fraud to mislead investors. B3

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Victory, Sacrifice And Questions Of 'Collusion'

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## Market Soars as Economy Plods

Indicators point to continuing expansion, but pace is modest in light of share run-up

By BEN LEUBSDORF

Surging optimism in financial markets hasn't translated into a big pickup in economic growth.

Stocks hit records Friday and big U.S. banks reported stronger-than-expected earnings. But new government data showed consumers pulled back spending at midyear even as markets rallied. Households also grew less optimistic about the future and inflation on consumer purchases softened.

Taken together, the indica-

tors pointed to an economy that is entering the ninth year of expansion steady and still creating jobs at a healthy clip, but without obvious additional momentum. President Donald Trump has set out an agenda to push economic growth well beyond the roughly 2% pace that has prevailed since the recession ended in 2009, but so far there is little sign of a real breakout happening.

Rising stocks could point to an upturn down the road, or conversely a risk that investors could soon get tripped up.

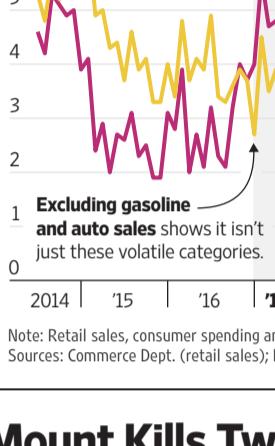
Modest price pressures are a possible sign of slower underlying economic momentum. Please see GROWTH page A2

◆ Big banks' earnings climb, but worries linger..... B1, B11

Retailers are seeing less sales growth and prices are rising more slowly in recent months, as consumers become less sanguine about the economy.

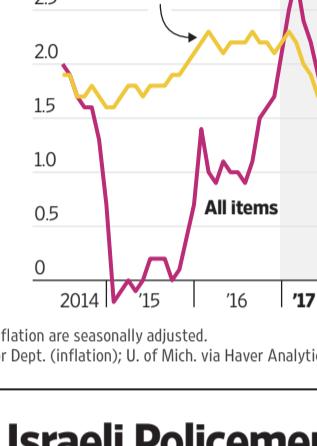
### Retail and food services sales

Change from a year earlier



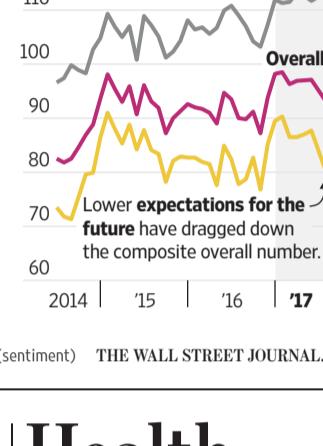
### Consumer-price inflation

Change from a year earlier



### Consumer sentiment

Index, first quarter of 1966=100



Note: Retail sales, consumer spending and inflation are seasonally adjusted.

Sources: Commerce Dept. (retail sales); Labor Dept. (inflation); U. of Mich. via Haver Analytics (sentiment) THE WALL STREET JOURNAL.

## Attack Near Jerusalem's Temple Mount Kills Two Israeli Policemen



IN MOURNING: Israeli police officers carry the flag-draped coffin of Kamil Shanan, one of two officers killed near the Temple Mount on Friday. Security forces killed three attackers, identified as Arab citizens of Israel, and moved to control access to the revered site. A8

## Health Law Wait Is a Strain On States

By ANNA WILDE MATHEWS

As lawmakers' efforts to replace the Affordable Care Act drag on, state insurance officials are in the hot seat.

Caught between insurers prepared to pull out of states' individual insurance exchanges and the uncertainty surrounding what will come next, state regulators are doing all they can to shore up the marketplaces where consumers currently buy ACA coverage.

Nevada officials were stunned last month to learn that Anthem Inc., the only insurer selling health plans statewide through the state's insurance exchange, wanted to pull back next year. That would leave consumers in most counties with no way to get coverage under the ACA. "It felt like a gut punch," says Heather Korbulic, executive director of the Nevada exchange.

Uncertainty and business challenges have led insurers across the country to announce plans to leave exchanges or raise rates substantially.

Though there are signs that insurers' financial results on ACA plans have improved this year, the Trump administration has said far fewer have filed initial applications to offer marketplace coverage in 2018 than in 2017. An estimated 38 counties in three

Please see INSURE page A5

◆ Revised Senate GOP health bill spurs divisions..... A4

## Trump Tech Invitee Tied to Kushners

By JEAN EAGLESHAM  
AND LISA SCHWARTZ

Prominent technology-industry leaders and venture capitalists gathered in the White House's state dining room last month to discuss tech policy with President Donald Trump in an event that Jared Kushner, the president's son-in-law and senior adviser, helped organize.

Seated at the rectangular

table alongside the corporate luminaries, university presidents and senior White House officials was a less-prominent figure: Zachary Bookman, the 37-year-old CEO of a small startup called OpenGov.

Mr. Kushner's brother, through a venture-capital firm, is a part owner of OpenGov, according to government disclosures and data from Dow Jones VentureSource. Until earlier this year, Mr. Kushner

owned stakes in the venture-capital firm that he sold to his brother, according to a person familiar with the matter. Mr. Kushner's connection to OpenGov isn't widely known.

Many senior Trump administration officials hail from the business world, triggering concerns about potential conflicts between their private interests and public duties. The OpenGov situation—in which a top White House official

helped organize a prestigious event where one of the participants was financially connected to his family—is an example of how such potential conflicts can play out.

Scoring a seat at the summit was a milestone for OpenGov, a Redwood City, Calif. company that aims to make Please see INVITE page A4

◆ Veselnitskaya was in contact with Russia's top prosecutor. A5

◆ Revised Senate GOP health bill spurs divisions..... A4

### When Whataburger Asks Texans To Take a Number, They Oblige

\* \* \*

Diners make a hobby of pilfering the chain's plastic numbered 'table tents'

By ERIN AILWORTH

One of Whataburger's most popular items isn't on the menu, but diners go home with it all the time.

The Texas-based burger chain is so beloved in the South that its "table tents"—the little plastic A-frame order numbers customers get as they wait for their food to be delivered—often don't make it back to the stack at the cash register.

People pilfer them constantly. Some swipe their lucky

numbers, others their birthday or anniversary digits. Athletes go for their jersey numerals. Die-hards want a complete set of 1 through 96.

Misappropriating an orange-and-white-striped Whataburger order number has become a rite of passage of sorts in the Lone Star State, where some posit you can't be truly Texan unless you've filched a tent or two...or 10. "I have 8, 80, 88, 89, and I think I have 87," says 18-year-old Table tent

Please see BURGER page A8

## A FIRST-FAMILY FEUD RATTLES SINGAPORE

BY CHUN HAN WONG

SINGAPORE—This affluent Asian city-state is known as one of the world's most orderly places, dominated for decades by a well-educated and accomplished family.

Now the clan that made Singapore into a global model of efficiency and control has itself come undone—largely over a century-old bungalow that was the family home.

The house, near Singapore's toniest shopping district, was owned for decades by the city-state's founding premier, Lee Kuan Yew, who died in 2015.

His two youngest children insist Mr. Lee unequivocally wanted it demolished. The eldest—Singapore's current prime minister—says he as a son wants to honor his father's wishes, but that Lee Kuan Yew had considered alternatives for the house if the government, acting independently of the premier,

decides to preserve it. Their father's will went through many versions, including two that didn't call for demolition, though the final one did.

The disagreement erupted into a full-fledged public battle in recent weeks, shocking Singaporeans with allegations of abuse of power and secretive revisions to Lee Kuan Yew's will.

One sibling said he will go into exile, after he and his sister posted a statement on Facebook questioning Prime Minister Lee Hsien Loong's "character, conduct, motives and leadership" and suggesting their elder brother wanted to keep the house intact to burnish his political standing.

The prime minister blasted the charges as "baseless," saying he didn't abuse power and "tried my best to resolve the issues among us within the family." He publicly apologized for

Please see HOUSE page A9

# U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

## Dollar's Gyration Don't Tell the Whole Story



If you are tracking the strength of the U.S. dollar, the bill's bipolar behavior may be driving you crazy.

This month alone, it finished last among major currencies one day, rebounded the next, then slid again Wednesday as investors reacted to testimony by Federal Reserve Chairwoman Janet Yellen.

But short-term variations in the foreign exchange market, where participants can buy, sell, exchange or speculate on different currencies, aren't an indicator of core strength.

"Let's say you have a company like Apple," said Benjamin Jerry Cohen, a professor of international political economy at the University of California, Santa Barbara. "Its stock-market price fluctuates from day to day, but it doesn't mean the underlying strength of the company is going up and down from day to day."

It's the same with the dollar.

"To evaluate the strength of a company, you look at its market share," Dr. Cohen said. "You can do the same thing with the dollar. You can look at its market share as an international currency."

An international currency is a national currency that plays a role in global trade, investments and reserves. In

addition to the U.S. dollar, those of consequence are the euro, Japanese yen, British pound, Swiss franc, Australian and Canadian dollars and, increasingly, the Chinese yuan.

Their relative strength can be assessed by examining their shares of global bank reserves, foreign exchange transactions and international debt securities.

The U.S. dollar dominates two of the categories and competes with the euro in the third.

About 65% of global bank reserves are held in U.S. dollars, according to the International Monetary Fund, an organization of 189 countries that facilitates international trade.

The next closest is the euro, the official currency of the European Union, with about 20% of the share. The Japanese yen and British pound trail at 4% or 5%.

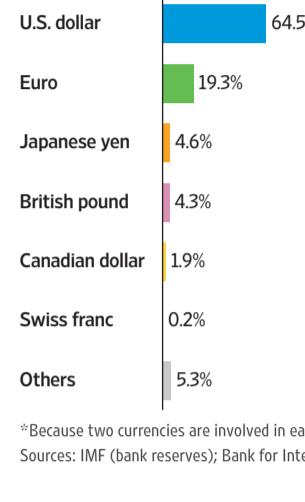
"It has been like that for decades," said Randall Germain, a political economist at Carleton University in Ottawa. "The dollar is rock solid."

The U.S. dollar is also the primary component of foreign exchange transactions, meaning that, globally, it is the most widely used currency, a second measure of underlying strength.

### Money Matters

The underlying strength of currencies can be assessed by their shares of global bank reserves, international securities and foreign exchange transactions. By those measures, the U.S. dollar appears strong.

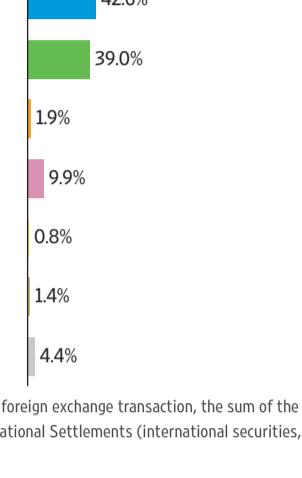
#### Shares of global bank reserves, 1Q 2017



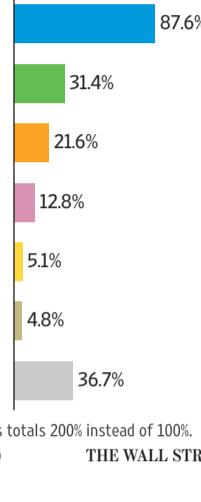
\*Because two currencies are involved in each foreign exchange transaction, the sum of the shares totals 200% instead of 100%.

Sources: IMF (bank reserves); Bank for International Settlements (international securities, forex)

#### Share of international bonds, notes and money market instruments, June 2015



#### Share of foreign exchange turnover, 2016\*



THE WALL STREET JOURNAL.

cently, there are winners.

Among them are the currency speculators who thrive on such fluctuations.

"The various players, especially financial institutions that do short-term trading, they love this," said Robert P. Guttmann, an economics professor at Hofstra University on Long Island in New York. "The worst thing for traders is when the price is stable."

When one currency flags, another revives.

The U.S. dollar's recent weakness, Dr. Guttmann said, is a reversal of the Trump bump that followed the presidential election based on the expectation that a new agenda of tax cuts, deregulation and infrastructure spending would boost the value of the dollar.

Instead, the euro gained strength.

"They were looking to get killed, and they actually survived and are doing better," Dr. Guttmann said of the European Union and its currency, an effect he attributed in part to the recent election of Emmanuel Macron as president of France.

The Trump bump, it appears, was replaced by Macron mania—at least for now.

"In currency markets," Dr. Guttmann said, "what goes up must come down."

Because two currencies are involved in each foreign exchange transaction, the sum of the shares totals 200% instead of 100%.

Last year, the U.S. dollar's share was more than 87% of the 200% total, according to the Bank for International Settlements, an organization of central banks whose 60 members represent about 95% of world GDP.

The euro was next with 31.4%, followed by the Japanese yen at 21.6%, and the British pound at 12.8%.

"The dollar is on one side or the other of almost half of all transactions," Dr. Cohen said, "and its share has not significantly changed over a long period of time."

The U.S. dollar and the euro together dominate a third category, international debt securities.

Around 43% of interna-

## Sinkhole Swallows Homes



FLORIDA MESS: A 50-foot deep sinkhole destroyed two houses Friday in Land O' Lakes, forcing evacuations of nearby homes.

## GROWTH

Continued from Page One and a headache for the Federal Reserve, which has struggled to reach its 2% annual inflation goal since the 2007-09 recession.

"To be sure, the data do not suggest an impending recession," said Richard Curtin, chief economist for the University of Michigan's consumer-sentiment survey. "Rather, the data indicate that hopes for a prolonged period of 3% GDP growth sparked by Trump's victory have largely vanished, aside from a temporary snapback expected in the second quarter."

The president has suggested a number of policies to spur growth, including a tax overhaul and major infrastructure spending, but those aren't yet close to reality.

On the positive side, factory output picked up in June, and domestic energy production is rebounding. Overall economic activity appeared to accelerate in the second quarter following a weak start to 2017, when gross domestic product expanded at a 1.4% annual rate during the first quarter.

For the recently ended second quarter, forecasting firm Macroeconomic Advisers projected 2.3% growth and the Federal Reserve Bank of Atlanta's high-profile GDPNow model predicted a 2.4% growth pace.

Reports on Friday offered fresh insights into the state of

the economy, a broadly healthy picture with some downbeat signals headed into the second half of 2017.

Markets took bad economic news as good investment news. Low inflation and slow consumer spending growth means the Fed might move more slowly than planned to raise interest rates, which tends to push stocks up. The Dow Jones Industrial Average closed Friday up 84.65 points, or 0.39%, at a record 21637.74. The S&P 500

Continued softness on core inflation could damp enthusiasm for higher rates.

also hit a record, rising 11.44 points, or 0.47%, to 2459.27. The yield on the 10-year Treasury note fell to 2.31%, and the dollar weakened.

Several of the biggest U.S. banks, while showing stronger-than-expected earnings, saw their shares slide following mixed reports.

J.P. Morgan Chase & Co., the largest U.S. bank by assets, reported record quarterly profit of \$7.03 billion. But it also trimmed forecasts for growth in loans and net interest income.

Wells Fargo & Co. reported a \$6.7 billion decline in average loans from the first quarter. The company's chief financial officer, John Shrewsbury, noted

"softness across the industry," but also cited specific actions the bank has taken "primarily driven by our own risk discipline which have caused our growth to slow."

The bank has pulled back, for example, in auto lending, part of an \$11.1 billion drop in its consumer loan portfolio from a year earlier.

Retail sales—a gauge of consumer spending at stores, restaurants and websites—decreased a seasonally adjusted 0.2% in June after falling 0.1% in May, the Commerce Department said. It was the first back-to-back sales drop since July and August 2016.

Sales excluding motor vehicles and gasoline fell 0.1% last month, the first decline for the measure in almost a year.

In the second quarter, total retail sales were up just 0.2% from the first three months of the year. But more broadly, sales rose 3.9% in the first half of 2017 compared with the year-earlier period.

Fed Chairwoman Janet Yellen told lawmakers this past week that growth in household outlays "continues to be supported by job gains, rising household wealth and favorable consumer sentiment."

But the University of Michigan's sentiment gauge dropped in July for the second straight month, with a preliminary July reading of 93.1 versus 95.1 in June and 97.1 in May. The decline was driven by weaker expectations for future economic gains, though the overall index

was still 3.4% higher in June from a year earlier.

On inflation, the Labor Department said its consumer-price index was unchanged in June from the prior month. Excluding the often-volatile categories of food and energy, so-called core prices rose just 0.1% for the third straight month.

On an annual basis, overall inflation softened to a 1.6% annual gain in June, while core inflation was steady at 1.7% annual growth.

The central bank's preferred inflation gauge, the Commerce Department's price index for personal-consumption expenditures, poked above the central bank's 2% goal in February for the first time in nearly five years. It has settled lower each month since. The most recent data, for May, showed a 1.4% year-to-year gain.

"We're starting to see some signs of cyclical weakness," said Laura Rosner, senior economist at research firm MacroPolicy Perspectives.

The Fed has penciled in one more increase for short-term interest rates this year, and also plans to begin shrinking its \$4.5 trillion asset portfolio.

Continued soft readings on core inflation could damp enthusiasm for higher rates, though Ms. Yellen has said she expects the current weakness will prove transitory and inflation will firm alongside a tightening labor market.

—Aaron Lucchetti, Jeffrey Sparshott and Josh Zunbrun contributed to this article.

## Pundits Bet Yellen Won't Keep Fed Job

BY HARRIET TORY

Economists place long odds on President Donald Trump nominating Federal Reserve Chairwoman Janet Yellen to a second term, but have little consensus on who might take her place.

A recent Wall Street Journal survey found economists placed a 20.8% average probability on Ms. Yellen getting the nod, the largest share won by anyone named in the poll. While Ms. Yellen isn't expected to be picked, Mr. Trump hasn't ruled it out.

The second most likely candidate, according to the survey respondents, was National Economic Council Director Gary Cohn, who garnered a 13.7% probability. Mr. Cohn, former Goldman Sachs Group Inc. president, is managing the White House's search for a nominee to take the helm when Ms. Yellen's term ends in early February.

Other contenders include Kevin Warsh, a Fed governor from 2006 to 2011, to whom economists assigned a 11.5% probability of becoming the next chairman.

Respondents put roughly the same odds, 11.3%, on the top Fed position going to John Taylor, the Stanford University economist who developed an eponymous policy rule for setting short-term interest rates according to a mix of economic variables, including inflation and employment measures.

The Journal surveyed 63 economists on July 7-11 in its

monthly poll, and asked them to assign a probability to candidates from a list of 14 names analysts have mentioned as potential Trump choices. Respondents also could assign a probability to someone not on the list. The survey results were an average of their responses.

Bernard Baumohl of the Economic Outlook Group viewed Ms. Yellen's chances for reappointment as favorable, placing a 40% probability on her re-nomination, "because her cautious approach to monetary policy has been good for the stock market."

Ms. Yellen has said on numerous occasions that she intends to serve out her current term, which ends Feb. 3, 2018.

Ms. Yellen told the House Financial Services Committee on Wednesday that the matter of a renomination has "not been something that's come up," but she is prepared to discuss it with the president. In separate testimony to the Senate Banking Committee on Thursday, Ms. Yellen said she hasn't decided whether she would accept renomination if offered it.

The economists polled assigned some uncertainty to the overall nomination process in their comments, citing the unpredictable nature of the Trump White House so far.

"Who can read President Trump's mind?" said James Smith, chief economist at Parsec Financial.

"Surprise appointments have been Trump's hallmark," Joel Naroff of Naroff Economic Advisors said.

## CORRECTIONS & AMPLIFICATIONS

Former Google employee Deven Desai said part of his job at the company was to compile a list of "all the major policy academics in intellectual property so" Google lobbyists could know whom to follow and potentially target for papers. In some editions

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## U.S. NEWS

# First-Time Buyers Of Homes Reappear

BY LAURA KUSISTO

Prospective first-time home buyers are showing more interest in making purchases despite rising prices and anxiety over affordability.

Google searches related to buying a first home jumped 11 percentage points to 44% of all home-buying-related search activity in 2017 compared with a year earlier, according to a study of search data conducted by Chase Home Lending.

First-time buyers accounted for 33% of all home sales in May, up from 30% a year earlier, according to the most recent data from the National Association of Realtors.

First-time buyers are critical to the market because they bring new demand, allowing homeowners to trade up and stimulating demand for builders to construct new homes.

Demand from millennials has been soft because of stagnant wage growth, student-loan-debt and wariness about the benefits of homeownership.

Millennials are those born from roughly 1980 to 2000.

So far this year, new purchasers accounted for 42% of all buying through April, up from 40% in 2016 and 31% during the lowest point during the recent housing cycle in 2011, according to the most recent data from Fannie Mae, which defines first-time buyers as anyone who hasn't owned a home in the last three years.

# 42%

New purchasers accounted for all buying through April.

Some first-time buyers captured by the Fannie Mae data are older, including former spouses who downsized after a divorce or death or people who rented for a period after losing their homes to foreclosure.

But by another measure, young people are getting more active. Customers under the age of 35 made up 36% of Chase's mortgage-originations volume in 2016, up 16 percentage points from the year before.

"I had assumed that we would start to see millennials come in force in the next two years. They're already here and buying today," said Amy Bonitatibus, chief marketing officer at Chase Home Lending.

Still, affordability remains a stumbling block. Searches about housing affordability increased 34% in 2016 compared with a year earlier. The top three mortgage-related questions on Google were variations on "How much mortgage can I afford?"



Shelly Island, an unusually large sandbar, appeared off North Carolina's Outer Banks in April. It isn't expected to survive a year.

## From Time and Tides, a New Shoal

Shelly Island off North Carolina's Outer Banks shows the fluidity of the Atlantic coast

BY VALERIE BAUERLEIN

A new milelong stretch of sand formed off North Carolina's Outer Banks in April, the first new shoal in the 100-mile chain of barrier islands in a generation.

"Introducing the newest member of our family," the local tourism board said in an aerial tour video posted July 2.

Believed to have been created through sand from eroding beaches farther north joining an existing offshore shoal, the sandbar is as wide as two football fields and has been named "Shelly Island" by locals for its abundant shells.

Visitors must swim or take a kayak or paddleboard to get to the crescent-shaped island off the southernmost tip of Cape Hatteras National Seashore. Shelly Island has no communities, cars or develop-

ment. It isn't expected to survive a year, with the same natural forces that helped form it likely to carry the sand elsewhere.

But its addition to the narrow chain of barrier islands that North Carolina communities spend millions to maintain illustrates the fluidity of the Atlantic coast from Miami to the Chesapeake Bay.

"For the general public, it's like land flying down," said Paul Liu, a geological oceanographer with North Carolina State University. But wind, weather and currents are always moving, he said. "The beautiful part of nature is that it's changing. This is the perfect example."

But that changeableness creates complications for beach communities. The Atlantic coastline is especially fragile along the Outer Banks, where the width of islands in some stretches is barely that of a two-lane highway.

Shelly Island formed at one of the most dynamic spots on the East Coast. Moving sandbars are so notorious in the

region that centuries ago the Outer Banks was dubbed the "Graveyard of the Atlantic" because of all the ships that wrecked on its shoals.

The island, located where the warm northbound Gulf Stream current meets the cold southbound Labrador Current, likely grew much larger than a normal sandbar because of the mild winter, Mr. Liu said.

Fewer Nor'easter storms along the Carolina coast affected the north-south movement of sand.

While some of its sand would have come from an offshore shoal, coastal geologist Stanley R. Riggs said the island also likely comprises sand that migrated from the same eroded beaches a few miles north that are now being replenished with artificially added sand, a process called beach nourishment.

Barrier islands like those of the Outer Banks are meant to move with currents and big storms, Mr. Riggs said. But pumping sand keeps them artificially in place, as does the grading for roads, bridges and buildings that restrict the is-

lands' height.

"We're going to end up destroying what we've got out there if we're not careful," Mr. Riggs said.

Environmentalists say the appearance of an abundance of sand just south of eroded coastline shows the futility of artificially bulking up beaches.

"What we're facing in places like the Outer Banks is the expenditure of a tremendous amount of money to try to deal with eroding, disappearing beaches," said Derb Carter, director of the Chapel Hill office for the Southern Environmental Law Center, an advocacy group.

"Eventually a lot of hard decisions will have to be made about whether that can be sustained."

But Dare County Commissioner Danny Couch said such projects are critical for the \$1 billion local tourism business. Local governments in Dare County are spending \$50 million to pump sand on 10 miles of eroded beach this year, including a 3-mile stretch just north of Shelly Island.

Mr. Couch, a tour guide in

the area, supports the investment in sand, which is largely paid for by tourists through a tax on hotel rooms and rental houses.

"It doesn't matter whether I agree with it or not," Mr. Couch said. "Until we come up with long-term solutions, the only avenue we have to protect what sells this place, our beaches, is beach nourishment."

Shelly Island has also raised jurisdictional issues. If the sand eventually migrates to the shore at the park, it would be federal property, according to Cape Hatteras National Seashore staff. For now, the island is located in state waters.

The Outer Banks Visitors Bureau made the Shelly Island video to celebrate the interaction of the ocean and the barrier islands, part of what director Lee Nettles said attracts as many as 5 million visitors annually.

"The shape of the island changes, the inlets take different forms, the shoreline changes," he said. "That's part of the fascination people have with the place."

## House Defense Bill Exceeds Budget Caps

BY SHARON NUNN

WASHINGTON—The House passed its version of an annual defense-policy bill on Friday, touting the measure's bipartisan backing and its increased spending for the military, but the measure faces hurdles before becoming law.

The bill's \$696 billion price tag exceeds current spending caps, enacted in 2011, that limit military spending for the 2018 fiscal year to \$549 bil-

lion. The House defense bill's budget also surpasses a spending request from President Donald Trump. The White House has expressed concern over two dozen provisions of the bill, including its cost. The bill passed 344-81 with 117 Democrats backing it.

The National Defense Authorization Act, or NDAA, lays out 2018's military policy and suggested budget, greenlights increased pay for troops and calls for more ships, aircraft

and military members, among other policy priorities.

The House will need to reconcile its version of the NDAA with the Senate's version of the measure and ensure that a separate appropriation measure eventually includes the \$696 billion in military spending required under the House measure.

Lawmakers also will have to decide whether to repeal or increase the limit on military spending enacted by the Bud-

get Control Act of 2011, which was passed with bipartisan support when Washington grappled that year with a potential credit default.

The Senate Armed Services Committee passed its own version of the bill in late June that required \$640 billion in military spending, also exceeding the 2011 cap, though the Senate version of the NDAA has yet to hit the Senate floor. Senate leaders said they would take up the issue before next

month's summer recess.

House Republicans sidestepped amendments that could have made the measure's passing more problematic, defeating an amendment introduced by Rep. Vicky Hartzler (R., Mo.) that would have barred defense dollars from paying for transition surgery and hormone therapy for transgender troops. GOP representatives also evaded a direct vote on Mr. Trump's proposed border wall.

In exchange for his confession, prosecutors promised not to seek the death penalty, said Mr. Dinardo's lawyer, Paul Lang.

Prosecutors have said Mr. Dinardo has a history of severe mental illness and was once committed to a mental-health facility after firing a shotgun.

The first of the killings was on July 5, according to a police affidavit, when Mr. Dinardo shot 19-year-old Jimi Patrick with a .22 caliber rifle and buried him on the Dinardo family's farm.

Mr. Dinardo told investigators he agreed to sell Mr. Patrick 4 pounds of marijuana for \$8,000 but the deal fell apart because Mr. Patrick didn't bring enough money, according to the affidavit.

The affidavit said Mr. Dinardo used a backhoe to dig a hole and bury Mr. Patrick's body. Two days later, on July 7, Mr. Dinardo together with Mr. Kratz allegedly killed Dean Finocchiaro, 19; Thomas Meo, 21, and Mark Sturgis, 22. Their bodies were found Wednesday in a 12½-foot-deep common grave on another part of Dinardo family property, according to the prosecutor's office.

## 'Wayne's World' Town Partied On

BY QUINT FORGEY

AURORA, Ill.—This former factory town outside Chicago is known for its riverboat casino, a painstakingly restored downtown theater—and two guys playing bad guitar in a basement.

Twenty-five years after "Wayne's World" hit the movie screen, this town of 200,000 just finished celebrating the pair, but is still trying to figure out what they think of them.

From February through July, the Chicago suburb held karaoke contests, poster-making, trivia, doughnut tasting, movie screenings, a look-alike contest and air guitar battles to celebrate the film, which starred "Saturday Night Live" castmates Mike Myers and Dana Carvey in their recurring roles as hosts of an irreverent, rock 'n' roll public access television show.

It all culminated in a Fourth of July attempt to break the Guinness World Record for the greatest number of people simultaneously headbanging, scored to a live rendition of Queen's "Bohemian Rhapsody" by the Fox Valley Orchestra.

"There was a big cohort of people that were like, 'This is great, we're so excited! We're going to come up for the doughnut tasting,'" said Jen-



A six-month celebration of 'Wayne's World' in Aurora, Ill., included a try at a headbanging record.

ette Sturges, a community relations specialist for the city. "And then there was another cohort that was like, 'Really? Can we bury this? Can we be known for anything else?'"

An empty building downtown showcased a replica built by three business owners and some volunteers of Wayne's parents' basement, where Wayne and Garth broadcast their talk show. An AMC Pacer car painted to resemble Garth's "Mirth Mobile" sits in the Hollywood Casino Aurora.

Visitors from out of state

flocked to the headbanging, where more than 1,000 people, many clad in flannel, snaked their way into the designated dance zone, mugging for cell-phone videos and shouting "Party on!" to no one in particular.

Bobby Dobroski of Des Plaines, Ill., sporting a stringy blond wig, attended the headbanging with his wife, Emily, to celebrate their first wedding anniversary.

"It's just a funny movie that you can quote over and over again and it never gets bor-

ing," said Mr. Dobroski, a preschool teacher who plays "Bohemian Rhapsody," which is on the film soundtrack, for students during their naptime.

Ms. Sturges took the stage following the final chords of Queen's anthem to announce that Aurora had indeed shattered the previous headbanging record, tripling the old mark.

A fedora-wearing MC in red pants grabbed the microphone and proclaimed: "This is how you celebrate the birthday of America."

## Cousins Charged With Pennsylvania Killings

BY SCOTT CALVERT

Prosecutors charged 20-year-old cousins Friday in the fatal shootings of four young men in Pennsylvania whose disappearances spurred a frantic, dayslong search that ended with the discovery of the bodies buried on a farm north of Philadelphia.

Planned marijuana deals apparently connected the suspects and the victims, whose ages ranged from 19 to 22. But a prosecutor said he couldn't explain the murders.

"I'm not really sure if we could ever answer that question," Bucks County District Attorney Matthew Weintraub said at a news conference on Friday.

Cosmo Dinardo is charged with criminal homicide in the killings of all four of the men. Sean Kratz, described as Mr. Dinardo's cousin, is charged in three deaths. Both men also face charges of abusing corpses, robbery and other counts.

It wasn't immediately clear if Mr. Kratz had a lawyer.

Mr. Dinardo confessed Thursday to killing the four in rural Solebury Township north of Philadelphia, according to Mr. Dinardo's lawyer and pros-

## U.S. NEWS

# Trump Appeals Latest Travel-Ban Ruling

BY BRENT KENDALL  
AND LAURA MECKLER

WASHINGTON—The Justice Department moved quickly on Friday to appeal a federal judge's latest ruling trimming President Donald Trump's temporary travel ban, while the administration is separately laying the groundwork for new and broader restrictions.

The latest chapter in the fast-moving saga began Thursday evening in Honolulu, where U.S. District Judge Derrick Watson ruled that the Trump administration's recent implementation of its ban contradicted the interim rules put in place by the Supreme Court on June 26.

Mr. Trump's restrictions, which cited terrorism concerns, imposed a 90-day ban on travelers from six Muslim-majority countries, while also suspending the admission of refugees temporarily. Last month's Supreme Court's decision allowed the GOP president to enforce the ban against people with no ties to the U.S., but not against people who have close connections to family or institutions in the U.S.

Mr. Trump's administration took a narrow reading of who qualified for the Supreme Court's exemption to the ban.



A federal judge ruled late Thursday that the administration's travel ban shouldn't prevent grandparents from entering the U.S.

But Judge Watson, an appointee of Mr. Trump's Democratic predecessor, Barack Obama, ruled Thursday that the government must admit a broader class of people than it wanted. That includes extended family members like grandparents, aunts and uncles, as well as a wider class of refugees.

The judge found that the Trump administration's restricted view of who counts as close family "represents the antithesis of common sense." The administration said its approach was grounded solidly in how close family relationships are defined in portions

of federal immigration law.

The Supreme Court is already set to give the case full consideration in October. But the Justice Department signaled it wants to block Judge Watson's ruling before then.

The department filed an immediate appeal in a West Coast appeals court and filed new papers with the Supreme Court Friday night seeking intervention by the justices. The Hawaii judge's ruling, the department argued, would severely impair the implementation of the travel ban.

The Supreme Court has had to correct this lower court

## Legal Setback Has Roots in Hawaii

### How can a judge in Hawaii get involved when the Supreme Court has taken the case?

The Supreme Court said last month it would give full consideration to the travel ban case in October, when it returns from a three-month break. An eventual high-court ruling could resolve big issues about whether President Donald Trump's travel ban is on firm legal footing. Meanwhile, the state of Hawaii contested how the administration was applying the Supreme

Court's interim ruling.

Last week, U.S. District Judge Derrick Watson in Honolulu showed initial reluctance to intervene, saying the challengers needed to lodge their complaint directly with the high court. But a day later, a federal appeals court said Judge Watson did have the authority to interpret and enforce what the Supreme Court ruled. With that guidance, Judge Watson issued Thursday's ruling that said the administration's implementation violated the terms imposed by the Supreme Court.

### What happens when the Supreme Court returns in the fall?

The justices could wade into the broader issues in the case, which involve some major questions about presidential power.

It is possible, however, that the landscape could shift again before any high-court ruling. The 90-day ban will expire before the court's oral arguments in October, and Mr. Trump's team has been working on a study of world-wide vetting procedures. With that study in hand, Mr. Trump could move to issue new and potentially broader restrictions that supersede the current ban. That potentially could moot the Supreme Court case.

—Brent Kendall

countries beyond the six now targeted: Iran, Libya, Somalia, Sudan, Syria and Yemen.

In addition to restricting travel, Mr. Trump's March executive order called for a global review of every country to assess whether each is providing the U.S. with information needed to vet their citizens seeking to travel here.

Those that don't meet the new U.S. standards could be subjected to travel restrictions like those imposed on the six nations singled out in the current order, administration officials said.

This week, the Department

of Homeland Security sent a report to the White House that included a list of countries that have been preliminarily assessed as not providing adequate information, as well as those at risk of not providing it. A U.S. official said 17 countries were flagged though details about their status weren't available.

The prospect of a broader travel ban has long been a concern to those challenging Mr. Trump's travel restrictions in court.

—Shane Harris  
and Felicia Schwartz  
contributed to this article.

# Senate's Revised Health Bill Spurs Divisions in Party

BY STEPHANIE ARMOUR  
AND KRISTINA PETERSON

WASHINGTON—A revised Senate Republican health bill designed to unite GOP members is instead stoking new debates among conservatives without easing concerns among their centrist colleagues.

In particular, a provision allowing insurers to sell plans with less coverage has emerged as a central point of contention, leaving GOP leaders on shaky ground.

Senate Majority Leader Mitch McConnell (R., Ky.) has been exhorting lawmakers to support a procedural motion next week that would allow the Senate to take up legislation that overthrows large parts of the Affordable Care Act.

The bill would end the requirement that most people pay a penalty if they don't have insurance and phase out the enhanced federal funding for Medicaid in 31 states.

GOP Sens. Rand Paul of Kentucky and Susan Collins of Maine have already said they won't support the measure, which means Mr. McConnell cannot afford to lose another Republican to get the 50-vote majority the legislation needs

to pass.

Vice President Mike Pence would break a potential tie. No Democrats are expected to support the GOP bill.

The vote is a critical moment in Republicans' seven-year aim to repeal the Obama administration's signature health law. Its passage could set the stage for a House vote before the end of August.

Mr. McConnell on Thursday released a revamped bill aimed to unite conservatives who want more of the ACA gutted and moderates concerned that Medicaid cuts would leave too many people uninsured.

In a controversial move, Senate GOP leaders included a modified version of a proposal from Sen. Ted Cruz (R., Texas) that would allow insurers to sell cheaper plans that don't meet all the ACA regulations if they also offer ones that do.

Insurers have worried that, under the Cruz proposal, the health market would be split in two. Healthy and younger people would flock to cheaper, less comprehensive plans, while people with pre-existing conditions who need more comprehensive coverage could have to pay far more.

That has alarmed centrist GOP senators who want to



Sen. Ted Cruz wants to allow insurers to sell cheaper plans that don't meet all the ACA regulations if they also offered ones that do.

maintain protections for people with pre-existing conditions.

And although conservatives sought the Cruz measure, its current version has left them divided because of a change in the way the market where people buy insurance when they don't get coverage on the job would be structured.

In a letter sent Friday night to Senate Republican and Democratic leaders, the two major

associations representing health insurers said the amendment "is simply unworkable in any form."

Mr. Cruz's proposal initially allowed for two risk pools, one for older people and consumers with expensive medical conditions, and the other for younger and healthier people. But GOP leaders modified it so that the current bill only permits one, a move designed to

help the proposal function better in insurance markets.

In a single market, younger and healthier people help offset the costs of older and sicker people.

Some conservatives, including Sen. Mike Lee (R., Utah), are concerned that having a single risk pool would force insurers to partially shift the costs of sicker customers enrolled in ACA plans onto

healthy customers seeking cheaper plans, a central flaw of the ACA in his view that he hoped to subvert with Mr. Cruz's proposal.

"Sen. Lee is concerned a single pool would undermine the goal of the consumer freedom act by not ending the cross subsidization" of the two markets, said Conn Carroll, a spokesman for Mr. Lee, who is undecided on the bill.

# INVITE

*Continued from Page One*  
government data more user-friendly and has sought business with the federal government, according to its website. OpenGov's clients are mostly state and local government entities—such as Converse County, Wyo. and California Polytechnic State University—looking to upgrade their technology.

Mr. Kushner's connection to OpenGov is through Thrive Capital, a venture-capital firm run by his brother Joshua Kushner. Thrive is one of four investors that OpenGov lists on its website.

A spokesman for Jared Kushner declined to comment.

OpenGov's Mr. Bookman was the only chief executive of a small firm among the 18 tech leaders to get a seat at the table with the president. At least one other startup CEO had a second-row seat. OpenGov's valuation was estimated at \$180 million after an October 2015 funding round, according to Dow Jones VentureSource, while the average market capitalization of the 14 publicly traded companies represented at the table—including Amazon.com Inc., Apple Inc., Microsoft Corp.



OpenGov Chief Executive Zachary Bookman, front left, spoke at the White House's American Technology Council last month.

and Alphabet Inc.—is about \$250 billion, according to FactSet.

At the event, a video of which was made public, Mr. Trump thanked his son-in-law for assembling "such a spectacular group of people." Mr. Bookman also praised Mr. Kushner for his work on tech issues. Mr. Trump said the meeting was focused on ways to use technology to make government more efficient.

A spokesman for Thrive said the company "did not

play any role in OpenGov's invitation, and was not aware of its participation in the meeting until after the fact."

Mr. Kushner didn't suggest the invitation to OpenGov, according to Matt Lira, who works in his innovation office. "It was my idea to invite OpenGov to our technology leadership listening session," Mr. Lira said in a statement. He added that he knew OpenGov from working with them in previous congressional roles.

## Seats at the Table

Companies represented at a June White House tech summit

Company Market value (in billions)

Apple	\$770B
Alphabet	663
Microsoft	554
Amazon	478
Oracle	208
Intel	161
IBM	144
Mastercard	134
SAP	128
Accenture	83
Qualcomm	83
Adobe	72
VMware	36
Palantir Technologies	20*
Akamai	8.7
OpenGov	0.18*

\*Private valuation  
Not shown: Private venture-capital firms Founders Fund and Kleiner Perkins Caufield & Byers

Sources: FactSet (market capitalization); Dow Jones VentureSource (private valuation)

Mr. Bookman said he thinks his company was invited because it is "recognized as an industry leader for our work at the state and local level." He said the company is mainly focused on winning business from state and local govern-

ments, not Washington.

Kathleen Clark, a law professor at Washington University in St. Louis, said the OpenGov situation raised ethics issues. "This seems like a textbook example of cronyism in action," she said.

"We always advised staff when arranging summits like this to avoid even the appearance of impropriety or preferential treatment," said Daniel Jacobson, who was counsel to the White House's information-technology and digital strategy offices in the Obama administration. He said he probably would have advised staff "not to extend the invite or at least to invite other similarly situated companies."

The White House declined to comment.

"It's particularly interesting and remarkable, in that OpenGov does not have any federal customers and this is a federal initiative," said Kevin Merritt, founder of Socrata, a Seattle-based rival to OpenGov that works with the federal government and wasn't invited to the event.

Thrive Capital invested in OpenGov in several fundraising rounds dating back to 2013. Jared Kushner was on Thrive's board at the time, and left in January. OpenGov represents a small part of Thrive's total investment port-

folio, according to a person familiar with the matter. The Thrive spokesman declined to say what the value of the investment was.

Mr. Kushner's government financial-disclosure form shows he had stakes in Thrive. It didn't identify OpenGov or other holdings.

Ethics rules don't necessarily require such holdings to be disclosed, but some other senior administration officials, such as Secretary of Education Betsy DeVos, have listed companies held by venture funds they own.

Mr. Kushner recently filed an amended disclosure form, which is expected to be released publicly soon, according to people close to him. It will disclose assets that Mr. Kushner didn't report in his original filing in March, including up to \$250,000 of Israeli government bonds he sold earlier this year and an art collection he jointly owns with his wife, Ivanka Trump, the people said.

The revised form also will show Mr. Kushner's interest in a real-estate startup called Cadre, they said. The Wall Street Journal reported earlier this year that Mr. Kushner is retaining a stake in Cadre and that he hadn't identified his stake in the company in his initial financial disclosure.

## U.S. NEWS

# Lawyer Met With Russia's Top Prosecutor

Russian attorney at Trump Tower conclave says she was in contact with his office

BY BRETT FORREST AND PAUL SONNE

WASHINGTON—The Russian lawyer whom Donald Trump Jr., Jared Kushner and Paul Manafort met last year with the hopes of receiving damaging information about Hillary Clinton says she talked with the office of Russia's top prosecutor while waging a campaign against a U.S. sanctions law and the hedge-fund manager who backed it.

Lawyer Natalia Veselnitskaya said she wasn't working for Russian authorities, but she said in an interview with The Wall Street Journal that she was meeting with Russian authorities regularly, and shared information about the fund manager with the Russian prosecutor general's office, including with Prosecutor General Yuri Chaika, a top official appointed by the Kremlin.

"I personally know the general prosecutor," Ms. Veselnitskaya said. "In the course of my investigation [about the fund manager], I shared information with him."

Mr. Chaika's office didn't respond to requests to comment on whether he knows and received information from Ms. Veselnitskaya.

President Donald Trump and others have stressed that she wasn't formally working for the Russian government at the time of the June 2016 meeting. Mr. Trump said Thursday that his son's meeting was brief and uneventful. "He took a meeting with a Russian lawyer. Not a government lawyer, but a Russian lawyer," Mr. Trump said.

Ms. Veselnitskaya says she was working to spread information about William Browder, the U.S. fund manager turned Kremlin critic, who lobbied for passage of a



ALEXANDER ZEMLIANICHENKO/ASSOCIATED PRESS

Lawyer Natalia Veselnitskaya said her Trump Tower meeting wasn't coordinated with official Russian government structures.

2012 U.S. law. The law, known as the Magnitsky Act, sanctioned Russians accused of defrauding Mr. Browder's firm in Russia out of \$230 million and causing the death of his lawyer, Sergei Magnitsky, who died in Russian custody.

Also working on the anti-Magnitsky Act effort was a former Soviet military serviceman turned U.S. lobbyist, Rinat Akhmetshin, who told the Journal he attended the Trump Tower meeting. Mr. Akhmetshin's presence there wasn't previously disclosed by Donald Trump Jr. or the White House.

The multiyear saga between Russia and Mr. Browder has featured accusations of murder and fraud, extensive lobbying efforts on both sides, high-level court proceedings and public statements by Russian Presi-

dent Vladimir Putin suggesting Mr. Browder is a criminal.

Mr. Browder, who has denied any wrongdoing, and federal prosecutors in the U.S. claim that Russian officials and people linked to Russian officials participated in the fraud against his fund.

Ms. Veselnitskaya says she is a former Moscow regional prosecutor turned private attorney, and represents Prevezon Holdings, a Cyprus-based hotel and real-estate group owned by Russian national Denis Katsyv. Mr. Katsyv's father, Pytor, is a former top Moscow region official and vice president of state-owned Russian Railways. She says she was compiling information about Mr. Browder on behalf of Prevezon and met with the Trump camp to share her findings.

In 2014, Preet Bharara, the U.S. attorney in the Southern District of New York, alleged that Prevezon laundered defrauded money from Mr. Browder's fund into U.S. bank accounts and Manhattan real estate. Earlier this year, U.S. authorities and Prevezon reached a \$5.9 million civil settlement. The company didn't admit wrongdoing as part of the settlement.

Ms. Veselnitskaya said at the time of the Trump Tower meeting she was representing Aras Agalarov, the Russian-Azerbaijani property developer who organized the 2013 Miss Universe pageant with President Trump in Moscow. However, in email correspondence with Donald Trump Jr., a British publicist presented her as a Russian government lawyer,

a description she said was a mischaracterization.

Through the publicist, Mr. Agalarov's pop-star son Emin helped arrange Ms. Veselnitskaya's meeting with Donald Trump Jr., one of various people she said she petitioned to assist in her effort to have the law repealed.

Rob Goldstone, the British publicist who worked for the Agalarovs, wrote in an email to the president's son that the elder Mr. Agalarov had met with Russia's top prosecutor who offered to provide the Trump campaign incriminating information on Mrs. Clinton. Ms. Veselnitskaya says she asked Mr. Agalarov for help in arranging a meeting with the Trump campaign but denies it was about Mrs. Clinton.

"Natalia has done some real

estate-related legal work for Mr. Agalarov's company over the years," said Scott Balber, an attorney representing the Agalarov family. He denied the elder Mr. Agalarov met with Mr. Chaika, the prosecutor general, as described in the email.

Asked whether Mr. Chaika requested or participated in arranging Ms. Veselnitskaya's meeting in New York or met with Mr. Agalarov, the Russian prosecutor general's office said it "does not exchange information and does not conduct any meetings at the international level outside the framework regulated by international legal agreements and Russian procedural legislation."

Ms. Veselnitskaya said her meeting wasn't coordinated with official Russian government structures. She did, however, share information similar to what the Russian prosecutor general's office gave to Rep. Dana Rohrabacher (R., Calif.) in a Moscow meeting two months earlier. Namely, she said she wanted to inform the Trump campaign of allegations that an American firm Mr. Browder worked with, Ziff Brothers Investments, had dodged taxes in Russia and later donated to Democrats.

A spokesman for Ziff Brothers Investments declined to comment for this article.

"Both during the meeting, while I was talking to Donald Trump Jr., and in the written materials I prepared, I was trying to tell the story that I myself had personally investigated," Ms. Veselnitskaya said, referring to Mr. Browder.

Mr. Browder denies the accusations that Ms. Veselnitskaya and the prosecutor general's office have been leveling against him. He calls them "stale and disproven" and says they are part of a Moscow-coordinated campaign to undermine him and the Magnitsky Act.

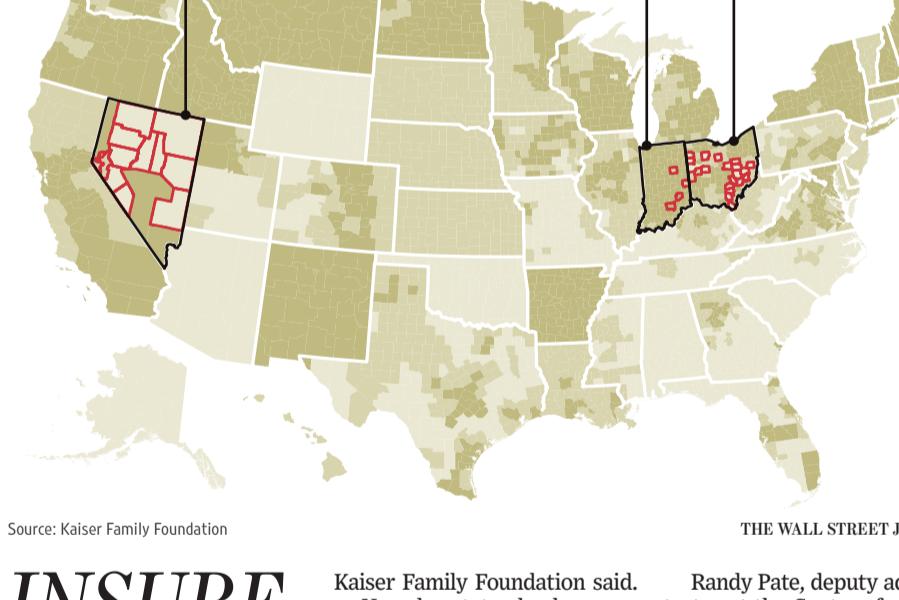
"They were on a major full-court press on all fronts with Congress, with the press...with Trump Jr.," Mr. Browder said.

—Christopher S. Stewart contributed to this article.

## Health-Law Coverage Across the Map

Along with Indiana and Ohio, Nevada is at risk of having residents in some areas without an option for insurance coverage on the Affordable Care Act exchanges in 2018.

### Number of insurers participating in ACA exchanges in 2017, by county



Source: Kaiser Family Foundation

THE WALL STREET JOURNAL.

## INSURE

Continued from Page One  
states, including Nevada, have no insurers signed up to offer exchange plans next year.

States' challenges highlight the pressure on Republicans to do something to support the exchanges if the overhaul bill fails to pass, potentially working with Democrats on legislation—a possibility Senate Majority Leader Mitch McConnell (R., Ky.) has raised. If Republicans do pass a bill, the pressure isn't likely to relent, since it would bring new rules, and upheaval, for next year and beyond.

"There is a general feeling that we're on the front lines," says Julie Mix McPeak, Tennessee's insurance commissioner, who worked to convince Blue-Cross BlueShield of Tennessee to offer plans next year in 16 counties that were at risk of lacking exchange plans. The insurer has requested a 21% rate increase, which it said was largely tied to worries about losing federal payments that help reduce low-income enrollees' health costs.

States still facing potentially empty counties next year include Ohio with 20, Indiana with four and Nevada with 14, the

Kaiser Family Foundation said.

Nevada state leaders are hopeful that, after prodding, at least one insurer will sell exchange plans in the at-risk counties, including rural swaths and the capital, Carson City. Three insurers have signaled they may agree to provide plans in the counties next year, said Mike Wilden, chief of staff for Nevada Governor Brian Sandoval. "We've entered into discussions with three carriers, and they've indicated they're looking at it."

Anthem declined to comment. It cited federal uncertainty among other factors in its announcement about pulling back in Nevada.

Officials in Missouri and Washington have landed insurers to fill in blanks on their marketplace maps. In New York, officials have said that to participate in state Medicaid contracts, insurers must offer exchange plans.

In Iowa, with one insurer currently offering statewide exchange plans next year, state officials are pushing for federal approval of an emergency proposal to rework many ACA rules. Alaska recently won a federal waiver to bolster its exchange, a reinsurance program to blunt insurers' costs for unhealthy enrollees. Other states are eyeing similar requests.

Randy Pate, deputy administrator at the Centers for Medicare and Medicaid Services, said the agency is working with states and insurers to address bare counties and explore "all options available under current law." An agency spokeswoman said the ACA "was failing well before President Trump took office" and the administration is looking at its options for cost-sharing payments.

Tom Jones, a 54-year-old florist in Carson City, Nev., pays about \$100 a month for his Anthem exchange plan. A federal subsidy covers the rest of his \$574 premium. Under the ACA, the subsidy is available only for plans bought through an exchange. Mr. Jones says that without the subsidy, "there's no way I could afford it, none whatsoever....It's a huge worry."

Ms. Korbulic, head of Nevada's exchange, says a health-care provider asked her about a pregnant patient with an exchange plan who lives in a county at risk of losing exchange coverage. The baby is due in January, after her insurance runs out. Ms. Korbulic says she warned the woman might be stuck simply showing up at an emergency room when she goes into labor, if no insurance plan is available.



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# WORLD NEWS

## Dream of Chinese Democracy Flickers

Death of jailed activist Liu Xiaobo comes as China has weakened dissident community

By JOSH CHIN AND EVA DOU

BEIJING—Nearly three decades after a bloody military assault ended student demonstrations in Tiananmen Square, China's democracy movement faces a new reckoning.

The loss of the country's most prominent dissident, Nobel Peace Prize winner Liu Xiaobo, who died of cancer under police guard at a Shenyang hospital on Thursday, leaves China's fractured activist community at its weakest in a generation as the Communist Party tightens its grip on Chinese society.

A steady shrinking of space for political action that began in late 2008, with the arrest of Mr. Liu for helping to draft and promote a pro-democracy manifesto, has intensified under President Xi Jinping.

As Mr. Liu and other activists have disappeared behind bars, lawyers and legal workers who had picked up the torch have faced mass detentions. Some are still in prison. Labor-rights campaigners have been detained, and popular critical voices on China's social media have been silenced.

On Saturday, Chinese political-reform advocates hope to welcome the release from prison of Xu Zhiyong, a legal scholar some consider Mr. Liu's successor as head of the threabare movement.

Mr. Xu, the founder of a loosely organized civic group known as the New Citizens Movement, was detained in 2013 for organizing protests over corruption and access to education. Even if he is let out as scheduled, he is likely to be under watch by security agents and his activities curtailed.

"Under the current circumstances, you can't assume he'll be free," said an associate of Mr. Xu who said police have warned him against talking publicly about the scholar.

The Beijing Municipal Bureau of Justice didn't respond



People sign a book of condolences for the late Chinese dissident and Nobel Peace Prize laureate Liu Xiaobo at a makeshift shrine in Hong Kong.

to a request to comment about Mr. Xu's release.

China's government, which rejects Western democracy as unsuited for the country, has depicted human-rights lawyers and activists as tools of foreign governments threatened by China's rise.

The ground has shifted so much since Mr. Xi's crackdown began that some veteran members of the democracy movement say they don't know how to move forward.

"It's been 28 years since the '89 democracy movement. That's an entire generation," said Liu Suli, a Tiananmen participant and founder of an independent bookstore in Beijing who befriended Liu Xiaobo in prison in 1989.

Over the years, he said, the Communist Party has grown both more confident on the

world stage and more fearful of instability at home. "Under these conditions, if you play the political game using traditional methods, you'll lose," he said.

Such attitudes are a far cry from 2010, the year Liu Xiaobo was awarded his Nobel. Chinese activists saw the award as a signal of international support and vindication. Some portrayed Mr. Liu as a Mandela-like figure who would emerge from his 11-year prison sentence to take the reins of a new, multiparty China.

Instead, China moved in the opposite direction. Mr. Liu's name was erased from the internet by censors and his family members were muzzled. Activists who had been criticized by others in the movement for being too moderate suddenly found themselves in prison.

Some activists in China's

democracy movement blame their predicament partly on withering support from Western countries afraid to confront Beijing over human rights abuses, given China's growing economic sway.

The hopes of many Chinese democracy advocates have shifted in recent years to Hong Kong. However, the city has increasingly felt the presence of the Chinese security apparatus, including with the abduction of employees of a Hong Kong store selling books critical of China's leaders.

"If they think China's human rights abuses stay inside China's borders, they have not been paying attention," said Sophie Richardson, China director at Human Rights Watch, of the silence of foreign leaders.

—Li Yuan and Charles Rollet contributed to this article.

### Hong Kong Ruling Ejects 4 Lawmakers

HONG KONG—Four pro-democracy lawmakers were disqualified from office after a court ruled they failed to properly execute their oaths, dealing a heavy blow to the stammering Hong Kong movement opposed to Beijing's tightening control over the city.

The ousters mean the opposition camp risks losing the number of legislators it needs to veto legislation.

A total of six legislators have been disqualified by the High Court after their controversial oaths at the swearing-in ceremony in October last year. The disqualifications followed a

decision by Beijing to interpret the city's mini-constitution, requiring elected politicians to solemnly swear allegiance to the city as part of China. That intervention prompted criticisms that Beijing was undermining the city's rule of law.

The government challenged the four disqualified lawmakers over their oath-taking on Oct. 12 because some added their own words to the oath, while others read it slowly or spoke in a tone of voice considered derogatory when saying the word China.

The lawmakers can appeal the ruling. Special elections will need to be held for the vacant seats, which will likely prove a litmus test of public support for the pro-democracy groups.

—Chester Yung



Mr. Trump, with Mr. Macron and their wives, saluting U.S. troops wearing WWI helmets at a Bastille Day parade in Paris on Friday.

## Trump's Visit to Paris Ends on Grand Parade

BY REBECCA BALLHAUS AND WILLIAM HOROBIN

PARIS—President Donald Trump reveled in the spectacle of tanks, military aircraft and men and women in uniform marching down the Champs-Élysées at a ceremony that marked the end of his visit to America's oldest ally.

Mr. Trump, who had considered holding a military parade to celebrate his inauguration in January but ultimately opted against it, appeared thrilled by France's Bastille Day spectacle on Friday.

A procession of tanks rolled along the Champs-Élysées and more than 60 aircraft flew over Paris, some trailing blue, white and red contrails. Hundreds of officers marched along the city's grand boulevard, including nearly 200 U.S. service members, including some in World War I uniforms.

Mr. Trump and first lady Melania Trump watched the parade at the Place de la Concorde beside French President Emmanuel Macron and his wife, Brigitte. Mr. Macron, who arrived to the parade standing in the front seat of an open, camouflaged military jeep, invited Mr. Trump to Paris to

commemorate the centennial of the U.S. entry into World War I and to celebrate France's national holiday.

After a somber start to the parade, Mr. Trump grew animated as the aircraft began flying overhead, clapping his hands together and at several points leaning over to Mr. Macron and his wife to point at the sky.

"The presence today of the U.S. President Donald Trump and his wife is the sign of a friendship that lasts through time," Mr. Macron said in an address after the parade.

Mr. Trump is deeply unpopular in France. Yet a survey by polling company Odoxa showed that 61% of French people thought Mr. Macron was right to invite his U.S. counterpart for the Bastille Day celebrations.

The parade capped a whirlwind trip to Paris for Mr. Trump, who boarded Air Force One to leave Paris immediately after the ceremony.

After dinner Thursday at the restaurant Le Jules Verne, Mr. Trump tweeted, "Great evening with President @EmmanuelMacron & Mrs. Macron," adding "Relationship with France stronger than ever."

## Underground, Finns Gird for Russia

BY THOMAS GROVE

HELSINKI—Russia is planning its biggest military exercise in years, and its neighbor Finland is going underground.

A subterranean city beneath Helsinki forms a crucial line of defense for the capital. Finnish soldiers routinely train here, with a mission to keep Finland's government running and city residents safe in a network that features more than 124 miles of tunnels, passageways and shelters.

Much of the network has been adapted over recent decades with defense in mind. Blast doors seal entrances. Passageways are adapted so the military—with a regiment dedicated to controlling the tunnels—can contain enemy infiltrators. Utility and subway tunnels provide arteries for communications, water supply and Wi-Fi. There is enough shelter space to take in all of the city's more than 600,000 residents in the event of an attack or disaster.

The subterranean defenses have long been in place, but the Finns are now stepping up preparedness as Russia readies for Zapad 2017, the country's largest military exercise since the end of the Cold War, in September.

"The soldiers make sure we will have the advantage underground if they ever come to us wanting a fight," a former Finnish Defense Ministry official said.

Russia's war games will take place on Finland's border as the North Atlantic Treaty Organization steps up its own presence in the Baltics, across the Gulf of Finland. The country is in the European Union, but not a member of NATO.

With thousands of Russian troops expected to mass at the border, the Finns worry the training could be a screen for aggressive military moves.

"More than looking at what will happen during the exercise, we're more interested in

what will happen afterward and make sure that the troops actually do leave," said Jarno Linnell, an expert on cybersecurity and military science.

Much of Finland's defensive planning has been shaped by its three-month war against the Soviet Union in the winter of 1939-40. In record cold temperatures, small groups of Finnish ski soldiers in winter camouflage picked off approaching Red Army soldiers in the forests. The Finns lost 10% of their territory to the Soviets, but maintained their sovereignty.

Planning is still shaped by that experience—with an emphasis on survival and forcing the enemy into unfamiliar terrain—though it shifted, after the Cold War, to the tunnels.

In March, Finland carried out a military exercise based on a recent, real-world scenario: The takeover of govern-

ment buildings by foreign special forces, like the Russians who seized installations in Crimea ahead of Moscow's 2014 annexation of the Ukrainian peninsula.

Some of those exercises took place in Helsinki's underground labyrinth. The network connects shopping centers, subway tunnels, parking garages and pathways that accompany power and water lines. Tunnels also lead into passageways used only by the military and connect to an island used exclusively by the military.

The vast majority of underground Helsinki is dual use. One swimming complex beneath a shopping center can be transformed within hours to shelter 3,800 people.

"Today if you build a new underground space, it must be capable of being transformed into a defense center within

days," said Ilkka Vahaaho, an employee of the city of Helsinki's real-estate department. These centers are connected to power and water supplies; some have ventilation that can filter out radioactive particles.

"The tunnel system we've built comes from our own lessons learned from the Second World War: You need to do what you can to keep your vital functions going even if you're being heavily bombarded," said Janne Kuusela, the Defense Ministry's policy director. "That's why they're there."

Moscow's confrontation with the West has prompted Finland to reassess aspects of its defense policy—though government defense strategists say it is highly unlikely that Russia would invade. June legislation allows Finland to ask other countries for military assistance in case of attack.

### Under the Surface

Finland's capital is developing its already extensive underground network for refuge and defense.



Source: City of Helsinki Real Estate Department

THE WALL STREET JOURNAL.

## WORLD NEWS

# Poland's Senate Clears Way for Judiciary Revamp

BY DREW HINSHAW

Poland's Senate approved new laws on Saturday that allow the current government to retire every judge on the Supreme Court and then choose who selects their successors.

The vote, conducted 10 days after a visit by U.S. President Donald Trump, clears the way for Poland's populist ruling party, Law and Justice, to restock the judiciary—the one branch of government it doesn't control.

For months, the governing party has complained about the courts, saying they aren't accountable to the people, because judges aren't elected.

"This cannot be changed without very far-reaching reforms, without radical

by the justice ministry could remain.

A second law gives Parliament the authority to name 22 of the 25 government regulators who appoint and promote judges. Previously, judges in Poland mainly received such promotions from other judges.

President Andrzej Duda is expected to sign both laws within days.

"It's a horrible attack on the judiciary and the idea of separation of powers," said Zselyke Csaky, senior researcher for Central Europe at the Washington, D.C.-based think tank Freedom House.

"You cannot just come up with a law and say all judges will be summarily dismissed, and the ones I like will stay."

In Warsaw the vote sparked small protests, with more planned in the capital for Monday. Demonstrators outside the Parliament jumped police barricades and chanted "make it stop."

Inside, opposition members compared Poland to Turkey and Russia. Several suggested they might conduct their own purge of the Supreme Court, if and when they come to power.

"This is how a dictatorship begins," Borys Budka, a former justice minister with the opposition party Civic Platform posted on Facebook.

Poland is headed into regional elections next year, with the Civic Platform roughly tied in polls against Law and Justice. The latter rode into power in 2015, preaching Catholic conservatism and generous social benefits.

Since then, the ruling party has been condemned by the U.S. State Department for curbing state-owned media freedoms and undermining democratic institutions.



FETHULLAH GULEN, shown Wednesday at his Saylorsburg, Pa., compound, criticized Turkey's president for a crackdown on his followers.

SASHA MASLOV FOR THE WALL STREET JOURNAL

**Some EU officials worry the laws would give the ruling party sway over elections.**

change," ruling party leader Jaroslaw Kaczyński said hours before the vote.

The move is likely to prompt a showdown with the European Union. On Friday, the EU's executive branch, the European Commission, said it "follows with great concern these recent developments."

Some EU officials worry the new laws would give the ruling party sway over national elections since the country's Supreme Court exerts broad authority to invalidate or approve voting results.

Under one of the new laws, all of the 83 top judges on Poland's high courts must immediately retire, regardless of age. Only those later exempted

## Turkish Cleric Assails President

BY ALAN CULLISON

SAYLORSBURG, Pa.—The reclusive cleric who was accused by Turkish President Recep Tayyip Erdogan of planning a coup attempt one year ago from his gated U.S. compound urged in a rare interview that the West stand up to what he called Turkey's increasingly authoritarian leader.

In an ornate conference room in his home in the Pocono Mountains, the cleric Fethullah Gulen repeated his declaration that he has never been involved in any coup-planning. He decried Mr. Erdogan for launching a purge within Turkey, the brunt of which has fallen on his followers.

"I never thought that he could go so bad," said Mr. Gulen, who said that the Turkish president was unleashing mass hysteria inside the country. "Some parts of Turkish society

have lost their ability to think."

Since July 2016, Turkey has arrested or driven from their jobs tens of thousands of people. Turkish authorities accuse of supporting Mr. Gulen. The government has closed hospitals and schools affiliated with his social movement, Hizmet, which translates roughly as "service."

The Turkish government said it has seized up to \$4 billion in property previously owned by businessmen or foundations alleged to be linked to the movement.

"Nothing like this has been seen before in Turkey," Mr. Gulen said. "It can only be compared with Lenin and Stalin or Saddam in Iraq."

Turkey is now investigating 160,000 people, and 50,000 have been arrested, with 48,000 of them released, according to Turkey's ambassador to the U.S., Serdar Kilic. There are outstanding arrest warrants for about 8,000 people, he said.

In a news conference held Friday to commemorate the first anniversary of the coup attempt, Mr. Kilic supported the country's extended state of emergency, saying Mr. Gulen's followers have spent decades in the ranks of government and it would take time to remove them.

Mr. Kilic continued to blame Mr. Gulen for organizing last July's failed plot, and pressed Turkey's demand for extradition. He said he saw "more willingness" on the part of the Trump administration to entertain the extradition request, but that the process is "not moving as fast" as Turkey would like.

Wyn Hornbuckle, a Justice Department spokesman, declined to comment Friday, saying

the Justice Department doesn't speak publicly about extradition requests.

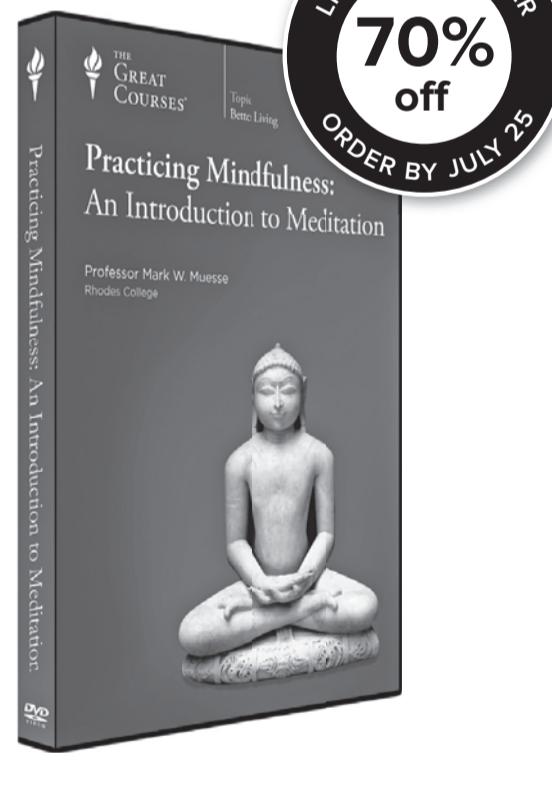
"I believe that there are certain measures that the U.S. authorities can take," Mr. Kilic said, "including limitations on his activities in the United States. He's still freely giving interviews to newspapers. This is not freedom of expression, he's accusing the Turkish government, he's sending messages to his supporters in Turkey and he is still traveling."

Mr. Gulen described what he called rising chauvinism and racism in Turkey but said traditional institutions weren't tackling the issues. "NATO has a potential, the European Parliament has a potential," he said. "But in their current state they don't seem to be addressing these problems right now."

—Felicia Schwartz contributed to this article.

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# OBITUARIES

SPENCER JOHNSON  
1938 – 2017

## Author Gave His Readers What They Wanted

BY JAMES R. HAGERTY

**N**ot all cocktail-party chatter is idle. Spencer Johnson, who gave up a career as a doctor to write children's books, was at a party in 1980 in San Diego when he met the management consultant and author Kenneth Blanchard and his wife, Margie. "You two ought to write a children's book for managers," Ms. Blanchard blurted.

Within two months, that idea became the first draft of "The One Minute Manager," one of the best-selling books of the 1980s, whose spinoffs and reprints still sell briskly. Dr. Johnson went on to write another huge hit, a parable about the need to accept and adapt to change called "Who Moved My Cheese?"

A critic once described one of Spencer Johnson's books as a work of "stupefying banality." Dr. Johnson didn't need to worry about critics, however.

Before handing a book to his publisher, he tested it with hundreds of readers, his target audience. He knew what they wanted. He knew what would sell.

His "Who Moved My Cheese" has sold more than 28 million copies globally and has been translated into 44 languages. Like his other books, it can be read in 45 minutes or so.

His career as an author showed that the idea behind a book needn't be original nor profound, as long as readers find it useful and easy to digest. As his family put it in a tribute, he offered "simple truths that lead to fulfillment and success."

Dr. Johnson died July 3 in San Diego. He was 78 years old and had pancreatic cancer.

"Most writers write the book they want to write," he told USA Today in 2003. "You're much wiser if you write the book people want



to read."

Patrick Spencer Johnson, who was born Nov. 24, 1938, in Watertown, S.D., grew up in Los Angeles.

He earned a degree in psychology from the University of Southern California and a medical degree from the Royal College of Surgeons in Ireland.

**H**e found his work as a physician frustrating. The same patients kept coming back regardless of the treatment. Margaret McBride, one of his agents, said Dr. Johnson told her he concluded it would be better to change the way people thought and felt about themselves.

"He wanted to fix them from the inside," she said.

He took a job in communications for Medtronic, a maker of medical devices, and discovered a knack for explaining complicated matters in plain English.

In collaboration with his first wife, Ann Donegan, he began writing a series of children's books drawing lessons from the lives of Louis Pasteur, the Wright Brothers, Jackie Robinson and others.

After he met Dr. Blanchard, they began giving seminars to businesspeople and selling an early, self-published version of "The One Minute Manager" for \$15 a book.

And after speaking to the National Restaurant Association, they sold 1,200 copies on the spot, Dr. Blanchard said: "People were grabbing them like it was candy."

Dr. Johnson and his agent began talking to publishers in New York. Some suggested that such a slim book should be priced at no more than \$8 or so. Dr. Johnson was incensed, noting that he already was selling the book for \$15 and suggesting that any publisher who couldn't do as well must be in the "little leagues."

William Morrow & Co. agreed to publish the book at \$15. It was released with a gold star affixed to the cover describing the book as "small, expensive and invaluable."

**W**riting parables isn't as easy as it looks, said Ms. McBride. Dr. Johnson rewrote his books over and over, taking readers' feedback into account. He made sure each page included an "aha!" passage, she said.

"The One Minute Manager" explains how to praise workers and reprimand them constructively. Goals should be expressed in 250 words or fewer so they can be read in one minute, the book says, adding that managers usually know what they want their workers to do, "they just don't bother to tell their people in a way they would understand."

Dr. Johnson, who had homes in Hawaii and New Hampshire, is survived by three sons, a brother and a sister. His second wife, Lesley Bostridge, died in 2010. An earlier marriage ended in divorce.

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

MICHAEL SANDBERG  
1927 – 2017

## A British Veteran Set HSBC on Global Path

**A**fter serving in the British Army, Michael Sandberg joined Hongkong & Shanghai Banking Corp. in 1948. Life in East Asia at the time, he recalled later, "was like turning the clock back 50 years to an era of elegance and servants."

By the time he became chairman of Hongkong Bank in 1977, he realized the future would look very different. He almost immediately began negotiating an agreement leading to Hongkong Bank's acquisition of Marine Midland Banks Inc. of New York, the first in a series of deals that created today's HSBC Holdings PLC.

He embraced Li Ka-shing and other rising Chinese entrepreneurs who were starting to

eclipse the British companies that had dominated Hong Kong. He also spent about \$670 million on a futuristic Hong Kong headquarters designed by Norman Foster.

Critics saw the bank headquarters, completed in the mid-1980s, as extravagant, but Mr. Sandberg said the bank needed a "top-of-the-pops building," signaling confidence in Hong Kong as China prepared to regain sovereignty over the colony in 1997. The bank also provided him a mansion in Hong Kong's Peak district.

After retiring from Hongkong Bank in 1986, he served as Lord Sandberg in Britain's House of Lords. He died July 2 in Hindhead, England. He was 90.

—James R. Hagerty

NEAL PATTERSON

1949 – 2017

## Software Pioneer Drove Health-Care Automation

**W**hen Neal Patterson and two colleagues sat down at a picnic table to sketch plans for a computer-software startup in 1979, they weren't sure which sorts of business they would automate.

It happened that some of their earliest customers were doctors and hospitals. That led to a focus on health care.

Their timing was good.

The drive to lower medical costs and improve care has created growing demand for better ways to manage treatments and handle electronic health records over the past several decades.

Cerner Corp., the North Kansas City, Mo., company where Mr. Patterson served as chief execu-

tive for 38 years, now has more than 24,000 employees and a stock-market value of about \$22 billion.

Mr. Patterson, who grew up on an Oklahoma wheat farm, became a billionaire and part-owner of Sporting Kansas City, a professional soccer team.

In 2001, he survived a leaked email in which he accused Cerner employees of being slackers who thought they could coast on a 40-hour week.

He later said people who knew him well realized he was exaggerating.

Mr. Patterson died of cancer on July 9 at his home in Loch Lloyd, Mo. He was 67.

—James R. Hagerty

## WORLD NEWS

# Two Israeli Police Killed in Attack

BY NANCY SHEKTER-PORAT

TEL AVIV—Three gunmen killed two Israeli police officers near the entrance of Temple Mount on Friday before being shot dead by Israeli security forces, who stepped up security at the revered and highly sensitive site following the latest eruption of violence in the heart of Jerusalem.

The attackers were Arab citizens of Israel from the mainly Arab town of Umm al-

Fahm, near the northern city of Haifa, the police said. They were relatives and ranged in age from 19 to 29.

The two slain police officers weren't immediately identified, but police said they were members of Israel's minority Druse community.

After the attack, in which one person was also wounded, Israeli police canceled Friday prayers at the mosque, a rare move that drew protests from some Palestinians. Authorities

also banned all Palestinians living in the West Bank and holding permits to enter Jerusalem from entering Israel.

Palestinian media outlets and Fatah, the political party led by Palestinian Authority President Mahmoud Abbas, urged Muslims in Jerusalem to try to pray at the mosque despite the closure.

Following assessments from his top security officials, Israeli Prime Minister Benjamin Netanyahu ordered beefed-up

security at the entrances of Temple Mount. A decision on reopening the site for prayer and visitors won't occur until a security assessment Sunday.

Temple Mount was the location of an ancient Jewish temple and is considered the holiest site in Judaism. It is also known to Muslims as the Noble Sanctuary, and one of Islam's holiest sites. It has often been the focus of violence between Palestinians and Israeli security forces.



AMMAR AWAD/REUTERS

## FROM PAGE ONE

# BURGER

*Continued from Page One*

old Katlynn Kincy of Cypress, Texas, who says she sometimes sits on a table tent to hide it until she can pocket it. She keeps her carryout contraband lined up in a closet and wants to collect all with her favorite number, 8. "It's definitely a big Texas thing."

Whataburger says its 815 restaurants in 10 states from Arizona to Florida go through roughly 1.2 million tents a year, although it doesn't track how many people carry off. Some locations, particularly near high schools and colleges, lose numbers so fast they have to order new ones every month, the company says.

In Denton County, Texas, police took notice several months ago after spotting piles of the little tents in cars during traffic stops. James Edland, chief of the area's Northeast Police Department, says officers made the drivers—mostly teens and young adults—return them to a local Whataburger in Cross Roads, 40 miles north of Dallas.

"It's just a little piece of plastic, but it's not yours," Mr. Edland says. "Don't take it."

Whataburger wasn't involved in the police crackdown but doesn't encourage the stealing of table tents, says Rich Scheffler, Whataburger's vice president of Marketing and Innovation.

The restaurants don't do much to stop the numbers from walking off, though. "If those things are disappearing and making their way onto somebody's shelf or dashboard or wherever it may be, that is advertising that Whataburger would love to pay for," Mr. Scheffler says. "We would never want to stop that."

Still, customers delight in the furtive act of filching. Most say they slip the table tents into a pocket or purse, hoping no one

notices. The numbers are printed on customers' receipts, so servers can call out a number if they don't see it—a loophole some collectors exploit by pretending they never got one. Others say they boldly stare a cashier in the eye as they lift numbers.

If a Whataburger employee doesn't ask for the table tent when delivering an order, it's as good as gone, says Marlena Jor-

dan, a 21-year-old from Denton, Texas, who says she has roughly 80 Whataburger tents at home, some of them gifts from friends.

It wasn't until 2004, when Whataburger redesigned its tents to mimic its restaurants' bright-orange-and-white-striped roofs, that fans started to slip off with them routinely, Mr. Scheffler says.

The chain was surprised that people would find the new numbers so irresistible, he says, but has come to appreciate their passion for the tents, which cost the company about 25 cents each.

The tents sometimes end up for sale on eBay. A No. 69 is currently listed at the asking price of \$2,000. Its seller, Ramy Rabi, 18, says his cache of tents started with his soccer jersey numbers: 26, 17, 7, 9 and 19. Mr. Rabi says he listed the tent several months ago just to see how much a fan might pay. He's gotten several inquiries. The highest offer has been \$69.

Spotting Whataburger numbers in the wild is a bit of a tradition itself. A television news crew in Houston in March reported catching the table tents—whose orange hue is akin to a traffic cone's—being used to mark evidence at a murder scene.

"In a pinch, they utilize whatever they can get their hands on," Houston police spokesman Victor Senties says, noting that using Whataburger tents as evidence flags isn't

best practice.

Tents disappear so quickly that some restaurants are left temporarily numberless and others appear to have taken the most popular numbers out of rotation, some customers report. Whataburger says it can't confirm those reports.

The burger chain started to capitalize on their popularity three years ago, issuing a commemorative table tent for graduating classes. The 2017 version is for sale on Whataburger's website for \$6.99.

Mr. Scheffler's team also fields—and fulfills—numerous polite requests for the standard tents. A few days ago, a man inquired wanting a No. 74 tent to display on the dash of a 1974 Volkswagen Karmann Ghia he had painted orange. Whataburger says it is shipping him that tent.

Die-hard fan Blake Miller, 23, showed up at a tattoo parlor in San Antonio last year to get a Whataburger-themed tat on his arm. He settled on putting his area code—361 for Corpus Christi, where Whataburger originated—on the face of a table tent after the tattoo artist pulled him aside to show off a pair of stolen order numbers.

"Whataburger is just like a hometown tradition," he says of the meaning behind his tattoo. "It's just where we go, like a second home." Mr. Miller says he and his friends have nicked dozens of Whataburger table tents over the years. "I mean, who doesn't?"

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## IN DEPTH

# HOUSE

Continued from Page One

damage the allegations have caused to Singapore's reputation, and fielded two days of questioning on the matter in parliament—sessions his younger brother called a "whitewash."

"In any other imaginable circumstance than this, I would have sued immediately," Prime Minister Lee told lawmakers. He and other leaders have previously won defamation cases against opposition politicians and others. But the prime minister said he's reluctant to take his siblings to court, as it would "besmirch" his parents' names and prolong the dispute.

A spokeswoman said the prime minister wasn't available for interviews.

Previously undisclosed emails and other correspondence reviewed by The Wall Street Journal show the siblings began fighting in private at least two years ago, eventually communicating only through emails and lawyers, with each accusing the other side of misrepresenting their late father's wishes.

The dispute has prompted many Singaporeans to openly criticize the Lee family on social media and question Singapore's ruling party, whose success was built in part around the belief that Singapore's leaders were above reproach.

Lee Kuan Yew created a nation built around the notions of

**Many Singaporeans want to preserve Lee Kuan Yew's house, like Mount Vernon.**

"meritocracy and governance integrity," said Garry Rodan, a professor at Australia's Murdoch University who follows Singapore affairs closely. "Yet now so many of the claims about meritocratic rule and governance integrity are being challenged from within his family."

A government spokesman dismissed concerns over the feud's impact, saying Singapore is "highly rated on international assessments of governance."

Prime Minister Lee's siblings called for a truce in recent days, but threatened to resume public criticism if a settlement isn't reached. The premier responded by saying he too wants to resolve the dispute privately.

That would please many in the political establishment. "Stop your family quarrel," Goh Chok Tong, who served nearly 14 years as prime minister between the two Lees, told parliament this month. "If that is not immediately possible, at least stop making things worse."

Lee Kuan Yew repeatedly said he wanted his house torn down after he died, lest it become a symbol of a personality cult that could retard Singapore's political development. His two younger children say he referenced the Percy Bysshe Shelley poem, "Ozymandias," about a pharaoh whose works crumbled in the desert.

Many Singaporeans want to preserve Mr. Lee's house anyway, like George Washington's Mount Vernon. In emails between Mr. Lee and his family, reviewed by the Journal, the patriarch acknowledged that Singapore's government could block his wishes, as it has the power to take over private property in the public interest.

Mr. Lee first moved into the home at 38 Oxley Road, built in

### Asian Values

Lee Kuan Yew's leadership helped turn Singapore into one of the world's wealthiest nations.

#### Gross domestic product per capita

\$60,000



Note: Not adjusted for inflation

Source: World Bank

THE WALL STREET JOURNAL

an area once home to nutmeg plantations and fruit orchards, in 1945.

He hosted discussions in the basement dining room that led to the 1954 founding of the People's Action Party, which has controlled Singapore since it became self-governing in 1959.

As prime minister from 1959 to 1990, Mr. Lee combined pro-business policies with zero tolerance for corruption to transform Singapore into one of the world's richest countries.

He also implemented what foreign media described as a paternalistic style of governance, including a ban on the sale of chewing gum, relaxed slightly in 2004. Western critics said his policies stifled political opposition and turned Singapore into a "nanny state."

At home, he was simply "Papa," raising a family imbued in his values of thrift, hard work and excellence.

Lee Hsien Loong, whose given name means "illustrious dragon," was born in 1952, followed by sister Lee Wei Ling in 1955 and brother Lee Hsien Yang in 1957. Photos and writings of their childhood showed a close-knit family playing chess and spending holidays at Malayan hill stations.

Discipline was kept by their mother, sometimes with a cane. The children didn't have friends over for birthdays and received only books as gifts, Lee Wei Ling recalled in a local newspaper column.

Lee Hsien Loong graduated from Cambridge as the top mathematician of his class before returning to Singapore, where he held ministerial portfolios in trade and finance before becoming premier in 2004.

"I think he got the best combination of our two DNAs," Lee Kuan Yew said in an interview published in 2011, referring to Lee Hsien Loong and his parents.

Lee Wei Ling, a self-described tomboy who earned a black belt in karate, graduated at the top of her medical-school class in Singapore and became director of the city-state's National Neuroscience Institute.

Described by her father as "intense," she never married and still lives at 38 Oxley Road. For exercise, she'd jog up and down a corridor hundreds of times, covering up to 20 kilometers over several hours—a regimen she conceded was "a little mad," in remarks published in the local Straits Times newspaper.

Lee Hsien Yang followed his brother to Cambridge and earned an engineering degree with high honors. He was "playful and did not study too hard," with a calmer temperament, his sister wrote.

He was chief executive of local telecommunications firm SingTel from 1995 to 2007 and became chairman of Singapore's civil-aviation authority in 2009.

As adults, the siblings lunched with their parents at Oxley Road on Sundays.

Shortly after his wife's death, in 2010, Lee Kuan Yew wrote a letter to Singapore's cabinet saying the house "should not be kept as a kind of relic."

Cognizant that many Singaporeans wanted 38 Oxley Road saved, Prime Minister Lee Hsien Loong invited his father to a July 2011 cabinet meeting to discuss the property's fate, and then recused himself from the debate, according to the premier and other officials.

Cabinet members told the elder Mr. Lee the bungalow shouldn't be destroyed, officials said later. That evening, Lee Kuan Yew appeared "sad and exasperated," according to his daughter.

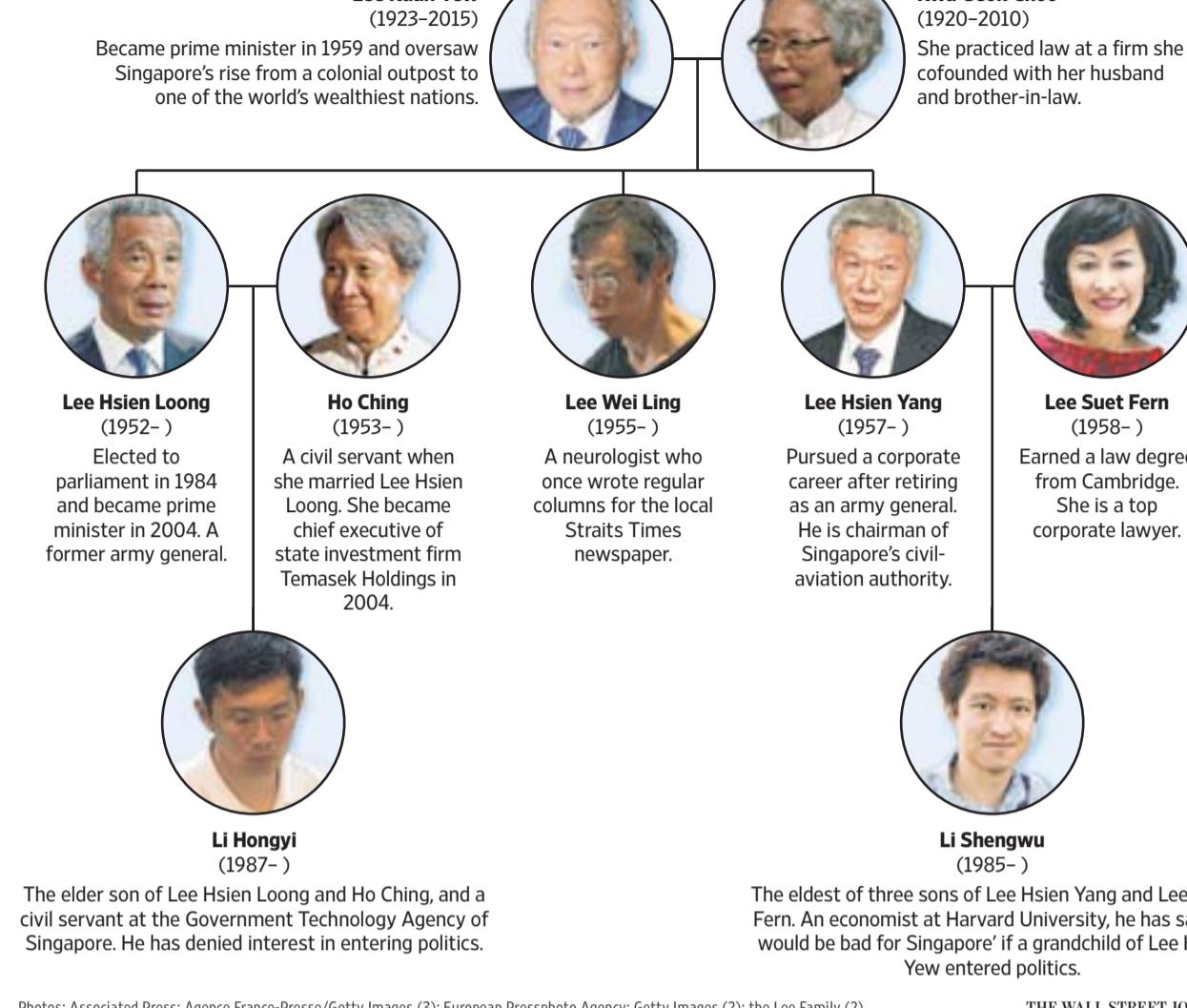
A month later, Lee Kuan Yew signed a will saying the house should be torn down after his death, unless his daughter wanted to remain there, in which case it should be demolished after she's gone. If Singaporean law prevented demolition, the will said, the house should "never be opened to others" except his children, along with their families and descendants.

Mr. Lee then told the cabinet in a December 2011 letter that if the government decided to preserve his house, it should be refurbished and remain a residence. The patriarch later approved a renovation plan for the property, though in an email to family members, seen by the Journal, he suggested the proposal could be irrelevant since the government seemed likely to take over his property.

In late 2012, Mr. Lee re-

## Family Affair

The family of Lee Kuan Yew has been a pillar of Singapore's establishment for decades.



Photos: Associated Press; Agence France-Presse/Getty Images (3); European Pressphoto Agency; Getty Images (2); the Lee Family (2)

THE WALL STREET JOURNAL



**Then and now:** At home in 1965, from left, Kwa Geok Choo, Lee Kuan Yew, Lee Hsien Yang (seated), Lee Hsien Loong (standing), and Lee Wei Ling. Below, family members at Lee Kuan Yew's funeral.



JOSEPH NIEH/ASSOCIATED PRESS; THE LEE FAMILY

**'In any other imaginable circumstance than this, I would have sued immediately.'**

Prime Minister Lee Hsien Loong, speaking of his siblings' allegations

moved from his will his wish to demolish the house or limit access should it be preserved. Correspondence between Mr. Lee and his personal lawyer before the revision, reviewed by the Journal, suggest the patriarch believed his home was already being designated as a heritage site, or soon would be—something his lawyer later confirmed hadn't happened.

Prime Minister Lee in parliament this month denied allegations made by his siblings that he deceived his father over the property's fate. He said he merely told Lee Kuan Yew that many Singaporeans and cabinet ministers supported preservation, and explained that it would be difficult for him, even as prime minister, to override those wishes.

The demolition clause, including what's to be done if the house can't be razed, reappeared in the final will Mr. Lee signed in December 2013, according to a copy reviewed by the Journal. Prime Minister Lee has raised concerns about that change, saying it was made

with help from Lee Hsien Yang and his wife, who sent text via email for Lee Kuan Yew to sign.

Prime Minister Lee said he wasn't copied on the emails and didn't learn of the changes until after his father died. Lee Hsien Yang said there was nothing improper with the revised will, and that his father had wanted it settled quickly.

Lee Kuan Yew died in March 2015 at age 91. Three weeks later, his survivors gathered at 38 Oxley Road for a reading of the last will.

## 'Ultimatum'

Almost immediately, the siblings started arguing. At one point, the younger siblings allegedly issued what Prime Minister Lee called "an ultimatum" to him ahead of a September 2015 election, according to statements made by the premier, who said he perceived a threat to take the dispute public during the campaign.

Lee Hsien Yang said the younger siblings had been exchanging legal correspondence

with Prime Minister Lee for months and didn't intentionally time any for the electoral season.

The ruling PAP won nearly 70% of the vote and 83 seats in an 89-member parliament.

Public signs of the family crackup surfaced in April 2016. Dismayed by what she considered hagiographic state-backed efforts to commemorate her late father, Lee Wei Ling published on Facebook email exchanges with a local newspaper editor in which she called her elder brother a "dishonorable son" attempting to "establish a dynasty."

That same day, Prime Minister Lee's wife, Ho Ching, posted on Facebook an image of a monkey extending a middle finger. The image reinforced speculation in local media of a feud. Ms. Ho, who is chief executive of state investment firm Temasek Holdings, deleted the image and apologized for what she called an accidental post.

In mid-2016, the government established a ministerial committee to consider options for 38 Oxley Road, including turning

ing it into a memorial park if the house is demolished. Prime Minister Lee later said he had no role in setting up the committee, doesn't participate in its discussions, and gives no instructions to its members, since he has recused himself from government deliberations on the house.

The four-member panel queried Lee Hsien Yang and Lee Wei Ling about preparations for Lee Kuan Yew's last will, prompting them to accuse Prime Minister Lee of using the panel to question their father's wishes. They allege that was an abuse of power because the committee comprises the prime minister's subordinates and inquired about a family dispute the siblings believe should be heard in court.

Deputy Prime Minister Teo Chee Hean, who chairs the committee, later said it isn't trying to investigate the will's validity. He said its role is to come up with options for the Oxley Road house to facilitate a future government's decision on its fate.

## 'Grave concerns'

The will was deemed valid by a Singapore court in October 2015. Prime Minister Lee didn't raise objections during that process, but later told the committee he had "grave concerns" about the will's preparation.

Frustrated by the committee's work, Lee Wei Ling and Lee Hsien Yang escalated matters, publishing a six-page statement on Facebook June 14.

In it, they accused the prime minister of harboring "political ambitions" for one of his sons and said he was trying to "milk" their father's legacy.

Lee Hsien Yang said he would leave Singapore for the "foreseeable future" because of his elder brother, though he hasn't set a date.

Prime Minister Lee responded by releasing a 3,900-word statement outlining concerns over his father's last will and dismissed claims he was grooming his son for public office. The son has denied interest in entering politics.

In parliament, Prime Minister Lee rejected claims he was motivated to save the home for political purposes. "If I needed such magic properties to bolster my standing after 13 years as your prime minister, I must be in a pretty sad state," he said.

Prime Minister Lee's supporters have suggested his brother wants to demolish the property—worth an estimated \$17 million including land—so it can be redeveloped for the brother's profit. The brother says that's untrue and that a major redevelopment would require zoning changes approved by government.

Officials have offered compromise proposals, including preserving only the basement dining room, while adding a heritage center. No decision is necessary as long as Lee Wei Ling continues living there, and she said she plans to do so. She is 62 years old.



## OPINION

# Protectionism vs. Free-Market Populism

By George Melloan

**W**ith one unfortunate exception, The Wall Street Journal has always adhered to co-founder Charles Dow's injunction against endorsing political candidates. The exception came in 1928 with an editorial, ordered up by the dying Dow Jones & Co. president, C.W. Barron, that endorsed Republican Herbert Hoover. Barron apparently feared that the election of Democratic New York Gov. Al Smith would undo the economic achievements of his good friend Calvin Coolidge.

What Barron didn't seem to realize was that although Hoover was a Republican, he was not cut from the same cloth as Coolidge or William Howard Taft. His penchant for market interventions was almost as intense as what would later be displayed by the New Deal Democrats. Having endorsed Hoover, the Journal's editorials were rather muted in offering criticisms of his performance, a timidity that vindicated Dow's warning that a good newspaper should never tie itself to a politician of either party.

The Journal's free-market principles were violated when Hoover bowed to heavy lobbying by farmers and industry and signed the notorious Hawley-Smoot Tariff Act of 1930, one of the greatest protective tariff increases in American history. When the nation's trading partners retaliated in kind, Hawley-Smoot brought about a virtual shutdown in world trade,

### What The Wall Street Journal's editorial page learned from the 1920s and the 1980s.

hitting American farmers, who accounted for a large share of American exports, hardest of all. That, along with the hapless Fed's inability to arrest deflation, worsened the Depression. A petition signed by 1,028 leading economists urged Hoover to veto the measure, to no avail. Under heavy political pressure from protectionists, he ignored their advice.

Rеспublians were excessively committed to their efforts to "help" the farmer. A Journal editorial on April 15, 1930, probably written by Frederick Korsmeyer and titled "A Tariff Banquet," attacked a proposed export subsidy for farmers that Sen. William Edgar Borah (R., Idaho) wanted in the Hawley-Smoot bill. The editorial likened the provision to Banquo's ghost in that it popped up repeatedly in Congress and was hard to banish. The editorial calculated that for cotton alone, the provision would cost the Treasury \$80 million a year, and the subsidy would also defeat efforts by the government to curb crop acreage to support prices of farm products. Farmers would respond by increasing their production with the "certainty of a future collapse making their condition worse than ever."

More generally, the Journal said on April 1, 1930, that the "pending tariff bill has been constructed on the good old theory that this country can make its own living standards and let the rest of the world roll by." The editorial challenged the popular idea

that the damage from Hawley-Smoot, which Hoover signed in June, wasn't long in coming. A Journal editorial on Dec. 30, 1930, noted that exports of autos and parts for the 10 months ending in October had dropped to \$249 million from \$488 million in the like period a year earlier. "This is not an isolated instance but is only one of many of our export trade. When there is a great falling off of foreign demand for the products of labor, whether cotton or machinery, there must be a falling off in employment that reacts upon all industry and trade," said the Journal.

The Journal was notably cool toward Hoover's 1931 State of the Union address, criticizing him for a lack of leadership in signing Hawley-Smoot. An editorial said the message was "in fact disappointing," betraying Hoover as "a man whose mental vision is apt to become focused on what he wishes to see."

As the Depression deepened, the Journal's support for Hoover waned further, and although it



GETTY IMAGES (2)

Presidents Herbert Hoover and Ronald Reagan.

(still existent today but more dangerous then) that an export surplus, enforced by high tariffs, is a good thing for the economy. It cited a book titled "America Looks Abroad" by banker-economist Paul Mazur about the fundamental inconsistency of that view.

Said the editorial: "America looks abroad, wrote Mazur, because she can't help herself. She seeks an answer to the not altogether new question how she may continue to collect \$1,000,000,000 of annual interest on foreign loans and still preserve a merchandise export balance of nearly as much. With due conditions and qualifications, Mr. Mazur's conclusion is that it cannot be done."

This editorial was not the first and would not be the last time that the Journal would have to point out that the flip side of an export surplus is a foreign investment deficit. Americans in the 1930s frequently grumbled over the failure of our European Allies to pay their World War I debts. Mazur and the Journal were pointing out that high tariffs made it difficult for the Europeans to earn the dollars to make those payments, even with the best of intentions.

The damage from Hawley-Smoot, which Hoover signed in June, wasn't long in coming. A Journal editorial on Dec. 30, 1930, noted that exports of autos and parts for the 10 months ending in October had dropped to \$249 million from \$488 million in the like period a year earlier. "This is not an isolated instance but is only one of many of our export trade. When there is a great falling off of foreign demand for the products of labor, whether cotton or machinery, there must be a falling off in employment that reacts upon all industry and trade," said the Journal.

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As the Depression deepened, the Journal's support for Hoover waned further, and although it

still leaned toward Hoover over Franklin D. Roosevelt in the 1932 presidential race, there were no more enthusiastic endorsements. The Journal's editorial position was equivocal, deeming both parties to be, in effect, antibusiness. Indeed, an editorial on July 1, 1932, favored the Democrat platform plank as being the "most honest" on the repeal of Prohibition, which, even in the depths of a Depression, it described as the "most important issue facing the nation."

\* \* \*

The biggest thing we did in the 1970s and '80s under editor Bob Bartley's leadership was to provide a springboard for what later came to be called the "supply-side revolution" in economic thought. We didn't know when we entered into this project that it would be the big deal it proved to be, transforming federal economic policy in a way that made the United States more prosperous and life better for many millions of Americans.

The early supply-siders of the 1970s advocated cutting rates in the highest-income tax brackets, in what was then an even more progressive system than now. As a worker's earnings rose, he paid out ever-higher percentages of additional (marginal) income to the tax collector; thus, the system penalized the most productive and successful taxpayers. I was Bob's deputy, and initially I was not sure that cutting rates on the highest incomes, as the supply-siders advocated, would create greater incentives to produce. I was concerned that they were simply offering a way to make the rich even richer, an argument that has not gone away even today.

**B**ut a better understanding of what the supply-siders were driving at revealed the logic of their arguments. Men and women will work harder to improve their status in life if the work effort they expend and the investment risks they take are not burdened with excessive taxation. In other words, supply-side measures were not meant to help the rich, but to foster the work effort and investment of time and money by people who want to become rich, or at least richer. In short, they were advocating measures to

promote economic growth, which improves the lot of almost everyone.

It made sense to me because of the experience of my own family. Long before I was born, my father owned a farm on the eastern outskirts of Louisville, Ky. It was on the south bank of the mighty Ohio River, and every spring his land was inundated by Ohio's annual flood. After the danger of flood had passed, my father cleared his land of debris and planted sweet corn. When it matured, he harvested the "roasting ears" and hauled them into Louisville to sell at the farmers' market. It was a profitable business. Eventually, he saved enough money to buy a better farm in central Indiana and enjoy a measure of prosperity of the 1920s.

My father, beginning with very little capital, was able to build a profitable business through long hours of hard physical labor. There was no farm program to support him, but on the other hand he wasn't overburdened with excessive taxes and regulation. He could use what he earned at the Louisville market to support his wife and six children (I was later to be the eighth and last) and still have savings left over for future investment in a better farm that wasn't flooded every spring. Because of his productivity, he was able to earn a surplus by supplying a marketable commodity to the townspeople of Louisville.

Men like my father, questing for a better life and willing to work long, hard hours to achieve that end, supplied the productive energy that built the United States to the powerful engine it had become by the 1920s. The country's reputation as a land of opportunity, where privileged elites could not keep a good man down, had drawn many millions of ambitious immigrants to America's shores, and does to this day. There had to be demand in the marketplace for what they produced, of course, but it was their productive labor that drove the economy.

My father, along with millions of other Americans, demonstrated the simple principles that formed the foundation for supply-side economics. People produce so as to be able to consume, and they work harder and take more risks if

there are few restrictions on their opportunity for gain.

Associate editor Jude Wanniski, Bob Bartley and I used to amuse ourselves imagining the guesses readers might be making—particularly our adversaries—about the backgrounds of the men who were writing Wall Street Journal editorials. The class-warfare barbs thrown at us by our critics on the left led us to believe that they thought we were pampered sons of New York billionaires. In fact, Bob's father taught veterinary medicine at Iowa State; I grew up in a farm village in Indiana, the son of a farmer; and Jude was the son of a coal miner and grandson of an ardent Communist.

We were a rather proletarian lot to be promoting capitalism, but we were not at all out of step with the special brand of populism that had been made a tradition by our predecessor Journal editorial page writers. "Free people, free markets" was in our veins for the simple reason that those principles allowed upward mobility for individuals with energy and ambition—people like us. Business leaders, when they departed from those principles—as they often did—were as much fair game for our verbal arrows as statist politicians. We were not the "voice of big business," as our critics glibly called us, but exponents of free-market capitalism, an economic system that allows any individual to build a business and compete with the big boys.

The two things are definitely not the same. We didn't expect limousine liberals to love us for our proletarian origins. Distrust of self-made men is a fairly common attitude in those circles. A few of us were having lunch with former managing editor Barney Kilgore in Cleveland once when he offered what I thought was a particularly trenchant observation about rich liberals: "They've got theirs and they don't want anyone else to get any."

**T**he fundamental importance of encouraging production was understood as well by Ronald Reagan, a poor boy from the Illinois sticks. Reagan defeated Jimmy Carter in 1980, partly because of the hash Carter had made of economic policy. After Reagan took office, tight money forced the nation into a sharp but short-lived recession, which gave rise to some carping, even among some supply-siders, that Reagan had misapplied their principles.

Whatever the right policy mix might have been, when the recession ended in 1983, the country came out of it with a dollar rehabilitated to relative soundness and a tax system that had restored incentives to work and invest. On that basis the United States would enjoy steady economic growth, with only two brief exceptions, well into the 21st century.

The supply-side formula had been proved correct. Ronald Reagan had pushed aside all the old class-warfare, soak-the-rich populism that had taken hold in the 1930s and had restored the kind of free-enterprise populism that had made the United States great.

*Mr. Melloan is a former deputy editor of the Journal editorial page and author of "Free People, Free Markets: How the Wall Street Journal Opinion Pages Shaped America," just out from Encounter, from which this article is adapted.*

## Do Texas Lawmakers Want a State Bathroom Policy?



Texas is facing a bathroom emergency. Gov. Greg Abbott effectively has been forced to reconvene the state legislature Tuesday for a 30-day special session. What will likely dominate is an issue he has avoided all year: transgender access to public restrooms.

The Texas business lobby doesn't want a repeat of the scene in North Carolina, and Mr. Abbott usually is attuned to its wishes. But he has been outflanked on this point by Lt. Gov. Dan Patrick, a conservative former talk-radio host with a knack for setting the state's agenda.

Mr. Patrick has been pushing a bill that would require people in government facilities to use the bathroom corresponding to their biological sex. Like the ill-fated North Carolina law, it would also pre-empt local governments from regulating bathrooms in private facilities. The issue popped up last year when the Fort Worth school district announced a transgender

accommodation policy that it later reversed under pressure.

It might seem strange that the governor and lieutenant governor would be at loggerheads, but in Texas the two positions are elected separately and often filled by political rivals. Mr. Patrick, whose role includes presiding over the Texas Senate, is arguably the state's most powerful officeholder.

But much of Mr. Patrick's agenda has been thwarted by the third member of the Texas triumvirate, House Speaker Joe Straus, a Republican moderate. Mr. Straus plays the foil to the state's conservatives, sending most of their bills off to die in committee. This rarely attracts attention beyond the grass roots, since Texas does its legislating in two-month bursts only every other year.

Mr. Abbott straddles the two camps: He plays a fire-breather on Fox News but is otherwise cautious. When the bathroom bill arose, the governor was almost certainly counting on Mr. Straus to kill it in committee. But Mr. Patrick has now forced the issue by taking hostage the Texas Medical Board.

Under the state's "sunset" rules,

agencies face theoretical elimination every few years unless the legislature endorses their work and extends their charters. This is generally a pro forma process: Does Texas really need three licensing boards for physical therapists? Apparently the answer, once again, is yes.

**The lieutenant governor forced a special session to push a bill on transgender access to public restrooms.**

Mr. Patrick spotted his opportunity late in the regular session, when, through a series of procedural machinations, the initiative for renewing the Texas Medical Board fell in his lap. He made clear he would refuse unless Mr. Straus put the bathroom bill to a vote. The regular legislative session ended May 29 with the board due to expire.

Mr. Abbott was caught in the middle. So he called a special session to begin July 18, attempting to seize the initiative by announcing 20 priorities, among them the

medical board and a vague call for bathroom "privacy." The others include a measure on tree-trimming ordinances, but these ostensible priorities seem to be little more than foliage.

Texas governors have quite limited powers, but one of them is calling special sessions, so Mr. Abbott does have the last word here. His initial agenda covers only the sunset issue. He has said that he will expand it to cover the other 19 items as soon as the Senate renews the medical board. Mr. Patrick, in other words, has to surrender his leverage.

Mr. Patrick still will get his day in the spotlight and a chance—without the rush of the normal legislative session to distract—to lament that Texas has a Republican speaker who doesn't much care for a lot of Republican ideas.

Mr. Straus has survived eight years as leader by avoiding the spotlight, and polling shows most Texans have little idea who he is. State media, considering the alternatives, cover for him, rarely mentioning his political orientation or that he came to the speakership in a coup led by Democrats.

So far, Mr. Straus appears determined to resist the public pressure. He may already be looking to shore up relationships on his left, after letting a ban on "sanctuary cities"—what some have called a "show me your papers" bill—pass during the regular session. On the bathroom bill, the speaker's rhetoric is escalating. The New Yorker recently quoted him saying: "I'm disgusted by all this. Tell the lieutenant governor I don't want the suicide of a single Texan on my hands."

Mr. Straus says he's under no obligation to pass the bathroom bill—and he's correct. As the special session nears, some of the speaker's supporters are rallying to a new motto that includes a Latin term well-known around here: "Sunset and sine die." That's even being printed on lapel pins.

Pass the one bill, it means, and then go home. Odds are that's what they'll do—even if they stick around Austin for a week or two to put on a good show.

*Mr. Cassidy is a reporter for the Texas Monitor and contributing editor for the American Spectator.*

## OPINION

### REVIEW & OUTLOOK

## If You're Riding Through Hell . . .

**A**mericans who live outside the Northeast Corridor might enjoy the *schadenfreude* of knowing that New York Governor Andrew Cuomo has dubbed this the "summer of hell" amid disruptions in public transit. But hell doesn't have as many circles of dysfunction, and the root cause is the political misallocation of resources.

Hundreds of trains that run through New York City will be delayed or diverted this summer so Amtrak can make long overdue track repairs at Penn Station, the busiest rail hub in North America. Derailments are now common, and New York's subways are also breaking down. The mess is a mere portent of the misery that commuters will experience when the 107-year-old tunnel under the Hudson River, which was badly damaged by Hurricane Sandy in 2012, undergoes repairs.

\* \* \*

Liberal politicians extol the virtues of public transit, so why can't they run a decent public railroad? The answer is that modern progressives prefer doling out transfer payments to voters and public workers rather than make long-term investments in subway cars, tunnels and bridges. And even when they do build something, they pile on the costs to pay off their other political constituencies.

Take the Hudson tunnel retrofit, which the Federal Railroad Administration's (FRA) draft environmental impact statement last week pegged at \$13 billion, up from \$7.7 billion from just last year. Cost drivers include measures to minimize traffic delays, but also defensive contracting to avoid lawsuits. The FRA proposes blocking ugly views of construction with barricades and fencing that are "clad with aesthetically attractive or artistically enhanced fabric." Marsh-pennywort plants in the Meadowlands would be transplanted to protected areas.

The FRA and New Jersey Transit had to make such concessions to get an alphabet soup of agencies—29 participated in the study—to issue the 19 permits required. Tunnel construction is planned to start in 2019 and wrap up by 2026, if you choose to believe.

New York's Metropolitan Transportation Authority (MTA) spent 45 years and \$4.5 billion building the two-mile Second Avenue subway, which was first proposed in the 1920s. In 1999 the East Side Access project to bring Long Island Railroad trains into Grand Central was estimated to cost \$4.3 billion. The MTA now expects to complete it by 2023 for \$10.8 billion.

Political demands drive up costs and create delays. New Jersey politicians wanted the World Trade Center Transportation Hub to be an architectural masterpiece. Their counter-

parts in Staten Island didn't want to inconvenience ferry riders by temporarily closing the 1 subway line. This is how a train station that serves a mere 46,000 daily commuters—less than 10% of Penn Station's traffic—wound up costing \$4 billion.

Then there are labor agreements. The 1931 Davis-Bacon Act requires public projects receiving federal funds to pay prevailing wages typically determined by unions. Work rules stipulate how many and which workers must perform specific tasks. Inefficiency is rewarded with overtime.

The Federal Transit Act also requires federal grant recipients to protect workers against a "worsening" of their employment condition. This in effect bars transit agencies from contracting out services, reducing benefits or laying off workers. The Department of Labor looks to unions to certify that agencies are upholding the law, which increases their clout in collective bargaining.

Since 2005 the MTA's labor costs—which account for 60% of expenses—have swelled by 80%. Pension and health costs have doubled. In January the agency bumped pay by an additional 5% over the next two years, threw in a \$500 bonus and agreed to hire 100 workers to remodel worker facilities.

With all the money that government spends on labor and marsh-pennyworts, it's no surprise that capital investment has been neglected. The MTA's rolling stock hasn't been replaced for 20 to 30 years since Mayors Ed Koch and Rudy Giuliani prioritized service improvements. The MTA still uses block signals from the 1930s, which explains why so many are malfunctioning and causing delays. While the current capital plan allocates \$2.8 billion to modernize the signal system, the upgrade won't be finished for half a century.

Progressives say we don't spend enough on public works, but dedicated taxes for New York's MTA have doubled over the last decade. Washington is spending 35% more on public transit than a decade ago. Don't forget the \$11 billion that the Northeast got from Hurricane Sandy relief for transportation, which should have covered the cost for signal repairs. But politicians instead prioritized spending \$15.9 billion for "community development" and billions more in pork. As taxes rise most of the money goes to buying votes rather than upgrades that will be finished on some other politician's watch.

The heyday for American public works came before the political dominance of public unions and the welfare state. And now the price for decades of progressive governance will be years of long commuter delays and tens of millions of hours in lost productivity.

## An A for Activism on Campus

**P**olitical agitation on campus can be hard work, and its rigors deserve to be recognized when professors are handing out student grades. Believe it or not, that's a new theme at several schools of supposedly higher education where students have erupted.

Take Evergreen State College, where biology professor Bret Weinstein was harassed and advised by police to stay home after he opposed a racially segregated "Day of Absence" in which whites were told to stay off campus. The student haranguing was extreme enough that Evergreen president George Bridges was "apparently not free to go to the restroom on his own," as Evergreen facilities engineer Rich Davis put it in an email obtained by these pages through a public records request.

But far from punishing students for such behavior, interim Evergreen provost Kenneth Tabbutt wrote in a May 25 email that "student protesters have diverted time and energy from their

academic work to promote institutional change and social justice." Professors have discretion on student evaluations, he added, so "I am asking that you consider the physical and emotional commitment the students have made and consider accommodations for that effort, including the learning that is going on outside of your program." This is a novel spin on the old school of hard knocks.

In recent years administrators at Columbia, the New School and elsewhere have also encouraged grading concessions for students who chose protests over mere book learning. At Oberlin some 1,300 students unsuccessfully petitioned the school president for no failing grades for activists. Oberlin's Black Student Union has also demanded an \$8.20-per-hour stipend for student protesters' "continuous organizing efforts."

Today's millennial activists aren't likely to behave better if the punishment for antisocial or violent behavior is a higher GPA.

## Jamie Dimon Goes Off

**J**amie Dimon sure knows how to liven up an earnings call. While reporting quarterly results on Friday, the J.P. Morgan

Chase CEO let loose with a high-quality harangue against the political class and Washington gridlock that drives down economic growth and hurts the people at the bottom of the income ladder.

"Since the Great Recession, which is now eight years old, we've been growing at 1.5% to 2% in spite of stupidity and political gridlock," said the dean of Wall Street CEOs, who was just warming up. "We are unable to build bridges, we're unable to build airports, our inner city school kids are not graduating."

"I was just in France, I was recently in Argentina, I was in Israel, I was in Ireland. We met with the prime minister of India and China. It's amazing to me that every single one of those countries understands that practical policies to promote business and growth is good for the average citizens of those countries, for jobs and wages, and that somehow this great American free enterprise system, we no longer get it."

The banker who was once a target of Obama regulators must feel liberated because he even dared to defend tax cuts for business: "Corporate taxation is critical to that, by the way. We've been driving capital earnings overseas, which is why there's \$2 trillion overseas bene-

fiting all these other countries and stuff like that. So if we don't get our act together—we can still grow."

**T**ell us how you really feel, Jamie: "I don't buy the argument that we're relegated to this forever. We're not. If this administration can make breakthroughs in taxes and infrastructure, regulatory reform—we have become one of the most bureaucratic, confusing, litigious societies on the planet."

"It's almost an embarrassment being an American citizen traveling around the world and listening to the stupid s—we have to deal with in this country. And at one point we all have to get our act together or we won't do what we're supposed to [do] for the average Americans."

"And unfortunately people write about this saying like it's for corporations. It's not for corporations. Competitive taxes are important for business and business growth, which is important for jobs and wage growth. And honestly we should be ringing that alarm bell, every single one of you, every time you talk to a client."

Mr. Dimon has said he's a Democrat, and some of his friends say he might be looking to run for President. If Republicans can't rally the nerve to pass their agenda, he might find a receptive constituency.

### The J.P. Morgan CEO savages Washington's anti-growth culture.

## OPINION

## LETTERS TO THE EDITOR

### Smart Medicine Can Help, but More Is Needed

Eric Topol makes a cogent argument for the value of new technologies to advance medical care ("The Smart-Medicine Solution," Review, July 8). The advantages of this are obvious, but two issues of importance need to be considered. Those elderly individuals most likely to have multiple, complex, chronic illnesses, which would be particularly suited to technological approaches, are often least able to interact with technology advances. They may not have smartphones or use email. Second, neither technology nor artificial intelligence will ever replace the value of a caring physician who knows the patient, listens intently and builds a trusting, healing relationship. This requires time, the missing ingredient in America's highly dysfunctional health-care delivery system.

STEPHEN C. SCHIMPFF, M.D.  
Catonsville, Md.

Dr. Topol oversells technological prospects both for containing health-care costs and for correcting perceived deficiencies in the system. He asserts that the answer to the long average wait time to see a primary-care physician is to introduce telemedicine visits. As a busy internist, I can see only a finite number of patients a day regardless of whether that visit takes place electronically or in person. Even so, relying solely on patients with no medical training to accurately obtain and transmit complex medical information is simply too prone to error and will inevitably lead to incorrect diagnoses. I doubt the average trial lawyer will forgive me for using diagnostic information that was incorrectly reported by a patient through an internet connection.

ADAM RALKO, M.D.  
Clayton, Mo.

My employees face increasing deductibles and copays that force them to shop for medical services, but they are unable to do so because transparency doesn't exist in the health-care industry. Without cost transparency, there is no competition between hospitals and other health-care providers and therefore no financial incentive for any of them to seek more reasonably priced equipment and drugs for their patients. While Republican congressmen loudly threaten us with a single-payer system if we don't support their health-care bill, by focusing on the cost of insurance rather than the cost of services, they ignore the fact that the inefficiencies of noncompetitive, government-controlled pricing already are mirrored in our system. Congressmen who suggest bipartisan action should be able to introduce an uncomplicated bill requiring providers to publish their itemized costs of service. The result will be price transparency, the prerequisite of competition in any free market.

RICHARD D. ROGOVIN  
Blacklick, Ohio

I don't share the optimism that technology will cure the ills of our health-care system. None of the technologies described will encourage population health. Show me a device that

I agree that we need to adopt the tools of information-age medicine to contain costs and improve results, but our health-care system won't be fixed without insurance reform. We need both smart medicine and smart insurance reform. The smartest health-insurance reform, already proven effective in virtually every developed country, is an improved Medicare-for-all/single-payer system.

ROBERT VINETZ, M.D., FAAP  
Los Angeles

In 1860 people living in the North generally agreed with other Northerners. Likewise, those in the South, except for the unfortunate slave population, tended to espouse Southern views. There was no radio, television or national newspaper. With the advent of social media, it is difficult to agree with Mr. Guelzo's assessment. We have instant and endless access to radio, television, newspapers and magazines, but social media trumps them all, giving users a daily opportunity to express their political views, etc., in almost whatever form they like. The Pew Research Center found that in 2010 one-third of Democrats and one-half of Republicans would be "upset if their children married someone from the other party." Does anyone want to bet that those numbers aren't far greater today?

TIM NORBECK  
Bonita Springs, Fla.

### We Are Again a House Divided Against Itself

James Taranto's "The Weekend Interview with Allen Guelzo: Divided America Stands—Then, and Now" (July 1) is timely, illuminating and constructive. Mr. Guelzo's premise that today's societal divisions don't approach the severity of those during the Civil War years in the 1860s, however, warrants further discussion.

### As the Post-Post Era Fades, The Smart Money Is on 'Pre'

Stephen Miller's accurate recognition of the proliferation of "post" as a prefix has joyfully enabled me to restate my chronological age (84) as simply being in the "post-juvenile" stage ("This Letter Arrives With 'Post Age' Due," op-ed, July 10). On the other hand, "pre" needs to assume a more prominent role in our communications. Perhaps the best is yet to come.

SAMUEL FRAZER  
Fort Myers, Fla.

### A Wrenching German Issue

Regarding Joe Bocuzzi's June 30 letter ("Apprenticeships Could Help U.S. Employment"): To Get German-style results you have to use Germany's system of measurement—the metric system. There is no such thing as a 5/8" or 3/16" wrench in Germany.

RAY HOSTETLER  
Simi Valley, Calif.

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### Pepper ... And Salt

THE WALL STREET JOURNAL



"When I hit the escape key, it shows photos of tropical resorts."



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# DEMOCRACY'S VICTORY OVER TERRORISM THE DEMOCRACY AND NATIONAL UNITY DAY IN TURKEY

We, the undersigned, joined hands to safeguard and strengthen Turkey's democracy and to support our country's democratic tradition.

One year ago today, a coup attempt was carried out by a secretive criminal organization known as FETÖ/PDY in Turkey, which had been infiltrating the country's strategically-important public institutions for decades.

The Turkish Parliament, among other symbols of our democracy, came under attack by the coup plotters. Over the course of the coup attempt, 250 innocent people lost their lives and another 2,193 survived with injuries.

On the streets of Istanbul and Ankara, ordinary citizens stood up to tanks and stood their ground despite being targeted by heavy weapons.

Last summer's coup attempt represented a test of Turkey's democratic institutions. Together, people of diverse backgrounds, their President, the Parliament, the government, political parties and non-governmental organizations, defended Turkish democracy and passed this test with flying colors.

We remember those who lost their lives during the heroic resistance against the coup plotters with respect and gratitude.

By stopping an intervention by terrorists in the political process, the Turkish people prevented a new crisis in an already unstable part of the world.

As they mourn the dead and nurse the wounded back to health, the people of Turkey wish to see their friends and allies on their side at the first anniversary of this great test of their resolve.

Terrorism is a crime against humanity. The international community must stand in solidarity against all terrorist groups, regardless of their origins and goals, and terror attacks against democratic societies.

It is only by working together for strong democracies, free societies and the rule of law that people around the world can build a brighter future.

We share the Turkish people's commitment to peace, security, democracy and economic welfare.



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BUSINESS CAR SHARING FADES B3

# BUSINESS & FINANCE



MARKETS ICE'S NEW PRIZE B10

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DJIA 21637.74 ▲ 84.65 0.4% NASDAQ 6312.47 ▲ 0.6% STOXX 600 386.84 ▲ 0.2% 10-YR. TREAS. ▲ 8/32, yield 2.319% OIL \$46.54 ▲ \$0.46 GOLD \$1,226.60 ▲ \$10.30 EURO \$1.1470 YEN 112.53

## Banks' Results Raise Red Flags

Earnings climb at three big lenders, but concerns over lending growth hurt shares

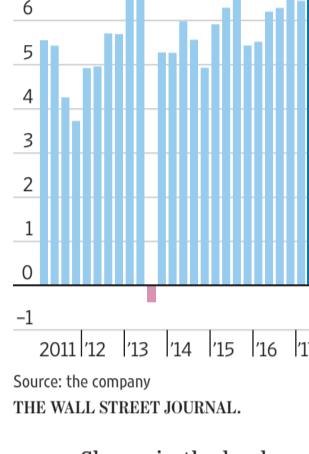
By EMILY GLAZER AND PETER RUDEGEAR

A still-challenging environment around lending and interest rates, along with frustration voiced over Washington gridlock, took some of the shine off otherwise solid financial results from three of the biggest U.S. banks.

J.P. Morgan Chase & Co., the biggest U.S. bank by assets, led the way with record profit in the second quarter of \$7.03 billion. Even so, executives on Friday cut their projections for lending growth in 2017 as well as for interest in-

### Record Breaker

J.P. Morgan's quarterly net income



Source: the company

THE WALL STREET JOURNAL.

come. Shares in the bank and other lenders fell in response, reflecting investors' worries

that economic growth might not be strong enough to fuel further gains in bank shares given their postelection run-up.

The KBW Nasdaq Bank Index is up about 28% since last November's election, nearly double the performance of the S&P 500 during that time.

On Friday, shares of J.P. Morgan dropped 0.9%, while shares in the other two big banks that reported results, Wells Fargo & Co. and Citigroup Inc., fell 1.1% and 0.5%, respectively.

Investors' excitement over policy changes that could benefit banks has also cooled amid uncertainty around issues such as a tax-code overhaul or infrastructure spending. Frustration on that front was expressed by J.P. Morgan CEO James Dimon, who challenged Washington to do more

to boost the economy.

In doing so, he struck a tone more downbeat than the hopeful one many bankers adopted after President Donald Trump's election. "It's just unfortunate, but it's hurting us, it's hurting the body politic, it's hurting the average American," Mr. Dimon said of Washington inaction. "We have become one of the most bureaucratic, confusing, litigious societies on the planet. It's almost an embarrassment to be an American citizen traveling around the world and listening to the stupid shit we have to deal with in this country."

"We have to get our act together," he added.

Mr. Dimon's remarks came shortly after the bank said it expected to increase its net interest income by \$4 billion this year, down from an earlier

projection of \$4.5 billion. A big driver of the reduction has been persistent low yields on longer-term bonds, which reflects skepticism about long-term prospects for economic growth and inflation.

Long-term yields are moribund despite four increases in short-term rates by the Federal Reserve since late 2015. That combination weighs on bank profits because it narrows the difference between short- and long-term rates—a flattening of the yield curve, which is often seen as a negative sign for economic growth.

Despite such factors, second-quarter results from J.P. Morgan, Wells Fargo, Citigroup and PNC Financial Services Group Inc. beat Wall Street expectations.

♦ J.P. Morgan posts a record profit for the quarter..... B11

## Sprint Dials Up Buffett, Malone

By RYAN KNUTSON AND SHALINI RAMACHANDRAN

Sprint Corp. Chairman Masayoshi Son has engaged two of America's richest men, billionaire investor Warren Buffett and cable mogul John Malone, about investing in the embattled wireless company, people familiar with the situation say.

The Japanese billionaire met separately with the Berkshire Hathaway Inc. boss and Mr. Malone this week at an annual gathering of CEOs in Sun Valley, Idaho, the people said. Mr. Malone heads Liberty Broadband Corp., which is cable provider Charter Communications Inc.'s biggest investor.

The contours of the deal the parties are discussing are unclear. The talks are at an early stage and may not result in an agreement, the people said, but one possibility would see Berkshire put more than \$10 billion into a transaction.

Mr. Son, who controls more than 80% of Sprint, has been ex-

## \$32B

Debt amassed by wireless provider Sprint

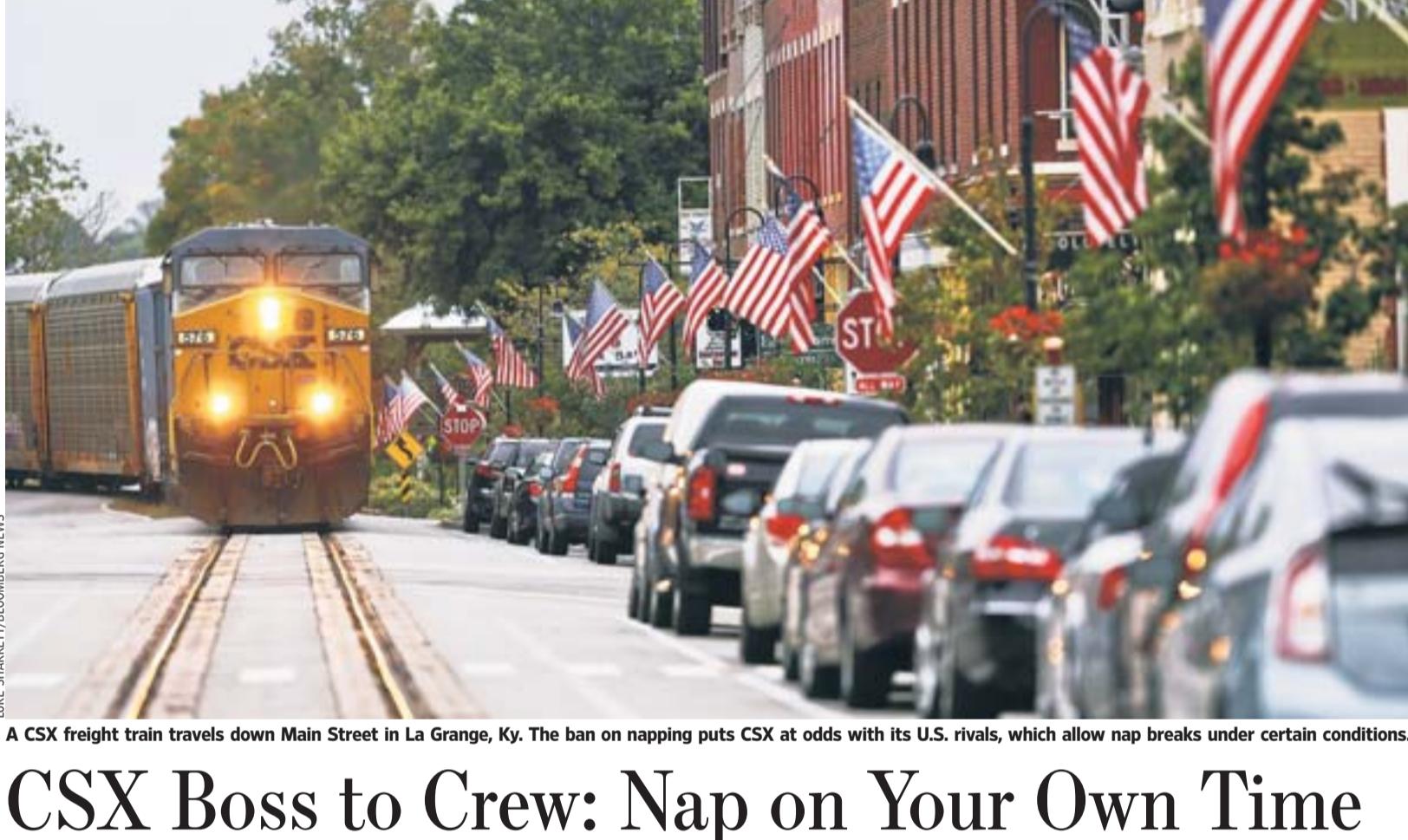
ploring a deal to help the money-losing company saddled with more than \$32 billion in debt. In recent months, Sprint has also held merger talks with rival T-Mobile US Inc. and discussed a reseller agreement with cable providers, people familiar with the matter have said.

Sprint shares rose 4% Friday after The Wall Street Journal reported the discussions, ending the day with a market capitalization of about \$34 billion.

Since late May, Charter and Comcast Corp. have been in exclusive talks with Sprint about buying a stake in the wireless carrier or negotiating a favorable wholesale agreement that would allow them to resell wireless service under their own cable brands. The exclusivity window only lasts a few more weeks, people familiar with the matter have said.

Mr. Malone has been scouting for a deal that would bolster Charter's efforts to add wireless service to its cable TV and internet businesses, people familiar with the matter say.

Please see SPRINT page B2



A CSX freight train travels down Main Street in La Grange, Ky. The ban on napping puts CSX at odds with its U.S. rivals, which allow nap breaks under certain conditions.

## CSX Boss to Crew: Nap on Your Own Time

By PAUL ZIOPRO

Hunter Harrison joined CSX Corp. as chief executive in March, promising to quickly jolt the railway's culture and bring on tighter schedules, faster trains and less downtime.

The change, instituted by the 72-year-old railroad veteran in a half-page bulletin in April, eliminated more than two decades of allowable naps on CSX trains. It also put CSX

tocool when trains were stopped. Now, any on-the-job shut-eye is forbidden.

"We had a rule that said you could take a nap while you worked," Mr. Harrison said in a recent interview. "We don't have that now."

The change, instituted by the 72-year-old railroad veteran in a half-page bulletin in April, eliminated more than two decades of allowable naps on CSX trains. It also put CSX

at odds with its U.S. rivals. BNSF Railway Co., Kansas City Southern Corp., Norfolk Southern Corp. and Union Pacific Corp., allow napping under certain conditions, as do hundreds of other smaller railroads.

The two other railways that Mr. Harrison ran—Canadian National and Canadian Pacific—don't allow napping.

"We think it's pertinent and appropriate in certain circum-

stances to enable an employee to nap," said Union Pacific CEO Lance Fritz. The railway has allowed naps since 1999 and has even built "nap rooms" at various sites to facilitate rest.

The various changes that Mr. Harrison is implementing are meant to give employees less variability in their schedules, allowing them to plan their sleep better, CSX spokesman Rob Doolittle said. CSX

believes employees are safer "when they are fully engaged in the activity around them at all times when they are on duty," he said, adding that worker safety hasn't slipped since the rule changed in April.

Frequent delays hauling freight provide plenty of opportunity for napping. On long routes, a train may be shunted to a "siding" to allow

Please see NAP page B2

LUKE SHARRETT/BLOOMBERG NEWS

## The Money Man for Activist Investors

Gregg Hymowitz is the go-to guy when hedge funds want to make a big wager

BY JULIET CHUNG AND DAVID BENOIT

When hedge-fund manager Daniel Loeb needed help making a \$3.5 billion wager on Nestlé SA, he turned to the man who is behind some of Wall Street's biggest activist bets: Gregg Hy-

mowitz.

The chief executive of EnTrustPermal in May approved a \$650 million investment in Nestlé alongside Mr. Loeb's Third Point LLC, a huge sum for a single investor.

Mr. Hymowitz's willingness to write such large checks on short notice makes the 51-year-old a potent weapon when managers are quietly trying to amass meaningful stakes in compa-

nies. The New York investment firm this year has backed Trian Fund Management LP's \$3.3 billion Procter & Gamble Co. stake and Mantle Ridge LP's \$1 billion CSX Corp. investment, among others. The \$650 million Nestlé investment, which includes money from sovereign-wealth funds and state pensions, is its biggest co-investment to date, giving EnTrustPermal a total of more than \$6 billion tied up in such single-bet wagers, or co-investments.

EnTrustPermal, which told clients it had \$24.5 billion in assets under management at the end of May, is primarily a fund-of-hedge-funds firm; it pools clients' money and invests in a range of hedge funds, charging a layer of fees on top of the fees

Please see MONEY page B2



Gregg Hymowitz, second from left, says, 'You have to evolve or evaporate,' borrowing a philosophy from the singer Usher.

## THE INTELLIGENT INVESTOR

By Jason Zweig

## A Singular Focus Can Crack Your Nest Egg



The perennial question about company stock in 401(k) and other retirement plans is timely again.

On June 15 and 16, shares in Kroger Co., the Cincinnati-based supermarket holding company, fell more than 26%, largely on the news that Amazon.com Inc. would expand in the grocery business by acquiring Whole Foods Market Inc. With Kroger's biggest retirement plans holding just under 28% of their assets in the company's shares, employees lost about 7% of that collective nest egg in two days. It

still hasn't recovered.

The loss might not be permanent, of course. "Kroger has competed and won against an ever-changing competitive landscape for 134 years," says spokeswoman Kristal Howard.

Such sharp, shocking losses are a reminder that investing where you work is riskier than it feels.

Buying your company's stock feels safe partly because of what psychologists call the illusion of control: the unrealistic belief that we can make the future conform to our wishes.

The idea isn't new. An employee buying stock where

Please see INVEST page B4



## BUSINESS NEWS

# U.K. Rail Operator Is Sold for \$1.2 Billion

BY BEN DUMMETT

A U.K. infrastructure consortium led by **InfraRed Capital Partners** and **Equitix Investment Management** Ltd. agreed to acquire British high-speed rail operator **HS1** Ltd. from two of Canada's largest pension funds.

The consortium beat out an offer from bidders led by **Dalmore Capital** Ltd.

The winning group said it is paying about £914 million (\$1.2 billion) for the equity. Canada's **Ontario Teachers' Pension Plan** and **OMERS Administration** Corp. acquired the operator of the nearly 68-mile HS1 rail link in 2010 from the U.K. government in a deal that valued HS1 at £2.1 billion, including debt. The InfraRed-Equitix deal values HS1 at more than £3 billion, including debt, according to a person familiar with the matter.

The competitive sale highlights the strong—some say overheating—demand for infrastructure projects as a way for pensions, sovereign-wealth funds and other institutional investors to boost returns and diversify their holdings.

HS1 holds a concession to own and operate the High Speed 1 rail-service link that connects London St. Pancras International railway station located in the heart of London with the Eurostar tunnel, another high-speed rail connection that runs under the English Channel between Britain

**16%**

Approximate increase in value of infrastructure deals in 2016

and continental Europe. Eurostar, which started running passenger trains in 1994, is popular with millions of tourists and business travelers as a way to cut travel times and airport hassle. The HS1 concession expires at the end of 2040.

The winning consortium comprises **HICL Infrastructure** Co., an investment company advised by InfraRed, as well as third-party funds managed by InfraRed and funds managed by Equitix.

**Ontario Teachers'**, which oversees 175.6 billion Canadian dollars (US\$138.8 billion) in assets, and OMERS, with more than C\$85 billion, launched the sale process in December after receiving buying interest for the rail link.

Rail lines, toll roads, utilities, airports and other large-scale public projects often appeal to institutional investors looking to reduce their exposure to the volatility of public equities and the low returns of bonds in a muted interest-rate environment. That demand helped infrastructure funds raise a record \$59 billion last year for a total of \$137 billion to invest as of the end of 2016, according to data provider Prequin.

More traditional private-equity funds, looking to tap that investor appetite, are also targeting infrastructure. In May, Blackstone Group LP announced plans to raise \$40 billion for a new infrastructure fund. Saudi Arabia's **Public Investment Fund** is seeding Blackstone's fund with a \$20 billion commitment. President Donald Trump has spoken of plans for \$1 trillion of investment to upgrade U.S. roads, highways and other public works.

Still, strong investment demand and the growing pile of cash to invest risks pushing prices higher unless the number of potential targets grows. While the number of infrastructure deals rose about 2% to 1,774 in 2016, total deal value gained almost 16% to \$645 billion, according to Prequin.

"Despite strong returns in recent years, there are concerns from all players in the infrastructure industry about competition for assets pushing up pricing and eating into eventual returns," Prequin said in its 2017 global infrastructure report.

# Rival to Uber in Asia Draws Funds

SHANGHAI—**Uber Technologies** Inc.'s biggest rival in Southeast Asia is poised to get a huge cash injection that could help it in its home-regional battle against the U.S. ride-hailing company.

By Liza Lin,  
Julie Steinberg  
and Newley Purnell

Singapore-based **GrabTaxi Holdings** Pte is raising as much as \$2 billion from Japan's **SoftBank Group** Corp. and Chinese ride-hailing company **Didi Chuxing Technology** Co., people familiar with the matter said.

The deal could be completed in the next few weeks and would value Grab, as it is known, at more than \$5 billion—making it the region's most valuable startup. Grab, which launched in 2012, operates in 65 cities across seven countries.

"We will not be commenting on any market rumors or speculation," a Grab spokes-

woman said.

A SoftBank spokesman declined to comment, as did a Didi spokeswoman.

San Francisco-based Uber has spent billions of dollars to expand to more than 70 countries, fighting competitors with local ties and deep pockets along the way.

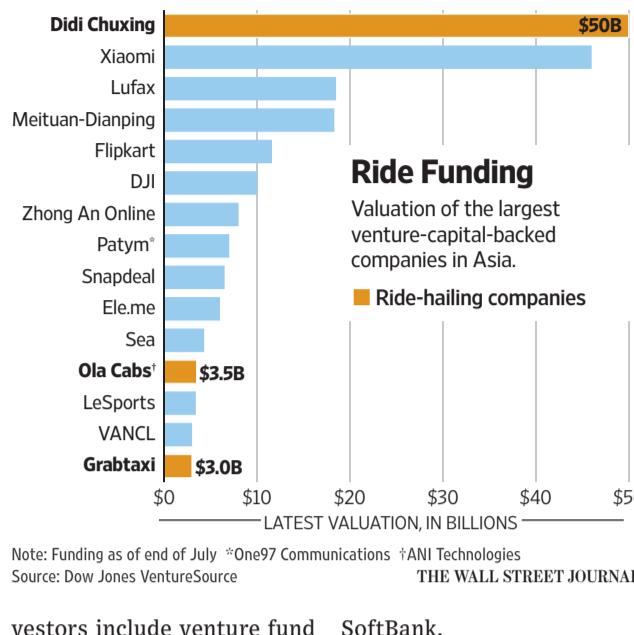
Last year, Uber sold its China unit to Didi in exchange for a 20% Didi stake and the promise of a \$1 billion investment.

On Thursday, Uber said it is combining its operations in Russia with Yandex.Taxi, the country's most popular ride-hailing firm.

Uber faces challenges at home, too, with a string of executive departures in the wake of an investigation into sexual harassment and sexism at the company.

Last month, co-founder Travis Kalanick relinquished his role as Uber's chief executive, although he remains a director.

Grab, whose previous in-



Note: Funding as of end of July \*One97 Communications †ANI Technologies

Source: Dow Jones VentureSource

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vestors include venture fund GGV Capital and Chinese investment fund Hillhouse Capital Group, most recently announced new fundraising last year, when it raised \$750 million in a round led by

SoftBank.

Neither Grab nor Uber discloses user numbers, but Grab's app is more popular than Uber's in many Southeast Asian markets, according to mobile-app analytics

firm App Annie. Grab offers private-car, taxi, motorcycle, and carpool bookings in more cities throughout Southeast Asia than Uber.

In contrast to Uber, which has tangled with regulators and taxi unions globally, Grab has said it works closely with authorities and even has partnerships with local taxi companies. It has recently expanded to offer mobile payments.

It isn't a two-horse race in the region. In Indonesia, Grab and Uber face a fast-growing local startup called GoJek, which specializes in motorcycle taxis and has expanded to include food and package deliveries, cleaning services and more.

Southeast Asia's ride-hailing market could grow to \$13.1 billion by 2025, up from \$2.5 billion in 2015, according to a report last year by Alphabet Inc.'s Google and Singapore state-investment firm Temasek Holdings.

# Car Sharing Loses Out to Ride Hailing

BY ADRIENNE ROBERTS

America's car-sharing industry is struggling as some major operators scale back because of weak demand in certain cities, vandalism and competition from ride-hailing services like Uber.

**Enterprise Holdings** Inc.'s Enterprise Rent-A-Car closed its CarShare membership service in six major cities in recent weeks, following similar moves by other providers.

Car sharing was gaining traction over the past decade, but membership growth has slowed lately as **Uber Technologies** Inc. and other ride-hailing and bike-sharing services have become pervasive, according to Ann Arbor, Mich.-based Center for Automotive Research, or CAR. In addition, cities have raised taxes on the car-sharing industry, but not the ride-hailing business.

Avis Co.-owned **Zipcar**, the largest car-sharing operator, doesn't appear to be scaling back, but the overall industry in the U.S. is encountering hurdles to growth.

"Other shared services may both complement and compete with car sharing," says Susan Shaheen, co-director of the Transportation Sustainability Research Center at the University of California, Berkeley.

There are 1.4 million members of car-sharing services in the U.S., according to the Transportation Sustainability Research Center. That number is expected to grow to three million by 2021 as infrastructure improves, cities become denser and policy makers pro-



Daimler's Car2Go car-sharing service has exited several U.S. markets, including San Diego.

mote multimodal transportation, CAR estimates.

Global Market Insights, a market research and consulting firm, says the industry will reach \$16.5 billion by 2024. However, upstarts face high initial expenses of acquiring a fleet, adapting to the needs of different cities and gaining brand recognition, according to CAR.

The outlook is better for ride-hailing services such as Uber and Lyft Inc. Goldman Sachs expects the hailing industry to balloon to \$285 billion by 2030, from about \$36 billion now, overtaking taxis in most global cities. Lyft tripled its rides from 53 million in 2015 to 160 million last year.

Fleet management can be a big challenge for car-sharing

operators. Unlike conventional car-rental services, with their closely monitored lots of cars for daily use, sharing services offer cars in unmonitored locations that can be secured via a smartphone app and borrowed for hours at a time.

Enterprise's CarShare network recently suffered a lack of vehicle availability in Chicago due to "significant vandalism, theft and fraud." The company has decided to end car-sharing in Chicago and other cities, including San Francisco, Salt Lake City, Washington and Boston, though it characterized the move as a "long-term business decision" that had more to do with weak demand than vandalism. CarShare continues to operate in 21 U.S. cities, the

U.K. and Canada.

Hertz Global Holdings Inc. shut down its Hertz 24/7 sharing service in the U.S. in 2015. Daimler AG's Car2Go program exited Miami, San Diego and Minneapolis, although it continues to operate in Austin, Texas, Portland, Ore., New York City and other cities.

Leah Jones, a 40-year-old marketing professional in Chicago, was a CarShare member for five years, using it roughly twice a month for grocery runs or doctor appointments.

However, after her area CarShare closed resulting in a lack of sharing options near her apartment, she says she may have no choice. "I've wondered if it's finally time to get a car."

Undaunted, auto makers are investing in car sharing, in-

## Stalling

Membership for car-sharing services in the U.S. has flattened out.

1.4 million



Source: Transportation Sustainability Research Center at the University of California, Berkeley

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cluding Volkswagen AG and General Motors Co. GM recently launched its Maven operation and is slowly expanding that car-sharing service to new markets.

Andrew Daley, vice president of marketing at Zipcar, sees the expansion of transportation options, including new car-sharing services, as good for his business, as people rethink the need for personal cars.

"More entrants are more reasons for people to think about car sharing," he says.

Zipcar, which is 17 years old, counts one million members, 75% of whom are in the U.S. The business operates in 30 major metropolitan areas, with demand varying from city to city, Mr. Daley says.

# Canadian Agency Flags Fraud At Chinese Timber Company

BY JACQUIE McNISH

Canada's top securities watchdog ruled that **Sino-Forest** Corp. and four former top officials at the Chinese timber company engaged in fraud to mislead investors about its financial condition and timber assets.

The Ontario Securities Commission ruled in a 296-page decision Friday that the Toronto-based company knowingly committed fraud by overstating revenues and the value of its timber plantations in China. Sino-Forest raised

about \$3 billion from investors in 2003 to 2010, and the frauds, which led to the company's collapse, were among the largest in Canadian history, the regulator said.

The Ontario Securities Commission said in its decision that Sino-Forest's founder and chief executive, Allen Chan, was the architect of the fraud and was assisted by three vice presidents: Albert Ip, Alfred Hung and George Ho. Sino-Forest filed for bankruptcy protection in 2012 and its assets have since been sold.

Emily Cole, a lawyer for Mr.



OLAI SHEW/BLOOMBERG NEWS

Regulators ruled that Sino-Forest, which filed for bankruptcy in 2012, misled investors. A tree nursery in China's Anhui province.

Chen, who resides in Hong Kong, said he "is obviously disappointed with the outcome." She said her client is reviewing his options. A lawyer for Messrs Ip, Hung and Ho declined to comment. The location of the three men isn't known.

The regulator is set to hold a hearing next month to consider regulatory sanctions, which could include penalties.

Sino-Forest was one of a number of publicly listed North American companies with Chinese operations that sustained billions of dollars of shareholder losses after they became ensnared in accounting debacles. American hedge-fund billionaire John Paulson was among investors who reported significant losses when Sino-Forest filed for bankruptcy protection in 2012.

Muddy Waters Research, a U.S.-based analyst that conducts research on Chinese companies with an eye to engaging in short selling of the subjects' shares, said in 2011 that Sino-Forest had exaggerated its tree-plantation assets.

Shares of the company plunged more than 60% in the following week, which the Ontario Securities Commission said prompted its decision to launch an investigation. Sino-Forest disputed the short seller's allegations.

**I AM A VETERAN AND THIS IS MY VICTORY.**



## WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

# Some Tips to Reduce the Health-Care Surtax



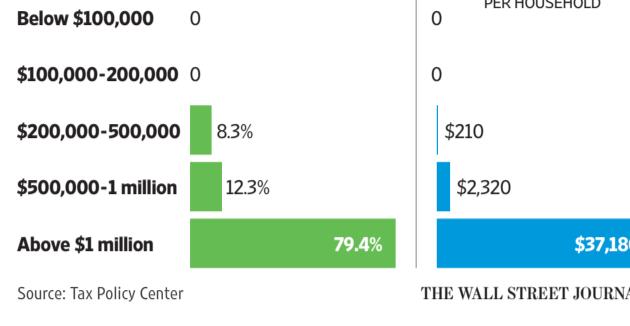
With Senate Republicans planning to retain a 3.8% surtax on investment income in their health-care bill, it is a good time for American taxpayers to know exactly how this tax works.

The 3.8% surtax was enacted in 2010 to help fund the Affordable Care Act, also known as Obamacare. It took effect in 2013, and this year it is expected to bring in nearly \$30 billion, according to the Tax Policy Center. Republicans in the House of Representatives have voted to repeal the tax, retroactive to Jan. 1, but those in the Senate surprised many recently when they disclosed plans to keep it.

This levy was billed as a tax on the richest, and often it is: More than three-quarters of its revenue comes from households earning more than \$1 million. In 2017, these households will owe an average of about \$37,000 each due to this tax, while those earning between

### Who Pays the 3.8% Surtax?

The surtax on investment income will bring in an estimated \$30 billion this year, most of it from high-income taxpayers.



Source: Tax Policy Center

THE WALL STREET JOURNAL.

\$200,000 and \$500,000 will owe an average of about \$200 each.

The averages conceal wide variations, however. The 3.8% surtax can reach far beyond the wealthy, if taxpayers have an investment windfall. And its reach is expanding, because the trigger points aren't adjusted for inflation.

Often the tax "applies to taxpayers who aren't expecting it, and who could have lowered it with planning,"

says Ken Rubin, a certified public accountant with **RubinBrown LLP** in St. Louis.

Here is how the tax works. A flat surtax of 3.8% applies to net investment income of most married couples who have more than \$250,000 of adjusted gross income, or AGI. For most single filers, the threshold is \$200,000.

The 3.8% levy applies only to the investment income above the threshold for single or married filers. For example, a single person with

\$180,000 of income doesn't owe any surtax, even if all that income is from investments.

But say this person then reaps a one-time gain of \$100,000 from selling long-held shares, as happened to a client of Mr. Rubin. Then her income jumps to \$280,000, and \$80,000 of it will be subject to the 3.8% surtax. Total extra tax: \$3,040.

What counts as investment income? Interest; dividends; most capital gains; certain rental and royalty income; and certain passive investment income, such as from limited partnerships.

What's not investment income? In general, income from municipal bonds, and income from investments in partnerships or S corporations, if the recipient "actively" participates as defined by law. There are also exceptions for certain types of rental income and certain capital gains, such as from the sale of a business run by the owner.

High earners may not be

able to avoid the 3.8% surtax, but others can often minimize it through planning. For those worried about the tax, here are some tips:

◆ Don't worry about most home sales. A tax break allows most couples selling a primary residence to skip tax on up to \$500,000 of profit (\$250,000 for singles). Few home sellers have gains greater than this. Those that do should take note of the 3.8% tax.

◆ Harvest losses. The 3.8% surtax is on net investment income. One of the tax code's great benefits is that losses from one investment can offset gains from another.

◆ Minimize AGI. Reducing AGI, the number at the bottom of the front page of Form 1040, can trim the 3.8% tax.

Ways to lower AGI include: making deductible contributions to tax-favored retirement plans, such as 401(k)s or pensions; making charitable contributions from IRA assets, if you're older than 70½; taking a

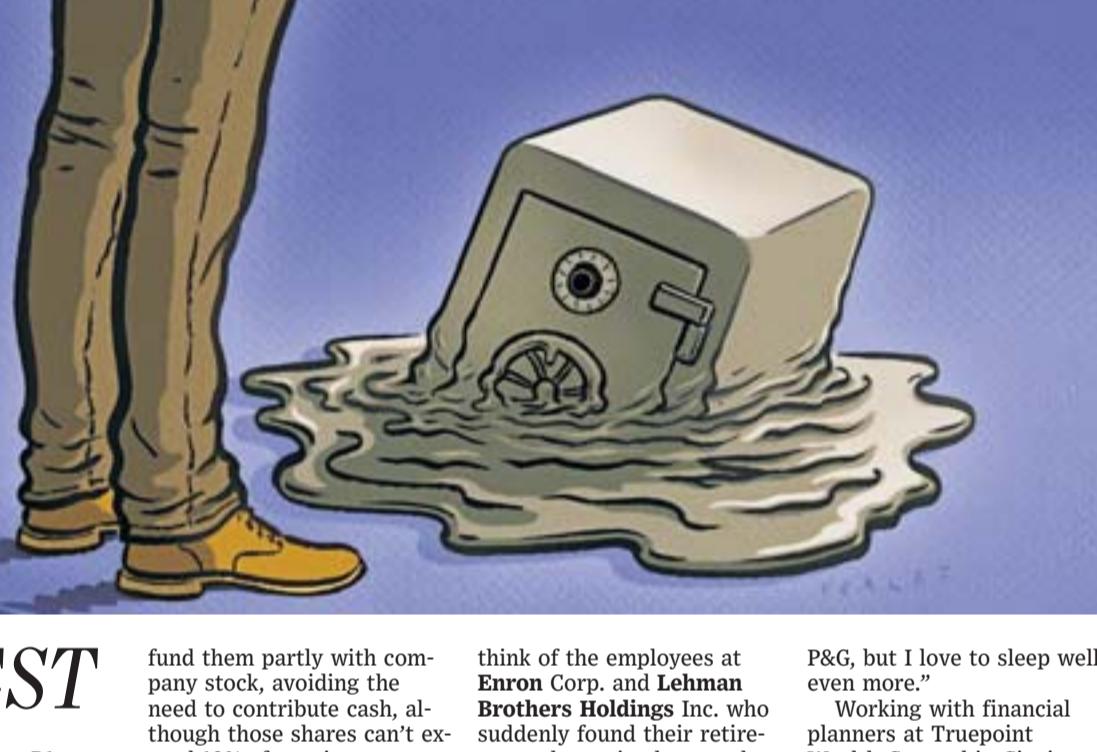
capital loss up to \$3,000; and deducting moving expenses.

◆ Know how retirement-account income hurts and helps. Taxable payments from pensions, traditional IRAs and Social Security aren't themselves subject to the 3.8% surtax, but they can swell income in a way that exposes investment income to it.

For example, a couple with \$260,000 of income from taxable IRAs, Social Security and pensions wouldn't owe the 3.8% tax. But if \$20,000 of their income is instead from dividends and capital gains, then they would owe the 3.8% surtax on \$10,000, because that is the amount of investment income above \$250,000.

On the other hand, tax-free payouts from Roth IRAs don't raise taxable income and can help minimize the 3.8% surtax.

◆ Hold until death. As with the capital-gains tax, the 3.8% surtax doesn't apply to profits on investments held until death.



## INVEST

*Continued from page B1*  
he works "is in a position to know about the business and to watch his investment," economists Robert Foerster and Else Dietel wrote in their book "Employee Stock Ownership in the United States," published in 1926. The Pittsburgh Coal Co., National Biscuit Co. and Firestone Tire and Rubber Co. began offering stock through profit-sharing plans around the beginning of the 20th century. **Procter & Gamble** Co. launched its plan in the 1880s.

In those days, companies often paid cash "bonuses" on shares that employees held for at least one year. Others sold stakes to employees at an alluring discount from the market price.

Today, corporations with traditional pension plans can

fund them partly with company stock, avoiding the need to contribute cash, although those shares can't exceed 10% of pension assets. In retirement accounts organized as employee-stock ownership plans, contributions of company stock are partly tax-deductible to the employer.

The company stock held by employees in 401(k) and other defined-contribution plans is typically contributed from the boss's capital. That makes it feel like found money.

And everyone has heard stories of workers at **Berkshire Hathaway** Inc. or Google or **Microsoft** Corp. becoming millionaires as their few initial shares burgeoned into a fortune over time.

Still, company stock bristles with a uniquely ruinous kind of risk: It's most likely to plunge in price when your job itself is in jeopardy. Just

think of the employees at **Enron** Corp. and **Lehman Brothers Holdings** Inc. who suddenly found their retirement plans wiped out and themselves on the street at the same time.

Letting go isn't easy.

Efren Beltran, a logistics manager at Procter & Gamble, retired last September, a few months before he turned 62. By the time he was 50, recalls Mr. Beltran, P&G shares—through stock options, the 401(k), the profit-sharing plan and stock he had bought in his personal account with after-tax money—were at least half his net worth, including his house.

He began selling company stock shortly after he turned 50 and became eligible to do so in the profit-sharing plan.

"P&G is a wonderful company," he says, "but I could not personally handle the risk of being that concentrated in one stock. I love

P&G, but I love to sleep well even more."

Working with financial planners at Truepoint Wealth Counsel in Cincinnati, Mr. Beltran sold the last of his P&G shares this February.

"I've had some emotions, divesting from the company I love, but it's the right thing to do," he says.

As of June 2016, P&G employees have allocated 87.8% of their net assets in the company's \$11.6 billion profit-sharing plan to its common stock and a class of preferred stock that carries special tax advantages for employees. That's more than twice the allocation required by the company.

Spokeswoman Jennifer Corso says P&G "can't offer investment advice" but does "offer additional diversification opportunity" in its retirement plans.

Remarkably, according to the Plan Sponsor Council of

America, fewer than one-third of employer-sponsored retirement plans that offer company stock limit how much employees can invest in it.

Many workers probably don't want them to. In surveys of investors, behavioral economist Shlomo Benartzi found that only 16% to 33% felt their own company's shares were riskier than the stock market as a whole.

The belief that your job automatically makes you a corporate insider, with spe-

cial insight on the future and perhaps even the ability to shape that future, is hard to shake.

But more than half of all companies, over the course of their lifetimes as publicly traded stocks, haven't even outperformed cash.

So putting most or all of your money in only one company, no matter how well you think you understand it, is risky. And putting most or all of your money in the company where you work borders on reckless.



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# Shifting Out of Neutral

## Why It's So Hard to Get Retirement Planning Into Gear

It seems that on the road to a rewarding retirement, many people could use a jump-start.

A surprising finding from the WSJ. Insights focus groups is just how long people delay putting a solid retirement plan in place. To an extent, their plan is to seriously think about retirement right before they get there. This is in sharp contrast to results from the WSJ. Insights survey for WSJ. Custom Studios, in which the majority of 50- to 64-year-olds claimed that they are already immersed in retirement planning — although what that means to one person may be different for another.

Certainly, delaying retirement planning isn't the most prudent strategy to ensure a secure and satisfying retirement. Some people don't plan even though they know they should. Harvard Business School Professor Michael Norton, one of the authors of *Happy Money* and a member of the Harvard Behavioral Insights Group, likens the difficulty people have with planning for retirement to losing weight. "Everyone knows to eat less and exercise, but actually doing it is challenging," he says. Similarly, you know the planning process is a necessary one, but taking a crystal-ball look at your future to figure out your wants and needs can be daunting.

Another reason for putting off planning is the preconception that it will be hard — but it doesn't need to be. "People have the idea that they have to fill out a 20-page document and gather information just to walk in the door," says Matt Quale, vice president of marketing for Brighthouse Financial. "But working with an advisor, you can start with a couple of simple goals. Spelling out those goals in a brief, 15-minute session will go a long way to help steer people down the right path."

Perhaps the most challenging aspect of retirement planning is that it mandates a shift in financial thinking, from an asset-based accumulation strategy (relying on employment earnings and growth from investments) to an income strategy that focuses on reliable ways to make your money last.

Even on the cusp of retirement, many pre-retirees still see themselves as "contributors" and "accumulators" — risk-takers and savers — rather than stewards of the savings they have. Results from the survey showed 68 percent of pre-retirees were committed to a growth strategy, with 75 percent planning to seek greater protection for their savings five to 10 years from now. Exactly when they will make that shift is hard to say: Nearly 40 percent of pre-retirees reported they would rather play the markets than play it safe with their savings in retirement, a telling example of how difficult it is to reset entrenched ways of financial thinking.

"Often, when people start talking with an advisor about retirement planning, they are still tactically focused on their investment portfolios," says Myles Lambert, chief distribution and marketing officer for Brighthouse Financial. "What they need to do is start thinking strategically about what they want to accomplish in retirement and how they can develop a plan for receiving income that will last for the rest of their lives."



### About the Research

Working with Brighthouse Financial, WSJ. Custom Studios conducted research that takes a deep dive into the retirement planning journey. Two focus groups and a survey of 529 pre-retirees (ages 50-64) and retirees (age 65+) were conducted by WSJ. Insights, the research department of WSJ. Custom Studios, during April and May 2017.

Reducing financial risk is a defining characteristic of the shift to retirement readiness. One realization as people move into retirement is that they will no longer be able to recoup investment losses should the markets not go their way. "If you are in your 20s, you can invest in tech stocks and IPOs because you have plenty of time to make it up," says Patricia Adrian, a focus group member. "But if you lose it when you are in your 70s, it is gone."

H. Kent Baker, university professor of finance at American University, refers to this as loss aversion. It goes without saying that no one likes to lose. But he says that the pain you feel from losing is far greater than the reward you get from gaining. "People react more strongly to downside risk than upside risk," he says. "A stock has the same possibility of going up one dollar as it has of going down one dollar; however, research shows that a one-dollar loss has twice the emotional impact as a one-dollar gain."

Despite this, it's not always easy to forgo the habit of taking on risk. Steve Korn, a focus group member who is not yet retired, started to shift his money to less risky investments. "It goes against my nature because I like to take risks," he says. "I like to invest, but I realize I can't earn it back if there's a downturn. So I have to go against some of my instincts."

Korn has also been looking at annuities as a way to manage another risk — that he might live a lot longer than he expects. With a deferred annuity, he could buy a policy now that could provide a steady stream of income starting when he reaches age 85, which is when he figures he'll need it most.

"Suppose I've got my grandmother's genes," Korn says. "I could live to 93. And it's very different to have assets that will last to age 85 versus age 93. So I'm thinking about planning now for income later."

### What Stage Are You In?

#### 1 Contribution

Not actively thinking/planning for retirement but likely to be contributing to IRAs and employer-sponsored plans.

**9%**

of all pre-retirees & retirees surveyed self-identify as contributors

#### 2 Accumulation

May be building diversified portfolios and know the importance of retirement planning, but competing priorities get in the way.

**26%**

of all pre-retirees & retirees surveyed self-identify as accumulators

#### 3 Mobilization

Actively thinking about the retirement they want and how to fund it; shifting from a growth strategy to preserving savings.

**36%**

of all pre-retirees & retirees surveyed self-identify as mobilizers

#### 4 Remuneration

Retired, partially or fully; relying on assets and reliable income streams to support their lifestyle.

**95%**

of people 65+ self-identify as being in this stage

Source: Sheding New Light on Retirement Planning | WSJ. Insights in collaboration with Brighthouse Financial, June 2017. Total, n=529 Wall Street Journal Readers.

**Learn more about how financial attitudes and behaviors shift during each stage of the retirement planning journey.**  
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## BANKING & MARKETS

# J.P. Morgan Notches Record Profit

BY EMILY GLAZER

J.P. Morgan Chase & Co. posted a record profit for the second quarter as a lending boost in both its consumer and commercial businesses offset weaker trading results.

But the bank trimmed its full-year outlook for growth in lending and net interest income. That caused J.P. Morgan's shares to fall, despite it posting net income of \$7.03 billion, up 13% from a year earlier.

J.P. Morgan continued to increase revenue, which rose 4.7% from a year ago to \$26.41

billion. That topped analyst expectations of \$24.96 billion.

Return on equity, a measure of profitability, was 12% in the second quarter compared with 10% a year earlier.

Earnings per share were \$1.82. Those were boosted by a legal benefit of \$406 million after taxes related to a settlement involving Washington Mutual, which the bank bought during the financial crisis. That helped boost earnings per share by 11 cents.

Total loans rose 4.1% from a year earlier to \$908.77 billion. Net interest income rose 7.6% to \$12.21 billion.

Finance chief Marianne Lake trimmed forecasts for growth in both these areas, however. She said that loan growth, previously forecast at 10%, was likely to come in at 8% for the year as a whole.

Net interest income is now expected to rise by \$4 billion, Ms. Lake said, down from earlier guidance of \$4.5 billion.

One area of weakness in the bank's results came from trading, which was hampered by a lack of volatility and customer activity. Trading revenue decreased 14% to \$4.8 billion.

The performance was dragged down by a 19% de-

cline in fixed-income trading compared with the prior-year period.

The results, though, were largely in line with Ms. Lake's comments at an investor conference in May that trading at that point was down by about 15% from a year ago. She said Friday that it is too early to comment on July trading.

While trading was weak, investment-banking activity helped bolster overall results for J.P. Morgan's corporate and investment banking business. Profit at this unit increased 8.7% from a year ago to \$2.71 billion. Advisory reve-

nue rose 7.9%, while equity underwriting revenue jumped 29%.

Among J.P. Morgan's other businesses, the commercial bank earned \$902 million, a 30% increase from the year-earlier quarter. The bank's asset-management unit reported a profit of \$624 million, up 20%. Both were record profits for those businesses.

Conditions in the consumer bank were more challenging. Profits fell to \$2.22 billion in the quarter, down from \$2.66 billion a year ago.

J.P. Morgan extended \$23.9 billion in mortgages in the

quarter, a decrease of 4.4% from the \$25 billion the bank extended a year earlier. Revenue in the bank's mortgage division was \$1.43 billion, down 26% from a year ago.

Overall, J.P. Morgan set aside \$1.22 billion in the second quarter to cover loans that could potentially turn bad. That compares with \$1.4 billion in the second quarter of 2016 and \$1.32 billion in the first quarter of 2017.

The bank lost \$1.2 billion to loan defaults, or 0.56% of its overall portfolio, compared with a 0.79% charge-off rate in the first quarter of 2017.

## Citigroup Revenue Beats Estimates

BY TELIS DEMOS

A softer-than-expected decline in trading revenue helped Citigroup Inc. defy Wall Street expectations and grow quarterly revenue by 2% from a year ago.

After a late-June uptick in trading activity around global interest rates, revenue was \$17.901 billion, beating forecasts of a decline from the \$17.548 billion a year ago. Analysts had anticipated a drop to \$17.4 billion.

Still, quarterly profit at the New York-based bank was \$3.872 billion, down 3% from \$3.998 billion a year earlier, thanks in part to the overall trading decline during the quarter and higher costs associated with credit cards.

Citigroup's per-share earnings rose to \$1.28 from \$1.24 a year ago as the bank continued to buy back shares at a fast pace. Analysts, on average, had expected \$1.21 a share.

Like its rival J.P. Morgan Chase & Co., which also reported earnings Friday, Citigroup's trading desk this quarter suffered from continuing low volatility and a lack of new catalysts in the form of unexpected central-bank rate moves or a pickup in economic activity.

However, the drop-off wasn't nearly as sharp as anticipated, or as sharp as J.P. Morgan's.

Citigroup's second-quarter trading revenue fell 7% to \$3.906 billion from \$4.208 billion a year ago. Last month, Chief Financial Officer John Gerspach predicted trading revenue would be down by 12% to 13% from a year ago.

Late June saw a jump in trading in the interest rates of the Group of 10 leading industrial nations after the Federal Reserve's rate increase, and after discussions of possible additional stimulus by the U.K. and European central banks, Citigroup said.

Fixed-income trading was off by 6% from a year ago, while equities trading dropped by 11%.

The decline halted momentum in Citigroup's relatively undersized stock-trading business, in which the bank has been investing heavily to bring it more in-line with rivals.

Citigroup, meanwhile, reported a surge in investment-banking revenue as it stole share from rivals in the business of advising companies on mergers and underwriting stock and bond offerings. The unit was up 22% from a year ago to \$1.486 billion, the biggest quarterly haul in seven years.

## At PNC, Lending Helps Lift Earnings

BY CHRISTINA REXRODE AND IMANI MOISE

PNC Financial Services Group Inc.'s second-quarter earnings and revenue rose, helped by higher interest rates and growth in commercial lending.

"This is a pretty good quarter for us," William Demchak, PNC's chairman and chief executive officer, said in a call with analysts.

PNC said earnings rose about 13%, to \$1.09 billion, or \$2.10 a share, up from \$966 million, or \$1.82 a share, in the year-earlier quarter. Revenue jumped 7% to \$4.06 billion. The latest results beat analysts' expectations.

Pittsburgh-based PNC said it continues to expect loans to be up by midsingle-digit percentages for the full year. Analysts took that as an encouraging sign, especially amid industrywide questions about whether an election-fueled rally in bank stocks will translate into more lending. PNC officials on Friday said they expect continued growth in U.S. gross domestic product.

PNC's shares fell 0.1%, though other banks were down more after some warned of slower loan growth.

The bank said it would expand corporate-lending offices into new regions. In an interview, PNC's head of corporate banking, Terry Begley, said businesses are creating decent growth in loan demand but are concerned by uncertainty around health care, taxes and other Washington debates.

"They can live with different government policies," Mr. Begley said, referring to corporate customers, "but they want to know what it is."

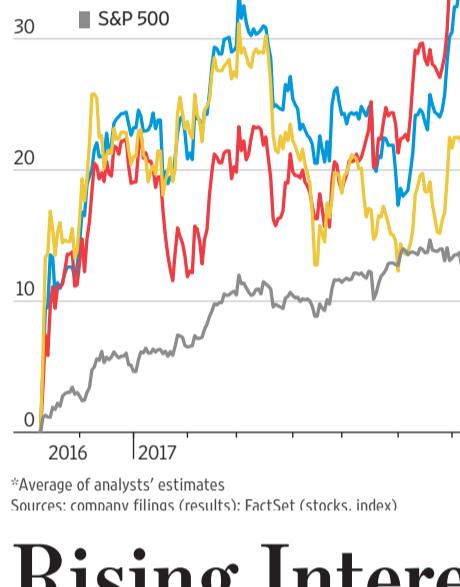
Loans rose 4% from a year ago to \$218 billion, fueled mostly by commercial lending, in which PNC focuses most of its business. Part of that was due to the purchase this year of a portfolio of construction, transportation and other loans.

The bank benefited from the Federal Reserve's decision to raise interest rates three times since December, which allows banks to charge more on loans. PNC's net interest income rose 9% from a year ago. Net interest margin, a measure of lending profitability, was also higher.

Instinet analyst Bill Carrasco said PNC results "set a high bar" for the regional banks that will report next week. But Terry McEvoy, an analyst at Stephens Inc., noted that the better-than-expected earnings were helped by a lower loan-loss provision, "which typically [is] not rewarded by investors."

### Stock and index performance

Change since the U.S. election



\*Average of analysts' estimates

Sources: company filings (results); FactSet (stocks, index)

## Rising Interest Rates Bolster Wells

BY PETER RUDEGEAIR

Wells Fargo & Co. reaped the benefits of higher interest rates in the second quarter, which helped push profit at the nation's third-largest bank up by 4.5%.

The San Francisco-based bank's shares fell 1.1% on Friday, however, as stagnant lending, weaker revenue in areas like mortgage banking and higher costs overshadowed progress on the bottom line.

Shares in Wells Fargo and other big banks had been on a tear since the U.S. presidential election, as investors wagered that the Trump administration would take a more cordial approach to regulating Wall Street and fostering growth. But with little change to either

the economic outlook and policy toward banks, it is unclear when banks' earnings potential will catch up to their higher valuations.

"Much of [the run-up in stocks] was probably aggressive or not fully warranted," said John Shrewsberry, Wells Fargo's finance chief, in an interview. "The realized outcome doesn't look any different than the realized outcome a year ago. So I think markets have to grapple with what does that actually mean."

Wells Fargo reported a profit of \$5.81 billion, or \$1.07 a share. That compares with \$5.56 billion, or \$1.01 a share, in the same period of 2016. Analysts polled by Thomson Reuters had expected earnings of \$1.01 a share.

The bank's results included a \$186 million tax benefit during the second quarter, most of which was related to a deal it reached in June to sell its commercial insurance business. That boosted Wells Fargo's per-share earnings by 4 cents. Excluding this, the company's earnings would have come in at \$1.03.

Net interest income at the bank rose 6.4%, to \$12.48 billion, from the same period last year. The rates Wells Fargo charges customers to borrow on credit cards, home equity lines of credit and other loan types vary along with the Federal Reserve's target, so the central bank's policy moves in recent months have directly impacted banks' lending income.

The bank's net interest

margin, a measure of how profitably it can lend out its customers' deposits, rose to 2.9% from 2.86% last June, and its return on equity rose to 11.95% from 11.7%. The bank said it exercised discipline in repricing deposits, which helped them capture more of an increase in loan yields.

The overall size of Wells Fargo's loan book stalled at \$957 billion. During the quarter, the bank backed off making certain car loans and commercial-real-estate loans due to higher risk in those segments, executives said on a conference call with analysts.

Wells Fargo's income from fees fell 7% to \$9.69 billion,

with several of its businesses facing challenges in the quarter. Mortgage-banking fee income fell 19% due in part to tougher competition, and net gains on the bank's trading activities fell 46% due in part to trading losses.

The bank, led by Chief Executive Timothy Sloan, had been one of the most consistent big banks at growing earnings and revenue. Shares have underperformed those of other banks after Wells Fargo last year agreed to a \$185 million settlement with two regulators and a city official over opening as many as 2.1 million accounts with fictitious or unauthorized information. It also continues to face a spate of state and federal investigations that the bank has said it is cooperating with.

About \$110 million in additional charges related to remedying Wells Fargo's operations after the sales-practice scandal contributed to a 5.2% rise in expenses, which totaled \$13.54 billion in the quarter.



Higher costs in the second quarter ate into the bank's earnings.

## Treasury Prices Strengthen After a Soft Reading on Inflation

BY SAM GOLDFARB

The yield on the 10-year U.S. Treasury note fell, capping its largest one-week decline in more than a month, as another soft inflation reading boosted

expectations that the Federal Reserve will be cautious in raising interest rates.

Bond prices rallied Friday after the Labor Department said the consumer-price index

was unchanged in June from the prior month. Excluding food and energy, prices rose 0.1%. Economists surveyed by The Wall Street Journal had expected overall prices to advance 0.1% and core prices to gain 0.2% on the month.

The lower-than-expected figures were the latest sign of muted inflation, which is a main threat to government bonds because it erodes the purchasing power of their fixed returns and can lead to higher interest rates from the Fed.

would be watching inflation data closely and could reassess its strategy if it continues to disappoint.

Investors interpreted Ms. Yellen's comments as "modestly dovish" and Friday's data "helps feed into that view," said John Canavan, market analyst at Stone & McCarthy Research Associates.

Adding to the downward pressure on yields Friday was a report from the Commerce Department that retail sales fell 0.2% in June from the

prior month. That was below the 0.1% gain expected by economists.

Still, bonds quickly pared gains. After initially falling below 2.3%, the 10-year yield climbed back above that level, reflecting strong forces that are still pushing up on yields, analysts said.

Before this past week, investors had been selling bonds, driven largely by anxiety that an improving global economy may allow major central banks outside of the U.S. to scale

back on stimulus efforts.

A big reason bond yields climbed Thursday, some analysts and investors said, was a report from The Wall Street Journal that European Central Bank President Mario Draghi is scheduled to address the Fed's Jackson Hole conference in August. Mr. Draghi is expected to give further signs of the ECB's growing confidence in the euro-zone economy and its reduced need for monetary stimulus, the Journal reported, citing a person familiar with the matter.

# MARKETS

# Dow and S&P 500 Advance to Records

Financial stocks fall on bank-earnings reports; rising tech shares lift Nasdaq Composite

BY CORRIE DRIEBUSCH  
AND RIVA GOLD

The Dow Jones Industrial Average and the S&P 500 closed at records, as investors anticipated low interest rates for the foreseeable future.

Investors scooped up stocks and bonds Friday after weak data on U.S. retail sales and inflation suggested the Federal Reserve may be slow in raising interest rates and reducing its balance sheet.

Stocks that pay out steady dividends rose, with gains by utilities companies and other bond proxies in the S&P 500 offsetting a drop in shares of financial companies that followed a number of bank-earnings reports.

The S&P 500 rose 11.44 points, or 0.5%, to 2459.27, notching a weekly gain of 1.4%. The Dow industrials added 84.65 points, or 0.4%, to 21637.74 and rose 1% for the week. It was the biggest weekly gain for both indexes since late May.

Rebounding tech shares bolstered the Nasdaq Composite, which rose 38.03 points, or 0.6%, on Friday to 6312.47 and posted a 2.6% rise on the week—it's biggest jump since the week ended Dec. 9.

As stocks climbed, the CBOE Volatility Index, a measure of expected stock volatility, slumped to its lowest level since 1993. The VIX has come close to record lows on several occasions in recent months.

Early Friday, the latest reading of the U.S. consumer-price index, which is closely watched for clues about the Fed's next move, showed inflation was flat in June, according to the Labor Department.

## Back to Betting on Low Rates

Treasury yields and the U.S. dollar fell during the week, reflecting investors' doubts about the Federal Reserve's plans to raise interest rates following comments from Chairwoman Janet Yellen and weak readings on the U.S. economy.

Yield on 10-year U.S. Treasury note

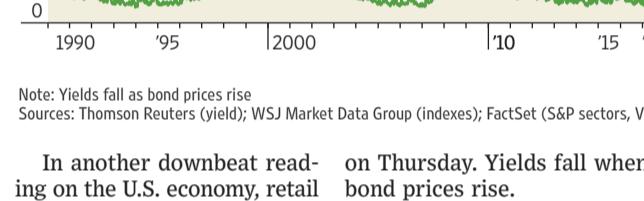


The Dow industrials and S&P 500 ended the week at records, and the Nasdaq Composite continued to recover from a June slide in tech shares.



As stocks rallied, Wall Street's 'fear gauge' closed at its lowest level since 1993.

CBOE Volatility Index



In another downbeat reading on the U.S. economy, retail sales decreased in June from the prior month, the Commerce Department said Friday.

U.S. government bonds strengthened, with the yield on the 10-year Treasury note falling to 2.319% from 2.348%

on Thursday. Yields fall when bond prices rise.

The WSJ Dollar Index, which tracks the dollar against a basket of 16 currencies, fell 0.7% on Friday and 1.2% for the week.

Fed Chairwoman Janet Yellen said during the week that

WSJ Dollar Index



The technology sector of the S&P 500, the best performer out of 11 so far this year, posted its largest weekly gain of 2017.



Shares of financial companies slid after some big lenders reported earnings and bond yields fell.

S&P 500 financials sector



President Robert Kaplan suggested Thursday that he likely needs to see higher inflation before supporting another rate increase.

"What we're seeing is a change in narrative, to 'if we can keep the Fed on hold, that's what we want to see,'"

said Ian Winer, head of equities trading at Wedbush Securities. "Clearly, the market believes that the Fed is not going to do anything anytime soon."

Expectations for strong second-quarter earnings also have bolstered U.S. stocks, some investors said.

On Friday, earnings season picked up with reports from J.P. Morgan Chase, Wells Fargo, Citigroup and PNC Financial Services Group.

Shares of J.P. Morgan fell 85 cents, or 0.9%, to \$92.25 after the biggest U.S. bank by assets beat analysts' forecasts for earnings and revenue but cut its guidance for lending growth in 2017.

Wells Fargo shares dropped 61 cents, or 1.1%, to 54.99 after it reported higher profit but stagnant lending, while Citigroup lost 30 cents, or 0.4%, to 66.72 after reporting a drop in second-quarter profit on a slowdown in trading.

After a rocky few months, U.S. bank stocks had climbed in recent weeks as investors' expectations for their performance improved. Since June 23, the KBW Nasdaq Bank Index, a measure of large U.S. bank stocks, has risen 5.2%. The advance came as banks cleared the Fed's stress tests—which allowed many of them to boost their payouts—and as investors expected that a gradual climb in interest rates would improve the banks' lending income.

Financial funds received the biggest influx of money among sectors for a second week running in the week ended Wednesday, according to EPFR Global.

Shares of technology companies rallied during the week, with the S&P 500 tech sector jumping 3.8% for its biggest weekly gain of 2017.

Elsewhere, U.S.-traded crude oil rose 1% to \$46.54 a barrel Friday, ending the week up 5.2%.

In Europe, London's FTSE 100 index edged down 0.5%.

## HEARD ON THE STREET

Email: [heard@wsj.com](mailto:heard@wsj.com)

FINANCIAL ANALYSIS & COMMENTARY

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### For Retailers, Bad News Gets Worse

The price isn't right for retailers. Neither is much of anything else.

Retail sales were weak last month. The Commerce Department on Friday reported that overall sales in June fell 0.2% on the month after slipping 0.1% in May. Compared with a year earlier, they were up just 2.8%.

Digging into the details of the report didn't make it look any better. Sales at department stores, restaurants and bars, grocery stores and clothing stores were among the categories that were down on the month, and growth in other categories, such as furniture stores, was weak. Even sales at nonstore retailers—a fast-expanding category that includes online stores such as [Amazon.com](http://Amazon.com)—have been cooler lately.

Part of the problem for retailers is that prices are weak. The Labor Department on Friday reported that its broad measure of consumer prices was unchanged on the month in June, putting it just 1.6% higher versus a year earlier. Focusing on goods, the news was worse. Overall, goods prices were down 0.4% on the year and excluding food and energy items were down 0.6%.

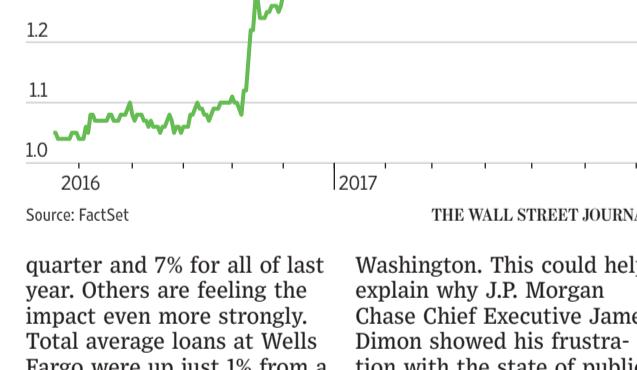
One thing that makes price declines so pernicious for many retailers is that costs are going up. Friday's price report showed consumer prices for women's and girl's apparel were down 1.2% from a year earlier, but the Labor Department on Thursday reported that producer prices for women's, girls' and infants' apparel were up 1%.

When low prices and a solid labor market aren't getting people to spend, it's a struggle to think of what would.

### Banks Get Rousing Wake-Up Call

#### Primed for Disappointment

J.P. Morgan Chase price-to-book-value ratio



quarter and 7% for all of last year. Others are feeling the impact even more strongly. Total average loans at Wells Fargo were up just 1% from a year earlier, compared with 4% in the first quarter.

J.P. Morgan's strong loan growth has stood out in recent quarters, even as lending has slowed nationwide. But in the second quarter, its total loans were up just 4% from a year earlier, compared with 6% in the first

Washington. This could help explain why J.P. Morgan Chase Chief Executive James Dimon showed his frustration with the state of public policy in the U.S. by cursing on Friday's conference call with analysts.

Bankers across the country have said that businesses are hesitant to take out big loans, partly due to uncertainty about policy action in

lost when long-term rates decline. That is what happened for most of the second quarter. There was some hope recently as yields jumped on 10-year Treasurys. But that reversed Friday when the yield fell following weak economic data.

The fundamental direction for J.P. Morgan and its peers remains positive. The economy is healthy, and they were just granted permission by the Fed to boost their payouts to investors. If the Fed follows through with plans to keep raising rates and start shrinking its balance sheet later this year, the rate environment will improve further.

But bank shares are also no longer cheap. J.P. Morgan is trading at 1.4 times book value, compared with just one times book a year ago. After a move like that, banks need to justify higher valuations with better growth.

Any disappointment can hit shares hard.

—Aaron Back

#### OVERHEARD

Of the many businesses spawned to serve millennials, Dr. David Shusterman's sperm-storage cryobank might require the most foresight from its clients.

Dr. Shusterman, the founder of NYUrology, says millennials are having children later in life, and men need to freeze sperm to boost their chances of having offspring and making sure they are healthy. "For just \$2,000, you can freeze your future children, the fee also includes sperm viability testing," the company says. As with many marketing strategies aimed at young men, the payoff here is more women. "You can have an upper hand in the playing field as more women will be looking for men with frozen goods," the company says.

Millennials, those born in the 1980s and 1990s, have to hurry because, Dr. Shusterman says, the ideal age for freezing sperm is at least 20 years old.

### Luxury Goods Are Selling Again, on Chinese Smartphones

Chinese buyers of designer handbags are back.

But this time, many of them are buying at home—and on their smartphones.

Luxury sales in China have picked up since the beginning of the year, underpinned by easy credit and a booming property market.

The weaker yuan has also encouraged the Chinese to spend at home rather than on foreign shopping sprees.

Bain expects luxury sales to

growth has been driven by Chinese spenders.

One pocket of success: web-savvy Chinese consumers. According to Deloitte, 13.5% of China's overall retail sales are online, much higher than the global average of 8.6%. Gucci launched an online shop there this month.

Burberry and Longchamp have also started selling handbags through WeChat, China's largest social media platform. Burberry's online direct sales to consumers in China doubled year over year last quarter, thanks to its marketing campaign on WeChat.

Makers of luxury goods have hesitated to go online, fearing it could cheapen their brands. Fakes in China make the problem worse, a

complaint made by many retailers against China's dominant e-commerce marketplaces run by Alibaba Group Holding.

WeChat, which allows brands to directly send messages to users who follow them, seems an ideal tool for marketing and sales. Users buy directly from their online shops without leaving the app. It is still early, but this is an important first step for Tencent Holdings, which owns WeChat, to challenge Alibaba's dominance.

Other incumbents are eyeing the opportunity, too. China's second-biggest e-commerce firm after Alibaba, JD.com, invested \$397 million into London-based Farfetch, an online marketplace for luxury goods. Alibaba has

#### Shopaholic

Burberry's annual sales in China, change from a year earlier



Source: S&P Global Market Intelligence

THE WALL STREET JOURNAL.

also made efforts to reduce fakes on its websites.

Alibaba could go further and buy into a specialist platform of its own. The stock price of Milan-listed Yoox Net-a-Porter Group, a large online marketplace for luxury, has risen 9% since

news of JD.com's investment, probably exacerbated by a short squeeze. Paris-listed LVMH Moët Hennessy Louis Vuitton last month launched its own multibrand website, 24sevres.com.

Luxury stocks, such as LVMH, Cie. Financière Richemont and Burberry have recovered smartly thanks to China. But they are also getting full credit for the rebound, trading near the top of their historical valuation ranges, above 20 times forecast earnings, according to FactSet.

Being big in China is important for luxury brands. But being online in China seems more important at the moment.

—Jacky Wong  
and Stephen Wilmot

No longer en pointe: Wendy Whelan leaps to contemporary dance from ballet  
**C11**



# REVIEW



As Thoreau turns 200, a new life repants him as sociable and passionate  
**C7**

BOOKS | CULTURE | SCIENCE | COMMERCE | HUMOR | POLITICS | LANGUAGE | TECHNOLOGY | ART | IDEAS

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## CAN THE TECH GIANTS BE STOPPED?

BY JONATHAN TAPLIN

**SOMETIMES IT IS HARD** to grasp how quickly the giant tech companies have come to dominate the world economy. Ten years ago, only one of them, Microsoft, was among the biggest companies in the world as measured by market capitalization. These days, the top five usually consists of Apple, Alphabet (the parent company of Google), Amazon, Microsoft and Facebook.

It has been an astonishingly rapid rise for the tech giants, and it's far from over. The big question for the future is: How will their ever-expanding control affect other businesses and the labor market?

Over the past decade, Google, Facebook and Amazon have wreaked havoc on much of the creative economy—journalists, musicians, authors, filmmakers. In the decade ahead, the tech behemoths will use their dominance in artificial intelligence to overturn much of the service economy as well, including transportation, medicine and retail. With what result? To give just one example, Goldman Sachs recently reported that self-driving cars (a technology that both Google and Apple are developing) could eliminate as many as 300,000 jobs a year in two decades or more.

Will we be ready when the flood of unemployment brought about by the artificial-intelligence revolution is upon us? Politicians are dodging the issue, and Treasury Secretary Steven

Google, Facebook, Amazon and other tech firms are transforming the economy and labor market, with scant public debate or scrutiny. Changing course won't be easy.

venture capitalist Marc Andreessen also rejected this "fallacy." "It's a recurring panic," he said. "This happens every 25 or 50 years. People get all amped up about 'machines are going to take all the jobs,' and it never happens."

Leaving aside which side of this argument is correct, the fact is that we are rushing ahead into the AI universe with almost no political or policy debate about its implications. Digital technology has become critical to the personal and economic well-being of everyone on the planet, but decisions about how it is designed, operated and developed have never been voted on by anyone. Those decisions are largely made by executives and engineers at Google, Facebook, Amazon and other leading tech companies, and imposed on the rest of us with very little regulatory scrutiny. It is time for that to change.

Who will win the AI race? The companies that are already in the forefront: Google, Facebook and Amazon. As AI venture capitalist Kai-Fu Lee recently wrote in the New York Times, "A.I. is an industry in which strength begets strength: The more data you

Please turn to the next page

*Mr. Taplin is the director emeritus of the Annenberg Innovation Lab at the University of Southern California and the author of "Move Fast and Break Things: How Facebook, Google and Amazon Cornered Culture and Undermined Democracy" (Little, Brown and Company).*

ILLUSTRATION BY ROBERT NEUBECKER

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## REVIEW

# Antitrust as an Answer to the Tech Giants

Continued from the prior page

have, the better your product; the better your product, the more data you can collect; the more data you can collect, the more talent you can attract; the more talent you can attract, the better your product."

Tech's big three are already pushing into other sectors of the economy. Amazon made headlines last month by announcing its plan to acquire Whole Foods. Alphabet's Verily (formerly Google Life Sciences) is producing a range of medical devices, from glucose-monitoring contact lenses for diabetics to robotic surgery systems. Alphabet's autonomous-car division, Waymo (which originally started at Google), is already working with Avis to manage their forthcoming self-driving car fleet. As for Facebook's brand-extension plans, it plans to launch original programming such as TV shows later this year.

How did we get here? I would date the rise of the digital monopolies to August 2004, when Google raised \$1.9 billion in its initial public offering. By the end of that year, Google's share of the search-engine market was just 35%; Yahoo's was 32%, and MSN's was 16%. Today, under Alphabet, Google's market share is 87% in the U.S. and 91% in Europe. In 2004, Amazon had net sales revenue of \$6.9 billion. In 2016, its net sales revenue was nearly \$136 billion, and it now controls 65% of all online new book sales, whether print or digital. In mobile social networks, Facebook and its subsidiaries (Instagram, WhatsApp and Messenger) control 75% of the American market.

This shift has brought about a massive reallocation of revenue, with economic value moving from the creators of content to the owners of monopoly platforms. Since 2000, revenues for recorded music in the U.S. have fallen from almost \$20 billion a year to less than \$8 billion, according to the Recording Industry Association of America. U.S. newspaper ad revenue fell from \$65.8 billion in 2000 to \$23.6 billion in 2013 (the last year for which data are available). Though book-publishing revenues have remained flat, this is mostly because increased children's book sales have made up for the declining return on adult titles.

From 2003 to 2016, Google's revenue grew from about \$1.5 billion to some \$90 billion as Alphabet. Today, it is the largest media company in the world, collecting \$79.4 billion in ad revenue in 2016, according to Zenith. Facebook is a distant second, with \$26.9 billion.

The precipitous decline in revenue for content creators has nothing to do with changing consumer preferences for their content. People are not reading less news, listening to less music, reading fewer books or watching fewer movies and TV shows. The massive growth in revenue for the digital monopolies has resulted in the massive loss of revenue for the creators of content. The two are inextricably linked.

In the third quarter of 2016, companies owned by Facebook or Google took 90% of all new digital ad revenue. As the Journal recently reported, "none of the would-be challengers to the Google-Facebook 'duopoly' even cracks a 3% share of global digital advertising" (with a few exceptions in China).

This extraordinary duopoly is responsible in large part for the declining fortunes of journalism and other content creators, and such businesses are finally starting to fight back. In early July, the News Media Alliance, a group representing U.S. and Canadian newspaper publishers (including Dow Jones, publisher of The Wall Street Journal), called on Congress to allow them to negotiate collectively, as an industry,

with Google and Facebook on issues of revenue, customer data and news distribution.

Advertisers are critical not just of the duopoly itself but of the whole measurement system used by Google and Facebook to get paid. AdNews recently reported that the "viewability scores" for Facebook video ads are as low as 2% when compared with the standard used for TV ads. In other words, scrolling past an ad for as little as two seconds counts as a "view" for which Facebook charges, while for TV the whole 30-second ad must be viewed.

Given the superficiality of these exposures—was the sound even on as the user was scrolling through her newsfeed?—it's a wonder that any agency pays for these ads. But global brands can't afford to say no to the dominant platforms. They pay a premium for the privilege, even as Facebook and Google resist efforts to have third parties measure their ad systems, which is standard

European users who were flooding the web with fake news during the 2016 election, knows both the IP addresses and, in many cases, the bank-account information of the fake-news providers.

Privacy is another issue that the revolution ahead will raise as never before. The conventional wisdom is that Americans no longer care about privacy. As Kevin Kelly, the founding editor of *Wired*, wrote in 2014, "If today's social media has taught us anything about ourselves as a species, it is that the human impulse to share trumps the human impulse for privacy."

But will we be ready to accept the new ways that big tech will monitor our lives? Bioethicists worry that the same accelerometer in your smartphone that records the number of stairs you climb can also record the unique tremors of Parkinson's disease. What is to stop that information from being harvested by health-insurance companies or employers? In-

assistants," we will be turning over more intimate details of our lives for Google to mine for data. In late June, the company announced that it would stop reading customers' Gmail as a source of data for personalized advertisements—while conceding that it has enough data on its users from other sources to continue placing highly targeted ads in Gmail.

We shouldn't make too much of the fact that Alphabet dropped Google's early motto of "Don't be evil," but we still need to ask if the barons of Silicon Valley are considering the moral framework of the digital revolution. Too often, it seems that the driving principle behind much of big tech's dominance of the economy is Ayn Rand's radically libertarian rallying cry, "Who is going to stop me?"

The world beyond Silicon Valley needs to start giving serious attention to these issues. Very few politicians have been willing to grapple with the possibility of mass unemployment caused by AI and robotics, but others see clear policy implications. The AI investor Kai-Fu Lee suggests, for instance, that it is "unavoidable that large chunks of the money created by AI will have to be transferred to those whose jobs have been displaced. This seems feasible only through Keynesian policies of increased government spending, presumably raised through taxation on wealthy companies."

The possibility for such a massive new welfare program seems dim in the current political climate, but we can't afford to ignore the problem, as Mr. Mnuchin suggests, or assume, like Mr. Andreessen, that millions of new jobs "that we can't even imagine" will miraculously appear in the next 10 years. The elections of 2018 and beyond urgently need to address the troubling repercussions of the rise of the great tech monopolies.

Part of the answer may be more aggressive antitrust enforcement. By imposing a \$2.7 billion fine on Google in late June, the European Union made clear that its aim is to maintain competition in the marketplace. U.S. regulators have applied a less demanding standard, seeing harm to "consumer welfare" as the only basis for action.

The history of Silicon Valley itself offers some guidance here. The astonishing technological revolution of the past half-century would never have occurred without the impetus of three seminal antitrust prosecutions. In 1956, AT&T signed a consent decree that forced it to license all of its Bell Labs patents (for such devices as the transistor, laser, cellular system, satellite and solar cell) to any American firm for free. From these technologies came firms like Fairchild Semiconductor, Motorola, Texas Instruments, Intel and Comsat.

In the 1970s, the Justice Department took on another tech giant, suing IBM for its vertical monopoly in the computer business. The government didn't prevail in the 13-year-long prosecution, but IBM agreed to allow other companies to make the software for its computers.

When the PC was being developed, IBM turned the development of its operating system over to two young men from Seattle, Bill Gates and Paul Allen. IBM still thought the core of its business was hardware, but the rise of Microsoft proved them wrong. The rest is history.

And finally, the antitrust case against Microsoft in 1998 centered on the company's insistence that Windows customers had to use Microsoft's own Internet Explorer browser. Without the settlement, which meant that Internet Explorer would no longer be the exclusive browser, Google would have never risen to its current dominance.

The clear historical lesson, which is waiting to be rediscovered in our own day, is that antitrust action has often served not to constrain innovation but to promote it.



AMAZON launched grocery service AmazonFresh Pickup earlier this year in Seattle, above. Left, a 2015 demonstration of Google's self-driving car.

**They have overturned the creative economy, and the service sector is next.**

for TV and newspaper advertising.

This lack of transparency can also be seen in the proliferation of "fake news"—the deliberate spread, often with clear political aims, of online disinformation. Facebook likely knows a lot more about the forces behind the fake-news epidemic than it has publicly disclosed. As the Oxford University researchers Phillip Howard and Robert Gorwa recently wrote in the Washington Post, Facebook "has the metadata to identify precisely which [fake-news] accounts were created, where they operated and what kinds of things those users were up to during the U.S. election. Their data scientists could probably provide some insights that the intelligence services cannot."

As for Google, its AdSense software, which provided much of the revenue to the Eastern

deed, at what point do they progress from offering you an insurance discount if you wear a health-monitor bracelet (like a Fitbit) to requiring you to wear such a device?

Facebook recently announced that it is trying to build "optical neuroimaging systems" that would allow users to direct their digital lives just by thinking. If Facebook succeeds in creating this brain-computer interface, will we really be prepared to welcome such corporate access to our very thoughts?

Questions of privacy will soon bleed into the discussion of artificial intelligence. Google has already applied machine learning in its Google Assistant (currently available on Android phones), the Google Home speaker and Android Wear accessories like watches. As we become more dependent on voice-activated "personal

past. Could social networks like Facebook restore some of that intimacy? Writing in the journal *Nature Human Behaviour*, William Hobbs of the University of California, San Diego, and data scientist Moira Burke of Facebook tried to answer this question.

Thanks to Dr. Burke's position, the authors were able to examine vast records of Facebook and selected some 770,000 anonymous

individuals, ages 18 to 64, in 15,129 social networks in which someone had abruptly died during a six-month period in 2011. Each social network consisted of "close friends" (those who had communicated with the subject on Facebook or appeared with him in tagged photos in the period before he died) and mere acquaintances (those friended but not engaged in recent communication). For comparison, the researchers examined another roughly 30,000 social networks that matched the first set demographically but had not experienced any deaths in that 2011 period.

"As expected," the authors write, "a substantial amount of social interaction was lost with the death of a friend. However, friends of the deceased immediately increased interactions with each other and maintained these

added interactions for years after the loss. Through this, the social networks recovered approximately the same number of active connections that had been lost."

This persistent and long-lasting rise in communication is particularly interesting. These friends of the deceased were not necessarily all close friends of each other. So the observed activity could represent people being drawn closer together by the shared loss. (In contrast, interactions between close friends of the dead and mere acquaintances rose only temporarily.)

Besides text-based interactions on Face-

book, photo-tagging—which generally reflects offline, real-life interactions—also rose. The increase in online activity appeared least pronounced after a suicide, the most complicated type of abrupt death. The jump in interactions was most striking among those most typically marinated in social media, namely 18- to 24-year-olds.

These are socially strange times. A drone operator can follow a targeted individual on the other side of the planet for days before killing him. A user of an online dating site can fall in love with someone even though to the horror of our primate cousins—he doesn't even know what that person's pheromones smell like.

Yet the old patterns persist. Drone operators suffer from the same rates of psychological trauma as do soldiers who kill face-to-face on the battlefield, according to a 2013 report. Research published the same year suggests that marriages arising from online dating last at least as long as those spawned in the "real world."

Our social networks may provide us with means to lessen loneliness far more varied than those of a few decades ago. Grief-stricken, we can hold the virtual, real-time hand of someone on the other

## MIND & MATTER: ROBERT M. SAPOLSKY



# Facebook's Surprising Power to Console Mourners

**CRITICS OF** Facebook and other social media have warned for years that the platforms are distorting social interactions, hollowing out the meaning of "friend" and weakening society in many other ways. But maybe it's not yet time for humanity to throw in the towel. A recent study shows that in these modern incarnations of socialization, some of our deepest evolutionary patterns are still very much asserting themselves, and the networks may even be facilitating this behavior.

How could they have this power? Consider the abrupt death of a loved one. From our earliest days, the bereft have sought social support, especially from those who knew the dead. Maybe such people comfort you with recollections or reassurances. Maybe they just sit and hold your hand, so you know you're not alone.

But in modern societies dispersed over thousands of miles, bereaved friends may find it hard to get to a funeral or wake, much less support each other in the lonely months to come—a support that village life, with its daily face-to-face contacts, bolstered in eons

### Virtual friends follow long-evolved patterns of bereavement.

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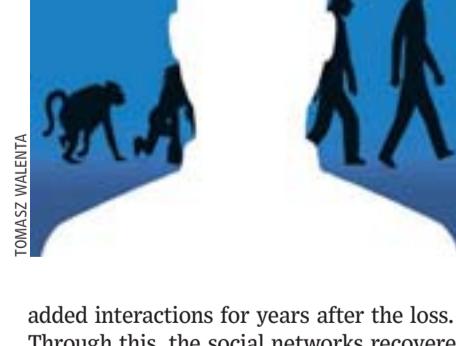
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side of the planet.

TOMAZZ WALENTA



## REVIEW



THE AUTHOR, center,  
with a group of his  
students earlier this month.

eventually gave way. After the shocking rebellion of An Lushan in the 8th century and the sacking of the capital by Uighurs and Tibetans, Chinese attitudes toward outsiders took a markedly negative turn.

This is a recurrent pattern. When China is powerful and secure, foreigners are welcome and considered employable, including at the highest levels of government. When China is weak, foreigners are often viewed with suspicion and even hatred. The most famous modern case is the Boxer Rebellion of 1899-1901, which sought to violently expel the Western and Christian presence in China.

Indeed, China's most insecure period was the "century of humiliation" from the 1840s to the 1940s. Chinese elites came to realize that not only was China not the center of the world, it was a weak country unable to stand up for itself. China lost wars to Western countries and Japan, and its territory was carved up by foreign powers.

It was in the wake of these events that a race-based conception of Chinese identity took hold. Leading reformers of the day, such as the scholar and political thinker Kang Youwei, traveled the world and came to the pessimistic conclusion that different races were engaged in a deadly struggle for survival. They saw Chinese identity as the legitimate racial basis

for a nation-state that could take its place against other similarly constituted nations.

That legacy still shapes attitudes today. But China has rebuilt a strong and powerful state, with less to fear from foreign bullying, and it has become a key player in our vast, cosmopolitan world economy. To my mind, China has reached a point in its history when it can return to a more generous conception of identity and embrace those who meet the cultural criteria of Chineseness.

There are also pragmatic grounds for such a shift. Yan Xuetong, a leading theorist of international relations at Tsinghua University, argues that China should employ more foreigners as public officials and put them on the road to citizenship. Once China passes a necessary threshold of hard power, he says, China should compete for human talent rather than for economic or military superiority.

A meritocratic immigration policy open to all, regardless of ethnic or racial background, would also serve China's economic interests. The now-discarded one-child policy has created a demographic bulge, with the elderly constituting an ever-growing proportion of the population. The country would greatly benefit from the contributions of talented young migrants from around the world.

President Xi Jinping describes his broad agenda for the country as the "China dream." My own China dream is more modest: to be viewed as a Chinese not just in my own mind but in the minds of my fellow Chinese.

*Dr. Bell is dean of the school of political science and public administration at Shandong University and a professor at Tsinghua University. His most recent book is "The China Model."*

# Why Anyone Can Be Chinese

The test should be cultural assimilation, not race

BY DANIEL A. BELL

**WHO IS CHINESE?** The answer may seem simple at first: a person who looks Chinese.

But imagine a young woman born and brought up in the U.S. Her grandmother is from China, and she happens to have inherited many of her grandmother's physical traits. She doesn't speak Chinese or identify in any way with Chinese culture, and she thinks of herself as a proud American. When she is called Chinese, she forcefully rejects the label.

Or consider my own case. Canadian by birth, with Caucasian physical features, I have lived and worked in China for more than two decades, speak the Chinese language, identify with Chinese culture and am now a permanent resident of China. But almost no one considers me Chinese.

Both of these instances point to the difficulty with a view that is deeply ingrained in contemporary China and at least implicitly endorsed elsewhere: that to be Chinese is to belong to a race.

I feel welcomed and loved in China. My wife is Chinese, and I've done my best to integrate since arriving in 2004. But I can't fully succeed.

My Chinese friends sometimes call me a "Chinese son-in-law." It's meant as a compliment, but the implication in Chinese is that I'm not fully Chinese.

The obstacles are not legal. It is possible to gain citizenship by marrying a Chinese person, but in practice few do. According to the 2010 census, the country's population of 1.39 billion citizens includes just 1,448 naturalized Chinese.

China does not allow dual citizenship, which makes the decision more difficult, but in principle, race is not a barrier to becoming a Chinese citizen.

Nor is language the main obstacle to popular acceptance. My Chinese is far from perfect, but I can give academic talks in Chinese, and I can surprise taxi drivers when I call for a ride and they arrive expecting to see a Chinese customer. Millions of poorly educated Chinese citizens speak hardly any Mandarin, and yet nobody questions their Chineseness.

It certainly isn't any lack of commitment on my part to Chinese culture. I've been working on Confucian philosophy for many years, and it inspires the way I lead my life. I'm told over and over that my commitment to Chinese culture is more "Chinese" than that of many Chinese people. At conferences in China, I often find myself

**In eras when  
China was  
strong,  
one could  
learn to be  
Chinese.**

the only person wearing Chinese-style clothing.

The real obstacle to popular acceptance is the assumption that Chineseness is a racial category. Stereotypes against outsiders are common in any culture, and China is no exception. Pejorative statements about non-Han Chinese can be found in ancient texts, and there have been tragic outbursts of racism in Chinese history. The Jie people, who were probably of Central Asian stock, established the Later Zhao dynasty but were massacred shortly thereafter, around 350 A.D. The killings were said to be based on their Caucasian looks, and many bearded people were killed just because they were too Jie-looking.

But there is a more inspiring current in Chinese history as well. As the historian Yuri Pines of the Hebrew University of Jerusalem

has noted, the dominant elite culture in ancient China emphasized cultural belonging, not race or ethnicity, as the most important trait for citizenship. Chinese people were those who adhered to the common ritual norms of the Zhou dynasty (1046-256 B.C.). One could learn to be Chinese.

During much of its history, particularly the eras of prosperity and glory, China was an open society that welcomed foreigners. The Tang dynasty (618-907 A.D.) is a classic example. The capital Chang'an was a multicultural urban center with nearly a million residents and drew ambitious migrants from around the world. Its greatest generals were Turks, Koreans and Sogdians (an ancient Iranian civilization). Arab scholars could participate in the imperial examinations. Li Bai, its most famous poet, was perhaps of Central Asian stock.

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During much of its history, particularly the eras of prosperity and glory, China was an open society that welcomed foreigners. The Tang dynasty (618-907 A.D.) is a classic example. The capital Chang'an was a multicultural urban center with nearly a million residents and drew ambitious migrants from around the world. Its greatest generals were Turks, Koreans and Sogdians (an ancient Iranian civilization). Arab scholars could participate in the imperial examinations. Li Bai, its most famous poet, was perhaps of Central Asian stock.

But the open attitude of the Tang dynasty

## AFTER 'WONDER WOMAN': CAST MORE WOMEN IN BIT PARTS TOO

BY ANNABELLE GURWITCH

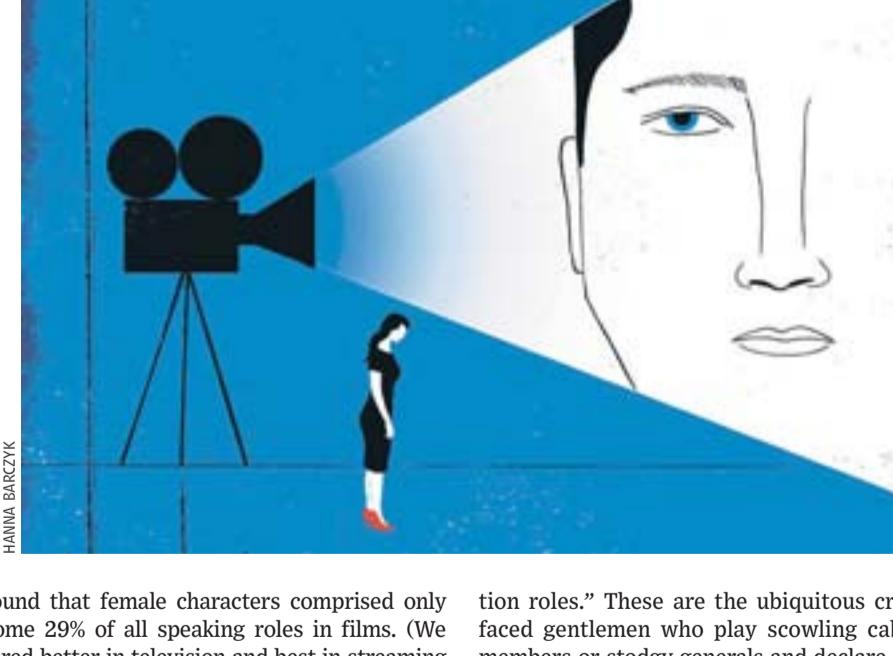
**THOSE HOPING** for gender equality in Hollywood seem to have much to celebrate this summer: Gal Gadot's star turn in "Wonder Woman," directed by Patti Jenkins, has made more than \$745 million worldwide, and Sofia Coppola became just the second woman to win the Cannes Film Festival's 70-year history to win best director.

But we working actors still have a way to go. My dream is to see more women playing roles so minor that their characters don't even merit a proper name.

The vast majority of actors today are vying not to play Wonder Woman but to get cast for one-day-stint roles like Chihuahua Owner, Underdeveloped Clone and Mayor's Sycophantic Assistant. In my 30 years in the business, I've played many parts, but I'll always remember my moment as Woman in Bathroom in the 1997 romantic comedy "Til There Was You": I was a stranger who offered Sarah Jessica Parker unsolicited dating advice in a restaurant restroom, and the gig put me over the minimum earnings needed to qualify for the actors' union health-insurance plan.

Supporting players don't have entourages, on-call masseuses or personal assistants. The freelance working actor cobbles together an annual income that is usually in the range of the median for Los Angeles. Sometimes the bit parts are steppingstones to larger roles; sometimes they are relationship-builders with directors or producers; sometimes they are the career. But here's the thing about those working actors: They're mostly men.

A 2016 study by the USC Annenberg School



found that female characters comprised only some 29% of all speaking roles in films. (We fared better in television and best in streaming media, where female roles made up 38% of speaking roles.) Some of these parts pass in a blink. In "Zero Dark Thirty," after the Navy SEALs kill Osama bin Laden, an actor identified in the screenplay only as Commanding Officer barks, "All stations: target secure, target secure." Most people in the theater didn't notice Commanding Officer—but I did, because that's a gig I would have liked to have had a shot at.

The minor parts I most covet, the ones I hope will support me in my rapidly approaching dotage, are what I call "forgettable exposi-

tion roles." These are the ubiquitous craggy faced gentlemen who play scowling cabinet members or stodgy generals and declare, "Mr. President, there's an emergency in sector seven." Those parts usually go to men—not least because directors are most often male.

Put a woman behind the camera, and you'll see 5.4% more girls and women on the screen, says the USC study. "Wonder Woman," the first superhero blockbuster with a female director, has 72 credited roles listed on IMDB.com, and 41 of them went to women. Of course, the film is set amid World War I, which means that Ms. Jenkins needed to cast a lot of male soldiers.

But "Transformers: The Last Knight," with

a male director, has no such justification. Out of its 84 credited roles on IMDB, a whopping 19 went to females. Men played plenty of parts that, according to their IMDB descriptions, were hardly gender-specific: Government Suit, U.K. Prime Minister and four roles for Jet Propulsion Laboratory scientists.

That none of the JPL engineers were women didn't go unnoticed by female scientists. Carolyn Porco, the imaging science team leader for the Cassini space mission, told me, "I've been working with JPL for decades now, and I can tell you: These days, there are female engineers all over the place." In "The Martian," Matt Damon's character survives, in part, by modifying equipment from the Mars Pathfinder Lander designed by JPL. The movie's cast includes four bit parts for JPL Pathfinder Team members. All of them were men, even though the real-life Pathfinder team included several female engineers.

I hope that we can do better, and soon. For one thing, those day-player roles can make a career. Early on, Brad Pitt was cast as Waiter, Boy at Beach and Preppy Kid at Fight. For another, I'm not getting any younger, and judges' robes are so wonderfully forgiving. Maybe, if I stop dying my hair and moisturizing, I will one day be gray and jowly enough to have the privilege of uttering a line of forgettable dialogue, like the Judge in the new hit "Baby Driver" who gets to say, "Describe your relationship with the defendant."

A girl can dream.

*Mrs. Gurwitch is an actress and the author of "Wherever You Go, There They Are: Stories About My Family You Might Relate To" (Blue Rider Press).*

## REVIEW

### WORD ON THE STREET: BEN ZIMMER

## Watergate's 'Smoking Gun' Is Back

**WHEN** Donald Trump Jr. released emails on Tuesday detailing a June 2016 meeting, the news was greeted in many quarters with two words: "smoking gun." The meeting involved a Russian lawyer with Kremlin ties who promised to supply damaging information about Hillary Clinton to boost Donald Trump's candidacy.

That night on MSNBC, for instance, Chris Matthews opened his show "Hardball" by asking rhetorically, "How do you say 'smoking gun' in Russian?" Later, Mr. Matthews opined, "This is as close to a smoking gun as I've seen," while his guest, former Watergate prosecutor Nick Akerman, went a step further: "Legally, this is a smoking cannon."

President Trump defended his son, saying there was nothing wrong with taking the meeting, and has called the media attention paid to possible Russia ties a "witch hunt."

Since the days of Watergate, "smoking gun" has served as a vivid metaphor for incontrovertible proof of wrongdoing. In this case, the email exchange has been cast as surefire evidence that the Trump campaign was actively colluding with the Russian government to bring down Mrs. Clinton.

The image of a freshly discharged weapon as "smoking" has long been common in depictions of crimes both real-life and fictional. In a Sherlock Holmes story published in 1893, Arthur Conan Doyle wrote, "the chaplain stood with a smoking pistol in his hand at his elbow." In 1936, Carroll John Daly published "The Mystery of the Smoking Gun."

When lawyers for Sirhan Sirhan, the man convicted of assassinating Robert F. Kennedy, presented an appeal to the U.S. Supreme Court in 1972, they conceded that Mr. Sirhan was "captured at the scene wielding a still-smoking gun."

Soon thereafter, the "smoking gun" (or "pistol") moved in a more figurative direction with the Watergate investigations into President Richard Nixon and his aides. In a July 6, 1974, article, Washington Star columnist Mary McGrory quoted a member of the House Judiciary Committee complaining that Nixon loyalists would only accept impeachment charges if there were "a smoking pistol with fingerprints on it."

### An image popularized in a Holmes story.

The following week in the New York Times, Roger Wilkins wrote that "the big question" being asked by House committee members was, "Where's the smoking gun?" The committee would soon have the evidence it needed when, in August 1974, Nixon admitted to withholding the tape of an Oval Office conversation that incriminated him in the Watergate coverup. "I guess we have found the smoking gun, haven't we?" Republican Congressman Barber Conable was quoted as saying.

Even after Nixon resigned, the "smoking gun" remained in the political lexicon. In 2002, national security adviser Condoleezza Rice famously justified the imminent invasion of Iraq by saying, "We don't want the smoking gun to be a mushroom cloud." Smoking guns, in the form of weapons of mass destruction, were never found.

Will Donald Trump Jr.'s emails constitute a "smoking gun" this time around? Time will tell, but right now, for Trump supporters around the country, as the Washington Post reports, the gun is not smoking: It's "just one more toy gun masquerading as the real thing."



### EVERYDAY MATH: EUGENIA CHENG

## The Laws of Averages

"**AVERAGE PRICES** fall by \$50!" blares the advertisement in my inbox. So why does it still seem like prices are going up all around us, whether it's airfares, concert tickets or health-insurance premiums? Are the numbers lying?

In fact, math says that most people can experience prices going up even if the average is going down—especially if we're talking about the mean, where you add up all the prices and divide that sum by the total number of items. If most prices go up a little but the highest prices fall substantially, the latter decline will dominate in the calculation, pushing the mean downward.

Average prices for, say, that flight to San Francisco might go down, but if that's just because the price tag on first-class tickets has fallen, those of us flying economy will never notice. A few years ago, average ticket prices at the Metropolitan Opera in New York City went down by almost \$20—but largely because the \$360 tickets had dropped to \$330, even as the \$20 tickets that I buy went up to \$25. Nobody I know felt the benefit.

Sometimes, the mean can fall even as almost everyone sees prices going up. Consider a hotel with 100 reasonably priced rooms and one spectacularly lavish, exorbitant penthouse suite going for \$50,000 a night. If the price of the standard rooms all go up by \$10 but the penthouse rate falls by more than \$1,000, the mean will go down, although we ordinary folk won't feel it.

The opposite can happen too. For example, the mean price of health-insurance premiums might rise, but that could still be a boon if coverage for the most vulnerable Americans becomes more affordable.

A different anomaly affects averages that encompass several groups of results, such as student grades in different classes. You can actually raise the average grade of two classes simultaneously just by moving one student from one class to the other. The trick is to find a pupil in the better class with a grade that is lower than that class's average yet still higher than the average of the weaker class. Move that student over to the class with the lower average grade, and

both averages will rise.

Given these subtleties, some mathematicians consider the median more useful than the mean. The median is the same as the 50th percentile, which tells us something very clear: Half the results are higher than this number, and half of them are lower.

The mean tells us something more abstract. If the distribution of numbers isn't symmetrical, we can get odd results. If the scores in a class of five students are, say, 60, 61, 62, 63 and 100, we find out that more than half of the students in the class are below the mean of 82.

A similar type of anomaly: If we're talking about arms, almost all of us have an above average number of arms. That's because most people have two arms, but a few of us have one or none, which makes the mean number of arms a tiny bit less than two. The median is more sensible: The median number of arms is exactly two.

But anomalies can happen with medians too. Poverty is sometimes measured as the number of people whose income is less than a certain percentage of the median, perhaps 50%. So if the median income is \$50,000 a year, anyone earning less than \$25,000 would be

counted as living in poverty.

The trouble is that the official poverty count could then be reduced in some dubious ways. The obvious way to cut poverty levels is to help everyone earn more than \$25,000. But you could also find all of the people earning around \$50,000 and give some of their money to the richer people. That could drive the median down to, say, \$40,000, at which point all those earning between \$20,000 and \$25,000 would officially be above the poverty threshold. This isn't reducing poverty; it's just fiddling with the numbers.

Expressing any set of data as a single number necessarily means losing information, but that doesn't mean that the statistics are lying. Statistics are precisely defined, and they tell us exactly what they are defined to tell us. If we attribute more meaning to them than that, the error is ours, not theirs.

**A mean can fall even as prices rise for most of us.**

### R&D: DANIEL AKST

## Sunglasses for Your House

**EVEN WHEN SHUT,** windows let in the sun's light and warmth, which we usually welcome. But sunlight can fade our carpets or wake us up when we'd rather nap; the sun's heat is sometimes too much in summer; and windows can be peeped into.

People have long handled these downsides with curtains, blinds and other window treatments. Some modern windows can block light and heat with the touch of a button, but such "smart windows" usually require electricity, making them expensive and hard to retrofit.

Now scientists at Princeton University have invented a technology aimed at smartening up the millions of windows already in place. They coated a piece of glass with a laminate containing transparent solar cells and a network of invisible electronics that will turn the panel dark blue on command, thereby blocking most of the sun. The result could be akin to sunglasses for your house, available whenever you want them. The scientists, who share a patent on the technology with Princeton, hope to make a version of their laminate into a sheet of film to be applied to the inside of existing windows, making them easier to retrofit.

A few similar films are already on the market, but they must be hard-wired or plugged into an electrical outlet, which can make installation complicated and leave windows and glass doors hard to open and close. Other scientists have developed transparent solar cells, but those usually produce power from the infrared portion of the electromagnetic spectrum, which can leave the cells less capable of controlling the entry or exit of heat through the glass. The Princeton team relied on the near-UV portion of the electromagnetic spectrum, which means that their window laminate works better as a thermal barrier.

The scientists say that such windows could cut our energy bills. They could also improve privacy with a version that would get so dark that people couldn't see in or out.

"This new technology is actually smart management of the entire spectrum of sunlight," says Yueh-Lin Loo, a Princeton engineering professor who co-wrote a recent scientific paper on the research. The electrical charge generated by the solar cells darkens or lightens the laminate by causing a reaction in two polymer layers that are sandwiched around a conducting layer. Instead of requiring a continual flow of energy to keep the laminate dark or light, the system needs only an occasional jolt, she says. The invisible solar cells produce 10 times the energy needed to keep the panels dark or light or trigger a change, Dr. Loo says, and a small battery attached to the laminate should handle the job once the sun has set. She notes that the solar cells can still produce power when the laminate is set to dark, as long as they get at least some sun.

Windows that change color in response to an electric charge are known as "electrochromic." Unlike "photochromic" glass, which makes the lenses in some eyeglasses automatically turn darker in the sun, electrochromic glass gives users the power to control the transparency—in this case, with a smartphone app that communicates with the laminate wirelessly via Bluetooth. That could also let users schedule their windows to shift from light to dark during the day or change them over remotely.

*"Pairing of near-ultraviolet solar cells with electrochromic windows for smart management of the solar spectrum," Nicholas C. Davy, Melda Sezen-Edmonds, Jia Gao, Xin Lin, Amy Liu, Nan Yao, Antoine Kahn and Yueh-Lin Loo, Nature Energy (June 30)*

### Play Bull!

In Pamplona, Spain, children raced a wooden contender in the Small Bull Run on Thursday. The crowded and perilous Running of the Bulls—real ones—ended Friday.

**Answers To the News Quiz on page C13**

**1.C, 2.C, 3.D, 4.C,  
5.A, 6.A, 7.D, 8.B**

### PHOTO OF THE WEEK



ANDER GILLENEA/AGENCE FRANCE-PRESSE/GETTY IMAGES

# BOOKS

THE WALL STREET JOURNAL.

Saturday/Sunday, July 15 - 16, 2017 | C5

## The Coming War for Cyberspace

The internet, conceived as a tool for advancing freedom, now puts democratic societies at risk

### The Darkening Web

By Alexander Klimburg

Penguin Press, 420 pages, \$30

BY STEPHEN BUDIANSKY

ALEXANDER KLIMBURG thinks we are not nearly as worried as we should be about internet-borne mayhem in our increasingly interconnected world. His timing couldn't be better. "The Internet, a fabulous artifice of human civilization largely perceived today as a domain for advancing freedoms and prosperity," he writes in the introduction to "The Darkening Web," "could become instead a dark web of subjugation." He foresees a not too distant future in which cyberspace is primarily "a domain of conflict . . . threatening the overall stability and security not only of the Internet but also of our very societies."

The cyber attacks in May and June that shut down hospitals in Britain and the United States, ATMs in Ukraine, railways in Germany, and tens of thousands of other targets around the globe were vivid illustrations of a concern that Mr. Klimburg, a cybersecurity researcher and senior fellow at the Atlantic Council, emphasizes throughout: that the United States government, in focusing single-mindedly on developing its own offensive cyber capability, has set off an "international arms race in cyber." The recent attacks in fact used malicious computer code originally developed by the U.S. National Security Agency; the malware fell into the hands of rogue hackers when it was stolen and openly published last year under circumstances that are still unclear.

Like the Stuxnet virus that the NSA, CIA and Israel reportedly employed to sabotage centrifuges in Iran's nuclear enrichment facility, the weapons used in recent attacks were crafted to penetrate the Windows operating system and exploit security flaws unknown to Microsoft at the time they were developed. Once inside a system, they can be commanded to steal data, monitor communications or engage in more disruptive attacks by disabling key functions.

In a world where these kinds of destructive attacks become the norm, Mr. Klimburg argues, it is the U.S. that has the most to lose. Or, as he more sweepingly asserts, the U.S. effort "to achieve total dominance" in offensive cyber capability "can be safely said to have totally backfired."

Mr. Klimburg is particularly dismayed by the two-handed game that the NSA has been playing: outwardly working with technology companies to improve security for all, while secretly withholding knowledge of key weaknesses in the internet and computer software that the agency wants to exploit for its own intelligence or cyber operations. And he warns that the West's responses to growing cyber threats run the risk of playing right into the "ambitions of authoritarian states," which have long sought to control the flow of information



KILL SCREEN The 'ransomware' program known as Petya locks infected computers and displays this graphic.

through propaganda and censorship. Another recent front-page story offers a case in point: the discovery that hacking tools sold to the Mexican government by an Israeli security firm—and supposedly restricted to use against terrorists and criminals—had been used by the government instead to harass and spy on domestic critics.

Part of the difficulty that Western governments face in responding to these challenges is that a number of very different kinds of threats are lumped together under the catchall terms "cyber attack" or "cyber war." Broadly speaking, Mr. Klimburg explains, there are at least three types of cyber attacks, each quite distinct.

The attacks that most resemble true warfare are those that aim to achieve the results that were once the sole business of bombers or commando teams armed with "kinetic" weapons: taking out an air-defense system or destroying a strategic target such as a power station, dam or command post.

A second type of attack is the natural outgrowth of the NSA's longstanding efforts to penetrate global communications. What in the old days was done by monitoring radio transmissions and codebreaking is today a game of penetrating computers and swiping information at the source—a skill at which the Chinese and Russians have proved as adept as the NSA.

And then there is the nebulous but burgeoning field of propaganda and information warfare, alarmingly on display during the 2016 election. An army of Russia-based human and automated attackers ("robo-trolls") deluged the United States with pro-Trump disin-

formation, while Russian-government controlled or sponsored groups hacked the Democratic National Committee and other U.S. targets in search of potentially embarrassing or damaging information to influence the outcome.

Mr. Klimburg is not the most lucid or engaging guide through the technicalities of the subject. He is overly enamored of poli-sci speak and the jargon of international bureaucracy, devoting pages to discussions of "path dependency" in the government decision-making process and the nuances

dards for software security is there now a prayer of keeping up with the threat. Large companies like Apple and Microsoft have done a creditable job deploying quick patches as new threats emerge: Microsoft issued a patch as soon as the NSA hacking tools were published, and the computers affected in recent attacks were ones whose users hadn't bothered to install the update.

But the explosion of the "Internet of Things"—everything from camcorders to cars to thermostats—has led to a

The U.S. kept security flaws it found secret, hoping to use them offensively. But nefarious actors learned of them and are using them for their own attack.

of the "multistakeholder approach." He offers up the inevitable allusions to Clausewitz and Tom Friedman, and never seems to have met an acronym he didn't like. At crucial moments he retreats into vagueness and platitudes ("this is not an easy task").

The more disappointing deficiency in "The Darkening Web" is the failure to engage the inescapable trade-offs that all of these challenges pose. Mr. Klimburg asserts that "to keep the Internet free, we need to keep Internet governance free" and insists that any move toward government regulation falls into a "trap" that Russia and China will eagerly exploit to clamp down further on their own citizens' free use of the internet. Yet as the security expert Bruce Schneier has argued, only by setting regulatory stan-

deluge of shoddy and vulnerable code from companies too small to afford investing in security updates, or even to care. According to one recent estimate Mr. Klimburg cites, there are already 25 billion devices connected to the internet, more than three for every human being on the planet. This ever-expanding vulnerability, Mr. Schneier has argued, can only be addressed through a regulatory body that deals with security across the entire internet.

While insisting that the U.S. ought to devote far more resources to cyber defense and de-emphasize what he sees as its no-win pursuit of an offensive dominance that has accelerated the "militarization" of cyberspace, Mr. Klimburg acknowledges a fundamental asymmetry at work. The U.S. is especially vulnerable to hackers

given its ubiquitous embrace of technology. And the nature of the game virtually ensures that offense will always dominate: it is simply much easier and cheaper to create malicious code than to develop effective counters to it. He quotes Chris Inglis, the former NSA deputy director, who wryly observed that if cyber war were soccer, the score would be 462 to 456 after the first 20 minutes. He also quotes two "truisms" of cyber security: "that the majority of attacks could be avoided by taking basic defense measures," notably by updating software immediately, but "that a dedicated attacker will always get in, no matter what."

In places, Mr. Klimburg concedes the moral ambiguities of the situation, noting for example that the best hackers make the best security professionals. But he never comes to grips with the fundamental question of whether there is any practical alternative to the U.S. maintaining an overwhelming offensive cyber capability—at least when it comes to deterring state actors from carrying out the most threatening attacks, those aiming to wreak physical havoc on factories, pipelines, electric grids and other vital infrastructure. If "a dedicated attacker will always get in," the situation is very analogous to nuclear warfare: Only the threat of massive retaliation can deter an attack in the first place. Of course, that assumes that one knows who the attacker is, and the author is skeptical of recent NSA hints that it has solved the problem of "attribution," tracing an attack to its source.

Those charged with walking this tightrope of competing goals more astutely recognize that everything is a matter of degree. Michael Hayden, the former NSA director, has suggested that American policy must balance defense and offense on a case-by-case basis and has hinted that the NSA is keeping to itself knowledge of only the small number of software vulnerabilities that it is confident are beyond the means of anyone but the United States government to exploit. In that, the situation is no different from the challenge that NSA cryptologists faced throughout the Cold War, when they struggled to fine-tune the balance between codemaking and codebreaking in the hope that America's allies would be equipped with codes secure enough to keep everyone in the world from cracking them—except for the NSA.

Mr. Klimburg effectively outlines the dangers we face but, when it comes to solutions, offers little more than abstractions about international governance mechanisms. And he does not even mention what Mr. Schneier posits as, ultimately, the only real way out: If we truly wish to keep our devices safe from attackers out to take over what is becoming a single world-wide robot, we need to start unplugging things from the far-too-ubiquitous web.

Mr. Budiansky's latest book is "Code Warriors: NSA's Codebreakers and the Secret Intelligence War Against the Soviet Union."

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## BOOKS

'Improvisation . . . is the means by which the true and tested in the traditional regenerates itself in the vernacular.' —Albert Murray

# Singing the Body Creative

### The Evolution of Imagination

By Stephen T. Asma

Chicago, 327 pages, \$30

BY JOHN KAAG

**TWENTY YEARS AGO** Stephen Asma opened for the legendary B.B. King, and went on tour with Buddy Guy, playing weeks of gigs for hundreds of fans every night. His music career was on the brink of taking off. There was only one problem: It was getting in the way of his day job. For a newly hired professor of philosophy, the lack of sleep and constant travel made teaching classes rather difficult. Mr. Asma had to choose: blues guitar or the love of wisdom. In the end, he picked philosophy, but his "The Evolution of Imagination" makes a compelling case that we should not, and ultimately cannot, leave our creative roots behind.

In the course of this slim but ambitious book on the nature of the imagination, Mr. Asma tells his reader that "sometimes an artist like James Brown will interrupt a long vamp or groove by calling out to the band. 'Should we take it to the bridge, fellas?'" For Mr. Asma the answer has always been "yes." The bridge is the point at which a melody takes what he calls "a musical left turn," a moment that initiates artistic improvisation. This is where things get really interesting and, for a philosopher, even more perplexing.

Musicians experience the mystery of the bridge. Philosophers try to explain it and, in many cases, make the mistake of explaining it away. Mr. Asma takes readers to the bridge, the site of human creativity, gives them a sense of its thrill, and while doing so leads them through a series of questions that have stymied philosophers for millennia: How exactly does human creativity take place? What is the importance and meaning of the imagination? How did humans first become, in Mr. Asma's words, the "improvising ape"?

The burgeoning literature on creativity and inspiration, Mr. Asma argues, has done little to provide meaningful answers. Most books fall into one of three categories: "paeans to famous entrepreneurs and successful CEO creatives"; "how-to books that give artists a series of exercises to unblock their creative flow"; and, finally, ironically boring books about the imagination, what Mr. Asma calls "the impenetrable academic baffler, chock-full of erudite and cryptic references." Fortunately, Mr. Asma's book is not one of these. Instead it is something akin to Jonah Lehrer's "Imagine: How Creativity Works" (but without its well-publicized problems)—a lively demonstration and accessible explanation of the origins of human improvisation.

First the demonstration. Each of the six chapters in Mr. Asma's book opens with a brief but moving vi-



BLUES RHAPSODY Buddy Guy performing, 2009.

gnette of his time onstage, primarily descriptions of what it's like to play Jimmy Van Heusen's famous jazz melody "Imagination." Mr. Asma breaks it down and lays it out but somehow doesn't destroy the experience: "With the drummer and bassist pulsing the steady rhythmic foundation, the tenor saxophone player tells the main story over the top." The story builds and breaks into improvisation: "The horn player signals the readying musicians to jump in again. But this time the guitarist peals a blistering line that seems to run the head melody backward. His eyes squint tighter as he struggles to complete some mysterious phrase that no one can predict."

I am not a music aficionado (not even close), but Mr. Asma's firsthand accounts inspired me to listen carefully—first to Van Heusen's "Imagination" and then on to Bo Diddley and Otis Rush—to music that I will continue to enjoy long after this review is published. In this respect, the effect of "The Evolution of Imagination" is not unlike that of Aaron Copland's "Music and Imagination" (1952). Mr. Asma wants a reader to attend to the imagination, not as it is explained but as it is experienced.

Once Mr. Asma has the reader's attention, the philosophical investigation begins, and it's not always easy going. The imagination, he admits, is notoriously elusive. It's often invoked as a vague, catchall concept when human abilities outstrip the attempt to

### When an artist loses himself in a 'creative flow state,' what exactly is happening?

explain them. How did Michelangelo "see" an angel in a block of stone and proceed to set it free with his chisel? How did Nikola Tesla foresee wireless communication in 1893? How did the Fourth Earl of Sandwich invent Britain's most remarkable culinary masterpiece? The imagination, of course—whatever that means.

One of the problems in understanding human creativity, according to Mr. Asma, is that it is frequently regarded as the endpoint or pinnacle of human evolution, embodied by the rare Mozart or Newton living in the past 500

years. On this account, the imagination is a novel and relatively new development in the history of the species. Mr. Asma, by contrast, explains that he is "reversing the traditional order of things both logically and chronologically. Improvising did not emerge recently as some rarefied elite employment of otherwise pedestrian symbols and behaviors. It was, instead, the driving force in our natural history."

Following anthropologist Steven Mithen, Mr. Asma holds that "cognitive fluidity," the capacity to react and adapt to novel and challenging situations in real time, is a ubiquitous feature of human behavior. When one learns a new language, makes a new recipe, parents a newborn for the first time (all by the seat of one's pants), one employs the same cognitive frameworks that enable Buddy Guy and B.B. King. In the first chapter, Mr. Asma assures us that "you, dear reader . . . may not be a jazz musician . . . but you are an expert improviser in some domain—conversation, cooking, parallel parking . . . or small business management."

Furthermore, despite what many have argued, improvisation is not originally symbolic or linguistic but rooted in physical manipulation. Mr. Asma contends that "improvisation skills emerged from earlier mammalian habits that manage resource exploitation and social cohesion, and they were emotionally (affectively) driven." Creativity is not the function of some hidden muse or invisible captain operating behind the scenes of cognition but rather of the "creative body" of our primate ancestors.

Invoking the research of neuroscientist Antonio Damasio, Mr. Asma notes that the "neocortex [what most people think of as 'the brain'] mushroomed to its current size less than 1 million years ago" but that "the human family broke off from the great apes in Africa 7 million years ago." What this means is that the symbol manipulation and tool wielding that is regarded as singularly human was grafted on the much deeper (and older) limbic system, which controls memory and emotional processes. How do musicians know how to cross "the bridge" of a particular song? They don't think about it. They feel it—at the base of their skull, in their throat, chest, groin and toes.

The core of "The Evolution of Imagination" is dedicated to explaining how this creative body can account for our powers of visual improvisation, drawing and language. When it comes to drawing and painting, Mr. Asma is principally concerned with process rather than finished product. He's interested in explaining how, in artist Paul Klee's words, one "take[s] a line out for a walk." Mr. Asma (who also drew illustrations for the book) maintains that the skills involved in two-dimensional line drawing are continuous with sculpting and, in turn, with object manipulation like the millennia-old art of knapping flint to make basic tools.

He takes a similar approach in explaining the evolution of language, extending Charles Darwin's basic intuition that "language owes its origin to the imitation and modification, aided by signs and gestures, of various natural sounds, the voices of other animals, and man's own instinctive cries." At times, Mr. Asma's argument for the bodily basis of language is brief—maybe even hasty—but a reader concerned with the details will be satisfied by the copious endnotes. In the end, Mr. Asma's gestures point in the right direction: "Even when mature language does give us a rich symbol system for easy manipulation, those abstract symbols have their semantic roots [their basic meanings] in bodily activity." It is easy enough to grasp and to see (two bodily metaphors for understanding) what he means.

In my very limited exposure to jazz, I have learned one thing: You should listen all the way through. You never know what will happen. Mr. Asma's penultimate chapter takes an unexpected turn and addresses what jazz musicians call "blowing"—derived originally from horn puffing, but now used for all instrument soloing." When a tenor player steps up on the bridge and loses herself or, in Mr. Asma's words, "takes flight," what exactly is happening? Employing contemporary neuroscience, Daoism and Buddhism, Mr. Asma draws a reader into these creative flow states, those that seem to "blow the self away."

In 1932, the American philosopher John Dewey, one of Mr. Asma's philosophical heroes, delivered a series of lectures at Harvard that would later be published as "Art as Experience." The lectures are not perfectly fitted, but together they harmonize, making the case that readers in the 20th century should refocus on the artistic and experimental dimensions of human experience. Mr. Asma attempts to bring this argument up to date. The imagination is what makes each of us uniquely human but also what allows us to live cooperatively with others in a wider natural world that is "relentlessly coming at you in high speed." We neglect the imagination at our own peril.

Mr. Asma closes with a Deweyan insight that, in today's cultural climate, might be expressed as a warning: The imagination can flourish only under certain conditions, in particular social, political and educational contexts. "Stubbornness, inflexibility, and dogmatism in a person try our patience, but in a large-scale population, the dangers are dramatic and pronounced. Populations that hold tightly to ideologies have great difficulty adapting to change." Mr. Asma counsels letting go—so that we can continue to take it to the bridge.

*Mr. Kaag is a professor of philosophy at the University of Massachusetts, Lowell, and the author of "American Philosophy: A Love Story."*

# You Never Get a Second Chance

### Face Value

By Alexander Todorov

Princeton, 327 pages, \$32.95

BY NICHOLAS WADE

**AS HIGHLY SOCIAL** animals, human beings need to be able to recognize the individuals in their community. So evolution has engineered into the human brain an intricate face-recognition system. The system is a network of 12 groups of neurons known as face cells, some 200 of which suffice to identify any given face instantly and to generate a memory that can then be maintained for decades. But that's not the recognition system's only trick. We also make instantaneous value judgments about the faces' owners. This first impression takes about 35 thousandths of a second, and it is involuntary, being integrated with the seeing process rather than the product of conscious thought.

"Face Value: The Irresistible Influence of First Impressions," by Princeton psychologist Alexander Todorov, raises a compelling and unresolved issue: First impressions are reasonably consistent, meaning that people largely agree on which faces they judge trustworthy or threatening or dominant. Yet these judgments may be far from accurate, leading to great social injustice in

myriad daily interactions where the undeserving make a good impression and the more meritorious leave a bad one.

The value of first impressions is a contested subject in psychology. During the 19th century, scholars generally accepted the folk wisdom that the face was a window to the soul and provided a reading of the owner's character. Modern psychologists later repudiated this view, but recent studies have resurrected the notion that some character traits can be read from the face.

People largely agree on which faces look friendly or threatening. But are such judgments accurate?

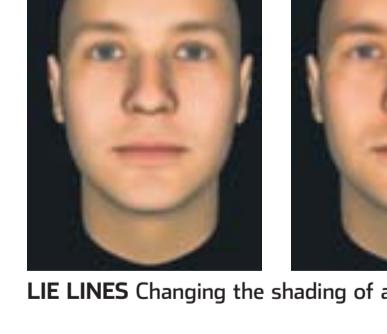
Mr. Todorov believes that such studies greatly overstate the accuracy of such judgments. Some basic attributes of a person, he acknowledges, can reliably be assessed from faces—such as the owners' sex, age and ethnicity and whether they are fat or thin. But we habitually try to infer much more than this, namely important character traits such as whether an individual is trustworthy, aggressive or competent.

These first impressions have far-reaching consequences in daily life.

Politicians who appear to be more competent get more votes. Capable-looking CEOs are awarded higher salaries. Cadets with a dominant appearance achieve higher military rank. Untrustworthy-looking defendants receive stiffer sentences.

So should all first impressions of character be rejected, or do they hold some probability of truth despite their frequent inaccuracy? Mr.

surely in earlier eras, when one's life could depend on judging a stranger's intentions immediately, a snap judgment that was merely correct more often than not would have been a lot better than nothing. Hence the facial-evaluation system must have some validity, one might suppose. If it didn't, natural selection would long ago have eliminated its owners from the gene pool.



LIE LINES Changing the shading of a face can make it look less trustworthy.

Todorov seems inclined to throw out both baby and bathwater.

First impressions, he says, are "compelling yet inaccurate." True, everyone learns at a young age that first impressions can be misleading and should be held in check until further evidence is at hand. But if they have no validity at all, then why have we evolved so that the mind makes them almost simultaneously with perceiving a face?

fect.... Still, even an imperfect ability to assess strangers confers a survival advantage." This seems a plausible claim.

But Mr. Todorov is unimpressed with evolutionary arguments and keeps them at arm's length. He concedes that facial impressions can be a good guide to the person's immediate state of mind but denies them any further validity. "With the help of context, most of the time we can tell how another person is feeling at that particular moment," he writes. "But this momentarily accurate inference is a poor guide to what the person is like in general."

Mr. Todorov is understandably concerned that people who look untrustworthy should not be unfairly treated by society on the basis of their looks alone. But the reader may fear that this political goal, worthy though it may be, has interfered with the scientific goal of understanding the world as it is. First impressions can be singled out in the laboratory, and Mr. Todorov's book excels in explaining how he and other researchers have figured out many of the subtle cues that the mind uses in constructing them. But the reader is left eager for an explanation of how first impressions manage sometimes to be so truthful.

*Mr. Wade is the author of "A Troublesome Inheritance: Genes, Race and Human History."*

## BOOKS

'The man of genius knows what he is aiming at; nobody else knows.' —Henry David Thoreau

# A Traveler in Concord

### Henry David Thoreau

By Laura Dassow Walls

Chicago, 615 pages, \$35

BY RANDALL FULLER

**NO OTHER** 19th-century American writer manages to annoy today's readers like Henry David Thoreau. In recent years, prominent writers have described him as "narcissistic" and "inestimably priggish and tiresome." Even Garrison Keillor, whose laconic humor owes a debt to Thoreau's pungent wit, has called him "a sorehead and a loner."

Blame it on "Walden." Thoreau's masterpiece, first published in 1854, still manages to strike a nerve. Its author—the self-appointed chanticleer intent on rousing his somnambulant readers—retreated to Walden Pond in the mid-1840s, constructing a small cabin near its sandy shores and, after two years, returning with a simple message: You are wasting your life trying to be like others. In sentences honed to a lacerating edge, Thoreau sliced away at Americans' faith in technology, their tendency toward distraction, their unthinking materialism. For more than a century and a half, the readers of "Walden" have responded defensively by accusing him of hypocrisy, misanthropy, poor social skills and general loutishness.

In her richly rewarding "Henry David Thoreau: A Life," Laura Dassow Walls rescues Thoreau (whose 200th birthday was on July 12) from the caricatures that have adhered to him since his most famous work was published. Ms. Walls's Thoreau is less the irascible hermit and sanctimonious scold than a sociable, curious, passionate writer deeply involved in his time and place. We see him planting a garden as a honeymoon present for Nathaniel and Sophia Hawthorne, mourning the death of his beloved

Thoreau's most acute insight? To know one place exhaustively is to glimpse the cosmos.

older brother, even falling in love. The result is a deeply humane thinker who seems more relevant than ever.

With few exceptions, Thoreau spent all of his days in Concord, Mass., a village of 4,000 souls whose citizenry included Ralph Waldo Emerson, Hawthorne and Louisa May Alcott. "Never was a poor, little country village infested with such a variety of queer, strangely dressed, oddly behaved mortals," Hawthorne remarked of the town's starry-eyed Transcendentalists, among whom Thoreau counted himself. Some of the most enjoyable portions of Ms. Walls's biography are its scenes of village life, with the inevitable personal squabbles, political disputes and eccentricities.

The town's most famous inhabitant, Emerson, was either the best or the worst thing that ever happened to Thoreau. A constant supporter of his acolyte's literary ambitions, Emerson published Thoreau's early work and allowed him to build his famous cabin on land that he owned near Walden Pond. He also invited Thoreau to live with his family and gave him access to his extensive library. But Emerson was a forceful personality, a cultural icon who tended to eclipse nearly everyone he met. He misguidedly encouraged Thoreau to become a poet and failed to fully grasp the younger man's talents for natural observation. Thoreau's life was in many ways a heroic, decadeslong struggle to both honor and escape the influence of his more famous friend.

He did that in part by taking his mentor's suggestions to an extreme. If Emerson began his career with a slim volume titled "Nature," Thoreau devoted four hours a day to exploring the woods and pasture surrounding Concord. One of his gifts was to view this familiar environment as terra incognita, chronicling his daily encounters with nature as though he were Mungo Park or Alexander von Humboldt. As Ms. Walls tells it, from this habit arose one of Thoreau's most acute insights: that to know one place exhaustively is to glimpse the cosmos.

Today we would say that he acted locally and thought globally. Thoreau kept up with the science of his day and, in his spare time, compiled a dozen or so notebooks devoted to Native American history and lore. He invented a way to improve the production of his family's pencil business



**SELF-COMPOSED** Three of Thoreau's journals and a bundle of pencils manufactured by his family's company.

and carefully traced Charles Darwin's journey around the globe as recounted in the naturalist's "Voyage of the Beagle." He relived the battles and political debates of the ancient Greek and Roman societies (he could read both languages) and delved into Eastern philosophy and religion, eventually acquiring the most comprehensive library of non-Western thought in the nation.

In "Walden," Thoreau declared with Zen-like serenity that the goal of life was to inhabit the "nick of time," or that "meeting of two eternities, the past and future, which is precisely the present moment." But as Ms. Walls shows, this insistence upon mindfulness was largely a response to his living on the cusp of modernity. Thoreau decamped to Walden Pond just as a major revolution in industry and technology was reshaping American life, eroding a centuries-old agrarian society and ushering in a fast-paced urban world whose contours remain with us today. While Thoreau lived at the pond, a railroad between Concord and Fitchburg was built beside the pond, and its string of freight and

passenger cars ruffled the water's surface several times a day. The wilderness that Thoreau extolled in "Walden" was already a memory by the time he finished the book in 1854.

Equally troubling for the author was the condition of the nation's less fortunate inhabitants. Thoreau was a vocal advocate for the impoverished Irish immigrants who moved to Concord to work on the railroad, and he was an especially ardent abolitionist. He helped his radical mother and sisters shelter runaway slaves, solicited contributions for a variety of antislavery projects, and conversed with many of the leading abolitionist thinkers of the day, including Charles Sumner, Lewis Hayden and Frederick Douglass.

These examples suggest why scholars have long divided the author into two distinct personas: the proto-environmentalist who extolled the virtues of the wild and the political dissenter whose "Civil Disobedience" (1849) served as an inspirational text for the civil-rights movement. Ms. Walls attempts to reconcile these two by suggesting that Thoreau believed

"that attention to the natural environment confronted the root of all political evil." By conceiving all living beings as interconnected, in other words, Thoreau was especially attuned to social injustice. Perhaps. But it is equally possible that, like most of us, he was a bundle of contradictions, a collection of competing impulses that responded to given situations less from philosophical systematizing than from the psychological requirements of the moment.

If we tend to see the two years at Walden as the heart of Thoreau's career, Ms. Walls's biography reveals a rich and varied life after that experience had been transformed into art. The list of Thoreau's accomplishments following his experiment in simple living is astonishing and include his becoming a world-class expert on geology and Native American ethnography, a politically engaged speaker who swayed public opinion about the abolitionist John Brown, and one of the first authors on either side of the Atlantic to adopt Darwinian ideas.

Past scholars have tended to see the period after 1854 as a falling off

the end of Thoreau's career as a writer. But Ms. Walls convincingly shows that Thoreau's journals are his second great masterpiece. Here Thoreau finally overcame the influence of Emerson to become a meticulous observer of natural phenomena. He compiled information about more than 100 tree and 60 shrub species, described the height of grasses, the size of red maple leaves in May, the dates during which the "leaves of goldenrod [are] obvious." He recorded the growth of fir trees and the leafing-out dates of the fever bush, waxwork, red cedar, tupelo, red currant and poison sumac. He noted the day on which "chicadees have winter ways."

What exactly was he up to? The simple answer is that we don't entirely know. But the painstaking work he began in the 1850s enabled Thoreau to capture and quantify the process of growth and death in nature and to gradually become a philosopher-scientist who discerned some of nature's interrelated processes. He made dazzling associative insights, determining before anyone else, for example, why pine trees grew where oak forests had been cut down, and vice versa. More important, and unlike nearly every other thinker of the mid-19th century, he came to believe that people were an intrinsic part of nature—neither separate nor alienated from it. Two hundred years after his birth, Thoreau remains the American author who most anticipates our present understanding of the reciprocal relationship between humans and the natural world.

He died at age 44 of tuberculosis, leaving the voluminous project of his journals incomplete. But Emerson, always in the advance, understood their value long before scholars did. Grieving over his friend's premature death, he compared the ambitious and dazzling intellectual acrobatics in Thoreau's journals to a gymnast's "leap, climb & swing." Thoreau's insights into the natural world, he wrote, possessed "a force unapproachable."

Despite the naysayers, that force is still with us. While "Walden" continues to inspire any number of contemporary movements, such as "simple living" and "minimalism," Ms. Walls suggests how the later Thoreau might come to resonate most powerfully in the 21st century. This Thoreau abandoned much of Emerson's Transcendentalist philosophizing and focused instead on the deep interconnections of nature and culture. He seems to have become increasingly aware that human beings had become a geological force capable of changing the natural environment by denuding forests or converting wetlands to arable property. In recent years, climate scientists have used the meticulous observations of the later journals to determine that spring arrives nearly three weeks earlier in Concord than it did 150 ago. If the Thoreau beyond "Walden" is an author for our time, then Laura Dassow Walls is his biographer.

**Mr. Fuller** is the Herman Melville Distinguished Professor of 19th-Century American Literature at the University of Kansas.

### On Thoreau's Animals | By Danny Heitman



**IN 'WALDEN,'** Henry David Thoreau boasted about scrutinizing the farms around his native Concord, Mass., vicariously owning all of them through the power of imagination. The remark reveals the way he used intense observation to stake his claim on the world, inviting readers to do the same. That sensibility rests at the heart of **"Thoreau's Animals"**

(Yale, 256 pages, \$30), an assortment of his musings on Concord's creatures great and small.

The possessive in the title points to Thoreau's proprietary interest in the birds and beetles, bobcats and bees, toads and turtles and voles that came under his gaze. For Thoreau, these wonders of creation weren't passive presences in his landscape but a living library as intimate as the books on his shelf. He watched wildlife to make it his own.

Following a format similar to last

year's "Thoreau's Wildflowers," which he also produced, editor Geoff Wisner has combed through Thoreau's two-million-word journal for material. As distilled by Mr. Wisner, some of the selections have the opaque spareness of haiku: "I hear the night-singing bird breaking out as in his dreams, made so from the first for some mysterious reason." Others are prose equivalents of stroboscopic photographs: "As I walked through the pasture side of the hill, saw a deer mouse or two glance before me in faint galleries in the grass. They are seldom seen, for these small deer, like the larger, disappear suddenly as if they had exploded before your eyes." Such entries remind us that Thoreau's journal was his workshop, a place to record impressions that sometimes seem more like brainstorms than fully realized ideas. But the improvisational quality of "Thoreau's Animals" is also its big-

gest charm. Thoreau was a self-styled reporter on the natural world, and his prose hums with the urgency of a scribe on deadline. Pencil illustrations by nature artist Debby Cotter Kaspari give a similar sense of immediacy. In her picture of the deer mouse, reproduced above and typical of her style, the strokes register as boldly as a seismograph's.

"The sound of the crickets even in the spring makes our hearts beat with its awful reproach . . . it seems irretrievably late," Thoreau wrote in August 1853, less than a decade before his death. "The year is full of warnings of its shortness, as is life." In this way, "Thoreau's Animals" celebrates paying attention as humanity's highest duty—and its deepest source of pleasure.

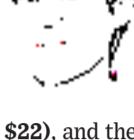
**—Mr. Heitman**, a columnist for the Advocate in Baton Rouge, is the author of **"A Summer of Birds: John James Audubon at Oakley House."**

## BOOKS

'I am glad it cannot happen twice, the fever of first love.' —Daphne du Maurier

FICTION CHRONICLE: SAM SACKS

# Young Lives in Free Fall



'I FALL IN LOVE carefully,' says Thandi, the narrator of Zinzi Clemmons's *'What We Lose'* (Viking, 213 pages, \$22), and the internal contradictions of the line characterize this debut.

You can't, after all, carefully fall in love any more than you can cautiously leap off a bridge. The best you can try to do is maintain an illusion of control while you plummet.

Thandi, who grows up outside Philadelphia, is the child of a black American man and a mixed-race South African woman, and perhaps to compensate for the ambiguities of her complicated heritage—"My views and my skin made me a lonely little island," she writes—she has developed a disciplined, analytical way of recounting her experiences. The book's chapters are succinct, often shorter than a page; the sentences are concise and declarative. Non-fictional material like blog posts and news photos intersperse the story, as if this were an academic study rather than a novel. Thandi, a math tutor, illustrates her emotions with graphs and charts, and when she encounters events that cannot be tamed by logic she explains them to herself using the concept of the asymptote, a line that a curve continuously approaches but cannot reach: "The idea of a geometrical asymptote is therefore an effort of pure reason, and the possibility of it must be made manifest to the mind, not to the senses."

Yet the senses have a way of making themselves known. The turning point in Thandi's life is her mother's death from breast cancer, which scrambles any semblance of coherence that she had made of the world: "It is a sunny day that feels completely gray, and laughter in the midst of sadness. It is utter confusion. It makes no sense." Nearly as destabilizing is her love affair with a man named Peter, who lives on the other side of the country. When Thandi finds herself pregnant and unsure of how to proceed, the novel's intellectual poise has been fatally undermined.

This makes for anguished but rewarding reading. It's bracing to find eruptions of passion shoot through the varnished prose like hairline cracks in porcelain. ("Sex," Thandi proclaims, "is kicking death in the ass while singing.") "What We Lose" finds itself when it accepts free fall, morphing from an arid work of assertion into a richly volatile study of grief, wonderment and love.

Sally Rooney's debut, *"Conversations With Friends"* (Hogarth, 309 pages, \$26), shares these shape-shifting qualities. The novel centers on two Dublin university students, distant and intellectual Frances and charismatic, "radiantly attractive"



GETTY IMAGES

Bobbi. The pair were briefly an item—Bobbi is gay, Frances, our narrator, is an "omnivore"—but now are best friends who perform as a slam poetry duo. Their act brings them to the attention of a famous essayist named Melissa, and the novel chronicles what happens when the young women enter her rarefied circle, which includes her husband, Nick, a hunky B-list actor.

As its leaden title portends, this novel partakes in the inexplicably chic trend epitomized by Karl Ove Knausgaard's *"My Struggle"* and Elif Batuman's *"The Idiot"* of merely recording everything its characters do or say, like a video feed, with no effort to discriminate between the trivial and the significant. Readers, therefore, have to push through reams of banal small talk and hackneyed dinner-party imagery. (Ms. Rooney is now the millionth writer to poetically describe the glowing tip of a cigarette.)

Then things change. At first we assume Frances will play the rational Elinor Dashwood role while Bobbi has an ill-advised fling with Melissa. Yet it turns out to be Frances who's the home wrecker, falling into a surprise affair with Nick. Suddenly the book takes on the excitement of a romance novel or Hugh Grant film about ordinary folk who have relationships with gorgeous celebrities. The writing picks up purpose and intensity. The sex scenes are, well, sexy, which is rarer than you'd think. Ms. Rooney's trick is to render them largely in dialogue, avoiding awkward anatomy lessons. A breathless page-turner emerges.

As the affair goes south, and Frances's acquired habits of secrecy chip away at her friendship with Bobbi, the book transforms again, taking on a darker, spikier complexion. Nick has a history of depression, we learn, and Frances is diagnosed with a painful chronic disorder. The clandestine thrill of their romance comes to look like destructive co-

pages, \$26), Ruth, a 30-year-old sonographer who was recently dumped by her fiancé, moves back home to Southern California to help care for her father, a university professor in the early stages of Alzheimer's disease. It's material for another grueling exploration of loss, and yet, against all odds, Ms. Khong has produced a book that's whimsical and funny.

This is because the author, like her guiding spirit, Lorrie Moore, has a love for the ridiculous in the mundane. In the diary entries that make up the novel, Ruth notes these quotidian curiosities. A man at a party suffers a "niacin flush" after eating too many Wheat Thins. A friend's baby's admirable first word is "Blah!" When Ruth reads that "cruiferous vegetables" help with memory loss, she commences stuffing her father with cauliflower and bok choy. "No more crucified vegetables," he begs. "But they died for you, Dad."

Amid the fear and heartache there's plenty of absurdity, too, in her father's erratic behavior, though Ms. Khong never descends to mockery. In the main storyline, the professor's former students invent a fake class for him to teach, to boost his morale. But the charade doesn't last long. Mostly this sweet-natured novel is about Ruth's attempts to come to terms with a past her father can no longer remember while still attending to the quirky, fleeting joys of the present. "Here I am, in lieu of you," she writes, "collecting the moments."

MYSTERIES: TOM NOLAN

## A New Star In the Night



ACCORDING TO Michael Connelly's powerful procedural *"The Late Show"* (Little, Brown, 405 pages, \$28), the title

phrase is slang for the Los Angeles Police Department's night shift: a twilight zone of "vampire crimes" and a graveyard for cop careers. Cases written up during the wee hours are turned over to the next day's units; night officers rarely have the chance to solve mysteries or build reputations. Late-show assignments are "usually awarded to those who had run afoul of the politics and bureaucracy of the department."

That would well describe Renée Ballard—a new series protagonist introduced by Mr. Connelly in this, his 30th book—who once filed an unsuccessful sexual-harassment complaint against a male superior. Her consequent demotion to night patrol has not diminished Ballard's devotion to her job, though, and especially not to "the sacred bond that existed between homicide victims and the detectives who speak for them." Ballard and her male partner deal with several murdered citizens, and the victim of a near-fatal beating, during an especially eventful 11-to-7 shift. Despite repeated warnings not to become involved, Ballard covertly works the cases during and in between her official duty stints. The murder victim whom Ballard shepherds through the system is a waitress shot by chance, it seems, during a mass killing in a club where she worked; Ballard traces the discouraging outline of the dead woman's life. Of equal concern is a transgender person, an apparent prostitute, beaten and tortured: "one of the worst cases she had seen where the victim was still alive."

An irate Ballard is especially eager to find the perpetrator: "This is big evil out there," she tells her partner.

Mr. Connelly documents his protagonist's investigations painstakingly. The technical details help reveal character traits and advance the plot until undeniable conclusions hit Ballard like jolts of adrenaline. "There was nothing quite like that moment. . . . It was the Holy Grail of detective work. It had nothing to do with evidence or legal procedure or probable cause. It was just knowing it in your gut. Nothing in her life beat it. It had been a long time coming to her on the late show but now she felt it and she knew deep down it was the reason she would never quit." Through describing the detective's step-by-step movements and dispensing information about her background only on a need-to-know basis, the author creates a bond between reader and protagonist akin to the one Renée shares with "her" victims; and the excited satisfaction we feel at Ballard's success seems as intense as the vindicating joy experienced by this intriguing new heroine.

# To the Storytelling Manner Born

Manderley Forever

By Tatiana de Rosnay  
St. Martin's, 340 pages, \$27.99

BY ALLAN MASSIE

TATIANA DE ROSNAY tells us that, at the age of 11, when she first opened a copy of "Rebecca," she "had no idea how important that novel would become in my life." We may believe her, but its author, Daphne du Maurier, might have bridled. Just as Conan Doyle came to resent Sherlock Holmes

'Rebecca' is derivative and full of clichés. It doesn't matter. The novel is still compellingly alive.

because he overshadowed the historical novels that Doyle valued more highly, so it irritated du Maurier to be known principally for "Rebecca," which was made into what is now a classic film by Alfred Hitchcock.

But Ms. de Rosnay is right to highlight that best-selling 1938 novel. If other du Maurier novels are still read—for instance, "Jamaica Inn" and "My Cousin Rachel," if not, alas, "The Progress of Julius," a remarkably harsh, chilling unromantic early book—it is because

of "Rebecca." It may be derivative, a reworking of "Jane Eyre" with a sub-Byronic hero and a fascinating and mysteriously dead first wife replacing a mad one in the attic. It may be full of clichés. It doesn't matter. The novel is still compellingly alive.

Daphne du Maurier was born in 1907, in London, into the upper reaches of bohemian. Her grandfather George was an artist and the author of the best-selling novel "Trilby" (known best for the character Svengali). Her father, Gerald, with whom she had an intense, perhaps unhealthyly intense, relationship, was a star of the London theater. Her cousins, the Llewelyn-Davies boys, inspired J.M. Barrie to write "Peter Pan."

There was something of Peter in Daphne. As a young girl she wanted to be a boy and invented for herself an alter ego called Eric Avon. The boy never quite died in her.

She was educated partly in France, her paternal ancestors' country. There she fell in love with a schoolmistress who encouraged her writing. Later she would have intense emotional friendships with other women, notably the actress Gertrude Lawrence and Ellen Doubleday, the wife of her

American publisher. In the course of writing to Doubleday, Ms. de Rosnay says, du Maurier "admits what she thinks she is: a strange hybrid, a woman with the soul of a boy."

Her marriage to an army officer—Tommy Browning, who commanded airborne troops at Arnhem in World War II and later became a member of the royal household as Prince Philip's

comptroller and treasurer—was sometimes difficult and stormy,

partly because she was a writer first and a wife second, partly because he suffered from nervous exhaustion after the war and was unfaithful to her. But the marriage endured, with affection—and guilt—on both sides.

Du Maurier developed a passion

for Cornwall, the westernmost county of England, where she had set "Rebecca." There, she wrote, she found "freedom to write, to walk, to wander, freedom to climb hills, to pull a boat, to be alone." She took a house, "Menabilly," on a long lease: her version, perhaps, of Manderley, the grand house of Rebecca and Max de Winter.

As she grew older, she wrote fewer novels and worse ones. The Economist's reviewer of her last one, "Rule, Britannia" (1972), reproached her, in Ms. de Rosnay's summary, "for having isolated herself to the extent that she no longer has any idea what the modern world is like."

This is common enough, as other aging novelists may ruefully confess. But it wasn't that her power of imagination had withered. In her later years, she wrote chilling short stories, such as "Don't Look Now"—set in a disturbingly sinister Venice and filmed memorably by Nicolas Roeg—but she was no longer capable of the sustained creative effort demanded by a novel. Du Maurier died in 1989, in Cornwall, at the age of 81.

Ms. de Rosnay identifies herself with her subject to such an extent that she will tell us how Daphne felt and what she thought, often perhaps



RARE SPECIMEN Daphne du Maurier in her garden, 1947.

comptroller and treasurer—was sometimes difficult and stormy, partly because she was a writer first and a wife second, partly because he suffered from nervous exhaustion after the war and was unfaithful to her. But the marriage endured, with affection—and guilt—on both sides.

Du Maurier developed a passion

fancifully: "From time to time, she gets up from her desk . . . stretches her numb legs, massages her stiffened fingers. Standing up, leaning against the window, she smokes a cigarette and looks out towards the slim blue line of the sea, lost in her thoughts."

Well, perhaps. "Manderley Forever" is written in the historic present, often irritating in a novel, more so in a biography, for it is not always clear how much credence is to be given to the author's imaginative reconstruction of moods and daily life. Perhaps the historic present works less offensively in the original French (translated here into English by Sam Taylor).

As it is, Ms. de Rosnay has written a biography that, despite such annoyances, does justice to its heroine. Daphne du Maurier, as we see, was fortunate in her family and its history, fortunate also to have early found a publisher, Victor Gollancz, who spotted her potential and treated her generously. She was self-centered, though no more than most writers, and more generous than most of them too. Her best novels were possessed of a vitality and conviction that give them an enduring appeal. "Rebecca" certainly, a couple of others too, have proved to be that rare thing: a best seller that goes on being read long after its author's death.

Mr. Massie is the author of many novels, most recently, "End Games in Bordeaux."

## BOOKS

'There is nothing—absolutely nothing—half so much worth doing as simply messing about in boats.' —Kenneth Grahame

CHILDREN'S BOOKS: MEGHAN COX GURDON

# No Duffers, No Drowning



**IN JANUARY** 1929, a Bolshevik sympathizer and class-war enthusiast sat down in his study in the lovely English countryside to write one of the 20th century's most joyful, exuberant tales of childhood derring-do. "Swallows and Amazons," published the following year, had all but rushed from Arthur Ransome's fingers. "Hammering away at his desk, occasionally getting up to chortle and rub his hands, the entire adventure came to him with extraordinary ease," wrote one of his biographers, Roland Chambers, in "The Last Englishman" (2009). Newly reissued, "Swallows and Amazons" (Godine, 351 pages, \$14.95) recounts the piratical and nautical escapades of six children in two sailing dinghies on the wide waters of an inland sea in England's Lake District.

At historical remove some nine decades later, what leaps out from the story is the children's amazing freedom to go where they like and do what interests them. The four eldest Walker children—John, Susan, Titty and Roger—are spending the holidays at a farm with their mother and baby sister, "fat Vicky." They're yearning to sail the vessel Swallow to a tantalizing little island in the lake and live there for the summer. To that end, they've written to their father, who is at sea on a navy destroyer, to ask permission.

The story opens with his reply, a famous message that is impossible to imagine a parent sending today, and not because the slang has changed: "BETTER DROWNED THAN DUFFERS IF NOT DUFFERS WONT DROWN," reads the telegram. As John, who is perhaps 13, explains: "It means that daddy thinks we shall none of us get drowned and that if any of us do get drowned it's a good riddance." (Can you imagine?)

As the children collect provisions and prepare to ship out, their mother warns them only once to be careful, when she cautions them to keep the walls of their tents outside their waterproof ground-sheets "or if it rains you'll find yourselves sleeping in a puddle." She has every confidence in the good sense and resourcefulness of her children and arranges with a farm nearer the island to supply them with fresh milk: Every morning, one of the Swallows must row across for it. They cook and boil

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**YOUTH CREW** A scene from the 2016 film adaptation of 'Swallows and Amazons.'

water for tea over an open fire. Only Roger, at 7 the youngest mariner, is forbidden to use matches. He is, however, free to mess about in boats as much as he likes and bathe in the lake unsupervised, despite not having yet learned to swim.

Meanwhile, Nancy and Peggy Blackett, who live nearby and claim the island as their own, announce themselves to the Swallows by firing real arrows at them. They are the Amazons, named for a boat that flies the black flag of piracy. The adversaries conduct a formal parley, like buccaneers, declare mutual war and everyone has a fabulous time. There is much talk of natives and savages and walking planks, and there are many meals of line-caught fish, scrambled eggs and seed cake, not to mention pemmican (corned beef), molasses (toffee) and grog (lemonade).

No one gets an eye put out, no one drowns and no one wears sunscreen. We know from historical accounts and from the occasional yarn from an old-timer that within living memory children could be trusted with matches and clasp knives and were known to

look after each other without constant adult intervention or correction. Those days are gone. People are arrested for allowing their children to walk shorter distances by themselves than the Walker and Blacketts sail, at night, without life vests. Along with its swashbuckling vision, "Swallows

and Amazons" offers a poignant reminder of what's been lost.

A new BBC film version of the novel opens this weekend in the U.S. It both reflects the current moment and takes liberties with the story, as movies tend to do. The filmmakers have shifted events forward six years, to 1935, putting Europe on the cusp of war and creating an opening for adult intrigue involving the Amazons' foul-tempered, houseboat-dwelling uncle, James Turner. In a neat choice, the

actor playing Turner (Rafe Spall), known as "Captain Flint" to the children, resembles Arthur Ransome as a young man. The screenwriters have also made use of the author's fondness for the Soviet Union in developing the arc of the cinematic uncle's back story.

The movie is less fanciful than the book (with no talk of natives or savages), and there's more crying, squabbling and shrieking. For all that, the film is lush and beautiful, capturing the grandness of maritime adventure, the pleasure of make-believe and the sincerity of the Swallows and Amazons in their endeavors.

It is incredible that such a jolly book and 11 sequels could have been written by an English sailing enthusiast who embraced the ideological goals of Vladimir Lenin. Between 1917 and 1924, Arthur Ransome (1884-1967) was the Russia correspondent for two British newspapers. He reported on the Russian Revolution and on the spasms of violence and political terror that succeeded it with stunning approbation. As a votary, he grew close to many leading Soviet figures; he even

married Leon Trotsky's private secretary.

In an article published in the United States in 1918, Ransome hailed the dictatorship of the proletariat and the extirpation of the bourgeoisie and predicted that "once the conditions of parasitism, privilege and exploitation have been destroyed, the old divisions of the class struggle will automatically have disappeared." It's hard to square such cruel, mechanized thinking with the good humor, brisk pitching-in and humane understanding in Ransome's novels for children. Indeed, "Swallows and Amazons" would seem to celebrate everything that the Bolsheviks despised and sought to destroy, not least tradition, personal independence and individual imagination.

Soviet commissars may no longer trouble us, but the busybody enemies of youthful adventure abound. They will not like reading about young seafarers vying for supremacy and fending for themselves unchaperoned. For those who regret the hemming-in of childhood, though, the Swallows and Amazons are free-range children to gladden the heart.

## Young Man With a Horn

**Finding Bix**  
By Brendan Wolfe  
Iowa, 235 pages, \$24.95

BY JOHN CHECK

HE COULD BARELY read music and had to learn his ensemble parts by ear. Forever late and missing trains, he acquired such a taste for Prohibition-era gin that it proved to be his undoing. He would shine bright, recording jazz solos that still bring tears to the eyes of devotees—and empurpled superlatives to the pens of critics. And then he would burn out, dead at 28, his brief life and lasting art the stuff of legend. He, of course, was Bix Beiderbecke, and his story continues to fascinate.

Bix's relaxed cornet solos stood out against the more tentative playing of his fellow musicians.

In "Finding Bix: The Life and Afterlife of a Jazz Legend," Brendan Wolfe draws together the sometimes incomplete facts of Beiderbecke's biography and the often contentious debates about his significance. Beiderbecke (1903-31), one of the first great jazz soloists to have his work preserved on record, was a cornet player who dazzled not with displays of technique or excursions into the high range but with subtlety and understatement.

The relaxed quality of his solos often stood out against the more tentative and even stilted playing of his fellow musicians. Achieving success first with the Wolverines (a small group in the Midwest), he would move on to the larger orchestra of Jean Goldkette,

and then to the still-larger, and wildly popular, orchestra of Paul Whiteman, who was billed as "The King of Jazz."

Calling the cornetist "part Keats and part Fitzgerald," Mr. Wolfe grants that Beiderbecke has often been portrayed as though he were "a nineteenth-century Romantic hero refitted for the Jazz Age." Ardent fans of Beiderbecke's work—Bixophiles, they are called—have for decades tripped over

one another in an effort to praise its quality. Mr. Wolfe, who grew up in the cornetist's birthplace (Davenport, Iowa), tries to separate man and myth, but it turns out to be a difficult task. The more he looks, the more he finds: Beiderbecke has been celebrated in tall tales and adoring biographies, in a French graphic novel and a British television series. And yet,

the more he finds—much of it inconclusive and contradictory—the further his subject recedes from him. By

some accounts Beiderbecke was a "genius" whose fate was nothing short of "tragic"; by others, a "drunk"

whose inability to negotiate everyday life made him "ridiculous." No summary appears reliable or definitive.

Debates about Beiderbecke's significance in jazz history tend to revolve around the matter of race.

Fairly and with delicacy, without himself taking sides, Mr. Wolfe sets out the views of opposing critics, some

believing that Beiderbecke's contributions are underrated because he was white, others maintaining that he and other white musicians co-opted a musical tradition that was not theirs, impoverishing it in the process.

Mr. Wolfe is adept at introducing details that serve as promissory notes.

sonal relationship between Beiderbecke and his Whiteman bandmate, the saxophonist Frankie Trumbauer.

At other times the details Mr. Wolfe introduces are major. The most striking of these deals with an incident

that occurred when Beiderbecke was 18, prompting a police investigation.

(He was accused of a "lewd & lascivious act" with a 5-year-old girl; the charges were later dropped.) An early



**CORNET KING** Bix Beiderbecke, ca. 1925.

chapter ends with policemen "[knocking] on the door and politely [asking] for Mr. and Mrs. Beiderbecke." We will learn about the incident itself (some of whose facts, Mr. Wolfe acknowledges, "are a muddle") only much later in the book. Mr. Wolfe renders this visit from the police so skillfully that it endows the next hundred pages with a heavy sense of foreboding.

One of the book's strongest chapters tells of a 1929 interview with Beiderbecke appearing in the Davenport Democrat. While calling it "the only known interview of the jazz legend," Mr. Wolfe adds that "there's always been something a little off" about it, something "that jazz scholars have struggled to clearly articulate." After some sleuthing, he discovers that the interview was plagiarized from several sources, borrowing words from music journalists Henry Osgood, Abbe Niles and others. Perhaps Beiderbecke was reticent and the interview came to nothing. Then again, perhaps the temptation to plagiarize was too great for the Davenport reporter to resist. Whatever the case may be, the result is that Mr. Wolfe's understanding of Beiderbecke "grows smaller and smaller, until eventually he disappears."

An engaging book, "Finding Bix" is hampered in places by greater authorial self-indulgence than necessary. Mr. Wolfe, an editor by trade, sometimes resorts to words ("icky," "wuss") and formulations ("sound geeks," "info-laden charts") that themselves could have been edited out. His habit of interspersing extremely short chapters—the shortest containing 46 words—among long ones feels writer-conscious. When he addresses the reader directly, the ef-

fect can be jarring: "You want and need Bix talking to you, and . . . you want and need to keep up with him."

A more serious problem resides in Mr. Wolfe's disinclination to discuss Beiderbecke's music in any appreciable depth. He has long lived with these solos and absorbed them to their last detail, but his familiarity works against him. He perhaps forgets that many readers don't know what to listen for. How, for example, does Beiderbecke's style differ from that of Louis Armstrong? While Mr. Wolfe notes their respective contributions to the history of jazz, he avoids going into specifics. How helpful it would have been to be guided, in a nontechnical way, through a comparison of, say, Beiderbecke's solo on "I'm Coming Virginia," recorded in 1927, and Louis Armstrong's "West End Blues" from a year later. Through such guidance, listeners of today might come to find Bix in the way that matters most: through the medium of his music.

Another way of finding Bix Beiderbecke is in recordings that reflect his influence. In 1941, 10 years after Beiderbecke's death, the Glenn Miller Orchestra recorded "A String of Pearls." It would become one of the orchestra's biggest hits. Two-thirds of the way through, there is a short solo, a minor masterpiece, by the cornetist Bobby Hackett. From its relaxed tone and charming understatement to its easy pacing and cogent construction, everything about the solo echoes Beiderbecke's aesthetic sensibility. It became so famous that it was later lushly harmonized for the entire Miller trumpet section. The harmonization is plainly a tribute to the artistry of Bobby Hackett—but it is more than that. Bixophiles hear in it a tribute to an earlier cornetist whose influence can never be forgotten.

*Mr. Check is a professor of music at the University of Central Missouri.*

## BOOKS

'The practice of deception is not particularly exacting; . . . it is a facility most of us can acquire.' —John le Carré



DATA BASE Each client's card included cross-references to potential matches.

# Banns in Britain

### The Marriage Bureau

By Penrose Halson  
Morrow, 313 pages, \$15.99

BY CAROLINE MOOREHEAD

**I**N 1938 a lively young woman called Audrey Parsons, having twice flirted with the idea of marriage to tea planters in India and found them too dull, and desperate to escape overbearing parents, set out to make her fortune in London. With no training and little education, she worked as a lady's companion, a chauffeur, and a skipper on a yacht; but she was not much good at any of these jobs. She remembered, though, how a shrewd uncle, when she left Assam, had suggested she start an agency bringing together bored and lonely spinsters trapped at home with the equally lonely bachelor planters, soldiers and civil servants serving in distant outposts of the Empire. As partner, Audrey drew in Heather Jenner, a statuesque divorcee who was, like herself, in her mid-20s. With almost no money, and in the teeth of considerable disapproval, the two set up shop as the Marriage Bureau, charging a small sum for initial introductions and a larger one in the event of a successful pairing.

The timing was good. Young women were beginning to rebel against waiting powerlessly in the hopes of attracting a husband. Before long, there were queues up the stairs. Young ladies languishing in the home counties made the visit, and men on leave from the colonies. But so did milliners and shop assistants, shorthorn typists and musicians, aristocratic widows and divorced actresses, along with rat catchers, clerks, clergymen and baronets. There was a blip after war was declared, but soon came growing numbers of soldiers, wishing to find love before leaving, and women not wanting to be left on the shelf.

Heather and Audrey took meticulous details from their clients and matched them to partners who seemed most suitable, in terms of class, background and interests. The two found themselves becoming counsellors to men and women with little experience of intimacy, easing them away from unrealistic expectations and providing shoulders to cry on. An engaging appendix to this

book lists the requests that came their way. Women looked for men with dark or wavy hair, tender hearts and accepting natures but objected to false teeth, bigotry, pub crawling or too great a passion for golf. Men seemed to want "average, plumpish" women who liked poultry farming. One man had no objection to "painted finger nails or a dowry"; another requested a "good cook, able to make jam, dress poultry and rabbits." Many declared that they would not tolerate bossiness, sarcasm or sulkiness.

Not everyone, of course, was matched. There is a painful story of a particularly vulnerable young man, astutely matched to an equally self-doubting woman. They fell in love and

**W**omen asked for men with dark hair and tender hearts. No-nos included bigotry, drinking and golf.

went to give his parents the happy news. But his snobbish parents took against the working class girl, who was a shop assistant to boot. The young man hanged himself.

Jaunty in tone, with a cozy style reminiscent of women's magazines of the 1950s, "The Marriage Bureau" is also a work of social commentary, reflecting a society traumatized by war and desperate to counter the grayness of postwar austerity. Heather and Audrey heard many tales of loneliness, betrayal and insecurity, and they did their best to mitigate them. Eventually the client list of the bureau was handed on to the author of this book, herself a one-time visitor to one of many other bureaus set up as imitators. Over the years, Heather and Audrey secured thousands of marriages. But whether the male client requesting "no hysteria, no gold diggers" and a taste for mountaineering, or the woman asking for a member of the "Metropolitan police force" interested in literature, philosophy and psychology, ever found a mate is not recorded.

*Ms. Moorehead is the author of the forthcoming "A Bold and Dangerous Family: The Remarkable Story of an Italian Mother, Her Two Sons, and Their Fight Against Fascism."*

### Best-Selling Books | Week Ended July 9

With data from NPD BookScan

#### Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Rediscovering Americanism</b> Mark R. Levin/Threshold Editions	<b>1</b>	1	<b>Al Franken, Giant of the Senate</b> Al Franken/Twelve	<b>6</b>	6
<b>Dangerous</b> Milo Yiannopoulos/Dangerous Books	<b>2</b>	New	<b>The Subtle Art of Not Giving A F*ck</b> Mark Manson/HarperOne	<b>7</b>	8
<b>Astrophysics for People in a Hurry</b> Neil deGrasse Tyson/W.W. Norton & Company	<b>3</b>	4	<b>Understanding Trump</b> Newt Gingrich/Center Street	<b>8</b>	5
<b>The Swamp</b> Eric Bolling/St. Martin's Press	<b>4</b>	2	<b>Make Your Bed</b> William H. McRaven/Grand Central Publishing	<b>9</b>	10
<b>Hillbilly Elegy</b> J.D. Vance/Harper	<b>5</b>	3	<b>She Persisted</b> Chelsea Clinton/Philomel Books	<b>10</b>	7

#### Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Dangerous</b> Milo Yiannopoulos/Dangerous Books	<b>1</b>	New	<b>Rediscovering Americanism</b> Mark R. Levin/Threshold Editions	<b>1</b>	2
<b>Homo Deus</b> Yuval Noah Harari/HarperCollins Publishers	<b>2</b>	-	<b>Dangerous</b> Milo Yiannopoulos/Dangerous Books	<b>2</b>	New
<b>Hillbilly Elegy</b> J.D. Vance/HarperCollins Publishers	<b>3</b>	1	<b>Hillbilly Elegy</b> J.D. Vance/Harper	<b>3</b>	1
<b>Against All Grain Celebrations</b> Danielle Walker/Potter/TenSpeed/Harmony	<b>4</b>	-	<b>Astrophysics for People in a Hurry</b> Neil deGrasse Tyson/W.W. Norton & Company	<b>4</b>	4
<b>Everybody Lies</b> Seth Stephens-Davidowitz/HarperCollins Publishers	<b>5</b>	-	<b>Milk and Honey</b> Rupi Kaur/Andrews McMeel Publishing	<b>5</b>	5
<b>Astrophysics for People in a Hurry</b> Neil deGrasse Tyson/W.W. Norton & Company	<b>6</b>	6	<b>The Swamp</b> Eric Bolling/St. Martin's Press	<b>6</b>	3
<b>Al Franken, Giant of the Senate</b> Al Franken/Grand Central Publishing	<b>7</b>	7	<b>Al Franken, Giant of the Senate</b> Al Franken/Twelve	<b>7</b>	6
<b>The Pursuit of God</b> A.W. Tozer/Moody Publishers	<b>8</b>	-	<b>The Subtle Art of Not Giving A F*ck</b> Mark Manson/HarperOne	<b>8</b>	8
<b>The Subtle Art of Not Giving A F*ck</b> Mark Manson/HarperCollins Publishers	<b>9</b>	9	<b>You Are A Badass</b> Jen Sincero/Running Press Book Publishers	<b>9</b>	-
<b>Wait, What?</b> James E. Ryan/HarperCollins Publishers	<b>10</b>	-	<b>Use of Force: A Thriller</b> Brad Thor/Atria/Emily Bestler Books	<b>9</b>	1

#### FIVE BEST: A PERSONAL CHOICE

## Henry Hemming on spies

### **Anthony Blunt** By Miranda Carter (2001)

**I**AN EARLY MEMORY I have of my grandfather is his reaction to the news that Anthony Blunt, his friend, had been a Soviet agent. I was too young to know who or what a "Blunt" might be, but I knew that my grandfather retreated to his study, where he could be heard whispering to himself occasionally, like a mantra, the final answer to every question running through his mind: "A traitor is a traitor, is a traitor, is a traitor . . ." Blunt was a talented art historian, inspiring teacher and prolific Soviet agent. Employed by MI6 during the war, he passed on thousands of classified documents to Moscow. Indeed, he stole so much that his Soviet masters suspected him (wrongly) of being a British plant. Miranda Carter's excellent account of his life transcends the genre of spy biography. She navigates Blunt's life with the authority and wit of an insider, which is testament to her skill as an author as much as to her ability to track down the people that mattered to Blunt and persuade them to talk. Crucially, she unravels the great mystery in Blunt's life: why he chose to betray his country in the first place.

tional literature that had grown up around it. For all this, "Ashenden" is underwhelming. In some ways, that's the point. There is the disappointment of the reader hoping to find out how MI6 really worked and the frustration that Maugham experienced himself in the field. "The work of an agent in the Intelligence Department is on the whole extremely monotonous," he complained. There are intricately drawn and memorable characters, like the Hairless Mexican, who is off to carry out an assassination, and Sir Herbert Witherspoon, a British diplomat trapped in a desiccated marriage, but the action is all off-stage. "Fact is a poor story-teller," explains Maugham. "It has no sense of climax and whittles away its dramatic effects in irrelevance." Yet "Ashenden" represented a new kind of spy novel carried by a different type of hero, one whose defining quality is his detachment. "You don't seem to have any feeling one way or the other," one character tells Ashenden. Of course he does, really, but he keeps this to himself, fastidiously so, as would the heroes of countless spy novels that followed.

### **Agent Zigzag** By Ben Macintyre (2007)

**3** OF ALL THE writerly skills at Ben Macintyre's disposal, and there are many, one that stands out is his ability to spot a great subject. "Agent Zigzag" tells the story of Eddie Chapman, an English criminal who, while in German custody in the early 1940s, volunteered to be a Nazi spy, was parachuted into Britain, and then volunteered to be a British spy. The mystery at the heart of this book is, of course, about where Chapman's loyalties lie. That question becomes interesting only because Mr. Macintyre makes us care about our hero. Chapman may have been a grinning scoundrel who was at his happiest, writes Mr. Macintyre, "spinning a yarn, looking you straight in the eye, and picking your pocket," yet in Mr. Macintyre's hands he becomes deeply sympathetic. By the end, we come to understand his tangle of loyalties toward his various spymasters and lovers and how his capacity for betrayal was matched only by his desire to be loyal.

### **Typhoon** By Charles Cumming (2008)

**4** SET INITIALLY in Hong Kong in 1997, just as it was transferred to the Chinese, and



MR. HEMMING is the author, most recently, of 'Agent M: The Lives and Spies of MI5's Maxwell Knight.'

later in Shanghai, this is perhaps my favorite Charles Cumming novel. At the heart of it is a terrorist cell of Uighur separatists encouraged by the U.S. in the hope of undermining the Chinese government. The plotting is superb. So too is Mr. Cumming's evocation of place. But what truly distinguishes this book is the endlessly intriguing relationship between our man in Hong Kong, MI6's Joe Lennox, and Miles Coolidge, of the CIA, the id to Lennox's ego, a man loyal only to his own desires. Where Joe is restrained, Miles lacks inhibition and is "contemptuous of the moral censure of others." The ending of the book is hugely satisfying. Even if you soon lose sight of who betrayed whom, and why, it is hard to shake the memory of Miles Coolidge, one of the great villains of modern spy fiction.

### **A Perfect Spy** By John le Carré (1986)

**5** THIS BOOK is less about spies than about fathers and sons, specifically John le Carré (born David Cornwell) and his con-man father, who appears here as Rick Pym. Rick is the bridge that his son, Magnus, must cross. At the start of the book, Magnus is holed up in a boarding house as he writes the story of his own life. There follows a mesmerizing portrait of the vortex surrounding Rick, his courtiers and his "lovelies" as they tear around the country promising to see everyone right, which they never can do. The most intriguing character is Rick's MI6 spymaster, Jack Brotherhood, a "handsome English warlord who served sherry on Boxing Day." Mr. le Carré's inspiration for Brotherhood was Maxwell Knight—his boss at MI5. In Mr. le Carré's hands, Knight comes to stand for an older version of Englishness, one in which intellectual ability is often trumped by loyalty and character.



GETTY IMAGES  
I SPY W. Somerset Maugham, 1928.

#### Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Wal-Mart) and Web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to [Peter.Saenger@wsj.com](#).

#### Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Strengths Finder 2.0</b> Tom Rath/Gallup Press	<b>1</b>	1
<b>Total Money Makeover</b> Dave Ramsey/Thomas Nelson	<b>2</b>	3
<b>Extreme Ownership</b> Jocko Willink & Leif Babin/St. Martin's Press	<b>3</b>	4
<b>The Five Dysfunctions of a Team</b> Patrick M. Lencioni/Jossey-Bass	<b>4</b>	2
<b>The Energy Bus</b> Jon Gordon/John Wiley & Sons	<b>5</b>	5
<b>Radical Candor</b> Kim Scott/St. Martin's Press	<b>6</b>	-
<b>The 4-Hour Workweek</b> Timothy Ferriss/Crown Publishing Group (NY)	<b>7</b>	7
<b>The Ideal Team Player</b> Patrick M. Lencioni/Jossey-Bass	<b>8</b>	6
<b>Strengths Based Leadership</b> Tom Rath/Gallup Press	<b>9</b>	-
<b>The ONE Thing</b> Gary Keller & Jay Papasan/Bard Press (TX)	<b>10</b>	10

#### Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Wired</b> Julie Garwood/Berkley Books	<b>1</b>	New
<b>Camino Island</b> John Grisham/Doubleday Books	<b>2</b>	2
<b>Murder Games</b> J. Patterson & H. Roughan/Little, Brown and Company	<b>3</b>	-
<b>Wonder</b> R.J. Palacio/Knopf Books for Young Readers	<b>4</b>	5
<b>The Duchess: A Novel</b> Danielle Steel/Delacorte Press	<b>5</b>	4
<b>Use of Force: A Thriller</b> Brad Thor/Atria Books	<b>6</b>	3
<b>The Stolen Girls</b> Patricia Gibney/Patricia Gibney	<b>7</b>	New
<b>The Bone Bed</b> Patricia Cornwell/Penguin Publishing Group	<b>8</b>	-
<b>The Hard Way</b> Lee Child/Random House Publishing Group	<b>9</b>	-
<b>The Stolen Girls</b> Patricia Gibney/Patricia Gibney	<b>10</b>	8

#### Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK


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## REVIEW

'One day,  
things  
didn't fit  
anymore  
in ballet  
place.'



CHRISTIAN WITKIN FOR THE WALL STREET JOURNAL

**WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE**

# Wendy Whelan

The former ballerina is finding a new home in dance

A FEW MONTHS AGO, the dancer Wendy Whelan gave away all of her ballet leotards. Sitting on the steps outside a Manhattan dance studio, she now says of ballet, "I'm over it." It's been a long process: In October 2014, Ms. Whelan, 50, reluctantly retired from the New York City Ballet after 30 years there—23 as a principal dancer, the company's highest rank. Now, she's reinventing herself as a contemporary dancer.

During her time at City Ballet, she performed featured roles in such notable works as "Symphony in Three Movements" and "Swan Lake." She also inspired more than 40 new dances by choreogra-

phers such as Christopher Wheeldon and Alexei Ratmansky. In 2007, Ms. Whelan was nominated for a Laurence Olivier Award for outstanding achievement in dance, and in 2011, she won a Besie Award for sustained achievement in performance.

Ms. Whelan is now the subject of a documentary in theaters, "Restless Creature." Directed by Linda Saffire and Adam Schlesinger, the film chronicles her last year with City Ballet and her struggle to come to terms with how her age affects her performance. "I feel the ticking clock," she says in the film, adding, "If I don't dance, I'd rather

die." (She then makes fun of her hyperbole.)

Ms. Whelan describes the moment she realized it was the beginning of the end. Six years ago, she says, City Ballet artistic director Peter Martins told her that she should no longer perform as the Sugarplum Fairy in "The Nutcracker," a role that she had danced for more than 20 years. The conversation "flipped everything on its head," she says as she leans her wisp-thin frame against a railing. "It hurt." City Ballet didn't respond to requests for comment.

Her body was also starting to wear down. In 2012, she slipped and hurt her hip. The injury con-

tinued to get more painful, she recalls, and in 2013, she had hip surgery. She worried that she was getting too old for the demands of ballet, which is difficult on dancers' hips and joints. Still, her career lasted much longer than average: Many quit professional ballet by their early 30s. "I felt a rigidity coming on in that strictness of the upright" posture in ballet, she says. "One day, things didn't fit anymore in ballet place."

When she was first approached by the filmmakers, Ms. Whelan hesitated to participate. But after agreeing to be filmed for one day, she realized that documenting the difficult parts of her experi-

ence could help her deal with them. In the film, she tears up as she talks about the idea of leaving the company. "I'm not a crying kind of person, so it was just odd to see myself like that," she says. "That's part of my balletness," she adds. "I don't want to show my vulnerabilities."

The documentary follows her through her months in physical therapy to recover from the hip surgery. The process took longer than she thought. She realized that she wasn't likely to return to ballet full-time, so she finally decided to leave the company. Her mother, a former basketball coach and physical education teacher who lives in Louisville, Ky., also appears in the film, as she comes to watch Ms. Whelan's final performance with City Ballet.

Her mother and father, an accountant, first encouraged Ms. Whelan to take up ballet when she was young. "I was apparently a little hyperactive," she says, and ballet was a way to get her out of the house. Ms. Whelan used to pick on her younger sister, who is now a homicide detective. "I guess she learned to protect herself—and others," she says with a laugh.

At age 13, she won a scholarship for the School of American Ballet's summer course in New York. The following year, she joined as a full-time student. For the next few decades, Ms. Whelan's routine was to practice from about 10:30 a.m. to 6 p.m., perform at 8, then do it all again the next day. She had one day off a week, when she would run errands and get a massage.

Her schedule left her little time for a family or a social life. "I knew as a kid I didn't want to have kids," she says. She lives in New York City with her husband, visual artist David Michalek, whom she married in 2005.

Ms. Whelan now focuses on practicing contemporary dance in collaboration with choreographers and other dancers. She appreciates its more fluid style. "I think that it's good for my body because it asks it to be a little softer," she says. While she finds contemporary dance just as challenging as ballet, it enables her to make more shapes with her body and "find more openness within my spine in a different way." Her goal, she says, "is to find the new channels of movement within."

These days, she often spends her mornings taking a yoga or dance class. She also teaches ballet to advanced high-school students at a Manhattan dance academy. Now that she's no longer part of a company, she has more control over her schedule. "I can wake up and I can do whatever I want, but I have to decide: Do I want my body to feel good? Or do I want to sit in bed and read?" she says. She's working on various dance projects, including two performances at the Joyce Theater in New York later this month.

Meanwhile, she has been surprised by the number of people outside the world of dance who have responded to the film's idea of age imposing change. She says, "People can relate to the human reality of letting go and losing something, and then re-establishing a part of yourself."

**MOVING TARGETS: JOE QUEENAN**

## A Sharing Economy for Pants, Hats and More

FUTURE-GAZERS have written extensively about the ride-sharing economy and the coming death of car ownership. Young people are perfectly happy to share rides with strangers or chip in on a vehicle with friends. Others prefer to pay for access to a car for just a few hours. And there is more and more talk about buying a car and then renting it out, Airbnb fashion.

Already, this revolutionary concept is generating tremors in other parts of the economy, as I found in a coast-to-coast, multi-industry survey that gave me an exclusive insight into what seismic changes may afflict, say, men's haberdashery.

"If you're self-employed and don't have to go to an office every day, you don't really need to own your own pants," says Gates Sadler, retail visionist at the American Sartorial Institute. "You might need a pair of pants a few hours a week. So it isn't hard to

imagine a situation where groups of men pool their resources to share pants on a need-to-wear basis. The same goes for quality men's footwear."

The fact that men can share the same trousers, sports jackets, dress shirts, ties and even socks is bad news for midmarket haberdashers.

"Because young guys might only need a jacket a couple of times a month, three or four of them could use an app to chip in on a really nice piece of merchandise, instead of the usual drab off-the-rack stuff," says Iphigenia McNamara, president of Fleeting Fancy, a zeitgeist-monitoring service. "If I'm Dockers, this stuff has got me quaking in my boots."

Boots are only part of the story. "Nobody needs a waffle iron or a pressure cooker on a 24/7 basis," says Ms. McNamara. "Nobody needs a permanent, on-site egg whisk. Sharing infrequently used kitchen equipment by logging onto

**Cars and travel digs are not the only things that can be pooled.**



a reliable website like Communal Cuisine frees up money for more exciting purchases. Like schnapps."

As the impulse to share replaces the impulse to own, more products will be divided among groups of like-minded consumers. They will drop off jewelry in secure kiosks and prom dresses in gym lockers. Drones will deliver small, rarely used items like cardiac defibrillators.

Of course, not everyone is on board with our shared future. Hidebound traditionalists scoff at communal brandy-snifter lending exchanges. "What if the pants get stained or shrink in the laundry?" demands Drake Templeton of the Hidebound Traditionalist Society. "What's going to happen if two people need the four-stringed banjo the same day?" Even the philo-futurist Ms. McNamara fears a breakdown in the social compact: "First you'd share hats with other guys who go 7%. Before you know it,

you're interacting exclusively with people who have the same inseam as you. How does that help make this a more diverse society?"

Fans of the sharing economy sneer at such criticism. Sure, there will be the occasional glitch. But sharing is here to stay.

"Millions of dollars are wasted each year on items like \$675 Christian Louboutin Pigalle Follies pumps that will mostly sit in the closet," says Teak Petite, author of "Thanks for Sharing." "If we want to get this economy back on track, we need to start sharing our upscale footwear."

One arena where sharing is probably not going to work is toys. "We tried to explain to our 5-year-old Mia that Elsa's Castle from 'Frozen' was spending the weekend with her friend Maya," says Ms. Petite. "But Mia isn't old enough to grasp the nuances of the sharing economy. She busted the castle to pieces."

## REVIEW

### EXHIBIT

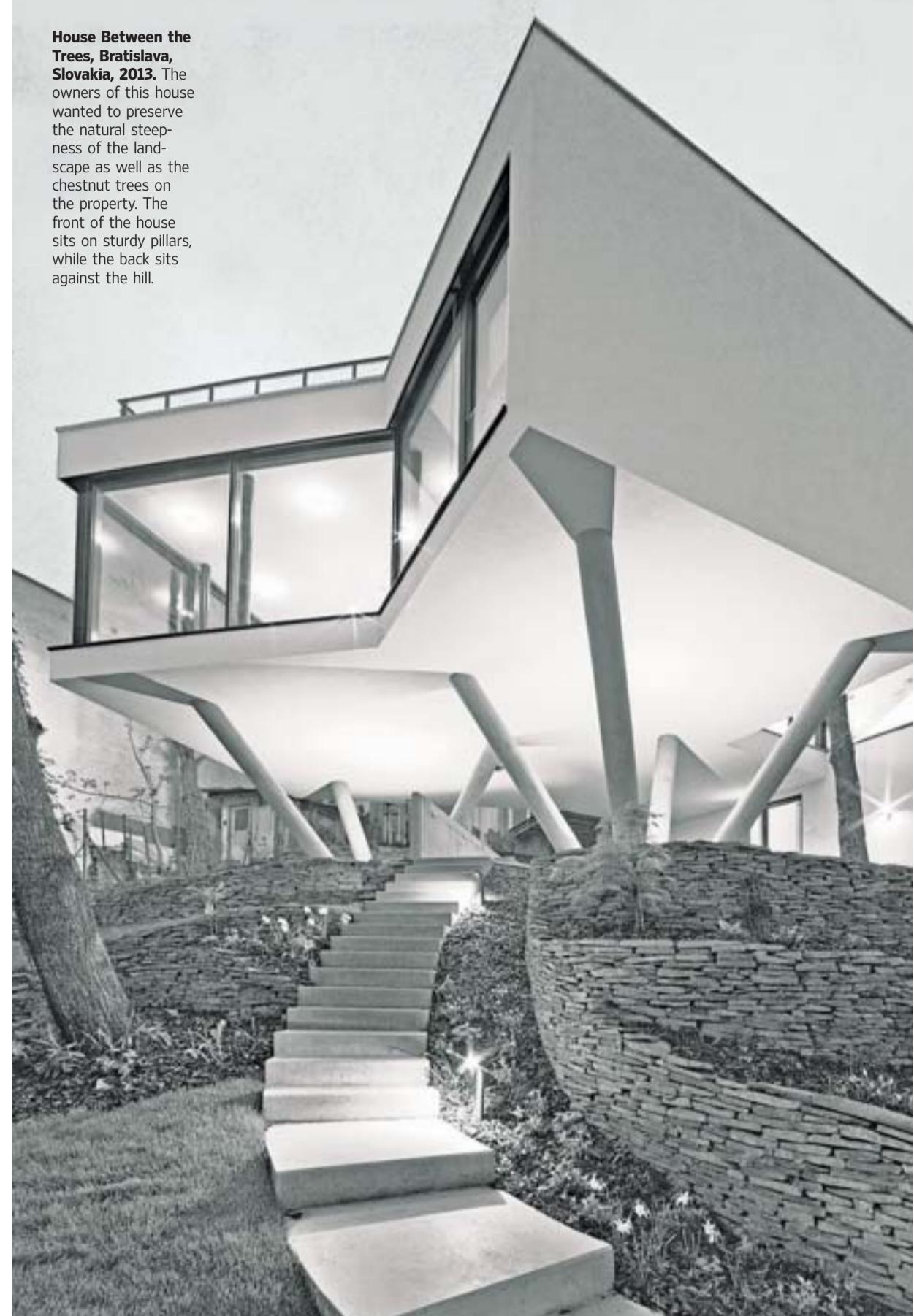


**Aluminum House, Madrid, 2016.** The architects created the floor plan of this home to ensure that all major spaces in the house open up to face the outdoors.



**Maison de Verre, Paris, 1932.** Two of modernist architecture's favorite materials, steel and glass, set the tone in this early building.

**House Between the Trees, Bratislava, Slovakia, 2013.** The owners of this house wanted to preserve the natural steepness of the landscape as well as the chestnut trees on the property. The front of the house sits on sturdy pillars, while the back sits against the hill.



CLOCKWISE FROM TOP LEFT: FRAN SILVESTRE ARQUITECTOS; TOMÁŠ MANINA; ARCHITECTURAL PRESS ARCHIVE/RIBA COLLECTIONS

# FINE LINES

**THE SIMPLE**, clean style of modernist architecture has proved to have staying power. A new book, "Ornament Is Crime" (Phaidon, \$49.95), by Matt Gibberd and Albert Hill, showcases striking buildings from the 1920s on. Through the decades, the style has typically included flat roofs, cubic or cylindrical forms and narrow strips of windows. "We wanted to show that pure modernism is alive and kicking, and in a way, how little it's changed," says Mr. Gibberd. —*Alexandra Wolfe*

### HISTORICALLY SPEAKING: AMANDA FOREMAN

## The Perils of Cultural Purity

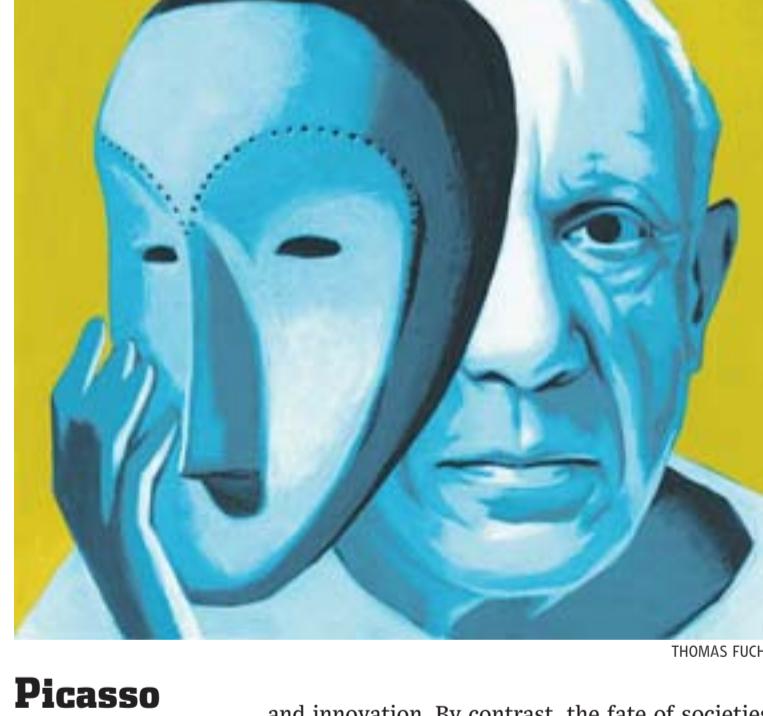
"CULTURAL APPROPRIATION" is a leading contender for the most overused phrase of 2017. Originally employed by academics in postcolonial studies to describe the adoption of one culture's creative expressions by another, the term has evolved to mean the theft or exploitation of an ethnic culture or history by persons of white European heritage.

The accusation of cultural appropriation is now having a chilling effect on cultural life itself. In Canada, editors of two different magazines resigned in recent months amid controversies for voicing their support of creative cultural borrowing. In the U.S., protests in Minnesota against the Walker Art Center led to the dismantling of "Scaffold," a sculpture by the white artist Sam Durant, which referenced, among other victims, the 1862 execution of 38 Native Americans of the Dakota people.

It's a lamentable trend. As history bountifully attests, all cultures have borrowed and exchanged ideas with one another. Sometimes the exchange has been between equal powers, and sometimes not. Either way—whether it's the Japanese adoption of Chinese literary culture in the ninth century, the American Transcendentalists' embrace of Hindu thought in the 19th century or the influence of African sculpture on Pablo Picasso—there's no getting away from the fact that one man's cultural appropriation is another man's appreciation.

The Romans still hold the world record for appropriating culture, enthusiastically basing their own, from law to literature, on the Greeks. In the 4th century A.D., Rome sealed its championship by appropriating the religion of a tiny minority culture in the Middle East—thus introducing Christianity to much of the world. The appropriation wasn't all one way, however. The image of Jesus as "the good shepherd" may have evolved from the Greco-Roman god Hermes/Mercury, who was often shown with a ram across his shoulders. Likewise, early Christian imagery of the Virgin Mary with the baby Jesus echoes ancient Egyptian depictions of the goddess Isis with the godchild Horus on her lap.

Both ancient Rome and early Christianity demonstrate how cultural appropriation produces growth



THOMAS FUCHS

### Picasso without the masks of Africa to inspire?

and innovation. By contrast, the fate of societies that have embraced the ideology of cultural separation offers up a cautionary tale of decline.

In 529, Justinian I—the Christian emperor of Byzantium, which had inherited the eastern part of the Roman Empire—closed down the Neoplatonic Academy in Athens, ending a 900-year-old tradition of philosophical inquiry. The blow to Western culture was immense. Only with the founding of the University of Bologna in 1088 did Christian Europe begin to rebuild higher education.

Almost 500 years later, Emperor Jiajing of China was guilty of similar folly when he ordered the destruction of all oceangoing ships. The edict effectively sealed his subjects inside China's borders. Instead of protecting the status quo against foreign ideas and money, as Jiajing had intended, his action helped to precipitate China's descent from being the world's richest and most powerful nation in the 15th century into a cultural and economic backwater by the 19th.

The same shortsightedness can be seen in the Ottoman Empire's 1515 ban on printing in Arabic, because the printed word would defile God's name, and in the Spanish Inquisition, which focused on religious purity at the expense of every other cultural good. Today's cultural-appropriation thought police might want to recall that some victories are worse than defeats.

### PLAYLIST: ELIZABETH STROUT

## Message in the 'Wind'

A novelist from coastal Maine finds a new meaning in a classic Bob Dylan song

Elizabeth Strout, 61, is the Pulitzer Prize-winning author of six novels, including her latest, "Anything Is Possible" (Random House). She spoke with Marc Myers.

Growing up in Harpswell, Maine, I was always conscious of the wind. The Atlantic Ocean was our front yard, and our house was completely exposed. Even playing in the woods as a child, I thought the wind was trying to tell me something.

I first heard Bob Dylan's "**BLOWIN' IN THE WIND**" in 1973, during my last year in high school. Someone played it for me. Even though the song had come out 10 years earlier, when I was 7, I never owned the record as a young person. I didn't have the money, and I didn't have anything to play the record on.

As a child, I sensed the wind had a restless, secretive quality.

The song's argument that the answers to life's vexing questions are blowing around in the wind and that you just have to listen to hear them resonated with me.

From the start, I knew that "Blowin' in the Wind" was a protest song, that the wind was a metaphor for a rising countercultural movement in the '60s. But for years, I heard the song solely as a lyric.

Now I experience the song differently when I hear it on my iPhone and put the lyric in today's context.



BOB DYLAN in the 1978 film 'The Last Waltz.'

EVERETT COLLECTION



# PLAY

## NEWS QUIZ: Daniel Akst

From this week's  
Wall Street Journal

1. Aaron Judge won baseball's annual home-run derby, but the American League won the All-Star Game thanks to a 10th-inning home run by whom?

- A. Justin Smoak
- B. Jose Ramirez
- C. Robinson Cano
- D. Gary Sanchez



2. Chinese democracy activist Liu Xiaobo died of cancer in custody at 61. When did he win the Nobel Peace Prize?

- A. 1990
- B. 2000
- C. 2010
- D. 2013

3. A new online retailer called Brandless opened for business. What do its products all have in common?

- A. They were all tested on animals.
- B. They can only be delivered to your nearest 7-Eleven.
- C. They can only be paid for in Bitcoin.
- D. They all cost \$3.

4. Drought has driven up futures prices for a particular commodity. Which?

- A. Orange juice

To see answers, please turn to page C4.

- B. Winter wheat
- C. Spring wheat
- D. Water

5. Iraq declared victory over Islamic State in Mosul. Who is Iraq's prime minister?

- A. Haider al-Abadi
- B. Nouri al-Maliki
- C. Ibrahim al-Jaafari
- D. Ayad Allawi

6. Visa will give \$10,000 to each of as many as 50 restaurants and food vendors—for what?

- A. Installing the technology to go cashless
- B. Agreeing to accept only Visa
- C. Incorporating Visa into their names
- D. Creating a compelling Visa menu item

7. Uma Thurman is set to make her Broadway debut, in what production?

- A. "An American in Paris"
- B. "Ben Franklin in Paris"
- C. "Pulp Fiction à Paris"
- D. "The Parisian Woman"

8. Which state won its months-long battle against a stricter fishing quota for summer flounder?

- A. New York
- B. New Jersey
- C. Maine
- D. North Dakota



## VARSITY MATH

### One team

A member reads a newspaper article about changes in estate taxes, which spurs the others to create problems about inheritances.

### Fair Share

A couple with a mathematical bent has three children and 10 grandchildren, to whom their entire estate will be bequeathed. In their will, they leave an equal fraction of their estate to each of the children, and a different equal share to each of the grandchildren. In addition, the inheritance of each grandchild is to the inheritance of each child, as the inheritance of

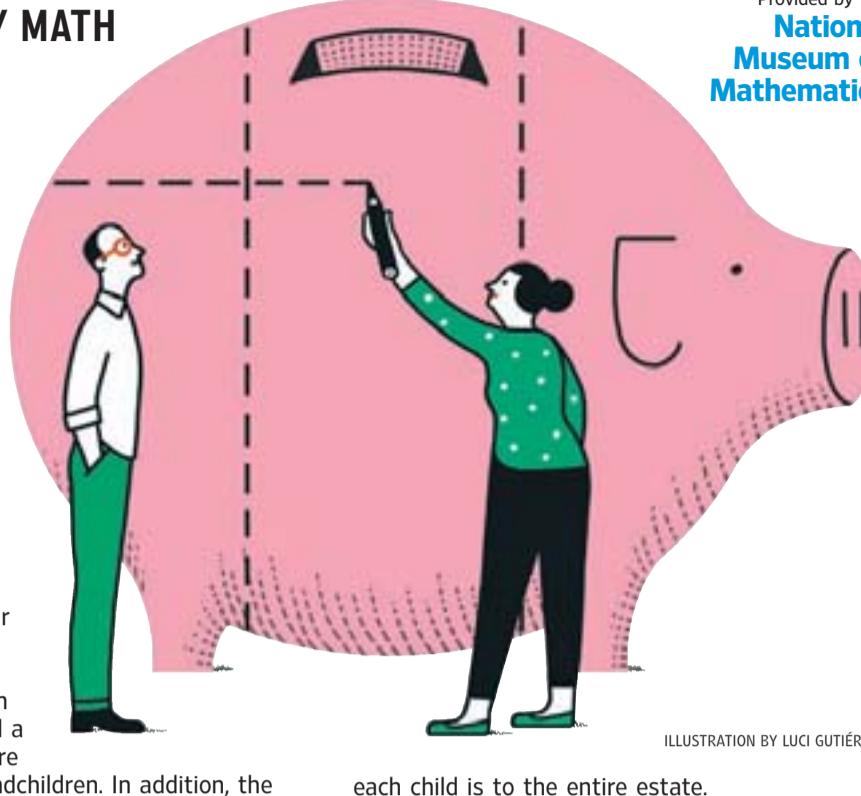


ILLUSTRATION BY LUCI GUTIÉRREZ

each child is to the entire estate.

What fraction of the estate does a grandchild receive?

For previous weeks' puzzles, and to discuss strategies with other solvers, go to [WSJ.com/puzzle](http://WSJ.com/puzzle).

### Share and Share A-Different

Another couple has four children and only one grandchild. They also leave all of their estate to these descendants. The shares of the children are the reciprocals of consecutive natural

numbers, and the grandchild receives the smallest share.

What fraction of the estate does the grandchild receive?

+ Learn more about the National Museum of Mathematics (MoMath) at [momath.org](http://momath.org)

## SOLUTIONS TO LAST WEEK'S PUZZLES

### Varsity Math

From last week, the Proper Place for 2017 is 6,958 and the Earliest Bird is 990.

### Double Features

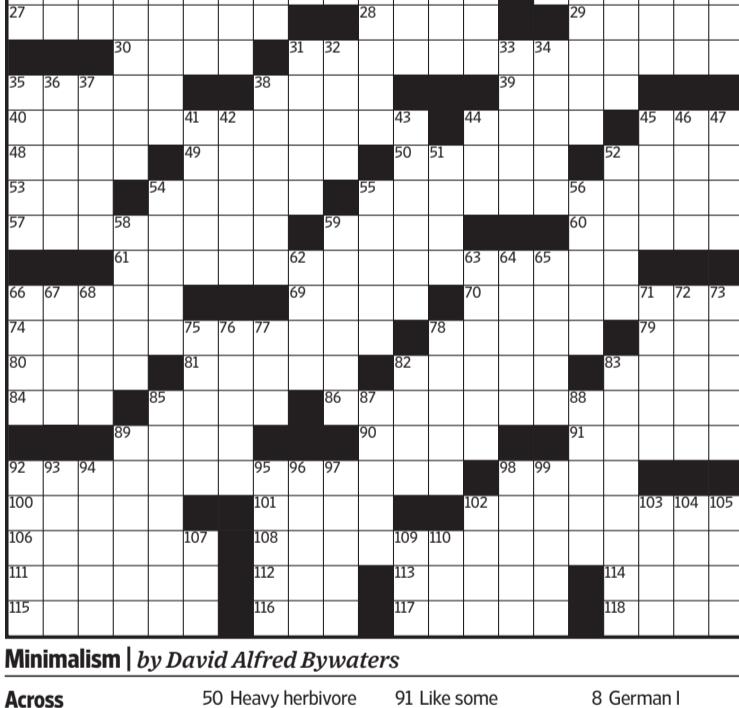
L	A	N	A	C	E	L	A	B	A	L	L	A	D	S	I	C	H	U	R	T	S
A	R	O	D	L	I	N	E	N	A	R	O	U	S	E	C	O	V	A	L	H	T
V	I	V	A	L	A	S	V	E	G	A	S	L	I	G	T	V	I	A	U	R	T
A	D	A	G	E	N	C	I	V	L	U	T	E	S	E	V	E	T	A	M	T	S
E	S	S	O	S	W	I	N	E	S	W	N	A	T	W	I	N	G	R	U	T	S

### Triple Alliance

S	C	U	S	E	R	O	V	A	H	U	R	T	S	I	C	H	U	R	T	S	E
T	A	C	O	S	I	N	T	I	A	T	I	A	T	I	V	E	T	A	M	T	S
K	J	E	L	T	E	T	O	T	E	S	U	P	R	O	O	T	T	A	R	M	S
S	U	L	I	N	R	C	B	S	T	R	A	M	S	E	R	E	R	A	M	T	S
T	I	N	N	Y	O	N	I	F	I	L	E	N	O	D	S	I	E	R	A	M	S

The threesome is CHURCHILL, ROOSEVELT and STALIN; the setting is the YALTA CONFERENCE.

## THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk

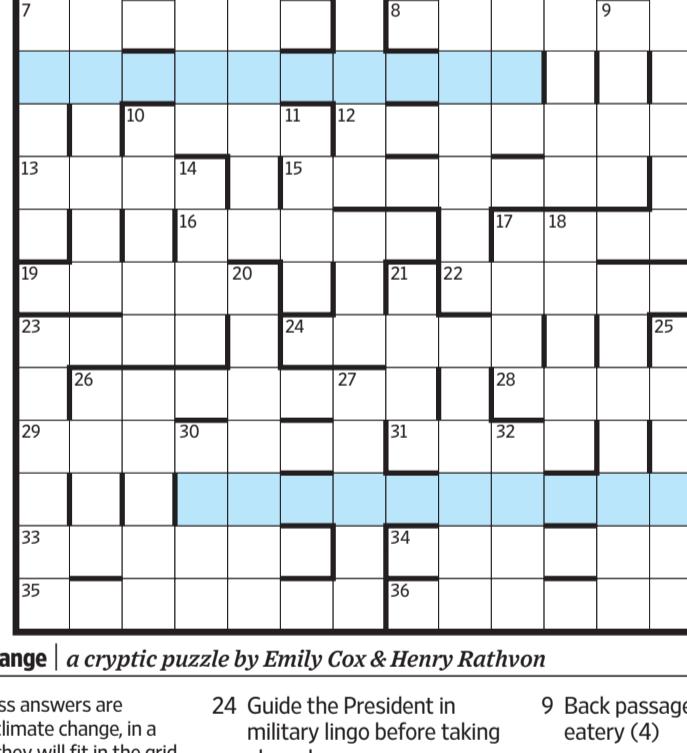


### Minimalism | by David Alfred Bywaters

- Across**
- 1 Farrier's file
  - 5 Staff notes
  - 10 HBO rival, for short
  - 13 Ball guest, perhaps
  - 19 Toast topper
  - 20 Father of Methuselah
  - 21 "I should ... die with pity...": Lear
  - 22 Hamper
  - 23 Just a couple of extras?
  - 26 Escort service location?
  - 27 Overshadows
  - 28 "Beware, my lord, of jealousy" speaker
  - 29 Fanfic works
  - 30 Sorrowful secretion
  - 31 Unimpressive portion of data?
  - 35 Lofty nest
  - 38 Córdoba cat
  - 39 McKellen and McShane
  - 40 Modest investment portfolio?
  - 44 Turf protector
  - 45 Pub offering
  - 48 Contemptible cads
  - 49 It has two hemispheres
- Down**
- 50 Heavy herbivore
  - 52 Early visitor to Greenland
  - 53 Elevated composition
  - 54 Good to Gentiloni
  - 55 Minor miracle?
  - 57 Violent storms
  - 59 Placatory offerings
  - 60 Lyre-playing Muse
  - 61 Inadequate Constitutional limits?
  - 66 Brand charged by some motorists
  - 69 Lethargic
  - 70 Mammoth
  - 74 Paltry assortment of things?
  - 78 Diary contribution
  - 79 Low mil. rank
  - 80 Haughty sort
  - 81 Jazz pianist Chick
  - 82 Foreign farewell
  - 83 Galerie (Big Apple museum featuring German and Austrian art)
  - 84 Energy
  - 85 French I infinitive
  - 86 Mild anxiety?
  - 89 Not engaged
  - 90 Trivial criticisms

- 44 JPEG alternative  
45 Diva's delivery  
46 Supermarket aid  
47 Repeat exactly  
51 "Every cloud \_\_\_ silver lining"  
52 Violinist  
Zimbalist  
54 "Borstal Boy" author Brendan  
55 Rustic inn  
56 Criticize harshly  
58 College workplace  
59 Moviegoer's chocolate candy  
62 Not aweather  
63 \_\_\_ Tomb (Red Square landmark)  
64 Got in, in a way  
65 Like a perfect game  
66 Recipe meas.  
67 Mozart's "Kleine Gigge"  
68 Where do you get off?  
71 Newspaper essays

- 72 Palate projection  
73 Rebar makeup  
75 FedEx flyer  
76 Studied (over)  
77 Rage  
78 Computer hookup?  
82 "There's \_\_\_ in the air"  
83 "Clever thinking!"  
85 Rubout, of a sort  
87 Indelibly  
88 \_\_\_ Gay  
89 Do some gambling  
92 Sudden increase  
93 Printer need  
94 Rosetta stone letter  
95 Pert  
96 Hardly relaxed  
97 Some stallions  
98 Move stealthily  
99 Fanatic followings  
102 Serengeti grazers  
103 USN VIPs  
104 Film character with a stunted right fin  
105 President Rouhani's home  
107 Diploma-awarding test, for short  
109 Hoop holder, at times  
110 Training org. for future ensigns  
113 Not for kids  
114 Novel that takes place in a Surrey village  
115 Outlined  
116 Word of assent  
117 Valentine's Day gift  
118 Jack London's "\_\_\_ of the Sun"



### Climate Change | a cryptic puzzle by Emily Cox & Henry Rathvon

- Certain Across answers are affected by climate change, in a way, before they will fit in the grid. Uncled Down entries show another, related effect. The two unclued Across entries identify each of the effects.
- Across**
- 1 Drop pass, with big step forward
  - 3 Everyone else modified genetic variants
  - 7 Pound away at the start in a New York city
  - 8 "Ecotax" disturbed oil producer
  - 10 Rodents' bones around front of operating room
  - 12 New chef of deli served the public (2 wds.)
  - 14 Lofty relaxed
  - 16 Helper carrying bishop's stand
  - 17 Figure involved in ruling street in power
  - 19 Sharpness about western country sound
  - 22 Feature of decor: nice, simple ornamental moldings
  - 23 See about changing rice seasoning
  - 24 Guide the President in military lingo before taking aboard
  - 26 Friend of Fidel embracing a radical sham
  - 28 Left show on TV in den
  - 29 Aristocrat grabbing jerk, each glaring
  - 31 Players circling a base
  - 33 English work with excellent French star
  - 34 Homer boarding plane with old musical partner of Homer
  - 35 500-year horrible succession of rulers
  - 36 Sack containing target reptile
  - 37 "There's \_\_\_ in the air"
  - 38 "Clever thinking!"
  - 39 "Spoil piece of meat in wrapping material (6)
  - 40 "Not a bad alliance (4)
  - 41 "Cipher a thug cracked (5)
  - 42 "French general returned duplicated cartoon frame about resistance (7)
  - 43 "Bewitched after the hour struck (4)
  - 44 "Underside of fowl initially stuck in perch (6)
- Down**
- 1 "Swirling a dark port in Senegal (5)
  - 11 Dam in important water source (4)
  - 14 A thousand one or more loads (4)
  - 17 Prophet turned back lion with shepherd's hook (4)
  - 20 Rodents run producer into sets (7)
  - 21 Writer associated with foremost of macabre verse (4)
  - 23 Lightly blackened abstract design (6)
  - 25 Marketing is running the joint (6)
  - 26 Cover one in bed (4)
  - 27 Adored one youngster's head, even from behind (5)
  - 30 Song covered by octogenarian (4)
  - 32 Italian wine region buzzing with activity, for the most part (4)
- Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

## REVIEW



JOHN SINGER SARGENT'S 'Wheels in Vault,' a 1918 watercolor at the Met.

Farrell says that Steichen, in charge of the U.S. military photography unit, probably didn't regard the photo as a work of art—but it "reveals his skill."

Germany's Käthe Kollwitz is represented with three grief-stricken postwar works. The artist, opposed before the war to Germany's militarist regime, encouraged her husband to allow their son to speed up his enlistment in 1914, says Prof. Winter. The young man died within weeks. "She spent 30 years regretting that moment," Prof. Winter says. Kollwitz's "The Parents," an early 1920s woodcut, shows a couple convulsed in mourning.

While the Met show emphasizes European artists, a concurrent exhibition at the New-York Historical Society confines itself to Americans. "World War I Beyond the Trenches" features 100 artworks, objects and documents, including John Singer Sargent's "Gassed," a near life-size 1919 painting showing wounded soldiers making their way toward a field hospital. Meanwhile, the Met will include a 1918 Sargent watercolor, "Wheels in Vault," inspired by his trip with the British army as an official war artist.

The Society also has on view an inflammatory 1917 American recruitment poster, reading "Destroy This Mad Brute," showing a German soldier devolved into what could be called a militarist gorilla. It was created by Harry Ryle Hopps, who went on to become an art director in Hollywood. During the war, "images of a vicious, racially deformed enemy" became a mainstay on both sides, says Prof. Winter. After the war, German right-wing paramilitary groups repurposed the images as anti-Semitic propaganda, paving the way for the Nazis. The Met also is showing a copy of "Brute."

The Met has to itself four helmet prototypes created by some of its own. Bashford Dean, the museum's early 20th-century curator of arms and armor, was sought out by the Army after the U.S. entered the war in the spring of 1917. He became a commissioned major and partnered with the museum's master armorer to develop body armor.

None of the helmets saw combat, says Donald J. La Rocca, a current curator in the arms and armor department, but Dean's steel designs are "similar in form to what is being used now with modern materials," like resins. Two visored helmets, Mr. La Rocca says, manage to look both historic and futuristic. He regards them as "wearable sculpture."

THE METROPOLITAN MUSEUM OF ART

### ICONS

# Art of the War To End Wars

From trading cards to helmet prototypes to hellish visions from the soldier-artists

BY J.S. MARCUS

**WITH THE FIRST** tank battles and widespread aerial bombings, World War I was the first modern war—and the first modernist war, as members of Europe's prewar avant-garde traded in their paintbrushes and alienation for bayonets and patriotism. By war's end, these artists were often leaving behind haunted, harrowing antiwar pictures that have shaped how that conflict has been viewed ever since.

As the war's centenary continues, New York's Metropolitan Museum of Art has gathered some

of the conflict's vast and varied images in "World War I and the Visual Arts." The show, featuring some 130 works, opens on July 31.

The art ranges from pieces by German masters Max Beckmann and Otto Dix—who both volunteered for war service—to anonymous war-themed trading cards distributed in American cigarette packs. What nearly all these figures have in common is that they expressed themselves on paper. The medium, Met curator Jennifer Farrell points out, let artists sketch while they were at the front and was the usual format for war propaganda. Just after the war, she adds, artists made antiwar prints, allowing for a wider public than the gallery crowd who came for paintings.

In the first of four chronologically organized galleries, a quasi-religious, patriotic print from

1914 by Natalia Goncharova, a doyenne of the Russian avant-garde, shows Russian soldiers being blessed by angels. Early on, many artists viewed the war as having "spiritual potential," Ms. Farrell says, citing figures like Wassily Kandinsky, who thought the war could free society from the strictures of materialism.

Otto Dix was a Dresden art student when the war broke out. He eagerly enlisted, saw heavy fighting and eventually received an Iron Cross. In the early weeks, "enthusiasm for the war happened among Europe's artists, but not among the general population," says Jay Winter, Charles J. Stille professor of history emeritus at Yale. The artists, he thinks, "were people who were marginalized" in their societies, and the war "brought them into the center...They fell for it—and they were later embarrassed by what they had done."

After the war, Dix became one of the war's most ferocious critics when he began to catalog its horrors in retrospect. In the last gallery, the Met will display all 51 prints from "The War," Dix's 1920s series of etchings filled with decomposing bodies and destroyed landscapes.

Some of the works in the show were created in the field. Taken from an airplane, an Edward Steichen photo shows how Germany's long-range artillery obliterated a French village. Ms.

### From enthusiasm to bitter disillusion.

CLARK ART INSTITUTE

## MASTERPIECE: HENRY MARQUAND'S GRAND PIANO, ORNAMENTED BY LAWRENCE ALMA-TADEMA (1884-87)

### ORNATE DESIGN THAT STRIKES AN ELEGANT NOTE

BY BARRYMORE LAURENCE SCHERER

**IF YOU'RE SKEPTICAL** at the thought of a museum exhibition consecrated to a 19th-century piano and its matching suite of furniture, think again. The Clark Art Institute's current show "Orchestrating Elegance: Alma-Tadema and Design" (through Sept. 4) cogently examines high-Victorian painting and decorative art as well as Classical mythology, British and American social history, collecting, connoisseurship, and even the music surrounding the creation of one of the most opulent private rooms to grace old New York—the music room in the New York mansion of the music-loving financier and noted collector Henry Marquand (1819-1902) a founder of the Metropolitan Museum of Art. It was designed by one of Victorian England's most esteemed painters, Sir Lawrence Alma-Tadema (1836-1912), and its centerpiece was a Steinway grand piano lavishly ornamented to Alma-Tadema's specifications.

Acquired by the Clark in 1997, the piano is one of the museum's finest works of decorative art, and the show's co-curators, Kathleen M. Morris (Clark director of collections and exhibitions) and Alexis Goodin (curatorial research associate), have exhaustively reassembled many of the elaborate seating and cabinet pieces that originally complemented it, along with a wealth of material that vividly sets the original design project in its artistic and historical context.

Dutch-born Alma-Tadema achieved international acclaim for his lush, meticulously researched and detailed genre scenes of ancient Greece and Rome. The show includes several choice Alma-Tadema canvases, exemplifying his elegant, anecdotal imagery and his gift for rendering beautiful skin tones, complex drapery, luminous marble architecture and varied qualities of Mediterranean light. Such vibrant realist paintings subsequently influenced early Hollywood directors like D.W. Griffith and Cecil B. DeMille. And although the artist was not a professional decorator, the fame of his studio decorations and the detailed archaeological



knowledge he poured into his paintings led Marquand to commission Alma-Tadema to design a room for private concerts that would also serve as a sympathetic backdrop to his own collection of artifacts.

Alma-Tadema's Greco-Pompeian designs for Marquand required some three years to complete by the London firm of Johnstone, Norman & Co. They feature carved ebony and cedar with elaborately carved inlays of boxwood, ivory, abalone, coral and mother-of-pearl. Two important Alma-Tadema paintings that hung in the room are included in the show.

The piano alone was thought to have cost Marquand the modern equivalent of \$1.25 million—price was apparently no object. Shipped by Steinway to London from New York with a plain cherry-veneered case, it was thereafter veneered in ebony and decorated to Alma-Tadema's designs.

The front legs are carved with massive winged lions, a favorite archaeological motif of the artist, inspired by the carved-stone table supports in one of the celebrated ruins in Pompeii. The piano cover is inlaid with polychrome wreath designs encircling the names of Apollo and the nine Muses in Greek characters of ivory and mother-of-pearl. While the music racks of most high-style Victorian pianos were elaborately carved and pierced wood, this one is fashioned of chased and engraved copper, brass and silver, with a delicate pierce-work surround of brass scrollwork and palmettes.

Apart from the liberal use of inlaid marquetry inside and out, and the subtle relief effects of the carved and inlaid botanical motifs, certain features are designed as charming architectural miniatures—the exceptionally heavy piano lid requires two supports when open, both fashioned as complementary Roman col-

umns. The lyre post, holding the pedals, is a miniature Propylaeum—a Greco-Roman temple entrance—its two Doric columns supporting a detailed entablature.

For the finishing touch, in 1886 Alma-Tadema enlisted fellow neoclassical painter (and future Royal Academy president) Sir Edward Poynter (1836-1919) to paint the inner surface of the keyboard cover. Poynter called his jewel-like scene of Pompeian dancers and musicians "Wandering Minstrels," possibly a sly allusion to Nanki-Poo's song in Gilbert and Sullivan's immensely popular operetta "The Mikado," which had its premiere in London in March 1885.

Alma-Tadema had the underside of the piano lid fitted with removable parchment sheets on which musical or theatrical lions could sign their names. Among the first to do so were W.S. Gilbert and Sir Arthur Sullivan, who signed while the piano was in London prior to shipment to Marquand. Other luminaries followed suit in Marquand's home, including Theodore Thomas, the founding conductor of the Chicago Symphony Orchestra; Anton Seidl, the Metropolitan Opera and New York Philharmonic conductor; and Victor Herbert, the cellist and composer of "Babes in Toyland."

After Marquand's death in 1902, and the sale and dispersal of his mansion's contents, the piano eventually spent five decades in New York's Martin Beck (now Al Hirschfeld) Theatre, where it was autographed by several Broadway celebrities, most notably composer Richard Rodgers and playwright and producer Larry Gelbart. At the Clark exhibition, a gallery invites visitors to listen to recordings of Liszt pupil Arthur Friedheim, an important concert pianist at the turn of the 20th century, who once played the Marquand piano. A video of recent performances of Chopin and Herbert selections on this singular musical instrument proves that its appeal is not just ornamental.

Mr. Scherer writes about music and the fine arts for the Journal.

A simple way  
to show off?  
Bake a lattice-  
crust pie  
**D4**



# OFF DUTY



The best reason  
to reconsider  
Riesling: It's not  
all sweet  
**D5**

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE WALL STREET JOURNAL.

Saturday/Sunday, July 15 - 16, 2017 | **D1**



TAKE MONDAY OFF

## Max Out Montreal

Want a foolproof long summer weekend in the French-Canadian metropolis? Pack this don't-waste-a-minute guide



GUILLAUME SIMONEAU FOR THE WALL STREET JOURNAL



**ACCENTS WILL HAPPEN** Clockwise from top: A floating cafe on the Lachine Canal; the George-Étienne Cartier monument in Mount Royal Park; Patrice Patissier, a pastry 'boutique' and brunch spot in the Little Burgundy neighborhood; the garden at Joe Beef, the restaurant that got people talking about Little Burgundy.

BY GABRIELLA GERSHENSON

**MUCH HAS BEEN** made about the duality of Montreal—a major North American city with a staunchly Francophone identity—and its antiquity, too. While Canada marks its 150th birthday this year, Montreal, an early French-colonial fur-trade town, is turning 375. But far from a quaint Gallic relic, the country's second-most-populous city has a restlessly creative spirit, with homegrown and immigrant influences driving its food, art and music scenes. Locals, who scuttle down frozen streets during infamously harsh winters, treat summertime with euphoric reverence: riding miles along riverside bike paths, insisting on picnics and hopping from one festival to the next. You'll still see remnants of June's public mural fest (including a 9-story likeness of native son Leonard Cohen) in July and August, which usher in music performances as varied as the riffs on poutine, Quebec's peculiar French-fry delicacy. Here, a three-day guide to help you seize summer too.

### DAY ONE // FRIDAY

**6 p.m.** Arrive at Pierre Elliott Trudeau International Airport, named for Canada's four-term prime minister and father of the current prime minister. Cab it to **Hotel William Gray**, an upscale boutique hotel on the old port of the St. Lawrence River (*from about \$320 a night in summer, hotelwilliamgray.com*) or to **Casa Bianca**, a stylish B&B in the bohemian Plateau neighborhood (*from \$130 a night, casabianca.ca*). **7:30 p.m.** Every traveler who arrives in Montreal armed with a list of musttry restaurants invariably

seeks out **Joe Beef**, the inventive restaurant that put the working-class Little Burgundy neighborhood on the map. At the risk of being predictable, hit it up first but order an aperitivo at the bar instead of dinner. Try the plateau de mer with oysters, Quebec snow crab and cold-smoked scallops in maple syrup (*You'll need a reservation, even at the bar; 2491-2501 Notre-Dame St. W., joebeef.ca*).

**9 p.m.** Walk a few doors down to Joe Beef's veggie-focused sister restaurant **Le Vin Papillon**. Sit in the garden and round out your evening repast with hyperseasonal tempura-fried

ramps with shrimp taramasalata and blackcurrant soft serve (*2519 Notre-Dame St. W., vinpapillon.com*).

### DAY TWO // SATURDAY

**9:30 a.m.** Start with breakfast at **Patrice Pâtisserie**, back in Little Burgundy, where the kouign amann and other pastries are reliably excellent. Starting at 11 a.m., brunch is served; the savory dishes, such as baked eggs with homemade sausage and juicy cherry tomatoes, are as finely honed as the sweets (*2360 Notre-Dame St. W., patricepatissier.ca*).

**11:30 a.m.** Browse the

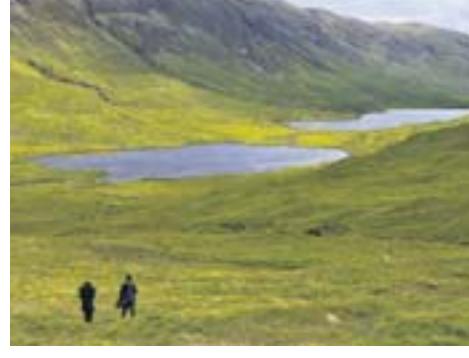
other shops and cafes along Rue Notre Dame Ouest. **Beige** offers tasteful housewares, like bottle-green tumblers (*2480 Notre-Dame St. W., beige-style.com*), while **Stock-Markt** (*2664 Notre-Dame St. W., boutiquesstock-markt.com*) is a discount outlet disguised as a chic boutique (think James Perse and Maison Kitsuné). At **Marché Atwater**, a sprawling art-decoera market, choose provisions for an al fresco snack (*138 Atwater Ave., www.marche-atwater.com*). **Fromagerie Hamel** is a good one-stop shop for bread, fresh

Please turn to page D2

### [ INSIDE ]

#### ODE TO A SCOTTISH MISADVENTURE

A literary tourist recreates the glitch-filled walking tour Keats took in 1818 **D3**



**GET THE DRIFT**  
Graduate to a better class of pool float with this guide to fancy buoyancy **D9**

#### MY FAVORITE ROOM

Deconstructing a storied space chosen by interior designer Frank de Biasi **D8**



**THIS RUSSIA THING**

In the fashion world, Eastern European influence is increasingly welcome **D6**

## ADVENTURE & TRAVEL

# A LONG WEEKEND, S'IL VOUS PLAIT



Continued from page D1  
cheese curds, and Palette de Bine chocolate made in nearby Mount Tremblant (138 Atwater Ave., [fromageriehamel.com](http://fromageriehamel.com)).

**1:30 p.m.** Pick up a bike from the Bixi bike-share terminal at Charlevoix and Duvernay Streets, and take Charlevoix into Lachine Canal Park, a rehabilitated industrial canal with a leafy bike path. Ride about 20 minutes to Old Montreal, stopping along the way to refuel with your market spoils.

**3 p.m.** Dock your bike at Place Jacques Cartier and walk five minutes to **Scandinave Les Bains**, a spa in Old Montreal that promotes relaxation the Scandinavian way—by alternating between hot and cold pools, steam rooms and saunas and with excellent massages (*71 de la Commune W*, [scandinave.com](http://scandinave.com)).

**8:30 p.m.** For dinner, go to **Moishe's**, a Jewish-Romanian steakhouse that's been in business since 1938, and was a local haunt of Leonard Cohen's. Order the chopped liver and the grilled rib steak (3961 St. Laurent Blvd., [moishe.ca](http://moishe.ca)).

**11 p.m.** Walk five minutes up St. Laurent to **Divan Orange**, a funky venue for national and local music, with acts ranging from DJs spinning vintage Afro-Caribbean vinyl to quirky Québécois folk. The vibe is relaxed (kombucha plus vodka equals a cocktail) and dancing is encouraged (4234 St Laurent Blvd., [divanorange.org](http://divanorange.org)).



**THE GREAT BITE NORTH** Clockwise from top left: Atwater Market; Hotel William Gray; a beer with cassis and cherries at Brasserie Harricana.

**2 p.m.** Exit the park and take a cab 10 minutes to **Jean Talon Market**, located in Petite Italie (7070 Henri-Julien Ave.; [marches-publics-mtl.com](http://marches-publics-mtl.com)). Snack your way through roughly six city blocks of seasonal bounty, prepared foods, charcuterie and cheeses, with a stop at the incomparable spice shop Épices de Cru for a nonperishable memento of Montreal steak seasoning (C-II, 7070 Henri Julien Ave., 514-273-1118).

**3 p.m.** Explore the rest of Little Italy. **Caffè Italia**, a frozen-in-time espresso bar that's been open since 1956, guarantees prime people watching day and night (6840 St Laurent Blvd.). Nearby is **Quincaillerie Dante**, a family-run kitchenware and hunting store where you can buy a butter curler or a rifle (6851 St Dominique St., [quincailleriedante.com](http://quincailleriedante.com)). Since this is Quebec, great poutine—the French-Canadian fries, gravy and cheese curd specialty—is just a few minutes away at **Chez Tousignant**, a retro-style snack bar. Have a late lunch of poutine and a hot dog, whose bun and sausage are made from scratch (6956 Drolet St., [cheztousignant.com](http://cheztousignant.com)). After that you'll welcome the 10-minute walk to **Brasserie Harricana**, a brewpub for beer obsessives; it boasts the city's sole Flux Capacitor draft system, which regulates each beer's gas composition, gas pressure and temperature (95 Jean-Talon St. W., [brasserieharricana.com](http://brasserieharricana.com)).

**7 p.m.** Though many restaurants in Montreal are closed on Sundays,



you still have some desirable dinner options. **Lémeac**, a destination French bistro on elegant Avenue Laurier in Outremont, is the place to order classics, like an exemplary kir royale and steak tartare with matchstick frites (1045 Avenue Laurier W., [restaurantlemeac.com](http://restaurantlemeac.com)).

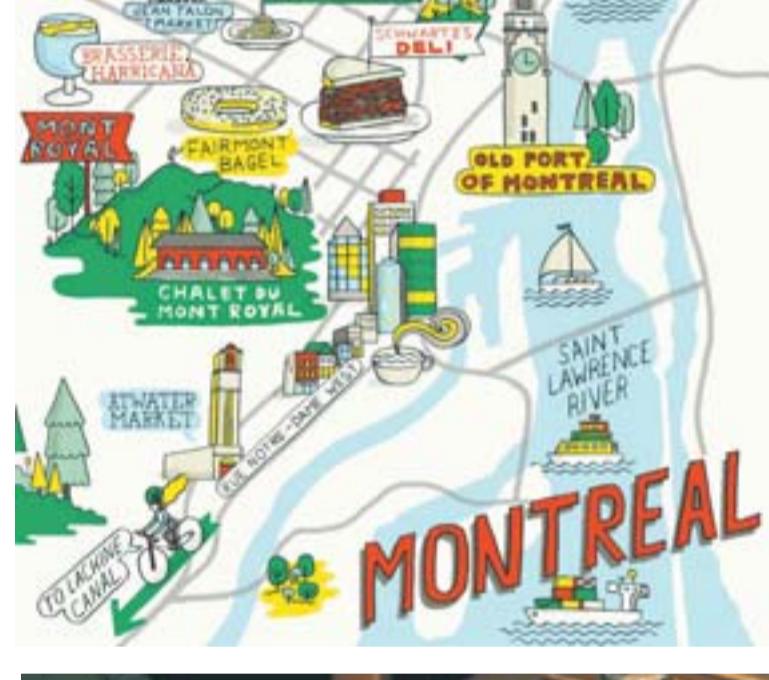
**10 p.m.** End the night at **La Sala Rossa**, a performance space in a former Spanish social center—in the heart of a historically Jewish neighborhood. The venue pays homage to the area's multiculturalism with eclectic programming that, on any given night, could feature folk, spoken word or breakdance. Cover is about \$15 (4848 St. Laurent Blvd., [lasalarossa.com](http://lasalarossa.com)).

### DAY FOUR // MONDAY

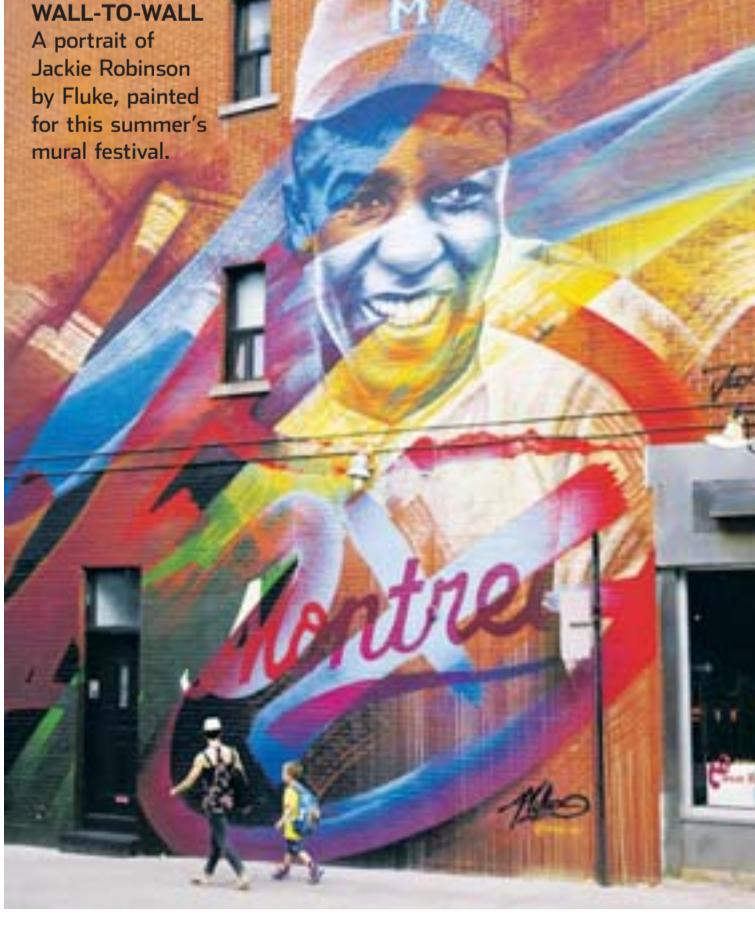
**10:30 a.m.** Check out of the hotel but leave your bags to pick up later. Take a 15-minute taxi to **Mile End**, a former Jewish enclave, and setting of the 1959 novel, "The Apprenticeship of Duddy Kravitz," written by notable Montrealer Mordecai Richler. Now it's one of the city's coolest neighborhoods. Eat breakfast at the hip all-day restaurant **Larry's**. Order a flaky scone or the breakfast sandwich with house-made sausage and egg (9 Fairmount Ave. E., [larrys.website](http://larrys.website)).

**12 p.m.** Indulge in last-minute souvenir shopping in and around Mile End. Grab a bag of Montreal-style bagels (skinny, sweet, covered in sesame seeds) at 98-year-old **Fairmount Bagels** (74 Avenue Fairmount W., [fairmountbagel.com](http://fairmountbagel.com)). For a piece of Montreal cool, stop at **La Montréalaise**, a women's boutique that sells tees and sweatshirts with slogans like "Je Parle Feministe" (65 Rue St. Viateur E., [lamontrealaiseatelier.com](http://lamontrealaiseatelier.com)), or chic high-end apparel at **Les Étoffes** (5253 St. Laurent Blvd.) For the boys, men's outfitters **Frank + Oak** is a block away, with a barber shop on premises for emergency beard trims (160 St. Viateur St. E., [frankandoak.com](http://frankandoak.com)). One avenue up is the singular **Librairie Drawn & Quarterly**, an indie bookstore devoted entirely to graphic novels (211 Bertrand St. W., [drawnandquarterly.com](http://drawnandquarterly.com)).

**2:30 p.m.** On your way back to the hotel, stop at **Schwartz's**, purveyor of the Montreal smoked meat sandwich, a cross between pastrami and corned beef. Order two for the flight home, specify lean, medium, or fatty, and don't forget the pickle (3895 St. Laurent Blvd., [schwartzsdeli.com](http://schwartzsdeli.com)).



**RAW AMBITION** A plateau de mer at Joe Beef, a foodie pilgrimage site known for its raw bar offerings.



**WALL-TO-WALL**  
A portrait of Jackie Robinson by Fluke, painted for this summer's mural festival.

## ADVENTURE & TRAVEL

# Poetry in Motion

Two centuries after Keats's tragicomic pilgrimage to Scotland, a literary tourist recreates his walking tour, pitfalls and all



BY ANNA RUSSELL

**A**N HOUR'S drive from Glasgow, on the banks of Scotland's misty Loch Fyne, the Cairndow Stagecoach Inn makes an unlikely home for poets. At the tartan-carpeted bar, locals gather for themed dances, complete with fog machines and pulsing laser lights. It's easy to miss a small frame on the wall, which carries a quote from the poet John Keats, who spent a weary night at the roadside stop-off in 1818.

In a letter to his younger brother Tom, Keats wrote of the stay: "We were up at 4 this morning and have walked to breakfast 15 miles through two tremendous Glens." He described taking a bath in the salt-water lake, opposite the Inn's windows. "Quite pat and fresh but for the cursed Gad flies," he wrote.

One thing or another had dogged the 22-year-old Keats since leaving London that summer on an epic walking-tour which would stretch over 600 miles. From June through August, he and his friend Charles Brown wound their way through the Lake District up to Scotland, where they trekked the muddy Isle of Mull and climbed the U.K.'s highest peak, Ben Nevis. They began in Lancaster, England, and parted at Scotland's tip, Inverness, where Keats felt too sick to go on.

It was partly a fanboy trip. Scotland in the 1800s—the land of rural poets—was the hottest thing in literary tourism. William Wordsworth and his sister, Dorothy, James Boswell and Samuel Johnson, and the poet Robert Burns had all made well-documented treks through the countryside. Keats, in poor health and poor shoes, wanted to make a pilgrimage of his own. He set out to visit the homes of his poet-heroes, Wordsworth (in England) and Burns (in Scotland).

That summer of 1818, Keats was in dire need of a vacation. Already an orphan, he was exhausted from nursing Tom, who was dying of tuberculosis. He had just finished a long poem, "Endymion," and was steeling himself for harsh reviews (one critic called him an "infatuated bardling"). "His world was really breaking up," Susan Wolfson, a professor of English at Princeton University, later told me. A trip



**LOCH AND ODE** Clockwise from top: Glen More on the Isle of Mull; Inveraray on the shores of Loch Fyne; on the Isle of Iona facing the Isle of Mull; the Burns Cottage in Alloway.

would shake things up, Keats decided. "I purpose within a Month to put my knapsack at my back and make a pedestrian tour through the North of England, and part of Scotland—to make a sort of Prologue to the Life I intend to pursue," he wrote excitedly in the spring. "I intend to straddle ben Lomond—with my Soul!"

Keats lost two brothers and a mother to tuberculosis. He believed himself such a failure at the time of his death (also of tuberculosis), at age 25, that he had engraved on his tombstone the words: "Here lies one whose name was writ in water." Yet the letters he sent home from Scotland aren't those of the doomed Romantic he's come to represent. They're ironic, self-aware and surprisingly funny about the realities of travel. The weather was bad, the gadflies were annoying and the food consisted almost entirely of oatcakes and eggs. Keats was determined to find on his trip a template for his life going forward.

My plans weren't as grand (nor my circumstances as dire), but I was, like Keats, a keen literary tourist. I, too, wanted to see the birthplace of Robert Burns, and the Scottish landscape that inspired Wordsworth. And I wanted to know what Keats made of it all, at a crossroads in his life, with his best work to come. Plus, there was Scotch to be sampled.

Since we couldn't do the whole tour, my friend and I flew to Glasgow, where we rented a car and drove an hour to Alloway, on Scotland's western coast. This is Burns



territory, where every pub and fish 'n' chips shop, however small, seems to have a portrait of the bard tucked away somewhere. We parked at the Robert Burns Birthplace Museum, near a sign that read "Birthplace of a Genius."

By the time Keats made it this far, he had already encountered the first of many roadblocks his trip would offer up. At Wordsworth's home in England's Lake District, he arrived to find the poet out, indefinitely. "He was not at home nor was any Member of his family," Keats wrote. "I was much disappointed." He left a note on the poet's mantle.

At Burns's Cottage, he planned to write a sonnet in honor of the Scottish poet, who had died 22 years earlier. But when he arrived, he found the home converted into a pub, its door guarded by a drunk old man eager to share long-winded anecdotes. "He is a mahogany faced old Jackass who knew Burns," Keats complained. "He ought to be kicked for having spoken to him." He wrote his tribute anyway, "for the mere sake of writing some lines under the roof." But he wasn't pleased. "They are so bad I cannot transcribe them," he wrote. "The flat dog made me write a flat sonnet."

When we arrived, the museum's director at the time, David Hopes, showed me the room where Keats likely stood, fuming. Burns only lived in the house until the age of 7, but the museum possesses the largest collection of Burns manuscripts, and a "Burns Jukebox," with categories like "Power Ballads" and "Tear-jerkers." We stood on the medieval stone bridge known as Brig o' Doon where a drunken Tam o' Shanter, from Burns's poem, narrowly escapes with his life. We left by way of an oversize granite sculpture of Haggis, the national dish, and the gift shop, where I bought a Burns



Cottage snow globe.

We drove two hours north to Inveraray Castle, which Keats described as "modern magnificent." Just inland from Loch Fyne and open to public tours, the turreted castle is the ancestral home of the Duke of Argyll. The extravagant state dining room featured French tapestry upholstery from the 1780s, a Waterford chandelier and a gaggle of tourists delighted by photos of the 2012 "Downton" Christmas Special, several scenes of which were filmed there.

**'Nothing could stifle the horrors of a solo on the Bag-pipe,' wrote Keats.**

Keats and Brown made good progress, often walking over 20 miles a day. By the time they reached Inveraray, Brown's feet were blistered, "knock'd up from new shoes," and Keats ventured into the tiny town (population still under 1,000) on his own to see a play. He found the lake, Loch Fyne, at the edge of town, beautiful, but he disliked the show and the music that came with it. "Nothing could stifle the horrors of a solo on the Bag-pipe," he wrote to Tom. To his sister, Fanny, he sent a goofy poem of simple rhymes with the lines, "There was a naughty boy / And a naughty boy was he / For nothing would he do / But scribble poetry."

But by the Isle of Mull, in the Inner Hebrides, the letters betray the first signs of the illness that he never fully shook. He picked up a "slight sore throat" on "a most wretched walk of 37 Miles" across the remote island, where he carried his stockings in his hands and slept in a smoky shepherd's hut. All the

same, he visited and raved about the Isle of Staffa, a rocky formation off Mull. He stopped at Iona, another nearby island, and wandered the Benedictine Abbey and Nunnery founded there before 1200.

We skipped the treacherous walk

and drove an hour across Mull, which we reached by ferry from the small town of Oban. Keats called this landscape "most dreary," but from the windows of our car the desolate rolling hills, punctuated by waterfalls, were breathtaking. Like Keats, we were not prepared for the area's remoteness. The only passengers on a small ferry to Iona, we arrived tired and hungry, in total darkness, to find the only food available came from a vending machine.

Keats was willful. His cold didn't improve—Brown described it as "violent"—but he was determined to climb Ben Nevis. At 5 a.m., they began their ascent, following a guide in "Tartan and Cap." "After much fag and tug and a rest and a glass of whiskey apiece we gained the top of the first rise," he wrote. They stumbled their way, sometimes on all fours, 4,400 feet above sea level. At the top, he found deep chasms and an all-encompassing mist. "Read me a lesson, Muse, and speak it loud / Upon the top of Nevis, blind in mist!" he wrote at the summit.

When we reached the peak, we also found a blanket of white mist, until the clouds cleared suddenly and the valley below revealed itself. In 1819, after his return to London, Keats would have the most productive year of his life, penning his six great odes, including "Ode to a Nightingale" and "Ode on a Grecian Urn," and his unfinished epic, "Hyperion." Shoes soaking from the mist, we could see all the way down the mountain to the rolling hills beyond, the land where Keats proposed to "clamber through the clouds and exist."

### THE LOWDOWN // KICKING AROUND KEATS'S SCOTLAND

**STAYING THERE** In Alloway, near Burns's Cottage, the Brig o' Doon House Hotel features tartan-on-tartan lounge areas and a view of the bridge where Tam o' Shanter's mare loses her tail (*from about \$155 a night; brigodoon-house.com*). The Inveraray Inn, on Loch Fyne, is one of the oldest hotels in town and features an annual Burns supper (*from about \$130 a night; Inveraray-inn.co.uk*).



sourced seafood at the Argyll Hotel (*argyllhotelsonline.co.uk*). Celebrate your summit of Ben Nevis with a whiskey or craft beer and vegetarian haggis (or the real deal) at the Ben Nevis Inn & Bunkhouse, at the base of the trail (*ben-nevis-inn.co.uk*).

**READING THERE** Keats's poignant letters home to his friends and family, collected in "Selected Letters," form a remarkable document of his journey. Carol Kyros Walker documented his trip in photographs in "Walking North with Keats."

**EATING THERE** Recover from a chilly Iona beach walk with tea and locally

# EATING & DRINKING

IN MY KITCHEN

## Martín Berasategui

The Basque chef gained fame as a father of modernist cuisine. But he does his best cooking as a father, husband and son, at home

**F**OR MARTÍN Berasategui, the Basque chef who bagged his eighth Michelin star last year—the most of any chef in Spain—a recent revelation came in the form of a mud-caked beet. “It was a local variety I’d never seen before, called arróspide,” he said. “Absolutely magnificent, bright fuchsia and sweet like candy.”

At his namesake restaurant in the small town of Lasarte-Oria, in the Basque Country of northern Spain, he coaxes a beet into six different preparations that could pass as sculptural art.

One of the originators of Basque modernist cuisine—the movement that shook up fine dining with its centrifuged sauces and foams—Mr. Berasategui, 57, came up at Bodegón Alejandro, the unfussy and dependable restaurant in San Sebastián owned by his mother’s family. Today, though he has restaurants as far afield as Mexico and the Dominican Republic, he’s happiest at home, where he lives with his wife, Oneka, and daughter, Ane—his organization’s floor manager and PR and communications director, respectively—in a loft above their flagship restaurant. In 2004, when his father-in-law was diagnosed with Alzheimer’s, Mr. Berasategui sought out foods he hoped would slow the progress of the disease. His latest cookbook, “Salsa para tu coco” (“Brain Food”), a collaboration with a neurologist and a Parkinson’s foundation, represents yet another version of cooking for family.



**HOME FIRES** Clockwise from left: the chef at home in his kitchen; walnuts, a favorite ingredient; spices kept close at hand.

come and go in a blink of an eye because of seasonal availability. Right now we have fresh anchovies coming into port from the Bay of Biscay, straight as pencils, so fresh. Ibarra peppers are another luxury. I blister them in hot olive oil and sprinkle them with crunchy salt. They’re equally addictive pickled.

**On weeknights, I typically eat:** in the restaurant with my staff, which luckily includes my wife and daughter. But if I feel like a late-night snack, Galo Celta eggs from Galicia are my go-to. They’re unreal, the best eggs I’ve ever eaten, especially wonderful when baked en cocotte. I also have a weakness for Iberian pork charcuterie too. I recently discovered the lomo natural [cured pork loin] by 5J, and let me tell you, it’s 10 times better than any Italian salami.

**When I entertain:** I make things easy. I want my guests to feel comfortable, to talk and laugh their asses off. I’m just the shy screwball chef in the background who provides the food.

—Translated and edited from an interview by Benjamin Kemper



**CASE IN POINT** A selection of the chef’s Japanese knives.

**The best feature of my kitchen is:** the view. When I look up from a pot I’m stirring, I see evergreen forests and white farmhouses out the window. You get the feeling you’re a part of the landscape. Inside my kitchen, you won’t find any crazy futuristic gadgets. I err on the side of simplicity. But I do love my Gaggenau appliances and Gemini espresso maker.

**The kitchen tools I can’t live without are:** sharp knives. I’m a sucker for hand-forged Japanese blades by Sugimoto and Misono. They’re, light, precise and come in every shape and size.

**My cooking mentors were:** my parents. My father, a butcher, was a real bon vivant. My mother and aunt, both cooks, were more practical. They sat me down in ‘75 and asked me if I

wanted to be a chef. I said yes. The next day I was working a 16-hour shift. “This schedule, day in and day out, is the lifestyle of a chef,” they said. “Know what you’re getting yourself into.”

**My pantry is always stocked with:** El Rey de la Vera pimentón [smoky paprika] from Extremadura. A garlic soup would be dull without a hit of the spicy picante type. Delicate dishes—seared cod with a pan sauce, say—take better to the milder agrodulce and dulce.

**My refrigerator is always stocked with:** tons of fresh produce, meat and fish. I’m not one of those people whose refrigerator door clanks with dozens of sausages. Basque cooking is about clean, simple flavors. When it comes to condiments, homemade almost always trumps what you can buy. If you have a

whisk and a bowl, you can make mayonnaise with a little practice. There are exceptions, though, like good mustard. I have a French chef friend who sends me jars of moutarde violette de Brive, a tangy purple mustard from Aquitaine.

**The pan I reach for most is:** my 40-centimeter Bra induction paella pan. Sturdy, non-stick and dramatic enough to double as a serving platter. Beyond paella, I use it for pan-roasting whole fish and oversize cuts of meat.

**I also love:** earthenware cazuelas, rustic clay pots unbeatable for low-and-slow cooking. You can buy them in the artisan shops on 31 de Agosto Street in the old town of San Sebastián.

**The ingredients I’m most excited about right now are:** the ones that

### Turbot With Clams in Warm Vinaigrette

Mr. Berasategui favors turbot for its flavor and flakiness, but any flatfish—such as sole or flounder—can be substituted. Simply adjust the cooking time to the weight of the fish, taking it off the heat when the flesh is opaque and the internal temperature registers 145 degrees.

**TOTAL TIME:** 45 minutes **SERVES:** 5

**14 ounces fresh clams (15-20), rinsed and scrubbed of any grit**  
**4 tablespoons extra-virgin olive oil, plus more as needed**  
**1 tablespoon all-purpose flour**  
**3 cloves garlic, thinly sliced**  
**½ cup fish stock (or ½ cup clam juice plus ½ cup water)**  
**½ cup txakoli or other dry white wine**  
**2 teaspoons salt**  
**1 whole turbot (approximately 4½ pounds), cleaned and left with head, tail and fins intact**  
**½ bird’s eye chili, minced**  
**2 tablespoons cider vinegar**  
**2 tablespoons minced parsley leaves**  
**Flaky salt**

**1.** Soak clams in fresh water 20 minutes to allow them to purge any sand or impurities. Drain.  
**2.** Meanwhile, place 1 tablespoon oil and half the garlic in a large saucepan. Set over medium heat and cook until garlic softens and becomes fragrant, about 2 minutes. Add flour, increase heat to medium-high, and whisk to prevent any lumps. When mixture begins to bubble, add stock and wine and simmer 2 minutes.  
**3.** Increase heat to high and add clams. As clams open, transfer to a bowl. Discard any clams that remain closed after 5 minutes of cooking. Tent bowl with foil. Set aside saucepan with wine sauce.  
**4.** Dry turbot inside and out with paper towels. Pour 2 tablespoons oil into

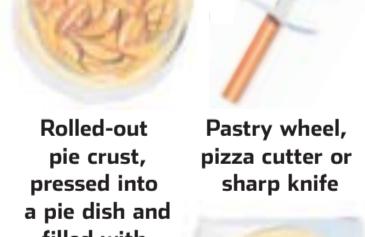
a 15-inch paella pan or skillet over high heat. Salt both sides of fish and inside the cavity. Once oil is shimmering and you begin to see wisps of smoke, lower fish into pan, skin-side down, and leave undisturbed 9 minutes.  
**5.** Meanwhile, place remaining oil, minced chilies and remaining garlic in a small pan set over medium heat. Cook until garlic softens and begins to turn golden, 2-3 minutes.  
**6.** Using a large spatula, flip fish, adding a little more olive oil if pan looks dry. Lower heat to medium-high, and cook, undisturbed, 5 minutes.  
**7.** Pour garlic-chili mixture over fish, then cider vinegar over top, swirling pan to distribute liquid evenly, and cook to combine, 1 minute more.  
**8.** Tilting pan to one side, spoon as



much liquid as possible into reserved wine sauce in saucepan. Set over medium-high heat and cook, whisking, until sauce begins to bubble. Quickly pour this sauce back over fish. Cook until sauce is bubbling and evenly distributed, 1 minute. Remove from heat, arrange clams atop fish, and sprinkle with parsley and flaky salt.

**9.** To serve, make a shallow cut following the lateral line in the center of the fish, then make another incision across the top of the tail. Use a spatula to lift meat from either side of spine onto warmed plates, then remove spine to access remaining fillets.

### INGREDIENTS



**Rolled-out pie crust, pressed into a pie dish and filled with fruit**  
**Pastry wheel, pizza cutter or sharp knife**  
**Scissors**  
**Rolled-out pie crust**

### HOW TO

#### MAKE A LATTICE CRUST

What says summertime like that classic criss-cross crust pattern atop a pie bursting with luscious fruit? Mastering it is easier than you think

**YOU CAN TELL** a lot about how my life is going from the pie crusts I make. When things are especially hectic, I opt for a quick-and-dirty, pat-into-pan crust of graham cracker, Nilla Wafers or ginger-snap crumbs. Most days I can just about manage rolling out a crostata or bottom-crust-only pie—though the truth is I crave crust at least as much as I do filling, so give me deep-dish and double-crust, and I’m happier. When I’m living my very best life, I go all out and make a lattice top. Sure, it takes a bit more time, but it’s also way easier than it looks. Just follow the steps below. Go ahead and play with strip width and spacing:

Wider strips are sturdier and easier to work with; lattice tops run the gamut from a mere two or three strips in each direction to intricate weaves of 12-15.

The venting that the lattice provides allows a moist fruit filling to cook without sogging the crust with steam, so summer—when plums, nectarines, apricots and berries are running riot—is prime season for this sort of pie. The recipe at right makes a filling of nothing more than peaches and a sprinkling of sugar. Serve the pie warm or at room temperature, with vanilla ice cream or a pitcher of heavy cream, and know that life doesn’t get much better. —Gail Monaghan

### Lattice-Top Peach Pie

Find a recipe for perfect pie crust at [wsj.com/food](http://wsj.com/food).

Mix  $\frac{1}{2}$  cup plus 1 tablespoon sugar with a large pinch of salt. Line a 10-inch pie pan with 1 rolled-out pie crust about 14 inches in diameter, pressing it gently into sides and bottom of the pan. Trim dough with a small knife or scissors, leaving  $\frac{1}{2}$ -inch extending beyond pan’s edge. Sprinkle 2 tablespoons sugar mixture evenly over dough and refrigerate until ready to use. // Preheat oven to 425 degrees with rack set in center position. Slice 10 large peaches (optionally peeled) into 8-10 wedges each and discard pits. Arrange peaches evenly in sugared pie shell. Sprinkle with all but 2 tablespoons of remaining sugar mixture. Follow illustrated steps at left to weave a dough lattice over peaches, trim and crimp. Evenly sprinkle remaining sugar mixture over lattice. // Place pie on a baking sheet and place in oven. Reduce temperature to 375 degrees and bake until crust is deep gold and fruit juices are bubbling, 45-60 minutes. If crust is dark before peaches are tender, lay a piece of aluminum foil lightly over pie for remainder of baking. Let cool at least 30 minutes before serving.

### STEPS



**1** Use pastry wheel, pizza cutter or sharp knife to cut rolled-out pie crust into  $\frac{1}{2}$ - to  $\frac{3}{4}$ -inch-wide strips.

**2** One at a time, gently lay dough strips down on top of filled pie crust, weaving them over and under one another.

**3** Continue weaving strips of dough until you cover pie with an overlapping lattice pattern.

**4** Trim ends of strips flush with edge of bottom crust. Fold edge of bottom crust over edge of lattice and crimp to secure.

## EATING & DRINKING

ON WINE LETTIE TEAGUE



# Hello, Dry Riesling: How Sweet It's Not

**SAY "RIESLING"** to most wine drinkers and I can practically guarantee their response: "I don't drink sweet wine." "Sweet" and "Riesling" are almost as inextricably linked as New Zealand and Sauvignon Blanc. Yet dry Rieslings are widely produced, all over the world. Why don't more people realize that?

The Germans must shoulder a large share of the blame, thanks to the enormous incursion into the U.S. of cheap, sweet wines from that country a few decades ago. Some were Riesling and some were not, but collectively they left a lasting scar. And while those bad old days are long gone, the unfortunate stereotype lives on.

The many types and styles of Riesling range from extremely dry to extremely sweet; there's sparkling Riesling too. And yet the grape's great versatility may be its biggest downfall. As Ernst Loosen, owner of Dr. Loosen winery in Mosel, Germany, noted in an email, "It seems that the average consumer can only handle one definition of a grape variety. It's too difficult to keep things straight when it can be made in so many different styles."

Mr. Loosen produces both dry and sweet Riesling in Germany and coproduces the Eroica Riesling in Washington State with Bob Bertheau, head winemaker of Chateau Ste. Michelle. Mr. Bertheau's winery claims to be the largest single producer of Riesling in the world, and its offerings are accordingly diverse. Mr. Bertheau, who makes 10 different Rieslings, spends a great deal of time trying to persuade drinkers that Riesling is sweet not by definition "but by the winemaker's choice."

Many Rieslings come labeled with ostensibly helpful designations such as "dry" or "off-dry" or "semi-dry"—or, in German, "trocken" or "halbgetrocknet" (dry or half-dry). But these terms can cause even greater confusion. Is an off-dry Riesling sweeter than semi-dry Riesling, or is it the reverse? And is semi-dry Riesling really a different way of saying semi-sweet? (Yes, it is.)

Riesling producers in Alsace often indicate the relative dryness of their wines by means of a scale that



MARCUS MARRITT; F. MARTIN RAMIN/THE WALL STREET JOURNAL

ranges from 1 to 5 with wines rated "1" as the driest. Not all producers, however, choose to rate wines according to this scale on their labels.

The Germans have two official classification systems for quality Rieslings. The VDP was specifically created for dry wines. In this system, the single-vineyard Grosses Gewächs Rieslings (known as GGs) rate as the best-quality wines. The long-established Prädikat system classifies Rieslings in ascending order of ripeness—from Kabinett (fully ripened light wines) to Spätlese (later picked grapes, riper wines) to Auslese (select grapes, even later harvest), and so on. The riper the grape, the higher the sugar and, generally speaking, the sweeter the wine.

In the EU a dry wine must meet a set of criteria regarding the levels of both acidity and residual sugar; there is no such rule in the U.S. The winemaker alone decides

what is considered dry. Some American winemakers adopt a belt-and-suspenders approach: labeling their wines dry on the front label and adding a notation on the back as to where their wine falls on the International Riesling Foundation scale (IRF). This scale, created by an international consortium of Riesling producers, is a different one than the one used by the winemakers of Alsace. It's not a perfect solution, said Mr. Bertheau, "but it's better than nothing."

Oskar Bynke of Hermann J. Wiemer Vineyard in the Finger Lakes region of New York uses no such scale on his bottles. He thinks wine drinkers take it too literally. "They only wanted to drink wines on a certain end of the scale without even tasting the wines," he said. Mr. Bynke is more interested in making a well balanced Riesling with a "perception" of dryness than one that is totally dry.

Many Riesling labels offer no information at all regarding relative sweetness or dryness. A tip: Check the alcohol level. If it's below 11% there's a good chance the wine will taste somewhat sweet.

The good news: There are more excellent dry Rieslings on the market now than ever before. According to Terry Theise, a Boston-based importer of German and Austrian Riesling, he's selling more dry Riesling. Evan Spingarn, German portfolio manager of New York-based wine importer David Bowler Wine, estimated his sales of dry German Riesling rose 75% between 2013 and 2013.

Almost all the friends with whom I recently tasted 20 or so Rieslings came to the tasting thinking Rieslings were strictly sweet. I bought bottles from Australia, Austria, Alsace and Germany, as well as a few from Washington State and New York. The

cheapest was the 2015 Chateau Ste. Michelle Dry Riesling (\$9), a simple but attractive wine, and the most expensive was the 2014 Weiser-Künstler Steffensberg Riesling (\$34), an impressively full-bodied, very dry wine—though most were in the \$18-\$25 range. They ranged from bone dry to the fruity side of dry, though all were denoted as dry in some fashion.

A few of the wines were both very dry and very high in acidity—almost shrill—proving the point many winemakers have made, that a bit of sugar is often needed to balance out the high-acid Riesling grape. Some of the fruitier favor-

ites included the 2014 Bott-Geyl Riesling "Les Éléments" (\$19), a big, rich Riesling from Alsace, as well as the 2016 Hermann J. Wiemer Dry Riesling (\$18) and the soft, full-bodied 2016 Boundary Breaks 239 Riesling (\$17), both from New York's Finger Lakes.

The dry-wine diehards among the tasters were particularly keen on the two wines from Kamptal, Austria: the citrusy 2015 Hiedler Urgestein (\$26) and the delicious 2015 Schloss Gobelsburg, which was deemed a terrific buy at \$15. (2015 was an outstanding vintage in Germany.) The sprightly 2015 Clemens Busch Vom Roten Schiefer Riesling Trocken (\$29) from the Mosel region of Germany was a big hit thanks to a penetratingly mineral finish and the 2015 Jochen Beurer Riesling Kieselsandstein (\$28) from the little-known Baden-Württemberg region in Germany also stood out as a favorite among the very dry Rieslings.

The world of dry Riesling is large and often confusing. But enormous enjoyment, even excitement, awaits those willing to risk buying a few bottles and pulling some corks.

► Email Lettie at [wine@wsj.com](mailto:wine@wsj.com)

## OENOFILE // THE DRY SIDE OF RIESLING



### 2014 Bott-Geyl Les Éléments Riesling Alsace France (\$19)

Alsace Rieslings tend to be bigger and richer than their German counterparts. Case in point: this lush wine with beguiling floral aromas from a top producer and vintage.



### 2015 Clemens Busch Vom Roten Schiefer Riesling Trocken Mosel-Saar-Ruwer (\$29)

From Clemens Busch, an acknowledged master of dry German Riesling, this is a thrillingly mineral, very dry wine with a bracing, almost electric acidity.



### 2015 Schloss Gobelsburg Riesling Kamptal Austria (\$15)

Schloss Gobelsburg produces a wide range of well-made wines. This one is a well-priced introduction to Austrian Riesling—crisp and dry with a pleasant citrus note.



### 2015 Jochen Beurer Riesling Kieselsandstein (\$28)

Produced in the little-known Baden-Württemberg region from 35-year-old Riesling vines, this full-bodied wine is a bit fruity, with aromas of peach and a long mineral finish.



### 2016 Boundary Breaks Dry Riesling 239 Finger Lakes New York (\$17)

Boundary Breaks owner Bruce Murray aims to produce Rieslings to match those from Alsace and Germany. This is a lovely, well-balanced wine on the fruitier side of dry.

## SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

# Sea Bass With Summer Squash and Fennel



**The Chef**  
Steven Satterfield

**His Restaurant**  
Miller Union in Atlanta, Ga.

**What He's Known For**  
A deep affinity for vegetable cookery, from root to stem. Inventive dishes that seem timeless

**MILD, SUCCULENT** and gently sweet when cooked, summer squash is too often overlooked at this time of year, when other, bolder, brighter vegetables are also coming into season. But it makes a great base on which to layer other ingredients and flavors.

"In the South, we cook it with onions and butter," said Atlanta chef Steven Satterfield. In this simple recipe, he adds fennel and a handful of herbs to a sauté of squash, onions and butter, and then lays pan-seared sea-bass fillets on top.

Mr. Satterfield begins by working

herbs, shallots, lemon zest and juice, and garlic into the butter, which lends flavor to both the vegetables and the fish. The fennel brings a decidedly Provençal anise accent to the dish. Low, slow stewing concentrates the squash's delicate flavor. A splash of white wine and a final pat of herb butter make a simple, scrumptious sauce.

A little bit south-of-France, a little bit south-of-the-Mason-Dixon, this fresh and flavorful dish will change the mind of anyone who's underestimated the low-key appeal of summer squash. —Kitty Greenwald

TOTAL TIME: 35 minutes SERVES: 4

**1 bulb fennel, stalk and fronds attached  
½ stick unsalted butter  
1 tablespoon minced dill  
1 tablespoon minced chives  
1 tablespoon sliced tarragon**

**½ clove garlic, minced  
½ shallot, minced  
Zest and juice of 1 lemon  
Kosher salt and freshly ground black pepper  
1 yellow onion, minced**

**2 pounds summer squash, cut into ½-inch dice  
2 tablespoons olive oil  
4 six-ounce sea bass fillets  
2 tablespoons dry white wine**

**1.** Separate fennel bulb from stalks. Quarter bulb and remove tough outer layers. Dice bulb. Thinly slice stalks into rounds. Mince fronds.  
**2.** In a medium bowl, stir together butter, dill, fennel fronds, chives, tarragon, garlic, shallots, and lemon juice and zest. Season with salt and pepper. Set a lidded large sauté pan over medium-high heat and stir in 1½ tablespoons butter mixture. Add fennel bulb and stalks and onions. Sauté until onions turn translucent, 3 minutes. Stir in squash and 1 tablespoon butter mixture. Reduce heat to medium-low and cover pan with lid. Stew squash, stirring occasionally, until tender and sweet, 15 minutes. Stir in 1 tablespoon

butter mixture and season with salt. Remove squash from heat and cover to keep warm.  
**3.** Set a second large skillet over medium heat. Swirl in oil and season fish with salt and pepper on both sides. Once pan is very hot, carefully lay in fillets. (If necessary, cook in batches to avoid crowding.) Cook fish until golden brown on underside, about 3 minutes. Carefully flip fish and pour in wine to deglaze pan. Add remaining herb-butter mixture and cook until butter melts and fish flakes when pressed, 1-2 minutes more.  
**4.** To serve, divide squash among 4 plates and lay fillets on top. Garnish with additional herbs, if you like.



**FRONDS FOREVER** This recipe makes use of every part of the fennel—not just the bulb—to build multiple layers of flavor and fragrance.

# STYLE & FASHION



## The Eastern Parade

Designers from Ukraine, Poland and Russia are a stylish woman's secret weapon. Six key names to know

BY HAYLEY PHELAN

OVER THE PAST few years, Eastern European talents like Demna Gvasalia, the rabble-rousing co-founder of Vetements who became artistic director of Balenciaga, and menswear designer Gosha Rubchinskiy, who has staged his recent shows way off-piste in Kaliningrad and St. Petersburg, have pushed the frontiers of luxury fashion.

It's ironic that those who grew up behind the Iron Curtain, cut off from western fashion, are now the people redefining it. Then again, the fashion industry loves an outsider—and creativity is often born out of constraint. Under Soviet rule, uniforms were obligatory and western clothes a rarity. "There was no space left for individuality," said Russian fashion and tech entrepreneur Miroslava Duma.

But now the region is undergoing a bona fide designer boom. Messrs. Gvasalia and Rubchinskiy have paved the way for under-the-radar labels like Petar Petrov and Yuliya Magdych, names you may have come across on Instagram or e-commerce sites like Matches Fashion and Moda Operandi.

These labels are catnip for retailers—and shoppers—seeking something they haven't seen before. "I'm constantly looking for emerging designers," said Caroline Maguire, fashion director at e-commerce site Shopbop, which stocks Russian designer Vika Gazinskaya, Polish designer Magda Butrym and Ukraine-based Anna October. Ms. Maguire said she's discovered these brands via word-of-mouth, Instagram and paying attention to influencers.

Aesthetically, these designers are diverse. Some mine their heritage and employ traditional craft, while others take their cues from the streets with edgy silhouettes and logos. The one thing they share? "They set their own rules," said Shopbop's Ms. Maguire. Many also make wearable clothes with the sort of smart twists that can quickly wake up your wardrobe. Here, a guide to the best Eastern European designers to consider now.

### FRESH PICK



#### ONE HEARTY KNIT

WHEN DESIGNER Raf Simons relocated from Antwerp to Manhattan last year, the "I \*Heart\* NY" logo resonated with him immediately. "It's not just about how it looks graphically, it's about what it says," said Mr. Simons, now Calvin Klein's creative director, of Milton Glaser's classic graphic. And so as a love letter to his new home, Mr. Simons created sweaters for his fall 2017 men's collection that riff on the familiar logo—showing it spliced, as if seen from a taxi window.

The drop-shouldered knits, made in partnership with Woolmark, the Australian company that promotes merino wool, are drapier and softer than Mr. Simons's previous slightly itchy, stiffer shetland designs. And of course, they make for a far more stylish souvenir than a coffee mug. *Raf Simons Sweater, \$487, Dover Street Market, 646-837-7750*

—Jacob Gallagher

### FÊTE ACCOMPLI A GOOD-LOOKS GUIDE TO RECENT EVENTS

## Dior Opens Its Archive Doors

OLD FRIENDS OFTEN catch up at parties. However, at a Paris cocktail bash last week celebrating the opening of Dior's new retrospective at the Musée des Arts Décoratifs, actress Jennifer Lawrence reunited with the baller-pink gown she wore to the 2013 Academy Awards, one of the dresses on display. (Though she famously tripped on the garment en route to accepting her Oscar, she seemed to bear it no ill will.)

The exhibition, called "Christian Dior: Designer of Dreams," triggered many such memories. How could it not, with more than 300 haute couture gowns—the work of seven designers over the course of 70 years—on view?

"There are many moments that are very inspiring," said Maria Grazia Chiuri, of the exhibit. Ms. Chiuri, Dior's current artistic director, had showed her couture collection earlier that day. But it was those pieces designed by Mr. Dior himself, whom she credited with establishing the company's powerful

DNA, that she found most influential, even if his tenure lasted only a decade, from 1947 to 1957.

Guests like Natalie Portman and Robert Pattinson toured the exhibition, open until January 7, 2018, with a group that included LVMH CEO Bernard Arnault. Other attendees stopped in more briefly, such as actress Elizabeth Olsen, on her way to a dinner hosted by her sisters, Mary-Kate and Ashley, for their label the Row. Dressed casually in a T-shirt and printed pants, Ms. Olsen had changed from the Dior raffia tunic and trousers she wore to the brand's runway show. "I've never worn a straw suit," she said. "I loved it."

Many of the women invitees wore Dior looks designed by Ms. Chiuri. "I love how she combines the masculine and the feminine," said actress Gemma Arterton, in a black dress that juxtaposed a prim white collar with more mischievous sheer sleeves—the kind of dress you'd be happy to run into a few years later. —Ann Binlot

### Magda Butrym

Based in Warsaw, Magda Butrym merges the street-wise feel of Vetements with a feminine sensibility. Look to her for dresses with on-trend silhouettes—asymmetric hemlines, cut-outs—that won't make you feel like a fashion victim. She tempers the edge with floral motifs. "Her feminine prints really resonate with our customers," said Shopbop's Ms. Maguire. Ms. Butrym said she wants to imbue her clothes with "soul" and taps the talents of Polish artisans to do so.

Dress, \$1,997,  
[magdabutrym.com](http://magdabutrym.com)

### Anna October

The Ukrainian designer makes sweet dresses using methods rooted in her region's cultural history. Her spring collection was detailed delicately with ricrac while her line for fall, pictured here, focuses more on prints and nattily cool tailoring.

Jacket, \$707,  
Sweater, \$551, and  
Trousers, \$431,  
[annaoctober.com](http://annaoctober.com)

### Yuliya Magdych

History and tradition are the driving force for Ukraine designer Yuliya Magdych. Her colorful and feminine dresses and coats use embroidery techniques that have been passed down for generations. The result: beautiful bohemian dresses with an Instagram-friendly aesthetic (think: bold hues and plenty of volume).

Robe, \$2,175,  
[yuliamagdych.com](http://yuliamagdych.com)

### Petar Petrov

Born in the Ukraine, raised in Bulgaria and now based in Vienna, Petar Petrov designs an eponymous women's wear line steeped in the distinctive modernism of his adopted home. His attention to immaculate tailoring and focus on high-quality fabrics have made him a hit with the luxury set.

Petar Petrov Dress, \$1,590, and  
Jacket, \$1,190, [net-a-porter.com](http://net-a-porter.com)

Litkovskaya Skirt,  
\$900, [H.Lorenzo](http://H.Lorenzo),  
310-659-1432

### Litkovskaya

Don't expect to find cheery, folksy embroideries in the collection of Kiev-based Lilia Litkovskaya. Her forte is a refined take on contemporary dressing that will attract professional women in need of non-generic office-wear. Think of it as a cross between Dries Van Noten and Céline.

TOWN AND GOWN A few of the more than 300 haute couture dresses in Dior's Paris retrospective.

Robert Pattinson

Julia Restoin Roitfeld

Natalie Portman

Camille Rowe

Cara Delevingne

Gemma Arterton

Elizabeth Olsen

Jennifer Lawrence

F. MARTIN RAMIREZ/THE WALL STREET JOURNAL (ILLUSTRATION BY GABRIEL RIVERA, CLOTHING) ILLUSTRATION BY PATRICK LEGER

## STYLE & FASHION

THE WATCH MAN HOROLOGICAL EXPERT MICHAEL CLERIZO ANSWERS YOUR TIMELY QUESTIONS



# Some Fake News You Can Actually Use

**Q** I'm worried about inadvertently ending up with a counterfeit watch. Are fakes a big deal for the industry? How do I spot one?

**A** The leading watch brands enjoy profits, prestige and a particular sort of glamour. Like other purveyors of luxury, however, they pay the unavoidable price of that success: fakes.

Faking watches is big business—and yes, also a big deal. While about 30 million real Swiss watches are produced annually, the Federation of the Swiss Watch Industry (FHI) estimates that one to two million fake timepieces are seized and destroyed every year.

Watch counterfeiters often use hazardous materials like lead.

Two types of fake watches exist. The first are cheap fakes, priced anywhere from \$50 to the low three figures. You'll find them on the streets of big cities and on innumerable websites, where they're often spun oxymorically as "genuine replicas." With these watches, the external parts—case, dial, hands, bracelet—are usually shoddy versions of authentic components and the internal movement is flimsy and unreliable. Cheap fakes look and feel like phony; sellers rarely try to pass them off as anything else, so at least you know what you are getting.

Then there are "super fakes," watches in-



tended to fool people into believing they are the real thing. Here, the external parts closely resemble those of authentic timepieces, while the movements are often Chinese or Japanese clones of Swiss movements disguised with engravings and decorations. To finesse the deception, super fakes usually come in near-perfect copies of brand boxes and are accompanied by counterfeit "proof of authenticity" papers. You might think you'd recognize a fake, but these are quite craftily well-done.

While super fakes can be produced for a few hundred dollars, sellers hope to unload them for the same four-, five- or even six-figure sum the Real McCoys command. Genuine watches have internal components that fakers cannot cheaply duplicate so the duped buyer often discovers the truth only when the watch is opened up and examined under a loupe. If you think a watch might be a super fake, this is unfortunately the only way to be sure.

You might ask: What's the harm in buying one if the price is right? Well, watch-faking is not a victimless crime. Apart from involving stolen intellectual property, fake watches can be physically dangerous. Counterfeiters often use hazardous materials such as lead, cadmium and mercury, which are banned in many consumer products, including watches. And super fakes

often function poorly, which can become a life-threatening failure if you're, say, a scuba diver and your dive watch malfunctions underwater.

Most disturbingly, according to a joint report by nine U.S. government agencies pub-



Royal Oak Selfwinding Watch, \$17,800, Audemars Piguet, 888-214-6858

Oyster Perpetual Day-Date 40 Watch, \$37,500, rolex.com

Navitimer O1 Watch, \$7,965, breitling.com

### TWO FACED

Rolex, Breitling and Audemars Piguet timepieces are among counterfeiters' top targets. Here, the real things.

F. MARTIN RAMIN/THE WALL STREET JOURNAL; ILLUSTRATION: MICHAEL SLOAN

lished earlier this year, profits from the sale of fake watches (and other counterfeit goods) fund organized crime, drug trafficking and terrorism.

If you're the sort of person who would never buy a cheap fake, the question becomes: How do you avoid mistakenly purchasing a super fake? Regular readers of this column know I recommend buying new watches only from a brand or

authorized dealer. While there are other legitimate online sellers, including individuals on sites like eBay, it's easy to be fooled. Watch out for obvious red flags such as negative or outdated reviews on sites which include reviews. Also suspect are blurry photographs or ones that are clearly stolen from a brand's website and don't depict the timepiece that's actually being sold. If contacting the site is even

a little difficult, don't buy. And while you might be tempted by, say, a Breitling Navitimer for \$2,000—much less than the \$8,000 to \$48,000 a brand-new one usually costs—if a price seems too good to be true, it probably is. For further vigilance, always buy using PayPal or a credit card that offers protection on purchases. You may be able to reclaim some of your money if you're duped.

\*Terms and conditions apply

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# DESIGN & DECORATING

MY FAVORITE ROOM

## A Man Cave Writ Romantic

Interior designer Frank de Biasi finds inspiration in the cobbled-together refuge of exiled French author Victor Hugo

BY TIM GAVAN

**M**OST OF US have to give up tree houses, pillow forts and "keep out" signs once we exit puberty. Our homes get outfitted for entertaining, cooking, paying bills—the tasks that come with adulthood. "Keep out" evolves into the self-directed command to "keep up," infinitely more complicated. Few of us get the opportunity to go back.

A notable exception: Victor Hugo. In 1851, the poet and author of "The Hunchback of Notre-Dame" was forced to flee France for opposing the burgeoning authoritarianism of

The so-called red room has the magpie spirit of a childhood sanctuary.

Napoleon III. Finding asylum on the small English Channel island of Guernsey in 1855, Hugo transformed an abandoned seaside villa known as Hauteville House—boxy, white, and unremarkable from the outside—into a brooding, baroque, haphazardly lavish refuge for himself. Colored glass bottles in the entry evoked the stained glass of Notre-Dame de Paris, and a converted attic served as a window-walled observatory for writing. He remained here for 15 years—completing his massive, intricate novel, "Les Misérables"—even after politi-



ALAMY (TOP)

**DRAMATIC LICENSE** On the English Channel Island of Guernsey, French author Victor Hugo shrouded his study in crimson damask.

cal circumstances made returning to France possible.

"There's a sense of freedom here," observed New York interior designer Frank de Biasi of the largely intact home, now a museum.

"He's decorating for himself."

The so-called red room, in particular, has the magpie spirit of a childhood sanctuary, though Hugo elevated the chamber to a sophisticated study. He arranged the space

like a stage to make meaningful trinkets and secondhand furniture appear curated rather than hoarded; upholstered every wall (and the ceiling) in textured damask to achieve a hushed privacy; and

simplified matters with a limited palette of ruby, sapphire and gold. Here, Mr. de Biasi shows how to create an expressive but adult sanctum of your own—more epic hideaway than comic-book lair.



### Animate Negative Space

A gaping, black fireplace can pull focus, especially when it's adjacent to gaze-grabbing characters like Hugo's humanoid torchieres. The lovely but unobtrusive scenery of his Louis XIV screen covered the distracting darkness during the day and softened firelight at night. Pay homage with this Chippendale Period Mahogany and Wool Fireplace Screen, circa 1770, \$2,500, [windsorhouseantiques.co.uk](http://windsorhouseantiques.co.uk)



### Weave a Story

Hugo, whom friends suspected exaggerated his possessions' provenance, claimed the room's beaded tapestries hailed from the apartment of Queen Christina of Sweden at the Chateau de Fontainebleau. Mr. de Biasi believes they're Italian. In any case, they add shimmer to this grown-up's hideout, as would this Beaded Altar Frontal from Melissa Levinson Antiques. \$16,000. [1stdibs.com](http://1stdibs.com)



### Set the Stage

Pairs of Venetian figurative torchieres flank the fireplace (only one set is visible in the photo above). They're "like players on a stage, with a proscenium of a valence behind them," Mr. de Biasi said. Their symmetry gives the room's complex contents order. Get a similar effect in your own space with these Bronze Maidens on Pedestals, 91 inches, \$6,795 for both, [bronzewestimports.com](http://bronzewestimports.com)



### Top It Off

"I'm sure when Hugo lived here, [the table] was a proper center table with books and statues and other things like that [on it]," Mr. de Biasi said. While the Italian piece with a carved base and inlaid-bone top is beautiful enough to shine when bare, its position in the room's center with a clear path around the perimeter made it ideal for showcasing special items. A worthy stand-in: English Library Desk, circa 1890, \$3,545, [geauxvintage.com](http://geauxvintage.com)

### Look Up

"This chandelier is really over-the-top, in a good way, with little chains underneath like vines and colorful glass flowers around the candle arms," said Mr. de Biasi. The lush, almost overgrown light fixture represents one of the room's more elaborate elements, but because it's high and out of the way, it doesn't add to the potential chaos below. Make the most of your own headroom with a Murano-style Glass and Gold Chandelier, from \$1,181, [sognidicristallo.it](http://sognidicristallo.it)



### Lay It On Thick

"For me, whether it's parquet or carpet, the floor is just the floor and then your personality goes on top," said Mr. de Biasi of the evocative arabesques on Hugo's Mamluk rug, which the writer layered over wall-to-wall cherry carpeting. A colorful print also has the benefit of adding a whole lot of character without taking up physical space, the way furniture and objects would. For visual interest without crowding, try this Mamluk Rug, 6 feet by about 9 feet, \$3,995, [nomadrugs.com](http://nomadrugs.com)

### Humble Brag

"I'm not entirely sure what this is," admitted Mr. de Biasi of the bell-like object near Hugo's fireplace. "It's in the shape of a Buddhist stupa, but it's pierced like a *brûleur à encens* for emanating incense." It might be one of many references to Hugo's life and work throughout Hauteville House, perhaps a nod to his famous hunchbacked bell-ringer. Though we searched strenuously for a comparable piece, this is the closest we came: Bronze Burmese Guardian Lion Bell, circa 1800, from FEA Home, \$4,500, [1stdibs.com](http://1stdibs.com)



### Hit the Highs and Lows

"I always tell my clients to furnish rooms with a mix of short, medium, and tall," Mr. de Biasi said. Carved crimson pedestals of various heights (probably repurposed from discarded furniture Hugo found around the island and brought home, as was his habit) help fill the room vertically rather than horizontally, making it appear more grand, less cluttered. This weathered lacquer cabinet (left) has a similarly timeworn look with plenty of potential for displaying objects. Qing Dynasty Petite Lacquer Cabinet, circa 1850, \$1,880, [pagodared.com](http://pagodared.com)



Gene Meyer, that he said will be "fun and fearless and full of color."

**His Style** A frequent, often-long-distance traveler, Mr. de Biasi is familiar with the global design market. His style ranges from the traditional to the contemporary—with an experimental edge—and his projects tend to be layered and rich, opulent but not off-puttingly so.



### BIO IN BRIEF // FRANK DE BIASI



**His Résumé** Six years at Christie's in the estates and appraisals department honed Mr. de Biasi's knowledge of art and design history. A member of the Sir John Soane Museum Foundation and the Institute for Classical Architecture and Art, he acted as director of interiors for architect and designer Peter Marino for 12 years before starting his own design firm in 2006.

**His Clients** Mr. de Biasi prefers his clients brave. He recently completed a modern waterfront house in Miami filled with a boggling collection of contemporary art along with bejeweled bed frames, golden-alligator-backed chairs and a staircase that includes 37 gradations of marble. He is currently building a house in Tangier for himself and his partner, fashion designer

## GEAR & GADGETS

# The Buoys of Summer

In our search for the ultimate luxury pool float, we left no cushion unturned

BY LANE FLORSHEIM

**WE ARE LIVING** in a golden age of pool floats. No longer must you settle for flimsy inflatable doughnuts whose sharp seams dig into the backs of your legs as you laze away. The comfortable new fleet is luxurious, durable and furniture-like—outdoing the dime-store pontoons when it comes to elegance and truly cossetting floaters.

But which is the best? In our search for the ultimate pool-friendly lounger, we eschewed the impressive menagerie of inflatable animals often seen on Instagram, whether avian (swans, flamingos) or tween-friendly (glittery unicorns).

Instead, we opted for tasteful, understated designs that will look fetching even with no one sprawled contentedly across them. We also stuck to models you can assemble (and stow for the off-season) effortlessly, or at least easily.

We opted for tasteful, understated designs that will look fetching even with no one sprawled contentedly across them.

After hours of rigorous reclining, drifting, sipping and journalistic dozing, we identified a handful that rose above the rest. Here, four options that go way beyond buoyant.



PLASTICS!  
Dustin Hoffman drifts stickily in the 1967 film 'The Graduate.'

PHOTOFEST

### Luxe Edition Kai Float

**Feels like** Being enveloped in a cloud.

**Ideal for** Sweltering days when you want the water to lap over you as you lounge.

**Practical Concerns** Because the Kai's foam beads mold around your body as you climb onto it—no inflating required—settling in comfortably calls for some strategic maneuvering. But once you find your sweet spot, the experience is serene. The Sunbrella fabric surface is fade- and mildew-resistant. Store flat or fold it in half to take up less space. This pretty and eminently Instagrammable striped version is exclusive to Frontgate. A matching throw-pillow-size floating drink caddie (\$80) is also available. \$199, [frontgate.com](http://frontgate.com)

### Oasis Pool Lounger

**Feels like** An amphibious Eames lounge chair.

**Ideal for** Hydrophilous bookworms. While the other floats encourage a horizontal lazing position, the Oasis's straight-back design sits you fully upright. Opt for this if you want to plow through several chapters of "A Room With a View" rather than snoozing.

**Practical Concerns** Because you sit with your legs in the water, you can, with a few kicks, propel yourself to the side of the pool where the canapés are. You can also transport this lightweight, bead-filled float easily, thanks to a sturdy handle on top. The Sunbrella upholstery is similar to that of the Kai Float but a bit softer. \$149, [frontgate.com](http://frontgate.com)

### Pigro Felice Modul'Air Armchair & Lounger

**Feels like** A gently bobbing Aerobed. Just add a beach towel (or fine linens) to slumber soundly.

**Ideal for** Those who love being in pools but not in water. This expansive floating daybed manages to keep you completely buoyed so you won't get wet if you don't want to. Bonus: So stable is the Modul'Air, you could play a tense round of Jenga on it.

**Practical Concerns** Despite being mostly air, the lounger is surprisingly heavy. Thankfully, its various sections inflate quickly using the optional electric pump (\$19). Also available: a silicon cup (\$18) that attaches securely via magnets hidden in the float to ensure your frocé doesn't go for a swim. \$449, [pigrofelice.com](http://pigrofelice.com)

### Aqua Cloud Floating Mattress

**Feels like** Everything water-bed makers aspired to achieve but never did.

**Ideal for** Anyone who's dreamed of owning an adjustable bed. Because the Styrofoam bead filling can be redistributed throughout the mattress (just shake the Aqua Cloud vigorously), you can easily create more support where you need it. Shimmy the beads toward one end for a more pillowlike feel, or move them toward the middle to lay more comfortably on your stomach.

**Practical Concerns** The mesh-like upholstery is the least refined of the bunch. Like the Kai and Oasis, no assembly or inflating is required. Simply toss in the pool and kick back. \$100, [brookstone.com](http://brookstone.com)

summer

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## GEAR & GADGETS

**ALIEN ENCOUNTER** The 2018 McLaren 720S's hollow headlamp assemblies gather air to cool the car's auxiliary systems. Enter and exit via the swan-wing doors.



MCLAREN

RUMBLE SEAT DAN NEIL



# McLaren 720S: Blazingly, Pragmatically Fast

**FITTINGLY**, the new McLaren 720S super-sports car looks like the tip of the thing cardiologists use to unplug arteries: frictionless, streamlined, soft-shouldered and organic, needling its way into your heart.

Come to think of it, my time in a midnight-blue 720S—a 24-hour, 500-mile rally from Heathrow to the Welsh seaside village of Fairbourne and back again—was some of the most intense driving of my career, EKG-wise. Nothing focuses the mind like aiming a \$354,000 borrowed car down what is essentially half a road, hemmed in stone walls, the ivy snapping fiendishly at the mirrors, in a proper Welsh downpour. Oh, man, does it know how to rain there. The sheep are like, *What? Again?*

Replacing the 650S in McLaren's Super Series lineup, the 720S marks a turning point for the luxury sports-car manufacturer, based in Woking, Surrey, England. The company's first design director, Frank Stephenson, left the company this spring, replaced by his chief designer, Rob Melville, who is credited with the 720S.

This changing of the guard is signaled by the 720S's remarkable reimaging of house aesthetics. Compared to the smooth, cool presentation of past cars, the 720S's design surfaces are organic, even biomimetic, a tensed moment of muscle, tendon and ligament. It's pretty fabulous.

In the front office, chief executive and F1 mega-boss Ron Dennis, CBE, has recently retired, selling

his stake in both McLaren road-car and racing operations to his Bahraini financial partners. The 720S is the first of 15 new models coming in the next five years, part of the \$1.4 billion "Track22" investment plan.

This entire portfolio—including rumored, all-electric beasts—will rely on the latest version of McLaren's carbon-fiber main structure, called Monocage II, which debuts on the 720S. This car is very much a preview of coming attractions.

Crazy-light and stiffer than steel, the Monocage II structure is the primary enabler of the car's edge-of-space dynamics. With a dry weight of just 2,829 pounds against the 710-hp V8 amidships, the McLaren has the lowest weight-to-power ratio (3.98 pounds per horsepower) in its class, which includes heavy-hitting flyweights like the Ferrari 488 GTB, Lamborghini Huracán and Ford GT.

Weather cooperating, the 720S is as quick as the quickest, ever: 0-to-60 mph in 2.8 seconds; 0-to-124 mph in a thoroughly berserk 7.8 seconds. Should you jam on the brakes at that speed—stupid sheep!—the car will cease movement in a mere 400 feet.

Under the tapering transparency of the rear deck, bathed in its own red accent lighting like a brothel, is a twin-turbo, dry-sump, 90-degree V8, displacing 4.0 liters and generating a properly indecent 710 hp at 7,250 rpm, backed up by a seven-speed dual-clutch transaxle. This edition of the all-aluminum V8 is equipped with electrically spooling twin-scroll turbochargers, designed to zero out any latency in throttle response. Honey, if the 720S has a latency issue, it isn't with the throttle.

Heading up a relatively dry M4 dual carriageway from London, I threw all of the car's dynamics switches—powertrain, active aero

and chassis—into Track mode. The car's curvaceous, full-width rear wing stood up on its hydraulic struts. I downshifted into 2nd and gave the milled-aluminum accelerator pedal a good kick. Blimey. The next moment, the Pirelli 305/30 rear tires spun madly, convulsed with horsepower, and the rear-end jumped a foot to the left. Whoa! There apparently is such a thing as too much leg in Track mode.

I was a couple tenths of a second late on the upshift, leaving the V8 hung up on the rev limiter, howling like an NFL lineman getting his area waxed. The 3rd gear upshift crumpled like artillery.

**The 720S's design surfaces are organic, even biomimetic, a tensed moment of muscle, tendon and ligament.**

I would have preferred a bone-dry racetrack in Portugal, followed by a dinner of salt-baked sardines, but that wasn't to be. Still, this drive allowed me to consider the 720S's other charms, mostly the robust traction and stability control. This was an especial gift since the Pirelli P Zero Corsa summer tires that work so admirably in sunny Lisbon were cold, hard and hydroplaning luridly in Wales.

Given its capacity for summary violence, the 720S is surreally tractable at low speeds, happy to burble around town in 1st and 2nd gear, the powertrain mode-selector on Comfort, its silencers on maximum. You can lift the nose hydraulically if you need to clear a sleeping policeman. To go with the raked windshield and low scuttle, there are great big windshield wipers that go like hell.

McLaren's hydraulics-based active suspension—which, in ex-

tremis around a racetrack, can hold a car almost dead level in +1 g cornering—also serves up a pretty plummy ride on the roads of Penrhynedraeth. Of course, the tires are loud and prophylactic-thin, so the ride can be only so smooth.

The livability quotient surprised me, starting with the car's outward visibility. The airy, teardrop-shaped canopy, nearly all transparent, is supported by elegantly thin roof pillars, possible only because they are part of the Monocage II superstructure.

I regard the 720S as a landmark automobile in the field of what you may call functional aesthetics. It's such a fluid and ferocious shape—sculpture, really—so seemingly untroubled by technical demands of extreme speed. The 720S defies you to understand how it cools, breathes or stays on the ground. It seems built to fly in a different wind.

Note that there are no obvious air ducts in the upper bodywork. The computer-modeled skin features sinuous grooves around the canopy where air gets inhaled through ducts concealed in the bodywork. It also gathers air in its headlight assemblies.

I arrived in Fairbourne, at the mouth of the River Mawddach, feeling triumphant and eager to mingle with the locals. At the corner store I playfully ventured the only Welsh I know: *Mae fy hofreniad yn llawn llyswnod*, which means "My hovercraft is full of eels." You know, from the old Monty Python skit? Nothing.

Unbeknownst to me, the British government had recently declared that the village of Fairbourne would be "decommissioned" due to rising sea levels caused by climate change.

Out there on the Marches, they don't see too many UFOs so you can imagine the impression this car makes. Bloody 'ell, says everyone.



2018 MCLAREN 720S

**Type** Two-seat, mid-engine coupe, carbon-fiber structure and body

**Base price** \$287,745

**Price, as tested** \$354,115

**Powertrain** Twin-turbocharged, dry-sump 4.0-liter DOHC

90-degree V8, with electrically actuated twin-scroll turbos; seven-speed dual-clutch transaxle; rear-wheel drive with open differential and brake-based torque vectoring.

**Horsepower/torque** 710 hp at 7,250 rpm/568 lb-ft at 6,500 rpm

**Length/width/height** 178.9/76.0 inches/47.1 inches

**Weight** 2,829 pounds (dry)

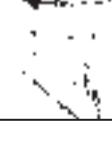
**Wheelbase** 105.1 inches

**Suspension** double-wishbone type, adaptive dampers, proactive chassis control

**EPA fuel economy** 15/22/18 mpg, city/highway/combined

**Luggage space** 13 cubic feet

THE FIXER MICHAEL HSU



## A Stress-Free Way to Backup Smartphone Pics

**Q** My iPhone is constantly telling me that I'm out of storage, mainly because all my photos and videos take up room. What's the easiest way to back them up so I can safely delete them from my phone?

**A** The best backup system is one you don't have to think about, which is why I use apps that automatically upload my media to the cloud. After you set these up, photos and videos appear in the cloud without your having to do a thing.

If you're an iPhone owner and don't mind paying a monthly fee, Apple's iPhoto app coupled with an iCloud subscription is handy. The service automatically puts every photo in the cloud and manages space on your device in the background, no deleting necessary. Plans start at \$1 per month for 50 GB; a 2 TB plan costs \$10 per month. To enable this, go to the "Photos & Camera" setting, toggle on "iCloud Photo Library" and make sure "Optimize Phone Storage" is checked.

Google Photos, available for iOS and Android, lets you store an unlimited number of photos and videos for free, but photos need to be under 16 megapixels, and video resolution is limited to 1080p (which shouldn't be a problem for smartphone users). To delete photos from your phone that have been safely backed up, tap the

menu and select "Free up space." Flickr, meanwhile, offers a free plan with 1 TB of storage, and places no restrictions on resolution.

To set up these last two apps, open their settings, then select "Back up & sync" in Google Photos or "Auto-Upload" in Flickr and toggle it on. Once you do, the apps will upload files whenever your phone is connected to Wi-Fi.

At some point, you'll probably want to download your backed-up photos to a hard drive. For iCloud, open the Photos app on a computer, choose "Photos" then "Preferences." Then click "Download Originals to this Mac." For Flickr, log in to the site from a desktop browser, select "Albums" under the "You" menu, hover over the album called "Auto Upload," then click the "Download" icon. Google Photos allows you to batch download, too, but the process isn't quite as easy because you can only grab 500 items at a time. Using your computer, log in to photos.google.com, select the most recent photo you want to download, hold the Shift key, then select the oldest photo you want to download. Then press Shift + D to acquire the lot as a zip file.

Have a lifestyle problem that a gadget might solve?  
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KIERSTEN ESENPREIS