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WSJ
THE WALL STREET JOURNAL WEEKEND

DOW JONES | News Corp ★★★★★★★★ SATURDAY/SUNDAY, JULY 28 - 29, 2018 ~ VOL. CCLXXII NO. 23 WSJ.com ★★★★ $5.00

What's News

World-Wide

European officials said Trump and his aides were exaggerating the scope of a new trade pact, a day after the president hailed "a breakthrough agreement." A5

◆ **Germany fended off** Chinese bids for two strategically important industrial assets this week. A5

◆ **Trump again said** he had no prior knowledge of a 2016 meeting his eldest son had with a Russian lawyer at Trump Tower. A4

◆ **As Khan prepares** to take office, Pakistan faces a financial crunch that will likely require an international bailout and spending cuts. A7

◆ **U.S. officials are probing** a network of firms for ties to two Lebanese men blacklisted for their alleged support of Hezbollah. A6

◆ **Mediators are** increasing pressure on dueling Palestinian factions to reconcile their differences. A6

◆ **Senators may be asked** to testify in the criminal trial of an Intelligence Committee staffer. A4

◆ **Harvard said** an admissions-data analysis in a suit alleging bias against Asian-Americans was "fundamentally unreliable." A3

Business & Finance

◆ **The U.S. economy** grew at the fastest pace in nearly four years this spring, suggesting the second-longest expansion on record isn't yet running out of fuel. A1, A2

◆ **Shares of Twitter** and Facebook endured a surprise rout this week, as investors were rattled by signs that users are souring on the social-media stalwarts. A1

◆ **The S&P 500 fell** Friday but managed to post its fourth straight weekly advance. B13

◆ **CBS said it would** investigate allegations of sexual harassment against CEO Moonves, a development that comes as the firm battles its controlling shareholder. A1

◆ **The world's largest** oil companies continued to disappoint investors with limited cash payouts and profits that have failed to match the rally in crude. B1

◆ **Lofty sales goals** appear to be at the root of issues under investigation within Wells Fargo's wealth-management business. B1

◆ **Shareholders of Disney** and 21st Century Fox approved the $71 billion deal between the companies. B3

◆ **WPP executive** Mark Read has emerged as the leading contender to become CEO. B3

Inside

INTERVIEW A11

Devin Nunes, Washington's Public Enemy

CONTENTS

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Growth Revs as Economy Rolls On

Consumer spending, business investment helped U.S. GDP grow at 4.1% clip this spring

By Harriet Torry

WASHINGTON—The U.S. economy grew at the fastest pace in nearly four years this spring, reflecting broad-based momentum that suggests the second-longest expansion on record isn't yet running out of fuel.

Robust consumer spending, solid business investment, surging exports and increased government outlays were among the factors that boosted gross domestic product—the value of all goods and services produced across the economy—at a seasonally- and inflation-adjusted annual rate of 4.1% in the second quarter, the Commerce Department said Friday.

That was up from the first quarter's revised growth rate of 2.2% and the strongest growth since the third quarter of 2014.

While some of the growth came from a burst of exports that some analysts warned could be a temporary response to looming trade tariffs, the details of the report suggest underlying strength that could tee up one of the best years in the current expansion, which began in 2009.

After stripping out the volatile categories of trade, inventories and government spending, sales to private domestic buyers rose at an annual rate of 4.3%—even better than the overall GDP number.

"The outlook for the industrial economy remains solid," United Parcel Service Inc. Chief Executive David Abney said during a call with investors this week.

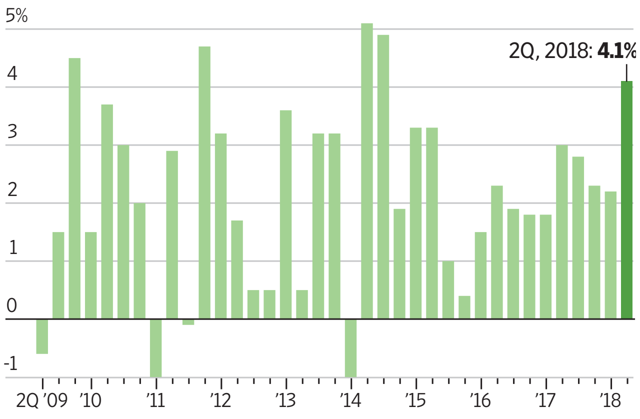
Friday's report makes it highly likely the Federal Reserve will continue gradually raising short-term interest rates to prevent the economy from overheating. Central

Please turn to page A2

◆ Heard: Report points to continued momentum........ B14

Sprouting Up

GDP quarterly change at an annual rate since the beginning of the current economic expansion



Source: Commerce Department

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Explosive Wildfires Menace Northern California

JOSH EDELSON/AGENCE FRANCE-PRESSE/GETTY IMAGES

CONFLAGRATION: A wildfire flared up near Redding, Calif., claiming at least three lives and forcing thousands of residents to flee Friday. Hundreds of miles south, a separate fire has turned Yosemite National Park, normally teeming with tourists, into a ghost town. A3

Investors Cut Back On Social Media

Shares of Twitter Inc. and Facebook Inc. endured a surprise rout this week, as investors were rattled by signs that users are souring on the social-media stalwarts.

By Marc Vartabedian, Yoree Koh and Michael Wursthorn

Twitter said Friday that its number of monthly users dropped in the second quarter and could continue to fall as it purges fake accounts, results that echoed Facebook's bombshell guidance Wednesday that its growth is expected to slow through the end of the year.

Both companies suffered share-price declines of more than 20% after results. Facebook's drop of over 19% on Thursday lopped more than $119 billion from its market value—the biggest single-day drop in U.S. market history. Twitter lost almost $7 billion.

"We're down for two being down 20%," said Brent Thill, an analyst at Jefferies, adding, "It has not been a great week."

The S&P 500 dropped 1% over the last two trading days of the week, its largest two-day point and percentage decline this month, as the disappointing earnings reports put pressure on the technology sector. The tech-heavy Nasdaq Composite

Please turn to page A4

◆ Heard: Twitter loses users. Are advertisers next?........ B14

CBS Probes Alleged CEO Misconduct

By Joe Flint

CBS Corp. said it would investigate allegations of sexual harassment by Chief Executive Leslie Moonves, putting him on the hot seat at the same time he is locked in a legal battle with the media company's controlling shareholder.

The accusations surfaced in a New Yorker article published Friday. It reported that six women who had professional dealings with Mr. Moonves between the 1980s and late 2000s claimed he sexually harassed them.

One actress and writer, Illeana Douglas, alleged that Mr. Moonves sexually assaulted her in a 1997 meeting at his office, holding her down on a couch and violently kissing her. The article also cited accusations that Mr. Moonves made advances in business settings, including unwanted touching.

The article painted a picture of systemic harassment problems at CBS and a culture up to the top that tolerates it.

The company in a statement said it takes "each report of misconduct very seriously. We do not believe, however, that the picture of our Company created in The New Yorker represents a larger organization that does its best to treat its tens of thousands of employees with dignity and respect." CBS shares fell by more than 6% Friday.

Mr. Moonves said in a statement that he recognized "that there were times decades ago when I may have made some

Please turn to page A7

◆ Former SoFi chief opens up about affairs.......... B12

The Bachelorette Party's Over: Venues Snub Bridezillas

* * *

Hotels, wineries beset by rowdy prenuptial revelers ban veils, crowns; 'ro-sé, all day!'

By Jennifer Levitz

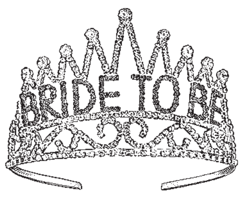
Suellen Tunney gazed out the French doors toward the stone terrace of Wölffer Estate Vineyard in the Hamptons last summer and saw noisy groups of women in tiaras, sashes and "Bride Squad" shirts. Some chanted, "Ro-sé, all day! Ro-sé, all day!"

"They would literally be doing a pyramid of women in the vineyard," says Ms. Tunney, retail-sales director at the Sagaponack, N.Y., winery known for its rosés. "You would have bridezilla after bridezilla."

Wölffer updated its website in May: "Please, no bachelorette parties allowed."

It's wedding season, when throngs of bachelorettes descend with entourages on hot spots from Savannah to San Francisco. Some wineries, tour operators and hotels want a divorce.

Bachelorette bashes were bringing a "prom-queen tiara vibe" to Montauk Beach House on New York's Long Island, says the boutique hotel's operations manager, Yannis Papagianni. "It's just not what we go for."



Tiara non grata

Over-imbibing devolved into displays of drama, he says. "Half of them end up crying about something," he says. "It came to the point where, is it a bachelorette party or a carnival?"

The establishment still al-

Please turn to page A10

REVIEW

WHEN THE WORLD OPENED THE GATES OF CHINA

Behind the Chaos Of Child Reunification

Border officials planned how to separate families, not how to put them back together

By Nour Malas And Alicia A. Caldwell

For months, federal immigration officials along the 268-mile stretch of border that separates New Mexico and West Texas from Mexico had been testing a policy of separating migrant parents from their children.

What they didn't plan for was how to reunite them.

When a federal judge ordered the Trump administration to reconnect more than 2,600 children separated from their families after a national outcry, the two government agencies in charge—the Department of Homeland Security and the Department of Health and Human Services—didn't have a firm grip on the number of children involved or exactly where they were.

There was no unified tracking system to follow the location of parents and children. Computer systems couldn't communicate. Children as young as a few months old were sent sometimes thousands of miles away from parents in federal custody with no means to get in touch. Health and Human Services, which was already caring for thousands of other migrant children apprehended crossing the border on their own, had to manually sort through nearly 12,000 case records to figure out which were covered by the court order.

Cmdr. Jonathan White, the Health and Human Services official in charge of family re-

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U.S. NEWS

A Solid Economy With Room to Run

By Greg Ip

President Trump is justifiably delighted with how the economy is performing. Though the second quarter's 4.1% annualized growth is unlikely to be repeated, the underlying picture looks impressive.

Less clear is how much credit he deserves for this.

ANALYSIS

President Trump has promised to elevate annual growth to 3% from 2% through deregulation, tax cuts and tougher trade policies. He'll get to 3% in the short term, most economists agree. The evidence that his tax cut has revived investment—key to long-term growth—remains elusive. And trade, at least using Mr. Trump's preferred yardstick of deficits, is still a drag.

To get a clear picture of the second quarter, exclude the volatile categories of net exports, which were boosted by soybean shipments ahead of tariffs, inventories and government. The result: 4.3% growth, even faster than the headline rate. Over the past year, it's up 3.2%, a decent proxy for underlying growth.

Consumers were the standout contributor, and the tax cut helped by boosting after-tax income and wealth via last year's stock-market jump. Still, it would take repeated tax cuts, and ever wider budget deficits, to maintain that performance—the sort of "sugar high" demand stimulus Republicans once derided. President George W. Bush's 2003 tax cut provides a cautionary tale: In the two quarters after it was implemented, growth leapt to 6%, annualized. It averaged less than 2% for the remainder of his presidency.

Yet even without the tax cut, the consumer would be in great shape. Wage growth remains subdued, but so many people are finding jobs that incomes are rising briskly. And Friday's report disclosed that wages and self-employed income were much higher in recent years than previously thought. Consumers sustained their spending without running down savings, so the saving rate, instead of sliding to around 3%, stands at 6.8%, in line with its average since 2012.

The expansion now looks to be in its late middle age, not old age. This benefits Mr. Trump, since it makes a recession less likely before he faces voters again in 2020.

The lower corporate rate and the ability to immediately write off capital spending for the next five years were supposed to spark business investment, and with it, worker productivity and wages. Investment certainly has boomed this year, especially for structures such as stores, factories, offices and drilling rigs—precisely the sort of long-lived investment that should respond most strongly to lower taxes.

But look closer. Oil and gas accounts for the vast majority of that, thanks to a rebound in oil prices and drilling from 2016 lows. Excluding that, structures investment had a strong first quarter then contracted in the second. Spending on equipment is growing briskly but no faster than before the tax cut. In fact, recent data on equipment orders point to a modest tapering.

Jason Cummins, an economist at hedge fund Brevan Howard, says the evidence suggests the tax cut has worked in the predicted direction. "I give it a grade of 'positive signs but incomplete/too early to tell' so far."

As for trade, arithmetically, exports are added to gross domestic product and imports subtracted, which implies, wrongly, that widening trade deficits are bad for growth. (It may simply mean that consumers are in a better mood in the U.S. than elsewhere.) By that metric, trade subtracted from growth in the six months before that second-quarter soybean bump.

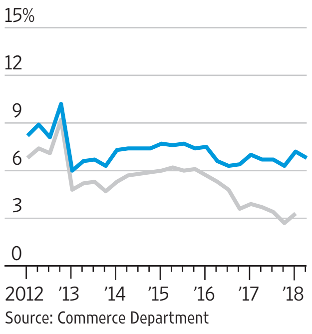
To be sure, Mr. Trump's tariffs didn't take effect until the past few months, and he hasn't reached any new trade deals except with South Korea. But a better bet is that trade will be driven mostly by countries' differing growth, exchange rates and commodity prices, not trade war.

Growth has clearly picked up since Mr. Trump became president even if his policies aren't the main reason why. Is it sustainable? The economy last hit this pace in 2014 and 2015, before slipping back. Sustained growth requires both faster growth in the pool of workers and in their productivity. For now, the former is happening. Employer demand is pulling in both the unemployed and workers who were never recorded as unemployed. But eventually the U.S. will run out of workers, especially if immigration shrinks, as Mr. Trump intends.

That leaves productivity. It grew 1.3% in the past year—still historically slow, though an encouraging pickup. It will take a few more years to determine if it returns to an old normal or a new one.

More Gas in the Tank

Personal saving as percentage of disposable income



Source: Commerce Department

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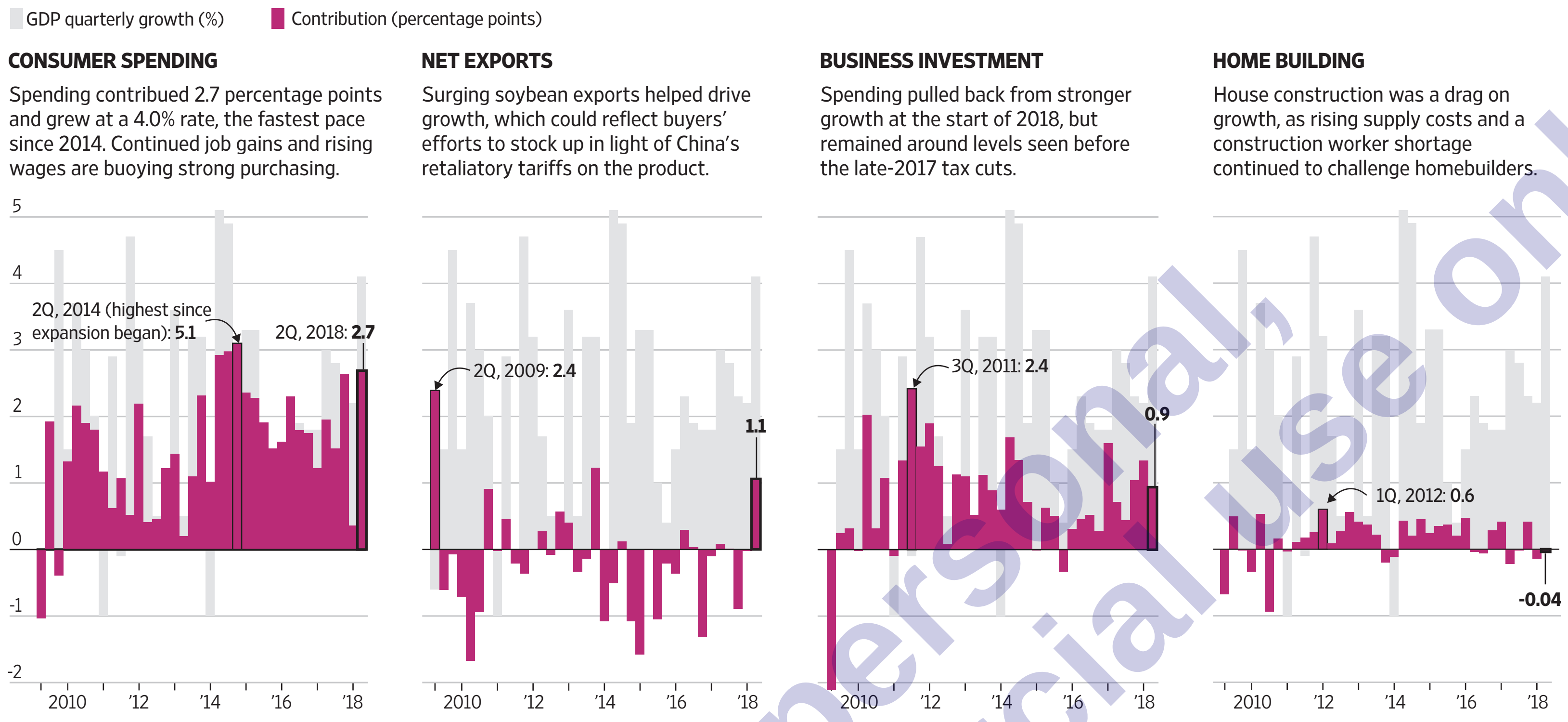
Notice to Readers

The Numbers column will return next week.

Boosting Bumper Growth

Key contributions to GDP since the beginning of the current economic expansion and how they impacted growth in the second quarter of 2018:



Source: Commerce Department

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Expansion Gains Steam

Continued from Page One

bank officials have raised rates twice this year, and penciled in two more increases in 2018 and three in 2019.

The Fed is widely expected to leave its benchmark rate unchanged at its policy meeting next week and then increase it in September by a quarter of a percentage point, to a range between 2% and 2.25%.

Consumers—buoyed by low unemployment, steady job growth and recent tax cuts—ramped up their spending at a robust 4% annual pace in the second quarter.

Isaac Gary, 22, who works full time as a telecommunications project administrator in Chicago, said he recently bought himself a used car and is planning to go on a cruise to Cozumel, Mexico, for his birthday in September.

Mr. Gary said he also works for a private security firm on weekends and has a small online shoe reselling business, "so I was pretty comfortable shopping for a new car." Referring to his multiple income sources, he added, "I do feel confident because I have different networks coming in."

DAVID ZALUBOWSKI/ASSOCIATED PRESS

Consumers ramped up their spending at a robust 4% annual pace in the second quarter.

As Americans spent more, however, they saved less. The personal saving rate was 6.8% in the period, down from 7.2% in the first three months of the year.

In a potential warning signal for future spending, consumer sentiment cooled in July, continuing to moderate from a 14-year high the index of consumer sentiment touched earlier this year, the University of Michigan said Friday. "Concerns about tariffs greatly accelerated in the July survey," said Richard Curtin, the survey's chief economist.

Trade contributed strongly to the economy's performance. Net exports added 1.06 percentage points to the second quarter's 4.1% GDP growth rate, which likely reflected a surge in soybean exports as buyers abroad rushed to get their supplies before China's 25% retaliatory tariffs on the U.S. crop hit in July.

"Some giveback in this unusual spike should be expected," JPMorgan Chase economist Michael Feroli said in a note.

For some Americans, trade barriers are causing anxiety. Terry Schultz, president of Madison, S.D.-based seed producer Mustang Seeds, said tariffs on U.S. soybean exports have "ramped up pressure on profitability" for the farming sector, which has been under pressure from lower commodity prices in recent years.

"Our sales numbers are good. What's always a concern is the profitability of our customers and their ability to pay us," Mr. Schultz said.

A key measure of business spending moderated from the first quarter but remained robust. Nonresidential fixed investment—reflecting spending on commercial construction, equipment and intellectual property products such as software—rose at a 7.3% rate after rising 11.5% in the first quarter.

The 2017 tax overhaul was designed to encourage such investments by lowering the corporate tax rate and by letting companies immediately deduct certain capital expenditures instead of depreciating them over time.

Tax cuts were part of President Trump's plan to boost economic growth to the above-3% annual growth rate that marked the robust expansions of the 20th century.

He hailed the GDP report Friday, saying the economy is growing at a "very sustainable" pace and predicting it will expand at least 3% this year.

Economic forecasters largely agreed the tax legislation would boost growth in the near term, but were split over whether the legislation would increase the economy's growth rate over the long term in the face of an aging population and meager productivity growth.

Output rose 2.8% in the second quarter from the same period of 2017. Fed officials expect to see growth hit the same pace in the fourth quarter of this year from a year earlier, which would mark the best calendar year since 2005. However, they forecast growth to ebb to 1.8% a year in the long run.

"Enjoy it while it lasts," Ian Shepherdson, chief economist at Pantheon Macroeconomics, said of the strong second quarter. He expects consumer spending to slow in the third quarter as the boost from the tax cuts fades.

The GDP report included two main soft spots—housing and inventories. Residential fixed investment fell at a 1.1% rate in the second quarter. That could reflect higher mortgage rates, low housing inventory and tax-code changes that diminished decades-old perks that encouraged homeownership.

A drop in inventories subtracted 1 percentage point from the second-quarter growth rate. Some analysts said that could help boost third-quarter growth if businesses restock.

—Theo Francis, Eric Morath and Vivian Salama contributed to this article.

U.S. WATCH

POLITICS

Trump Is 'Open to Visiting Moscow'

President Trump is open to an invitation from Vladimir Putin to visit Moscow, a White House spokeswoman said Friday, days after his invitation to the Russian leader to visit Washington prompted bipartisan criticism.

Following his recent return from a summit with Mr. Putin in Helsinki, where Mr. Trump drew widespread rebukes for appearing to side with the Russian leader over U.S. intelligence agencies on the subject of Russian election interference, the White House said the president had invited Mr. Putin to visit Washington in the fall.

The move surprised Republican lawmakers and top administration officials, who said they still hadn't been told what Mr. Trump and the Russian leader agreed to at their Helsinki summit. Republican leaders in Congress said Mr. Putin wouldn't be welcome on Capitol Hill.

—Rebecca Ballhaus

MICHIGAN

Officials: Stop Using Contaminated Water

Authorities handed out thousands of free bottles of water Friday in two southwestern Michigan communities where the discovery of contamination from toxic industrial chemicals prompted a warning against using the public-water system for drinking or cooking.

Michigan and Kalamazoo County health officials announced Thursday that tests found substances known as PFAS in the water supplied to the city of Parchment and neighboring Cooper Township, about 125 miles west of Detroit. Roughly 3,000 people are on the affected water system.

The source of the Michigan contamination is under investigation. The Parchment area has a history of paper manufacturing.

—Associated Press

TEXAS

Groups Urge Halt to 3-D Gun Blueprints

Gun-control groups made a last-ditch effort Friday to block the Trump administration from allowing Americans access to blueprints for 3-D printable guns on the internet, urging a federal judge to intervene days before the designs are expected to go online.

The Brady Center to Prevent Gun Violence, Everytown for Gun Safety and the Giffords Law Center to Prevent Gun Violence want the judge to block a company called Defense Distributed from being allowed to publish online designs for guns.

"The stated goal of Defense Distributed is to sound the death knell for gun control," David Cabello, a lawyer for the Brady Center told U.S. District Judge Robert Pitman during the hearing in Austin, Texas.

The files include blueprints for plastic AR-15 rifles, the type of semi-automatic weapon used in many U.S. mass shootings.

Joshua Blackman, a lawyer for Texas-based Defense Distributed, said the gun-control groups are trying to litigate a political dispute in court.

—Associated Press

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CORRECTIONS & AMPLIFICATIONS

Gen. George Patton led U.S. troops in France and Germany at the end of World War II. In some editions Thursday, a Page One article about President Trump's meeting with European Commission President Jean-Claude Juncker incorrectly said Gen. Patton led the invasion of Normandy.

Facebook Inc. said its revenue growth rate fell 7 percentage points in the second quarter compared with the first three months of the year, while revenue rose 42% from a year earlier. In some editions Thursday, a Page One article about the social-media company's earnings report incorrectly said second-quarter revenue fell 7% from the prior quarter.

The release of Moses Sumney's new EP was delayed to Aug. 10 from Aug. 3 after the August edition of WSJ. Magazine, which contains an article about Mr. Sumney, went to press.

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Harvard Rebuts Entrance Analysis

By Melissa Korn

Harvard University in a court filing rebutted an analysis of six years of its admissions data as "fundamentally unreliable" because it cherry-picked certain groups of students to try to prove the university intentionally discriminates against Asian-American applicants.

The school also reiterated on Friday that it has tried alternatives to race-conscious affirmative action to diversify its undergraduate student body, but such efforts would harm both the diversity and academic strength of the class.

The filing, opposing a motion for summary judgment by the plaintiffs in a federal affirmative-action lawsuit, is the school's latest salvo in a closely watched battle over how one of the nation's most selective colleges chooses who gets admitted, and whether that process discriminates against Asian-American applicants.

The lawsuit was brought in Boston federal court in 2014 by Students for Fair Admissions, a nonprofit whose members include Asian-Americans who were denied admission to Harvard.

It claims Harvard's admissions process is unconstitutional and illegal under federal civil-rights law because it intentionally discriminates against Asian-American applicants and holds them to a higher standard. The suit also alleges Harvard hasn't fully considered race-neutral alternatives to achieving diversity.

Harvard argues its admissions process takes into account ratings on academics, as well as personal scores based on teacher and other recommendations, athletics and extracurricular activities.

The school challenged a statistical analysis conducted by Duke University economist Peter Arcidiacono. The school argues that the exclusion of certain applicant groups, including recruited athletes, legacies and the students of Harvard faculty and staff, undermines any conclusions he makes about racial bias.

Harvard said in Friday's filing that it already diversifies its class in other ways than race, including with a $200 million annual financial-aid program and flagging applicants who seemed to excel despite modest backgrounds. The school also eliminated early-action admissions from 2012 to 2015, based on assumptions that such programs favor students with means

College says review cherry-picked certain groups of students to try to prove bias.

who are more familiar with the admissions process, but reinstituted it after the switch was deemed to have "hindered" diversity efforts.

The school also noted that an internal committee in 2017 found ending race-conscious admissions would lead to a 50% decline in the proportion of African-American students, and the corresponding increase would primarily benefit white students.

They also determined that the proportion of admitted students with the highest academic ratings would drop by 19% if Harvard focused more on socioeconomic diversity without consideration of race.

Harvard cites a Supreme Court ruling that said the law on affirmative action "does not force universities to choose between a diverse student body and a reputation for academic excellence."

Edward Blum, the conservative backer of Students for Fair Admission, said Friday that the group looks forward to presenting its case at trial in October, adding that data, memos, emails and depositions that have been redacted so far will be made public then.

Harvard said confidentiality is up to the judge.


QUINCE LANFORD/US DEPARTMENT OF DEFENSE/AGENCE FRANCE-PRESSE/GETTY IMAGES

The 55 cases returned by Pyongyang were draped with United Nations flags, not U.S. ones, because it isn't clear all the remains are those of Americans.

Next Step: Identifying War Dead

By Nancy A. Youssef And Ben Kesling

North Korea's return of 55 cases believed to hold American remains from the Korean War marks the beginning of a monthslong identification process, U.S. defense officials said Friday.

Military leaders and veterans groups heralded the transfer, although officials said the process of identifying the remains presents unique challenges for forensic specialists.

A U.S. plane carrying the remains flew to South Korea on Friday. The remains next will be transported to Pearl Harbor, where the identification process will begin.

The North Koreans, who recovered the remains, don't specify where they were found, eliminating a vital piece of battlefield information. Such details could have helped determine whether the location of the remains matches up with information about who went missing and where.

Military officials also must contend with likely gaps in medical and scientific information. Since 1992, the U.S. military has kept blood reference information for all service members, and has dental records for troops in previous conflicts. But that kind of information doesn't exist for all troops lost in the Korean War.

Hoping to bridge the shortfall, the Veterans of Foreign Wars on Friday called on its 1.6 million members to contact families of Korean veterans missing in action—even distant relatives—and urge them to send DNA samples to the Defense Department to aid in identification.

Defense Secretary Jim Mattis said Friday said it isn't certain that all the remains are those of Americans. They could include remains of soldiers from allied nations, or those of North Koreans. Because of these uncertainties, the returning cases were draped with United Nations flags, not American ones. "We don't know who's in those boxes," Mr. Mattis said.

The Pentagon said it would seek multiple forms of identification, using forensic anthropology, historical background information and DNA. Officials also cautioned that the condition of the remains might make them impossible to identify.

Pentagon officials said that based on remains delivered in the past by the North Koreans, these remains likely contain more than 55 service members, commingled together. In the early 1990s, North Korea sent 208 containers to the U.S. that held the remains of as many as 400 individuals.

Mr. Mattis recalled the means of communication used to tell family members their loved ones had been lost during the Korean War. "We have families that, when they got the telegram, have never had closure," Mr. Mattis told reporters Friday. "They've never gone out and had the body returned. What we're seeing here is an opportunity to get those families closure and make certain that we keep looking for those remaining."

Yosemite Is a Ghost Town as Tourists Flee Fire

By Marc Vartabedian


NOAH BERGER/ASSOCIATED PRESS

A mother and daughter packed up in Yosemite National Park on Wednesday. Portions of the park were closed due to nearby fires.

YOSEMITE VALLEY, Calif.—A wildfire raging through tinder-dry forest has turned normally teeming Yosemite National Park into a no-man's land, as a separate inferno hundreds of miles north has sent thousands fleeing while destroying dozens of homes and other structures.

While firefighters battled to keep the Ferguson Fire out of one of the nation's most-visited national parks late Thursday, the Carr Fire near Redding, Calif., flared up under hot, windy conditions and raced toward neighborhoods around Shasta Dam.

Officials of the California Department of Forestry and Fire Protection, or Cal Fire, said the Carr Fire—believed to have been started Monday by a malfunctioning vehicle—had ballooned to 44,450 acres by Friday morning, with just 3% containment. Two firefighters and one civilian operator of a fire bulldozer were reported killed, while 65 structures were destroyed and an additional 55 damaged. Thousands were evacuated as fire officials warned dangerous conditions would persist.

Meanwhile, Yosemite National Park is a ghost town as smoke cloaks the park and its most famous attractions.

In the Sierra Nevada mountains to the south, the Ferguson Fire has burned for roughly two weeks and encroached on the western boundary of the park. On Thursday, California Gov. Jerry Brown declared a state of emergency for Mariposa County to facilitate fighting the fire and limiting its impact.

The park's partial closure at noon on Wednesday shut down the central tourist hub of Yosemite Valley, as well as other park areas including the Mariposa Grove and Wawona. The fire has burned 45,911 acres, according to an update by a unified firefighting command Friday morning, and prompted 3,202 evacuations.

It is the first time a fire has shut down the area since 1990, damping the region's economy during peak season and casting out tourists who have journeyed here from across the globe.

"It's a huge blow," park Superintendent Michael Reynolds said, adding that the closure would last at least through Sunday but maybe longer depending on fire conditions.

The fire is just one of 75 large blazes over an area stretching from Oklahoma to Alaska, according to the National Interagency Fire Center. California has been hit particularly hard, with fires igniting from the Mexican border to Oregon amid unusually hot conditions and after years of drought.

Last year, millions of park visitors spent around $452 million in the area, supporting 6,670 jobs, according to the National Park Service, and tourists play a pivotal role in the local economy.

Paul DeSantis has run a general store just outside the park for 30 years. Based on previous fires that affected the flow of visitors from Yosemite, he expects to lose much of his revenue.

"It doesn't make business sense to be open. It's just good will at this point," Mr. DeSantis said from inside his smoky store, which he has kept open during the fire to serve the few remaining locals.

—Jim Carlton contributed to this article.

Ex-New York Assembly Speaker Gets Seven Years

By Corinne Ramey

Former New York state Assembly Speaker Sheldon Silver was sentenced to seven years in prison Friday during a hearing in which a federal judge called for cleaning up corruption in state government.

U.S. District Judge Valerie Caproni said the public-corruption crimes of which Mr. Silver was convicted were motivated by unmitigated greed.

"New York state has to get its act together and do something institutionally to stop corruption," said Judge Caproni, noting the federal trials of former high-ranking state officials this year.

The judge ordered Mr. Silver, who is 74 years old, to pay a $1.75 million fine and millions in forfeiture, although the exact amount hasn't been determined.

Friday marked the second sentencing of Mr. Silver, a Manhattan Democrat, in front of Judge Caproni. In 2016, the judge sentenced Mr. Silver to 12 years in prison for his prior conviction on the same crimes.

A federal appeals court threw out that conviction last year, after the U.S. Supreme Court narrowed the definition of some public-corruption crimes.

Earlier this year, Mr. Silver was retried, and in May, a different Manhattan federal jury convicted him of seven counts of honest-services fraud, extortion and money laundering.

During the trial, prosecutors argued Mr. Silver had accepted $4 million in kickbacks and bribes through two quid pro quo schemes.

Mr. Silver's lawyers countered that while his behavior could be viewed as distasteful, it wasn't criminal. His attorneys have indicated he plans to appeal.

On Friday, Mr. Silver asked Judge Caproni for mercy, saying he was remorseful for damaging people's trust in government. "I have spent my life believing in government and its ability to help the citizens of New York," Mr. Silver told the judge, speaking slowly as he stared at the defense table.

Prosecutors said Mr. Silver deserved a prison term of at least a decade. Mr. Silver's lawyers proposed a shorter incarceration followed by community service. "He could do something meaningful," said Michael Feldberg, his lawyer.

Once a political powerhouse, Mr. Silver served as Assembly speaker for two decades and as a member of that chamber beginning in the mid-1970s. He lives on the Lower East Side in Manhattan, in the same apartment complex in which he grew up.

The judge said Mr. Silver must surrender and start serving his prison term on Oct. 5.

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Trump Denies Knowledge of Son's Meeting

By Rebecca Ballhaus

WASHINGTON—President Trump said again on Friday that he had no prior knowledge of a June 2016 meeting that his eldest son had with a Russian lawyer at Trump Tower after being promised damaging information about Democratic presidential candidate Hillary Clinton.

The president disputed an account that a person familiar with the matter says his former lawyer Michael Cohen is planning to tell the team of Robert Mueller, the special counsel investigating alleged Russian interference in the 2016 election.

In a series of tweets Friday morning, Mr. Trump wrote, "So the Fake News doesn't waste my time with dumb questions, NO, I did NOT know of the meeting with my son, Don jr."

Mr. Trump and his eldest son, Donald Trump Jr., have repeatedly denied that the president had advance knowledge of the June 2016 meeting with Natalia Veselnitskaya, a Russian lawyer with strong links to the Kremlin. The younger Mr. Trump last year released emails showing he accepted the offer for the meeting after he was promised the information about Mrs. Clinton, his father's opponent in the election, that he was told had been collected as part of a Russian government effort to help his father. Participants in the meeting have testified that no such information was offered, and that the younger Mr. Trump was disappointed by the outcome.

Mr. Cohen didn't tell the House Intelligence Committee that Mr. Trump had prior knowledge of the Trump Tower meeting in his testimony last year, a person familiar with the matter said.

Alan Futerfas, a lawyer for the younger Mr. Trump, said in a statement: "We are very confident of the accuracy and reliability of the information that has been provided by Mr. Trump Jr. and on his behalf."

BRENDAN MCDERMID/REUTERS

Donald Trump Jr. met with a Russian lawyer in June 2016 after being offered dirt about Democratic candidate Hillary Clinton.

Now, escalating his clash with the president, Mr. Cohen is willing to tell Mr. Mueller that he was present when the younger Mr. Trump informed his father about the meeting before it took place, the person familiar with the matter said. Mr. Cohen doesn't have any evidence, such as an audio recording, to back up his claim, the person said. CNN earlier reported Mr. Cohen's plan on Thursday.

Mr. Cohen is under investigation for bank fraud and possible campaign-finance violations by federal prosecutors in New York City, and federal investigators are probing his efforts to quash negative publicity for Mr. Trump during the 2016 campaign. Mr. Cohen has denied wrongdoing and hasn't been charged with any crimes.

In an interview late Thursday, Rudy Giuliani, the president's lawyer, accused Mr. Cohen of seeking to obtain a plea deal by offering testimony to Mr. Mueller.

It is unclear when Mr. Cohen expects to meet with Mr. Mueller. He testified last year before two congressional committees, both of which have released reports on election interference that made no mention of the president having prior knowledge of the Trump Tower meeting.

The Trump Tower meeting factors prominently in Mr. Mueller's investigation into whether Trump associates colluded with Russia in 2016. Mr. Trump has repeatedly denied collusion, and Moscow has denied election interference.

In addition to probing the meeting itself, Mr. Mueller is also examining statements issued by the younger Mr. Trump and the White House, with the president's approval, that were initially misleading about the purpose of the Veselnitskaya meeting, which was also attended by Jared Kushner, Mr. Trump's son-in-law, and Paul Manafort, his campaign chairman at the time.

Mr. Mueller is investigating whether the president and his aides sought to obstruct justice in releasing an initial statement that said the meeting focused only on adoptions.

Mr. Trump has denied obstruction.

—Peter Nicholas and Byron Tau contributed to this article.

J. SCOTT APPLEWHITE/ASSOCIATED PRESS

After final votes in the House, congressmen slipped off their jackets Thursday as they left the Capitol for summer recess.

Recess Is Colored by President's Effect

By Natalie Andrews

With roughly 100 days to go until the midterm elections, lawmakers headed home this week for August recess. Both Republicans and Democrats will be treading carefully in how they engage with voters on issues associated with President Trump.

Midterm elections are often seen as a referendum on the president. Mr. Trump is popular with GOP voters, but not with Democrats or independents, meaning lawmakers from both parties need to thread the needle in how they talk about the president on the campaign trail.

Democrats' talking points include the investigation into alleged collusion between Trump associates and Moscow in the 2016 U.S. election, as well as the president's relationship with Russia's President Vladimir Putin. However, both issues are expected to have a limited impact on votes, meaning Democrats will have to be careful not to focus on them too much.

To take the majority in the House, Democrats must win a net 23 seats. Numerous projections have the party winning at least that many races, but forecasters warn that Democrats are fighting in many districts that have long been held by GOP stalwarts such as Rep. Dana Rohrabacher, a 30-year incumbent in California, or 11-term Rep. Pete Sessions of Texas. Both men represent districts that Hillary Clinton won in 2016—but Democrats will need to convert independent and Republican voters this year.

While Mr. Trump may come up in conversation in those GOP-held districts, "what will most motivate people to go to the polls is the conviction that we'll help them meet their everyday needs to provide for their family and make sure their kids can enjoy the American dream," said California Rep. Adam Schiff, the top Democrat on the House Intelligence Committee, which has investigated Russian interference in the U.S. election.

Vulnerable Republicans, meanwhile, are walking a fine line between needing to show support for the president to satisfy the party faithful in their districts and opposing him in certain cases to win independent voters. A WSJ/NBC News poll released Sunday showed 88% of Republicans approve of the job Mr. Trump is doing as president—the highest since the inauguration—but his approval among independents is 40%.

"Republicans are facing a political conundrum," said Ken Spain, a former House GOP campaign aide. "The president's popularity among the GOP base is at historic levels, which makes it difficult for Republicans in Congress to stray from his agenda. At the same time, his slash-and-burn style of governing is costing them in the suburbs, where the battleground districts reside."

Though Republicans control all branches of government, a handful of lawmakers will spend their summer emphasizing that they have opposed the president—including Rep. Leonard Lance, a New Jersey Republican facing a tough race rated a tossup by the nonpartisan Cook Political Report.

"I did not vote for the tax bill, I did not vote for the health-care bill, I signed the discharge petition on the immigration issues, and I am a free trader—and I'll certainly be explaining my positions to the voters," Mr. Lance said.

—Kristina Peterson contributed to this article.

Lawyers May Seek Senators' Help at Former Aide's Trial

By Byron Tau

WASHINGTON—Members of the Senate Intelligence Committee have been notified they may be asked to testify as part of the criminal trial of a veteran Senate staffer accused of lying to the FBI while working for the panel.

Attorneys for James A. Wolfe sent letters to all 15 senators on the committee, notifying them that their testimony may be sought as part of Mr. Wolfe's defense, according to two people familiar with the matter.

Mr. Wolfe, who for nearly 30 years served as the director of security for the intelligence committee, was arrested last month and charged with lying to the FBI about his contacts with reporters while the bureau was conducting an investigation into leaks of classified information to journalists. Mr. Wolfe wasn't charged with leaking any information.

Mr. Wolfe's defense lawyers are considering calling the senators as part of the proceedings for a variety of reasons, including as potential character witnesses and to rebut some of the allegations made by the government in the criminal complaint, these people say.

If senators declined to appear voluntarily for either a deposition or at trial, they could be subpoenaed. That action that could spark a legal battle over a constitutional provision that gives lawmakers certain immunity and privilege for actions undertaken as part of their official duties, as well as over how much national security information can be disclosed in open court.

ALEX WONG/GETTY IMAGES

James Wolfe, ex-staffer for the Senate intelligence panel.

Testimony from sitting members of the intelligence panel could also give the public an inside look at the workings of one of the most secretive committees on Capitol Hill, which conducts nearly all of its activities overseeing the nation's spy services behind closed doors.

Representatives for the Republican chairman and Democratic vice chairman of the intelligence committee declined to comment.

Lawmakers are unlikely to be eager to testify in a trial that touches upon the inner workings of a key national security panel.

People familiar with the case are bracing for the possibly that lawmakers could try to invoke constitutional immunity to avoid testifying. The "speech or debate" clause of the constitution states that members are largely privileged from arrest while attending sessions of Congress and that "they shall not be questioned in any other place" about their legislative duties.

However, very little case law exists on the clause. David Schultz, who teaches law at the University of Minnesota, said he wouldn't expect a court to entirely excuse members of Congress from testifying in a criminal proceeding, even if it is related to their official duties.

"That would be a stretch of an argument. It's not inconceivable to try that argument," he said. "But I would see the court arguing here that whatever protection the speech or debate clause would afford to you, those protections would have to give way to the needs of investigating and prosecuting a criminal activity."

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Investors Cut Back on Highfliers

Continued from Page One

suffered a bigger loss of 2.5%.

Facebook and Twitter have different business models but each is dependent on grabbing—and keeping—people's attention and then showing ads to them. That imperative on occasion has led them to embrace content that is viral or provocative, and now they are trying to find a better balance that will keep users engaged without driving them away. For instance, both are scrambling to clean up their platforms, which were the epicenter of Russian misinformation campaigns around the 2016 U.S. presidential election.

Advertisers have flocked to the platforms in recent years but may pursue other options if user engagement falls in a meaningful way or if the sites get overrun with ugly content. Privacy concerns are also affecting the way users think about social media, particularly Facebook.

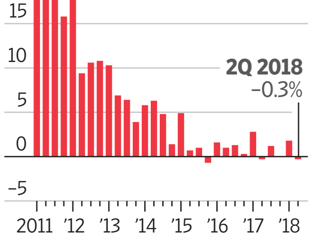
This week's results show social media "hitting the pause button" after years of embracing a growth-at-all-costs mentality, said Colin Sebastian, an analyst at Robert W. Baird & Co. The combination of Europe's new privacy law, which went into effect in May, and the investments that Facebook and Twitter are making in security are a short-term drag on growth.

Still, he said, "this is more likely a speed bump than a structural shift in the way people are consuming media online."

Ahead of their earnings reports, Facebook and Twitter shares had risen 23% and 79%, respectively, since the beginning of the year, so the dramatic slumps were at least in part about valuation. But the epic wipeout in shareholder value is forcing investors to rethink the dominance of the so-called FAANG group, which includes Facebook, Amazon.com Inc., Apple Inc., Netflix Inc. and Google parent Alphabet Inc.

Toxic Impact

Twitter's monthly active users, change from previous quarter



Source: the company

THE WALL STREET JOURNAL.

The stocks have been among the best performers in the S&P 500 this year, and some investors think of them as a unit rather than individual businesses with unique challenges.

Alphabet and Amazon, for example, both produced strong earnings in the second quarter, in line with what bullish investors have come to count on. The social-media slump, though, will serve as a warning sign for anyone with broad exposure to big tech giants.

"These really high growth rates can't go on forever," said Scott Wren, managing director and senior global equity strategist at Wells Fargo Investment Institute. "So people have to readjust for these lower growth rates by taking some money off the table."

In the new environment, analysts said, the social-media sites will be under more pressure to find fresh sources of growth beyond their core platforms and the U.S. market. Facebook's user growth is more robust in regions such as Asia, compared with the U.S., and further expansion internationally will be closely watched, several investors said.

They will also be scrutinizing the social-networking giant's progress of further monetizing newer features such as Instagram "Stories," which have become increasingly popular, said Dan Morgan, a senior portfolio manager with Synovus Trust Co.

Twitter said the second quarter was the first in which revenue from international ads exceeded that from ads in the U.S., a trend it expects to continue in the near term.

But few expect either Facebook or Twitter to deviate from the ad-based business model that has been their foundation, an idea that "would be like saying a chocolate company should seriously think about getting into the salad business," said Brian Wieser, senior research analyst at Pivotal Research.

Twitter attributed its drop in monthly users largely to its efforts at "improving the health of the public conversation" on the platform. It also cited Europe's tough new privacy law, as well as a move away from contracts in some markets where people receive tweets through texts. Combined, the three factors erased more than 3 million monthly users in the quarter.

Chief Executive Jack Dorsey told analysts Twitter is moving faster than expected to clean up the quality of conversation on the platform, and that the efforts will have a positive impact on building engagement.

Facebook likewise has been plowing money to better police activity on the platform, efforts that will ding margins. Until this week's surprise guidance, Facebook had shown few business effects from the negative headlines that have dogged it in recent months. And many analysts touted Thursday's massive drop as a buying opportunity, but that wasn't the consensus: Facebook shares fell slightly on Friday.

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Germany Impedes China's Tech Push

By Andrea Thomas

BERLIN—Germany fended off Chinese bids for two strategically important industrial assets this week, in an effort to prevent China from snapping up technological know-how seen as crucial to Western economic success.

The move, the first of its kind, signals concern in Berlin about Chinese investment in Germany and reflects a growing effort in the U.S. and Europe to throw up obstacles to Chinese acquisitions of cutting-edge technology.

The German government said Friday the state-owned bank KfW had acquired a 20% stake in German transmission system operator 50Hertz Transmission GmbH's holding company, which was targeted by State Grid Corp. of China.

"On national security grounds, the German government has a major interest in protecting critical energy infrastructure," the economics and finance ministries said.

It also emerged Thursday that the German government has banned the sale of a domestic company to a Chinese suitor on security grounds. An official for one of the ruling coalition parties said the sale of machine-tool company Leifeld Metal Spinning AG to a Chinese investor was blocked because it risked "public order and safety." Both the government and the company declined to comment.

The ban was possible because the German government adopted legislation in 2017 that made it easier to veto foreign acquisitions of 25% or more of strategically important companies if the investment puts public order or safety at risk.

—Bojan Pancevski contributed to this article.

Europeans Dispute Trade Claim

A day after President Trump hailed "a breakthrough agreement" on trade with Europe, European officials said the president and his aides are exaggerating the scope of their new pact.

*By **Jacob M. Schlesinger** in Washington and **Emre Peker** in Brussels*

EVAN VUCCI/ASSOCIATED PRESS

President Trump met with European Commission President Jean-Claude Juncker in the White House on Wednesday.

While Mr. Trump told an Iowa crowd Thursday that "we just opened up Europe for you farmers," officials in Brussels later said he did no such thing.

"On agriculture, I think we've been very clear on that—that agriculture is out of the scope of these discussions," Mina Andreeva, the European Commission spokeswoman, told reporters in Brussels on Friday. "We are not negotiating about agricultural products," added Ms. Andreeva, who was part of the European delegation visiting Washington this week.

The quick emergence of a gap between the two sides over just what they agreed to at a marathon White House session Wednesday highlights the vague nature of the pact and indicates the perils of rifts re-emerging as officials attempt to flesh out details in the coming weeks.

The agreement that Mr. Trump reached with European Commission President Jean-Claude Juncker amounts to a truce in a trade dispute that has been escalating since Mr. Trump imposed tariffs on steel and aluminum imports this year. Europe swiftly retaliated, and Mr. Trump then threatened even bigger import curbs on European cars.

The two leaders announced a broad agreement to launch negotiations aimed at cutting tariffs, subsidies, and non-tariff barriers affecting trans-Atlantic trade. The U.S. pledged to avoid imposing car tariffs as long as negotiations are ongoing, and both sides said they would try to find a way to lift the trade barriers they had imposed on each other in recent weeks.

Officials on both sides agree that two specific agricultural matters came up. The Europeans said they were already engaged—before Wednesday's handshake at the White House—with U.S. counterparts to boost high-quality beef imports from America as part of an effort to resolve a longstanding trade dispute. And they said they would seek to buy more U.S. soybeans, a politically sensitive sector for Mr. Trump, because China has cut imports of the crop in a separate trade tiff.

European officials say that beyond those two specific areas, they made quite clear during the White House meeting that they wouldn't include any broader discussion of agriculture in the pending talks.

President Trump says he 'opened up Europe' for farmers; Europeans disagree.

Agriculture is one of the most sensitive and difficult trade questions for Europe, especially for France, and the U.S. and Europe have fought for years over everything from European tariffs to U.S. use of hormones and genetically modified products.

They say that when Trump aides tried to broaden the talks from industrial products to agriculture, they threatened to demand the U.S. drop its "Buy American" provisions for government procurement, a nonstarter for the Trump administration.

The U.S. side "heavily insisted to insert the whole field of agricultural products," Mr. Juncker told reporters immediately after the meeting. "We refused that because I don't have a mandate and that's a very sensitive issue in Europe."

Indeed, the joint statement released by the two governments mentions only the shared goal of phasing out tariffs, subsidies and non-tariff barriers on "non-auto industrial goods." But it also says the agreement "will open markets for farmers and workers."

Mr. Trump and his aides interpret that differently than their European counterparts. "Our view is that we are negotiating about agriculture, period," U.S. Trade Representative Robert Lighthizer told a Senate committee Thursday.

Mr. Trump has strong political incentives for touting big trade gains for farmers. Farmers have been among the most vocal critics of his hardball trade policies, and been the main target of retaliatory measures from trading partners.

Agricultural trade between the U.S. and Europe totaled $32.5 billion last year, with Europe running a $9.4 billion surplus, according to U.S. government statistics.

Agriculture always has been a tricky subject in trans-Atlantic trade, with both the U.S. and the European Union seeking to protect and advance their industries.

It was one of the factors that stalled negotiations on a broad trade agreement launched by President Barack Obama, alongside public procurement and other issues.

—Valentina Pop contributed to this article.

YANNIS KOLESIDIS/EPA/SHUTTERSTOCK

A woman on Friday carrying flowers near where a 6-month-old baby died in the resort town of Mati.

Greece's Leader Shoulders Blame After Deadly Wildfires

By Nektaria Stamouli

ATHENS—Greece's Prime Minister Alexis Tsipras said he takes responsibility for the wildfires that killed at least 87 people, responding Friday to mounting anger over the government's handling of the disaster, one of the worst here in decades.

"I take full political responsibility for this tragedy in front of my cabinet and the Greek people," Mr. Tsipras told his ministers at a cabinet meeting. "I urge you to do the same no matter how difficult it is."

SIMELA PANTZARTZI/EPA/SHUTTERSTOCK

Prime Minister Alexis Tsipras

Mr. Tsipras's address was a change in direction from recent days, when authorities insisted they did everything they could to avert Monday's wildfires. The cabinet meeting came after growing criticism by opposition parties and locals in the affected areas that the government failed to apologize about the disaster.

Fires fanned by strong winds ripped through thousands of hectares of pine forest and resort towns packed with residents and tourists in the Attica region near the Greek capital. People in the village of Mati tried to escape in their cars or flee to the beach, without emergency warnings or guidance from authorities.

The death toll rose again Friday, as rescue crews kept searching scorched areas for bodies, and a search-and-rescue operation continued at sea for people who tried to escape on boats or by swimming.

Mr. Tsipras on Friday blamed the widespread building code violations, repeating authorities' statements that unregulated construction in areas overgrown with dry bush contributed to the high death toll.

"We realize today in the most painful way that we are ruling a country where distortions dominated for years; where entire towns were built arbitrarily on streams and beaches," Mr. Tsipras said. "We have to consider whether we did enough to change this."

Mr. Tsipras said that the government would go ahead with a national plan to tackle decades of building violations.

Greece's left-led government imposed austerity measures over the past three years. With the country set to emerge from an eight-year financial bailout next month, the government was hoping to turn the agenda in a positive direction.

"To me it's unthinkable that not a single person has resigned," said Dimitris Papanikolaou, Greece's former general secretary for civil protection, who resigned after a number of buildings were flooded in 2002, noting there weren't deaths in that event.

"The fire brigade is responsible for not paying enough attention when the fire started, the police is responsible for blocking the main highway and sending people back to the small alleys of Mati, the secretary of civil protection is responsible for the whole coordination," he said.

The leader of a junior coalition party, Independent Greeks' Panos Kammenos, was the only government official to visit Mati so far, with locals shouting at him, "You let us burn."

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In Syria's Bid for Aid, Refugees Are Pawns

Regime slows return of Syrians as it seeks to secure reconstruction funds from West

By Sune Engel Rasmussen And Nazih Osseiran

LORENZO TUGNOLI FOR THE WALL STREET JOURNAL (2)

Syrian refugees drink tea outside their tent in a settlement in the Lebanese city of Arsal. Samaher Bakor, below, waited two months to receive permission to return.

ARSAL, Lebanon—As the Assad regime moves to take control of Syria's last opposition strongholds, the government and its foreign backers are calling on millions of refugees who fled the bloody conflict to come home.

But obstacles the regime is throwing up to their return show that President Bashar al-Assad—mindful of the strain refugees are putting on neighboring countries—is willing to use the exiles as bargaining chips to secure foreign aid and sanctions relief, Western diplomats and analysts in Beirut say.

The Syrian government in recent months has postponed or declined without explanation hundreds of applications from refugees in Lebanon seeking to go back, according to several Western diplomats briefed on the matter.

Returnees need identification and family papers, which many left behind during their flight, and approval to travel in Syrian government convoys. Many men have been rejected, so their wives and children stayed back as well, the diplomats said.

As a result, the returns so far are little more than a trickle. Since early June, in Lebanon, where more than a million Syrians live, only about 1,400 of 3,000 Syrians who have applied to return have departed, including about 1,000 this week, according to the Lebanese intelligence agency.

More than five million Syrians have fled since the uprising began in 2011. Most settled in neighboring countries like Lebanon, Jordan and Turkey. The Assad regime officially says refugees should return to rebuild the war-ravaged nation.

"The Syrian government wants to use [the refugees] as a bargaining chip," said Maha Yahya, director of the Carnegie Middle East Center, an independent Beirut-based think tank. "It wants payment and is monetizing them. Not all of which would necessarily go towards reconstruction."

The Syrian government didn't respond to a request to comment. This month, a Syrian foreign-ministry official told state news agency SANA that the regime expects the international community to contribute toward resettling them.

Moscow this month invited the U.S. to cooperate on a plan to return refugees to Syria. The proposals, submitted after the Trump-Putin summit, included collaboration in funding "the restoration of Syria's infrastructure," according to Russia.

U.S. officials haven't commented on whether Washington would support the proposal. In a briefing Friday, Defense Secretary Jim Mattis said he was "considering" meeting with his Russian counterpart.

European countries insist that before they allocate aid through Damascus, or funds to rebuild Syria, a political transition process must be under way, although they haven't specified whether that would require Mr. Assad's ouster.

Still, the regime is looking to leverage the fact that neighboring and European countries are anxious to see the refugees return. Indeed, Lebanon—where Syrian refugees constitute 20% of the population—has prevented the vast majority of them from settling permanently in the country.

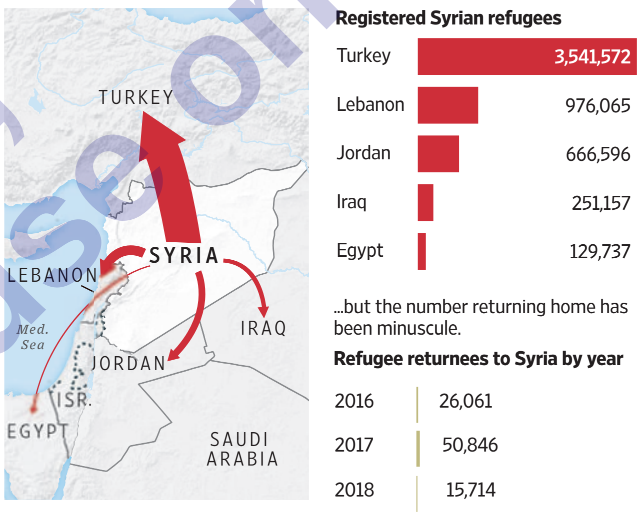
In Arsal, some 70,000 Syrians live in shabby tarpaulin tents and have few legal rights. Samaher Bakor and her husband fled Syria more than five years ago with their two small children. They applied for permission to return to Syria nearly two months ago and sat for days with their meager belongings packed in an old truck as they awaited word. On Monday, they departed for Syria.

"Of course, we are a little scared but my relatives say it's safe to come back," Ms. Bakor said before the family left. "In Syria, schools are free, hospitals are free. Here everything requires so much money."

The refugees who do return face an uncertain fate. Many fear retaliation for having fled the country. "The regime brands everyone who left Syria a terrorist," said Salem Mohammad Rahmoun, originally from Ras al-Ain in southwest Syria and now living in Arsal.

Outward Wave

The Syrian war has pushed millions into neighboring countries...



Sources: Turkish government, UNHCR (Turkey); UNHCR (all others)

AHMAD HASABALLAH/SOPA IMAGES/ZUMA PRESS

Palestinians taking part in weekly protests in Gaza on Friday.

Mediators Push Fatah, Hamas to Mend Fences

By Felicia Schwartz And Dov Lieber

TEL AVIV—International mediators are increasing pressure on dueling Palestinian factions to reconcile their differences, hoping the long-shot effort could help relieve dire conditions in Gaza and create a lasting cease-fire with Israel after weeks of violence.

Egypt rolled out plans to try to form a unity government between Fatah, which runs the West Bank via the Palestinian Authority, and Hamas, which controls the Gaza Strip. At the same time, the United Nations has engaged in a blitz of shuttle diplomacy, trying to build trust between two sides whose split over a decade ago has roiled efforts to forge a two-state peace with Israel.

Negotiations face big hurdles. The two sides mistrust each other and a series of reconciliation efforts have failed since Hamas seized complete control of the 25-mile-long seaside enclave of Gaza in 2007 after a bloody battle with Fatah.

Israel and Egypt have imposed a blockade on Gaza since then, and the Palestinian Authority contributed to the pressure by stopping payments to employees in Gaza and reducing payments for electricity supplied by Israel.

Hamas immediately agreed to Egypt's plan for Fatah and Hamas. Fatah is sending a delegation to Egypt next week to discuss it.

"We are hoping to reach a comprehensive agreement with timelines and dates," said Saeb Erekat, a senior Fatah official.

The peace attempts have taken on new urgency after flare-ups in violence between Hamas and Israel, which have fought three wars since 2008.

Web of Businesses Probed for Ties To Alleged Hezbollah Supporters

U.S. intelligence officials are probing a transcontinental network of real-estate, weapons and electronics firms for ties to two Lebanese men blacklisted for their alleged support of terrorist group Hezbollah, according to people familiar with the matter.

By Ian Talley in Washington, Nazih Osseiran in Beirut and Asa Fitch in Dubai

The U.S. Treasury probe comes as the Trump administration ramps up pressure against Iran and its proxies like Hezbollah.

Under scrutiny are individuals and companies tied to two men, Lebanese brothers Kamel Mohamed Amhaz and Issam Mohamed Amhaz, sanctioned in 2014 for using Stars Group Holding to purchase electronics for Hezbollah to develop military drones.

Washington-based nonprofit C4ADS documented the broader Amhaz-linked network in a report last month, mapping connections through corporate registries, real-estate records and other documents.

The report is being reviewed by Treasury officials and other national security officials, according to people familiar with the matter, raising the possibility of additional sanctions and other legal action against the network.

Previous reports by C4ADS, whose board and staff include several former U.S. national security officials, have been followed by U.S. action.

A Treasury official said the department "does not telegraph sanctions or prospective actions, and does not comment on investigations."

The C4ADS report zeroes in on Mohammad Al Barghouthy, of the United Arab Emirates; Ali Abu Adas, of Jordan; and three Lebanese men, Achraf Assem Safieddine, Hussein Fahd Rahal and Jihad Hussein El Anan. It said their collective real-estate assets are worth more than $100 million.

"There is compelling evidence the wider Amhaz network had the infrastructure to move substantial amounts of money, as well as market access to small electronics and arms procurement," said C4ADS.

"Individual partners are also connected to a potential Hezbollah operation, as well as corruption schemes in Liberia and money laundering activity in Lebanon and possibly the U.S.," the group said.

C4ADS noted its report doesn't definitively determine illicit activity, but shows "how sanctioned entities and individuals may be able to use corporate and real estate-related obfuscation to evade and adapt to sanctions."

According to documents reviewed by The Wall Street Journal, Messrs. Abu Adas and Barghouthy are founders and longtime owners of Amhaz companies sanctioned in 2014. Mr. Barghouthy was the majority shareholder of a sanctioned subsidiary of Stars Group, Dubai-based Unique Stars Mobile Phones LLC, until at least late 2017. Official Lebanese documents also list both men as founders and directors of Fast Link SAL, another sanctioned firm whose name was changed this year.

While the U.S. Treasury won't comment on the case, department officials say engaging with blacklisted entities is a violation of U.S. law that can incur sanctions and enforcement action.

Kamel Amhaz in 2008

In an interview, Mr. Abu Adas denied partnering with the Amhaz or Hezbollah. Responding to allegations in the C4ADS report, he provided copies of official Lebanese documents stating neither he nor Mr. Barghouthy were shareholders in two companies with names similar to the sanctioned firms. Another letter he provided from an accounting firm said another Dubai-based business Mr. Abu Adas owns had no shareholding in the sanctioned companies.

C4ADS said it didn't make any of the claims Mr. Abu Adas disputed with the documents.

An executive at Mr. Abu Adas's Dubai-based phone distributor, Fast Telecom, said Kamel Amhaz had been a customer when Mr. Amhaz had a company in Dubai several years ago and might have created false links between his Lebanese business and Fast Telecom to make his business appear more legitimate.

Repeated attempts to reach Messrs. Amhaz and Barghouthy were unsuccessful.

Records show the three Lebanese men C4ADS connected to the brothers—Messrs. Safieddine, Anan and Rahal—have been involved in firms founded or run by the blacklisted men, including an arms-importing company. Recent corporate records for Lebanese firm Liban Stars SAL, for example, list Messrs. Safieddine and Anan as primary owners alongside Kamel Amhaz.

In interviews, the three men said they had never sold arms to Hezbollah or supported the group.

"It's stupid to think that there is a company in Lebanon importing weapons and selling them to Hezbollah," said Mr. Safieddine, who co-founded two of the companies sanctioned in 2014, in an interview from Lebanon. "We did not do it," he said, adding that the partners closed the weapons firm in 2015.

Mr. Safieddine also owns U.S. real estate. He, along with a man named Bill Jamal—registered in state records as managing several companies linked to Mr. Safieddine—is associated with more than 30 U.S. property deals.

"He is a wonderful human being and he pays his taxes year after year," Mr. Jamal said of Mr. Safieddine.

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WORLD WATCH

MIGRANTS

Spain Is Top European Entry Point by Sea

Spain's mainland has for the first time surpassed Italy and Greece to become the main entry point for migrants arriving in Europe from Africa by sea.

Overall, the number of arrivals in Europe has fallen sharply in the past year. But the growing number of migrants flowing through Spain in particular shows that Africa's borders remains porous.

The heightened migration is a test for Spain's new center-left Prime Minister Pedro Sánchez, who has taken a more welcoming stance as other European leaders crack down in response to public concern over the arrival of hundreds of thousands of migrants to Europe's shores during the past several years.

—Jeannette Neumann

ISLAMIC STATE

Britain Breaks With U.S. Over Fighters

Britain has stopped cooperating with the U.S. in the case of two British Islamic State fighters pending an appeal, the government said Friday, after concerns that they could face the death penalty provoked a backlash.

The U.S. has designated the two men, Alexanda Kotey and El Shafee Elsheikh, as global terrorists and accuses them of being part of a cell that beheaded U.S. citizens. They are being held by Kurdish forces in Syria.

This week, the British government faced criticism for agreeing to share intelligence on the pair with the U.S. without seeking the customary assurances that they wouldn't face the death penalty. The pair have admitted membership of Islamic State but haven't said whether they were part of a cell that the State Department says beheaded 27 hostages.

The U.S. hasn't charged the men or commented on whether it would seek their extradition.

The State Department said Tuesday it was continuing to explore all diplomatic channels and declined to comment further.

—Will Horner

Pakistan Faces a Financial Test

BY SAEED SHAH AND BILL SPINDLE

PPI/ZUMA PRESS

Imran Khan, poised to become prime minister, will lead a government whose finances are crumbling; above, construction in Lahore.

Imran Khan is a newcomer to power in Pakistan, but his first challenge is a familiar one for the country: a crushing financial crunch that will likely require an international bailout and spending cutbacks.

After decades on Pakistan's political fringe, nearly complete results show that Mr. Khan's party took more than twice as many seats in parliament as its main competitor, whose highest profile leader is the now-jailed former Prime Minister Nawaz Sharif.

Mr. Sharif's Pakistan Muslim League-N party and several other parties have complained about election irregularities, though the election authorities say the polling was fair. On Friday, an election monitoring mission from the European Union said that the process was "not as good" as the last election in 2013, and that not all parties were competing on an equal playing field. However, it described polling day itself as "well conducted."

Mr. Khan will become prime minister within the next two weeks after taking in independent candidates and possibly minor coalition partners, his Tehreek-e-Insaf party said.

He will take control of a government whose finances are crumbling. Pakistan has taken on many debts in recent years to cover budget shortfalls and build critical infrastructure such as power plants and roads, and it faces rapidly rising interest payments.

Meanwhile, the country's foreign-exchange reserves have dwindled to critical lows, covering less than two months' worth of imports, as the central bank has tried to support an overvalued currency against rising fuel imports, falling exports and a flood of imported goods needed for construction projects.

While growth increased to nearly 6% under the last government, its highest level in 13 years, that has also created a fiscal deficit and current-account crisis. The reckoning will likely draw all of the new government's attention in the coming months, analysts said.

Mr. Khan's first major policy task will almost certainly be negotiating a bailout with the International Monetary Fund.

"Some sort of bailout is needed. Pakistan has been kept going on short-term Chinese credit," Asad Umar, a former corporate chief executive who is likely to become the new government's finance minister, told The Wall Street Journal just days ahead of Wednesday's election.

Mr. Khan is a sharp critic of the U.S., which supplies some economic aid to Pakistan but this year froze security assistance, accusing the country of inaction against militant groups on its soil. Islamabad insists there are no terrorist sanctuaries left.

Pakistan, meanwhile, has developed close relations with China, and it has bridged the economic emergency partly with short-term Chinese commercial loans in recent months, on top of the tens of billions of dollars it has borrowed from China for long-term projects. In the past, the Arab Gulf states have helped Pakistan in a pinch. And some Pakistani officials have suggested that there could be a Chinese bailout.

But the IMF is the most likely source of funding of the size Pakistan needs as rapidly as it needs it.

Mr. Khan comes in with an ambitious domestic agenda of fixing public services such as education and creating 10 million jobs, which all require economic growth and rising spending. But a bailout could force a slowdown in order to reduce imports, and deep cuts in government spending. One painful measure has already been taken for the new government, however: a 20% devaluation of the rupee since December, making exports more competitive.

Crunching Numbers

Pakistan's economy has been growing steadily in recent years...

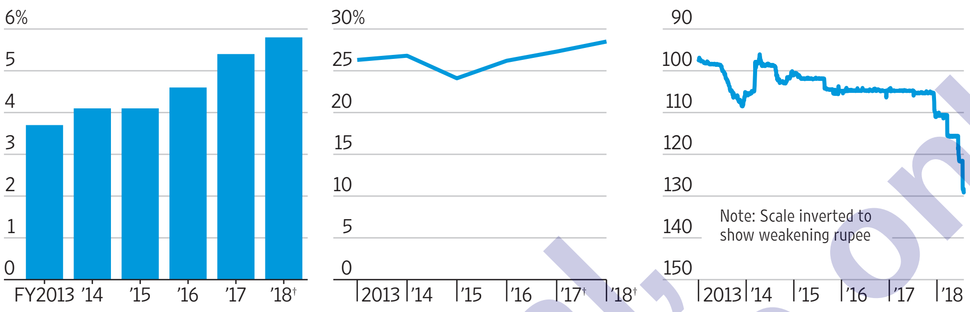
Gross domestic product, change from previous year*

...but the government has piled on debt to cover budget shortfalls and fund infrastructure.

External debt as a percentage of GDP

To address a current account crisis, the authorities recently allowed the rupee to devalue.

How many Pakistani rupees one dollar buys



Note: Fiscal year ends June 30 *Constant prices †Preliminary

Sources: Pakistan Bureau of Statistics (GDP); International Monetary Fund (debt); Tullett Prebon Information (rupees)

THE WALL STREET JOURNAL.

FROM PAGE ONE

CBS Probes Misconduct Allegations

Continued from Page One

women uncomfortable by making advances. Those were mistakes, and I regret them immensely. But I always understood and respected—and abided by the principle—that 'no' means 'no,' and I have never misused my position to harm or hinder anyone's career."

In a statement Friday night, Ms. Douglas said "real change will occur when I can walk through the front doors of CBS and resume the creative and working relationship that was so tragically cut short in 1997."

A group of CBS directors said that after the investigation concludes, the board will "promptly review the findings and take appropriate action."

The investigation comes at a sensitive time for CBS, which is engaged in a legal battle with **National Amusements** Inc., a holding company that has nearly 80% voting stakes in CBS and Viacom Inc.

National Amusements President Shari Redstone has pushed to merge them despite resistance from Mr. Moonves and his management team.

CBS said in a statement that the "timing of this report comes in the midst of the Company's very public legal dispute."

A spokeswoman for Ms. Redstone, who is vice chairman of CBS, said in a statement that "the malicious insinuation that Ms. Redstone is somehow behind the allegations of inappropriate personal behavior by Mr. Moonves in today's reports is false and self-serving. Ms. Redstone hopes that the investigation of these allegations is thorough, open and transparent."

> The probe comes as CBS is engaged in a legal battle with National Amusements.

CBS directors earlier this year moved to issue a dividend that would reduce National Amusements' voting power to under 20%, but National Amusements took steps to block the measure by changing the company's bylaws to require approval of a supermajority of directors in such situations. The fight is playing out in a Delaware court and is expected to go to trial this fall.

Rumors that Mr. Moonves was about to become the latest media figure felled by allegations of sexual misconduct began circulating last winter. Ms. Redstone began raising the issue of the rumors with CBS board members in December, but received no indication that any action was taken, according to people familiar with the matter. "That speaks to whether the board was providing proper oversight," said one person familiar with her thinking, echoing charges that she has made in legal filings in the court battle with CBS.

CBS's board is looking to hire a law firm to conduct the probe, another person familiar with the situation said.

Friday's New Yorker story, which was written by Ronan Farrow, also accuses CBS News executive Jeff Fager of inappropriate behavior and of turning a blind eye toward accusations of harassment within the division. Mr. Fager oversees the news magazine "60 Minutes" and was a former chairman of CBS News.

Specifically, the New Yorker said Mr. Fager had a reputation for "getting really handsy," according to one former "60 Minutes" producer quoted in the story. The story also said Mr. Fager protected other men who had been accused of misconduct.

Mr. Fager denied the allegations to the New Yorker. Asked for comment, CBS News referred to Mr. Fager's denials in the story.

CBS on Friday said it previously retained attorney Betsy Plevan of Proskauer Rose LLP to conduct an independent investigation of alleged misconduct at CBS News. It said the probe was continuing and included investigating allegations in the New Yorker story.

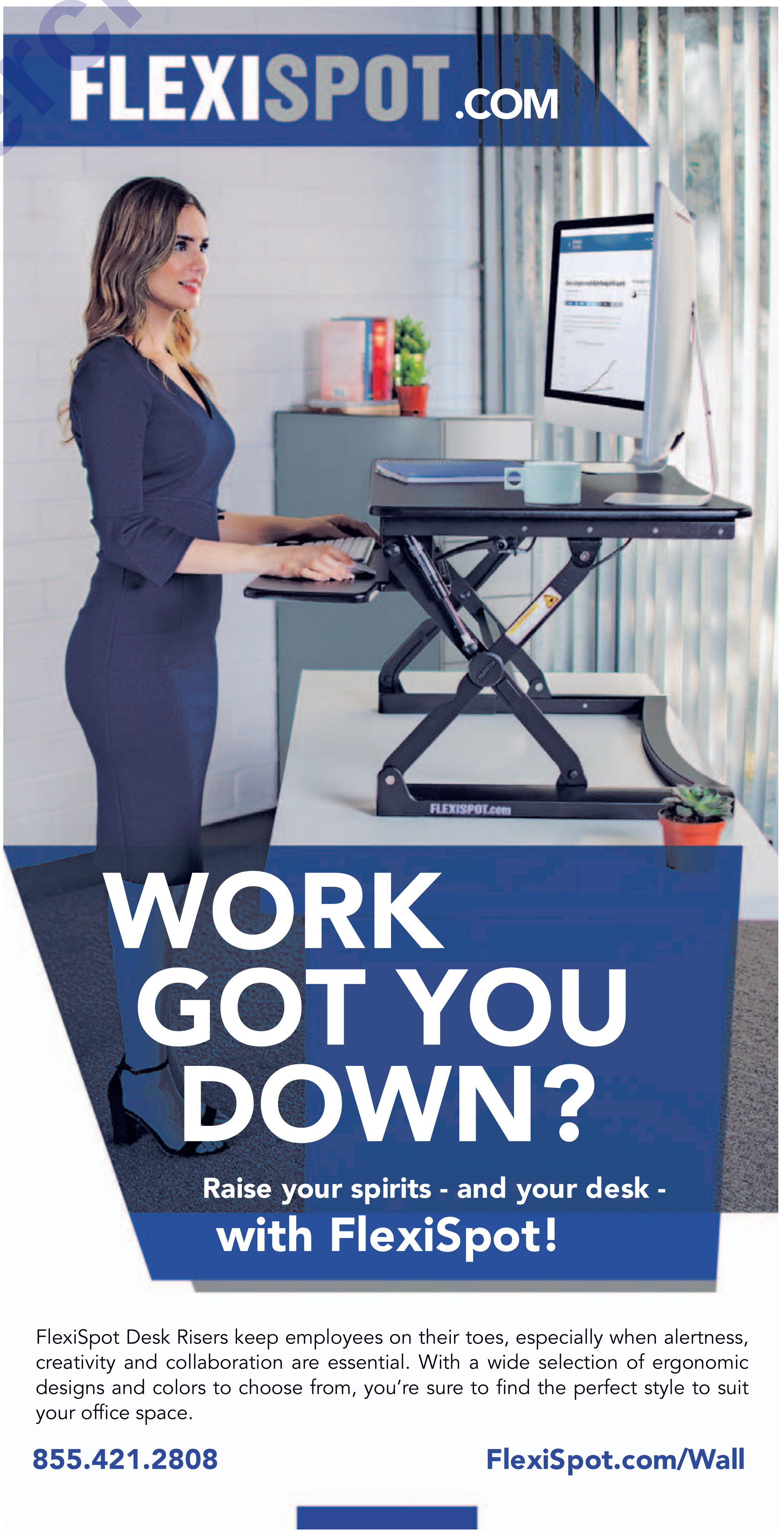
Christine Peters, a producer who described to the New Yorker a meeting in which Mr. Moonves put his hand up her skirt, said she decided to come forward to help other professional women. CBS told the New Yorker that Mr. Moonves denies any inappropriate touching or conduct during the meeting.

"I wanted to say, look, it's not only just actresses. It's women in the corporate world that have to deal with this," Ms. Peters said in an interview.

—Keach Hagey contributed to this article.

DREW ANGERER/GETTY IMAGES

CBS CEO Leslie Moonves in Sun Valley, Idaho, earlier this month



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OBITUARIES

ROBERT TRAURIG
1925 — 2018

Mastery of Zoning Paved Miami Lawyer's Way

After Robert Traurig opened a one-man law firm in Miami in 1954, his first few cases happened to involve real estate. So he made that his specialty. He eventually became known as the most effective zoning lawyer in his booming city.

He proved so good at winning exceptions to zoning rules for property developers that a local newspaper said his middle initial "might as well be V, for variance." Another local publication described him as "a howitzer for hire on a legal battlefield filled with BB guns."

He spoke modestly about his talents and ascribed his success to an ability to work out deals to mollify opponents of high rises and other projects. He was generous with charities and political contributions. "I've been in the business of making friends all my life," he told New Miami magazine in 1991.

In 1967, he and two other lawyers formed the law firm now known as Greenberg Traurig, ranked by American Lawyer as the 14th largest in the U.S. in terms of 2017 revenue. Among big names who have worked for the firm are Rudy Giuliani and Reubin Askew, a former Florida governor.

Mr. Traurig died July 17 in Miami. He was 93 and had Parkinson's disease.

He is survived by his wife of 65 years, Jackie, two daughters, three grandchildren and three great-grandchildren.

—James R. Hagerty

JOSEF KATES
1921 — 2018

Refugee Crunched Data To Unsnarl Traffic Jams

When he demonstrated a computer tic-tac-toe game called Bertie the Brain in 1950, Josef Kates thought he was on the verge of making a fortune.

The game, introduced at the Canadian National Exhibition, featured streamlined vacuum tubes invented by the Austrian-born Dr. Kates, who came to Canada in the 1940s as a refugee from Nazism. He hoped the tubes would revolutionize computing.

His timing was off. The rise of semiconductors was about to render vacuum tubes obsolete as computer components. "I got the patent, but the patent was useless," he said in an oral history. "OK, so on goes the world."

The inventor, who had a doctorate in physics, recast himself as a consultant, solver of traffic problems and adviser to companies and government agencies on how to harness the power of computers. He developed a pioneering system of computer-controlled traffic signals to improve the flow of cars and trucks through Toronto and other cities. He also found ways to eliminate barge bottlenecks in the St. Lawrence Seaway.

In 1967, he sold his consulting business to the accounting firm Peat Marwick. He later was chairman of the Science Council of Canada, a governmental advisory board.

Dr. Kates died June 16 in Toronto. He was 97.

—James R. Hagerty

SERGIO MARCHIONNE
1952 — 2018

No Detail Was Too Small For Legendary Auto CEO

By Chester Dawson
And James R. Hagerty

One day near the end of 2010, Sergio Marchionne received a message on one of his six smartphones: A colleague updated him on efforts to fix a door-latch defect on a new version of the Dodge Charger.

"I am getting updates every couple of hours on the bloody door handle," he told a Wall Street Journal reporter.

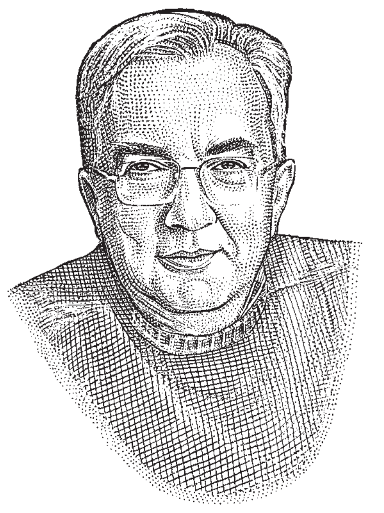
Was this a wise use of time for a sleep-deprived CEO responsible for running struggling auto makers Fiat and Chrysler on two continents? Mr. Marchionne thought so.

"I would suspect that some of the issues that we're dealing with now and cause me apoplexy would have probably been swept under the carpet 10 years ago," he said, but "if you really want to run the business, you need to get involved in this level."

Mr. Marchionne's strategy for reviving and melding Fiat and Chrysler was partly a matter of zeroing in on details. The Italian-born CEO of Fiat Chrysler Automobiles NV also stood out in the auto industry as a destroyer of bureaucracy and a shrewd negotiator. He combined European design flair with North American focus on shareholder returns.

Mr. Marchionne died Wednesday at age 66. His health had deteriorated rapidly after a recent surgery following what his hospital described as a "serious illness" lasting more than a year but not publicly known prior to his death.

When Mr. Marchionne was named chief executive of Fiat in 2004, he held nonstop meetings at his office in Turin, often with Bach playing in the background. In brief individual sessions, he decided which executives had the self-confidence and speed he felt were required to salvage the company. He quickly cleared out hundreds who



didn't make the grade.

After the U.S. government bailed out Chrysler in late 2008, Mr. Marchionne negotiated a deal that gave Fiat control of the U.S. auto maker in exchange for technology from the Italian firm but no cash.

He revived profitability at Chrysler by jettisoning most sedans in the U.S. market and doubling down on SUVs and pickup trucks. At Fiat, he avoided a union confrontation by cutting wages instead of closing factories, and scored a major success with a small, sporty sedan called the Grande Punto.

He was born June 17, 1952, in Chieti on Italy's Adriatic coast. His father, a policeman, moved the family to Toronto when Sergio was 14. The younger Mr. Marchionne studied philosophy and business before earning a law degree from York University in Toronto. He worked for the accounting and consulting firm of Deloitte & Touche and then won senior executive jobs at several industrial companies based in Switzerland.

His performance at SGS Group, an inspection and product-testing company, impressed members of Fiat's founding family, the Agnellis, who made him CEO of the Italian car maker in 2004 despite his lack of auto industry experience.

On matters large and small, Mr. Marchionne trusted his instincts. In 2009, during an interview to discuss how he would save Chrysler, the CEO noticed a reporter's square-toed shoes and told him he needed a fashion update. Designers and engineers waited for his blessing on headlamps and car-body curvatures.

His frequent travels meant colleagues couldn't always get a quick answer or a one-on-one meeting. In August 2009, while he was unavailable, Chrysler's sales chief made plans for discounts. When Mr. Marchionne returned, he was furious about the plan and berated the sales chief during a meeting. The sales executive soon left the company.

He frequently called in Chrysler executives for Saturday and Sunday meetings, sometimes lasting from early morning to evening. "If he has a defect, it is one of managing by stress," Giuseppe Volpato, an Italian professor who wrote a book on Fiat, told the Associated Press in 2009. "Not everyone can sustain these rhythms for two to three years."

Even so, he defied many skeptics simply by keeping the companies alive. Ron Bloom, who was an industry adviser in the Obama administration, remembered Mr. Marchionne as an extremely aggressive negotiator with a moral compass who needed frequent outdoor cigarette breaks during talks on saving Chrysler in 2009. "I think there's no doubt that without his involvement, there wouldn't be a Chrysler," Mr. Bloom said.

Mr. Marchionne's survivors include two sons.

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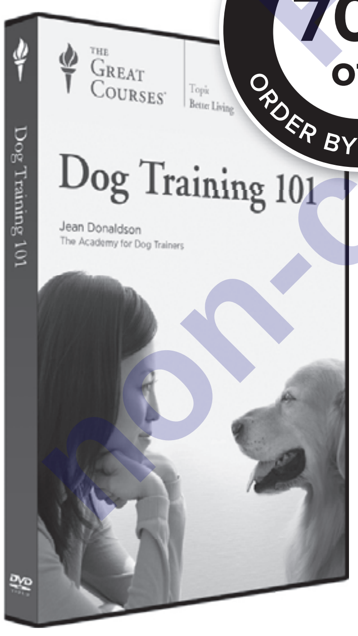

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The Party's Over for Bridezillas

Continued from Page One

lows bachelorette parties but has set new rules forbidding "veils, tiaras, crowns, balloons, inflatable objects or any other paraphernalia."

Men's prenuptial parties, too, can get out of hand, says Kyle Samples, sales manager at LaZoom Tours in Asheville, N.C. It forbids bachelor and bachelorette parties alike from its comedy tours, steering them instead to its "Band and Beer Tour."

Compared with the male variation, though, "it's much easier to spot a bachelorette party," because there tend to be veils, sashes and matching shirts, says Robbie Goldsmith, chief executive of Bach Weekend, which organizes pre-wedding festivities for men and women in Nashville and New Orleans. Bachelorette parties tend to be larger than stags, says Lauren Kay, deputy editor of The Knot, a wedding-information website. And, she says, many women visit "more refined" places where families and couples go.

One such place is Mackinaw Valley Vineyard and Winery in central Illinois. Bachelorette parties mingle there with the after-church crowd, says Diane Hahn, an owner of the vineyard.

One day, a bachelorette sported an inflatable hat with a 2-foot-high model of male genitalia. "Deflate that thing," Ms. Hahn says she ordered. The woman complied. The vineyard now warns bachelorettes it won't tolerate the "display of adult gag gifts."

Former bachelorette Rebecca Neal, 28, says she "was super surprised" at the antiparty when trying to book tickets for a March party with sightseeing company NashTrash Tours in Nashville, a popular bachelorette-party destination.

"NO bachelorette parties," NashTrash's website says. "And please don't promise us your group is different from all the rest." It adds: "If your group behaves like a bachelorette party, you will be charged a $20-per-head penalty fee."

Ms. Neal, who lives in Sherman, Texas, and works for a health insurer, had gotten a "Gettin' Hitched" sash and a headband with an attached "big veil that stuck up." Her friends ordered "Bride Tribe" T-shirts.

She says her crew behaved and found other Nashville businesses that "didn't give off that negative no-bachelorette thing," including a carriage-ride operator that let them loudly sing Spice Girls songs.

NashTrash tour guide Sheri Lynn Nichols says bachelorette-party participants often behaved badly. "I was constantly telling the bachelorette parties to be quiet," she says. "Shut the hell up is more like it."

A retiree in San Francisco, Barbara Backer says Nashville, Savannah, Ga., and Charleston, S.C., were "absolutely crazy" with bachelorettes on her recent trip. "There would be these 'woo hoos!' "

A hotel bans 'veils, tiaras, crowns, balloons, inflatable objects.'

Country-music producer and songwriter Trey Bruce says he was at a Nashville intersection when a John Deere tractor rolled by pulling a flatbed trailer "full of drunk girls singing and dancing and holding beers over their heads in traffic."

He texted pictures to his mother, Patsy Bruce, co-writer of the famous country song "Mamas Don't Let Your Babies Grow Up to Be Cowboys."

That led the pair last year to launch SongBird Tours, which explicitly warns "bachelorette parties and large groups" that SongBird is "not a party bus."

Ms. Bruce says she doesn't fault bachelorettes for cutting loose. "Men have been doing this, hiring strippers, for years."

Partyers find ways to defy bans, including the women this month at Wölffer who "snuck in a veil," says Ms. Tunney, the vineyard's retail-sales director. They "ran into the vineyard" and posted photos on Instagram. The postings, she says, clash with Wölffer's sophisticated ambience.

Bachelorettes whom Wölffer rejected saw the photos and gave the winery bad reviews. "It appears we're two-faced," Ms. Tunney says. "It's really, really a problem."

Stacy Favicchio, 34, who posted the photos, says her group didn't realize it was doing anything wrong. "Everyone takes themselves so seriously. Come on. Chill out."

Danielle Cantwell, 35, of Scottsdale, Ariz., says a Nashville vacation-rental host rebuffed her after she disclosed in her application that her group's June trip was her sister's bachelorette party. "I just made sure not to mention it on the next one," says Ms. Cantwell, a home-staging consultant.

Plenty of businesses still woo bachelorettes. A number of Nashville tours and "pedal taverns"—roving leg-powered bar structures that let as many as 16 people bike together between pubs—cater to bachelorettes.

And there's always Vegas. The Las Vegas Convention and Visitors Authority describes the city as "bachelorette bliss."

The city is maintaining its "longstanding promise of adult freedom," a spokeswoman says.

Chaos of Reuniting Families

Continued from Page One

unification, said at a court hearing that the system was being created anew. "We are building a novel logistical process," he said.

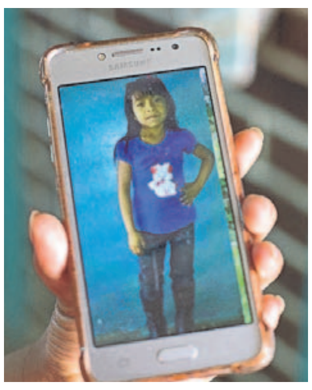
The chaos surrounding the mammoth reunification task, which had little precedent and no single playbook, shows what happens on the ground when an administration makes or reverses policy on the fly. Immigration lawyers and social workers who have long interacted with the government said they have rarely before seen such disorder among federal agencies.

The U.S. government has struggled for years to deal with the influx of whole families seeking asylum, rather than the adult men and women who traditionally came for work. Under the Obama administration, a federal judge limited efforts to detain parents along with their children when their cases were being considered. Since then, parents who arrive with children have been allowed to leave detention and melt into the general population, sometimes for years.

In this case, the Trump administration wanted to use family separation as a blunt deterrent to would-be border crossers.

MOISES CASTILLO/ASSOCIATED PRESS(2); MIKE BLAKE/REUTERS

Paulina Gutierrez Alonzo was deported back to Guatemala without her daughter, below; immigrant children in a Texas encampment.



Sleepless night

Now, four weeks after the San Diego judge's order, the government has succeeded in bringing nearly 1,900 children back together again with their parents, saying it met the court-imposed deadline. Yet more than 700 children are still separated, and the reunions haven't gone smoothly. A 12-year-old Honduran girl spent a sleepless night in a parked car outside a South Texas immigration jail waiting for her mother's release. Another Honduran mother was reunited with the wrong 10-year-old girl.

Homeland Security and Health and Human Services officials have defended their handling of the process, saying that relying on the existing system for unaccompanied minors ensures that no child is placed with someone who isn't their parent or who isn't otherwise suitable to take care of them.

"Each step of our process is necessary to protect children," Chris Meekins, a top Health and Human Services official, told reporters two weeks ago.

American Civil Liberties Union lawyers said in a court filing Wednesday some parents who the government says agreed to be deported without their children were misled and didn't understand the paperwork they were signing. The filing included multiple parents who said they didn't intend to leave their children in the U.S. and believed that signing the document was the only way to get their kids back. In some cases, according to the filing, the parents are illiterate or speak an indigenous language and don't understand Spanish.

"There has been a lack of communication, a lack of care. This has clearly not been thought through sufficiently," said Sister Donna Markham, head of Catholic Charities USA, a national network helping the government to care for families after reunification.

The Obama administration considered family separation based in part on a recommendation from U.S. Immigration and Customs Enforcement during a 2014 surge in migrant families. The administration opted not to implement the policy. Instead, it opened a small number of family detention centers, before a federal judge ruled children couldn't be kept there longer than 20 days.

Agents reverted to past procedure, usually detaining the adult men while allowing women and children to remain together under a form of supervised release, according to immigrant advocates.

Early in the Trump administration, ICE officials made the same recommendation to then-Homeland Security Secretary John Kelly, according to a person familiar with the matter. By last summer, federal immigration officials had started quietly testing the idea under a pilot program that received little national attention.

In March, Customs and Border Protection officials met with nonprofit groups to tell them about a new feature they were implementing: a family tracking number that would help keep tabs of members of the same family in their electronic system.

Advocates welcomed the move, which they hoped would help ensure separated family members wouldn't get lost in the bureaucracy. "I told everybody in our offices around the country," said Jennifer Podkul, policy director for Kids in Need of Defense, which works to represent children in immigration courts.

They soon figured out that the family tracking number didn't translate beyond the Customs and Border Protection system. In practice, the numbers were useless once a child or parent left the agency's custody.

In April, the heads of CBP, ICE, and U.S. Citizenship and Immigration Services sent a memo to Homeland Security Secretary Kirstjen Nielsen suggesting that all adults caught crossing the border should be referred for criminal prosecution, including parents traveling with their children.

Deterrent effect

Officials cited the pilot program, saying it was a successful deterrent to illegal border crossers in that area.

By the time Attorney General Jeff Sessions went to San Diego in May to announce the government's intention to criminally prosecute most every adult who crossed the border illegally, including parents, there were already 700 children who had been separated.

As the prosecutions stepped up, so did the separations. After families were arrested, they were held together in a border patrol processing center. When the adults were taken to court to face misdemeanor charges, the children were deemed "unaccompanied minors" in their absence, falling into the care of HHS's Office of Refugee Resettlement.

The agency's Unaccompanied Alien Children program was caring for nearly 11,800 children, about 80% of whom had crossed the border on their own. This was the program the government expected would care for separated children, an administration official familiar the planning said.

Under that program, the government sends unaccompanied children to any of the 100 shelters around the country in 17 states. Then case workers begin the process of locating an in-country sponsor—typically a parent or other relative already in the U.S. That process takes about two months and can involve DNA testing to verify the legitimacy of adult sponsors. During that time the children usually stay in a shelter.

"The reunification plan would be as it always has been," Matt Albence, a senior Immigration and Customs Enforcement official, said Thursday.

The ORR process, however, had been "built to reunify children singly, not in bulk," Mr. White told District Judge Dana Sabraw during a hearing in San Diego earlier this month. He said simply identifying children and their parents was a complicated task. Children fell under the care of ORR. Parents were detained by ICE. Customs and Border Protection was responsible for the separation.

Mr. White said the government had to assemble a data team with representatives from the three different agencies, along with a handful of HHS data experts. Meanwhile, officials from his office manually went through each child's file by hand to determine if there were any red flags before deciding if a family could be reunited. Mr. White said the file would include details about a child's life in their home country, whom they traveled with and additional details about their family structure.

The department initially relied on detailed procedures that barred the agency from allowing parents in jail, either on immigration or criminal charges, from sponsoring their own children for reunification.

On July 12, the Office of Refugee Resettlement told the shelters on a phone call it intended to "meet or exceed the court deadline," according to people who were on the call or briefed on it. The office laid out a truncated process that waived the exhaustive protocols it had been using.

The next day, an HHS official told the court the agency would speed up reunifications by streamlining the process but warned that children could be endangered, possibly being placed with adults who weren't their parents.

Advocates had been relying heavily on the government's online inmate locator to keep track of clients, said Christie Turner, deputy director of legal services at the legal group KIND. The system hasn't always been reliable, she said, and it has become even worse as ICE struggles to update data quickly enough.

"It's very hard for us to get information about what is happening to some children or adults we're working with," Ms. Turner said. "Some people have disappeared from the system."

Wrong child

Houston lawyer Pierre Grosdidier represents a Honduran mother who was initially reunited at a jail in South Texas with a child who wasn't hers. His client and her child, whom he declined to identify, were reunited hours later that day.

A spokesman for the Department of Health and Human Services, which oversees the care of separated children, referred questions on this case to the Department of Homeland Security. ICE said it "has no evidence that this alleged incident occurred" and can't investigate it without specific information.

Outside the Port Isabel Detention Center in South Texas, a 12-year-old Honduran girl nestled into the back seat of a car with three other children last Monday.

For the next 13 hours, she sat upright, unable to sleep, squeezing a stuffed bunny to help pass the time, her mother said, relaying what she said her daughter told her.

The mother said she was pulled out of her room on Monday afternoon, told she was being released. She ended up spending the night in a processing cell where she said it became clear her papers weren't ready.

When the mother was released the next morning, meeting her daughter at a nearby shack, she said her daughter asked her: "Why didn't you come out to me?"

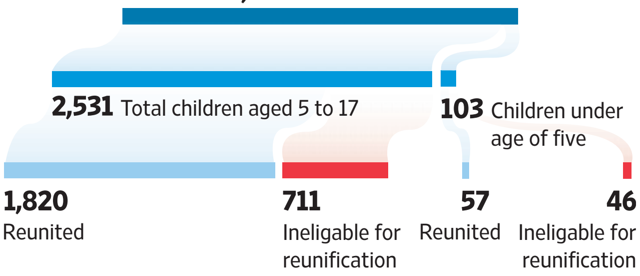
In a written statement, ICE blamed processing delays for the mix-up. The agency said it has since improved the processing capacity at the jail and most children are reunited with their parents within hours of arriving.

"The safety and well-being of children remains our top priority as we work to comply with the court's order as expeditiously as possible," the agency said.

—Arian Campo-Flores contributed to this article.

Reuniting Families, by the Numbers

The Department of Health and Human Services identified 2,634 minors who were separated from their families at the border. Some crossed illegally, others arrived at ports of entry and most are seeking asylum.



Select reasons children were ineligable for reunification

	Children
Adult outside the U.S.	431
Adult red flag from background check	120
Adult location unconfirmed	94
Adult red flag from other case file review	46

Source: Department of Health and Human Services

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OPINION

THE WEEKEND INTERVIEW with Devin Nunes | By Kimberley A. Strassel

Washington's Public Enemy No. 1

Tulare, Calif.

It's 105 degrees as I stand with Rep. Devin Nunes on his family's dairy farm. Mr. Nunes has been feeling even more heat in Washington, where as chairman of the House Select Committee on Intelligence he has labored to unearth the truth about the Federal Bureau of Investigation's activities during and after the 2016 presidential campaign. Thanks in large part to his work, we now know that the FBI used informants against Donald Trump's campaign, that it obtained surveillance warrants based on opposition research conducted for Hillary Clinton's campaign, and that after the election Obama administration officials "unmasked" and monitored the incoming team.

Mr. Nunes's efforts have provoked extraordinary partisan and institutional fury in Washington—across the aisle, in the FBI and other law-enforcement and intelligence agencies, in the media. "On any given day there are dozens of attacks, each one wilder in its claims," he says. Why does he keep at it? "First of all, because it's my job. This is a basic congressional investigation, and we follow the facts," he says. The "bigger picture," he adds, is that "a lot of the bad and problematic countries" that Intelligence Committee members investigate, "this is what they do *there.* There is a political party that controls the intelligence agencies, controls the media, all to ensure that party stays in power. If we get to that here, we no longer have a functioning republic. We can't let that happen."

What did the FBI do in the 2016 campaign? The head of the House inquiry on what he has found—and questions still unanswered.

Mr. Nunes, 44, was elected to Congress in 2002 from Central California. He joined the Intelligence Committee in 2011 and delved into the statutes, standards and norms that underpin U.S. spying. That taught him to look for "red flags," information or events that don't feel right and indicate a deeper problem. He noticed some soon after the 2016 election.

The first: Immediately after joining the Trump transition team, Mr. Nunes faced an onslaught of left-wing claims that *he* might be in cahoots with Vladimir Putin. It started on social media, though within months outlets such as MSNBC were openly asking if he was a "Russian agent." "I've been a Russia hawk going way back," he says. "I was the one who only six months earlier had called the Obama administration's failure to understand Putin's plans and intentions the largest intelligence failure since 9/11. So these attacks, surreal—big red flag."

Mr. Nunes would later come to believe the accusations marked the beginning of a deliberate campaign by Obama officials and the intelligence community to discredit him and sideline him from any oversight effort. "This was November. We, Republicans, still didn't know about the FBI's Trump investigation. But *they* did," he says. "There was concern I'd figure it out, so they had to get rid of me."

A second red flag: the sudden rush by a small group of Obama officials to produce a new intelligence assessment two weeks before President Trump's inauguration, claiming the Russians had acted in 2016 specifically to elect Mr. Trump. "Nobody disagrees the Russians were trying to muddy up Hillary Clinton. Because everyone on the planet believed—including the Russians—she was going to win," Mr. Nunes says. So it "made no sense" that the Obama administration was "working so hard to make the flip argument—to say 'Oh, no, no: This was all about electing Trump.' " The effort began to make more sense once that rushed intelligence assessment grew into a central premise behind the theory that Mr. Trump's campaign had colluded with the Russians.

January 2017 also brought then-FBI Director James Comey's acknowledgment to Congress—the public found out later—that the bureau had been conducting a counterintelligence investigation into the Trump campaign since the previous summer, and that Mr. Comey had actively concealed the probe from Congress. Months earlier, when Mr. Nunes had seen media stories alluding to a Trump investigation, he'd dismissed them. "We're supposed to get briefed," he says. "Plus, I was thinking: 'Comey, FBI, they're good people and would never do this in an election. Nah.' "

When the facts came out, Mr. Nunes was stunned by the form the investigation took. For years he had been central in updating the laws governing surveillance, metadata collection and so forth. "I would never have *conceived* of FBI using our counterintelligence capabilities to target a political campaign. If it had crossed any of our minds, I can guarantee we'd have specifically written, 'Don't do that,' " when crafting legislation, he says. "Counterintelligence is looking at people trying to steal our nation's secrets or working with terrorists. This if anything would be a criminal matter."

Then there was the Christopher Steele dossier, prepared for Mrs. Clinton's campaign by the opposition-research firm Fusion GPS. Top congressional Republicans got a January 2017 briefing about the document, which Mr. Comey later described as "salacious and unverified." Mr. Nunes remembers Mr. Comey making one other claim. "He said Republicans paid for it. Not true." Mr. Nunes recalls. "If they had informed us Hillary Clinton and Democrats paid for that dossier, I can guarantee you that Mitch McConnell and Paul Ryan would have laughed and walked out of that meeting." The Washington Free Beacon, a conservative website

funded by hedge-fund manager Paul Singer, had earlier hired Fusion GPS to do research on Mr. Trump, but the Beacon's editors have said that assignment did not overlap with the dossier.

All these red flags were more than enough to justify a congressional investigation, yet Mr. Nunes says his sleuthing triggered a new effort to prevent one. He had been troubled in January 2017 when newspapers published leaked conversations between Mike Flynn, Mr. Trump's first national security adviser, and the Russian ambassador. The leak, Mr. Nunes says, involved "very technical collection, nearly the exact readouts." It violated strict statutory rules against "unmasking"—revealing the identities of Americans who are picked up talking to foreigners who are under U.S. intelligence surveillance.

Around the time of the Flynn leak, Mr. Nunes received tips that far more unmasking had taken place. His sources gave him specific document numbers to prove it. Viewing them required Mr. Nunes to travel in March to a secure reading room on White House grounds, a visit his critics would then spin into a false claim that he was secretly working with Mr. Trump's inner circle. They also asserted that his unmasking revelations amounted to an unlawful disclosure of classified information.

That prompted a House Ethics Committee investigation. In April 2017, Mr. Nunes stepped aside temporarily from the Russia-collusion piece of his inquiry, conveniently for those who wished to forestall its progress. Not until December did the Ethics Committee clear Mr. Nunes. "We found out later," he says, "that four of the five Democrats on that committee had called for me to be removed before this even got rolling."

Meantime, the Intelligence Committee continued the Russia-collusion probe without Mr. Nunes. In October 2017 news finally became public that the Steele dossier had been paid for by the Clinton campaign. This raised the question of how much the FBI had relied on opposition research for its warrant applications, under the Foreign Intelligence Surveillance Act, to spy on onetime Trump campaign aide Carter Page. Throughout the fall, the Justice Department refused to comply with Intel Committee subpoenas for key dossier and FISA documents.

By the end of the year, Mr. Nunes was facing off with the Justice Department, which was given a Jan. 3, 2018, deadline to comply with Congress's demands for information. The New York Times quoted unnamed government officials who claimed the Russia investigation had hinged not on the dossier but on a conversation with another low-level Trump aide, George Papadopoulos. The next day, the Washington Post ran a story asserting—falsely, Mr. Nunes insists—that even his Republican colleagues had lost confidence in him. "So, a leak about how the dossier doesn't matter after all, and another saying I'm out there alone," he says. "And right then DOJ and FBI suddenly demand a private meeting with the speaker, where they try to convince him to make me stand down. All this is not a coincidence."

But Mr. Ryan backed Mr. Nunes, and the Justice Department produced the documents. The result was the Nunes memo, released to the public in February, which reported that the Steele dossier had in fact "formed an essential part of the Carter Page FISA application"—and that the FBI had failed to inform the FISA court of the document's partisan provenance. "We kept the memo to four pages," Mr. Nunes says. "We wanted it clean. And we thought: That's it, it's over. The American public now knows that they were using dirt to investigate a political campaign, a U.S. citizen, and everyone will acknowledge the scandal." That isn't what happened. Instead, "Democrats put out their own memo, the media attacked us more, and the FBI and DOJ continue to obfuscate."

It got worse. This spring Mr. Nunes obtained information showing the FBI had used informants to gather intelligence on the Trump camp. The Justice Department is still playing hide-and-seek with documents. "We still don't know how many informants were run before July 31, 2016"—the official open of the counterintelligence investigation—"and how much they were paid. That's the big outstanding question," he says. Mr. Nunes adds that the department and the FBI haven't done anything about the unmaskings or taken action against the Flynn leakers—because, in his view, "they are too busy working with Democrats to cover all this up."

He and his committee colleagues in June sent a letter asking Mr. Trump to declassify at least 20 pages of the FISA application. Mr. Nunes says they are critical: "If people think using the Clinton dirt to get a FISA is bad, what else that's in that application is even worse."

Mr. Nunes has harsh words for his adversaries. How, he asks, can his committee's Democrats, who spent years "worrying about privacy and civil liberties," be so blasé about unmaskings, surveillance of U.S. citizens, and intelligence leaks? On the FBI: "I'm not the one that used an unverified dossier to get a FISA warrant," Mr. Nunes says. "I'm not the one who obstructed a congressional investigation. I'm not the one who lied and said Republicans paid for the dossier. I'm just one of a few people in a position to get to the bottom of it." And on the press: "Today's media is corrupt. It's chosen a side. But it's also making itself irrelevant. The sooner Republicans understand that, the better."

His big worry is that Republicans are running out of time before the midterm elections, yet there are dozens of witnesses still to interview. "But this was always the DOJ/FBI plan," he says. "They are slow-rolling, because they are wishing and betting the Republicans lose the House."

Still, he believes the probe has yielded enough information to chart a path for reform: "We need more restrictions on what you can use FISAs for, and more restrictions on unmaskings. And we need real penalties for those who violate the rules." He says his investigation has also illuminated "the flaws in the powers of oversight, which Congress need to reinstate for itself."

Mostly, Mr. Nunes feels it has been important to tell the story. "There are going to be two histories written here. The fiction version will come from an entire party, and former and even current intelligence heads, and the media, who will continue trying to cover up what they did," he says. "It's our job, unfortunately, to write the nonfiction."

Ms. Strassel writes the Journal's Potomac Watch column.

Wolves Attack Wisconsin With Washington's Help

CROSS COUNTRY
By Cori Petersen

Milwaukee

When the Trump administration announced a plan last week to overhaul the Endangered Species Act, the frantic reactions were illustrated with pictures of humpback whales and baby bald eagles. But a much better way to understand what Republicans have in mind is to consider Wisconsin's wolf problem.

Paul and Judy Canik raise bighorn and hair sheep near the small town of Butternut. Their herd has grown to about 400, each sheep worth around $1,500. Guarding the prized flock are nine Spanish mastiffs, worth $2,500 apiece. While checking on their animals two years ago, the Caniks found that 17 pregnant ewes and one dog had been killed by wolves. All that remained of the dog was its skull. This was the second mastiff wolves had eaten on their property. Last fall on the nearby farm of Daniel and Kathy Postical, wolves killed three angus beef calves.

The Caniks "worry all the time" and count their sheep every day. "There's a place for wolves, but not here on the farms," says Ms. Canik. "In summers like this with the windows open I can't sleep when I hear the dogs barking."

Since gray wolves in Wisconsin, Michigan and Minnesota are protected under the Endangered Species Act, farmers are forbidden to shoot the predators that devour their livestock. The penalty for "knowingly violating" the law can reach $50,000 and a year in prison. But after decades of federal protection, the wolves have more than rebounded.

In 2011 the Fish and Wildlife Service determined that the wolves had recovered sufficiently in the Great Lakes region and could be delisted. For a short time, states like Wisconsin gained the authority to manage their wolf populations. But in 2014 a federal court put the wolves back under protection. The judge ruled, in the words of one news report, that the FWS had failed to consider properly "whether the animal had recovered in other parts of the country where it could live and whether the Midwestern states had adequate plans in place to protect them."

Why do Republicans want to update the Endangered Species Act? Here's a predatory case study.

Now the FWS is making another attempt. The agency announced in June that it would analyze data on the wolves' historical range and recovery. Depending on the findings, a new proposal to delist could be ready by the end of the year. Congress is trying to solve the problem by including language to delist the wolves in the Interior Department's 2019 appropriations bill.

All this is good news for Wisconsin's farmers. In the short period after 2011 when the state had control over its wolf population, the system worked, according to Laurie Groskopf of the Wisconsin Wolf Facts blog. "By allowing Wisconsin to do the management," she says, "particularly responding to agricultural attacks and harassment, we know from experience in the three years where we did manage them, the number of incidents will decrease."

The Great Lakes wolf population continues to rise. Wisconsin's most recent numbers, from 2016-17, show the state had between 905 and 944 wolves. Michigan's count was 662, mostly confined to the state's Upper Peninsula. Minnesota had 2,856 wolves, which now are being blamed for a worrying decline in the moose population.

Although the Endangered Species Act is a federal law, some states compensate farmers for the damage wolves cause. Last year Wisconsin paid $256,148, according to the Milwaukee Journal Sentinel, up more than 25% from 2016. The Caniks received $800 a sheep, $1,500 for the first dog, and $2,500 for the second. With the help of the U.S. Agriculture Department, they put in an electric fence that, so far, has kept the wolves away.

The state paid the Posticals about $200 per calf, even though they say the beef could have eventually sold for upward of $800. They installed an electric fence, too, but the wolves have learned how to crawl under the wire. The Posticals worry what may happen the next time they have young cattle.

Once the wolves are delisted, Wisconsin could allow farmers to shoot the predators coming after their animals. The state could set up hunting seasons, which would help control the population without putting the species back in danger. "Wolves were eliminated in the past because there was a very large bounty on them, and other methods we would never use were being used, such as poison," Ms. Groskopf says. "Simply using trapping and hunting and response to incidents could never ever eliminate them. The main problem will be their numbers continuing to increase in spite of these controls."

Delisting the gray wolves in the Great Lakes region would be a significant delegation of authority back to the states, giving Wisconsin, Minnesota and Michigan the power to decide how to control their wolf populations. Since state legislators are closer to the citizens, they're more attuned than the federal government to the needs of farmers in Butternut. That's why delisting would be a win not only for the Caniks and Posticals but also for federalism and property rights.

Ms. Petersen is a writer and research associate at the Wisconsin Institute for Law & Liberty.

Notable & Quotable: Russia

Seth Ackerman writing July 19 at Jacobin.com:

Wrong-footing Trump politically is a noble goal. But outside the self-enclosed vivarium that is the Twitter-cable-news-late-night-show axis, nobody actually cares about the Russia issue. In last month's Gallup poll, less than 0.5 percent of Americans mentioned "the situation with Russia" as the most important problem facing the country—coming in just behind "Children's behavior/Way they are raised" and far behind "Poverty/Hunger/Homelessness." . . .

Think of it as "the expressive function of the Russia freakout." Just as there is what Cass Sunstein called "the expressive function of law"—"the function of law in 'making statements' as opposed to controlling behavior"—there's a purpose served by the constant keening over Putin. It conveys liberals' sense of bewilderment and disorientation at a country they no longer recognize—a feeling not so different from that which motivated the Right's manifold freakouts in the Obama era.

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OPINION

REVIEW & OUTLOOK

The Return of 3% Growth

So much for "secular stagnation." You remember that notion, made fashionable by economist Larry Summers and picked up by the press corps to explain why the U.S. economy couldn't rise above the 2.2% doldrums of the Obama years. Well, with Friday's report of 4.1% growth in the second quarter, the U.S. economy has now averaged 3.1% growth for the last six months and 2.8% for the last 12.

The lesson is that policies matter and so does the tone set by political leaders. For eight years Barack Obama told Americans that inequality was a bigger problem than slow economic growth, that stagnant wages were the fault of the rich, and that government through regulation and politically directed credit could create prosperity. The result was slow growth, and secular stagnation was the intellectual attempt to explain that policy failure.

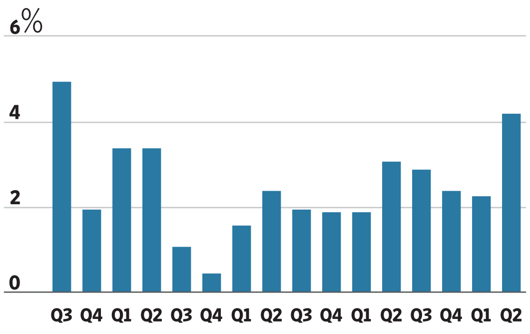
The policy mix changed with Donald Trump's election and a Republican Congress to turn it into law. Deregulation and tax reform were the first-year priorities that have liberated risk-taking and investment, spurring a revival in business confidence and growth to give the long expansion a second wind.

* * *

The nearby chart shows GDP growth by quarter over the last four years. The numbers show that the long, weak expansion that began in mid-2009 had flagged to below 2% growth in the last half of 2015 and in 2016. Nonresidential fixed investment in particular had slumped to an average quarterly increase of merely 0.6% in those final two years of the Obama Presidency. An economic expansion that was already long in the tooth began to fade and could have slid into recession with a negative shock.

The U.S. Growth Revival

Percent change in real gross domestic product from previous quarter, Q3 2014 - Q2 2018



Source: Bureau of Economic Analysis

THE WALL STREET JOURNAL.

The Paul Ryan-Donald Trump growth agenda was targeted to revive that investment weakness. Deregulation signaled to business that arbitrary enforcement and compliance costs wouldn't be imposed on ideological whim. Tax reform broke the bottleneck on capital mobility and investment from the highest corporate tax rate in the developed world. Above all, the political message from Washington after eight years is that faster growth is possible and investment to turn a profit is encouraged.

The chart and the second-quarter GDP report show that this policy mix is working. Growth popped to a higher plane of nearly 3% in the middle of 2017 as business and consumer confidence increased with the Trump Administration's policies taking center stage. A growth dip in the last quarter of 2017 on tax-reform uncertainties carried over to the start of the first quarter, but growth has since accelerated.

The acceleration has been driven by business investment, which increased 6.3% in 2017 and has averaged 9.4% in the first half of 2018. This investment surge has come in productive areas like equipment and commercial construction. It has not come from paddling inventories that have to be sold down, or in a housing mania like the one that drove growth in the mid-2000s. Both housing and inventories *subtracted* from growth in the second quarter.

> Tax reform and deregulation have lifted the economy out of the Obama doldrums.

It would be nice to think that all Americans would take satisfaction in this growth. But in the polarized politics of 2018, the same people who said this growth revival could never happen are now saying that it can't last. It's a "sugar high," as Mr. Summers has put it, due to one-time boosts like government spending and consumption.

But there are reasons to think that a 3% growth pace can continue with the right policies. The investment boom will drive productivity gains and job creation that will flow to higher wages and lift consumer spending. Inventories will have to be replenished and new household formation is increasing again, which should help housing demand.

Most intriguing is that the government's annual revisions to long-term GDP on Friday showed a sharp increase in the personal savings rate. The increase was due to an upward revision in wages and salaries and jumped to 6.7% from 3.4% for 2017 and averaged 7% in the first half of this year. That's about $500 billion more in the pockets of Americans than previously estimated and helps to explain why consumer spending has remained strong. With tight labor markets, consumer spending should keep contributing to growth.

* * *

There are risks to this outlook, not least from Mr. Trump's tariff policies. This is the President's version of Mr. Obama's regulatory assault, with arbitrary victims, uncertainty that limits business investment, and the risks of escalation. Mr. Trump crowed at the White House on Friday that his trade policies are helping the economy, but the second-quarter lift from net exports isn't likely to last amid foreign retaliation for his steel and aluminum tariffs.

The way to help the economy is for Mr. Trump to build on this week's trade truce with the European Union, withdraw the tariffs on both sides, and work toward a "zero tariff" deal. Meantime, wrap up the Nafta revision with Mexico and Canada within weeks so Congress can approve it this year. Mr. Trump could claim he had honored another campaign promise while removing a pall on investment.

The other major risk is the Federal Reserve's attempt to unwind the extraordinary monetary policies of the last decade. If near-zero rates and trillions in bond-buying lifted asset prices artificially, as some our friends think, then reversing those policies could cause those prices to fall with uncertain results.

All of which is another reason to thank tax reform and deregulation for unleashing animal spirits and giving the expansion renewed life. It's worth recalling that not a single Democrat in Congress voted for tax reform and nearly all of them opposed every vote to repeal the Obama Administration's onerous rules. Had they prevailed, we'd still be experiencing secular stagnation instead of arguing if 4.1% growth is too much of a good thing.

China's Vaccine Scandal

Xi Jinping boasts that he is building the "Chinese Dream" of a strong and prosperous nation, but the vision of China's supreme leader is losing some of its luster. Over the past couple of weeks parents in China have learned that a compulsory public-health program injected an unknown number of children with substandard vaccines. They are understandably furious.

Mr. Xi called the case "hideous and appalling," and he has promised a thorough investigation. But websites and state-run media are only allowed to republish official pronouncements on the case, suggesting the authorities are still covering up the extent of the crime.

Last November officials in Jilin province found that the Changsheng Biotechnology Co. falsified production data for a diphtheria, pertussis and tetanus (DPT) vaccine. After national regulators found similar problems with Changsheng's rabies vaccine this month, the provincial government revealed that problems with the DPT vaccine affected more than 250,000 doses. Another company in Wuhan was responsible for 400,000 faulty DPT injections.

On July 21 an anonymous report on the WeChat messaging platform, similar to WhatsApp, accused corrupt regulators of hiding the problems of vaccines made by Changsheng. That was plausible because officials have been disciplined for taking bribes from the company in the past. Online expressions of anger at the scandal exploded.

Chinese are particularly angry because similar cases have happened in recent years, followed by similar promises to crack down. In 2010 and 2013 hundreds of children were hospitalized and several died from faulty vaccines. Chinese companies have used official connections to avoid accountability for producing a range of defective products that kill and maim.

> Children get phony protection but officials aren't held accountable.

In 2008 Chinese dairy companies knowingly sold infant formula that contained melamine, a chemical that damaged the kidneys of hundreds of thousands of children. At least six died. A decade later, many parents will only feed their children imported formula.

The official response follows a familiar pattern. Journalists and lawyers who try to follow up or investigate similar cases are jailed. The officials responsible are transferred to new posts, having learned that covering up scandals is more important than preventing them. Sun Xianze, one of the food-safety regulators disciplined in the 2008 dairy scandal, was in charge of drug safety until his retirement in March.

The scandal will hurt Mr. Xi's plan to build the pharmaceutical industry as part of his "Made in China 2025" industrial policy. But the damage to the public's faith in his administration is harder to quantify. Because the Communist Party is effectively above the law and China lacks a free media capable of being a watchdog, his promise to get to the bottom of the problem rings hollow.

Officials insist that Mr. Xi's anticorruption campaign is a serious attempt to improve Communist Party governance and not merely a tool to remove political opponents. Ordinary Chinese can be forgiven for reaching a different conclusion as the health of children is sacrificed to protect the Party's power. And Americans enamored of China's supposed authoritarian efficiency might contemplate the cost of its lack of accountability.

LETTERS TO THE EDITOR

Bucket Lists Reflect One's Philosophy, Goals

My wife and I thoroughly enjoyed "It's Time to Kick the Bucket List" (Review, July 21), particularly since we've seen Notre Dame, the Sistine Chapel and St. Pat's, visited the Forbidden City, toured the Taj Mahal and just returned from Little Bighorn.

My wife won't let me call it a bucket list, as she thinks that's too morbid. It's our "trophy list," the rewards of a brief military career and slaving and saving in corporate America for more than 35 years. For us, it's about having wonderful new experiences. We've crossed paths with penguins in Antarctica, swum with sea turtles in the Galápagos, climbed the Great Wall in China, looked leopards in the eye in Botswana and flown a powered hang glider over Victoria Falls. We even moved to New York City for three months in 2016.

The list never gets shorter, only longer. Next year, we'll stand on the beaches of Normandy and honor the Greatest Generation at the 75th anniversary of the D-Day landings. In 2020, we'll celebrate relief from the bubonic plague by watching the decennial Passion Play in Oberammergau.

But finding the Holy Grail? That happened when I saw my 8-year-old grandson's smile as a hyena came down the aisle in Broadway's "The Lion King" and looked him straight in the face, when my young granddaughter, dressed as Belle, curtsied and danced with the Beast in his castle at Walt Disney World and when I held my newly born twin granddaughters in my arms for the first time. It's all about priorities.

JAY JOYCE
Cincinnati

This morning, I marveled at awaking at age 85, almost, my body intact, almost, still enjoying life, mostly, with some capacity remaining to exercise the free will also granted by nature, maybe, or a higher power.

I am particularly taken by the palm trees outside the bedroom in Southern California that I share with my wife of 60 years. It was an item from the bucket list made decades ago in suburban Boston.

The writer misses a major point of the good life. It is not, as he belabors, that since everyone wants to do the same thing, those things lose their value. They do not.

How many Jews before me have stood at Jerusalem's Western Wall after a long journey, placed their hands and forehead on it and prayed and bawled their hearts out, overcome by sharing the experience of thousands for more than two millennia? For each individual, it is his or her first time.

STEPHEN N. MILLER
Encinitas, Calif.

The author's polemic against bucket lists overlooks their core principle: self-reflection. If Stonehenge and Machu Picchu are really as interchangeable in one's mind as items No. 6 and No. 12 on a list, then it doesn't matter which you visit. But the point of a bucket list isn't to replace FOMO, fear of missing out, with bragging rights. It is a confrontation of mortality, a chance to consider the goals you have in life and the broader values they represent. What is it about those experiences that brings you such a feeling of completion, and how can you integrate that into your daily life?

The writer's advice to hold off on a bucket list until retirement deprives us of the opportunity to track our major life goals and see how we progress toward them, or to change our priorities over time. If the top item on your bucket list is to write the Great American Novel and you've never written so much as a blog post, it's time to consider why you fixated on that goal in the first place.

Even if you fail to cross a single item off your list, the examination of what you want to experience in life and why is intrinsically valuable. The true goal isn't to cram a lifetime's worth of hedonistic indulgences into a few retirement years but to gain the self-knowledge necessary to live a life without regret.

SIMON STAHL
Oakland, Calif.

Letter Writers Don't Get Ride-Hailing Apps

Regarding James Parrott and Michael Reich's "A Wage Hike for Drivers Wouldn't Sink Ride Services" (Letters, July 14): They state that a wage increase would be beneficial to drivers and sustainable to the firms in an oversaturated market. If we accept that the market is "oversaturated," the basic economic law of supply and demand tells us that a reduction in supply is necessary. If we increase operating costs in an oversupplied market, we don't improve the odds for success. Simple.

They say that the ride-dispatch industry inefficiently allocates rides, reducing driver earnings. Ride-hailing apps are industry disrupting due to allocation efficiency. A driver heading out can check the app for fares going in the same direction and add another rider. Two riders, one car, and the driver makes money. That is market-disrupting efficiency.

Messrs. Parrott and Reich discuss (evil) industry margins of 600% (though with very little going to drivers), qualifying 40% of drivers for Medicaid and almost one in five for food stamps. What's missing? A driver working only three hours a week is a "driver" and may qualify for aid. One may also question how someone who qualifies for Medicaid or food stamps can own a vehicle meeting ride-hailing company standards.

The assertion that their formula will limit cars on the streets is fantasy. Cars are on the street because people need to move. The ride-hailing apps reduce trip duplication. If the writers have such a great idea, let them implement it and reap the rewards. That's how it really works.

ED BEERY
Centennial, Colo.

Papa John Defends Himself Large, Plain and Proud

It has been widely reported that in a diversity media-training session I used a racial slur. As your article "Discord Presaged Papa John's Fall" (page one, July 25) correctly reports, I didn't use that word as a racial epithet. What isn't included in your story is the fact that I used that word to condemn racism. In response to a series of questions, including one asking whether I was racist, I answered no, and said, unlike another food-industry spokesperson who used that word, I never use it nor does anyone to my knowledge at Papa John's.

JOHN SCHNATTER
Founder, Papa John's
Louisville, Ky.

The Laws of War Didn't Impede Past U.S. Victories

In a July 24 letter, Samuel Frazer almost seems to imply that the laws of war didn't apply during World War II, and that in recent times they have impeded U.S. military operations. Efforts to create modern-day rules on warfare began over 150 years ago and culminated in the Geneva Conventions and other treaties, many of which were signed and ratified by the U.S. Even before both world wars, The Hague Conventions prohibited the killing of wounded soldiers, using weapons in a way to cause unnecessary suffering and attacking undefended towns, among other rules. Their adoption didn't come about because of weakening American resolve in combat. Political leaders and battlefield commanders around the world saw the horrors of war and decided that adherence to stronger and detailed standards would better protect our service members who may have to make the ultimate sacrifice.

MICHAEL RHEE
New York Law School
New York

Is the FTC's Abusive Cyber Policy Part of a New Trend?

Craig A. Newman describes the FTC using "Tiversa's data without doing any substantive verification" ("The FTC's Abusive Cyber Enforcement," op-ed, July 25). Isn't this exactly what the FBI did with the Steele dossier? Maybe this is the new normal for our bureaucracy.

MICHAEL P. CARTER
Savannah, Ga.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"Don't you have any souvenirs that just say 'Earth'?"

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Geneva Conventions for the Culture War

By Orrin G. Hatch

An angry mob recently cornered Homeland Security Secretary Kirstjen Nielsen in a Washington restaurant, jeering and chanting until she left. That same week, a Virginia restaurant refused service to White House press secretary Sarah Huckabee Sanders. Days later, a group of angry men came within inches of Transportation Secretary Elaine Chao's face, screaming and posturing in an attempt to physically intimidate her.

America's culture war has reached a tipping point. While our politics have always been divisive, an underlying commitment to civility has usually held citizens on both sides together. As the partisan divide deepens, it becomes clear that we need to take meaningful steps toward de-escalation. Something must change before anger succumbs to violence.

Americans need to fight over social issues, but we should find a way to do so with respect and civility.

To be clear, I am not calling for an end to the culture war. Indeed, it can and must be fought. Intense disputes over social issues are a feature, not a flaw, of a functioning democracy.

I am, however, calling for a dramatic reassessment of tactics. We need a détente in partisan hostilities, an easing of tensions that can be realized when both sides adopt certain rules of engagement—norms to rein in the worst excesses of the culture wars.

Foremost among these norms should be a commitment to preventing communal spaces from becoming politicized. Even in our most divided times, there have been places we could go to escape the partisan clamor—places where we could leave politics at the door and come together as one, including restaurants, theaters, sports arenas and houses of worship.

Insulating such spaces from politicization is a matter of urgent necessity. A concerted effort is under way to transform these neutral zones into partisan battlegrounds. Consider the calls from progressive groups to boycott Chick-fil-A or even ban it from certain cities; the controversy surrounding the National Football League's national anthem policy; or the wholly unoriginal acceptance speech-cum-political jeremiad of every Hollywood awards show.

The assault on communal spaces is a subset of the politicization of everything—the culture war equivalent of a scorched-earth policy. It is an attempt to burn away the last vestiges of civility and common cause along the march to political domination. Everything—from chicken sandwiches to prom dresses and even cartoon frogs—can be weaponized for political purposes. In this world, there is no neutral territory: Every place is a battlefield, everything is a weapon, and everyone is a soldier in the great culture war.

Activists on both sides of the political spectrum can turn back the tide of war by adopting certain conventions for cultural combat.

As an analogy, consider the norms regulating armed conflict. The Geneva Conventions have been enormously effective in restraining the terrors of modern warfare. Among other things, these treaties ban the use of certain weapons and

CHAD CROWE

accord special protections to civilians, prisoners of war and the infirm. They stipulate which actions are and are not appropriate in wartime, instituting an infrastructure of norms that has saved millions of lives.

In similar fashion, our society could benefit from adopting certain conventions to limit the scope and severity of the culture wars—a general set of guidelines clarifying acceptable tactics in political warfare. By necessity, such norms would in substantial part be socially, not legally, enforced. Their purpose would be to limit the damage the culture wars do to our civic health.

First, we must agree on the need to shield communal spaces from politicization—just as schools, hospitals and places of worship are protected from military strikes in times of armed conflict.

Second, we must work together to resist the politicization of everything. Just as the rules of war prohibit military attacks that inflict undue burdens on civilian life, we should condemn culture-war tactics that cause unnecessary damage to civil society. Denouncing those who politicize things that should not be politicized—even when we agree with their political cause—is the only way to ensure proportionality in the culture wars.

Third, we must discourage harassment of public figures and incursions into their private lives. Just as combatants and POWs are accorded certain rights in wartime, government officials and others who participate in politics deserve privacy and respect, no matter how intense the culture wars become. I applaud Senate Minority Leader Chuck Schumer for upholding this principle last month, when he roundly condemned harassment of Trump administration personnel. Reinforcing this norm, as Mr. Schumer did, is essential to creating a safe environment that continues to attract good people to public service.

Fourth, liberals and conservatives alike should commit themselves to rhetorical disarmament. During the Cold War, the U.S. and Soviet Union signed treaties to reduce the proliferation of nuclear weapons. In a culture war, in which words are weapons, both sides need to ease their inflammatory language.

Leaders from both parties play a critical role in setting appropriate boundaries for political speech. The effect of incendiary statements is especially harmful when they come from political leaders—be they members of Congress or the president himself.

That's why, even as a strong supporter of President Trump, I have repeatedly encouraged him to use Twitter as a tool for good rather than as a cudgel for division. I have likewise discouraged him from calling the press "the enemy of the people." Even with its flaws, the media is indispensable to our democracy. Insofar as reporters are committed to objective journalism and not political advocacy, they should be treated as noncombatants in the culture wars.

To restore decency and balance to public dialogue, both left and right should embrace a laying down of rhetorical arms. Tough political speech has its place, but mainly on the campaign trail.

All Americans, regardless of partisan affiliation, have a stake in containing the fallout from the culture wars. By working together to instill these norms, we can revive civic life and set our nation on a path to health and healing.

Mr. Hatch, a Utah Republican, is president pro tempore of the U.S. Senate.

Peggy Noonan is on leave and will return in the fall.

China Is Losing the Trade War With Trump

By Donald L. Luskin

One thing came through loud and clear in President Trump's press conference Wednesday with European Commission President Jean-Claude Juncker. When they announced an alliance against third parties' "unfair trading practices," they didn't even have to mention China by name for listeners to know who their target was. Cooperation between the U.S. and EU will squeeze China's protectionist model, and even before this agreement, there's been evidence that China is already running up the white flag.

Yes, China is acting tough in one sense, quickly imposing tariffs in retaliation for those enacted by the Trump administration. But while U.S. stocks approach all-time highs and the dollar grows stronger, Chinese stocks are in a bear market, down 25% since January. The yuan had its worst single month ever in June, and is well on its way to a repeat this month. Chinese corporate bonds have defaulted at a record rate in the past six months, this week China unveiled a new stimulus program designed to encourage even more corporate borrowing.

That's probably why Yi Gang, a governor of the People's Bank of China, took the extraordinary step of channeling Herbert Hoover, saying in a statement this month that "the fundamentals of China's economy are sound." And it's why Sun Guofeng, head of the PBOC's financial research institute, said, China "will not make the yuan's exchange rate a tool to cope with trade conflicts."

Weakening one's currency is a standard weapon in trade wars, and one that China has often been accused of using—including in a tweet by Mr. Trump last week. Devaluation would be even more dangerous in this case because of China's power to dump the $1.4 trillion in U.S. Treasury securities it holds. But by denying its intention to plunge the yuan, China has disarmed itself voluntarily. This was no act of noble pacifism; it had to be done. Devaluing the currency would risk scaring investors away, an existential threat to an emerging economy. For China, whose state-capitalism model has so far never produced a recession, capital flight might expose previously hidden economic weaknesses.

These weaknesses accumulate without the market discipline that occasional recessions impose. The fragility of China's economy can be seen in its growth rate, which is slowing despite rising financial leverage, and in its overinvestment in commodities and real estate. The escalating trade war with the U.S. could tip China into the unknown territory of recession—and then capital flight could push it into a financial crash and depression. That would create mass joblessness in an economy that has never recorded unemployment higher than 4.3%. With that scenario in mind, the Chinese government must be wondering whether it has enough riot police.

The risk of capital flight is real. The last time China let the yuan weaken—a slide that began in early 2014 and was punctuated in mid-2015 by the abandonment of the dollar peg in favor of a basket of currencies—the Chinese ended up losing almost $1 trillion in foreign reserves, which they have yet to recover. Now the sharp weakening of the yuan shows some degree of capital flight again is under way.

It's like a drinking contest: You harm yourself and hope your opponent isn't able to withstand as much.

No wonder that, despite tough talk from some quarters, the PBOC disarmed itself voluntarily to avoid further capital flight. The bank also is already offering to reimburse local firms for tariffs on imported U.S. goods. What's more, China has put out a yard sign for international investors by announcing unilateral easing of foreign-ownership restrictions in some industries.

China is beginning to realize that trade war isn't really war. It's more like a drinking contest at a fraternity: the game is less inflicting harm on your opponent than inflicting it on yourself, turn by turn. In trade wars, nations impose burdensome import tariffs on themselves in the hope that they'll be able to stomach the pain longer than their competitor.

Why play such a game? Because a carefully chosen act of self-harm can be an investment toward a worthy goal. For example, President Reagan's arms race against the Soviet Union in the 1980s was in some sense a costly self-imposed tax. But it turned out the U.S. could bear the burden better than the Soviets could—Uncle Sam eventually outdrank the Russian bear and won the Cold War.

The U.S. will win the trade war with China in the same way. The PBOC's statements show that the Chinese understand they are too vulnerable to take very many more drinks. The only question is what they will be willing to offer Mr. Trump to get him to take yes for an answer. No wonder Beijing has ordered its state-influenced media to stop demonizing Mr. Trump—officials are desperate to minimize the pain when President Xi Jinping has to cut the inevitable deal.

The drinking-contest metaphor takes us only so far. The wonderful thing about reciprocal trade is that it is a positive-sum game in which all contestants are made better off. If the conflict forces China to accept more foreign investors and goods, comply with World Trade Organization rules, and respect foreign intellectual property, it may feel it has lost but will in fact be better off. With this openness, both economic and political, China could spur a decadeslong second wave of growth that would bring hundreds of millions still living in rural poverty into glittering new cities.

It took Nixon to go to China and show it the way to the 20th century. Now, through the unlikely method of trade war, Donald Trump is ushering China into the 21st century.

Mr. Luskin is chief investment officer at Trend Macrolytics LLC.

At the Expense of U.S. Tech, a European Star Is Born

BUSINESS WORLD

By Holman W. Jenkins, Jr.

The world's 700 million iPhone users will look at the European Union antitrust action against Google's Android phones and say "Huh?" Even veteran users of Android phones will be little more than bemused if they soon must spend a few extra minutes to install the world's most popular apps, such as Google's search and map apps. This is no biggie: The average Android user already downloads 50 apps to his phone that weren't preinstalled by the manufacturer.

Only on one group would there be any immediate effect, and it would be bad: The up-and-coming poor person in some less-developed country landing his first smartphone, which will likely be cheap, and likely be running the Android operating system.

One hopes a considerate salesperson or knowledgeable friend will be handy to show him how to make his purchase useful by downloading the most stable, tested and invaluable (though free to the user) apps that the rest of the world is using, made by Google.

The sole practical consequence of the EU's action would be to raise an obstacle to this person's discovery of the opportunities created by access to the world through the mobile internet. Nice work. The EU's celebrated competition commissioner, Denmark's Margrethe Vestager, has not made the world a better place; she has made it kludgier.

Undoubtedly this alone would justify her taking up an honored place in a bureaucrat's Valhalla, where civil servants in the afterlife are rewarded for their paper-shuffling endeavors in this life.

Not for the first time we point out that it's Donald Trump's manner, not so much the content of his politics, that differentiates him.

Europe's antitrust czar "appears to be disproportionately targeting U.S. companies." No, that's not a Trump tweet, as might be told by the employment of anemic modifiers like "disproportionately." It was a statement issued by the U.S. Treasury during Barack Obama's administration.

Mr. Obama himself would tell an interviewer in 2015 that EU actions were "more commercially driven than anything else" because their tech companies "can't compete with ours."

It's too late to roll back the tape. If America is the engine of digital disruption, the EU now views itself as having a special mission to discipline America's tech giants. Ms. Vestager has become that rarest of things: an EU bureaucrat who actually has an ardent public following.

Ms. Vestager rides distrust of Google, Facebook, etc. to a unique status in the EU's troubled politics.

Her relentless focus on U.S. tech companies has paid big dividends. Glowing profiles running to thousands of words appear in the European press. Young people flock to her public appearances. She has been publicly leaked as the favorite of France's Emmanuel Macron to be the next president of the European Commission starting in 2019.

Ms. Vestager would not be the first to use a law-enforcement portfolio in a questionable way to advance a political career that many would consider worth advancing. She is resolutely pro-European, a defender of immigration, socially tolerant but also fiscally conservative. Famously, her office is adorned with a plaster sculpture of a hand with an upraised middle finger, a gift from a Danish union boss in honor of her support for welfare cuts.

Her example (if only partially the content of her politics) has not gone unnoticed even in the U.S. In the calm and studied opportunism of Sen. Kirsten Gillibrand as she positions herself to run for president, there's as much Margrethe Vestager as there is Bernie Sanders or Elizabeth Warren. Or see the hiring of Lina Khan, the recent Yale student whose widely noticed law-review article called for breaking up Amazon, to be an adviser to an ambitious Democrat on the Federal Trade Commission.

The truth is, except for walloping Google with a $5 billion fine and threatening to impose an additional $15 million a day if the company doesn't change its practices, Ms. Vestager has done little. Google apps will remain the preferred apps of billions of users, including many users of Apple devices.

Excitable types have called her ruling a thunderclap like the 2001 U.S. win against Microsoft for tying its internet browser to the Windows operating system. It's not. What the two cases really have in common is their deep irrelevance to fast-changing technology markets. Facebook is widely understood to be Ms. Vestager's next target, as she fashions a theory of antitrust in which "data" equals market power. Her efforts, whatever they are, will be a pinprick to this week's stock-market vote of no confidence in Mark Zuckerberg's immunity to the forces of creative disruption.

American tech firms have been handy punching bags for Ms. Vestager, there is no question. Even the Economist magazine, which likes her crusade, acknowledges she is politically motivated. But the most interesting upshot may be that Europe is rapidly acquiring what arguably it needs: its first pan-European politician with a pan-European popular following.

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SPORTS

Francesco Molinari lines up a putt during the final round of the British Open.

WILL OLIVER/EPA/SHUTTERSTOCK

GOLF

The Uncomfortable Practice Habits Of a Champion

Francesco Molinari won the British Open after adopting routines designed to simulate the pressure of competition

By Brian Costa

The practice green on the final day of a major championship rarely evokes the pressure-cooker feeling that golfers face once their round begins. It's a place to warm up and get a feel for the speed of the greens, free from worry about the cost of a miss.

But in the moments before his final round at Carnoustie on Sunday, Francesco Molinari gave himself a very particular test.

He challenged himself to make precisely eight 5-foot putts from various spots on the green in as few attempts as he could. That he required only nine tries was less important than the idea behind the exercise.

"Do you want to be comfortable or do you want to be ready?" said Molinari's performance coach, Dave Alred. "They're not necessarily the same."

Molinari went on to win the British Open with a stellar short game and almost robotically steady play on a volatile leaderboard. But his ascent to become the first Italian to win a major championship is rooted partly in a change he made only in the past two years. It wasn't in the way he swung. It was in the way he practiced.

Ditching the time-honored tradition of simply hitting balls with different clubs to different targets, Molinari adopted unusual routines designed to make practice a better simulation of competition. They were devised by Alred, an Englishman who specializes in performance psychology and has worked with rugby and soccer stars.

The tests vary in difficulty, but the philosophy is to make Molinari keep working until he passes them, adding stress to sometimes otherwise mindless practice shots.

"I don't see the point of hitting a golf shot in practice without being accountable, given that every shot in competition, you're accountable in a round," Alred said. "As a behavior, it doesn't make sense to me."

The result is a player who has been remarkably steady when the stakes have been highest. Playing alongside Tiger Woods on Sunday, Molinari was the only player in the field not to make a single bogey. In his three wins this year, he has made only one bogey in six combined weekend rounds.

"I felt ready for it," Molinari said of Sunday's final round. "Calm—you know, as calm as you can be playing in the last round of a major close to the lead, playing with Tiger. I mean, there was everything to make someone nervous, but I focused on my process."

Now 35 years old, Molinari had long been among the better golfers in Europe, but for years he struggled even to make the cut at the majors. Two years ago, he hired Alred, whose book, "The Pressure Principle," deals with performing under stress.

> Practice in golf is unique in that there is very little to automatically simulate competition.

Their first session together, at Riviera Country Club outside Los Angeles, was a preview of how things were about to change. Alred had Molinari practice a tricky flop shot on a downhill lie and asked him to keep hitting it until he had stopped five balls within 3 feet of the hole. It took him 48 tries.

"I said, 'I'm going to make you frustrated, you're going to be annoyed with me, but if I don't get you in that state, then you're never going to get out of it when it really matters,'" Alred said. "We practiced—not all the time—but at a much higher frustration level than in the tournament."

Practice in golf is unique from other sports in that there is very little to automatically simulate competition. There are no opponents to challenge players, coaches are their employees and the primary practice setting—the driving range—hardly mimics the playing experience. Struggling pros and weekend hackers alike can strike the ball beautifully on the range, only to mishit it badly on the course.

The best golfers have long devised their own ways to make the range a better preparation ground. Nick Faldo, a six-time major champion, used to simulate entire courses from tee to green on the range, never hitting the same club twice in a row. But for most, practice entails more repetition than simulation.

"We have a transferless practice environment in golf," said Cordie Walker, founder of Golf Science Lab, which publishes research about how to learn and improve at playing golf. "We want to have learning environments that foster skills that are retained on the golf course."

Walker pointed to the idea of desirable difficulty, coined by the cognitive psychologist Robert Bjork in 1994, which argues that introducing a certain degree of challenge to the learning process boosts long-term retention.

Most pro golfers practice with a purpose, allotting time and effort to work on various aspects of their swings. But what Molinari has done is to consciously add pressure.

When asked what he has changed under Alred's direction, Molinari said simply, "A lot. We can sit down and have a dinner and go through it, but it's a lot."

A short walk from the practice green on Sunday, Molinari was on the 18th hole facing an almost identical putt to the ones he needed to make eight times just a few hours earlier.

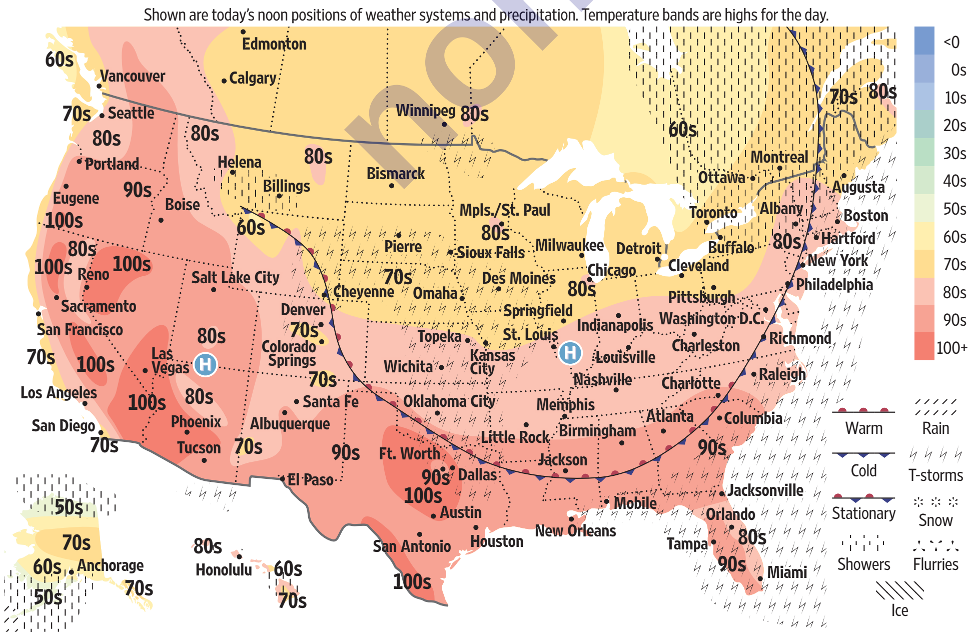
If he made the 5-footer for birdie, he would walk off in strong position to at least end up in a playoff. If he missed it, a win would feel far less secure.

He required only one try.

Weather

AccuWeather DOWNLOAD THE APP

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	66	57	sh	69	56	c
Atlanta	91	70	pc	92	71	pc
Austin	100	71	pc	101	73	pc
Baltimore	87	65	pc	85	67	pc
Boise	98	63	s	98	66	s
Boston	82	71	pc	85	68	s
Burlington	81	62	pc	81	62	pc
Charlotte	90	69	s	88	70	pc
Chicago	80	64	pc	80	66	pc
Cleveland	77	62	pc	79	63	pc
Dallas	100	77	pc	101	77	pc
Denver	83	59	pc	79	56	c
Detroit	79	61	pc	82	64	pc
Honolulu	89	76	sh	89	78	sh
Houston	97	76	pc	97	75	pc
Indianapolis	81	61	pc	81	63	c
Kansas City	78	62	t	77	64	t
Las Vegas	111	89	s	108	88	s
Little Rock	86	69	pc	87	72	pc
Los Angeles	86	70	pc	87	70	pc
Miami	88	79	t	87	79	pc
Milwaukee	79	62	pc	80	64	c
Minneapolis	80	63	pc	81	64	pc
Nashville	88	64	pc	90	68	pc
New Orleans	94	77	pc	93	76	pc
New York City	86	70	pc	84	70	pc
Oklahoma City	87	71	t	87	68	t
Omaha	74	62	t	77	62	pc
Orlando	89	75	t	88	74	t
Philadelphia	87	69	pc	86	70	pc
Phoenix	107	88	c	104	88	c
Pittsburgh	78	58	pc	78	59	pc
Portland, Maine	78	65	pc	82	63	pc
Portland, Ore.	92	65	s	97	68	s
Sacramento	101	60	s	98	61	s
St. Louis	81	67	pc	79	66	c
Salt Lake City	96	70	pc	93	67	s
San Francisco	70	55	pc	69	56	pc
Santa Fe	88	60	pc	91	60	pc
Seattle	88	63	s	93	64	s
Sioux Falls	76	56	c	77	57	t
Wash., D.C.	87	71	pc	85	72	pc

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	74	58	t	81	64	pc
Athens	88	75	pc	88	74	s
Baghdad	106	82	s	107	82	s
Bangkok	92	81	t	91	79	t
Beijing	91	75	s	93	78	pc
Berlin	88	65	c	83	64	pc
Brussels	77	57	t	81	64	pc
Buenos Aires	56	48	r	57	39	c
Dubai	108	95	s	111	93	s
Dublin	63	49	pc	69	51	r
Edinburgh	67	49	sh	67	52	sh
Frankfurt	89	63	t	90	65	pc
Geneva	80	62	t	88	65	s
Havana	87	72	pc	88	72	t
Hong Kong	91	79	t	91	81	t
Istanbul	87	75	sh	87	76	pc
Jakarta	91	74	pc	90	73	pc
Jerusalem	81	68	s	82	65	s
Johannesburg	68	41	s	68	43	s
London	75	59	t	70	61	sh
Madrid	95	65	pc	94	63	s
Manila	87	79	r	88	79	t
Melbourne	64	51	s	55	46	sh
Mexico City	76	59	t	78	56	t
Milan	92	70	pc	92	73	s
Moscow	84	68	c	78	60	pc
Mumbai	87	81	sh	87	79	sh
Paris	80	62	pc	83	65	pc
Rio de Janeiro	84	70	s	86	71	pc
Riyadh	107	82	s	109	81	s
Rome	87	68	s	90	72	s
San Juan	87	79	pc	87	79	pc
Seoul	93	79	pc	95	78	s
Shanghai	97	82	s	98	81	s
Singapore	87	80	t	87	78	t
Sydney	68	56	pc	75	49	s
Taipei City	94	79	t	98	80	c
Tokyo	84	78	r	88	80	sh
Toronto	75	58	pc	77	60	sh
Vancouver	78	61	s	81	61	s
Warsaw	87	70	c	86	69	t
Zurich	85	59	t	87	62	pc

THE COUNT

LIMPING IN A WALK YEAR

Washington's Bryce Harper

SCOTT TAETSCH/GETTY IMAGES

The Year Before Free Agency

Of the 35 players in the past 40 years with a career on-base plus slugging (OPS) of at least .800 in 2,000 plate appearances, Bryce Harper's walk year is fifth worst.

PLAYER	WALK YEAR	CAREER OPS PRIOR TO WALK YEAR	WALK YEAR OPS	DIFF.
Billy Butler	2014	.823	.702	.121
Ben Grieve	2003	.818	.716	.102
Marcus Giles	2006	.831	.729	.102
Pablo Sandoval	2014	.827	.739	.088
◀ Bryce Harper	2018	.902	.839	.063
Ellis Burks	1992	.805	.744	.061
Mark Reynolds	2012	.815	.763	.052
Steve Kemp	1982	.826	.808	.018
Gary Matthews	1976	.813	.802	.011

Source: Baseball-Reference

Washington Nationals slugger Bryce Harper is expected to hit the jackpot when he becomes a free agent following the end of the MLB season. The first-overall pick in 2010 and National League MVP in 2015 turns 26 in October and could become baseball's first $400 million player.

But there's reason for potential suitors to be hesitant as Harper's walk year has been a struggle. While he's leading the National League in walks and homers, Harper is hitting just .216 entering Thursday—the ninth-worst rate in the majors among 159 batting average qualifiers. His OPS (on-base plus slugging) of .836 is 63 points worse than his .902 mark heading into 2018.

Disappointing walk years have been a harbinger of busts to come for the most productive, under-30 free-agent hitters. Of the 35 players in the past 40 years with a career OPS of at least .800 in 2,000 plate appearances, Harper's walk year is fifth worst. Among the players ahead of him (see table), Billy Butler, Ben Grieve, Marcus Giles and Pablo Sandoval ended up being complete disappointments.

The only batter off a subpar walk year to receive a record-setting contract somewhat comparable to what Harper is projected to receive was Dave Winfield, who after he signed prior to the 1981 season was tagged "Mr. May" by the late Yankees owner George Steinbrenner. And Winfield's walk year OPS (.815) was within seven points of his career rate (.822) leading up to it.

Conversely, a great walk year has foretold a successful signing. Barry Bonds beat his prior OPS by 228 points in his walk year in 1992 and Manny Ramirez (178) and Larry Walker (170) weren't far behind. They combined to be named All-Stars 23 times for their new teams, winning six MVP awards (five by Bonds).

—Michael Salfino

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CEO Handbook
How to run a company in the age of social activism **B6**

EXCHANGE

Personal Board
Salesforce.com's Cindy Robbins on her trusted advisers **B7**

DJIA 25451.06 ▼ 76.01 0.3% **NASDAQ** 7737.42 ▼ 1.5% **STOXX 600** 392.08 ▲ 0.4% **10-YR. TREAS.** ▲ 4/32, yield 2.962% **OIL** $68.69 ▼ $0.92 **GOLD** $1,222.60 ▼ $2.70 **EURO** $1.1656 **YEN** 111.04

To Game Amazon, Sellers Use Scams, Clicks & Dirty Tricks

Under attack from click farms, reviewers-for-hire and algorithm cheats, the digital marketplace is fighting back

PHOTO ILLUSTRATION BY SEAN MCCABE

By Laura Stevens in San Francisco and Jon Emont in Hong Kong

Every day, dozens of young men crowd into tiny rooms with 30 computers each in northern Bangladesh. Their mission: Trick Amazon.com Inc.

They open Amazon.com and repeatedly type in search terms, each time clicking on the links of products they were paid to boost, according to people familiar with the practice. Amazon's algorithms begin recognizing that these products are popular, ranking them higher in the search results. The higher the ranking, the better chance of sales.

The scams are used to try to outsmart Amazon's automated system that ranks some half-billion products in search results, according to interviews with consultants and businesses engaged in these practices, as well as sellers who say they have been approached by such businesses. It's one of an ever-rotating wheel of tricks used to game Amazon's algorithms. Some sellers pay off workers inside Amazon to gain competitive information. Others hurt rivals' listings by barraging them with overly negative or positive reviews.

The tactics aren't thwarting Amazon's sales, which rose 39% in the second quarter, but they threaten to undermine the integrity of one of the world's largest web marketplaces, which collects nearly half of every U.S. retail dollar spent online.

An Amazon spokeswoman said in a statement that those trying to abuse its systems "make up a tiny fraction of activity on our site."

"We use sophisticated tools, including machine learning, to combat [bad actors], and we are

Please turn to the next page

Oil Profit Fails to Impress

Investors expect to see more from crude's rally

By Bradley Olson

The world's largest oil companies continue to disappoint investors with limited cash payouts and profits that have failed to match the rally in crude, reflecting the fragile nature of a recovery from one of the worst price crashes in a generation.

Exxon Mobil Corp. said net income rose to $4 billion in the April-June quarter, up 18% compared with the year-earlier period, but substantially below the 50% oil-price increase in that three-month stretch. The company's production fell to 3.6 million barrels of oil and gas a day, the lowest in more than 20 years, due in part to an earthquake in Papua New Guinea and a shift away from less profitable U.S. natural-gas drilling.

Second-quarter profit at **Chevron** Corp. more than doubled to $3.4 billion and the company said it would begin buying back about $3 billion in shares annually. The results at both companies fell well short of Wall Street expectations—the third straight quarterly miss for Exxon—although Chevron shares rose 1.6% on the buyback announcement while Exxon shares fell 2.8%.

"They are disappointing the market," said Brian Youngberg, an analyst at Edward Jones. "You keep thinking the worst is over, but then they lay another egg."

Exxon executives sounded a rare note of contrition for the results, vowing to address issues that led to unexpected operational challenges. Senior Vice President Neil Chapman, who oversees the company's oil and gas production business, emphasized that Exxon's decisions on where to drill are based more on what is profitable than on growth targets.

"We're not focused on volume," he said. "We're focused on value."

He also said Exxon is "looking very hard" at potential asset sales.

Exxon, Chevron and other large companies have posted their highest second-quarter profits since 2014, when oil prices began a decline that bottomed out at below $30 a barrel. Yet as crude has recovered to about

Please turn to the next page

Advisers Blew Whistle on Wells Fargo Wealth Unit

Clients were steered to products with high fees

By Emily Glazer

Lofty sales goals were at the heart of the scandal at **Wells Fargo** & Co.'s retail bank. Incentives also appear to be at the root of issues under investigation within its wealth-management business.

Wells Fargo financial advisers pushed clients into products that generated additional fees and often moved client assets between different products or investing platforms to generate more revenue and bigger bonuses, according to more than two dozen current and former employees and internal documents reviewed by The Wall Street Journal.

Advisers often targeted wealthy clients in Wells Fargo's private bank, sometimes steering them into alternative-investment products of which Wells Fargo was the majority owner—allowing the San Francisco bank to collect another helping of fees.

Wells Fargo spokeswoman Shea Leordeanu said the bank is committed to thorough reviews of the wealth- and investment-management business and is making significant progress in identifying and fixing any issues. "We have supervisory processes and controls in place," she said. "If a team member were to act in a manner not in line with our values and our policies, we would take appropriate action."

Last September, four Wells Fargo financial advisers in Arizona sent a letter to the Justice Department and the Securities and Exchange Commission detailing what they said

Please turn to page B12

THE INTELLIGENT INVESTOR | JASON ZWEIG

Read This Extremely Important, Totally Incomprehensible, Completely Convoluted Information About Your Broker!

Regulators are trying to make it less confusing to learn what you need to know about your stockbroker or financial adviser. But that effort could create new confusion of its own.

In a disclosure form newly proposed by the Securities and Exchange Commission, brokers and investment advisers would have to describe their services, their fees and their obligations to act in your best interest. They'd also have to tell you how to research their background and disciplinary history. The dense, four-page "customer relationship summary" also recommends questions to ask a broker or adviser.

Even the SEC's commissioners have expressed doubts about the form unless it is redesigned. The summary isn't a "model of clarity," said Commissioner Hester Peirce, and may "simply mean a few more pages of unread paper landing in investor trash cans." Commissioner Kara Stein worried that the form might "actually spawn more confusion." Commissioner Michael Piwowar said, before leaving the agency, that the summary is "about as comprehensible to the average reader as Herman Melville's 'Moby Dick.'"

The SEC has received many informative comments on the proposal, including discussions at local meetings with individual investors, says spokesman John Nester. SEC Chairman Jay Clayton believes direct, candid interaction with Main Street investors has been "incredibly valuable," says Mr. Nester.

At least since 1913, when future Supreme Court Justice Louis Brandeis wrote that "sunlight is said to be the best of disinfectants," disclosure has been the bedrock of investment regulation in the U.S. In theory, if you tell investors every-

Please turn to page B11

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THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

HASBRO INC.

HAS 13%

Investors who had expected the bankruptcy of Toys "R" Us to hurt Hasbro, the company behind Play-Doh and Power Rangers, were pleasantly surprised when the toy maker reported a profitable second quarter with revenue well above estimates. Hasbro said 26% growth in its entertainment and licensing segment helped offset domestic and international sales declines from the now-defunct toy retailer. Revenue fell 7% from the year-earlier period to $904.5 million, beating the $838.1 million analysts predicted. Hasbro's shares **leapt 13% on Monday**.

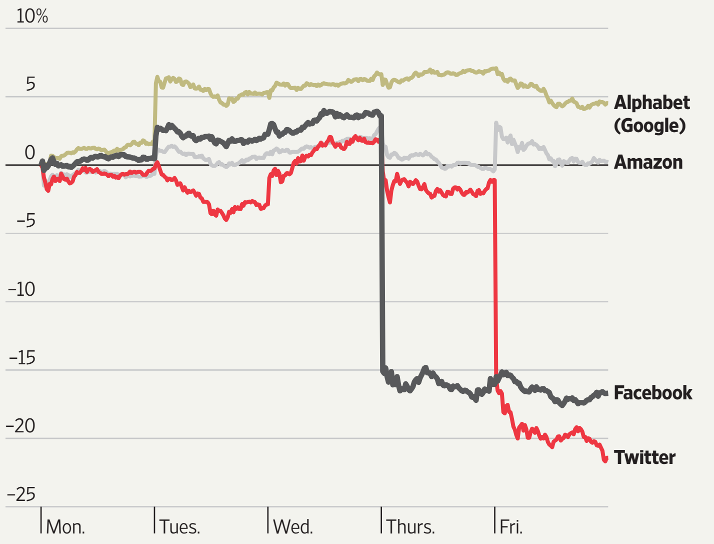
MATTEL INC.

MAT 4.2%

Elsewhere in toyland, it was a tough spring for the maker of Barbie and Hot Wheels. After the close of Wednesday trading, Mattel said it would cut 2,200 nonmanufacturing jobs world-wide, or nearly a quarter of its workforce, after tallying larger-than-expected losses in the most recent quarter. The toy maker blamed the liquidation of Toys "R" Us for its poor results, but the explanation struck investors as little more than an excuse after rival Hasbro (see above) reported a more successful quarter. Mattel's stock **sank 4.2% on Thursday**.

PERFORMANCE OF TECH STOCKS THIS WEEK

Source: SIX



FACEBOOK INC.

FB 19%

Facebook had the worst day loss in stock-market history—shedding $119 billion in value amid **a 19% drop Thursday**—after an earnings call that cast doubt on the social network's growth story. Several other tech giants turned in quarterly results to rosier receptions: Alphabet Inc. gained 3.9% Tuesday and Amazon.com Inc. closed at a $900 billion market capitalization on Wednesday. Twitter Inc., however, slid 21% on Friday amid user concerns.

FIAT CHRYSLER AUTOMOBILES NV

FCAU 16%

Fiat Chrysler CEO Sergio Marchionne died Wednesday, just a few days after the auto maker said he wouldn't be able to return to work after suffering complications from shoulder surgery. Later, FCA disclosed the auto-industry legend had a "serious illness" lasting more than a year, a condition it said it didn't know about. Mr. Marchionne, who turned around struggling Fiat and Chrysler brands by engineering a merger in 2008, also ran Ferrari NV. Shares of Fiat Chrysler **tumbled 16% on Wednesday** while Ferrari was down 2.2%.

DEERE & CO.

DE 3.2%

Shares of farm-equipment makers got a boost Tuesday after the Trump administration unveiled plans to distribute $12 billion in aid to farmers struggling to cope with Chinese tariffs against American products, including meat, soybeans and produce. Tractor maker Deere, whose stock had fallen 13% this year amid the international trade spats, **climbed 3.2% Tuesday** as investors anticipated less severe profit reductions for affected farmers. Elsewhere in the agricultural sector, CNH Industrial NV was up 3.8% and Titan International Inc. rose 0.9%.

GRUBHUB INC.

GRUB 24%

The mobile food-ordering company hit an all-time high after it announced the purchase of ordering platform LevelUp for $390 million. The acquisition, announced during the company's Wednesday earnings call, caps a quarter that saw Grubhub's profits double and active diner count grow by 70%. News of the deal sent Grubhub shares **soaring 24% Wednesday** as investors predicted LevelUp's software that facilitates payments and customer-relationship management for more than 200 restaurant companies could help expand Grubhub's burgeoning base of hungry customers.

CBS CORP.

CBS 6.1%

Shares of CBS **fell 6.1% Friday** after reports emerged of a New Yorker article alleging sexual misconduct by the media company's chief executive, Leslie Moonves. The New Yorker declined to comment on the article, which remained unpublished at the market close, while CBS's independent board said it would investigate the claims. The investigation into Mr. Moonves comes at a sensitive time as CBS is engaged in a legal battle with controlling shareholder National Amusements Inc., which holds nearly 80% voting stakes in CBS and Viacom Inc.

—Laine Higgins

Dirty Tricks For Gaming Amazon

Continued from the prior page

making it increasingly difficult for bad actors to hide," she said, adding that Amazon pursues civil and criminal penalties.

Amazon isn't the only tech giant that has dealt with bad actors in the form of bots and click farms. Twitter Inc. has recently started clearing accounts flagged for suspicious activity from its systems, while Facebook Inc. has rolled out new features to make it easier to identify fake pages.

Alphabet Inc.'s Google and other advertising platforms have also faced an increase in potentially fraudulent traffic. In a recent study, Adobe found that about 28% of traffic across thousands of its clients' websites showed strong "non-human signals," leading the software company to believe that the traffic came from bots or click farms.

Fake Amazon reviews have been a problem for years, and Amazon has developed better countermeasures to fight them. But sellers are becoming more creative, spawning an entire underground economy offering to deceive Amazon's algorithms.

The trickery can be seen on Amazon. A search last week for a blackhead-remover mask turned up more than a thousand options. One of the top-ranked results, labeled "Amazon's Choice," had hundreds of reviews averaging 4.3 stars.

But only the first four reviews were related to the mask—the hundreds of others mostly evaluated a battery charger. The merchant, labeled by Amazon as "just launched," likely co-opted an old listing with positive reviews and changed the product's image and description to fool Amazon's algorithms, according to sellers and consultants familiar with this general practice. An attempt to reach the seller was unsuccessful.

Amazon's algorithm typically weighs a variety of factors to give a product an "Amazon's Choice" label, including positive reviews and price. After an inquiry from the Journal, Amazon removed the unrelated reviews and the product was no longer labeled Amazon's Choice.

"Reports of abuse have spiked enormously," says Chris McCabe, who formerly worked at Amazon as an investigator and now helps sellers fight these problems as a consultant. Companies providing these types of "services are bolder, now, too" he says.

Competition has grown fierce as the number of items on Amazon's marketplace is estimated to have doubled over the past five years to more than 550 million, according to data-tracker Marketplace Pulse. Amazon also is pushing to expand internationally by soliciting manufacturers from China and elsewhere to sell direct to consumers.

Each time a shopper enters a search term, Amazon weighs a product's attributes including sales volume, price and Prime-membership eligibility. It also factors in aspects like the quality of verified reviews or the number of times customers have clicked on a product.

To leave a review, a customer needs to have spent at least $50 over 12 months using a valid credit or debit card, according to Amazon's policy. A "verified" review means that the customer purchased the product on Amazon and didn't receive it at a deep discount.

Amazon allows some methods for boosting a product in its search rankings, including advertising on the site and selling at a steep discount. Sellers can also pay to have a product reviewed by a small, random selection of Amazon-authorized reviewers, though this doesn't guarantee that the reviews will be positive. But sellers say those measures can be expensive, and they don't always work.

Instead, some sellers—particularly those in China, according to the people familiar with the practices—are turning to other sources for help. For a range of about $30 to $180 a month, some websites viewed by the Journal promise a certain number of positive reviews by offering reviewers cash and discounts as incentives, flouting Amazon's rules. Others promise to help sellers with rivals' information.

Some China-based Amazon employees have been paid off by sellers to pull confidential seller-account stats, search-optimization tricks and other internal information, according to people with knowledge of the practice.

"Data security is a top priority, and we have strict policies and procedures in place to protect it," the Amazon spokeswoman said in response to allegations of sellers paying Amazon employees. "We are conducting a thorough investigation of these claims."

Click farms that manage thousands of Amazon accounts have also proliferated.

In China, for example, some secretive businesses rent or sell accounts so that merchants can use them to make purchases and leave positive reviews. To trick Amazon and boost a product's ranking, sellers will ship an empty box with a real tracking number to accomplices in the U.S., who then leave a positive review for the product. They'll also ship knickknacks, like cheap watches, as a way to reward people who allow the use of their addresses.

One Chinese product seller said a company recently approached him, offering to help improve his sales. The pitch quickly turned to include the control of 8,000 U.S. buyer accounts used to stimulate fake purchases and generate phony reviews.

Another company markets itself as having more than 10,000 Amazon accounts, local IP addresses, 100% real buying behavior and zero risk, according to a presentation viewed by the Journal. The accounts can be used to generate reviews for products, and purchases are made with real credit cards, according to the presentation.


ANDREW HARRER/BLOOMBERG NEWS

The number of items listed on Amazon is estimated to have doubled over the past five years to more than 550 million.

> A seller abroad will ship an empty box with a real tracking number to a U.S. accomplice, who leaves a positive review.

It charges an average of $5.42 per review—higher than its rivals' average of $1.29—because of its claimed precautions. The company limits each account to eight reviews a month and only about 15% to 20% of products bought by each account is reviewed, according to its presentation, to mimic the behavior of real customers.

The Amazon spokeswoman said it determined that less than 1% of hundreds of millions of reviews were fake last month, and the company has sued more than 1,000 people for such abuse. Former employees and sellers say Amazon is frequently scrubbing suspicious listings, reviews and sellers, and it is catching some tricks like adding items to shopping lists to boost rankings.

In addition, Amazon has been working with Facebook to remove groups on Facebook that promote fake reviews, according to a person familiar with the matter.

But the tactics keep evolving, according to sellers and consultants.

Innoventic co-founder Michael Hartman said his company's listing for a UFlex Athletics knee compression sleeve was recently attacked by a rival. His listing for the product was split into three listings, one for each size he offers. Not only did that cause the product to drop in the rankings, but it also meant that consumers who found the listings were frequently ordering the wrong size. It took Amazon about three weeks to fix the problem.

Mr. Hartman has also dealt with counterfeiters, who have increasingly attacked small brands' listings and have hurt his reviews.

"You don't know how much time I've spent on this over the past year," he said, estimating he's filed between roughly 200 cases with Amazon.

After an inquiry from the Journal, Amazon removed some of the illegitimate reviews.

Sellers say fake reviews became more prevalent after Amazon tried to crack down on incentivized reviews in October 2016, where sellers gave away or heavily discounted merchandise to solicit reviews.

As Amazon has cracked down on fake reviews, some sellers are leaving five-star, fake-looking reviews on rival listings so they trigger Amazon's scam-detecting algorithm and get the rival seller suspended, according to the people familiar with the practices. Another tactic is to vote rivals' bad reviews the most helpful. Others buy the product and leave special complaints, which typically trigger an immediate listing suspension as Amazon investigates.

Sellers who are unfairly suspended will ask Amazon to investigate, but they lose sales during a typically weekslong probe, said Howard Thai, a Shenzhen-based consultant who works with Amazon sellers to improve sales. "You have to climb back up that ladder," he says.

Some consumers are catching on. Jennifer Bowen, an Arizona-based photographer, has bought ineffective products like eye cream based on five-star reviews, including some that appeared fake. Now she only looks at two-, three- and four-star reviews when she shops on Amazon.

"Nothing's perfect," she said. "I want the real honest assessment from people, and I feel like you find that more in less-glowing reviews."

—Wei Zhou in Shanghai contributed to this article.

Oil Profit Fails to Impress

Continued from the prior page

$70 a barrel, many are still holding back on spending and shareholder payouts as they recover from the painful downturn.

Together with European oil giants Royal Dutch Shell PLC, BP PLC and France's Total SA, the five largest Western companies are set to generate about $90 billion in free cash flow in 2018 and 2019, exceeding records set in 2008 when oil sold for almost $150 a barrel.

Yet they are paying out far less of their cash haul to investors. In 2008, the five companies generated about $85 billion in excess cash, the highest ever, and bought back more than $50 billion in shares, according to FactSet.

This year, the buyback total is unlikely to exceed $15 billion, about 17% of the free cash flow expected by analysts at the five companies. The demand for more cash reflects shareholder skepticism about long-term oil and gas investments. As oil prices rose above $100 a barrel, many companies increased spending by tens of billions of dollars and failed to boost production or returns.

"Oil companies spent like drunken sailors in the last decade without generating great returns," said Mark Stoeckle, chief executive of Adams Funds, which owns about $175 million in Exxon and Chevron shares. "Investors now are much more interested in spending discipline and stock buybacks."

Smaller oil and gas producers are paying out proportionally far more, and shareholders are rewarding them for it. Anadarko Petroleum Corp., which has a market capitalization of $37 billion, bought back almost $3 billion in shares from September to March.

The company announced it would buy back an additional $1 billion through June 2019. Including reinvested dividends, Anadarko shares are up 62% in the past year, more than double the average increase among large companies like Exxon and Chevron.

Shell's shares fell by more than 3% Thursday after the company's quarterly profit fell short of expectations. The company announced a buyback of $25 billion through 2020, yet some shareholders were disappointed that only $2 billion of shares will be repurchased in the next two months, analysts said.

BP shares were little changed Friday after the company announced plans to spend $10.5 billion to buy most of the U.S. shale business of BHP Billiton Ltd.

Exxon, which bought back tens of billions of dollars in shares annually when oil sold for more than $100 a barrel before the crash, has yet to return to large-scale buyback programs.

"The market loves capital discipline and shareholder returns," said Kris Nichol, an analyst at consultancy Wood Mackenzie Ltd. "The majors, so far, have been adhering to capital discipline, but they haven't been on the front foot in terms of shareholder returns."

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Disney's Fox Deal Wins Approval

With little fanfare, shareholders bless the $71 billion acquisition; Sky remains in limbo

By Erich Schwartzel
And Keach Hagey

REN LONG/XINHUA/ZUMA PRESS

The acquisition of Fox's film and television studios will add to Disney's many entertainment offerings, including Shanghai Disneyland.

Shareholders of **Walt Disney** Co. and **21st Century Fox** approved the $71 billion deal between the two companies on Friday, clearing another hurdle for a deal that will rattle the media and entertainment landscape and could inspire a wave of similar tie-ups.

If the deal is completed, Disney will absorb Fox's storied film and television studios, responsible for franchises like "Avatar" and "The Simpsons," as well as stakes in the Sky PLC pay-television company and the Hulu video-streaming service.

Disney and Fox shareholders voiced their support for the deal in meetings in Manhattan. The short formal gatherings were a noncontroversial proceeding in a merger that has generated considerable drama in the past six months.

At Fox's sparsely attended shareholder meeting at the New York Hilton's downstairs conference room, the mood was wistful. Although Fox Executive Chairman Rupert Murdoch himself wasn't in attendance, one Fox shareholder, Philip Berman, stood up and declared, "Finally, Rupert's dream is complete."

Disney's meeting, presided over by the company's general counsel, Alan Braverman, lasted less than 10 minutes with only a handful of procedural questions from shareholders. The vote faced essentially no pushback from Disney shareholders, with 99% of the shares voted approving the deal.

Disney still has several boxes to check before the deal is closed. Though the Justice Department approved the acquisition last month, Disney is waiting for approvals from more than a dozen international territories, including the European Union and China.

The Justice Department's approval came on the condition that Disney divest itself of Fox regional sports networks that compete with its own ESPN.

When Disney announced its bid to acquire Fox in December, the offer was valued at $52.4 billion in Disney stock. Then, in June, Comcast Corp. bid $65 billion in cash for the assets, forcing Disney to counter with a $71 billion mix of cash and stock.

Comcast dropped out of the Fox chase this month. "We thought we couldn't build enough shareholder value" at the price needed to win the war, CEO Brian Roberts said on an earnings call Thursday. Mr. Roberts said his company is focused on winning its separate pursuit of Sky, which began during the broader Disney-Comcast contest.

The fate of the pay-TV operator remains the biggest question. Fox wants to consolidate its ownership of Sky ahead of the Disney deal, but Comcast currently leads the bidding at $34 billion.

Disney executives, who have the final say on whether Fox continues its pursuit of the remainder of Sky, have indicated they will resist a "split the baby" scenario that cedes it to Comcast. Resolving the Sky portion of the deal with Comcast isn't a condition of the deal closing.

Even without Sky, acquiring Fox would make Disney—already the world's largest entertainment company—a significantly bigger force at a time of unprecedented box-office success for the company.

But Disney has had to learn quickly how to navigate a media landscape redefined by newer tech rivals like Netflix Inc. and Amazon.com Inc. In the past several years, direct-to-consumer offerings like Netflix have reoriented entertainment customers away from movie theaters and traditional cable bundles, which drove Disney's ESPN division to billion in profits.

Disney plans to use the Fox library and majority ownership of Hulu to bolster its own plans to launch a streaming service in late 2019, piping the company's "Star Wars" and Marvel Entertainment programming straight into the home.

Starbucks Loses Pay Case in California

By Lauren Weber

Starbucks Corp. must pay employees for off-the-clock work such as closing and locking stores, the California Supreme Court ruled on Thursday, a decision that could have broad implications for companies that employ workers paid by the hour across the state.

The decision is a departure from a federal standard that gives employers greater leeway on compensation for short tasks, such as putting on a uniform, that are performed before they clock in or after they clock out.

The federal Fair Labor Standards Act allows employers to disregard short bits of time that employees work if recording that time is impractical, the time required to complete the work is trivial, or the uncompensated tasks are irregular.

The California court ruled that the federal standard, which was developed before the advent of sophisticated time-tracking technology, is a relic of a prior industrial world. The court set a new standard for the state in which employers must track and pay for time spent on regularly occurring tasks, even if they take only a few minutes.

"The court is saying to employers, you should be actively trying to pay people for their work instead of using a free pass" from the federal doctrine, said Elizabeth Tippett, a professor at the University of Oregon School of Law who has studied time-tracking cases.

In a case filed in 2012, Starbucks shift supervisor Douglas Troester alleged that the coffee chain's software required him to clock out on every closing shift before completing tasks such as transmitting sales information to corporate headquarters, activating an alarm system and locking the door. Altogether, the closing tasks took between four and 10 extra minutes a day, according to court filings. During 17 months of employment, Mr. Troester's unpaid time added up to about $103, the filings say.

The case was dismissed by a federal court in 2014, so Mr. Troester appealed. The Ninth Circuit Court of Appeals sent the matter to California's Supreme Court to decide what is permissible under the California Labor Code.

"We are disappointed with the Court's decision," a Starbucks representative said. "We will await further disposition of the case before the Ninth Circuit as the appeal process continues."

WPP Veteran Emerges as Top CEO Choice

By Nick Kostov
And Suzanne Vranica

WPP PLC executive Mark Read has emerged as the leading contender to become chief executive of the advertising giant, according to people familiar with the matter, following the departure of founder Martin Sorrell.

Ad industry veteran and former WPP executive Hamish McLennan, another top candidate, is no longer in the running, the people said.

Mr. Read is a longtime WPP executive who was elevated to the role of co-chief operating officer in April when Mr. Sorrell left the company.

"No decision has been taken yet on the appointment of the new CEO and no announcement is expected imminently," a WPP spokesman said.

Mr. Read, 51 years old, would inherit a company struggling to boost growth as it faces increased pressure from clients and upheaval from the dominance of Facebook Inc. and Alphabet Inc.'s Google in digital advertising. Marketers are cutting back on the fees they pay agencies, hitting WPP and other ad holding companies. Consulting firms, meanwhile, are increasingly encroaching on Madison Avenue's turf.

Mr. Sorrell spent decades building WPP, whose headquarters is in London, into the world's biggest ad company by acquiring advertising agencies across the globe.

Word that WPP was considering outsiders as the new CEO stirred fears internally that the ad giant was facing a major shake-up, according to WPP executives. Mr. Read, by contrast, is expected to retrofit—rather than discard—WPP's business model for the digital age.

In April, Mr. Sorrell resigned as chief executive after The Wall Street Journal reported

TOBY MELVILLE/REUTERS

Mark Read was elevated to co-chief operating officer in April.

that the company's board was looking into an allegation of improper personal behavior and whether Mr. Sorrell had misused company assets. Mr. Sorrell rejected the allegation "unreservedly." He has also more broadly denied any wrongdoing.

The 73-year-old executive, who still owns 2% of WPP, has created a rival ad firm that this month outbid WPP for Netherlands-based digital agency MediaMonks.

WPP Chairman Roberto Quarta said the CEO search has been "challenging" for a public company in the U.K., where remuneration is typically lower than in the U.S. and it is tougher to attract top talent. WPP also reduced CEO compensation after it was repeatedly criticized by shareholders for handing Mr. Sorrell some of the ad industry's biggest payouts.

WPP reached out to several outside candidates, including Mr. McLennan and Tim Armstrong, who runs Verizon Communications Inc.'s Oath internet business, people familiar with the matter said. Mr. Armstrong declined to participate in the contest, according to a person familiar with the matter.

WPP's board heard presentations from CEO candidates last week, according to people familiar with the matter.

Among those making presentations was Mr. McLennan, who once ran Young & Rubicam, one of WPP's ad agencies.

Investors are counting on WPP's new chief executive to steady the company while also charting a new course. Clients such as Ford Motor Co., Unilever PLC and Procter & Gamble Co. have been cutting back on fees they pay for ad services. Some have also been producing more marketing in-house to save money and give themselves greater creative control.

Investors expect WPP to cut costs by ending the practice of allowing agencies to operate like independent fiefdoms, duplicating services as they competed against each other. "When we talk with clients, they want us to work together, not to work apart," Mr. Read said in an interview in June.

MoviePass Taps Loan to Maintain Service

By Andrew Scurria
And Allison Prang

PATRICK T. FALLON/BLOOMBERG NEWS

The movie subscription service experienced technical trouble when some vendors cut it off.

Cash-strapped movie subscription service MoviePass suffered a service outage and its majority owner took out an expensive short-term loan to pay vendors in order to restore full operations.

The outage, which caused ticketing issues for customers on Thursday and Friday, adds to difficulties that have undercut the company's stock over the past year.

MoviePass majority owner **Helios & Matheson Analytics** Inc. received $5 million under a loan from a Hudson Bay Capital Management investment fund to help pay merchant and fulfillment processors, which cut off the movie-subscription service, the company said in a securities filing Friday.

Customers who tried to access the MoviePass app Friday saw a message saying there were "technical issues with our card-based check-in process," by which tickets are issued from a kiosk using a special debit card. The app noted it was still possible to get e-tickets from theaters with which MoviePass has a deal that lowers its costs, which include several small chains.

A tweet from the MoviePass Twitter account on Friday said the technical problem "is not with our card based systems or partners." MoviePass, through its account, apologized in tweets directly to customers about service problems.

MoviePass said the service was back online by Friday afternoon "with stability at 100%." Along with the restoration of service, MoviePass implemented new terms limiting subscribers' ability to see certain popular films. The app no longer allowed subscribers to see the newly released "Mission: Impossible—Fallout" except at the theaters with which the company has a special deal.

A Hudson Bay spokeswoman declined to comment.

Shares in Helios & Matheson fell 71% to $2 in Friday trading. The stock has plunged from its October high of $32.90, to as low as 8 cents in the past week. Earlier in the week, the company implemented a 1-for-250 reverse stock split.

MoviePass has proven popular with customers, but analysts and industry executives have questioned the sustainability of its business model. The service lets subscribers pay a monthly fee, currently about $10, to see up to one movie a day. MoviePass rolled out "surge pricing" this month, adding a fee for customers to see certain films when demand is high.

Theater chains such as Cinemark Holdings Inc. and AMC Entertainment Holdings Inc., the largest U.S. cinema chain, have also launched movie-subscription programs for patrons.

Helios & Matheson said in mid-June that MoviePass had more than three million subscribers. It also has said MoviePass may not be profitable on subscriber revenue alone but that its user data can help sell ads and drive box-office revenue, which MoviePass can capture through deals with studios and cinemas. In the quarter ended March 31, MoviePass had a loss of $98.3 million on $48.6 million of revenue, according to regulatory filings.

—Ben Fritz contributed to this article.

Teck Announces Board Appointment

Dominic Barton

Dr. Norman B. Keevil, Chairman of Teck Resources Limited ("Teck") is pleased to announce that Dominic Barton has agreed to join Teck's Board of Directors effective September 1, 2018. He will succeed Dr. Keevil as Chairman of the Board on October 1, 2018.

Mr. Barton has been the Global Managing Partner of McKinsey & Company for the past nine years. He is the Chair of the Canadian Minister of Finance's Advisory Council on Economic Growth and the Chair of the Seoul International Business Advisory Council. He is also a Trustee of the Brookings Institution, a Rhodes Trustee, and an Adjunct Professor at Tsinghua University in Beijing. He is one of the founders and serves on the Board of FCLT Global (Focusing Capital on the Long Term), and is a member of the Boards of Memorial Sloan Kettering in New York and the Asia Pacific Foundation in Canada. Mr. Barton graduated from the University of British Columbia with a BA Honors in economics and studied as a Rhodes Scholar at Brasenose College, Oxford University.

Teck is a diversified resource company committed to responsible mining and mineral development with major business units focused on copper, steelmaking coal, zinc and energy. Its shares are listed on the Toronto Stock Exchange under the symbols TECK.A and TECK.B and the New York Stock Exchange under the symbol TECK. www.teck.com or follow @TeckResources.

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Sun Basket set up its Midwestern distribution center in a converted limestone cave to keep refrigeration costs down.

SUN BASKET: WHITNEY CURTIS FOR THE WALL STREET JOURNAL (4); HELLOFRESH: BRYAN ANSELM FOR THE WALL STREET JOURNAL

The Messy Business Of Selling Meal Kits

Getting perishable ingredients to customers is one of the biggest logistical challenges in the food business; don't send eggplant.

By Heather Haddon and Jennifer Smith

Meal kits may make cooking easier, but getting a box of pre-portioned ingredients and instructions to a customer's door is one of the most complicated logistics riddles in the food business.

Companies have poured millions of dollars into solving such questions as how to stack fish and fennel in boxes. They're also investing in systems to reroute shipments during snowstorms and algorithms to predict what customers want to eat during the summer months.

"It's building a supply chain from scratch," says Ray Gonzales, vice president of U.S. production at **HelloFresh SE**, a Berlin-based meal-kit company that is the world's largest by revenue.

Dozens of meal-kit options are now on the market, but the pressure is growing for **Blue Apron Holdings** Inc., HelloFresh and others to show results and turn profits. Los Angeles startup Chef'd ceased operations earlier this month after it couldn't secure fresh capital to keep its complex operations going. A California food consultancy bought Chef'd earlier this week to focus on its retail operations, rather than e-commerce.

Some meal kits are starting to stabilize financially. HelloFresh hopes to break even companywide by year's end, and Blue Apron is looking to do the same next year. Chicago-based Home Chef said it had two profitable quarters last year, and expects to have a full-year of profitability by the end of 2018.

Meal-kit spending by consumers has grown three times as fast as in established food sectors such as restaurants and grocery stores since 2015, according to Nielsen. Still, meal kits constitute just a fraction of the overall $800 billion food and beverage retail market.

Plans typically cost between about $7.50 to $9.99 per serving, though most companies offer discounts for new subscribers.

Andrea Dennis, 34 years old, of Orlando, Fla., and her husband even took meal kits from HelloFresh with them on vacation. "They're all in the individual packaging, so we just made them there," Ms. Dennis said.

But companies that sprang up in garages or test kitchens are getting a close look at just how expensive and complicated it can be to deliver millions of boxes a month to customers' homes or to supermarkets.

Startups have had to devise workarounds for everything from heavy weather to diverting trucks around highway accidents, and company founders have lots of war stories, especially from the early days of their operations.

At Home Chef, a sudden recipe change could set off a scramble to source ingredients at the last minute, with the chief operating officer in one instance filling up a truck with potatoes himself.

"We had to figure it out ourselves," said Pat Vihtelic, founder of five-year-old Home Chef, whose profits took a hit after it had to overnight shishito peppers from a California supplier because of a subpar prior shipment.

When the "bomb cyclone" snowstorm shut down East Coast transportation networks in January, HelloFresh turned to one of its produce suppliers to help truck shipments from its Newark, N.J., warehouse to FedEx Corp.'s nearby regional air hub, flying out some of the boxes.

Many startups have brought in food-manufacturing veterans as pressure builds.

"Building a perishable-food business is not something you do quickly or lightly," said Don Barnett, Sun Basket Inc.'s chief operating officer, who began his career at Dole Food Co. and has 25 years of experience with perishable food, including roles as a co-founder and CFO at organic-girl, a packaged salad company.

To help keep a lid on costs, Sun Basket, whose meal kits target health-conscious consumers, has gone so far as to set up a Midwestern distribution center in a converted limestone cave—a cheaper way to keep its products cold than spending millions to convert a conventional warehouse in the region for refrigeration. The temperature inside the underground facility remains stable regardless of whether it's hot or cold outside, so the company spends less on electricity.

Adding to the complexity of the meal-kit business: Blue Apron, HelloFresh and others are now looking to supermarket sales to supplement subscription-only revenue. Grocers also want a piece of the action. Kroger Co. and Albertsons Cos. both acquired meal-kit startups in the last year.

Chef'd was one of the first companies to push into supermarkets, but ran into trouble as it did so while also running a complex e-commerce operation that offered more than 1,000 recipe choices.

Homebound meal kits are made differently than those sold in supermarkets. Kit makers worry that fresh products may linger in back rooms or hit expiration dates on the shelf, so some use ingredients that can last longer. HelloFresh, for example, doesn't use fish for its supermarket meal kits.

While products developed by big food companies tend to stay constant once they hit the shelves, meal-kit choices are in constant flux, with new recipes every week, said Tim Smith, senior vice president at Blue Apron, whose meal kits are selling in Costco Wholesale Corp. stores.

Despite the challenges, the market is expected to grow. Meal-kit and food subscription companies saw $281 million in venture-capital investments last year, up from 2016 levels but down from 2015 records, according to a PitchBook analysis.

Companies have struggled to acquire and maintain subscription customers, though some startups have shown progress in moving beyond promotional deals to bring in paying subscribers. Home Chef, which raised around $52 million from investors, said its revenue more than doubled to $250 million last year. Kroger's announced acquisition of the company in May for a total of $700 million gave a boost to the meal-kit sector overall.

Play our food delivery game at: wsj.com/graphics/run-your-own-meal-kit-company

After Blue Apron's initially shaky public offering last year, with its shares losing two-thirds of their value after debuting at $10, the company has started to recover from operational problems.

But investors are getting choosier about where to put their money. Tech companies that venture capitalists have traditionally backed have much lower costs than meal-kit companies, financial filings show.

"Fresh food by its nature is perishable inventory," said Rett Wallace of Triton Research, a provider of data on technology companies. "It's easy to see how marketing and delivery costs would zero out any margin they make on the food itself."

Growth phases can also bring trouble. After cookbook author Mark Bittman endorsed vegan meal-kit company Purple Carrot, demand swelled unsustainably for the startup, which was founded in 2014 by a former pharmaceutical executive in his Boston-area garage.

"We were literally building the plane in flight," said Chief Executive Andy Levitt, who said operations have now improved and the company is growing.

To survive, startups are scrutinizing each step of their operations. While some rely largely on manual labor, Blue Apron and Sun Basket Inc. are investing millions in automation, such as machines that dole out sauces or seal single-serving ingredients in tiny bags.

At Blue Apron, the switch to automation initially caused some glitches, and some customers' orders arrived late or incomplete. The company says timely, full arrival of boxes has improved and the investments are helping productivity.

At Blue Apron's most automated plant in New Jersey, radishes tumble down chutes, go through a system of scales to sort them by weight and are apportioned at a rate of 70 bags a minute. Machines also make unique spice mixtures, executives said.

"Things that took us hours now take minutes," said Ilia Papas, the company's co-founder and chief technology officer.

HelloFresh, on the other hand, relies more on prepackaged ingredients from suppliers, such as company-branded pesto in travel-shampoo-size bottles, an approach it says allows for more supply-chain flexibility. But the company is looking to do more in-house food manufacturing, a factor that drove its acquisition in March of organic-kit maker Green Chef Inc.

Executives at several meal-kit companies have forged relationships with farmers and struck special deals to ensure supply and high standards. Blue Apron bought the BN Ranch grass-fed-beef company, while Purple Carrot took a $4 million investment from Del Monte Produce Inc. in May to improve its supply and reach.

Home Chef uses wireless sensors and heat chambers to determine the amount of cooling material needed for different times of the year and parts of the country. It has also built algorithms to pull in live weather feeds to predict the conditions for individual boxes.

Officials say they are also getting better at learning what ingredients and recipes not to ship or try. Mr. Vihtelic said Home Chef now avoids shipping eggs, fresh berries and bananas, as they proved too delicate.

Blue Apron's culinary director, John Adler, says he has learned a few critical lessons: "Don't send eggplant. People don't like bitter foods. When in doubt, add cheese."

Recipe for Success

1. PLAN THE RECIPE

Strategy: Many companies now scrape data to learn what sells best by region or demographic.
Hurdles: Some recipe basics don't ship well—eggs, for instance.
Solutions: Some have stopped using finicky ingredients; others have devised special packaging to ship delicate items.

Employees dress warmly inside Sun Basket's warehouse in a cave.

HelloFresh meals bagged at a production facility in Newark, N.J.

2. SOURCE THE FOOD

Strategy: Companies now leave less to chance in their supply chains.
Hurdles: Unpredictable weather can wipe out recipe ingredients.
Solutions: Companies are locking in suppliers or buying them outright. Blue Apron bought the BN Ranch grass-fed beef company. Purple Carrot stuck a recent deal with Del Monte Produce to guarantee fresh supply in return for a stake in the company.

3. ASSEMBLE THE KITS

Strategy: Makers are increasingly turning to automation to improve assembly.
Hurdles: Highly automated processes require more worker training. Blue Apron lost customers after its automated warehouse couldn't ramp up as quickly as expected.
Solutions: Some companies are automating only some steps. Others rely more on human labor and ingredients such as branded condiments that come prepackaged from suppliers.

Sun Basket has a refrigerated truck network for food delivery.

4. DELIVER THE BOX

Strategy: Companies that deliver to both supermarkets and individual customers face double the logistical headaches.
Hurdles: Bad weather can delay deliveries, putting perishable foods at risk.
Solutions: Sun Basket has a refrigerated truck network. Home Chef has devised breathable packaging for its greens to minimize damage in transport.

At Sun Basket, some items are packaged by hand, others by machine.

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STRATEGY

ON BUSINESS

JOHN D. STOLL

Big Data Falls Victim To a Breach —Of Trust

For years, conventional wisdom said the smart way to build a blockbuster company was to amass big amounts of information on your customers. Now comes the downside: Big Data can also inflict big harm on a business.

Companies are facing an erosion of faith in their ability to do the right thing with what they've learned. A growing number of people don't trust tech giants to responsibly handle what we share.

Facebook Inc. Chief Executive Mark Zuckerberg is the most visible tech executive to face the music thus far. Facebook shares crashed this past week after reporting slower-than-expected revenue growth in the wake of the Cambridge Analytica privacy scandal.

The confidence problem transcends Facebook. In 2017, credit-reporting firm Equifax Inc. disclosed that the personal information of nearly 150 million people was compromised in a data breach. Before that, Uber Technologies Inc. paid hackers $100,000 to keep secret the theft of 57 million accounts. The list goes on.

Analysts have for a while been predicting a downturn in public sentiment toward Big Data. In 2013, for instance, consulting firm Ernst & Young in a survey report titled The Big Data Backlash said "the Golden Age of anytime, anywhere, free-for-all access to customer data" would come to end in 2018.

Regulations could slow the ability to collect data. Take the European Union's new General Data Protection Regulation: Its enforcement began in late May and led to a decline of one million Facebook users in that region during the second quarter.

Companies are responding by appointing more chief data officers who report directly to the CEO, Ernst & Young's global analytics leader, Beatriz Sanz Saiz, said in an interview. While this promotes better accountability, it is primarily because "the first priority for most executives is to leverage their own internal data."

Ms. Sanz Saiz estimates companies typically use only 5% to 10% of the data they collect. They would like to use more. That's why a slate of industries—from oil to transportation to health care—are beefing up internal data departments or forging new partnerships with tech giants like Alphabet Inc.

Companies can't just leave these strategies to the tech guys, said Andrew White, an analyst with tech research firm Gartner. Boards of directors need to look at the functions tied to Big Data (machine learning, artificial intelligence or cloud computing, for instance) with the same rigor as executive pay, financial auditing or management succession.

"IT cannot do the type of governance we're talking about," Mr. White said.

Ernst & Young's survey found nearly 80% of respondents believe companies collect data in order to line their pockets rather than to simply make life easier for consumers. "As a result, they are becoming more selective about who they share data with and a backlash is building," the firm said.

To counter this, companies must prove they can do more than simply "monetize" our data. The Cleveland Plain Dealer recently published columns illustrating one consequence of Big Data fears: Older people were being required to have their license swiped before buying age-restricted items at Giant Eagle grocery stores—and they were concerned about the protection of their personal information.

"They're not scanning it because of your age," Roy Hewitt, a 71-year-old-retired sports editor at that paper, told me."My beard is older than 21." He alerted a columnist at Plain Dealer about the practice.

A Giant Eagle spokesman said: "We understand that some customers might have reservations about having their identification cards scanned and want to reassure those customers that Giant Eagle takes its responsibility to protect their personal data very seriously."

Mr. Hewitt says he no longer gets carded, but still has a dim view. "You can't trust some banks and some companies to look at your credit and not get hacked. How in the world are you going to trust a grocery store?"

DANIEL ACKER/BLOOMBERG NEWS

J.C. Penney has been unprofitable for 15 of the past 17 quarters. Above, a customer at a Penney in Peoria, Ill.

J.C. Penney Tries to Win Back Moms

After a failed attempt to woo millennial buyers and an ill-fated push into appliances, the retailer is refocusing on its core middle-aged customers

BY SUZANNE KAPNER

After spending the past few years chasing after millennials, **J.C. Penney** Co. executives say they are now focused on wooing another elusive group: middle-aged moms.

The shift is the latest about-face for a retailer that has veered from one strategy to the next as it has cycled through three chief executives in nearly seven years. The company is on the hunt for another leader following the exit in May of Marvin Ellison, who left to become CEO of home-improvement chain **Lowe's** Cos. Analysts and investors say time is running out to revive a retailer that was known for dressing Middle America.

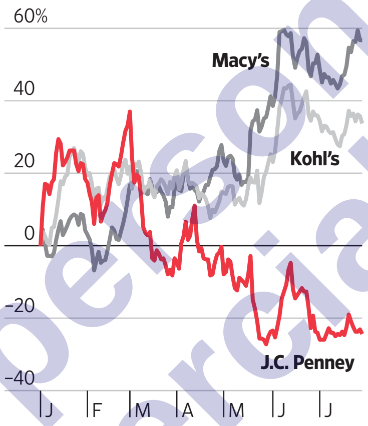
"J.C. Penney doesn't have several years to figure this out," said Allen Questrom, a retired retailing executive who ran Barneys New York Inc., the Neiman Marcus Group and the predecessor company to **Macy's** Inc., before helming Penney from 2000 through 2004. "They are at risk of becoming irrelevant. They've lost a lot of customers. Getting them back becomes more and more difficult."

Penney Chairman Ronald Tysoe said the board's priority is to recruit a CEO with apparel experience. The category accounts for more than half of the chain's $12.5 billion in annual sales and struggled under Mr. Ellison, a veteran of the home-improvement sector who pushed Penney into appliances.

"The challenge is to reinvent, but you don't want to throw the baby out with the bathwater," Mr. Tysoe said. "To some extent, we did that."

Penney's Problem

J.C. Penney has struggled to turn around its business, and its shares have lagged behind rivals' this year.



Source: SIX

THE WALL STREET JOURNAL.

After Mr. Ellison's departure, Penney created an Office of the CEO consisting of four executives to run the company temporarily. None of them have apparel experience.

The chain has been unprofitable for 15 of the past 17 quarters and is saddled with $4 billion in debt. Sales in the fiscal year ended Feb. 3 were down by more than one-third from a prerecession peak of nearly $20 billion.

As other retailers turn a corner after several tough years, Penney continues to flounder. Its shares have fallen about 24% this year and now trade below $3. Shares of **Macy's** and **Kohl's** Corp. are up roughly 59% and 36%, respectively.

Founded in 1902 by James Cash Penney, the retailer became known for selling quality apparel at affordable prices. At its peak in the 1970s, it operated more than 1,600 department stores, making it a fixture in many American shopping malls. More recently, it has been closing stores and selling assets, including its corporate headquarters in Plano, Texas, and its three private jets.

Mr. Ellison took the reins in 2015 after more than a decade at Home Depot Inc. At the time, Penney was reeling from the rocky tenure of former Apple Inc. executive Ron Johnson, who scaled back private-label brands and promotions, alienating Penney's shoppers. He also created in-store shops to feature younger, hipper brands such as Joe Fresh.

Mr. Ellison succeeded Mike Ullman, a former Penney CEO who stepped back in for a brief stint following Mr. Johnson's departure.

Mr. Ellison tilted the company toward home appliances, a competitive business that Penney had exited in 1983, in an attempt to win shoppers as **Sears Holdings** Corp. closed stores.

There was one problem: Appliances have gross margins of around 20%, compared with 40% for apparel. As Penney rolled out appliances to 600 of its roughly 860 stores, its margins shrank.

The logic was that appliances would draw shoppers to Penney's stores and increased sales would compensate for lower margins. But sales haven't increased much. After 18 months, Penney's share of the appliance market stands at 0.9%, according to TraQline, a unit of Stevenson Co.

Mr. Tysoe said the strategy was worth trying. "Time will tell whether it's a business we stay in," he said.

Overall, Mr. Tysoe defended Mr. Ellison's tenure, saying he paid down $1.6 billion in debt and improved e-commerce operations. The former CEO also pushed to make Penney a more diverse employer. The number of female and minority directors doubled during his tenure, according to a company spokeswoman.

Through a Lowe's spokeswoman, Mr. Ellison declined to comment on his time at Penney.

But the core apparel business suffered. The category underperformed Penney's expectations in both the holiday quarter and the first quarter of this year, which ended May 5. Penney's apparel struggles come as clothing sales have picked up across the industry. So far this year, apparel is on track to post its strongest sales gains since 2012, according to the consulting firm Customer Growth Partners.

People close to the company fault Mr. Ellison for eliminating the chief merchant job, a critical position that determines which products a retailer carries. Penney's buyers reported to Joe McFarland, a former Home Depot executive recruited by Mr. Ellison to be the retailer's chief customer officer. Mr. McFarland is leaving Penney at the end of July to join Lowe's as executive vice president of stores, according to both companies.

Several longtime merchants left the company during Mr. Ellison's tenure, creating a void among executives with apparel experience, the people said.

"We did lose our way," said Mike Robbins, Penney's executive vice president of supply chain and a member of the CEO Office. He said the problem wasn't a lack of apparel talent, but rather a push to woo millennial shoppers "that took our eye off our core customer."

In recent years, Penney launched brands such as Belle & Sky, Libby Edelman and a line of women's clothes inspired by the TV show "Project Runway" to better compete with H&M and Forever 21. The new brands were given prime space near store entrances, crowding out more established labels favored by its older customers such as Liz Claiborne, Worthington and St. John's Bay.

> 'J.C. Penney doesn't have several years to figure this out,' ex-CEO Allen Questrom says.

Now, Penney is trying to win back women in their 50s and 60s. It recently held an event at its corporate offices modeled after the TV show "Shark Tank," where executives pitched ideas "to make her love us again," Mr. Robbins said.

One idea included opening stores an hour early exclusively for loyal customers, who would be able to shop the latest Liz Claiborne offerings ahead of the general public.

Brenda Hodgkiss, of Monmouth County, N.J., said she hasn't bought much at Penney since the chain reduced promotions under Mr. Johnson, the former CEO. These days, the 78-year-old does most of her shopping at Macy's, which she said has a bigger selection and better quality.

"People don't really talk about Penney anymore," said Ms. Hodgkiss. "They've almost become irrelevant."

Can Virtual Reality Help Combat Eating Disorders?

PSIOUS

Psious's VR tool has a restaurant environment that offers psychologists the option to choose what patients can 'eat' depending on their issues.

THE FUTURE OF EVERYTHING

Shortly after the young woman walks into Howard Gurr's psychology practice, she is taken to a beach and encouraged to relax. Dr. Gurr then changes course, bringing his patient to a restaurant or other place that is a source of anxiety.

Dr. Gurr is a therapist who is using virtual-reality scenery to tackle the anxieties and body-image issues of patients with eating disorders like anorexia, bulimia and binge eating.

He uses a combination of cognitive behavioral therapy and virtual reality to relax his patients in a peaceful setting and educate them on anxiety. Then, he introduces more stressful environments (a restaurant or dressing room) through a program called PsiousToolsuite.

Before VR "I had to have them sit there and say let's work through the anxiety-provoking situations and reduce your anxiety," Dr. Gurr says. "With VR…I can go through the entire process of desensitizing their anxiety and it's in my office."

Psious has a variety of environments where professionals can control the scenery, monitor patients' stress levels and guide their perceptions of reality. The dressing-room environment, for example, allows a patient to use a virtual body to represent her "ideal" body and how she sees herself. Then, the therapist can introduce a virtual body that represents the patient's actual measurements. This allows the patient to get a truer sense of actual body size.

Although VR shows signs of becoming a more effective way to treat eating disorders, it still isn't widely used, in part because earlier iterations were expensive.

Now, doctors can buy subscription plans to VR treatment programs. The Psious program has three tiers: a $39-a-month plan that includes four treatment sessions; a $99-a-month plan that has 12 sessions; and $1,299-a-year plan that includes unlimited sessions.

—Waverly Colville

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accenture

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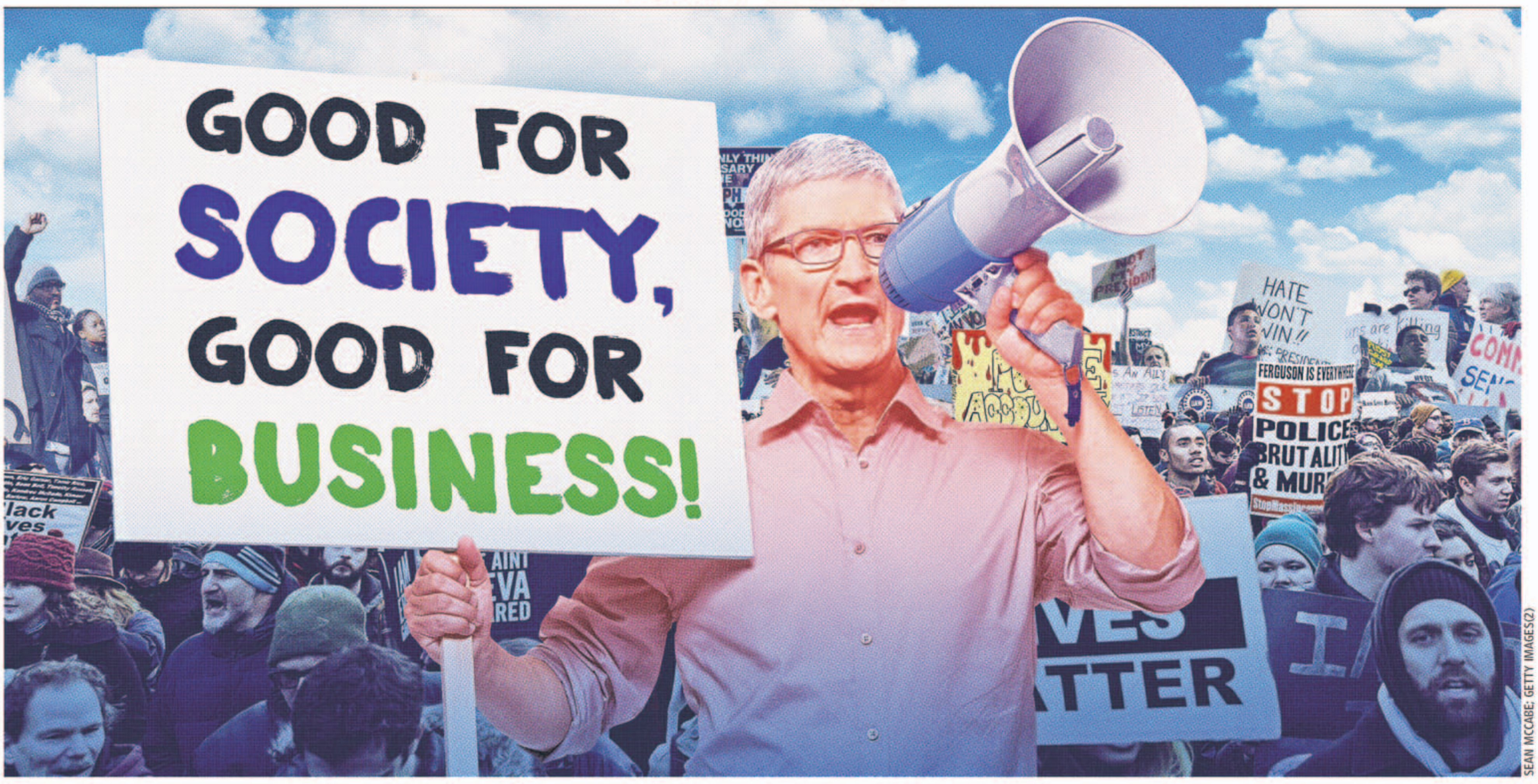
HUMAN CAPITAL



SEAN MCCABE; GETTY IMAGES(2)

THE CAPTAIN CLASS | SAM WALKER

Rules for CEOs in the Age of Activism

Many corporate leaders who speak out on divisive social issues forget to make a business case for their views; the Ronald Reagan model

Like all revolutions, this one was a long time coming—although historians may argue that Brian Moynihan issued its declaration of war.

"Our jobs as CEOs now include driving what we think is right," Mr. Moynihan, Bank of America's chief executive, told The Wall Street Journal in 2016. "It's not exactly political activism, but it is action on issues beyond business."

As a growing number of CEOs who have swept aside old taboos about activism to express their views on social and political issues, those who haven't done so are finding themselves in a perilous spot.

In the past, wading into activism was a surefire way to risk damaging your business. Now, between the endless, real-time conversation taking place on social media, and the rising tide of advocacy bubbling up from their own employees, customers and investors, saying nothing may be just as dangerous—if not more so.

In a recent survey, 47% of millennials said they believe CEOs ought to take positions on issues that are important to society, according to Weber Shandwick and KRC Research. Another 51% said they were more likely to buy from companies whose CEOs express views they agree with.

There's even some evidence that being "out there" makes CEOs better at their jobs. A Ruder Finn study of 100 leaders across 13 industries found that only 28% of chief executives whose companies had experienced below-average stock price growth maintained two or more social-media accounts. Among the high-performing group, that figure was 50%.

Some CEOs opt to play it safe when taking public stands. They defer to opinion polls or wait to speak until many others have jumped on the grenade. The rest fall into two camps: those who operate by instinct and those who try to establish some ground rules.

Apple's Tim Cook, who has been outspoken on topics including data privacy and the environment, recently told an audience that Apple tries to limit its comments on "hot-button issues" to subjects the company brings a certain level of expertise to.

Berkshire Hathaway's Warren Buffett prefers to leave his company out of it. He recently told CNBC that his occasional political statements are never made on behalf of employees and shareholders. "I'm not their nanny," he said.

After studying scores of instances of CEO activism, I've noticed one overarching trend: Most business leaders who have spoken out have adopted the moral language of activism. They rarely, if ever, lay out a thorough *business* case for the positions they've taken.

In early 2017, for instance, Apple's Mr. Cook joined a chorus of CEOs opposing President Trump's decision to impose stringent immigration limits. In that first response, he spoke in broad terms without offering a specific business rationale. "This country is strong because of our immigrant background and our capacity and ability as people to welcome people from all kinds of backgrounds," he told the Journal. "That's what makes us special."

What Mr. Cook didn't say—revealed later by government data—is that Apple had hired thousands of high-skilled, well-educated immigrants through the H-1B visa program, a majority of whom had master's degrees. The company also paid them $139,000 a year on average, far more than the overall H-1B salary average of $91,000.

In other words, Mr. Cook never mentioned that immigrants were some of his company's best and brightest employees.

In February, Edward Stack, chief executive of Dick's Sporting Goods, issued a statement on the school shooting in Parkland, Fla., that laid out a series of restrictive new company policies regarding gun sales. "We deeply believe that this country's most precious gift is our children," he said. "We must keep them safe."

In these moments, being an activist feels noble. Discussing your business seems tacky.

At the time, Mr. Stack didn't address the decision's business implications. He later said the company's bottom line wasn't a factor in speaking out, but that doing so would likely have a negative impact on sales.

Although he never raised the possibility that Dick's might attract enough new business to offset the losses, that's exactly what happened. The company surprised Wall Street in May by reporting a 4.6% increase in net sales in the first quarter.

The strongest argument for making the business case for activism doesn't come from business.

Unlike CEOs, U.S. presidents have long been expected to use the bully pulpit to dabble in activism—and most presidents who succeeded at selling controversial positions have used a similar strategy. They justified their activism by showing how it relates to the fundamental duty of a president: to uphold the republic by advancing the causes of freedom, equality, security and opportunity.

When Ronald Reagan needed to argue his case for limited government, he often linked it to freedom: "As government expands, liberty contracts." He also tied it to opportunity: "We who live in free market societies believe that growth, prosperity and ultimately human fulfillment are created from the bottom up, not the government down."

During a televised address in 1983, Reagan told Americans that his controversial plan to boost defense spending "wasn't pleasant" for someone who had come to Washington to reduce government's size. Then he artfully reframed the debate.

The defense budget was not about "spending arithmetic," he said—it was about security. The chief responsibility of a president, he reminded, "is the duty to protect and strengthen the peace."

Chief executives who want to marry strong leadership with successful activism would be wise to study the Great Communicator's playbook. Before backing any cause, they should fashion an argument that ties their position to the fundamental duties of a CEO.

How does this response serve the interests of the company's customers, employees and investors—and how will it make the company stronger?

It's not surprising that corner-office activism is a work in progress. Recent studies suggest that 60% of CEOs at major companies don't participate in social media—and those that do devote less than 10% of their posts to politics, social issues or current events. The last thing most CEOs want to do in the heat of some highly charged, emotional debate is blather on about the realities of commerce.

In those moments, being an activist feels noble. Discussing your business seems tacky.

Over time, CEOs will surely develop a new language for activism that doesn't involve abandoning their jobs. Look closely and you might even catch a glimpse or two.

In September 2017, when President Trump decided to end a policy that shielded the children of undocumented immigrants from deportation, Mr. Cook sent a companywide memo noting that Apple employed 250 of these "dreamers." In a tweet, he wrote that dreamers "contribute to our companies and our communities just as much as you and I."

In June, amid the furor over the separation of migrant families at the border, JPMorgan Chase's Jamie Dimon wrote a letter to employees outlining his opposition to the policy, citing many non-business rationales relating to "American values."

Midway through, however, Mr. Dimon argued that fixing the nation's immigration problems "will clearly boost the economy and help companies like ours hire great talent."

It wasn't exactly Reaganesque—but it's a start.

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EXIT INTERVIEW | MARTIN ROPER

On Crafting a Brewer's Rise

Boston Beer's former CEO discusses the challenges of working under a brewing legend and Americans' declining thirst for beer.

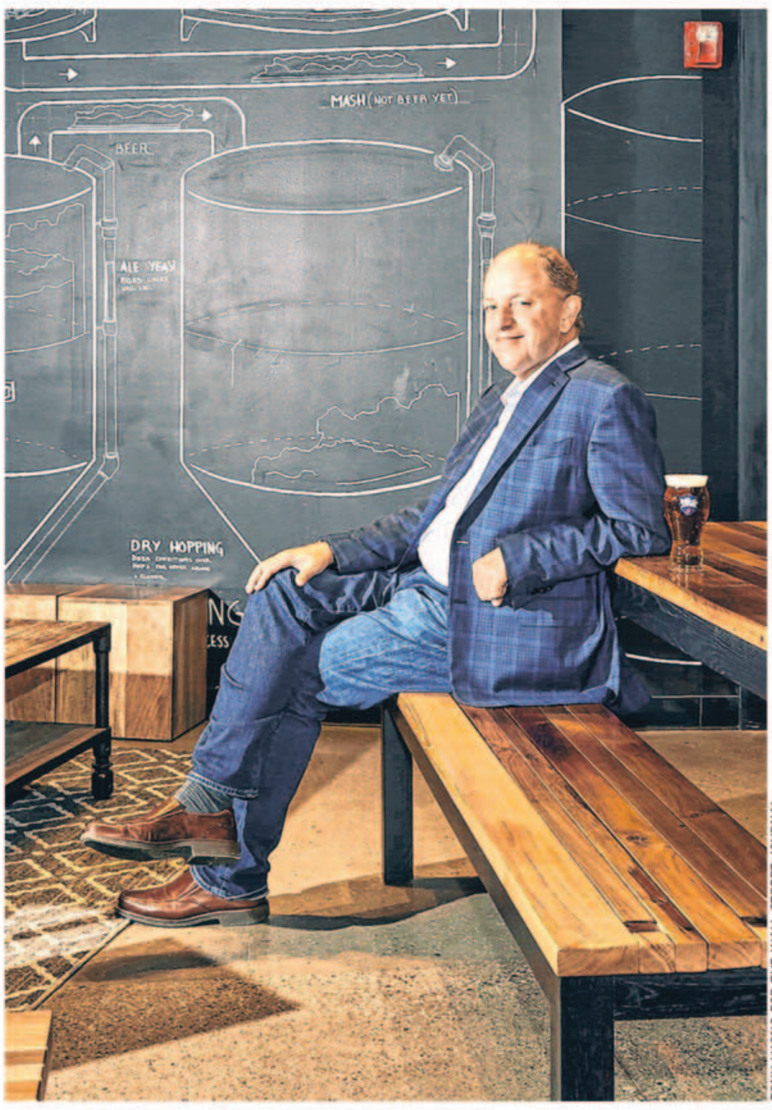
For 17 years, Martin Roper was the quiet CEO working behind Boston Beer Co.'s charismatic founder and craft-beer pioneer, Jim Koch. By the time the 55-year-old Mr. Roper left in May, Boston Beer was among the top 10 U.S. breweries by volume. Here, edited excerpts from his interview with The Wall Street Journal. —*Jennifer Maloney*

WSJ: What was your biggest challenge at Boston Beer?
Mr. Roper: Preserving a very entrepreneurial culture while professionalizing the company. The company always had a focus on growth and always had a focus on trying to win, which led to some free-wheeling experiences.

WSJ: Like what?
Mr. Roper: When I tried to put budgets in, I had pushback: 'We don't have budgets. We can do whatever we like as long as we grow.' I was like, no, budgets are good. They're good for planning. They're good for discipline. They help you get better each year because you can get more efficient. So I think trying to identify what was key to the culture and making sure we preserved that through empowerment of the employees, open communication, open-door policies, no layers and de-emphasizing titles.

WSJ: Jim Koch is something of a celebrity in the beer world. What's your advice to someone who is going to work as CEO under a charismatic founder who is really involved in the business?
Mr. Roper: It's a partnership, almost a marriage. And it's a relationship that is built up over time. It really helps if the CEO is ego-less and is willing to allow the founder to be out front in the company and support that. It helps if the CEO is really good at execution, because then the founder comes to rely on the CEO to actually execute and stays forward-looking.

WSJ: Why are Americans drinking less beer?
Mr. Roper: They're drinking healthier. They're maybe drinking a little more spirits than beer. There's a generation that was drinking beer in large quantities that is getting older. The new generation has grown up drinking a different beverage for every occasion. Beer is fitting some of those roles but not all of those roles.



TONY LUONG FOR THE WALL STREET JOURNAL

WSJ: Is the solution for brewers to offer things that aren't beer?
Mr. Roper: For a beer company, the key is to stay in touch with the consumers and innovate around what they want. We saw that drinkers were migrating both to Michelob Ultra, which is low-carb, and to sparkling water like LaCroix. Spiked sparkling water fits in that space. So we introduced Truly Spiked & Sparkling, which is on fire this summer.

WSJ: Was there a turning point in your tenure?
Mr. Roper: In '08, we identified at one of our breweries that there were pieces of glass in bottles. We didn't know how widespread it was. We made the decision to recall. We inspected several million cases and destroyed nearly a million. As CEO, you're just thinking, 'This company is going to die.' Looking back on it, the lesson is do the right thing and your customers will come and help you, and ask your employees to do incredible things and they will go way further than you expect.

WSJ: Was the Sam Adams brand a victim of its own success? Did it become too mainstream and lose its local craft credibility?
Mr. Roper: Craft has always been about smallness and handmade and innovation. As drinkers look for new and interesting [beers], coupled with the eat-local movement, that's a headwind for Sam Adams. But I think Sam Adams is universally recognized as incredibly high-quality, innovative. We're still pushing the boundaries of beer forward. I think that means the future is bright for Sam Adams.

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KEYWORDS | CHRISTOPHER MIMS

Tech Will Make The Biggest Even Bigger

The secret of success for Amazon, Google and Microsoft in the winner-take-all economy is how much they invest in their own IT

RIKI BLANCO

Your suspicions are correct: The biggest companies in every field are pulling away from their peers faster than ever, sucking up the lion's share of revenue, profits and productivity gains.

Economists have proposed many possible explanations: top managers flocking to top firms, automation creating an imbalance in productivity, merger-and-acquisition mania, lack of antitrust regulation and more.

But new data suggests that the secret of the success of the Amazons, Googles and Facebooks of the world—not to mention the Walmarts, CVSes and UPSes before them—is how much they invest in their own technology.

There are different kinds of IT spending. For the first few decades of the PC revolution, most companies would buy off-the-shelf hardware and software. Then, with the advent of the cloud, they switched to services offered by the likes of Amazon, Google and Microsoft. Like the difference between a tailored suit and a bespoke one, these systems can be customized, but they aren't custom.

IT spending that goes into hiring developers and creating software owned and used exclusively by a firm is the key competitive advantage. It's different from our standard understanding of R&D in that this software is used solely by the company, and isn't part of products developed for its customers.

Today's big winners went all in, says James Bessen, an economist who teaches at Boston University School of Law and who recently wrote a new paper on the policy challenges of automation and artificial intelligence. Tech companies such as Google, Facebook, Amazon and Apple—as well as other giants including **General Motors** and **Nissan** in the automotive sector, and Pfizer and **Roche** in pharmaceuticals—built their own software and even their own hardware, inventing and perfecting their own processes instead of aligning their business model with some outside developer's idea of it.

The result is our modern economy, and the problem with such an economy is that income inequality between firms is similar to income inequality between individuals: A select few monopolize the gains, while many fall increasingly behind. Might it eventually be the case that the biggest firms aren't just dominant, but all-encompassing?

The measure of how firms spend, which Mr. Bessen calls "IT intensity," is relevant not just in the U.S. but across 25 other countries as well, says Sara Calligaris, an economist with the Organization for Economic Cooperation and Development. When you compare the top-performing firms in any sector to their lesser competition, there's a gap in productivity growth that continues to widen, she says. The result is, if not quite a "winner take all" economy, then at least a "winner take most" one.

That productivity gap correlates with the increase in spending on proprietary IT, says Mr. Bessen. In 1985, firms spent on average 7% of their net investment (which includes software, new buildings, R&D and the like) on proprietary IT, according to data from the Bureau of Economic Analysis. In 2016, about 24% of U.S. firms' net investment went into proprietary IT. That's nearly $250 billion in a single year, and almost matches their outlay for R&D and capital expenditures.

This also has implications for wages—the rise in the wage gap since 1978 is almost entirely attributed to an increase at more-productive firms that occurred as pay at less-productive firms remained relatively static, according to the National Bureau of Economic Research.

When new technologies were developed in the past, they would diffuse to other firms fast enough so that productivity rose across entire industries. Samuel Slater, the "father of America's industrial revolution," was able to more or less single-handedly bring England's pioneering power-loom technology to the U.S. by apprenticing himself to an English weaver and memorizing the design of his looms and mills. And 20 years ago, firms could adopt Microsoft Office or Adobe's desktop publishing software and instantly disrupt larger firms that were slower to adopt this new technology.

But imagine instead of power looms, someone is trying to copy and reproduce Google's cloud infrastructure itself. What if Excel had never been consumer software, but instead was, say, a closely guarded piece of Ernst & Young's internal infrastructure?

What we see now is "a slowdown in what we call the 'diffusion machine,'" says Dr. Calligaris.

One explanation for how this came to be is that things have just gotten too complicated. The technologies we rely on now are massive and inextricably linked to the engineers, workers, systems and business models built around them, says Mr. Bessen. While in the past it might have been possible to license, steal or copy someone else's technology, these days that technology can't be separated from the systems of which it's a part.

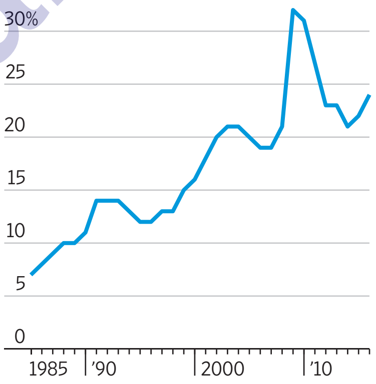
Think of Facebook's artificial-intelligence engine, which it developed at great cost for its namesake social network, but then was able to migrate with relative ease to Instagram. Could Instagram have developed something equivalent on its own? Snap and Twitter may try to copy aspects of it, but they can't see enough under the hood to truly clone it.

And what about Amazon? Sure, you can start a business that uses Amazon's cloud-computing services and taps into its logistics platform by selling on its site, but the software Amazon developed to enable Amazon Web Services and its retail marketplace are not themselves available for other firms.

Walmart built an elaborate logistics system around bar code scanners, which allowed it to beat out smaller retail rivals. Notably, it never sold this technology to any competitors.

IT Intensity

Percent of net investment that companies spend on proprietary information technology



Source: James Bessen/Bureau of Economic Analysis
THE WALL STREET JOURNAL.

Just spending money on technology doesn't cut it, however. "In retail, Sears in the '80s was IBM's biggest customer," says Mr. Bessen. "They were a big investor in IT but they just proved incapable of competing effectively with Walmart and its systems." Part of the problem with Sears's approach could be that it hired an outside technology firm instead of doing the work—and building the infrastructure of talent, systems and institutional knowledge—itself.

This seemingly insurmountable competitive advantage that comes with big companies' IT intensity may explain the present-day mania for mergers and acquisitions, says Mr. Bessen. It may be difficult or impossible to obtain critical technologies any other way.

And Mr. Bessen doesn't think the advantage is due to differences in regulation, as the biggest firms are becoming more productive across many countries—in both the U.S. and in Europe. It might, in fact, explain why recent efforts by the European Union to penalize Google and other tech companies with massive fines could come to naught.

It's not clear just how long this phenomenon will drive the biggest firms in each sector to grow faster than their competitors. But as tech's giants tiptoe toward monopoly, it's worth asking whether modern information technology has built in a kind of natural law that says we're destined to buy all our goods and services from just a handful of ultra-giants, once they're done buying or out-competing everyone else in their markets.

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Cindy Robbins

Chief people officer, Salesforce.com

A 12-year veteran of the human-resources department of cloud-computing company Salesforce.com, Ms. Robbins describes herself as an "introverted leader" who relies on close friends and mentors to instill confidence and curtail her tendency to be self-critical. Day to day she considers her "champion" to be Keith Block, Salesforce's vice chairman, president and chief operating officer. Here, four of her other trusted advisers.

Age 46

Education B.S. in political science from Santa Clara University

Family Husband, Jim, and hopefully a labrador or a beagle at some point in the future

Favorite Book I love to cook and frequently read cookbooks.

When does your alarm go off on weekdays? I set an alarm for 6 a.m., but I usually wake up before.

—Laine Higgins

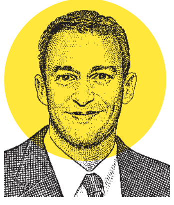
ANASTASIIA SAPON FOR THE WALL STREET JOURNAL

PERSONAL BOARD OF DIRECTORS

The trusted advisers of top business leaders

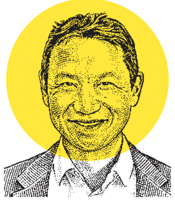
Jim Robbins, husband and director of engineering at Alta Motors

When Ms. Robbins was tapped to lead Salesforce's human-resources division, her husband became a stabilizing influence whenever she doubted herself. "We have this phrase, 'Let's go for a walk,' " she says. "When I needed to go for a walk that meant I needed some fresh perspective."



George Hu, chief operating officer at Twilio

Mr. Hu, the former chief operating officer of Salesforce, is the first person Ms. Robbins thanks whenever she receives professional recognition because of the role he played as "my biggest advocate and my toughest critic," she says. He taught her to push boundaries by embracing the uncomfortable.



Leyla Seka, executive vice president of AppExchange at Salesforce

A friend of 20 years, Ms. Seka teamed up with Ms. Robbins in 2015 to spearhead the first of two audits of Salesforce's gender-pay practices—an initiative that yielded salary adjustments for thousands of employees, earned the company international praise and Ms. Robbins a promotion to her current role.

Ken Burke, vice president of major accounts at DocuSign

Fast friends since their freshman year of high school, Mr. Burke and Ms. Robbins were classmates at Santa Clara University and briefly colleagues at Salesforce. She thinks of Mr. Burke as "that person I could phone any time I needed" and he regularly reminds her to be proud of her accomplishments.

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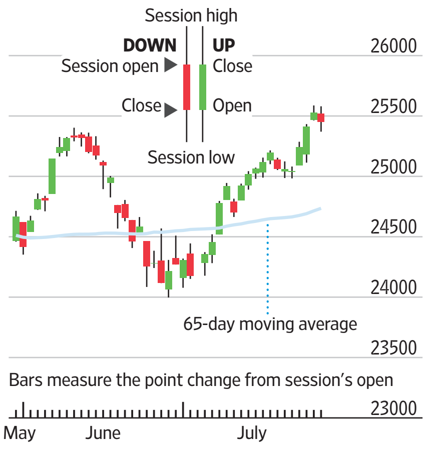
MARKETS DIGEST

Dow Jones Industrial Average

25451.06
▼ 76.01
or 0.30%
All-time high
26616.71, 01/26/18

	Last	Year ago
Trailing P/E ratio	23.31	19.83
P/E estimate *	16.59	18.42
Dividend yield	2.13	2.29

Current divisor
0.14748071991788



Bars measure the point change from session's open

S&P 500 Index

2818.82
▼ 18.62
or 0.66%
All-time high
2872.87, 01/26/18

	Last	Year ago
Trailing P/E ratio *	24.13	23.94
P/E estimate *	17.65	18.94
Dividend yield	1.82	1.97

Nasdaq Composite Index

7737.42
▼ 114.77
or 1.46%
All-time high:
7932.24, 07/25/18

	Last	Year ago
Trailing P/E ratio *	26.11	25.75
P/E estimate *	21.43	21.45
Dividend yield	0.96	1.10

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	Latest High	Latest Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	25580.22	25370.07	**25451.06**	-76.01	**-0.30**	26616.71	21674.51	**16.6**	3.0	**13.4**
Transportation Avg	11023.94	10905.18	**10957.18**	-27.68	**-0.25**	11373.38	9021.12	**18.8**	3.2	**10.8**
Utility Average	728.19	718.99	**721.60**	-3.78	**-0.52**	774.47	647.90	**-0.3**	-0.2	**8.1**
Total Stock Market	29534.81	29140.00	**29245.70**	-237.77	**-0.81**	29630.47	25030.26	**14.3**	5.7	**10.7**
Barron's 400	762.02	748.78	**750.78**	-10.19	**-1.34**	761.84	629.56	**15.1**	5.6	**10.9**
Nasdaq Stock Market										
Nasdaq Composite	7889.75	7698.96	**7737.42**	-114.77	**-1.46**	7932.24	6213.13	**21.4**	12.1	**15.4**
Nasdaq 100	7443.24	7255.32	**7296.78**	-103.97	**-1.40**	7508.59	5786.54	**23.5**	14.1	**17.3**
S&P										
500 Index	2843.17	2808.34	**2818.82**	-18.62	**-0.66**	2872.87	2425.55	**14.0**	5.4	**10.9**
MidCap 400	2000.18	1969.39	**1975.22**	-22.22	**-1.11**	2009.15	1691.67	**12.1**	3.9	**10.5**
SmallCap 600	1062.96	1039.57	**1041.30**	-18.47	**-1.74**	1059.77	817.25	**20.4**	11.2	**14.3**
Other Indexes										
Russell 2000	1697.30	1660.43	**1663.34**	-32.02	**-1.89**	1706.99	1356.90	**16.4**	8.3	**11.0**
NYSE Composite	12978.82	12886.59	**12921.34**	-32.05	**-0.25**	13637.02	11699.83	**8.1**	0.9	**6.6**
Value Line	584.84	576.25	**577.48**	-6.28	**-1.08**	589.69	503.24	**9.2**	2.7	**6.4**
NYSE Arca Biotech	5143.99	5000.14	**5036.03**	-96.74	**-1.88**	5132.77	3787.17	**26.3**	19.3	**6.4**
NYSE Arca Pharma	560.03	556.20	**559.15**	-0.51	**-0.09**	593.12	514.66	**5.2**	2.6	**-1.9**
KBW Bank	109.98	108.79	**109.52**	0.50	**0.46**	116.52	89.71	**15.0**	2.6	**12.2**
PHLX§ Gold/Silver	77.70	76.68	**76.79**	-0.17	**-0.22**	93.26	76.42	**-10.3**	-10.0	**18.1**
PHLX§ Oil Service	151.38	148.05	**149.66**	1.53	**1.03**	170.18	117.79	**11.0**	0.1	**-4.9**
PHLX§ Semiconductor	1391.57	1362.60	**1372.24**	-6.18	**-0.45**	1445.90	1060.02	**25.5**	9.5	**29.1**
Cboe Volatility	14.26	11.60	**13.03**	0.89	**7.33**	37.32	9.14	**26.6**	18.0	**-5.8**

§Nasdaq PHLX

Sources: SIX Financial Information; WSJ Market Data Group

Trading Diary

Volume, Advancers, Decliners

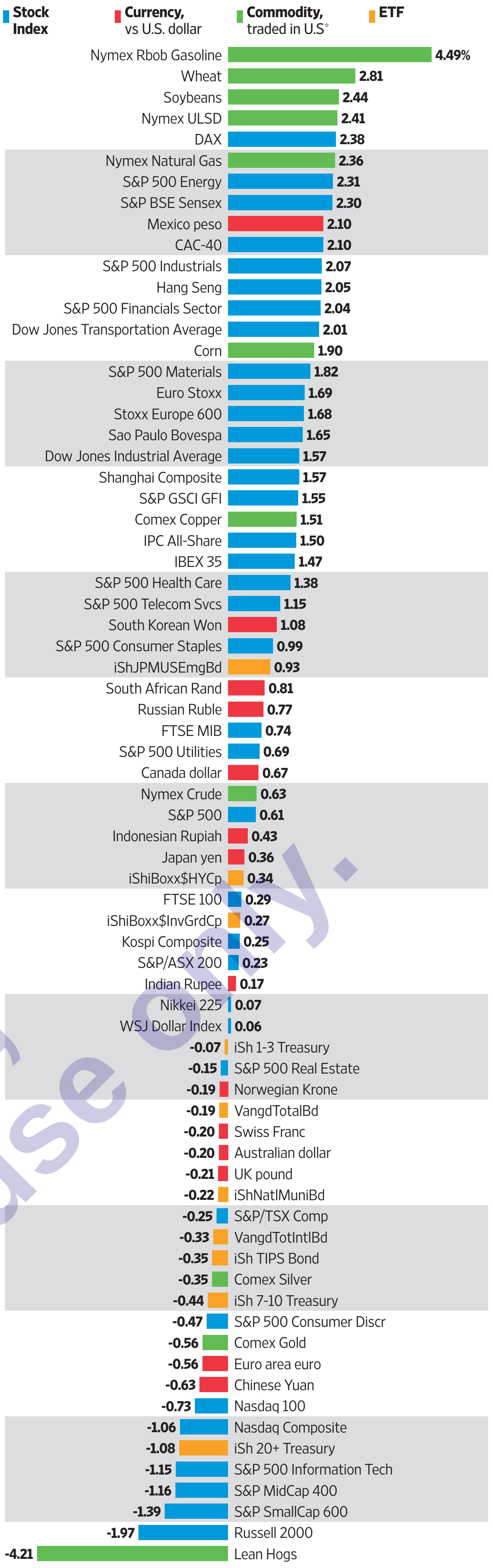
	NYSE	NYSE Amer.
Total volume*	753,914,755	13,988,628
Adv. volume*	297,585,054	6,667,771
Decl. volume*	448,118,860	6,928,451
Issues traded	3,064	315
Advances	953	98
Declines	2,005	195
Unchanged	106	22
New highs	71	6
New lows	40	13
Closing tick	53	43
Closing Arms†	0.72	0.36
Block trades*	6,640	135

	Nasdaq	NYSE Arca
Total volume*	2,161,295,698	242,807,066
Adv. volume*	647,415,388	124,433,195
Decl. volume*	1,498,894,095	115,051,546
Issues traded	3,106	1,321
Advances	680	499
Declines	2,315	779
Unchanged	111	43
New highs	76	27
New lows	106	11
Closing tick	500	20
Closing Arms†	0.68	0.66
Block trades*	7,894	1,266

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.



*Continuous front-month contracts
Sources: SIX Financial Information (stock indexes), Tullett Prebon (currencies), WSJ Market Data Group (bond ETFs, commodities).

THE WALL STREET JOURNAL

See an expanded daily list of selected global stock indexes, bond ETFs, currencies and commodities at **WSJ.com/TrackTheMarkets**

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**The Global Dow**	**3085.75**	1.83	**0.06**	−0.02
	DJ Global Index	**402.52**	−0.79	**−0.20**	1.3
	DJ Global ex U.S.	**259.29**	0.96	**0.37**	−2.8
Americas	**DJ Americas**	**672.92**	−4.50	**−0.66**	4.8
Brazil	**Sao Paulo Bovespa**	**79866.11**	460.77	**0.58**	4.5
Canada	**S&P/TSX Comp**	**16393.95**	−61.78	**−0.38**	1.1
Mexico	**S&P/BMV IPC**	**49643.94**	205.70	**0.42**	0.6
Chile	**Santiago IPSA**	**3975.03**	−54.17	**−1.34**	−5.6
EMEA	**Stoxx Europe 600**	**392.08**	1.55	**0.40**	0.7
Eurozone	**Euro Stoxx**	**390.67**	1.85	**0.48**	1.3
Belgium	**Bel-20**	**3925.63**	50.68	**1.31**	−1.3
Denmark	**OMX Copenhagen**	**947.56**	−2.59	**−0.27**	2.2
France	**CAC 40**	**5511.76**	31.21	**0.57**	3.7
Germany	**DAX**	**12860.40**	51.17	**0.40**	−0.4
Israel	**Tel Aviv**	**1577.70**	...	**Closed**	4.5
Italy	**FTSE MIB**	**21955.08**	92.21	**0.42**	0.5
Netherlands	**AEX**	**576.24**	2.58	**0.45**	5.8
Russia	**RTS Index**	**1151.74**	2.95	**0.26**	−0.2
South Africa	**FTSE/JSE All-Share**	**57162.38**	419.13	**0.74**	−3.9
Spain	**IBEX 35**	**9867.90**	87.90	**0.90**	−1.8
Sweden	**OMX Stockholm**	**596.65**	2.11	**0.36**	4.9
Switzerland	**Swiss Market**	**9173.20**	33.73	**0.37**	−2.2
Turkey	**BIST 100**	**95584.84**	767.58	**0.81**	−17.1
U.K.	**FTSE 100**	**7701.31**	38.14	**0.50**	0.2
U.K.	**FTSE 250**	**20868.94**	100.33	**0.48**	0.7
Asia-Pacific					
Australia	**S&P/ASX 200**	**6300.20**	55.70	**0.89**	3.9
China	**Shanghai Composite**	**2873.59**	−8.63	**−0.30**	−13.1
Hong Kong	**Hang Seng**	**28804.28**	23.14	**0.08**	−3.7
India	**S&P BSE Sensex**	**37336.85**	352.21	**0.95**	9.6
Japan	**Nikkei Stock Avg**	**22712.75**	125.88	**0.56**	−0.2
Singapore	**Straits Times**	**3324.98**	−3.62	**−0.11**	−2.3
South Korea	**Kospi**	**2294.99**	5.93	**0.26**	−7.0
Taiwan	**TAIEX**	**11075.78**	65.17	**0.59**	4.1
Thailand	**SET**	**1701.87**	...	**Closed**	−3.0

Sources: SIX Financial Information; WSJ Market Data Group

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Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Avalon Holdings	AWX	10.25	4.56	**80.14**	11.21	1.83	**330.3**
Endava	DAVA	25.20	5.20	**26.00**	26.00	20.00	**...**
World Fuel Services	INT	27.05	4.69	**20.97**	37.48	19.79	**-21.2**
AGM Group Holdings	AGMH	15.69	2.47	**18.68**	37.63	5.01	**...**
Essendant	ESND	15.53	2.36	**17.92**	16.10	7.20	**31.3**
Collplant Holdings ADR	CLGN	6.33	0.83	**15.09**	9.34	4.70	**-11.5**
HFF A	HF	44.00	5.06	**12.99**	51.74	33.00	**19.0**
resTORbio	TORC	14.57	1.67	**12.95**	21.10	7.55	**...**
Value Line	VALU	24.10	2.56	**11.88**	25.14	13.26	**31.7**
Iridex	IRIX	7.95	0.82	**11.50**	10.98	4.28	**-16.1**
SPS Commerce	SPSC	85.71	8.76	**11.38**	89.90	45.02	**45.7**
Newpark Resources	NR	10.70	1.05	**10.88**	11.65	7.30	**36.3**
Omnicell	OMCL	59.85	5.85	**10.83**	63.45	39.75	**23.3**
Comfort Systems USA	FIX	54.35	5.25	**10.69**	59.05	31.90	**61.0**
BMO REX Micro FANG+	FNGD	26.45	2.55	**10.65**	57.77	21.35	**...**

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Helios Matheson Analy	HMNY	2.00	-4.83	**-70.72**	9714.38	1.86	**-99.7**
Tonix Pharmaceuticals	TNXP	1.35	-2.60	**-65.78**	5.11	0.89	**-65.6**
Genprex	GNPX	3.17	-3.81	**-54.58**	19.45	2.78	**...**
Amer Midstream Partners	AMID	6.60	-4.95	**-42.86**	15.25	6.50	**-54.5**
Cellectar Biosciences	CLRB	3.35	-1.98	**-37.15**	12.76	0.57	**120.4**
Oasmia Pharmaceutical ADR	OASM	1.51	-0.85	**-36.02**	3.16	0.80	**49.5**
Greenpro Capital	GRNQ	7.00	-3.50	**-33.33**	23.00	5.10	**12.9**
GRAVITY ADR	GRVY	46.73	-21.93	**-31.94**	108.97	13.18	**230.9**
LogMeIn	LOGM	77.85	-26.60	**-25.47**	134.80	77.05	**-33.0**
DMC Global	BOOM	39.90	-10.70	**-21.15**	51.05	12.55	**181.0**
Magellan Health	MGLN	72.00	-19.00	**-20.88**	112.25	71.70	**-5.1**
Twitter	TWTR	34.12	-8.82	**-20.54**	47.79	15.67	**103.7**
Town Sports Intl Hldgs	CLUB	10.58	-2.58	**-19.58**	14.85	4.85	**99.5**
Enanta Pharmaceuticals	ENTA	96.00	-22.67	**-19.10**	127.77	37.13	**152.4**
ADial Pharmaceuticals	ADIL	4.05	-0.95	**-19.00**	5.00	3.95	**...**

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Advanced Micro Devices	AMD	**160,270**	158.5	18.94	**3.22**	19.88	9.04
Twitter	TWTR	**122,165**	314.9	34.12	**-20.54**	47.79	15.67
Chesapeake Energy	CHK	**90,868**	139.1	4.41	**0.23**	5.60	2.53
SPDR S&P 500	SPY	**68,942**	-2.1	281.42	**-0.68**	286.63	241.83
Intel	INTC	**66,649**	164.9	47.68	**-8.59**	57.60	34.38

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

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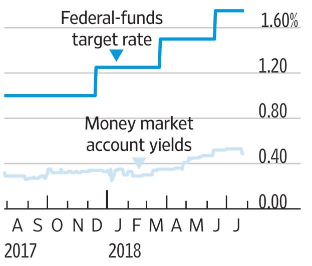
Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Money market accounts

Bankrate.com avg†:	**0.49%**
American Express National Bank	**1.75%**
New York, NY	866-215-8754
Capital One 360	**1.75%**
Glen Allen, VA	877-464-0333
CIBC Bank USA	**1.90%**
Chicago, IL	844-704-7882
Citizens Access	**2.00%**
Westwood, MA	718-471-2232
Salem Five Direct	**2.05%**
Salem, MA	800-850-5000

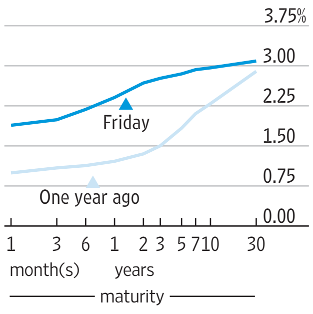
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**1.75-2.00**	1.75-2.00	1.00	1.75	**1.75**
Prime rate*	**5.00**	5.00	4.25	5.00	**1.75**
Libor, 3-month	**2.34**	2.34	1.31	2.37	**2.05**
Money market, annual yield	**0.49**	0.53	0.25	0.53	**0.17**
Five-year CD, annual yield	**1.80**	1.74	1.43	1.80	**0.28**
30-year mortgage, fixed†	**4.60**	4.50	3.73	4.69	**0.52**
15-year mortgage, fixed†	**4.04**	3.96	2.99	4.14	**0.74**
Jumbo mortgages, $424,100-plus†	**4.76**	4.70	4.21	4.96	**0.37**
Five-year adj mortgage (ARM)†	**4.43**	4.34	3.22	4.78	**1.01**
New-car loan, 48-month	**3.89**	3.90	2.85	4.54	**0.85**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

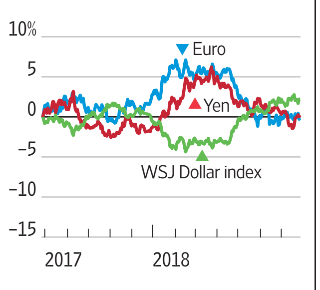
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Ryan ALM; Tullett Prebon; WSJ Market Data Group

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1434.018	**2.878**	2.804	2.945	1.818	**–1.549**	0.653
10-yr Treasury, Ryan ALM	1672.572	**2.962**	2.895	3.109	2.058	**–3.520**	–0.157
DJ Corporate	373.143	**3.901**	3.912	3.995	2.879	**–1.040**	3.185
Aggregate, Barclays Capital	1912.720	**3.360**	3.310	3.430	2.380	**–0.719**	1.533
High Yield 100, Merrill Lynch	n.a.	**n.a.**	6.007	n.a.	n.a.	**n.a.**	n.a.
Fixed-Rate MBS, Barclays	1966.800	**3.490**	3.430	3.580	2.660	**–0.360**	1.266
Muni Master, Merrill	n.a.	**n.a.**	2.398	n.a.	n.a.	**n.a.**	n.a.
EMBI Global, J.P. Morgan	n.a.	**n.a.**	6.508	n.a.	n.a.	**n.a.**	n.a.

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0366	27.3217	**46.9**
Brazil real	.2694	3.7118	**12.1**
Canada dollar	.7660	1.3056	**3.8**
Chile peso	.001554	643.40	**4.5**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0537	18.6315	**–5.3**
Uruguay peso	.03253	30.7400	**6.7**
Venezuela b. fuerte	.00000811	9850.0001	**115783.6**
Asia-Pacific			
Australian dollar	.7400	1.3514	**5.5**
China yuan	.1468	6.8137	**4.8**
Hong Kong dollar	.1274	7.8473	**0.4**
India rupee	.01457	68.625	**7.4**
Indonesia rupiah	.0000694	14418	**6.9**
Japan yen	.009006	111.04	**–1.5**
Kazakhstan tenge	.002883	346.82	**4.3**
Macau pataca	.1237	8.0850	**0.5**
Malaysia ringgit	.2462	4.0613	**...**
New Zealand dollar	.6790	1.4728	**4.5**
Pakistan rupee	.00775	129.000	**16.6**
Philippines peso	.0188	53.227	**6.5**
Singapore dollar	.7363	1.3582	**1.6**
South Korea won	.0008961	1115.90	**4.6**
Sri Lanka rupee	.0062653	159.61	**4.0**
Taiwan dollar	.03271	30.570	**3.0**
Thailand baht	.02995	33.390	**2.5**
Vietnam dong	.00004304	23233	**2.3**

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Europe			
Czech Rep. koruna	.04548	21.988	**3.3**
Denmark krone	.1565	6.3903	**3.0**
Euro area euro	1.1656	.8580	**3.0**
Hungary forint	.003615	276.66	**6.8**
Iceland krona	.009493	105.34	**1.7**
Norway krone	.1221	8.1908	**–0.2**
Poland zloty	.2721	3.6758	**5.7**
Russia ruble	.01594	62.719	**8.7**
Sweden krona	.1131	8.8381	**8.0**
Switzerland franc	1.0055	.9945	**2.1**
Turkey lira	.2061	4.8529	**27.9**
Ukraine hryvnia	.0373	26.7770	**–4.9**
UK pound	1.3104	.7631	**3.1**
Middle East/Africa			
Bahrain dinar	2.6459	.3779	**0.2**
Egypt pound	.0561	17.8325	**0.3**
Israel shekel	.2738	3.6518	**5.0**
Kuwait dinar	3.3028	.3028	**0.4**
Oman sul rial	2.5974	.3850	**0.01**
Qatar rial	.2746	3.642	**–0.2**
Saudi Arabia riyal	.2666	3.7511	**0.02**
South Africa rand	.0759	13.1793	**6.6**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	88.29	−0.10	−0.11	**2.69**

Sources: Tullett Prebon, WSJ Market Data Group

Commodities

	Close	Friday Net chg	Friday % Chg	52-Week High	52-Week Low	52-Week % Chg	YTD % chg
DJ Commodity	**618.15**	-0.36	**-0.06**	667.35	563.57	**7.57**	-1.15
TR/CC CRB Index	**194.16**	-0.84	**-0.43**	206.38	175.36	**6.61**	0.15
Crude oil, $ per barrel	**68.69**	-0.92	**-1.32**	74.15	45.96	**38.18**	13.69
Natural gas, $/MMBtu	**2.822**	0.042	**1.51**	3.63	2.55	**-4.05**	-4.44
Gold, $ per troy oz.	**1222.60**	-2.70	**-0.22**	1362.40	1222.40	**-3.61**	-6.41

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MARKET DATA

Futures Contracts

Metal & Petroleum Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
July	...	...		2.8030	**2.7875**	-0.0165	1,151
Sept	2.8075	2.8350		2.7810	**2.8020**	-0.0160	166,822
Gold (CMX)-100 troy oz.; $ per troy oz.							
Aug	1222.40	1226.90		1216.70	**1223.00**	-2.70	86,210
Oct	1227.40	1231.50		1221.40	**1227.80**	-2.70	46,173
Dec	1231.40	1236.50		1226.30	**1232.70**	-2.60	302,167
Feb'19	1238.20	1241.40		1232.90	**1238.40**	-2.60	28,453
April	1240.50	1247.10	▼	1232.90	**1244.00**	-2.60	7,374
June	1249.70	1252.50		1246.50	**1250.10**	-2.60	6,449
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Sept	924.90	930.10		912.80	**918.50**	-15.10	18,602
Dec	921.50	924.40		910.00	**914.70**	-15.10	2,819
Platinum (NYM)-50 troy oz.; $ per troy oz.							
July	827.50	827.90		827.50	**826.40**	-6.00	20
Oct	828.70	835.30		823.00	**831.70**	-4.00	76,275
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
July	15.355	15.495		15.355	**15.436**	-0.002	112
Sept	15.400	15.570		15.345	**15.493**	-0.002	155,550
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Sept	69.56	69.77		68.26	**68.69**	-0.92	447,434
Oct	68.38	68.63		67.39	**67.73**	-0.70	240,725
Dec	67.55	67.85		66.74	**67.04**	-0.63	292,566
Jan'19	67.33	67.55		66.56	**66.78**	-0.63	167,120
June	65.81	65.87		64.98	**65.19**	-0.60	159,742
Dec	64.05	64.20		63.36	**63.55**	-0.61	212,351
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Aug	2.1728	2.1794		2.1534	**2.1552**	-.0217	19,428
Sept	2.1768	2.1836		2.1576	**2.1594**	-.0215	121,325
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Aug	2.1586	2.1850		2.1540	**2.1619**	-.0004	21,741
Sept	2.1130	2.1364		2.1080	**2.1128**	-.0038	149,051
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Aug	2.775	2.831		2.769	**2.822**	.042	4,197
Sept	2.759	2.797		2.757	**2.782**	.020	297,704
Oct	2.775	2.812		2.775	**2.800**	.020	157,594
Nov	2.826	2.858		2.824	**2.848**	.018	136,745
Jan'19	3.020	3.049		3.017	**3.039**	.014	154,842
April	2.590	2.620		2.587	**2.613**	.018	135,389

Agriculture Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Sept	361.00	363.75		359.50	**362.00**	.50	609,645
Dec	374.75	378.00		373.50	**376.25**	.50	808,176
Oats (CBT)-5,000 bu.; cents per bu.							
Sept	232.50	233.50		231.50	**232.00**	-.50	1,729
Dec	241.00	241.00		238.00	**239.25**	.25	3,264
Soybeans (CBT)-5,000 bu.; cents per bu.							
Aug	858.25	874.00		858.25	**870.50**	9.25	48,029
Nov	873.00	889.00		873.00	**885.25**	9.25	438,583
Soybean Meal (CBT)-100 tons; $ per ton.							
Aug	332.20	336.00		331.60	**332.70**	.10	25,668
Dec	331.00	334.80		330.00	**331.10**	-.60	204,867
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Aug	28.15	28.58		28.11	**28.56**	.41	28,963
Dec	28.57	29.05		28.53	**29.02**	.44	244,630
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Sept	1196.00	1205.50		1195.00	**1200.50**	.50	6,747
Nov	1182.00	1190.00		1182.00	**1188.50**	3.00	1,366
Wheat (CBT)-5,000 bu.; cents per bu.							
Sept	536.00	542.00		525.25	**530.50**	-6.00	192,052
Dec	556.75	561.25		545.00	**550.00**	-6.50	160,765
Wheat (KC)-5,000 bu.; cents per bu.							
Sept	532.75	538.00		525.75	**532.50**	-1.50	125,683
Dec	561.00	564.50		552.25	**559.50**	-1.00	96,046
Wheat (MPLS)-5,000 bu.; cents per bu.							
Sept	584.75	595.00		581.00	**592.50**	4.75	27,829
Dec	600.25	609.50		595.50	**606.25**	4.50	22,024
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	151.150	152.675		150.800	**152.300**	.875	13,113
Sept	151.825	152.500		151.075	**152.175**	.350	13,935
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Aug	108.100	109.150		107.450	**108.625**	.675	44,837
Oct	109.600	110.900		108.975	**110.475**	1.100	125,836
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Aug	64.225	64.450	▼	63.525	**63.650**	-1.250	25,716
Oct	51.750	52.075	▼	50.475	**50.875**	-1.375	117,429
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Sept	468.10	468.10		463.30	**463.30**	-15.00	4,180
Nov	434.60	434.90	▼	427.80	**427.80**	-15.00	690
Milk (CME)-200,000 lbs., cents per lb.							
July	14.13	14.14		14.13	**14.14**	...	3,639
Aug	14.82	15.09		14.78	**15.02**	.17	4,819
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Sept	2,323	2,333		2,212	**2,233**	-82	76,040
Dec	2,350	2,362		2,251	**2,272**	-72	72,106
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	109.50	110.85		108.70	**110.45**	.90	161,648
Dec	112.80	114.00		111.95	**113.60**	.75	84,302
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	11.02	11.12		10.85	**10.88**	-.15	523,511
March'19	11.92	11.97		11.73	**11.78**	-.12	282,054
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Sept	25.21	25.40		25.21	**25.38**	.17	1,840
Nov	25.51	25.51		25.51	**25.51**	...	1,797
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	88.88	89.17		88.23	**89.06**	.03	155
Dec	87.95	88.58		87.30	**88.34**	.11	171,987
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept	163.85	164.70		163.55	**163.80**	-.10	11,652
Nov	164.80	165.25		164.80	**165.00**	...	3,117

Interest Rate Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Sept	142-210	143-080		142-160	**142-300**	8.0	834,502
Dec	141-300	142-140		141-240	**142-060**	9.0	894
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	119-105	119-165		119-080	**119-140**	3.0	3,750,508
Dec	119-030	119-095		119-020	**119-075**	3.0	7,461
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	113-020	113-052		113-010	**113-040**	1.5	3,962,548
Dec	112-257	112-272		112-250	**112-267**	1.7	2,698
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Sept	105-212	105-220		105-207	**105-215**	.2	1,952,153
Dec	105-155	105-160		105-155	**105-160**	.5	2,421
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
July	98.088	98.090		98.088	**98.088**	...	230,861
Oct	97.850	97.860		97.850	**97.855**	.005	296,971
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Sept	95.000	95.141		95.000	**95.094**	.047	31,991
1 Month Libor (CME)-$3,000,000; pts of 100%							
Aug	...	...		97.9150	**97.9125**	-.0075	3,154
Eurodollar (CME)-$1,000,000; pts of 100%							
Aug	97.6450	97.6475		97.6425	**97.6450**	...	171,571
Sept	97.5700	97.5750		97.5650	**97.5700**	...	1,308,913
Dec	97.3300	97.3350		97.3200	**97.3250**	-.0050	1,873,339
Dec'19	96.9350	96.9500		96.9250	**96.9350**	-.0050	1,823,409

Currency Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Aug	.8999	.9031		.8999	**.9019**	.0019	610
Sept	.9018	.9055		.9017	**.9039**	.0019	191,843
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Aug	.7651	.7660		.7651	**.7655**	.0001	282
Sept	.7652	.7675		.7652	**.7659**	.0001	140,187
British Pound (CME)-£62,500; $ per £							
Aug	1.3110	1.3122		1.3097	**1.3121**	.0002	650
Sept	1.3136	1.3157		1.3109	**1.3139**	.0001	176,770
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Sept	1.0098	1.0109		1.0063	**1.0101**	.0005	92,286
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Aug	.7377	.7409		.7370	**.7405**	.0026	646
Sept	.7379	.7416		.7371	**.7405**	.0026	135,566
Oct	.7458	.7458	▲	.7458	**.7406**	.0025	484
Nov	.7408	.7445	▲	.7408	**.7382**	.7382	273
Dec	.7384	.7418		.7377	**.7410**	.0026	553
March'19	.7413	.7413		.7413	**.7417**	.0026	131
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Sept	.05324	.05355		.05314	**.05327**	.00007	179,814
Dec	.05243	.05275	▲	.05241	**.05249**	.00006	110
Euro (CME)-€125,000; $ per €							
Aug	1.1663	1.1672		1.1636	**1.1670**	.0011	1,366
Sept	1.1683	1.1707		1.1663	**1.1699**	.0011	485,418

Index Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Sept	25505	25572		25348	**25414**	-111	92,820
Dec	25505	25570	▲	25362	**25421**	-107	679
S&P 500 Index (CME)-$250 x index							
Sept	2844.80	2846.70		2809.50	**2817.50**	-25.00	63,250
Mini S&P 500 (CME)-$50 x index							
Sept	2840.25	2847.00		2808.75	**2817.50**	-25.00	2,705,919
Dec	2844.75	2851.25		2813.00	**2821.50**	-25.00	56,329
Mini S&P Midcap 400 (CME)-$100 x index							
Sept	1999.80	2003.90		1970.20	**1976.70**	-23.30	83,787
Mini Nasdaq 100 (CME)-$20 x index							
Sept	7429.5	7467.0	▲	7263.5	**7301.3**	-129.5	236,030
Mini Russell 2000 (CME)-$50 x index							
Sept	1699.00	1703.30		1661.20	**1661.90**	-39.20	558,846
Mini Russell 1000 (CME)-$50 x index							
Sept	1575.90	1576.20		1556.60	**1562.70**	-11.30	10,598
U.S. Dollar Index (ICE-US)-$1,000 x index							
Sept	94.55	94.70		94.42	**94.46**	-.08	51,110
Dec	94.16	94.29		94.04	**94.06**	-.07	1,672

Source: SIX Financial Information

Bonds | WSJ.com/bonds

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest(●)	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
2.625	U.S. 2	2.673 ▼	2.681	2.504	1.367			
2.875	10	2.959 ▼	2.977	2.826	2.312			
4.500	Australia 2	2.002 ▼	2.021	2.021	1.818	-67.2	-66.1	45.1
2.250	10	2.659 ▼	2.694	2.638	2.697	-30.1	-28.3	38.5
0.000	France 2	-0.417 ▲	-0.425	-0.560	-0.422	-309.1	-310.6	-178.9
0.750	10	0.701 ▲	0.699	0.712	0.800	-225.9	-227.8	-151.2
0.000	Germany 2	-0.598 ▲	-0.602	-0.672	-0.669	-327.1	-328.3	-203.6
0.250	10	0.405 ▼	0.406	0.324	0.540	-255.4	-257.1	-177.2
0.350	Italy 2	0.744 ▲	0.700	0.897	-0.026	-193.0	-198.1	-139.3
2.000	10	2.738 ▲	2.700	2.820	2.099	-22.2	-27.7	-21.4
0.100	Japan 2	-0.114 ▲	-0.119	-0.130	-0.116	-278.8	-280.0	-148.3
0.100	10	0.101 ▲	0.091	0.034	0.069	-285.8	-288.6	-224.3
1.150	Spain 2	-0.312 ▲	-0.326	-0.221	-0.312	-298.5	-300.7	-167.9
1.400	10	1.311 ▲	1.295	1.347	1.499	-164.[illegible]	-168.2	-81.3
2.000	U.K. 2	0.758 ▲	0.757	0.710	0.266	-191.5	-192.4	-110.1
4.250	10	1.281 ▲	1.281	1.249	1.202	-167.[illegible]	-169.6	-111.0

Source: Tullett Prebon

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate, moves in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
FirstEnergy Solutions	FE	6.050	Aug. 15, '21	2538	-16	2673	...	...
Anheuser-Busch Inbev Worldwide	ABIBB	4.950	Jan. 15, '42	135	-11	159	...	...
Kinder Morgan	KMI	3.150	Jan. 15, '23	98	-11	117	17.90	-0.72
AT&T	T	5.150	Nov. 15, '46	226	-11	248	31.08	2.41
Philip Morris International	PM	6.375	May 16, '38	150	-10	161	85.47	1.20
Northern Trust	NTRS	3.375	Aug. 23, '21	40	-9	n.a.	110.96	-0.58
CSX	CSX	2.600	Nov. 1, '26	80	-8	98	70.27	-0.87
Sunoco Logistics Partners Operations	ETP	5.400	Oct. 1, '47	252	-8	268	...	...

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Toyota Motor	TOYOTA	3.419	July 20, '23	55	22	61	...	...
Synchrony Financial	SYF	3.750	Aug. 15, '21	145	18	n.a.	29.92	-0.27
Bank of America	BAC	2.625	Oct. 19, '20	51	13	61	31.06	0.39
Aptiv	APTV	4.400	Oct. 1, '46	199	8	n.a.	93.61	0.39
Ford Motor	F	4.346	Dec. 8, '26	186	8	168	9.93	0.40
Home Depot	HD	3.350	Sept. 15, '25	61	7	53	197.14	-1.13
Lear	LEA	3.800	Sept. 15, '27	167	7	167	175.87	2.29
Deutsche Bank AG	DB	3.150	Jan. 22, '21	147	6	161	12.42	1.80

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
American Tire Distributors	ATD	10.250	March 1, '22	38.875	2.88	29.750	...	...
Teck Resources	TCKBCN	6.250	July 15, '41	103.469	1.97	99.250	...	...
Charter Communications Operating	CHTR	5.375	May 1, '47	96.693	1.14	94.960	...	...
Covanta Holding	CVA	5.875	March 1, '24	99.750	1.00	98.461	17.00	3.03
NGPL Pipeco	NGPLCO	7.768	Dec. 15, '37	123.250	0.97	n.a.	...	...
Weatherford International	WFT	9.875	March 1, '25	101.375	0.97	100.250	3.48	1.46
Freeport-McMoran	FCX	5.450	March 15, '43	87.500	0.75	87.041	15.99	0.13
HUB International	HBGCN	7.000	May 1, '26	100.250	0.75	98.625	...	...

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Rite Aid	RAD	6.125	April 1, '23	100.500	-1.38	102.250	1.94	2.11
Frontier Communications	FTR	11.000	Sept. 15, '25	81.000	-1.25	78.500	4.83	-6.03
Chesapeake Energy	CHK	8.000	June 15, '27	102.500	-1.25	100.501	4.41	0.23
Cleveland-Cliffs	CLF	6.250	Oct. 1, '40	86.313	-1.23	84.000	10.67	-0.93
CF Industries	CF	3.450	June 1, '23	94.739	-1.14	96.063	44.50	-1.70
Ferrellgas	FGP	6.750	June 15, '23	86.625	-0.91	n.a.	3.07	0.33
Jaguar Land Rover Automotive	TTMTIN	5.625	Feb. 1, '23	99.750	-0.90	n.a.	...	...
MEG Energy	MEGCN	7.000	March 31, '24	90.750	-0.88	91.781	...	...

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.

Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; WSJ Market Data Group

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Friday, July 27, 2018

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	10.65	-2.11	-1.3
CnsmrDiscSelSector	XLY	111.64	-0.26	13.1
CnsStapleSelSector	XLP	53.38	0.13	-6.2
EnSelectSectorSPDR	XLE	76.63	-0.43	6.0
FinSelSectorSPDR	XLF	28.13	0.21	0.8
FT DJ Internet	FDN	139.88	-3.06	27.3
HealthCareSelSect	XLV	87.96	-0.72	6.4
IndSelSectorSPDR	XLI	76.01	0.01	0.4
InvscQQQI	QQQ	177.62	-1.35	14.0
InvscS&P500EW	RSP	104.79	-0.59	3.7
InvscSrLoan	BKLN	23.00	-0.17	-0.2
iSh1-3YCreditBond	CSJ	103.67	-0.01	-0.8
iSh3-7YTreasuryBd	IEI	119.45	0.10	-2.2
iShCoreMSCIEAFE	IEFA	64.98	0.25	-1.7
iShCoreMSCIEmgMk	IEMG	54.00	0.30	-5.1
iShCoreMSCITotInt	IXUS	61.54	0.16	-2.4
iShCoreS&P500	IVV	283.36	-0.64	5.4
iShCoreS&P MC	IJH	197.21	-1.12	3.9
iShCoreS&P SC	IJR	85.55	-1.71	11.4
iShS&PTotlUSStkMkt	ITOT	64.64	-0.78	5.7
iShCoreUSAggBd	AGG	106.08	0.08	-3.0
iShSelectDividend	DVY	99.03	-0.29	0.5
iShEdgeMSCIMinEAFE	EFAV	73.00	0.22	0.0
iShEdgeMSCIMinUSA	USMV	54.83	-0.44	3.9
iShEdgeMSCIUSAMom	MTUM	113.21	-1.51	9.8
iShFloatingRateBd	FLOT	51.02	0.06	0.4
iShGoldTr	IAU	11.73	...	-6.2
iShiBoxx$InvGrCpBd	LQD	115.56	0.13	-4.9
iShiBoxx$HYCpBd	HYG	85.91	-0.03	-1.5
iShJPMUSDEmgBd	EMB	109.57	0.17	-5.6
iShMBSETF	MBB	103.73	0.02	-2.7
iShMSCI ACWI	ACWI	73.35	-0.30	1.7
iShMSCI EAFE	EFA	68.80	0.19	-2.1
iShMSCI EAFE SC	SCZ	63.73	0.20	-1.2
iShMSCIEmgMarkets	EEM	44.69	0.36	-5.2
iShMSCIEurozone	EZU	42.41	0.33	-2.2
iShMSCIJapan	EWJ	59.43	0.30	-0.8
iShNasdaqBiotech	IBB	115.41	-2.07	8.1
iShNatlMuniBd	MUB	108.99	-0.03	-1.6
iShRussell1000Gwth	IWF	148.64	-1.12	10.4
iShRussell1000	IWB	156.68	-0.70	5.4
iShRussell1000Val	IWD	124.69	-0.30	0.3
iShRussell2000Gwth	IWO	207.32	-2.34	11.0
iShRussell2000	IWM	165.26	-1.86	8.4
iShRussell2000Val	IWN	132.73	-1.39	5.6
iShRussell3000	IWV	167.08	-0.80	5.6
iShRussellMid-Cap	IWR	216.41	-0.95	4.0
iShRussellMCValue	IWS	89.85	-0.54	0.8
iShS&PMC400Growth	IJK	227.47	-1.19	5.4
iShS&P500Growth	IVW	169.16	-1.05	10.7
iShS&P500Value	IVE	114.02	-0.13	-0.2
iShUSPfdStk	PFF	37.60	-0.40	-1.2
iShShortTreaBd	SHV	110.41	-0.01	0.2
iShTIPSBondETF	TIP	111.73	0.15	-2.1
iSh1-3YTreasuryBd	SHY	83.19	0.01	-0.8
iSh7-10YTreasuryBd	IEF	101.77	0.16	-3.6
iSh20+YTreasuryBd	TLT	119.46	0.17	-5.8
iShRussellMCGrowth	IWP	130.22	-1.56	7.9
PIMCOEnhShMaturity	MINT	101.58	0.04	0.0
SPDR BlmBarcHYBd	JNK	35.84	-0.06	-2.4
SPDR Gold	GLD	115.83	0.05	-6.3
SchwabIntEquity	SCHF	33.88	0.24	-0.6
SchwabUS BrdMkt	SCHB	68.24	-0.79	5.8
SchwabUS Div	SCHD	51.10	-0.47	-0.1
SchwabUS LC	SCHX	67.37	-0.71	5.6
SchwabUS SC	SCHA	74.58	-1.64	6.9
SPDR DJIA Tr	DIA	254.26	-0.34	2.8
SPDR S&PMdCpTr	MDY	359.40	-1.11	4.1
SPDR S&P 500	SPY	281.42	-0.68	5.5
SPDR S&P Div	SDY	95.37	-0.48	0.9
TechSelectSector	XLK	71.85	-1.71	12.4
UtilitiesSelSector	XLU	52.64	-0.32	-0.1
VanEckGoldMiner	GDX	21.32	-0.33	-8.3
VangdInfoTech	VGT	188.99	-1.95	14.7
VangdSC Val	VBR	138.18	-1.07	4.1
VangdSC Grwth	VBK	178.22	-1.93	10.8
VangdDivApp	VIG	106.09	-0.38	4.0
VangdFTSEDevMk	VEA	43.87	0.25	-2.2
VangdFTSE EM	VWO	43.74	0.14	-4.7
VangdFTSE Europe	VGK	57.71	0.21	-2.4
VangdFinls	VFH	71.01	0.03	1.4
VangdFTSEAWxUS	VEU	53.33	0.24	-2.5
VangdGrowth	VUG	154.50	-1.06	9.8
VangdHiDiv	VYM	85.88	-0.23	0.3
VangdIntermBd	BIV	80.78	0.06	-3.6
VangdIntrCorpBd	VCIT	83.84	0.14	-4.1
VangdLC	VV	129.42	-0.68	5.6
VangdMC	VO	161.63	-1.02	4.4
VangdMC Val	VOE	113.20	-0.35	1.5
VangdRealEst	VNQ	80.54	-1.07	-2.9
VangdS&P500	VOO	258.59	-0.65	5.4
VangdST Bond	BSV	78.10	0.03	-1.3
VangdSTCpBd	VCSH	78.14	0.03	-1.5
VangdSC	VB	158.16	-1.51	7.0
VangdTotalBd	BND	79.01	0.05	-3.1
VangdTotIntlBd	BNDX	54.71	0.07	0.6
VangdTotIntlStk	VXUS	55.39	0.14	-2.5
VangdTotalStk	VTI	145.22	-0.80	5.8
VangdTotlWrld	VT	75.45	-0.30	1.6
VangdValue	VTV	108.31	-0.27	1.9

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

July 27, 2018

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	June index level	Chg From (%) May '18	June '17
U.S. consumer price index			
All items	251.989	0.16	2.9
Core	257.697	0.09	2.3

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	5.00	5.00	5.00	4.25
Canada	3.70	3.70	3.70	2.95
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	0.00	0.00	0.00	0.00
Switzerland	0.50	0.50	0.50	0.50
Britain	0.50	0.50	0.50	0.25
Australia	1.50	1.50	1.50	1.50

Secondary market

Fannie Mae

30-year mortgage yields

	Latest	Week ago	52-Week High	52-Week Low
30 days	4.237	4.132	4.344	3.253
60 days	4.261	4.156	4.371	3.281

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective June 14, 2018. **Other prime rates** aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday.

Sources: Bureau of Labor Statistics; SIX Financial Information

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Friday, July 27, 2018

Fund	NAV	Net Chg	YTD %Ret
A			
American Century Inv			
Ultra	49.83	-0.60	14.8
American Funds Cl A			
AmcpA p	33.95	-0.33	10.5
AMutlA p	41.89	-0.18	3.6
BalA p	27.72	-0.09	3.0
BondA p	12.53	+0.02	-1.6
CapIBA p	60.93	-0.04	-1.4
CapWGrA	51.83	-0.13	2.5
EupacA p	54.81	+0.01	0.3
FdInvA p	64.49	-0.45	5.1
GwthA p	55.34	-0.49	11.7
HI TrA p	10.21	...	1.8
ICAA p	41.42	-0.31	4.7
IncoA p	23.19	-0.03	0.7
N PerA p	46.50	-0.19	7.7
NEcoA p	49.05	-0.44	9.9
NwWrldA	66.68	-0.16	-0.4
SmCpA p	59.38	-0.46	6.4
TxExA p	12.81	...	-0.2
WshA p	45.88	-0.25	4.7
B			
Baird Funds			
AggBdInst	10.51	+0.01	-1.8
CorBdInst	10.86	+0.01	-1.6
BlackRock Funds A			
GlblAlloc p	19.68	-0.01	0.3
BlackRock Funds Inst			
EqtyDivd	23.45	...	3.9
GlblAlloc	19.80	-0.01	0.4
StratIncOpptyIns	9.76	...	-0.2
Bridge Builder Trust			
CoreBond	9.85	+0.01	-1.6
CorePlusBond	9.80	+0.01	-1.4
D			
Del Invest Instl			
Value	22.26	-0.08	4.5
Dimensional Fds			
5GlbFxdInc	10.90	...	0.3
EmgMktVa	30.05	+0.11	-3.7
EmMktCorEq	21.80	+0.05	-5.6
IntlCoreEq	14.21	+0.04	-1.1
IntlVal	19.70	+0.09	-2.1
IntSmCo	20.97	+0.06	-1.1
IntSmVa	21.97	+0.09	-4.4
TAUSCoreEq2	18.98	-0.16	5.3
US CoreEq1	24.06	-0.20	6.2
US CoreEq2	22.56	-0.18	5.2
US Small	38.28	-0.63	6.9
US SmCpVal	40.22	-0.57	6.3
US TgdVal	26.04	-0.32	5.0
USLgVa	39.34	-0.13	1.5
Dodge & Cox			
Balanced	107.77	...	2.9
GblStock	13.96	+0.03	0.7
Income	13.43	+0.01	-0.8
Intl Stk	44.83	+0.29	-3.2
Stock	210.69	-0.27	5.4
DoubleLine Funds			
CoreFxdIncmI	NA	...	NA
TotRetBdI	10.41	+0.01	-0.3
E			
Edgewood Growth Instituti			
EdgewoodGrInst	34.73	-0.47	17.5
F			
Fidelity			
500IdxInst	98.57	-0.65	6.5
500IdxInstPrem	98.57	-0.65	6.5
500IdxPrem	98.57	-0.65	6.5
ExtMktIdxPrem r	66.77	-1.01	7.7
IntlIdxPrem r	43.16	+0.22	0.1
SAIUSLgCpIndxFd	15.22	-0.10	6.6
TMktIdxF r	81.23	-0.66	6.7
TMktIdxPrem	81.22	-0.66	6.7
USBdIdxInstPrem	11.22	+0.01	-1.7
Fidelity Advisor I			
NwInsghtI	34.85	-0.31	11.2
Fidelity Freedom			
FF2020	16.43	-0.02	1.6
FF2025	14.34	-0.02	1.9
FF2030	18.01	-0.04	2.4
Freedom2020 K	16.41	-0.02	1.6
Freedom2025 K	14.32	-0.02	1.9
Freedom2030 K	17.99	-0.04	2.4
Freedom2035 K	15.26	-0.05	3.0
Freedom2040 K	10.73	-0.03	3.1
Fidelity Invest			
Balanc	24.90	-0.12	5.7
BluCh	101.04	-1.41	15.1
Contra	136.46	-1.23	13.2
ContraK	136.44	-1.24	13.2
CpInc r	10.09	-0.02	1.6
DivIntl	39.99	+0.09	-0.1
GroCo	204.99	-3.30	14.7
GrowCoK	205.06	-3.29	14.8
InvGB	7.69	...	-1.6
InvGrBd	10.93	+0.01	-1.3
LowP r	55.69	-0.24	2.1
MagIn	109.59	-1.00	9.8
OTC	12.70	-0.21	15.6
Puritn	24.57	-0.16	5.7
SrsEmrgMkt	20.32	+0.04	-5.1
SrsGroCoRetail	19.19	-0.31	15.4
SrsIntlGrw	16.50	+0.02	2.2
SrsIntlVal	10.53	+0.06	-1.5
TotalBond	10.36	+0.01	-1.1
First Eagle Funds			
GlbA	59.14	+0.08	0.1
FPA Funds			
FPACres	35.66	+0.08	3.4
FrankTemp/Frank Adv			
IncomeAdv	2.32	...	1.4
FrankTemp/Franklin A			
CA TF A p	7.30	...	-0.5
IncomeA p	2.34	+0.01	1.3
RisDv A p	63.68	-0.42	4.7
FrankTemp/Franklin C			
Income C t	2.37	...	1.0
FrankTemp/Temp A			
Growth A p	27.38	+0.10	0.4
FrankTemp/Temp Adv			
GlBondAdv p	11.78	...	1.9
H			
Harbor Funds			
CapApInst	79.03	-1.22	13.8
IntlInst r	67.51	+0.35	...
Harding Loevner			
IntlEq	NA	...	NA
I			
Invesco Funds A			
EqIncA	11.04	-0.01	1.5
J			
John Hancock Class 1			
LSGwth	16.51	-0.06	2.7
John Hancock Instl			
DispValMCI	23.70	-0.13	1.7
JPMorgan Funds			
MdCpVal L	41.09	-0.21	2.0
JPMorgan R Class			
CoreBond	11.24	-0.01	-1.4
CorePlusBd	8.03	-0.01	-1.3
L			
Lazard Instl			
EmgMktEq	18.15	+0.07	-9.3
Lord Abbett F			
ShtDurIncm	4.17	...	0.3
M			
Metropolitan West			
TotRetBd	10.36	+0.01	-1.5
TotRetBdI	10.36	+0.01	-1.4
TRBdPlan	9.75	+0.01	-1.3
MFS Funds Class I			
ValueI	40.77	+0.04	0.9
MFS Funds Instl			
IntlEq	26.10	+0.16	2.5
N			
Nuveen Cl I			
HYMunBd	17.28	+0.01	2.0
O			
Oakmark Funds Invest			
EqtyInc r	32.55	+0.06	1.1
Oakmark	87.59	-0.63	3.9
OakmrkInt	27.03	+0.15	-5.4
Old Westbury Fds			
LrgCpStr	15.11	-0.04	4.5
Oppenheimer Y			
DevMktY	42.83	-0.20	-0.3
IntGrowY	43.41	+0.21	-0.5
P			
PGIM Funds Cl Z			
TotalReturnBond	14.06	+0.02	-1.8
PIMCO Fds Instl			
AllAsset	NA	...	NA
ShortT	NA	...	NA
TotRt	9.96	+0.01	-1.6
PIMCO Funds A			
IncomeFd	NA	...	NA
PIMCO Funds I2			
Income	NA	...	NA
PIMCO Funds Instl			
IncomeFd	NA	...	NA
Price Funds			
BlChip	111.56	-1.28	15.8
EqInc	33.80	-0.05	2.4
EqIndex	75.69	-0.50	6.4
Growth	70.93	-0.79	13.2
HelSci	78.64	-1.22	11.8
InstlCapG	42.89	-0.47	16.2
IntlStk	18.71	+0.02	0.2
IntlValEq	14.70	+0.08	-2.8
MCapVal	31.75	-0.18	4.4
MidCap	95.04	-0.74	9.2
N Inc	9.18	+0.01	-1.6
NHoriz	61.87	-0.95	17.7
OverS SF r	11.38	+0.03	0.6
R2020	23.02	-0.05	2.1
R2025	18.04	-0.05	2.6
R2030	26.70	-0.07	3.0
R2035	19.60	-0.06	3.3
R2040	28.22	-0.10	3.6
Value	37.56	-0.04	0.6
PRIMECAP Odyssey Fds			
AggGrowth r	49.65	-0.76	12.0
Growth r	41.56	-0.47	11.6
Stock r	33.43	-0.21	4.8
Principal Investors			
DivIntlInst	NA	...	NA
S			
Schwab Funds			
S&P Sel	43.88	-0.29	6.5
T			
TIAA/CREF Funds			
BdIdxInst	10.47	+0.01	-1.8
EqIdxInst	20.96	-0.17	6.7
IntlEqIdxInst	20.19	+0.07	0.1
Tweedy Browne Fds			
GblValue	29.37	+0.07	3.1
V			
VANGUARD ADMIRAL			
500Adml	260.52	-1.72	6.5
BalAdml	35.54	-0.17	3.4
CAITAdml	11.62	...	0.2
CapOpAdml r	169.80	-1.66	10.5
EMAdmr	36.26	...	-4.2
EqIncAdml	78.98	-0.14	2.6
ExplrAdml	101.26	-1.99	14.5
ExtndAdml	90.75	-1.38	7.7
GNMAAdml	10.19	...	-0.9
GrwthAdml	79.51	-0.89	10.5
HlthCareAdml r	90.37	-0.34	6.9
HYCorAdml r	5.73	...	-0.2
InfProAd	25.18	+0.03	-0.7
IntlGrAdml	101.59	-0.56	6.3
ITBondAdml	10.93	+0.02	-2.2
ITIGradeAdml	9.39	+0.01	-1.9
LTGradeAdml	9.78	+0.03	-5.6
MidCpAdml	200.16	-2.03	5.2
MorgAdml	101.72	-1.36	12.1
MuHYAdml	11.24	...	0.4
MuIntAdml	13.90	...	...
MuLTAdml	11.41	...	-0.3
MuLtdAdml	10.86	...	0.8
MuShtAdml	15.74	...	1.0
PrmcpAdml r	148.31	-1.16	11.0
RealEstatAdml	114.14	-1.18	-1.0
SmCapAdml	75.80	-1.12	7.7
SmGthAdml	62.64	-1.22	11.1
STBondAdml	10.23	+0.01	-0.4
STIGradeAdml	10.45	...	-0.2
TotBdAdml	10.40	...	-1.7
TotIntBdIdxAdm	21.87	...	1.3
TotIntlAdmIdx r	29.74	+0.07	-1.2
TotStAdml	70.66	-0.58	6.8
TxMIn r	14.11	+0.04	-0.5
ValAdml	42.24	-0.12	3.2
WdsrllAdml	68.66	-0.11	3.3
WellslAdml	64.09	+0.03	-0.4
WelltnAdml	72.97	-0.12	1.9
WndsrAdml	80.33	-0.08	2.6
VANGUARD FDS			
DivdGro	27.63	-0.12	6.0
INSTTRF2020	22.90	-0.05	1.6
INSTTRF2025	23.32	-0.06	2.0
INSTTRF2030	23.66	-0.06	2.3
INSTTRF2035	23.99	-0.07	2.7
INSTTRF2040	24.32	-0.08	3.0
INSTTRF2045	24.55	-0.08	3.2
INSTTRF2050	24.57	-0.09	3.1
IntlVal	39.32	+0.05	-1.4
LifeCon	19.97	-0.02	1.0
LifeGro	34.25	-0.11	2.7
LifeMod	27.38	-0.06	1.9
PrmcpCor	28.87	-0.19	7.3
SelValu r	30.26	-0.02	-3.2
STAR	27.43	-0.09	3.1
TgtRe2015	15.51	-0.02	1.2
TgtRe2020	31.90	-0.06	1.7
TgtRe2025	18.86	-0.04	1.9
TgtRe2030	34.40	-0.09	2.3
TgtRe2035	21.23	-0.06	2.6
TgtRe2040	36.82	-0.13	2.9
TgtRe2045	23.20	-0.08	3.1
TgtRe2050	37.33	-0.13	3.1
TgtRetInc	13.53	-0.01	0.7
TotIntBdIxInv	10.94	...	1.3
WellsI	26.46	+0.02	-0.4
Welltn	42.25	-0.07	1.8
WndsrII	38.70	-0.06	3.2
VANGUARD INDEX FDS			
500	260.50	-1.73	6.5
SmValAdml	59.37	-0.62	5.0
TotBd2	10.37	+0.01	-1.8
TotIntl	17.78	+0.04	-1.2
TotSt	70.63	-0.58	6.7
VANGUARD INSTL FDS			
BalInst	35.55	-0.16	3.5
DevMktsIndInst	14.12	+0.03	-0.5
DevMktsInxInst	22.08	+0.06	-0.5
ExtndInst	90.74	-1.39	7.7
GrwthInst	79.51	-0.89	10.5
InPrSeIn	10.26	+0.01	-0.7
InstIdx	257.17	-1.70	6.5
InstPlus	257.19	-1.70	6.5
InstTStPlus	62.82	-0.51	6.8
MidCpInst	44.22	-0.45	5.2
MidCpIstPl	218.07	-2.21	5.2
SmCapInst	75.80	-1.11	7.7
SmCapIstPl	218.80	-3.21	7.7
STIGradeInst	10.45	...	-0.2
TotBdInst	10.40	...	-1.7
TotBdInst2	10.37	+0.01	-1.8
TotBdInstPl	10.40	...	-1.7
TotIntBdIdxInst	32.81	-0.01	1.3
TotIntlInstIdx r	118.91	+0.27	-1.2
TotItlInstPlId r	118.93	+0.27	-1.2
TotStInst	70.67	-0.58	6.8
ValueInst	42.24	-0.12	3.2
W			
Western Asset			
CorePlusBdI	11.34	+0.02	-1.9

Dividend Changes

Dividend announcements from July 27.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Archrock	AROC	4.0	.132/.12	Q	Aug14/Aug07
Ares Commercial Real Est	ACRE	8.3	.29/.28	Q	Oct16/Sep28
Comfort Systems USA	FIX	0.6	.085/.08	Q	Aug24/Aug13
Jefferies Financial Group	JEF	2.0	.125/.10	Q	Sep28/Sep17
Magellan Midstream Ptrs	MMP	5.4	.9575/.9375	Q	Aug06/Aug06
Maxim Integrated Products	MXIM	3.0	.46/.42	Q	Sep13/Aug30
Reinsurance Grp America	RGA	1.8	.60/.50	Q	Aug28/Aug07
Republic Services	RSG	2.1	.375/.345	Q	Oct15/Oct01
Shell Midstream Partners	SHLX	6.4	.365/.348	Q	Aug14/Aug06
Sprague Resources	SRLP	10.7	.6675/.6525	Q	Aug10/Aug06
Synchrony Financial	SYF	2.8	.21/.15	Q	Aug16/Aug06
Territorial Bancorp	TBNK	2.9	.22/.20	Q	Aug23/Aug09
Reduced					
AllianceBernstein	AB	8.2	.62/.73	Q	Aug23/Aug06
Oaktree Capital Group	OAK	5.2	.55/.96	Q	Aug10/Aug06
SandRidge Miss Tr II	SDR	10.4	.045/.055	Q	Aug24/Aug10
Initial					
Oaktree Cap Pfd. A	OAKpA		.54288		Sep17/Sep01
Foreign					
AstraZeneca ADR	AZN	2.4	.45	SA	Sep10/Aug10
Diageo ADR	DEO	2.9	2.12973	SA	Oct10/Aug10
GasLog Partners	GLOP	8.7	.53	Q	Aug10/Aug06
Melco Resorts & Ent ADR	MLCO	2.4	.14505	Q	Aug15/Aug06
Mercer International	MERC	2.9	.125	Q	Oct03/Sep26
Royal Dutch Shell ADR A	RDS.A	5.5	.94	Q	Sep17/Aug10
Royal Dutch Shell ADR B	RDS.B	5.3	.94	Q	Sep17/Aug10
Vale ADR	VALE		.35206		Sep27/Aug06
Vale ADR	VALE		.04621		Sep27/Aug06

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. **Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
- ▲-New 52-week high.
- ▼-New 52-week low.
- **dd**-Indicates loss in the most recent four quarters.
- **FD**-First day of trading.
- **h**-Does not meet continued listing standards
- **lf**-Late filing
- **q**-Temporary exemption from Nasdaq requirements.
- **t**-NYSE bankruptcy
- **v**-Trading halted on primary market.
- **vj**-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, July 27, 2018

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
			A B C					
-14.62	28.67	21.22	ABB	ABB	3.6	22	22.90	0.06
...	13.02	6.93	ADT	ADT	1.6	...	9.01	-0.09
23.45	13.58	9.87	AES	AES	3.9	57	13.37	-0.03
▲ 5.51	46.49	38.73	Aflac	AFL	2.2	8	46.31	1.90
-3.52	21.94	17.84	AGNC Invt	AGNC	11.1	6	19.48	0.11
54.88	17.05	10.24	ANGI Homesvcs	ANGI	...	dd	16.20	-0.71
7.50	56.14	43.25	CIT Group	CIT	1.9	21	52.92	0.12
13.31	174.36	120.32	CME Group	CME	1.7	13	165.49	-0.97
1.73	50.85	40.48	CMS Energy	CMS	3.0	27	48.12	-0.02
-8.37	55.62	45.09	CNA Fin	CNA	2.5	14	48.61	0.19
-13.81	15.64	10.09	CNH Indl	CNHI	1.5	35	11.55	0.07
13.13	185.72	109.23	CNOOC	CEO	4.7	20	162.41	-0.88
2.87	17.69	10.63	CPFLEnergia	CPL	2.5	14	11.83	0.01
-4.02	39.32	32.47	CRH	CRH	...	13	34.64	-0.47
27.74	72.22	47.99	CSX	CSX	1.3	10	70.27	-0.62
-8.04	84	60.14	CVS Health	CVS	3.0	10	66.67	0.33
-20.24	**29.57**	**21.71**	**CabotOil**	**COG**	**1.1**	**95**	**22.81**	**-1.91**
8.18	46.99	35.49	CadenceDesign	CDNS	...	59	45.24	-1.02

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
-11.07	14.50	10.25	CaesarsEnt	CZR	...	dd	11.25	-0.20
-1.89	96.39	78.19	CamdenProperty	CPT	3.4	43	90.32	-0.75
-14.90	54.37	32.63	CampbellSoup	CPB	3.4	26	40.94	0.24
86.88	68.75	16.96	CanadaGoose	GOOS	...	87	58.98	-3.08
-7.06	100.01	83.02	CIBC	CM	4.6	10	90.53	0.38
9.31	90.53	70.59	CanNtlRlwy	CNI	1.5	26	90.18	0.01
0.22	38.20	29.20	CanNaturalRes	CNQ	2.9	20	35.80	-0.19
▲ 7.23	197.23	150.91	CanPacRlwy	CP	1.0	16	195.98	0.39
-14.25	40.67	31.23	Canon	CAJ	4.4	16	32.07	0.36
-5.13	106.50	76.98	CapitalOne	COF	1.7	15	94.47	-2.01
14.19	109.95	88.97	FidNatlInfo					
-2.74	34.67	24.66	FifthThirdBncp					
-6.72	89.90	49.50	58.com					
0.32	62.71	46.75	FirstAmerFin					
35.37	23.36	14.73	FirstData					
14.84	105.52	84.56	FirstRepBank					
14.34	37	29.34	FirstEnergy					
16.10	78.21	59.85	Fiserv					
14.75	225.92	138.43	FleetCorTech					
-21.68	**19.71**	**12.93**	**Flex**					
26.47	60.71	36.43	FlirSystems					
-2.42	62.09	37.04	Fluor					

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Friday, July 27, 2018

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
Aflac	AFL	46.49	4.3
AdtalemGlbEduc	ATGE	55.35	-0.5
AdvMicroDevices	AMD	19.88	3.2
AerCap	AER	56.79	0.6
AeroVironment	AVAV	76.32	-4.1
Allakos	ALLK	40.83	-0.5
Alphabet A	GOOGL	1291.44	-2.5
Alphabet C	GOOG	1273.89	-2.4
Alteryx	AYX	44.39	-4.7
Amazon.com	AMZN	1880.05	0.5
AmerExpress	AXP	104.24	1.3
AmerStWater	AWR	61.66	-1.9
AvalonHoldings	AWX	11.21	80.1
BGStaffing	BGSF	28.24	-7.8
BJsRestaurants	BJRI	73.05	3.9
BectonDickinsonPfA	BDXA	64.24	0.2
Bio-RadLab A	BIO	314.23	-2.0
Bio-RadLab B	BIO.B	308.00	0.8
BonanzaCreekEner	BCEI	39.29	-0.2
BrightHorizons	BFAM	111.29	-1.6
BrynMawrBank	BMTC	50.35	-1.1
CBRE Group	CBRE	50.43	0.3
CBTX	CBTX	36.76	6.3
CVREnergyWi	CVIw	39.61	-2.2
Cambrex	CBM	62.65	-1.9
CanPacRlwy	CP	197.23	0.2
CasellaWaste	CWST	27.57	0.4
EOG Rscs	EOG	130.49	0.2
EchoGlobalLog	ECHO	33.35	1.3
8x8	EGHT	23.10	-5.9
EmclaireFin	EMCF	38.00	2.7
EncompassHealth	EHC	76.05	-0.9
Endava	DAVA	26.00	26.0
EnergyFuelsWt	UUUU.WS	2.16	3.6
EnergyFuels	UUUU	2.85	-1.1
EnterpriseFinSvcs	EFSC	58.15	-1.7
EraGroup	ERA	14.23	-1.4
Essendant	ESND	16.10	17.9
Evertec	EVTC	24.68	-1.8
FARO Tech	FARO	70.20	1.0
FairIsaac	FICO	212.44	-1.0
FidelityD&D	FDBC	68.55	-4.6

Lows

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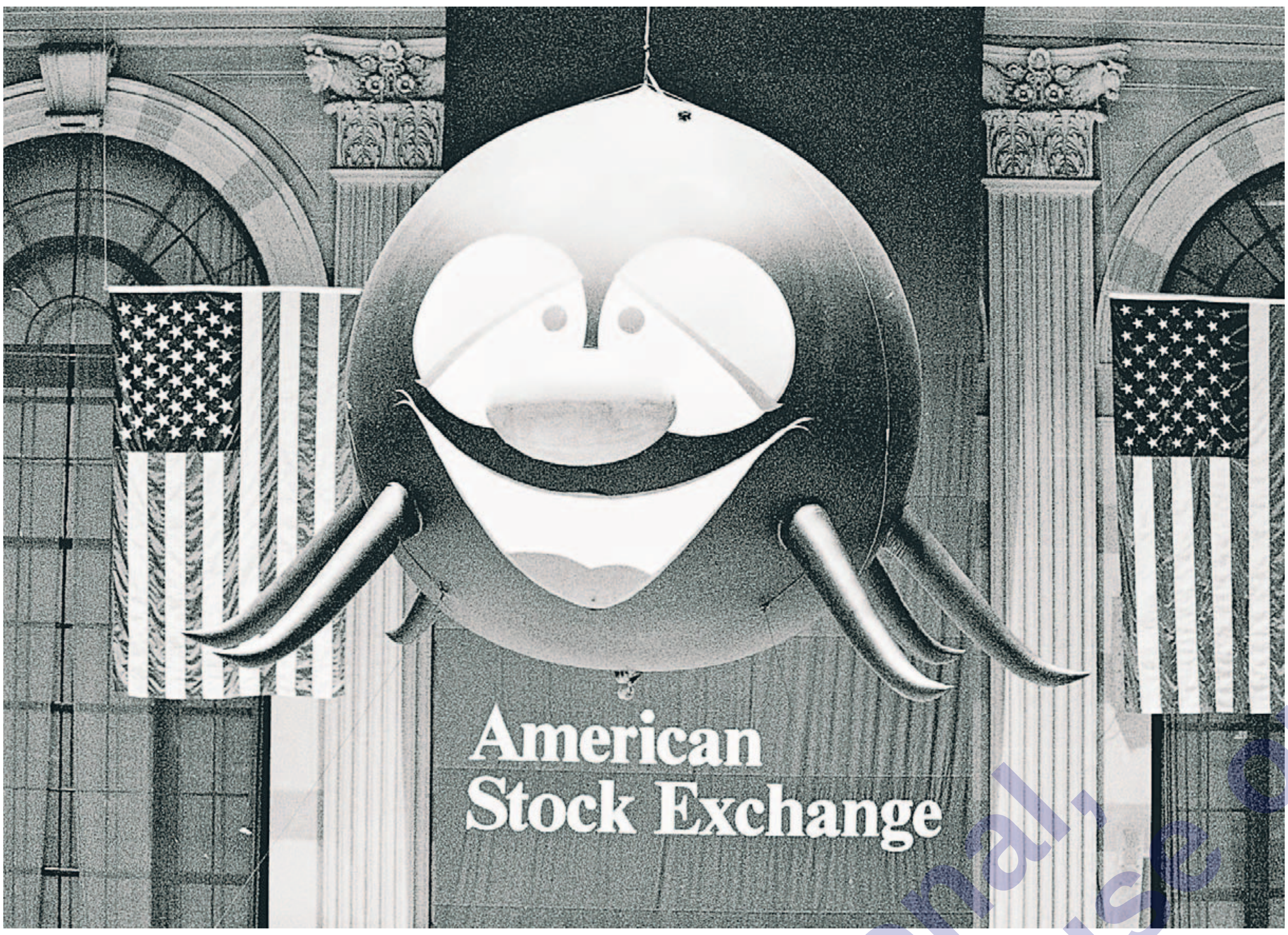
It Pioneered the ETF— Then Lost Its Market Magic

Twenty-five years ago, State Street launched the hit investment product. Now, it's No. 3 in the market it started, outflanked by savvy rivals with better marketing and lower costs.

By Asjylyn Loder



NEW YORK STOCK EXCHANGE

To celebrate the 1993 debut of the SPDR S&P 500 ETF Trust, the now-defunct American Stock Exchange brought in a 9-foot inflatable spider.

For State Street Corp., the company that pioneered the $5 trillion exchange-traded fund industry, it's been a long way down.

Earlier this month, the Boston firm's asset-management division reported that investors took out as much cash as they put into its $639 billion ETF business this spring. It was the worst showing among the three largest issuers and sent State Street Global Advisors' share of the U.S. ETF industry to an all-time low.

State Street launched the first ETF 25 years ago and dominated the market for a decade. Today, its slice of U.S. ETF assets is just 17.3%—down from 49% 15 years ago. More worrying for its future, State Street captured just 5.9% of the $343 billion that poured into ETFs in the past year. By contrast, Vanguard Group and BlackRock Inc.'s iShares took in a combined 67%. Even Charles Schwab Corp., a relative newcomer with just 22 ETFs, had a fatter haul.

How State Street squandered its first-mover advantage for one of the most popular financial products ever created shows that being first can sometimes be as much of a hindrance as a head-start.

It's easy to point out State Street's missteps in hindsight, but no one knew then how big the ETF industry was going to be, said Jim Ross, chairman of State Street's global SPDR business. "If you go back 25 years, you can think of some things you might do differently," he said.

To be sure, State Street is still the third-largest ETF issuer, but it has been hamstrung by a product suite that's vulnerable to market whims. It has struggled to connect with mom-and-pop investors. Some of its most popular funds are burdened by decades-old agreements that make State Street's funds more expensive than the competition's, a disadvantage in an industry where the cheapest funds win the most assets.

State Street doesn't even own the brand name of its ETF franchise, and instead pays hefty fees to rent it from index provider S&P Global Inc.

Nowhere are State Street's problems more apparent than in its flagship fund. The SPDR S&P 500 ETF Trust, best known by its ticker SPY, has swelled into a $269 billion behemoth and is one of the most-traded securities on the planet. But it has seen $4.2 billion in investor withdrawals in the past year while nearly identical products from BlackRock and Vanguard—which cost half as much—gained a combined $26.3 billion.

Named after Standard & Poor's Depositary Receipts, shortened to SPDR (pronounced "spider"), SPY was the first to package every company in the S&P 500 index into a single share that, unlike a mutual fund, could be bought and sold on the stock exchange. The now-defunct American Stock Exchange celebrated SPY's January 1993 debut by hanging a 9-foot inflatable spider over the trading floor and giving out hundreds of plastic spider rings.

SPY was a far bigger hit than its inventors had predicted, and State Street followed with new ETFs pegged to other stock indexes, including the popular sector ETFs that invested in industries like energy and technology.

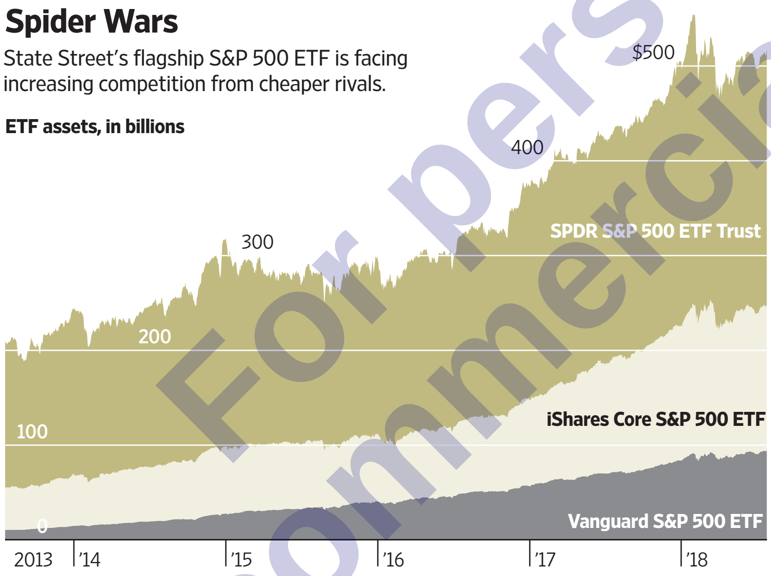
But there were early signs of trouble. The staid Boston institution has long treated its ETF business as an afterthought compared with its far larger businesses in trust banking and asset management for major institutional investors.

Earlier in July, State Street's share price plummeted after the firm announced it was buying a financial-data firm and canceling planned share buybacks. In the earnings call that followed, ETFs were barely mentioned.

Spider Wars

State Street's flagship S&P 500 ETF is facing increasing competition from cheaper rivals.

ETF assets, in billions

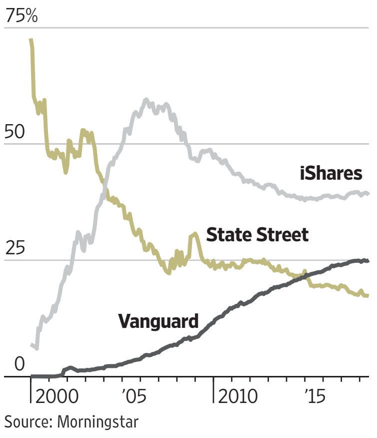


Source: FactSet

THE WALL STREET JOURNAL.

State Street's Long Fall

State Street launched the first ETF in 1993, but its market share has declined to an all-time low.



Source: Morningstar

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"The ETFs were a small part of a big bank that didn't get this business," said John Jacobs, a former Nasdaq executive who launched the popular Nasdaq 100 ETF in 1999. "They were really, really conflicted about how much to put into the business and how much to go after it."

When a quirky San Francisco offshoot of Barclays PLC rolled out dozens of new iShares ETFs in mid-2000, State Street was slow to perceive the threat. In the years that followed, the upstart hired a massive sales force, sponsored a Tour de France team (later dropped amid doping allegations) and backed a catamaran racing series that traveled the world, iShares emblazoned on the sails.

IShares unseated State Street as the world's largest ETF issuer in early 2004 and widened its lead in the years that followed. Vanguard, too, pushed into the market, and its low-cost funds quickly began gobbling up market share.

State Street was caught flat-footed. Its ETFs were sold under multiple brand names. The ideas for its biggest successes, notably SPY and the sector ETFs, had come from outside the firm. In fact, State Street nearly declined the World Gold Council's idea for a bullion-backed ETF. The fund, better known by its ticker GLD, is now one of State Street's most lucrative.

To amp up its brand recognition, State Street consolidated all of its ETFs under the SPDR name in 2007, but there was a downside: The SPDR trademark belongs to S&P. When it expanded its use of the name, State Street also extended until 2031 a contract under which S&P gets one-third of the fees paid by SPY's investors. S&P's cut alone—$3 a year for every $10,000 invested—is almost as much as the entire fee BlackRock and Vanguard charge for their comparable funds.

Between SPY and other fee-sharing arrangements, State Street paid almost $143 million to S&P last year, more than triple the licensing, data and other fees paid by Vanguard and almost double those of BlackRock, which bought iShares from Barclays in 2009.

Those legacy contracts make it difficult for State Street to match aggressive price cuts from BlackRock and Vanguard, especially after BlackRock launched an ultra-low-cost ETF lineup in 2012.

Compounding the problems, the fallout from the financial crisis left State Street financially hobbled. In 2011, activist investors urged the firm to sell off the investment-management division. Market share kept falling, along with morale in its ETF business.

The firm hired a consultant to figure out where it had gone wrong. Some of the client feedback was scathing. Customers called State Street "amateurish" and "plain vanilla" compared to the "rocket scientists" at the competition, according to a copy of the 2013 report reviewed by The Wall Street Journal.

Executives summoned dozens of managers to a two-day meeting at Babson College in October 2013, a few miles from its Boston headquarters. The message: State Street needed a comeback. But some of State Street's ETF veterans grumbled that the firm had paid consultants to repeat what they'd been telling their bosses for years.

Following the report, State Street recruited several new executives, among them iShares alum Rory Tobin, who is now head of the SPDR ETF business.

Shortly after he arrived, Vanguard overtook State Street as the second-largest ETF issuer, and State Street's market share continued to fall as investors flocked to the cheaper ETFs offered by BlackRock and Vanguard.

"When I started here in December 2014, I was struck by the way it was organized—or maybe the degree to which it was not organized—the way iShares was," Mr. Tobin said.

State Street has since restructured its fragmented ETF business, an ongoing process that included an overhaul of its sales force last year, Mr. Tobin said.

One of the biggest changes was State Street's introduction of its own low-cost lineup last October, a move that industry analysts viewed as long overdue. The funds have since attracted more than $16 billion in new investor cash. But just as it took years for State Street to squander its lead, it will also take years to regain its former dominance, if it can.

"It's step by step," Mr. Tobin said. "I'm not going to say there's a silver-bullet answer that gets us back up to significant market share."

The New, Confusing, Disclosure

Continued from page B1

thing they need to know about risk and return, they will make good decisions. In practice, investors rarely read disclosures, seldom understand them and, even if they do, often ignore them anyway.

Nowadays, the typical disclosure drones on for dozens of pages, largely to immunize investment professionals or the issuers of securities from getting sued later if anything goes wrong. It turns out there are perils in this prolixity: A long enumeration of risks can lead investors to believe that every possible hazard has been accounted for. It can also make any given risk seem harder to understand and more improbable. Thus, the more you read about risks, the less they may seem to matter.

Requiring advisers to disclose their conflicts can also backfire, say Don Moore of the Haas School of Business at the University of California, Berkeley, and Daylian Cain at Yale School of Management, who study the psychology of conflicts of interest.

When an adviser discloses a conflict, investors may conclude he is being candid, paradoxically leading them to trust him more. An adviser may also feel biased advice becomes more justifiable once he reveals his conflicts.

No wonder financial advisers thrive on dizzyingly complex disclosure requirements. "They don't have to disembark from the gravy train," says Prof. Cain. "They just have to disclose that they're on it."

One way to simplify: Russell Golman, a professor of behavioral economics at Carnegie Mellon University, suggests the SEC should recruit a large group of investors and use an online survey tool to "see if ordinary people can figure out what the form is supposed to tell them." The agency could then keep simplifying until most—ideally, 95%—of the investors understand the form.

Even some on the SEC have expressed doubts about a proposed broker-disclosure form.

Even that approach might not be simple enough, says Richard Thaler, an economist at the University of Chicago's Booth School of Business and winner of the 2017 Nobel Prize in economics. "All these paper disclosures and all the fuss about which numbers need to be on what page are just silly and a waste of time," he says, "because no one reads them anyway."

Instead, regulators should require a standard set of data in a uniform, machine-readable format. Such "smart disclosure," says Prof. Thaler, is "a wonder drug."

Open access to structured data, he says, would quickly foster a new marketplace in which third parties could rate and analyze financial advisers on their fees, conflicts and other relevant factors.

Online businesses are already applying smart disclosure: Yelp uses public-health records to display hygiene scores for restaurants, and Trulia trawls data from the U.S. Census Bureau and other sources to map neighborhoods by such quality-of-life measures as average household income, commuting time and crime rates.

"People should be able to simplify their choices so they don't keep making costly mistakes," says Sophie Raseman, head of financial solutions at Brightside Benefit Inc., a startup in San Francisco that seeks to help employees make better choices across a variety of everyday decisions.

If the SEC required computer-readable disclosure of fees, conflicts and a few other factors, "that structured data would give the next generation of entrepreneurs the raw material they need to provide new apps and services that could provide people with unbiased assistance" in choosing an adviser, Ms. Raseman says.

That should also bring fees down and focus more sunlight on conflicts. Every investor would be better off.

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Former SoFi Chief Opens Up on Affairs

BY PETER RUDEGEAIR

Seeking a fresh start in Silicon Valley, former **Social Finance** Inc. chief and co-founder Mike Cagney now admits that an affair with a subordinate was a reason for his abrupt departure last year from the firm.

Mr. Cagney resigned in September 2017 from the financial-technology company following accusations and lawsuits from former employees that managers sexually harassed female employees without repercussions. In a farewell note to employees, Mr. Cagney cast his departure as a way to refocus attention on SoFi's mission of saving consumers money on their student loans.

Now, Mr. Cagney is adding another reason for deciding to leave a startup he led for six years. In an interview with The Wall Street Journal, he said that he had consensual sexual relationships with female subordinates, something he had previously denied publicly. He also said he had misled SoFi's board of directors about one of the affairs.

"I made a regrettable mistake," Mr. Cagney said. "I wasn't forthright with the board, and it's part of why I stepped down." A SoFi spokesman declined to comment.

BRENDAN MCDERMID/REUTERS

Former SoFi CEO Mike Cagney now runs Figure Technologies.

Mr. Cagney is opening up as he debuts his latest venture: **Figure Technologies** Inc., a financial-technology startup focused on home-equity lending that made its first loan this week. It has hired around 90 employees and raised $58 million in venture capital, a process that involved persuading potential investors and recruits that he has learned from his leadership shortcomings at SoFi.

"He deserves a second chance," said David Chao, a general partner at DCM Ventures who invested in Figure and was on SoFi's board when Mr. Cagney left. Mr. Cagney "did a lot of soul searching and learned a lot from those mistakes," Mr. Chao said.

Mr. Cagney was one of several Silicon Valley executives who have relinquished their jobs since last year as part of a wider reckoning of the treatment of women in the technology industry and beyond.

Over a span of six years, SoFi went from an idea Mr. Cagney cooked up with classmates from Stanford University's business school to a startup valued at more than $4 billion that had extended more than $20 billion in loans. As recently as August 2017, it was marching toward an initial public offering.

Around that time, a former employee in a SoFi operations center in Healdsburg, Calif., filed a lawsuit against SoFi, claiming he was fired for reporting that a manager made sexual or inappropriate comments to female colleagues. The employee, Brandon Charles, accused Mr. Cagney of allowing male employees to "engage in inappropriate sexual conduct."

The lawsuits filed against SoFi related to harassment or work culture have either been settled or are in the process of having settlements finalized. Mr. Charles dropped Mr. Cagney as a defendant and in May the parties settled the case, according to court filings and a SoFi spokesman. Mr. Charles's lawyer and SoFi declined to discuss the settlement, saying terms were confidential.

Mr. Cagney said he never witnessed any incidents of sexual harassment in the office but was aware that the human-resources department had addressed some issues. He added that he "should have taken a harder line" on one incident involving a top executive's inappropriate banter.

After Mr. Charles's lawsuit was filed, the Journal reported that in 2012 SoFi's board had authorized a payment to a lower-level employee to settle a dispute she had with Mr. Cagney.

At the time the board said "there was no allegation or evidence of a romantic or sexual relationship between Mr. Cagney and the employee." Mr. Cagney and the board haven't discussed the nature of the dispute.

Mr. Cagney said in the interview his sexual relationships weren't with the employee involved in the dispute.

SoFi's cultural issues weren't limited to how women were treated. An intense focus on growth created an environment where some employees felt pressure to work extra hours at night and on holidays to avoid being fired and where executives would break furniture and throw telephones out of anger, the Journal previously reported in September.

"The culture [at SoFi] was very results-oriented," Mr. Cagney said in the interview. "What that does is create a structure where you can look past bad behavior when results are delivered."

He said he is doing things differently at Figure. He brought in a mostly female executive team, including its chief risk officer and its general counsel. His wife and co-founder, June Ou, serves as the company's chief technology officer, a role she previously held at SoFi. She declined to comment on Mr. Cagney's sexual relationships.

He is also giving any employee who meets recruits a chance to weigh in on how the hire would affect Figure's culture, said Alana Ackerson, a former vice president of SoFi and Figure's chief policy officer. While at SoFi, Mr. Cagney said he didn't prioritize cultural fit in hiring decisions.

SoFi has continued to expand its lending in Mr. Cagney's absence. The company extended a record $3.6 billion in student, personal and mortgage loans in the first quarter. Its financial performance has slipped, however, as higher-than-expected delinquencies led SoFi to miss its earnings projection for the fourth quarter.

Meanwhile, investors in Figure are expecting Mr. Cagney can generate earnings before interest, taxes, depreciation and amortization of $150 million in 2020, according to a document reviewed by the Journal.

Earnings Thrive for U.S. Exporters

BY CHELSEY DULANEY

U.S. exporters are still growing faster than companies that do most of their business at home, a sign that trade spats and rising costs for things such as labor and commodities aren't derailing the corporate profit expansion.

Firms with large overseas businesses have reported 12% growth in revenue so far for the second quarter, according to Credit Suisse. That is roughly double the rate of growth for domestic-focused firms.

Exporters' profit growth for the second quarter is also beating Wall Street expectations. Earnings have jumped 25% from a year earlier, above 19% growth for domestic firms.

Investors have worried in recent months that tariff fights between the U.S. and key trading partners like China and Europe would hurt multinational firms that rely on overseas sales. Companies are also struggling with labor shortages and higher costs for things including raw materials and transportation.

Those fears had encouraged investors to dump shares of exporters in favor of domestic-focused companies. That is a turnaround from last year, when investors poured money into multinational companies they felt were best positioned to benefit from a synchronized pickup in the global economy.

The Russell 2000 index—composed of smaller firms with less foreign exposure—is up 8.3% this year, compared with a 5.4% gain for the S&P 500 and 3% for the Dow Jones Industrial Average.

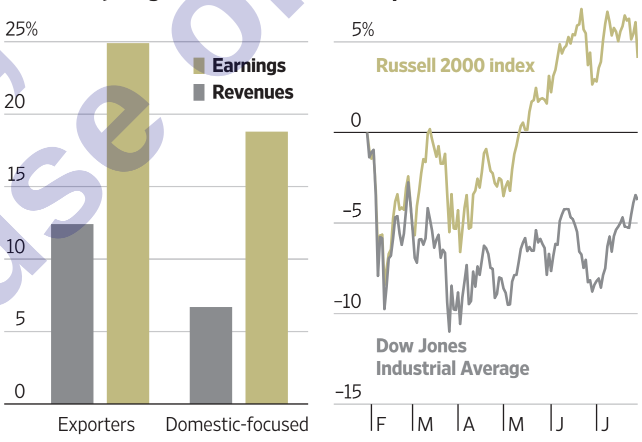
Recent earnings reports from companies including Honeywell International Inc. and Boeing Co. indicate strong economic growth is offsetting those pressures for now.

During its earnings call this month, industrial conglomerate Honeywell described the impact of tariffs as "minimal" while raising its 2018 sales guidance. Boeing, the world's largest plane maker by sales, on Wednesday boosted its revenue outlook amid strong global demand. The company's shares have been hard-hit by tariff concerns this year.

"We're not necessarily hearing companies voice an overwhelming amount of concern about trade," said Patrick Palfrey, an equity strategist at Credit Suisse. "For all the concerns, demand is still there; consumers are still opening up their wallets."

Overseas Boost

Multinationals are posting stronger earnings growth than domestic-focused firms even as trade concerns weigh on their shares.



Sources: Credit Suisse (revenues and earnings); SIX (stock performance)

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Whistle Blown on Wells Fargo

Continued from page B1

were longstanding problems with the bank's dealings with wealth-management customers. In January, two financial advisers in Orange County, Calif., sent a formal complaint to the SEC alleging similar problems.

The Arizona letter, which hasn't been previously reported, led to investigations by the Justice Department and the SEC. The Journal has reported on those probes.

Wells Fargo's brokerage division was known for sales goals—and payouts—that were higher than industry peers such as Morgan Stanley and Bank of America Corp.

Advisers across the wealth-management business sometimes shifted client assets between products such as certificates of deposit and structured notes, or put clients into products that earned the bank higher fees, current and former employees said.

In doing so, financial advisers relied on opaque fee arrangements, the employees said. What's more, once a customer signed certain paperwork, advisers were often able to make changes to accounts without having to update the customer, they added, which could trigger additional fees.

Ms. Leordeanu said "all fees are fully disclosed."

For years, managers pressured advisers to funnel clients with assets of more than $2 million into a higher-fee platform known as Investment Fiduciary Services, current and former employees said.

Wells Fargo often mandated client quotas for riskier alternative investments, such as private equity and hedge funds, regardless of whether they were appropriate, according to employees and internal bank documents reviewed by the Journal. Wealthier clients often were placed in the GAI Agility Income Fund or the GAI Corbin Multi-Strategy Fund, which are majority owned by Wells Fargo and from which the bank could also collect management fees.

Ms. Leordeanu said not all clients pay these management fees, and some are refunded.

Dave Coffaro, who ran the Investment Fiduciary Services platform, was asked to leave the bank earlier this month, according to people familiar with the matter. Mr. Coffaro said his exit wasn't related to fees or inappropriate sales goals.

The East Valley region of Phoenix was a hotbed for these problems, according to current and former employees.

Advisers had goals of $64,000 in annual product sales for private-bank clients, or those with assets above $2.5 million on the Investment Fiduciary Services platform. If they didn't hit the target, they were removed from top branches, according to the September letter sent to regulators, which was described to the Journal.

Wells Fargo recently marked the brokerage file of a former regional manager in Arizona as under review for possible "inappropriate referrals or recommendations or whether he failed to supervise any inappropriate referrals or recommendations," according to a document from the Financial Industry Regulatory Authority, Wall Street's self-regulatory group. The manager, Mahes Prasad, left the bank earlier this year.

Mr. Prasad said he left the bank for "personal reasons unrelated to any issue Wells Fargo is reviewing." He added that he didn't pressure employees to sell, refer or recommend inappropriate solutions to clients or move advisers to other branches if they didn't achieve sales goals.

Between 2012 and 2015, certain advisers were eligible for a "Growth Award," a bonus of at least 15% for growing revenues by 15% each year. While such awards are common in the industry, Wells Fargo's payouts were much higher than that of other firms, industry participants said.

The bank allotted $250 million for the Growth Award bonuses. But since advisers used loopholes to hit goals, Wells Fargo had to pay out more

The bank often mandated client quotas for riskier investments.

than $750 million between 2012 and 2015.

Among employees, 2015 became known as "the year of the annuity" because advisers would push clients into these higher-fee products to meet revenue targets. Some advisers would redeem clients from annuities that had large surrender charges, employees said.

One practice within the wealth-management business harks back to the fake-account scandal that rocked the bank in 2016.

Some advisers could earn higher payouts through deferred compensation by putting more clients into so-called Envision plans, which the bank touts as a way to stay in touch with clients' "real-life goals, dreams, and needs."

Employees wrote fake or inaccurate client information to boost their plan numbers toward deferred compensation as recently as 2016, according to current and former employees and internal documents.

"If we determine a plan is not updated as recommended, we take action to improve it or turn off the plan," Ms. Leordeanu said.

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Tech Sparks Bumpy Ride

S&P 500 ekes out fourth straight weekly advance, buoyed by strong earnings

By Akane Otani And Ben St. Clair

The S&P 500 fell Friday but managed to post its fourth straight weekly advance, as strong earnings from a number of firms helped offset an end-of-week slide in the technology sector.

FRIDAY'S MARKETS

Investors parsed a mixed batch of data and earnings results over the course of the week that broadly suggested the U.S. economy remains strong, even as certain industries have shown signs of weakening.

Data on Friday showed the U.S. economy grew 4.1% from April through June—the fastest pace in nearly four years, though lower than the expectation of economists surveyed by The Wall Street Journal. Tech titans like Alphabet and Amazon.com reported earnings that blew past analysts' estimates, sending their shares higher.

Yet disappointing earnings from a number of other companies put pressure on the tech sector, sparking wild swings.

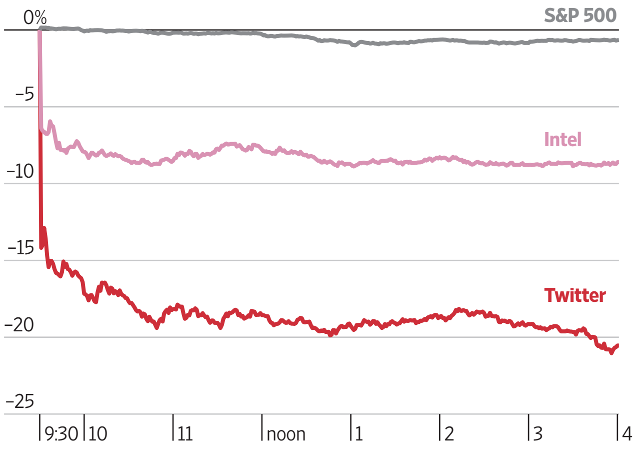
Facebook logged the biggest one-day loss in market capitalization ever Thursday after warning its growth was slowing, while Intel and Twitter tumbled after their earnings failed to meet investors' expectations. Twitter slumped $8.82, or 21%, to $34.12 Friday, logging its biggest one-day decline since February 2014. Meanwhile, Intel shed 4.48, or 8.6%, to 47.68 and Netflix—which earlier in the month had missed its own estimates for subscriber growth—fell 7.88, or 2.2%, to 355.21.

Shares of home builders such as PulteGroup and Lennar also struggled for traction after data showed home sales slipping in the second quarter, even as the broader economy continued expanding.

After a nine-year rally, investors have largely come to expect solid earnings across the board. That makes companies that have missed earnings estimates vulnerable to sharp reversals, said Mohit Bajaj, director of ETF trading solutions at WallachBeth Capital.

Swing and a Miss

Shares of Twitter and Intel tumbled Friday after both companies reported earnings that disappointed investors.



Source: SIX

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The Dow industrials fell 76.01 points, or 0.3%, to 25451.06 on Friday. The S&P 500 shed 18.62 points, or 0.7%, to 2818.82, and the Nasdaq Composite lost 114.77 points, or 1.5%, to 7737.42.

For the week, the blue-chip index added 1.6% and the S&P 500 climbed 0.6%, while the Nasdaq fell 1.1%—notching its biggest one-week slide since June.

Elsewhere, European and Asian stocks headed higher, with investors citing relief over a tentative trade truce between the U.S. and the European Union. Stocks received a midweek bump after President Trump and European Commission President Jean-Claude Juncker agreed not to impose new tariffs while the two trading partners sorted out their differences.

The Stoxx Europe 600 finished up 0.4% Friday and posted a weekly gain, led by the telecommunications and basic-resources sector.

In Asia, Hong Kong's Hang Seng gained 0.1% Friday, and Japan's Nikkei rose 0.6%.

Economic Report Buoys Bond Prices

By Orla McCaffrey

U.S. government bond prices rose Friday after a key measure of U.S. economic growth reached its strongest level in four years but fell below some forecasts.

The yield on the benchmark 10-year Treasury note settled at 2.962%, according to Tradeweb, compared with 2.975% Thursday. Despite Friday's decline, the 10-year yield notched its biggest one-week advance since mid-May.

CREDIT MARKETS

Yields fell sharply after the Commerce Department said gross domestic product, a broad measure of the goods and services produced across the U.S., had reached 4.1% in the second quarter. Economists surveyed by The Wall Street Journal had estimated a 4.4% increase.

"If we'd seen a more widespread, or more non-tariff driven increase in certain components, the market would be more comfortable with this number," said Ian Lyngen, head of U.S. government strategy at BMO Capital Markets.

The 10-year yield had climbed late Thursday ahead of the GDP data. Some analysts had expected a stronger print to push the benchmark yield above 3% for the first time since May 17.

Friday's U.S. economic data mean it is still likely the Federal Reserve will raise interest rates at its September meeting to keep the economy from overheating, some analysts said. At its June meeting, the Fed tentatively scheduled two additional rate increases this year.

"I think it is a reinforcement of the fact that the economy is doing quite well and growing, but not at a pace that it's likely to cause inflation to spiral," said Jim Sarni, managing principal at Payden & Rygel Investment Management. Inflation poses a threat to the value of bonds because it erodes the purchasing power of their fixed payments and can spur the Fed to raise interest rates.

Fed funds futures, used by investors to bet on the direction of interest-rate policy, late Friday showed a 71% probability that Fed officials will raise rates at least twice more this year, according to CME Group data.

Tough Sell: U.S. Gas Exports to Europe

President Trump wants Europe to buy more U.S. gas, but Vladimir Putin's Russia stands in the way.

On Wednesday, Mr. Trump and European Commission President Jean-Claude Juncker dialed down trade tensions with measures that include a preliminary agreement for Europe to buy more liquefied natural gas from the U.S.

By Sarah McFarlane, Bojan Pancevski and Georgi Kantchev

TOMOHIRO OHSUMI/BLOOMBERG NEWS

An LNG terminal in Yokohama, Japan. U.S. gas fetches a higher price in Asia than in Europe, where Russian gas is more economical.

Surging U.S. LNG exports and Europe's desire to reduce its dependence on Russian fuel was widely expected to help break Moscow's dominance on the continent. However, in recent years, Russia has increased its exports to Europe, and U.S. LNG has failed to take any meaningful market share. Russia is the European Union's top supplier, with around a 35% market share.

Russian gas is simply cheaper and U.S. exporters may not actually want to rush to Europe, given their gas fetches a higher price in Asia, driven by Chinese demand.

"Where that gas goes is just dictated by the dynamics of the global gas market and it's not clear to me what any [European Union] policy maker could actually do to change that," said Trevor Sikorski, an analyst at London-based consultancy Energy Aspects.

A U.S. LNG cargo out of Sabine Pass, La., currently fetches $6.58 per million British thermal units in the U.K. and $6.65 in the Netherlands, according to S&P Global Platts Analytics. By comparison, delivery to Guandong, China, will bring in $8.08 and to Futtsu, Japan, $8.47.

Peter Altmaier, Germany's minister of economic affairs, said that Europe has expressed willingness to build the infrastructure needed to take U.S. LNG. However, "it will, of course, have to be competitive [in terms of price]," he said.

At the moment, it isn't. At current prices, U.S. gas delivered to Europe costs, on average, over $7 per million BTUs. In comparison, Russian pipeline gas costs between $4.5 and $5.5, according to Energy Aspects.

Russian gas flows through long-established pipelines straight into Europe.

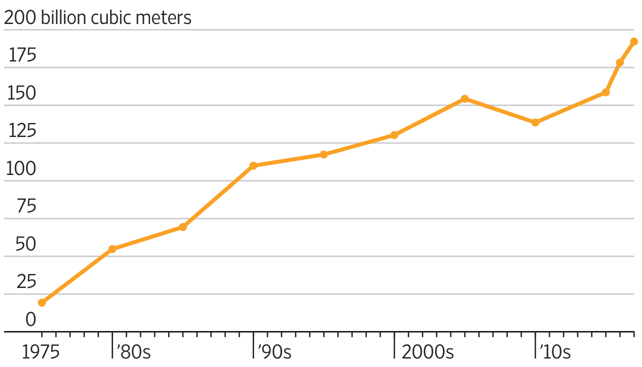
Since the U.S. started exporting gas in 2015, very little has come to Europe. Last year, around 3 billion cubic meters of U.S. gas was delivered to the EU and Turkey, up from 0.5 bcm in 2016, according to S&P Global Platts Analytics.

By comparison, in 2017, Russian gas giant PAO Gazprom's exports to Europe rose nearly 8% to 192.2 billion cubic meters, mostly to Western European countries.

—Laurence Norman contributed to this article.

Gas Grip

Gazprom's natural-gas exports to Europe rose to a record last year



Source: PAO Gazprom

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Dollar Is Nudged Lower by GDP Data

By Amrith Ramkumar

The U.S. dollar inched lower on Friday after the first reading of U.S. growth for the second quarter showed the economy grew at the strongest pace in nearly four years but slightly less than analysts expected.

The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, closed down 0.1 point, or 0.1%, at 88.29, paring its early gains following the gross domestic product data. Growth momentum shifting back to the U.S. has kept the dollar near its highest levels in more than a year.

CURRENCIES

Friday's data showed GDP rose 4.1% in the second quarter, up from the first quarter's revised growth rate of 2.2% but below the 4.4% clip expected by economists surveyed by The Wall Street Journal.

Analysts said the reading should do little to derail U.S. growth momentum, though some are skeptical that pace can be maintained. Investors had been expecting a strong reading Friday for weeks, and President Trump Thursday even predicted a positive number.

"Because it was so hyped, the real expectation was higher," said Lee Ferridge, head of macro strategy for North America at State Street Global Markets. "There's a little bit of disappointment, but it's hard to be too disappointed with a 4.1% GDP number."

Investors are waiting to see if the Federal Reserve will raise interest rates more quickly than previously anticipated to keep the economy from overheating, as some think the central bank will need to get more aggressive to send the dollar to fresh 2018 highs.

The Fed staying on a gradual path has still supported the U.S. currency with other central banks acting more cautiously. The dollar surged Thursday after the European Central Bank confirmed it intends to end its bond purchases in December but probably won't raise interest rates through next summer.

Analysts are also monitoring comments from Mr. Trump, who has said he wants fewer rate increases and a weaker dollar, to see if they move the U.S. currency out of its current trading range.

Some doubt the dollar will move much higher unless inflation picks up or more investors start betting recent U.S. growth rates are sustainable.

Oil Declines on Signs Of Increasing Supply

By Stephanie Yang And Sarah McFarlane

Oil prices declined on Friday as signs of rising production helped ease geopolitical concerns that had bolstered the market this week.

Light, sweet crude for September delivery fell 1.3% to $68.69 a barrel on the New York Mercantile Exchange. Brent, the global benchmark, lost 0.3% to $74.29 a barrel.

COMMODITIES

On Friday, Russia's energy minister indicated that the country may increase production by more than previously anticipated this year, which could undermine a joint agreement among major oil exporters to limit supply made in 2016.

Meanwhile, indications of increased supply in North America also weighed on prices, traders said.

Data on Friday from Baker Hughes showed that the number of active oil rigs in the U.S. increased by three to 861.

In the Permian Basin in West Texas, the number of active oil rigs climbed to match its highest total since January 2015.

Expectations for a restart of operations at the Canadian oil-sands facility Syncrude at the end of the month also pressured the market, said Bob Yawger, director of the futures division at Mizuho Securities U.S.A.

"People are trying to unload these barrels because they're just not economical at these levels," Mr. Yawger said.

Major oil producers have been increasing production ahead of U.S. sanctions on Iran, due to come into force in November.

"The extra supply is coming before the loss of supply," said Torbjørn Kjus, co-founder of oil trader Vistin Trading.

On Wednesday, top crude exporter Saudi Arabia halted shipments via a Red Sea trade route due to attacks on two of its tankers by Houthi rebels.

The market reaction was muted, analysts said, due to the kingdom's recent increase in supply, alongside rising output from other members of the Organization of the Petroleum Exporting Countries and Russia.

India Shares Rally to Record

By Saumya Vaishampayan And Debiprasad Nayak

Indian shares have surged to a series of all-time highs this week, fueled by soaring profits and the country's relative isolation from global trade.

The widely followed S&P BSE Sensex rose nearly 1% on Friday to 37,336, a record close. The index has surged 9.6% in 2018, making it the best-performing major benchmark in the Asia Pacific region.

Analysts point to several reasons for the rally. For a start, India is booming, even as neighboring China shows signs of slowing, and was the fastest-growing big economy in the first three months of 2018. All else being equal, solid growth bodes well for corporate earnings, and tends to send shares higher.

In fact, per-share earnings for companies in MSCI's India index should rise 28% in 2018, far outpacing the roughly 15% growth for emerging markets in Asia as a whole, said Ben Luk, a global macro strategist at State Street Global Markets. It helps that net profits last year were rather lackluster, especially for financial firms, he said.

In addition, millions of Indians are pouring money into shares for the first time. That has supported stock prices even as overseas buyers, who own roughly a quarter of the market, have grown more cautious.

Locals added roughly $800 million in new positions this month, overwhelming the $44 million sold by foreigners.

> **The BSE Sensex has surged 9.6% in 2018, fueled by soaring profits.**

Unlike rivals in Tokyo and Shanghai, for example, which experienced previous huge rallies, peaking in 1989 and 2007 respectively, it is also comparatively easy for this market to break new ground.

Moreover, India is comparatively less exposed to changes in U.S. trade policy. The U.S.-China spat has rippled through Asia, hurting companies that rely on cross-border trade.

Shares of outsourcers and some banks have driven this year's gains in the Sensex, which has 31 constituents and is dominated by financial companies, which make up roughly 41% of the index's value.

Kotak Mahindra Bank and Yes Bank are some of the biggest advancers, gaining more 30% and 17% respectively this year.

The rally in banking shares is partly driven by a new bankruptcy code, which analysts say should help chip away at the bad loans clogging up Indian banks and constraining lending.

Outsourcers Tata Consultancy Services Ltd. and Infosys Ltd. have surged the most, by 46% and 33% respectively for the year.

It could be difficult for the rally to go much further. Many analysts say valuation multiples already look rich: the Sensex trades at more than 19 times expected earnings for the next 12 months, higher than its 10-year average of less than 16 times, according to FactSet.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

The Fool's Game Of Picking the Electric Car Champ

By Stephen Wilmot

The next fortune in the auto industry will be made by companies that dominate the electric car market. Good luck picking the winners.

Within a decade or two, electric cars are widely expected to replace conventional engine cars. A big wave of new models is coming next year. Right now, though, relatively few fully electric cars are being sold. The market is wide open.

Investors trying to pick winners are parsing what little data is available, but that could lead them down the wrong path. Wide variations in quality, price and profitability make handicapping the race nearly impossible.

Sales data tell one story. China's BYD and BAIC are in the lead, followed by Tesla and BMW. The alliance of Renault, Nissan and Mitsubishi is ahead of Tesla if the three partners' sales are aggregated. But this ranking could look very different in two years' time, after nearly all the big brands have launched electric cars. In the luxury market currently dominated by Tesla, Audi and Jaguar are due to launch fully electric products later this year.

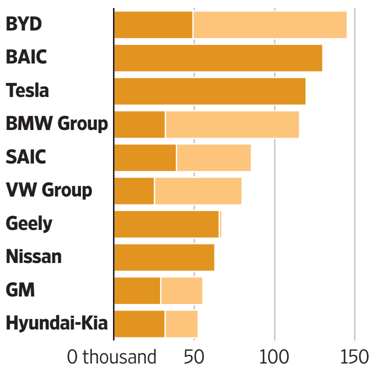
Moreover, unit sales data say nothing about a car's price or profitability. Tesla's average selling price in the first quarter was roughly $85,000, about four times the price of the most popular electric cars in China. As for profitability, Tesla isn't the only one that struggles to make money: Mercedes-owner Daimler warned in September 2017 that its electric cars come with a lower margin than its traditional cars.

The winner in the electric car derby could be the company that

Charging

Electric vehicle sales over the past year*

Battery electric | Plug-in hybrids



*June 2017 through May 2018

Sources: EV-volumes

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figures out how to sell a mass-market electric car at a profit. Tesla's problems with its Model 3 show the challenge, while Chevrolet's all-electric Bolt is reportedly sold at a loss. It is unclear whether Nissan's new Leaf, the latest mass-market rollout, is profitable, though Alliance boss Carlos Ghosn has claimed he is alone in starting to turn a profit on electric cars.

The problem is companies aren't selling electric cars now for profit. Batteries are still too expensive for that. Instead they need to meet environmental restrictions in Europe and China, while hoping to generate returns in a somewhat distant future.

One way to get insight into future profitability is through patent data. But that can give a skewed view: BYD has a larger book of patents covering powertrain electrification than BMW, according to data firm Aistemos. Much depends on company policy. Tesla rejected patents in 2014, "in the spirit of the open-source movement."

Perhaps the simplest way to judge who is ahead in electric cars is to assume that experience matters: Aside from Tesla, Nissan, BMW and GM were industry pioneers, and still have some of the most credible all-electric models currently on the market. Nissan's Leaf, first launched in 2010, is still the world's best-selling electric car in cumulative terms.

The lack of solid data on the leaders and laggards of automotive tech may not be as great a problem for investors as it seems. That is because improvements in electric cars will come not from car makers but from battery suppliers like Samsung and LG Chem working out how to increase power for a given cost.

The real winners from the revolution in car tech could be suppliers in established and defensible industry niches. Heard on the Street has previously featured car-chip group Infineon and battery-cathode manufacturer Umicore as plays on electrification.

One implication is that car companies should share technology,

Little data and few profits make it difficult to identify winners in the electric car market.

and the costs of developing it, rather than driving solo. This applies equally to driverless cars, for which electric vehicles are often seen as a prerequisite: BMW in 2016 formed a partnership with Intel and Mobileye—since bought by Intel—and encouraged other car makers to join it. Fiat Chrysler has joined in the belief there is no value in fighting a technological arms race.

GM has taken the opposite approach with Cruise, its autonomous car unit. This has earned it a $2.25 billion investment from SoftBank Group's Vision Fund, and periodic jumps in its stock price, but in the long run it could prove expensive.

Car stocks are unusually cheap just now, none more so than Daimler and BMW, which are trading at six and seven times earnings, respectively. Buying the current dip—and then selling when sentiment improves based on electric cars or something else—could be profitable for investors.

All car manufacturers will end up making the car of the future. Tempting as it is, investors shouldn't fixate on who wins the race.

REBECCA COOK/REUTERS

Assembly workers connect a battery pack underneath a 2018 Chevy Bolt, a car that GM reportedly sells at a loss.

GDP: DANIEL ACKER/REUTERS; OVERHEARD: EVERETT COLLECTION

Tariffs, such as the 25% levy China put on soybeans, are clouding the economic picture. Here, soybeans are loaded into a trailer at a Buda, Ill., farm.

Growth Outlook: Solid for Rest of Year

Underlying GDP trend points to continued momentum

By Justin Lahart

The economy did fine in the second quarter. The question for investors is how it will do for the rest of the year.

Gross domestic product grew at a 4.1% annual rate in the second quarter, up from 2.2% in the first, the Commerce Department said Friday. The reality isn't quite so good, but even though the economy might not be off to the races, it is growing solidly and set to retain that momentum throughout 2018.

GDP reports are always a bit of a mess, with oddities in the data creating distortions. This one was messier than most.

The first issue: the effects of trade skirmishes. The report showed that the U.S. trade deficit narrowed appreciably, adding a bit more than a full percentage point to GDP growth. A big reason is that exporters were racing to get goods off the dock before retaliatory tariffs on a number of U.S. products were imposed. Exports of foods, feeds and beverages—a category that includes the soybeans China placed a 25% tariff on this month—rose at a 110% annual rate. That export surge won't be there in the third quarter, and the likely result is that trade will be a negative for GDP as a result.

On the other hand, businesses cut their inventories and this lowered GDP. To some extent this might have happened because goods that otherwise would have been stockpiled got put on boats to Europe and China, but it also might reflect a pickup in demand that businesses didn't anticipate. That could set the stage for inventory restocking in the third quarter, which could boost GDP.

Stripping out trade and inventory effects, final sales to domestic purchasers grew at a 3.9% annual rate, driven by a 4% increase in consumer spending. These measures of underlying demand also might be slightly misleading as they reflect a catch-up from the first quarter. Final demand grew by 1.9% and consumer spending grew at an annual rate of just 0.5% in the first quarter, in part due to issues like harsh winter weather.

For now, the best thing to do is to look at the underlying trend in final demand. It is up 2.9% from a year earlier, which is better than the 2.4% this time last year, as well as the 2.3% rate it has averaged since the recession ended in 2009. That hardly counts as a boom, but it indicates the economy has gained a bit of momentum that ought to carry through the year.

OVERHEARD

MoviePass lets customers see unlimited films in theaters for less than $10 a month. If horror is your preferred genre, though, simply buy and hold the parent company's stock for seemingly unlimited chills.

Shares of Helios & Matheson Analytics, which owns the majority of MoviePass, plunged on Friday morning. What would be a cataclysmic fall for most stocks is, in this case, as predictable as what happens when the clueless teenager goes into the dark basement or whether Jason will return to hack again. The stock is down more than 90% just this past week.

'Hereditary' star Toni Collette.

The company recently announced a 1 for 250 reverse split in the shares.

"We believe this is an important step that will facilitate our access to capital over the next several years" Chief Executive and Chairman Ted Farnsworth said in a press release.

After all, it can be hard to make money charging people a fraction of what you pay the people who provide them a service. On Friday, the company said in a regulatory filing that it had borrowed $5 million to pay "merchant and fulfillment processors."

If the selling continues, another reverse split in the near future wouldn't be much of a plot twist.

Twitter Loses Users. Are Advertisers Next?

The social-media platform's shares were due for a decline, but the stock remains vulnerable

By Elizabeth Winkler

Twitter's stock, which had been up over 70% this year, was overheated. Though it flattened after a crackdown on fake accounts, the stock was due for a spill. Investors should have seen it coming.

On Friday, the social-media company reported declining monthly active users. Analysts had expected a monthly average of 338.5 million users, up from 336 million last quarter, but Twitter hit only 335 million. That sent the stock tumbling more than 20%.

The company blamed factors including changes it has made to improve the "health" of the platform and the impact of European regulations to protect consumer data. Like Facebook, which suffered its steepest stock-market decline since its IPO six years ago, Twitter is seeing the consequences of its sometimes-toxic network.

The recent purging of fake accounts occurred after the close of the second quarter, so those losses weren't reflected in this report. About 70 million accounts that were removed in May and June weren't part of the report either, according to Chief Financial Officer Ned Segal, because they weren't active on the platform for 30 days or more.

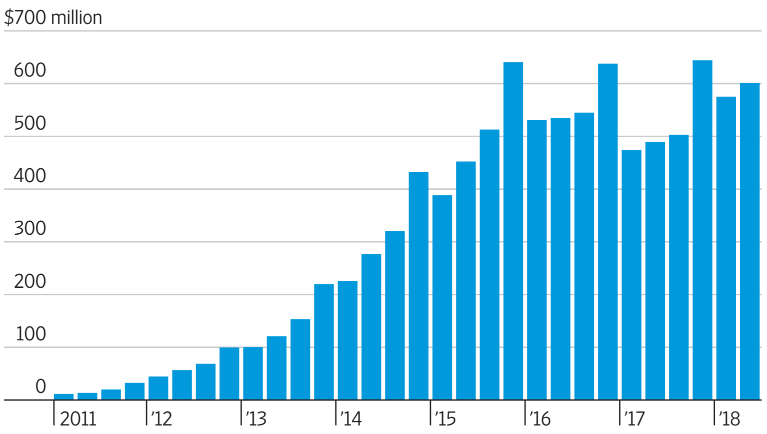
More disappointing, still, for investors, was Twitter's lowered forecast. Full-year projections declined, suggesting the company may see a drop in users next quarter, too.

On other measures, the company performed well. It reported earnings of 17 cents per share, meeting analysts' estimates, and revenue of $711 million, exceeding estimates of $696 million. The 24% year-over-year revenue growth was a reflection particularly of gains in its advertising business, which grew 23%. Twitter's success in figuring out how to make money from its business has been the big driver of the stock's run-up. But if users leave, advertisers may, too.

As with Facebook, investors stayed too enthusiastic for Twitter amid serious headwinds. But Twitter doesn't have the earnings power of Facebook, making the stock more vulnerable to further declines. Twitter had a good run, but it's time to take a more sober view of the stock.

Twitter Trouble

Advertising revenue, quarterly



Source: the company

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Culture in the Air
The pleasures of outdoor music and theater, despite the rain and gnats. **C5**

REVIEW

General and Statesman
The life of Charles de Gaulle, symbol of 'a certain idea of France.' **Books C7**

WHEN THE WORLD OPENED THE GATES OF CHINA

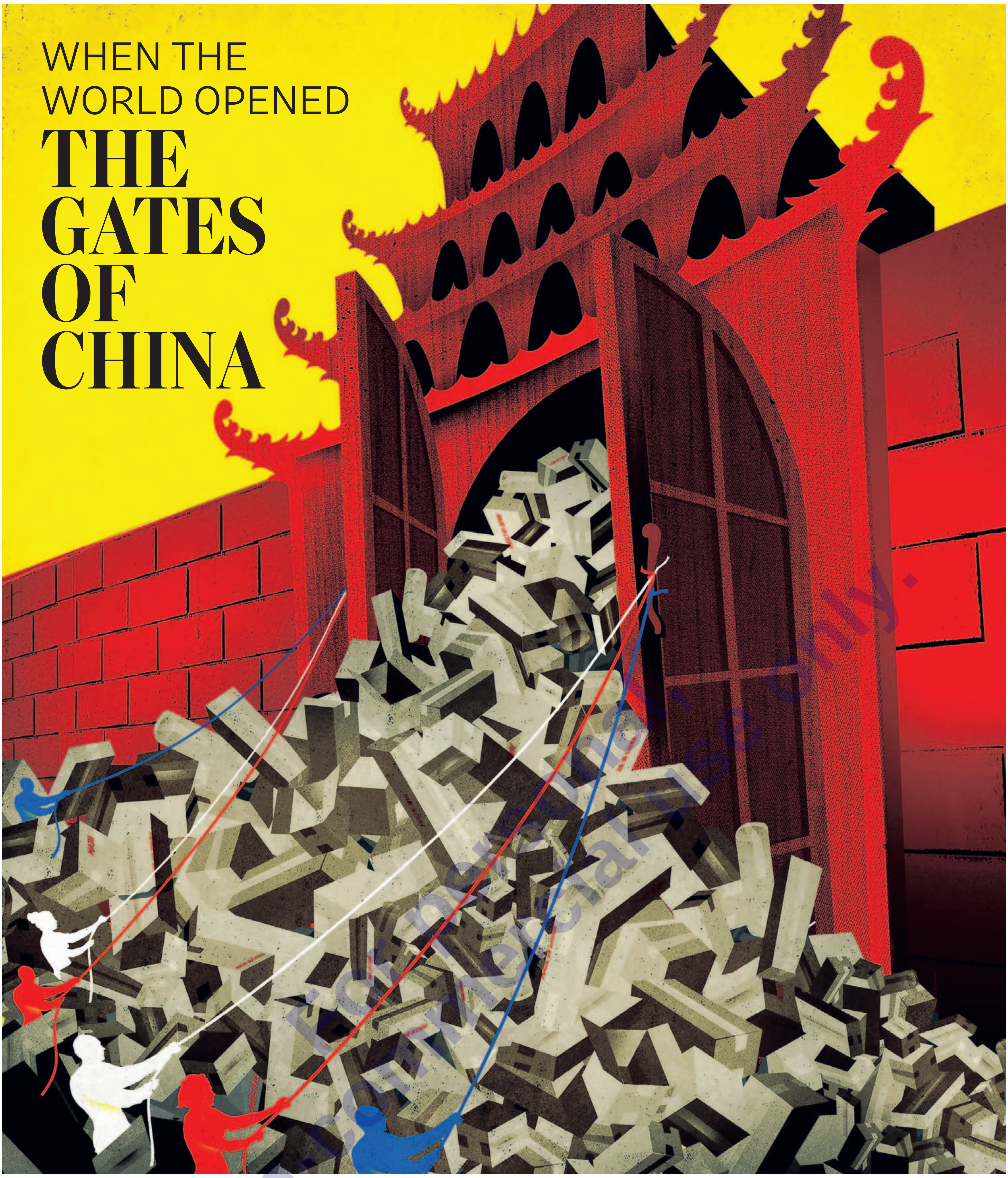

ILLUSTRATION BY BRIAN STAUFFER; GETTY IMAGES (ZHU, CLINTON)

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BY BOB DAVIS

With a congressional vote looming in the spring of 2000, President Bill Clinton mustered his best arguments for why lawmakers should approve his proposed deal for China to join the World Trade Organization.

Adding China would link Beijing to Western economies and reduce the government's ability to control its vast population, he said in a speech that March at Johns Hopkins's School of Advanced International Studies. "By joining the WTO, China is not simply agreeing to import more of our products, it is agreeing to import one of democracy's most cherished values, economic freedom," Mr. Clinton said. "When individuals have the power not just to dream, but to realize their dreams, they will demand a greater say."

Mr. Clinton's idealistic rhetoric played well among most of Washington's elites, but a trade lawyer often dismissed as a protectionist, Robert Lighthizer, was skeptical. As he had warned in a New York Times op-ed a few years earlier, if admitted to the WTO, mercantilist China would become a "dominant" trading nation. "Virtually no manufacturing job in [the U.S.] will be safe," he wrote.

Mr. Lighthizer is now the U.S. Trade Representative, President Donald Trump's chief negotiator on global trade. In the administration's view, allowing China to enter the WTO in 2001 was a historic mistake that cost the U.S. millions of jobs and trillions of dollars in accumulated trade deficits. The U.S. is now bypassing WTO rules and threatening Beijing with tariffs on up to $500 billion of imported goods.

Was it a mistake for the U.S. to allow China to join the World Trade Organization? Assessments of the 2001 deal often determine positions in today's bitter trade debate.

Left, Chinese Premier Zhu Rongji and President Bill Clinton conferred in April 1999, with trade a key topic.

The moves against China are part of Mr. Trump's wider effort to upend longstanding U.S. policy on trade and also the international institutions and agreements that govern trade. Whether the administration's shift is a much-needed corrective or a disastrous reversal depends in large part on how one views the original decision to bring China into the international trade regime.

Given China's enormous presence in the world economy today, it's difficult to remember how economically backward the country was in the early 1990s. Inflation hit 24% in 1994. Nearly 60% of the population lived on less than $1.90 a day. Bicycles jammed the streets, not cars.

Chinese reformers saw their country's entry into the WTO as a way to modernize. To join, China would have to reduce sky-high trade barriers and allow a greater role for foreign firms. State-owned firms would finally face competition, and private enterprise, they hoped, would soar. "WTO membership works like a wrecking ball, smashing whatever is left in the old edifice of the planned economy," said Jin Liqun, China's vice minister of finance at the time.

The WTO is a membership organization. To get in, China had to cut deals with all the members but most importantly with the U.S., the world's dominant economy. U.S. officials thought they were driving a hard bargain. The deal forced Beijing to slash tariffs, permit foreign in-

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Inside

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China's Rise, With U.S. Help

Continued from the prior page

vestment in Chinese industries and give foreign banks more freedom to do business. For a dozen years, Beijing also agreed, the U.S. could block Chinese imports that threatened specific American industries.

In exchange for the Chinese concessions, the U.S. just had to surrender its annual rite of deciding whether to grant China "most favored nation" status as a trading partner, ensuring full access to the American market. China's allies in Congress had succeeded each year in getting the measure through anyway, but by allowing China into the WTO, the annual reviews would end.

Mr. Clinton also linked China's WTO accession to the democratic vision of President Woodrow Wilson, who dreamed, he said, of "a world full of free markets, free elections and free peoples working together." The growth of the internet, in particular, would undermine Beijing's control and make China more like the U.S., Mr. Clinton argued. (He declined to comment for this article.)

Many shared this hopeful view, pointing to the examples of South Korea and Taiwan, which had shaken off dictatorships as they became more prosperous. Henry Rowen, chairman of the Reagan administration's National Intelligence Council, forecast in 1999 that China would "join the club of nations well along the road to democracy" in 2015, when he expected its per capita GDP to reach $7,000. As it turned out, China hit that mark two years sooner than he had predicted, but even now, it is far from being a democracy.

A coalition of labor, environmental and human-rights groups opposed China's admission to the WTO. Robert Scott, an economist at the Economic Policy Institute, a labor-backed research group, cranked out alarming numbers. In 2000, he forecast that nearly a million U.S. manufacturing jobs would be lost to Chinese competition.

Donald Trump was absent from the debate. In 2000, he toyed with a run for president and wrote a campaign book, "The America We Deserve," which called China the U.S.'s "biggest long-term challenge." But he didn't mention the WTO decision. He did say he would appoint himself U.S. Trade Representative and negotiate better deals.

After the deal, foreign investment in Beijing mushroomed from $47 billion in 2001 to $124 billion a decade later. The lower investment and import restrictions required of China as part of its WTO entry also encouraged multinationals to rush in, as did the prospect of serving the vast Chinese market. China became the world's manufacturing floor, and Chinese imports to the U.S. soared.

Looking back now, whose expectations for the wider impact of the deal proved most accurate? On the issue of U.S. manufacturing jobs, critics made the right call. A study by the MIT economist David Autor and colleagues calculated that Chinese competition cost the U.S. some 2.4 million jobs between 1999 and 2011, battering factory towns that made labor-intensive goods.

That result haunts one of Mr. Clinton's senior China negotiators, Robert B. Cassidy, who believes that his work only helped big businesses, not ordinary workers. "When you retire you like to think that you accomplished a lot," he says now, at age 73. "What kind of benefit did I produce from working around the clock? I was incredibly disappointed."

Nor did China open up politically, as many WTO advocates had hoped. Beijing tamed the internet by limiting its use to commerce, technology and social media. It blocked political organizing by threatening and sometimes jailing those who posted critical comments. More recently, it has turned the internet itself into an instrument of the state by using it to identify and track dissidents. "It's Orwellian," says Jerome Cohen, a New York University law professor and China specialist.

Greater economic growth led to greater political control, said Mark Wu, a professor at Harvard Law School whose research focuses on China and the WTO. China's leaders believed that they needed unchallenged authority to carry out economic reform in the face of opposition from entrenched interests. According to Mr. Wu, the point of freer markets, in their view, was to encourage competition and prevent the system from becoming sclerotic, not to bolster individual rights.

As for President Clinton and his allies in the WTO debate, they can point to real gains from integrating China into the global economy. According to the World Bank, some 400 million Chinese have been lifted from extreme poverty—that is, from living on less than $1.90 a day—since 1999. And during the global recession of 2008 and 2009, China was able to go on a spending spree that supported global demand. Chinese building projects sucked in iron ore, coal, oil and other commodities, boosting other developing nations.

Today, technology companies tap the Chinese market to boost profits and defray research costs. Last year, about 20% of Apple Computer Inc.'s sales came from China, up from about 12% in 2011. The low inflation associated with cheap imports, together with Chinese purchases of U.S. government bonds, has also helped to hold down interest rates, making it cheaper for Americans to buy not only clothes and electronics but also homes and cars.

Truck carriers at the Port of Long Beach, Calif., with cargo containers from China and other countries last March.

Economic reform has waxed and waned in China. The WTO deal was supposed to curb the power of China's state-owned enterprises, which Beijing pledged would operate on commercial terms only. By some measures, that has occurred. Nicholas Lardy, a China expert at the Peterson Institute for International Economics, estimates that state-owned firms now account for just 20% of China's industrial output, down from double that share in 2001.

But there has been a reversal in the past few years, according to Mr. Lardy. State investment in the economy is growing as much as three times faster than private investment, he says. State firms have once again become the heart of Chinese economic policy-making.

Beijing is counting on such firms to become global leaders in semiconductors, electric vehicles, robotics and other high-technology sectors and is funding them through subsidies and financing from state banks. These initiatives have raised protests from U.S. companies that now find themselves competing with the Chinese state. In solar and wind power, for example, state investment created a glut that drove many foreign companies out of business.

China never fully followed through on its WTO pledge to allow foreign banks to operate in its local currency. It also pledged not to force foreign firms to transfer their technology, but today about one in five companies—many in aerospace and chemical industries—say that they've been pressured to do just that in order to do business in China, according to a July survey by the American Chamber of Commerce in Shanghai.

Mr. Trump touched a Caterpillar wheel loader while touring a Made in America product showcase in July 2017.

At a WTO session this month, China's vice minister of commerce, Wang Shouwen, denied that China twists arms to gain technology. Arrangements on technology are "absolutely contractual behavior based on voluntary business deals," Mr. Wang said in July, according to a Geneva trade official.

China has also maneuvered to its advantage within the WTO. In one case it blocked exports of scarce raw materials needed by high-tech industries, hurting foreign firms. When the WTO ruled against Beijing on one set of restrictions, it removed the barriers—but then blocked another set of raw materials. "The core issue isn't whether China lived up to the vast number of obligations, but whether it lived up to the spirit" of the deal, says Prof. Wu.

Other Chinese efforts to win an advantage in trade have happened outside the WTO's purview. For years after joining the international trade regime, Beijing kept its currency undervalued by 30%, boosting Chinese exports by making them cheaper abroad, says Brad Setser, a currency expert at the Council on Foreign Relations. Former U.S. officials say that China and other WTO members wouldn't have agreed to a provision punishing countries for such measures.

Charlene Barshefsky, who was Mr. Clinton's U.S. Trade Representative, says that her successors could have used the WTO to sue China to live up to its agreements. She points in particular to provisions that protected U.S. industries from escalating Chinese imports. President George W. Bush turned down all import-surge cases brought by American companies, and President Barack Obama approved just one. Neither brought any cases on their own.

A former senior Bush administration official said that "the national interest was not served by raising protectionist barriers." Growth in imports, the former official says, doesn't mean that China has acted improperly. Obama officials made similar arguments.

Mr. Lighthizer, who is now helping to call the shots on U.S. trade policy, says that if the WTO deal had failed in Congress, "uncertainty would have kept the trade deficit from growing and probably would have saved millions of manufacturing jobs."

But other WTO opponents believe that congressional rejection wouldn't have made much of a difference for the U.S. With its vast supply of industrious, low-wage workers, China would have continued to rise as an export powerhouse, they say. Indeed, in the 15 years before its WTO entry, U.S. imports from China grew at a faster rate than in the 15 years after, albeit from a much lower base.

Keeping China out of the WTO might have delayed by a few years the damage to U.S. communities from low-cost imports, though it's not clear that the extra time would have helped. In the 17 years since China's entry, the U.S. has poured few resources into worker retraining programs or other social safety net programs for laid-off workers. The programs in which it did invest had mixed results.

"I don't know that [a defeat for the Clinton WTO deal] would have made a difference," says David Bonior, a former Democratic House Minority Whip, who led the congressional fight against it.

Ms. Barshefsky still believes in a multilateral approach to China. She would revive the Trans-Pacific Partnership, a free-trade pact between the U.S. and 11 Pacific Rim nations, which Mr. Trump discarded on his first working day in office, and extend it to other Asian nations and Europe. The members could negotiate new rules of trade, cutting tariffs and covering state-owned enterprises, import surges, subsidies and other issues relevant to China. "Then China would need to make a decision," she says. "It can come on board, or it can decide it doesn't want full access to 60% of the global economy."

Mr. Lighthizer has a different view. The U.S. should go it alone and threaten China with heavy tariffs, he says, largely leaving the WTO out of the mix as an adjudicator of U.S. grievances.

"The notion that our problems with China can be solved by bringing more cases at the WTO alone is naive at best and at worst distracts policy makers from facing the gravity of the challenge," his agency said in a January 2018 report. Instead, the USTR said, the U.S. must rely on its own economic muscle.

"Ultimately, that's all you have anyway," Mr. Lighthizer says.

FROM TOP: BOB RIHA, JR./GETTY IMAGES; CHIP SOMODEVILLA/GETTY IMAGES

WORD ON THE STREET

BEN ZIMMER

A Term for Arms Takes Aim at Tennis and Economics

[Weaponize]

IS THERE ANYTHING that can't be "weaponized" these days? When the Supreme Court ruled in a 5-4 decision last month that public employee contracts could not require workers to pay union dues, Justice Elena Kagan issued a sharply worded dissent: By basing the opinion on free-speech grounds, she said, the Court's majority was "weaponizing the First Amendment."

As Lyle Denniston noted on the National Constitution Center's blog, "'weaponizing'...lately has come into vogue in public discourse, where it usually means turning something harmless or normal into a weapon of war or combat. It is hardly commonplace in Supreme Court opinions, however."

As a vogue word, "weaponize" is showing up all over the place. At Wimbledon, the Wall Street Journal's Jason Gay wrote about how tall tennis players "weaponize heavy serves." Wired magazine reported on "the weaponization of Yelp" when a Lexington, Va., restaurant's refusal to serve White House press secretary Sarah Sanders led to rash of bad user-generated reviews on the website Yelp. And New Jersey Sen. Bob Menendez recently opposed President Donald Trump's pick to head the Internal Revenue Service, Charles Rettig, because he worried that Mr. Rettig would weaponize the agency against Democratic-leaning states.

The commentariat is particularly fond of weaponizing the word "weaponize." In the magazine The Week, Reason Foundation policy analyst Shikha Dalmia titled a column, "The Weaponization of Milton Friedman," about the abuse of the economist's work by anti-immigrant conservatives.

People have been attaching the suffix "-ize" to "weapon" for at least 80 years now. The earliest example cited in the Oxford English Dictionary comes from a 1938 book by the British author W.J. Grant called "The Spirit of India." Describing a debate between Hindu and Muslim representatives in Calcutta (now Kolkata), Grant says of the Muslims, "However unassailable their arguments might be, they could not weaponize their strength."

But it wasn't until the Cold War that "weaponize" truly came into its own. Starting in the mid-1950s, the word started showing up in U.S. defense circles, particularly to describe the process of equipping a ballistic missile with a nuclear warhead.

'Weaponizing' serves: Kevin Anderson

In February 1957, Deputy Defense Secretary Reuben Robertson appeared before a House Appropriations subcommittee to discuss funding military weaponry, including the Redstone missile, the first to be given nuclear capabilities. Robertson began describing the proposal before he was cut off by Kansas Rep. Errett P. Scrivner, who asked what "weaponizing" meant. Robertson replied somewhat obliquely that in the case of the Redstone, "weaponizing" meant "putting it into production and into the hands of troops."

Editorialists from Oakland to Omaha pounced on the exchange, highlighting the new word as a prime example of the Pentagon's penchant for gobbledygook. But the term continued to flourish, especially after 9/11, likely encouraged by reports of anthrax becoming weaponized in bioterrorism.

Can "weaponize" maintain its metaphorical power? Ben Yagoda, in a Lingua Franca column last year for the Chronicle of Higher Education, predicted that "the next few years will be a hotbed of 'weaponized' uses, but that we'll then see its swan song." For now, at least, "weaponize" shows no signs of abating as a durable rhetorical weapon.

OLI SCARFF/AFP/GETTY IMAGES

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FROM TOP: TOBIAS BERNHARD RAFF/BIOSHOTO/MINDEN PICTURES; RODRIGUE NGOWI/ASSOCIATED PRESS

Zap That Possum's Genes? Localities Want a Say

Crispr technology may allow scientists to change the environment forever, but working with the affected communities presents a challenge

By Amy Dockser Marcus

In recent years, scientists have begun using the gene editing tool Crispr to experiment in the laboratory with altering embryos and changing the DNA of animals. But the consequences of using the technology outside the lab are hard to predict—and potentially enormous. As a result, a world-wide debate is under way about how much say ordinary citizens should have over the use of Crispr in their communities.

Earlier this month, Richard Johnson, a biologist who runs the Martha's Vineyard Tick-Borne Illness Reduction Initiative, attended a discussion of Mice Against Ticks, an ambitious project working on using the Crispr gene editing tool to create mice resistant to the bacteria that causes Lyme disease. Someday, the genetically engineered mice might be released on Martha's Vineyard and neighboring island Nantucket, where they could breed with the local mice and pass on the immunity to their offspring. Ticks that feed on the mice would not become infected, so they would not transmit the pathogen to humans, lowering the incidence of the disease.

Mr. Johnson believes that the scientists can find a way to make the disease-resistant mice. For him, it's the ethical and political questions about the project that are hard to answer: Should the scientists do it, and who gets to decide?

Crispr, which stands for clustered regularly interspaced short palindromic repeats, isn't the first new technology to pose such complicated questions. But Crispr offers "the potential to control evolution and change future species," says biochemist Kevin Esvelt, an assistant professor at the Cambridge, Mass.-based MIT Media Lab, where Mice Against Ticks was born.

Crispr is the immune system of bacteria. Scientists adapted Crispr and the Cas9 enzyme that it produces to serve as a tool to edit DNA in plants, animals and humans. Researchers soon realized that Crispr might be used not only to edit or repair genes of people living with diseases but also to edit embryos, changing the DNA of future generations. It could also be used to create a so-called "gene drive," spreading engineered genetic changes through populations of wild animals but also altering the environment in unpredictable ways. With so much at stake, Dr. Esvelt says, scientists must not make such decisions by themselves.

The brush-tailed possum, a New Zealand predator (top); Dr. Kevin Esvelt, whose work on Crispr has started debates.

At the event on Martha's Vineyard, Dr. Esvelt recounted how, historically, scientists often developed new technologies behind closed doors, without meaningful input from the people most likely to be affected by their use. By the time the public was asked to weigh in, he said, it was usually too late to influence the direction of the science. With Crispr, Dr. Esvelt and his collaborators see an opportunity to take a different approach—a chance not just to do powerful science but to test new ways of discussing and deploying it.

They found that when scientists and communities work together, there can be unexpected consequences. Last year, a group of academics invited Dr. Esvelt to attend a workshop they were holding in New Zealand to discuss, among other things, the possible use of gene drives as a tool in conservation. New Zealand has launched an ambitious plan to rid the country of predators such as rats, stoats and possums that have decimated native flora and fauna. Crispr is one of the technologies that offers a potential solution.

Dr. Esvelt gave a presentation about his research on a form of Crispr gene drive that he is developing called a "daisy drive." He thinks that the daisy drive is potentially a safer technology than a standard Crispr gene drive, because the changes are engineered to be passed on only for a limited number of generations, not to spread indefinitely. The concept has not yet been tested in a field trial.

Among the people Dr. Esvelt met in New Zealand were members of Te Tira Whakamataki, or the Maori Biosecurity Network, a group of Maori elders, academics, tribal leaders and others interested in ensuring that the Maori have a voice in biodiversity issues. Melanie Mark-Shadbolt, CEO of the network, says that they liked Dr. Esvelt's idea of codeveloping research and new technologies with community input. "We want to be active participants in research, not subjects," she says.

Shortly after the visit, Dr. Esvelt and a New Zealand collaborator, Neil J. Gemmell of the University of Otago, published a paper in the journal PLOS Biology, laying out their concerns about the potential environmental consequences of standard Crispr gene drives. The paper caused a backlash, say researchers in New Zealand, because some felt that the authors implied that the actual use of gene drives in New Zealand was imminent rather than hypothetical. Ms. Mark-Shadbolt felt blindsided. "When he met with us, he should have said, there is a paper coming out that talks about New Zealand and conversations I am having about gene drives, would you like to take a look?" she says.

Dr. Esvelt took the criticism to heart and in January issued a public apology on his own blog and in Medium. He agreed that he should have offered the Maori a chance to make suggestions while the paper was being revised. Reflecting on the experience, he says, "I made the same mistake with respect to the local political environment that we're hoping to avoid with the natural environment: our lack of understanding leading to unwanted side effects."

On Martha's Vineyard and Nantucket, Dr. Esvelt's plan for community partnership has been on surer footing so far. Even there, however, the outcome is not certain. Regulatory approval is not enough, the scientists believe. They also have promised not to release the genetically altered mice without approval from the communities. The prospect is still years away, but Carrie Fyler, a biology teacher at the public high school in Martha's Vineyard and one of the representatives on the Mice Against Ticks steering committee, says that some wonder what a vote on the issue might look like. Would 51% be enough to move forward or would it require everyone to agree? As she says, "You can't have a single town opting out, because mice don't know town lines and will cross them."

At the meeting in Martha's Vineyard in July, one of the ethicists pointed out that discussions about whether or not to use a scientific advance often turn on assessments of potential risks and benefits. Perhaps, the ethicist suggested, the quality of public engagement and depth of community involvement in making decisions should also be considered.

On every seat at the meeting was a pamphlet that Dr. Fyler's students had created to explain ticks and tick-borne illness in language that they and their parents could understand. Dr. Fyler says that she reminded her students, "Whatever happens, it won't be the scientists determining what will happen, it will be us."

The Secret of a Videogame Sensation: Joy

ANDREW HARRER/BLOOMBERG NEWS

Unlike many videogames, 'Fortnite' is as much about building as destruction

By Liel Leibovitz

AS I STOOD JUST outside Junk Junction the other day, I could see that the gas-blue clouds were starting to close in fast. The storm would arrive soon, and I knew that no one survives the storm. I started sprinting, my sniper rifle in hand. Having reached safety, I quickly built myself a makeshift shelter and then indulged in a madcap spree of assassinations.

If this account of my recent activities strikes you as menacing and utterly enigmatic, chances are that you haven't spent much time lately with teenagers and people in their early 20s. Otherwise, you would recognize the unmistakable details of "Fortnite: Battle Royale," a videogame released last September that became an extraordinary cultural phenomenon almost immediately. A big virtual sandbox where players both build things and blow them up, all the while attacking each other, it's more inventive, freewheeling and fun than any game in recent memory. It has attracted huge numbers of devotees, including people who aren't usually gamers.

How popular is "Fortnite"? The market-research firm Sensor Tower reported this month that the game rakes in $2 million every day on mobile platforms alone, putting the company that produces it, North Carolina-based Epic Games, on track to a dizzying valuation of $5 billion to $8 billion by year's end, according to Bloomberg. The game itself is free to play, so the money is spent on in-game purchases of everything from virtual outfits to cool new dance moves.

But numbers alone fail to capture the cultural import of "Fortnite." The game has satisfied a set of emotional and social needs the rest of the gamer world has largely ignored: It's a multiplayer shooter game that revels in goofy, gleeful self-expression.

"Fortnite" is a cartoonish virtual universe where, in each game, about a hundred avatars run around, delighting in killing each other in outlandish ways as a gathering storm makes their playground smaller by the minute. Only one player can ultimately survive and emerge triumphant, which is why any moment not spent shooting at perfect strangers is dedicated to smashing stuff up, collecting raw materials and building all sorts of shelters. Players can also "emote," which means doing a funky victory jig. It's chaotic, silly and even sweet in its way.

Few other videogames have grasped the appeal of this unlikely combination. For at least a decade, the gaming industry, with a few exceptions, has been locked in its own grim arms race, with publishers jockeying for prominence by releasing digital behemoths such as "Battlefield 4" or "Assassin's Creed Origins," which feature hyper-realistic graphics, ever more convoluted story lines—and very little by way of joy.

Unsurprisingly, this trend has helped to create a generation of gamers who are highly competitive and often entirely unpleasant. In the darker, more brutal multiplayer games, you're much more likely to hear a curse or a slur than a yelp of delight and playful triumph.

"Fortnite" has bucked that trend. It recognizes that even in a culture that presses young adults to grow up fast, there's a lot to be said for a bit of immature and largely innocent mayhem. It's as much about construction as it is about destruction, which makes it a more inviting environment for many who have found previous games too violent and stressful.

"Fortnite" understands that a game isn't really worth playing unless you can celebrate your small wins by shaking your hips to a boisterous, loud riff. It's the stuff childhood dreams are made of.

Mr. Leibovitz is a senior writer for Tablet magazine and a co-host of its podcast, Unorthodox.

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EVERYDAY MATH

EUGENIA CHENG

Paradoxes, From Your Coffee To Calculus

IF YOU WEAR glasses you've probably experienced the problem of being unable to find your glasses because you're not wearing your glasses. There's also the conundrum of needing to drink coffee before you're capable of making coffee in the morning. More seriously, there's the question of whether tolerant people should be tolerant of intolerance. These are all types of paradox arising from self-reference, as in the sentence "I am lying."

Mathematicians and philosophers have long studied paradoxes. In 1901, Bertrand Russell discovered a famous paradox that shook the foundations of mathematics. It is often described informally by imagining a man in a town who is a barber. He shaves every man in the town who does not shave himself and nobody else. This causes a looped-up contradiction if we start wondering whether or not the barber shaves himself: If he doesn't, then he does. And if he does, then he doesn't. It's a paradox.

This might sound pedantic and contrived, but the mathematical study of paradoxes is important for several reasons. The first is that the presence of paradoxes alerts us to the limits of our own logical thinking and points us in the direction of improving it. Russell's paradox was formally stated in terms of sets and caused mathematicians to realize that a naive or intuitive definition of a set as "a collection of things" is not logically sound when self-referential sets become involved. Because mathematics is based on making sound logical deductions, the logic of the initial definitions is crucial. Paradoxes tell us that greater care is sometimes needed in setting out these premises.

Thinking about how to resolve paradoxes has helped mathematicians make progress throughout history. More than 2,000 years ago, the Greek philosopher Zeno pondered a range of paradoxes having to do with motion. One of them said: In order to travel from A to B, you must first cover half the distance, then half the remaining distance, then half the remaining distance and so on forever. We need to cover an infinite number of distances, but we only have finite time, so we can never arrive.

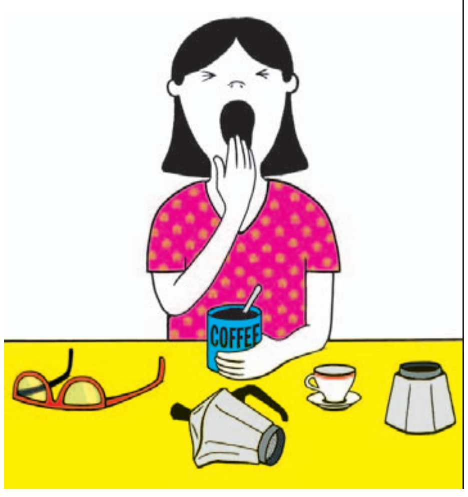
Here the conclusion is blatantly untrue: We arrive at places every day. To resolve this paradox, what was needed was a new theory of adding up infinitely many infinitely small numbers. This launched the field of calculus, which analyzes things that change continuously. And calculus, of course, would become a crucial tool of science, engineering and economics. Thus the apparently arcane study of ancient paradoxes led to the mathematical foundation of much of modern life, whether or not technology users are aware of the math involved.

Understanding how mathematicians avoid paradoxes in abstract cases can help us to work out how to deal with similar contradictions in life. For the paradox of the barber, we can simply say, "Oh well, no such barber can exist." But Russell's paradox is formally stated in terms of sets rather than barbers, and the paradox comes from considering the set containing "every set not containing itself." Instead of just saying the set can't exist, we say it exists but at a different level from ordinary sets. It is a way of breaking the self-referential loop.

This has helped me work out how to break the loop problems in life as well. I've made it easier to find my glasses without wearing my glasses, for instance, by always storing them in the same place. For my coffee, I've broken the loop by setting up my espresso machine the night before so that in the morning I just have to turn it on. In the case of tolerance, I make a distinction between people themselves and their ideas about other people, so that I can be tolerant of individuals who are intolerant but don't have to accept their ideas.

Paradoxes are not just useful puzzles in mathematics. They can point the way to thinking more clearly about resolving complex situations in everyday life.

TOMASZ WALENTA



A U.S. Marine looked on last August as Afghan National Army soldiers raised the Afghan national flag on an armed vehicle.

FROM TOP: WAKIL KOHSAR/AFP/GETTY IMAGES; MICHAEL REYNOLDS/POOL/BLOOMBERG NEWS; J. SCOTT APPLEWHITE/ASSOCIATED PRESS

Resigned to Endless War

Now four decades into the struggle against Islamic extremism, the U.S. has stopped looking for an exit from the Middle East

BY MICHAEL O'HANLON

"Tell me how this ends." So said then-Maj. Gen. David Petraeus to the journalist Rick Atkinson soon after the U.S. invasion of Iraq in 2003. As far as we can see today, the answer to Gen. Petraeus's prescient rhetorical question appears to be that it doesn't.

What many strategists predicted would be a generation-long struggle against Islamic extremism and sectarianism in the Middle East is now well into its second generation. It has been almost 40 years since the Iranian revolution and the Soviet invasion of Afghanistan; 35 years since the bombing of the U.S. embassy and Marine barracks in Lebanon; 30 years since the formation of al Qaeda. It has been almost two decades since President George W. Bush, after the attacks of 9/11, told Congress and the nation that "Americans should not expect one battle but a lengthy campaign unlike any other we have ever seen." The "forever war," as the journalist Dexter Filkins called it in his 2008 book of that title, is living up to its name.

To wage these wars, there are currently some 15,000 U.S. troops stationed in Afghanistan, 10,000 in Qatar, 5,000 in Iraq, 4,000 in Bahrain, 2,000 each in Syria and Kuwait, and more than 1,500 each in Djibouti and Turkey. Add to this some 10,000 sailors and Marines afloat in the region, as well as Coast Guard personnel and civilians. All told, there are more than 90,000 Americans working for U.S. Central Command, according to Centcom commander Gen. Joseph Votel. These "overseas contingency operations" cost more than $30 billion a year, on top of the $600 billion-plus core defense budget. It's a huge, expensive effort, and there's no end in sight.

But maybe all of this is OK. It seems that Americans have effectively reached a consensus that the status quo represents the least bad option available. To put it differently, maybe we've taken a page from Israel's handbook: We no longer expect to solve problems in the broader Middle East, only to manage them, at least for the foreseeable future. As a practical matter, that means relying today not primarily on U.S. ground combat troops but on our special forces, drones, aircraft, trainers, intelligence operatives and standoff forces.

In the past, Americans expected wars to end with victories and ticker-tape parades, or at least with some clear conclusion. Not anymore. The war in Afghanistan is now nearly 17 years old. The current Iraq war began 15 years ago. If we count Operation Desert Storm and the ensuing no-fly zone operations in Iraq, it is 28 years old.

One reason that Americans are putting up with these seemingly endless wars is that there have been relatively few U.S. casualties since 2015, averaging a total of 20 to 30 fatalities a year, including accidents. For most of us, the war is far away and impersonal, even as we owe a huge debt to the all-volunteer American military. Enough patriotic and dedicated Americans of this new greatest generation want to serve that even with all the deployments, recruiting and retention are holding up well.

President Trump at a March cabinet meeting with Defense Secretary Jim Mattis.

The last time we had a full-throated debate in a presidential race about whether to pull out of a war in the Middle East was 2008, in the contest between Barack Obama and John McCain. Congress periodically considers whether to write a new authorization on the use of military force, to replace the 2001 version still on the books, but even in the absence of such a legislative overhaul, our representatives keep funding these operations.

We've tried various ways to escape this morass. The first President Bush let Saddam Hussein re-establish order in Iraq after Operation Desert Storm rather than have U.S. troops do the job. A dozen years later, Mr. Bush's son decided that the strategy hadn't worked and removed the butcher of Baghdad. President Bill Clinton used cruise missiles to go after al Qaeda in the wake of the 1998 bombings of U.S. embassies in Tanzania and Kenya, but that approach only allowed the problem to metastasize. The second President Bush tried to minimize the U.S. footprint in Afghanistan after the overthrow of the Taliban, but by 2007, it had become clear that the Taliban were returning, which led to a U.S. surge.

President George W. Bush declared the end of major combat in Iraq in May 2003.

Then President Obama pulled U.S. forces from Iraq—until he decided that he had to send them back. Mr. Obama tried pressuring the Afghan government to reform, with threats every year or two to end the military mission there. But he never decided that actually making good on his threat would be prudent.

He also tried to "rebalance" U.S. foreign policy away from the Middle East and toward Asia. But with the rise of Islamic State (ISIS) starting around 2013, this process could only go so far. By 2016, the Chairman of the Joint Chiefs of Staff, Gen. Joseph Dunford, had developed a framework for planning future military forces based on facing "4+1" threats. Two of those top five threats were located in the broader Middle East: Iran and transnational violent extremist movements such as al Qaeda and ISIS.

President Donald Trump has faced a similar conundrum. He ran as a candidate wary of intervention in the Middle East, stated forcefully that the invasion of Iraq was a mistake and consistently opposed the Afghanistan war. In January 2013, he had tweeted, "I agree with Pres. Obama on Afghanistan. We should have a speedy withdrawal." Two months later, he added that "We should leave Afghanistan immediately."

Yet like most Americans, Mr. Trump also wanted to defeat ISIS, ensure the security of allies like Israel and Jordan, check Iran and prevent nuclear proliferation. Once in the White House, he decided to increase forces in Afghanistan for an open-ended period. And despite huge progress against ISIS in Iraq and Syria, President Trump can't quite decide to leave the region—because ISIS is not entirely defeated and could come back and because Iran may benefit from any vacuum that a U.S. departure creates.

Secretary of Defense Jim Mattis has emphasized the importance of planning future U.S. military forces against the Russian and Chinese threats. Gen. Dunford's "4+1" strategic planning framework has morphed into a "2+3" threat assessment. Russia and China now lead, with North Korea, Iran and terrorism following. After decades of war in the Middle East, the region is still prominent on the shortlist.

The U.S. role in the Middle East has evolved greatly over the years, however. There will likely be no more U.S.-led invasions or surges. Gen. Votel and Gen. Dunford now talk about "building partner capacity," enabling local forces and getting a high return on our investment. The idea is to deploy modest numbers of American troops to support far larger indigenous forces, who do the preponderance of the fighting, especially on the ground. We surely need better strategies for the conflicts in Syria, Yemen and Libya, but the country seems to have accepted the fact that even if we succeed in one theater, the broader struggle will go on.

The U.S. has no realistic way out of its commitments in the Middle East. But as tragic as the continuing wars are for the people of the region and despite the sacrifices of our military personnel, we appear to have resigned ourselves to the forever war. Given our core interests, and our current options, it's probably the best we can do.

Mr. O'Hanlon is senior fellow and director of research in the foreign policy program at the Brookings Institution.

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Art Under The Stars—And Among The Gnats

In summer, audiences have the chance to enjoy theater and music in the open air, with all the accompanying challenges and revelations.

By Terry Teachout

From Tanglewood to the Hollywood Bowl, summertime means outdoor performances of every kind, including classical concerts, opera, dance and, most often, theater. I've reviewed them all, and some of my happiest memories are of the countless shows I've seen under the stars.

On the other hand, I also remember a few that I would have paid not to see, usually because Mother Nature chose not to cooperate. Yes, it's festive and fun to eat a picnic dinner and then stroll to Shakespeare in the Park. But if the sky falls, the show stops—unless the performers are protected by a tent or canopy, in which case it may simply be paused, leaving the audience soaked to the skin by evening's end. Mere skull-busting heat is rarely considered sufficient reason to send a paying crowd home, and I've covered plenty of performances where gnats were out in force, flying in funnel-cloud formation with orders to kill.

Another common problem is the scale of outdoor venues. If you're seated too far from a stage, you'll feel out of touch with the artists who are performing on it. This is especially true when the art form doesn't normally make use of electronic amplification, as is the case with classical music and theater. Carnegie Hall, which has 2,800 seats, is big but not mammoth, whereas the 3,800-seat Metropolitan Opera House places most of the audience too far away from the action for comfort. Now consider the Hollywood Bowl, which seats 17,500. It's been amplifying symphonic concerts since 1936, and though sound-design technology has improved greatly in recent years, it's still disorienting to attend a concert where you can hear the musicians but not quite see them.

Can such performances work anyway? One of the most exciting classical concerts I've ever heard took place in 2003 on the Great Lawn of New York's Central Park, where the jazz singer Luciana Souza and the New York Philharmonic performed Manuel de Falla's "El amor brujo" in front of 50,000 listeners. Not only was the amplification serviceable, but the backdrop enhanced the experience: The skyline of midtown Manhattan bounced light off the low-lying clouds, with the Chrysler Building peeping between the high-rises on Central Park South. The management even shot off fireworks after the show! On the other hand, I had a press seat, which put me far closer to the stage than the vast majority of my fellow music lovers. I simply can't imagine getting much aesthetic pleasure from sitting all the way at the back of a 50,000-seat "concert hall."

Theatrical performances are—or can be—different. I've enjoyed shows presented in outdoor spaces ranging in size from the Hudson Valley Shakespeare Festival's 540-seat tent to the 11,000-seat amphitheater where the Muny in St. Louis revived "Jerome Robbins' Broadway" to galvanizing effect earlier this summer. By comparison, most regional theaters hold no more than 350 people, while Broadway theaters seat between 600 and 2,000.

The bigger the space, the harder it is to make a small show work, but it can be done. This is particularly true of dance. I've seen the Paul Taylor Dance Company command the attention of a crowd of 3,000 in Lincoln Center's Guggenheim Bandshell with Mr. Taylor's "Esplanade," which uses just nine dancers.

Yet another possible pitfall is that the natural beauty of an outdoor setting can sometimes swamp a show. The tent for the Hudson Valley Shakespeare Festival, for instance, is pitched on a green lawn near the edge of a bluff overlooking the Hudson River. The eye-catching spectacle of the water below and the mountains beyond can be dangerously distracting. Still, any theatrical production will overwhelm you if it's imaginative enough, and once the sun sets, the stage soon becomes your only world. It's even possible to create a feeling of intimacy under such circumstances, as was the case with Eric Tucker's 2015 Hudson Valley staging of "A Midsummer Night's Dream," in which five actors dressed in dirt-cheap costumes held the crowd spellbound without benefit of set or props. All they had was themselves—and, needless to say, Shakespeare.

> "As for the weather, sometimes you just have to go with the flow.

When it comes to theatrical performances, I find that an invaluable trick is to find ways to integrate the staging and scenic design of a production into its physical surroundings. That doesn't require a big budget—all you need is imagination. I once reviewed a "Macbeth" directed by Kate Buckley that was presented in the 1,100-seat outdoor amphitheater of Wisconsin's American Players Theatre, which sits atop a wooded hill. Thirteen summers later, I still remember with flashbulb clarity the chilling scene in which the leaves on the trees behind the stage were shaken by unseen stagehands to signal the ominous moment when "Birnam Wood be come to Dunsinane."

As for the weather…well, sometimes you just have to go with the flow. "The Letter," an opera by Paul Moravec for which I wrote the libretto, was given its premiere in 2009 in the 2,100-seat theater of the Santa Fe Opera, whose permanent canopy permits rain-or-shine performances. Just as the lights went down for the second performance, dark clouds scudded across the moon that shone on the theater. Gorgeously theatrical-looking bolts of lightning split the sky, and a gusty wind blew through the theater during the last scene, knocking the plates and glasses off a dinner table at center stage.

Once I saw the ground cloth start to billow beneath the singers' feet, I was sure the stage manager would stop the show. Fortunately, the members of the cast kept their heads, and the opera proceeded to the final blackout without further incident.

Naturally, by the time we all came out for the curtain call, everybody was feeling very loose. When Paul and I stepped back from the edge of the stage to join the cast for a group bow, I looked over at him and said the only thing possible under the circumstances: "Well, we blew 'em away!"

Mr. Teachout, the Journal's drama critic, is the author, most recently, of the play "Billy and Me."

An audience watches Shakespeare at the Seabreeze Amphitheater in Jupiter, Fla., earlier this month.

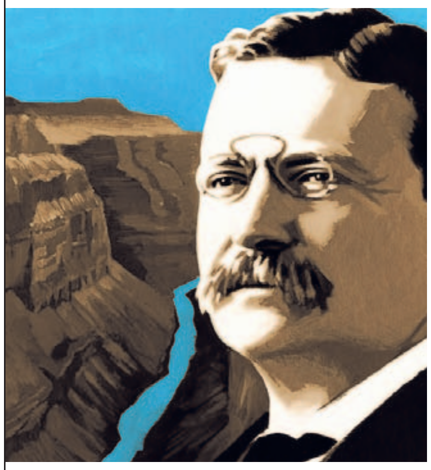
RICHARD GRAULICH/THE PALM BEACH POST/ZUMA PRESS

HISTORICALLY SPEAKING

AMANDA FOREMAN

In Awe of the Grand Canyon

STRANGE as it may sound, it was watching Geena Davis and Susan Sarandon in the tragic final scene of "Thelma and Louise" (1991) that convinced me I had to go to the Grand Canyon one day and experience its life-changing beauty. Nearly three decades have passed, but I'm finally here. Instead of a stylish 1966 Ford Thunderbird, however, I'm driving a mammoth RV, with my family in tow.



THOMAS FUCHS

The overwhelming presence of the Grand Canyon is just as I dreamed. Yet I'm acutely aware of how one-sided the relationship is. As the Pulitzer Prize-winning poet Carl Sandburg wrote in "Many Hats" in 1928: "For each man sees himself in the Grand Canyon—each one makes his own Canyon before he comes."

The first Europeans to encounter the Canyon were Spanish conquistadors searching for the legendary Seven Golden Cities of Cibola. In 1540, Hopi guides took a small scouting party led by García López de Cárdenas to the South Rim (60 miles north of present-day Williams, Ariz.). In Cárdenas's mind, the Canyon was a route to riches. After trying for three days to find a path to reach the river below, he cut his losses in disgust and left. Cárdenas saw no point to the Grand Canyon if it failed to yield any treasure.

Three centuries later, in 1858, the first Euro-American to follow in Cárdenas's footsteps, Lt. Joseph Christmas Ives of the U.S. Army Corps of Topographical Engineers, had a similar reaction. In his official report, Ives waxed lyrical about the magnificent scenery but concluded, "The region is, of course, altogether valueless.... Ours has been the first, and will doubtless be the last, party of whites to visit this profitless locality."

Americans only properly "discovered" the Grand Canyon through the works of artists such as Thomas Moran. A devotee of the Hudson River School of painters, Moran found his spiritual and artistic home in the untamed landscapes of the West. His romantic pictures awakened the public to the natural wonder in their midst. Eager to see the real thing, the trickle of visitors turned into a stream by the late 1880s.

The effusive reactions to the Canyon recorded by tourists who made the arduous trek from Flagstaff, Ariz. (a railway to Grand Canyon Village was only built in 1901) have become a familiar refrain: "Not for human needs was it fashioned, but for the abode of gods.... To the end it effaced me," wrote Harriet Monroe, the founder of Poetry magazine, in 1899.

But there was one class of people who were apparently insensible to the Canyon: copper miners. Watching their thoughtless destruction of the landscape, Monroe wondered, "Do they cease to feel it?" President Theodore Roosevelt feared so, and in 1908 he made an executive decision to protect 800,000 acres from exploitation by creating the Grand Canyon National Monument.

Roosevelt's farsightedness may have put a crimp in the profits of mining companies, but it paid dividends in other ways. By the 1950s, the Canyon had become a must-see destination, attracting visitors from all over the world. Among them were the tragic Sylvia Plath, author of "The Bell Jar," and her husband, Ted Hughes, the future British Poet Laureate. Thirty years later, the visit to the Canyon still haunted Hughes: "I never went back and you are dead. / But at odd moments it comes, / As if for the first time." He is not alone, I suspect, in never fully leaving the Canyon behind.

EXHIBIT

Phoned-In Photography

SUBMISSIONS to the 11th annual iPhone Photography Awards, from users in 140 countries, were lighter on selfies and food than in previous years and stronger on remote locations and emotional moments. The winning images in the contest (which is not affiliated with Apple) were announced on July 18 and included a pensive terrier in China's Hunan province (left) and a one-legged boy in Myanmar watching a soccer game (below). The competition's founder, Kenan Aktulun, said, "I don't think iPhones will replace other cameras, but users are definitely getting more fluent in visual storytelling." —*Alexandra Wolfe*

FROM LEFT: ZARNI MYO WIN; ROBIN ROBERTIS

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BENEDICT EVANS FOR THE WALL STREET JOURNAL; HAIR & MAKEUP BY NICKEE DAVID

WEEKEND CONFIDENTIAL | ALEXANDRA WOLFE

Wendy Yu

An investor-heiress turns to fashion

Two years ago the Chinese heiress Wendy Yu showcased her luxurious lifestyle in a British television documentary called "Britain's Billionaire Immigrants." The show portrayed her as a hardworking, socially ambitious 20-something eager to impress her billionaire father. Viewers watched her take courses on how to be a lady as she prepared for London's party season and glimpsed the massive collection of Barbie dolls inside her sprawling Knightsbridge apartment.

Today, Ms. Yu says, "I'm so done with television." Now 28, she says that she is taking her life in a more serious direction as an investor and philanthropist, with a particular interest in fashion.

Through investments, donations and attendance at high-profile events, she has catapulted herself into the top ranks of the global fashion scene. Earlier this year, she endowed a position at New York's Metropolitan Museum of Art, the Wendy Yu Curator in Charge of The Costume Institute. In London, she has made donations to the Victoria & Albert Museum, the National Portrait Gallery and the British Fashion Council Fashion Trust.

Ms. Yu, a 28-year-old heiress, has pledged to invest up to $20 million in emerging businesses this year.

Her firm, Yu Holdings, has taken stakes in the London-based fashion designer Mary Katrantzou, the eco-friendly handbag and accessories line Bottletop, and Asap54, a startup that provides shopping information. She has pledged to invest up to $20 million in emerging businesses this year.

As CEO, she personally chooses her investments, which also include the tech firms Didi Chuxing, a ride-hailing app similar to Uber, and Tujia, a Chinese take on Airbnb. She says that she takes particular interest in the management of the fashion firms she invests in. In April she hosted Ms. Katrantzou in China, introducing her to other potential investors.

Her rising profile in fashion has drawn the attention of some of the industry's biggest names. "She takes a globally minded view of [fashion]," says Vogue editor-in-chief Anna Wintour, "and is as well versed in fashion history as she is in knowing who from the new generation of designers is worthy of her support. She's an absolute lover of culture—and creativity."

Born in the Zhejiang province of China, an eastern coastal area south of Shanghai, Ms. Yu is the only daughter of billionaire Jingyuan Yu, who founded and runs China's biggest wooden-door manufacturer. She says that her father groomed her to be a businesswoman from an early age.

At age 15, she moved to England to attend boarding school. She excelled in math and became captivated by the fashion scene. "Since I went to England, probably my major has been fashion," she says. "In China you are not really encouraged to dress up as a child, and you're more encouraged to focus on study." She studied Fashion Management at the London College of Fashion and took business courses at the University of Oxford, the University of Cambridge and Columbia University in New York.

Today, Ms. Yu spends about half the year in China and says she wants to be a bridge between Western fashion executives and the evolving Chinese market. "Chinese economic growth and consumer power for luxury and designer goods is going from strength to strength, and there is a rising appreciation for independent designers," she says.

Traditionally, Chinese luxury goods consumers gobbled up big-name global brands like Louis Vuitton and Gucci. She says that those remain popular but sees younger Chinese consumers exploring smaller brands as well, such as Aquazzura and Supreme, and some Chinese independent designers such as Huishan Zhang, Bao Bao Wan and Xiao Li.

Chinese shoppers are also buying more of their luxury goods at home rather than on overseas trips—though it's still mostly foreign brands they're after. Luxury spending inside China grew 20% in 2017, outpacing overseas purchases, according to Bain & Co. "New consumers, mostly millennials, have been major contributors to the market growth," said the Bain report, noting that Chinese luxury consumers tend to be younger than in other countries.

Ms. Yu hopes that China will one day have its own LVMH-style fashion conglomerate, with brands that appeal to both Chinese and global consumers—particularly millennials interested in newer niche brands. (A spokesperson notes that while she is inspired by such fashion conglomerates, she herself is not looking to replicate them.)

Ms. Yu has established herself as one of China's most fashionable millennials. She has over 700,000 followers on Weibo, a Chinese Twitter-like service. On Instagram, she posts pictures of herself in glamorous poses, such as sitting in a horse-drawn carriage in Cuba, wearing a baby blue fur jacket while holding a pony in Iceland and modeling a long white gown as she pets deer in a Japanese meadow. A Chinese business magazine named her one the 300 most powerful people in China, and the society magazine Hong Kong Tatler crowned her one of Asia's eight most stylish women.

She lives part-time in London but has offices in Hong Kong and Shanghai. She says that she spends most of her time traveling to meet company founders, fashion designers and the leaders of charitable organizations. In a typical month, she'll travel to five or six different countries.

"I love when life is moving fast and when you're really moving toward your vision and your goal because it makes you feel very satisfied," she says. "I want to create a legacy," she says. "I love to be the painter who paints my own life."

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MOVING TARGETS

JOE QUEENAN

The Dark Secrets of America's Millennial Plant Lovers

Plants, like pets, are a perfect excuse to avoid visiting mom and dad.

MUCH HAS BEEN WRITTEN lately about the rise of the plant-loving millennial. The phenomenon has an obvious economic explanation, because in many parts of the country, young people cannot afford to buy houses or raise kids.

Inevitably, they look elsewhere to satisfy their emotional needs. They once could find emotional sustenance in playing videogames or shopping or watching John Oliver implode. Now *Dracaena fragrans*, aka the corn plant, and spider plants are being dragooned into doing the job.

As reported earlier this month in the Journal, plant lovers ceaselessly blog about them, buy them on subscription sites and post photos on Facebook and Instagram. They trade anecdotes with similarly minded plant owners about thrilling developments involving their plants. My own extensive, cross-country research finds that millennials are sharing plants, naming plants and lending plants out, while an increasing number are lovingly tending to virtual plants on their smartphones.

Of course, these plant lovers' reliance on social media has its dark side, too. The desire among millennials to upstage and embarrass each other in their bid for social status has not stopped at the borders of the green kingdom. How many times have online photos of ivy with brown edges led to the kind of mass shaming that finds its targets watering their plants with tears?

Indeed, these plant lovers have the same emotional connection to flora that the Young and the Houseless used to have to fauna like beagles, Siamese cats, budgerigars and, in certain highly unusual cases, Rottweilers. They are transferring their affection to Chinese bamboo, *Schefflera arboricola* (the dwarf umbrella tree) and, where there is enough sunlight, jasmine.

Young people's affections for Fido and Muffy are often seen as serving as a dry run for parenthood. But I think the explosion of houseplant ownership is probably rooted in an entirely different phenomenon. Plants, like pets, are a perfect excuse to stay home—and an especially good excuse to reject invitations to travel great distances. "I can't fly home for Thanksgiving because I don't trust anyone to look after the African violet and the *Spathiphyllum*," a millennial might say. "When I came home to see you guys last Christmas, I got back here a week later to find all my bromeliads dead. That set me back three grand."

A key question here: Are millennials so cunning, so diabolical that they would use houseplants as an excuse to avoid visiting their parents?

"Absolutely," says one West Coast millennial whose parents live in tony, twee Sleepy Hollow, N.Y. "As soon as I set foot in their house, my parents give me a hard time about dating a tone-deaf sitar player and not doing anything about my hair. Now that I have 135 houseplants, I have a perfect excuse not to go home. You can't ask your friends or neighbors to stop by every three days to water 135 plants. Anyway, I don't have any friends."

Adds a second millennial, who hasn't flown home to West Texas from a small town in Newfoundland since 2007: "It's not that I love my plants more than I love my parents. It's just that my plants are a whole lot less annoying."

Angry parents, in turn, have crossed houseplants off their Christmas shopping lists for their adult progeny and are even attaching stringent conditions to all future cash transfers.

"I'm sick of hearing that 'If you can't be with the ones you love, love the plants you're with' nonsense," says one miffed parent. "If you want to use my hard-earned money to have kids, I'll turn the faucet on full-blast. But if you're using the money to buy yet another *Epipremnum aureum*, I'm cutting you out of the will."

PHOTO ILLUSTRATION BY DAVID BAMUNDO/WSJ; ISTOCK (PHOTOS)

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Arthur Conan Doyle, P.I. How Sherlock Holmes's creator helped free an innocent man. C10

BOOKS

In Pursuit of Mach 1 The American aces who broke the sound barrier. C8

‘A Certain Idea of France’

From the moment he became a voice for freedom during World War II, de Gaulle embodied the Gallic spirit in his time

De Gaulle
By Julian Jackson
Harvard, 887 pages, $39.95

By Richard Norton Smith

ENCYCLOPÆDIA BRITANNICA/UIG (FLAG); ALAMY (STATUE)

LE GRAND CHARLES Bronze statue of de Gaulle (1993) by Angela Conner, in Carlton Gardens, London.

‘THERE CAN be no prestige without mystery,” Charles de Gaulle insisted, “for familiarity breeds contempt.” Nearly half a century after his death, de Gaulle's prestige has never been greater. Forgetting how divisive a figure he was in life—as evidenced by the nearly 30 assassination attempts he survived—Frenchmen across the political spectrum rank *le grand Charles* above Napoleon, Clemenceau and the Sun King himself. In 1940 de Gaulle redeemed French honor by carrying on the war against Hitler, not from occupied France but from makeshift battle stations in London and equatorial Africa. Before and after Liberation he battled apologists for the quisling Vichy regime of Marshal Philippe Pétain as well as French Communists loyal to Moscow.

In May 1958 he came out of a restless retirement to avert civil war over colonial Algeria. Later that year he established the Fifth Republic, tailored to his contempt for party politicians like former French president Albert Lebrun (1932-40), of whom he observed, “What he lacked as Head of State was that he was no Head and there was no State.” Insisting “France is not really herself unless in the front rank,” in the 1960s de Gaulle elbowed his way into the select club of nuclear powers, even as he relinquished an empire and rebranded France a credible champion of Third World interests. Identifying Russian nationalism as a greater threat than Soviet Communism, he warned John Kennedy against a Vietnam quagmire. He recognized Mao's China nearly a decade before Richard Nixon, an unabashed admirer, set foot in Beijing.

Nixon's countrymen showed less appreciation of the aging autocrat in the Élysée Palace. To most Americans in 1969, de Gaulle was the personification of French pride, a nationalistic relic who had withdrawn his country from NATO's military structure, vetoed British membership in the European Economic Community and encouraged Quebecois separatism while on Canadian soil. Such behavior kept de Gaulle center stage in his twilight years. Equally important, it sustained an exaggerated view of French power and influence. (“All my life,” he wrote in his war memoirs, “I have had a certain idea of France.”)

De Gaulle as illusionist—the theme pervades Julian Jackson's doorstopper of a biography. A British historian noted for his volumes on the 1940 fall of France and the ensuing period of collaboration and resistance, Mr. Jackson sets out to demythologize the General without debunking him. With a fluent style and near-total command of existing and newly available sources, he peers behind the monolithic façade to unmask a composite of opposing traits—the lifelong soldier with a gift for insubordination; the fervent nationalist and champion of Europe “from the Atlantic to the Urals”; the modernizer who could surpass any student protestor in his disdain for the “civilization of the termite heap.”

Born in 1890, de Gaulle was the son of a Jesuit-trained academic wounded in the Franco-Prussian War and a mother passionately attached to church and crown. Young Charles was educated in Catholic schools before enrolling at Saint-Cyr, the national military academy. Wounded in the opening days of World War I, he spent much of the war as a German prisoner, making no fewer than five escape attempts. At 6 foot 4, he was a hostage to his own body. “We giants are never at ease with others,” he ruefully acknowledged to a wartime aide.

His ungainly physical stature contributed to de Gaulle's natural shyness, a reserve that was mirrored by Yvonne Vendroux, the biscuit maker's daughter he married in 1921. Her husband passed the interwar years in a variety of teaching positions, instructing the officer corps of the new Polish army, lecturing on military history at Saint-Cyr, and writing books on French military doctrine and the self-denying requirements of command. In between tours of duty in the Rhineland and the Middle East, he gained a reputation for challenging official dogma. Given the opportunity to test his advanced theories of battlefield mobility and tank warfare against Nazi invaders, de Gaulle could not wean a fossilized military establishment from its defensive outlook. As a junior minister in the short-lived government of Paul Reynaud (March-June 1940), he rejected the counsel of defeatist generals who far outranked him.

“What is remarkable about de Gaulle in 1940 is not so much his intellectual analysis of the future of the war,” Mr. Jackson asserts, “as his readiness to *act*”—beginning on the evening of June 18, when the rebellious one-star general lit the flame of French resistance in a little-heard BBC radio appeal. Four minutes long, the founding text of Gaullism was initially vetoed by the British Cabinet, which hoped to forestall an armistice between the Nazi victors in Paris and the vassal ministry headed by Marshal Pétain. De Gaulle's speech, Mr. Jackson writes, “offered a diagnosis, a prediction, an appeal and a message”:

> The diagnosis: [France's] defeat was a purely military affair caused by the superiority of German armaments and tactics. The prediction: the defeat of French forces was not definitive since France still had an Empire, she had an ally in the form of Britain, and behind both was the United States. . . . The appeal: ‘I, General de Gaulle, currently in London, invite the officers and the French soldiers who are located in the British territory . . . to contact me.’ The message: ‘The flame of French resistance must not be extinguished and will not be extinguished.’

When the Nazis occupied Paris, de Gaulle took to the airwaves: ‘The flame of French resistance . . . will not be extinguished.’

The original broadcast was thought too insignificant to preserve for posterity. Many listeners, then and later, assumed “de Gaulle” to be a pseudonym.

In July 1940, Churchill ordered the destruction of the French fleet rather than risk having it fall into Nazi hands. A despondent de Gaulle considered withdrawing to Canada as a private citizen. Two months later the repulse of a hastily planned joint expedition against Dakar, a Vichy stronghold in West Africa, led the leader of Free France to contemplate

Please turn to page C9

The Most Dangerous War Game

1983: Reagan, Andropov, and a World on the Brink
By Taylor Downing
Da Capo, 391 pages, $28

The Brink
By Marc Ambinder
Simon & Schuster, 364 pages, $27

By Lee Edwards

MOST historians agree that the world came closest to a nuclear war with the Cuban Missile Crisis of October 1962, when President John Kennedy discovered that the Soviet Union had installed nuclear missiles in Cuba and warned Soviet leader Nikita Khrushchev to remove them—or else. For two weeks messages flashed back and forth between Moscow and Washington. As tension mounted and U.S. forces, including nuclear-loaded B-52s, were placed on high alert, the Soviets blinked, agreeing to dismantle the sites and ship their missiles back to Russia.

But now a British popular historian and a veteran American reporter, in separate books, contend that the most dangerous moment of the Cold War occurred in early November 1983, when the Soviets nearly launched a nuclear attack against the West because they thought that NATO was planning a first strike under the cover of a war-game exercise. Drawing on documents obtained through the Freedom of Information Act and first-time interviews with national-security experts, Taylor Downing in “1983: Reagan, Andropov, and a World on the Brink” and Marc Ambinder in “The Brink: President Reagan and the Nuclear War Scare of 1983” conclude that, without most of us knowing it, the world came close to war 20 years after the crisis in Cuba.

UIG VIA GETTY IMAGES

SQUARE SCARE Celebrating the October Revolution in Moscow, Nov. 7, 1983.

Among those who were not aware, at the time, of a possible nuclear Armageddon were President Ronald Reagan, on an official visit to Japan and South Korea, and Mikhail Gorbachev, then a Politburo member, who now recalls that he celebrated the October Revolution as planned and knew nothing of a war alert. On Nov. 18, 1983—a week after the war-game exercise ended—Reagan was briefed on the Soviets' startling belief that a first strike from the U.S. might soon be launched. He wrote in his diary: “I feel the Soviets are so defense-minded, so paranoid about being attacked, that without being in any way soft on them, we ought to tell them no one here has any intention of doing anything like that.”

Mr. Downing and Mr. Ambinder stress that the paranoia of Soviet leaders, especially that of Yuri Andropov, the general secretary of the Communist Party and former KGB head, was reinforced by a global intelligence operation that the Soviets had undertaken around the same time. It was named Project RYaN, an acronym taken from the Russian words meaning “nuclear missile attack.” KGB agents in the U.S., Britain, other NATO countries and Japan had been tasked to look for indicators that a nuclear attack was being planned. Be on the lookout for more aggressive language by political leaders, they were instructed, as well as any heightened military alert.

The Soviets feared that Able Archer—an annual NATO military exercise—was cover for an actual attack.

Trained to give their bosses what they wanted, KGB agents responded so enthusiastically that, before long, they had identified 292 different “signs of tensions,” strengthening the suspicions of Andropov and other hard-core Politburo members. U.S. intelligence officials, for their part, played down the elevated Soviet alert when they learned of it, because they couldn't believe that the Soviets would seriously think a U.S. strike was imminent.

According to Mr. Downing and Mr. Ambinder, the Soviet worry over U.S. militancy had been intensified by recent events: Reagan's description of the Soviet Union as an “evil empire,” made in a speech in March 1983; NATO's decision to deploy Pershing II and Cruise missiles in Western Europe, a response to the Soviet placement of SS-20s aimed at targets in NATO countries; and the Reagan administration's commitment to the development of the Strategic Defense Initiative, the high-tech missile shield. But the immediate cause of the Soviets' fear was Able Archer, as it was called: an exercise conducted annually to test, among other things, NATO's response to a Soviet tank-led invasion.

While NATO engaged in make-believe warfare, Moscow tracked suspicious moves, like increased communications between Washington and London, and a U.S. field commander suddenly transferring his headquarters to another mobile convoy. Able Archer's test-scenario presumed the possible NATO use of tactical nuclear weapons; the Soviets noticed the participation of B-52s for the first time in the exercise. The B-52 presence meant one thing to the Soviets, writes Mr. Ambinder: nuclear strikes.

At times, Mr. Ambinder's book reads like a Tom Clancy novel, as when Soviet Capt. Viktor Tkachenko, deep in an ICBM bunker, and 26-year-old U.S. Capt. Lee Trolan, in charge of a dozen nuclear weapons, are described handling the escalating tension. We watch Capt. Trolan guarding nuclear weapons with six men for every ten he should have had, working seven days a week. “If you asked me then whether I thought we were going to have a shooting war with the Warsaw Pact . . . I would have said, yes.” As for Capt. Tkachenko, he had heard rumors that “the Americans would wait until the eve of a major Soviet holiday,” when ordinary Soviets were relaxed and happy, “to launch World War III.” He returned again and again to the critical question: Is “Able Archer 83” a normal military exercise or the incomprehensible—preparations for a nuclear strike?

With Soviet forces on high alert, Mr. Downing takes us to the Kuntsevo Clinic outside Moscow, where a critically ill Andropov is receiving dialysis treatment. It is the evening of Nov. 9. Three men could give the launch order—Andropov himself, Defense Minister Dmitri Ustinov or Chief of the General Staff Nikolai Ogarkov.

Please turn to page C8

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BOOKS

'There are no great men, just great challenges which ordinary men, out of necessity, are forced by circumstances to meet.' —WILLIAM FREDERICK HALSEY JR.

Boom Times for Jet Pilots

Chasing the Demon
By Dan Hampton
Morrow, 331 pages, $28.99

By Daniel Ford

Hollywood's famous maxim for publishers—"When the legend becomes fact, print the legend"—was delivered earnestly in a western more than 50 years ago. The phrase is cited today, with knowing irony, as a warning against mere myth-making. Somehow, though, we keep printing legends.

There is, for instance, the story of a civilian named George Welch who was supposedly the first human to fly faster than the speed of sound but who was cheated of the glory by conspirators going all the way up to President Harry Truman. Washington needed to celebrate the newly established United States Air Force, so Capt. Chuck Yeager, USAF, got the credit.

The story has been around for years, in magazine articles and at least one book. Here it is again in "Chasing the Demon," as told by Dan Hampton. Mr. Hampton is himself something of a legend—a fighter pilot who has written a well-regarded personal memoir and, more recently, "The Flight" (2017), an impressive pilot's-eye view of Charles Lindbergh's trans-Atlantic crossing.

NASA; IMAGE ON COVER: NATIONAL AIR AND SPACE MUSEUM, SMITHSONIAN INSTITUTION

BREAKING BARRIERS The Bell X-1 over the Muroc Test Range.

Chuck Yeager and George Welch were fighter aces in World War II. Sidelined by malaria, Welch went to work for North American Aviation, the builder of the war's best fighter plane, the P-51 Mustang. As Mr. Hampton tells us, the company's postwar assignment was to design a turbojet fighter. The result would become the F-86 Sabre, a swept-wing beauty that dominated the skies over Korea.

Just as the war was ending, Bell Aircraft won a contract to build a rocket plane with no other purpose than to exceed the speed of sound. The so-called sound barrier—the "demon" of Mr. Hampton's title—had lured and terrified wartime pilots who experienced buffeting, crazy controls and sometimes death at very high speeds. Bell gave its X-1 the profile of a bullet, as if to honor the Austrian physicist Ernst Mach, who in the 1880s, for his research on sound waves, had photographed a bullet traveling at supersonic speed. According to Bell's designs, the X-1 would be carried aloft by a four-motored bomber and then cut loose, with the pilot inside, to blast through "Mach One" with the help of engines that burned for less than five minutes.

Like most 1940s aircraft, North American Aviation's jet fighter and Bell's rocket plane, in their first designs, had wings that stuck straight out. But U.S. scientists, benefiting from newly accessed German research, learned that a Pfeilflügel, or "arrow wing," aircraft could reach very high speeds without shaking itself to pieces. North American promptly modified its jet fighter with wings that swept 35 degrees to the rear. Bell Aircraft, for reasons of its own, left its X-1 design in place.

In October 1947, both planes were ready for testing in California's Mojave Desert. There the X-1, piloted by Yeager, reached Mach 1.07 (about 807 mph) on Oct. 14, in the thin air of 40,000 feet. Like the snap! of a bullet, a supersonic aircraft trails a shock wave that expresses itself as noise. Anyone below, including the hostesses at Pancho Barnes's dude ranch and tavern near the Mojave test site, heard the ba-boom that trailed the X-1. So they knew that something remarkable happened on Oct. 14. But, as the story is told, they had also heard a sonic boom 13 days before, on Oct. 1, when Welch had tested the Sabre prototype.

That was the legend published in "Aces Wild" 52 years after the fact. Al Blackburn, test pilot and author, made his case for Welch's primacy with invented dialogue and no hard evidence, asserting along the way that the Air Force lied to us. Mr. Hampton adopts the story wholesale, though in more dignified prose. Indeed, "Chasing the Demon" begins as a treatise on aerodynamics and the history of flight, sometimes lucidly but sometimes not. "Perhaps," he tells us at one point, "[Otto] Lilienthal's greatest contribution was the formulation of aerodynamic coefficients that permitted the use of dimensionless quantities to characterize forces acting on an airfoil."

The legend of Welch's stolen glory was most vigorously debunked by Robert Kempel, a retired NASA flight-test engineer and the author of "The Race for Mach One," published in 2010. Mr. Kempel argued that the Sabre prototype, powered by a lackluster Chevrolet turbojet, just didn't have the thrust to go supersonic. All the evidence to the contrary, he said, was anecdotal (those ba-booms) or wrongheaded. Welch wasn't "clocked" from the ground, as had been claimed, because no such clocking instrument existed. Yeager's Mach One achievement was derived from on-board instruments and the math skills of Roxanah Yancey and two other "computers" on the ground. Nor did anyone interview George Welch on the subject, for he died in 1954 in the breakup of another fast jet. The dude-ranch hostesses were also long gone, chased out by a fire and the expanding flight-test center. Still, the legend lives on in Mr. Hampton's book.

Mr. Ford is the author of "Flying Tigers: Claire Chennault and His American Volunteers, 1941-1942."

Reagan, Andropov And 1983

Continued from page C7

How will the day end: in a nuclear attack on the Soviet Union, or will Moscow strike first?

Mr. Downing speculates that, in the end, Andropov and the other Soviet leaders, conscious of the terrible loss of Soviet life during World War II, "did not want to push the nuclear button unless they absolutely had to." Separately, they were uncertain that RYaN was correct about NATO's war preparations. And there was the reassuring report, as Mr. Ambinder recounts, from a reliable Soviet spy at NATO headquarters that "nothing was happening."

By the time dawn broke on Nov. 10, Moscow had not received any alarm of enemy launches, and Soviet forces were ordered to stand down. Mr. Downing writes that "probably the most dangerous moment of the Cold War passed." But was it truly that dangerous? We can say with certainty, thanks to Mr. Downing and Mr. Ambinder, that both Soviet and American intelligence got it wrong—the Soviets displaying a scary degree of paranoia and the Americans unable to accept the truth of their paranoia. But there is still a great deal that we don't know—not least about what Andropov was thinking and how close he came to launching a nuclear attack. Until the Kremlin opens its files, we are in a swamp of speculation. In any case, the authors are to be congratulated for a splendid job of research about a critical event in the Cold War that other historians have overlooked or underplayed.

It should be added that Ronald Reagan had been talking about doing away with all nuclear weapons since the 1960s. He often remarked that the U.S. policy of Mutual Assured Destruction (MAD) reminded him of a Mexican stand-off: There had to be a better way. As Mr. Ambinder writes in an epilogue: "Reagan realized that only presidents can truly understand the entire dimension of the nuclear problem, only presidents have the power to elevate global stewardship and sovereignty above patriotic partiality, and therefore only presidents can keep the world from the ash heap of Armageddon."

Mr. Edwards, a distinguished fellow at the Heritage Foundation, is the author of a recent memoir, "Just Right: A Life in Pursuit of Liberty."

Nothing to Fear but Everything

POLITICS
Barton Swaim

People on the left and right often seem panicked that what they prize will be taken from them.

MARTHA NUSSBAUM begins **"The Monarchy of Fear" (Simon & Schuster, 249 pages, $25.99)** with her emotional response to Election Day 2016. She was in Kyoto, Japan, the laureled philosopher recalls, "where I had just arrived for an award ceremony." As the election results became clear, she felt the same wave of emptiness and fear experienced by millions of other American liberals and progressives (and more than a few conservatives). "It gradually dawned on me," she writes, "that fear was the issue, a nebulous and multiform fear suffusing US society." Many people similarly dismayed by the election "are reacting as if the end of the world is at hand."

She's right about that, and it doesn't apply just to Democrats. Republican activists and primary voters—among whom I've spent a lot of time—often seem racked by the fear that something has been taken from them. Such fears aren't irrational, but they will make you say and do dumb things. Fear induces panic, and panic "doesn't just exaggerate our dangers," Ms. Nussbaum writes, "it also makes our moment much more dangerous than it would otherwise be, more likely to lead to genuine disasters."

Ms. Nussbaum, a professor of law and ethics at the University of Chicago, has written several books on the political significance of emotions. The present volume draws on the material in those books, especially "Hiding From Humanity" (2004), in which the author argues that the emotion of disgust encourages laws that oppress those with unorthodox sexual identities. "The Monarchy of Fear" examines Greek and Roman literature as well as behavioral economics and evolutionary psychology to contend that fear is the first and central human emotion and that it's a singularly dangerous emotion in the political sphere.

The book's subtitle—"A Philosopher Looks at Our Political Crisis"—leads one to think that Ms. Nussbaum's analysis of today's volatile and uncertain politics will offer a needed element of precision. It doesn't. The book is rife with sloppy arguments and arresting but unsubstantiated claims. Ms. Nussbaum doesn't argue but merely states, for example, that monarchies are based on fear (hence the title), whereas democracies are based on trust. She illustrates that bold claim with an even bolder, undefended one: "Think about a marriage," she writes. "In an old-style marriage, in which the male head of household was like a monarch, there was no need for trust. Spouse and children just had to obey."

Ms. Nussbaum seems to think that the biblical principle of "an eye for an eye" allowed for wanton retribution. In fact, it banned disproportional punishments. Her understanding of dueling seems limited to what she has learned from Lin-Manuel Miranda's musical "Hamilton"; she supposes this strange practice was only about an "obsession with status" and so doesn't notice that it discouraged precisely the sort of irresponsible rhetoric rightly censured elsewhere in the book.

The more interesting failure of "The Monarchy of Fear" is that it exhibits just the very uninformed fear it laments. Ms. Nussbaum's introduction, about people "reacting as if the end of the world is at hand," seems to augur criticism of the left. But with one exception—she gently scolds Paul Krugman for suggesting that Congress "get rid of" Donald Trump the way the Roman senate got rid of Caligula, i.e., by assassination—Ms. Nussbaum's chastisements are reserved for Trump supporters and other nonliberal Americans.

THIS WEEK'S BOOKS

The Monarchy of Fear
By Martha C. Nussbaum

How Democracy Ends
By David Runciman

Unsupported generalizations abound. In a discussion of Americans' suspicion of the burqa, the author alleges that "many Americans shrink from Muslims in a way that people don't shrink from more familiar-looking members of groups some of whose members engage in violence." How many Americans? And how does she know this?

We learn similarly that in 2016 male Trump voters blamed women for taking their jobs, reviled women as "disgusting" and envied them for their success. The evidence? They voted for Mr. Trump, didn't they? Some of these guys, we learn further, "object on moral or religious grounds to women who pursue personal independence and career success, rather than making care for home and family their primary concern."

Ms. Nussbaum frequently mentions racial animosities as if they were on the rise again. Her only support for this claim is that neo-Nazis marched in Charlottesville, Va., in 2017. So—if I may oversimplify only slightly—a single gathering of about 500 racist nincompoops has led her to suppose that America is in the grip of an irrational fear. Maybe she's right—though, as she noted on the book's first page, the fear she senses is probably her own.

Still, Ms. Nussbaum concedes that "the basic institutions of our government are reasonably healthy"—quite a concession in today's climate of panic. David Runciman's **"How Democracy Ends" (Basic, 249 pages, $27)** is similarly measured, but more consistently so. Mr. Runciman, a professor of politics at Cambridge University, doesn't believe that Mr. Trump's victory heralds the approaching collapse of democracy in America. Indeed, he thinks this country's political elite absorbed the shock of that event with impressive resilience. His argument is that democratic governments are far less likely to collapse into totalitarianism than to slowly mutate into some other form of undemocratic government—and that process may only have begun in the U.S. with the ascension of a president who openly attacks the press and understands little about America's Constitution or governing institutions.

The book proposes three sets of circumstances under which democracies are likely to end: coup, nuclear or environmental catastrophe, and technological takeover. The last seems likeliest. The online revolution, once the great hope for civic renewal, has proved a grievous disappointment. Our government now has vastly greater surveillance powers; hostile foreign entities have new ways to confuse and rob us; and citizens have more reasons to hate one another.

"How Democracy Ends" is not a doomsday warning but a clearly written thought experiment. But Mr. Runciman undersells the value of democracy. He rightly rejects what's fashionably known as epistocracy—an updated version of mandarinism, or government by technocratic elite—as well as anarchism, which is more popular among young libertarians than you'd think. But his presentation of 21st-century authoritarianism is too rosy. Contemporary authoritarians, he thinks, are much more "pragmatic" than their 20th-century predecessors: "In place of personal dignity plus collective benefits, they promise personal benefits plus collective dignity." The problem arises, I think, from Mr. Runciman's assumption that democracy's chief strength is its ability to offer citizens "dignity" rather than its capacity to assure them of that dignity's legitimacy—and thus provide both freedom and stability. Life for citizens in a democracy doesn't always feel dignified, but it's hard to conclude that your government is illegitimate when your friends and neighbors put it there.

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BOOKS

'What it lies in our power to do, it lies in our power not to do.' —ARISTOTLE

A Perilous Past and a Fuzzy Future

The Human Planet
By Simon L. Lewis
& Mark A. Maslin
Yale, 465 pages, $25

BY CHRISTOPH IRMSCHER

UIG VIA GETTY IMAGES

SET ADRIFT Tourists view icebergs in the fjords of southern Greenland.

BACK IN THE late 1990s, I attended a performance of Eugene O'Neill's "Long Day's Journey Into Night" at the American Repertory Theater in Cambridge. I remember a long and relentless evening as the audience watched the Tyrone family battle one another on their joint descent into the abyss. Afterward there was a panel discussion, and someone must have asked a question about why we should suffer all that angst. The late Harvard Americanist Daniel Aaron, who was on the panel, responded, with grim satisfaction, "Because it's good for you."

That line went through my mind as I was reading, in a state of increasing alarm, Simon Lewis and Mark Maslin's relentless reckoning of how we, as a species, got ourselves into the mess we're in today: the undisputed dominators of a vulnerable planet that, in time, won't leave us much to dominate. Much of the news packed into this book—a compact doorstop weighted with discouraging facts—isn't new. But it is indeed good for us to have it all together, told with determination and in chiseled, almost literary prose. Indeed, the book's main story—how one species, *Homo sapiens*, fresh off the trees of Africa, came to rule the Earth so completely that it now stands a good chance of wrecking it—has the force of a Greek tragedy. Hubris is an essential ingredient of that story, and Messrs. Lewis and Maslin point to several early predictions, all of them unheeded, of looming disaster. "We live," wrote Alfred Russel Wallace, the co-discoverer of evolution, in 1876, "in a zoologically impoverished world, from which all the hugest, and fiercest, and strangest forms have recently disappeared."

Yet, as in any Greek tragedy, fate plays a part, too, if by that we mean a series of connected circumstances that restrict our freedom to act otherwise. Messrs. Lewis and Maslin call them "positive feedback loops": As humans upgraded from hunter-gatherers to farmers to industrialists to consumer capitalists, the same spiral of need and greed, conquest and profit has repeated itself, reeling us in and goading us on to ever higher levels of achievement. And so here we are, burning fossil fuels on an overpopulated globe that is chafing under rising temperatures, acidic oceans and melting icebergs, with parts of it clouded by toxic fumes and devastated by species loss. In a tantalizing moment, Messrs. Lewis and Maslin imagine how plants would tell the history of life on Earth—very differently, to be sure, and likely with different projections for a sustainable future. But, then, imagining how plants think is such a deeply human thing to do.

As is, arguably, writing big books about our situation. Current geological wisdom has us living in the Holocene, an epoch that began about 12,000 years ago. Yet many scientists argue that global shifts in our environment have risen to the level of a new epoch, the "Anthropocene," a term cobbled together from the Greek word for "human" and a suffix meaning "recent epoch." That new state would have been caused not by plate tectonics, volcanic interruptions or a meteor strike but entirely by *Homo dominatus*, as Messrs. Maslin and Lewis suggest we rename *Homo sapiens*: a lethal biped, the weakest and yet most efficient predator Earth has ever known. (I am not a fan, by the way, of their Latin coinage—to my ear, *Homo dominans* would make more sense.) Whether or not the appropriate professional bodies will finally ratify the Anthropocene, the term has haunted public discourse for years.

The problem is that for a geological epoch to be defined, there needs to be a "golden spike," a precipitating event that has left its unmistakable traces in geological deposits for future geologists to come see. The so-called Anthropocene Working Group, a subcommittee of the International Commission on Stratigraphy, thinks it has found such a spike in the 1950s, in the radioactive elements from nuclear bomb tests that were blown into the stratosphere before settling down in the rocks. But Messrs. Lewis and Maslin have little patience with such science-by-committee, and repeat a theory they first aired in 2015 in a much-discussed article in the journal Nature, a bold attempt to meld natural and human history. They remind us that in the aftermath of 1492, diseases and warfare killed about 50 million Native Americans, significantly interrupting human activities in the New World such as farming or fire-burning. As the 18th-century German wit Georg Christoph Lichtenberg observed: "The first Indian who saw Columbus made a terrible discovery indeed." Forests were taking over former farmlands, and by 1610, the newly grown trees had pulled enough carbon dioxide out of the atmosphere for temperatures to decline and a brief ice age to hold sway. That rupture is Messrs. Lewis and Maslin's "golden spike": a dip in carbon-dioxide levels researchers have located in an Antarctic ice core.

Not all scientists agree that the Holocene is over. You might even wonder if naming an entire epoch after ourselves wouldn't be the pinnacle of hubris, a pat on our collective shoulders rather than the slap in the face we deserve. Mention, if you could, the Anthropocene to a roach, and it would continue to go about its business. So why the fuss? Messrs. Lewis and Maslin frankly acknowledge the political reasons that drive their own model; denying that there is such a thing as the Anthropocene is, they say, a political move, too. What matters is that, barring fundamental changes in our behavior, our time on this planet, the only home we know, will be limited. Yet we are more than algae drifting lazily in a lake; if our large brains and our ability to work collectively got us in trouble, surely they can get us out of it, too.

> After 1492, new forest growth in the Americas pulled enough carbon dioxide out of the air to create a brief ice age.

And with that our authors boldly switch genres, abandoning tragedy for utopian fantasy. The fix they propose—the introduction of Universal Basic Income and the "rewilding" of parts of the world—will strike many readers as a dreamy trip to Neverland rather than a real policy proposal. But large problems require large solutions, and those are difficult to accomplish in political systems that ask politicians and voters alike to think in terms of short-term election cycles rather than environmental impacts lasting for millions of years. Messrs. Lewis and Maslin, pointing to advances such as the emancipation of women and increasing local investments in renewables, offer what they consider compelling evidence that some of our sins are reversible. One thing is clear: From a footnote in Earth's history (given the brief time our species has spent here), we have become the authors of its fuzzy future. What Messrs. Maslin and Lewis want us to do is embrace—now, and not only because it is good for us—the awesome responsibilities that come with such authorship.

Mr. Irmscher is director of the Wells Scholars Program at Indiana University Bloomington. Among his many books is "Louis Agassiz: Creator of American Science."

The Life Of Charles De Gaulle

Continued from page C7

suicide. All his life de Gaulle battled "military melancholy," part of the price for willing himself to be that "man of character" to whom his bleeding country would turn in times of crisis. Hidden from the world was the loving devotion and playful forbearance de Gaulle reserved for his daughter Anne, whom he called "my joy and my strength." Born with Down syndrome, she died of pneumonia in 1948, age 20. Leaving the village churchyard the day of her funeral, de Gaulle clutched his wife's hand. "Come," he reportedly said to the grieving mother, "now she is like the others."

That is something he could never be.

Of course he was insufferable. "The arrogance that made him from time to time almost impossible to deal with is the reverse side of an extreme sensibility," wrote British Prime Minister Harold Macmillan, no stranger to emotional concealment. "He belongs to the race of unhappy and tortured souls to whom life will never be a pleasure to be enjoyed but an arid desert through which the pilgrim must struggle." But what a pilgrimage! The initial trickle of recruits who answered his radio call was soon freshened by a parade of French colonies from Chad to Tahiti. His growing prestige helped de Gaulle negotiate the byzantine corridors of Resistance politics while also claiming for Free France a status unjustified by its military contributions alone.

More illusions, however adeptly stage-managed. Of all his World War II contemporaries, none achieved so much with fewer resources or more disputed claims to legitimacy. They commanded armies, received deference, governed at the head of existing institutions; de Gaulle's authority, like Free France itself, was largely the product of one man's imagination and, still more, his intransigence. After one especially rancorous confrontation with his prickly ally, Churchill marveled: "His country has given up fighting, he himself is a refugee, and if we turn him down he is finished. Well, just look at him . . . He might be Stalin with 200 divisions behind him."

By contrast Churchill's American counterpart, Franklin Roosevelt, spent much of the war auditioning substitute saviors less inclined to bite the hand that fed them. In November 1942, de Gaulle went into a rage when Eisenhower's armies invaded North Africa without the U.S. informing him in advance. ("I hope the Vichy people throw them back into the sea!") Only with difficulty could he be persuaded to broadcast a message of solidarity the day that Allied troops set foot on the beaches of Normandy.

That de Gaulle's political judgment could be erratic was demonstrated in January 1946. Sixteen months after he strode down the Champs-Élysées to the cheers of liberated Paris, he abandoned his provisional government rather than cede power to the despised "regime of parties." He misgauged the popular appetite for his subsequent return, as wartime memories yielded to fears of dictatorship and the parliamentary games resumed under the guise of the Fourth Republic (1946-58), in which economic and social gains were purchased at the cost of ministerial instability.

Retreating to his austere country house at Colombey-les-Deux-Églises, de Gaulle wrote his memoirs and scorned all recognition from his successors in Paris. ("One does not decorate France.") From 1947 to '55 he maintained an awkward oversight of the Rally of the French People (RPF), memorably described by the New York Times as "a party against parties." Then he again left the stage, only to reappear three years later, when a French army employing brutal tactics proved unable to suppress the violent uprising of native Algerians demanding independence.

ADOC-PHOTOS/CORBIS VIA GETTY IMAGES

LIBERTÉ Charles de Gaulle in Paris on Aug. 26, 1944, the day after German forces surrendered the city.

Mr. Jackson's meticulous reconstruction of the tumultuous month of May 1958, and the decolonizing policies that followed de Gaulle's return to power, constitute the most overtly revisionist parts of his story. He shows us a Machiavellian exile flirting with right-wing army officers whose commitment to *Algérie française* exceeded their allegiance to republican government, while simultaneously flattering Socialist parliamentarians whose support he would need to reclaim power. His pursuit of an Algerian peace was pure pragmatism, spurred by fears of a French army increasingly self-absorbed and tainted by treason. The resulting wound was not easily cauterized. In April 1961, de Gaulle crushed a revolt led by extremist generals. The following year terrorists belonging to the paramilitary OAS ("Algeria Is French and Will Remain So!") came within inches of killing the hero who had betrayed their cause.

De Gaulle's ultimate achievement, Mr. Jackson argues, was less to have granted Algeria independence "than to have persuaded people that that is what he had done; . . . to create a compelling narrative that explained France's disengagement from Algeria and turned it into a victory rather than a defeat." No wonder Richard Nixon would draw on his example a decade later in fashioning the strategic retreat he called Vietnamization. Freed to pursue grandeur on the world stage, de Gaulle undertook triumphal tours through Africa, Latin America and Asia. Presenting France as a civilized alternative to soulless capitalism and socialist tyranny, he cultivated West German Chancellor Konrad Adenauer, cut off French arms sales to Israel and denounced the Soviet invasion of Czechoslovakia in August 1968.

De Gaulle's personal frugality contrasted sharply with the splendor of his public stewardship. As First Lady of France, Madame de Gaulle did her own marketing, while the couple insisted on paying their personal electric bills at the Élysée Palace. Others were less willing to forgo the fruits of 1960s consumerism. Through a vaguely conceived policy of "association" de Gaulle hoped to narrow the gap between the working class and their employers. Then came May 1968, and the far more radical demands of French students, soon echoed by the country's powerful unions.

Never had the old man seemed so out of touch. On May 29, 1968, his grip on events fading fast, de Gaulle disappeared to a French military base on German soil. Even now, his movements during those frantic 24 hours are more easily traced than his motives. Having assured himself of the armed forces' loyalty, he repaired to Colombey. But only for a night. Back in Paris the fever broke when Prime Minister Georges Pompidou bought off the unions and de Gaulle took to the airwaves to announce elections for a new National Assembly. A month later the forces of order triumphed at the polls.

Much of the credit, however, went to Pompidou. In establishing a credible successor, de Gaulle had made himself expendable. A victim of his own success, he renounced the presidency in April 1969, following defeat in a referendum on reforming regional government and the French Senate. Asked why he had quit over such a minor issue, he replied, "For the absurdity of it." Once before, in 1946, he had justified abdication by explaining, "One's acts have to be picturesque . . . What is picturesque is not forgotten. I take my mystery away with me."

He took it to his grave, on Nov. 9, 1970, at age 79. But in crafting the finest one-volume life of de Gaulle in English, Julian Jackson has come closer than anyone before him to demystifying this conservative at war with the status quo, for whom national interests were inseparable from personal honor and "a certain idea of France."

Mr. Smith, a historian and biographer, is currently at work on a life of Gerald R. Ford.

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BOOKS

'I am the last and highest court of appeal in detection.' —SHERLOCK HOLMES

The Case of the Innocent Man

Conan Doyle for the Defense
By Margalit Fox
Random House, 319 pages, $27

BY ALEXANDRA MULLEN

THE VICTORIANS always thrilled to a good murder. And what might its appurtenances be? Well, start with a respectable setting, perhaps with a smattering of diamonds, a puzzling locked room, a trans-Atlantic chase and, of course, violence: the more brutal the better. A mysterious foreigner might add a pleasant fillip—perhaps even pointing to the murderer himself.

The sensational murder that Margalit Fox describes in "Conan Doyle for the Defense" fits the bill. In 1908 the still-Victorian Marion Gilchrist, an 82-year-old Glaswegian spinster, was going about her daily routine, solitary and secure in her padlocked flat. She felt closer to her maids, past and present, than to the nieces and nephews who wondered if they would inherit the family money that she had persuaded her father to leave her—and the extravagant jewels she'd bought with it.

When her body was discovered in her dining room a few days before Christmas, her face was bashed in. Whodunnit? The relatives who had assumed they would be her beneficiaries? The former maid who had replaced them in the new will that Miss Gilchrist had made out only a month before? Or, in Ms. Fox's words, the "sterling embodiment of everything that post-Victorian Britain had been taught to fear"—a nattily dressed, olive-skinned German-Jewish cardsharp with an accent and a *soupçon* of the pimp about him?

Ms. Fox calls the murder "one of the most notorious . . . of its age." The notoriety had less to do with the murder itself than with the conviction of a foreigner calling himself Oscar Slater—even if his height, clothes and nose didn't match the recollections of the maid (returning from errands) and a downstairs neighbor, both of whom said that the murderer, whoever he was, had brushed by them on his flight from the scene. Nor did Slater match the descriptions of those who remembered a lurking "watcher" over the previous days. Yet he was fingered by a member of the club he belonged to, based on a police description of the suspect and the claim that he possessed a pawn ticket.

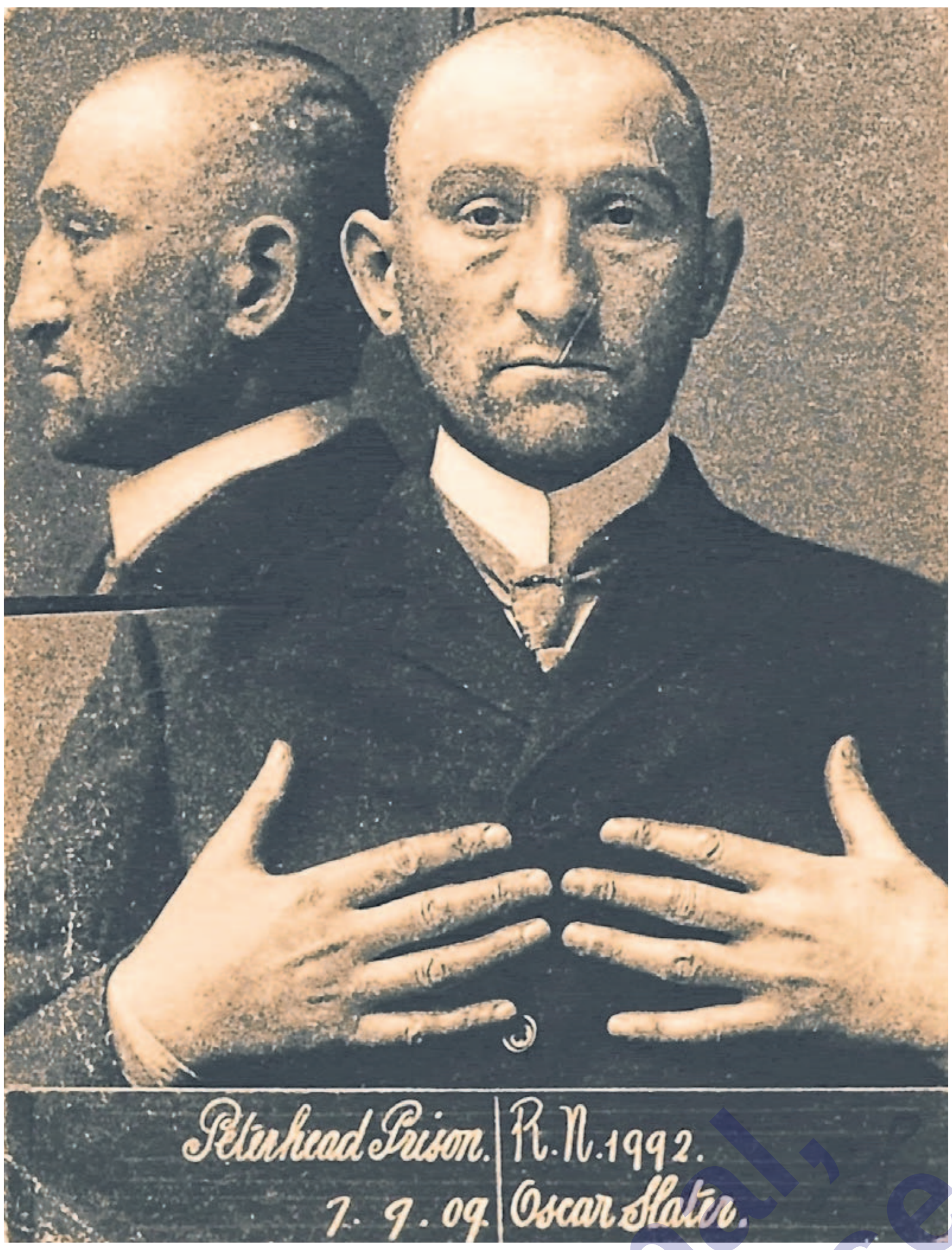
By the time the Glasgow police put out a warrant to extradite Slater from New York, where he had traveled in the meantime, they already knew that the pawn ticket—for a diamond brooch—had proved a dead end. At Slater's trial in Scotland in 1909, witnesses, experts, lawyers, police officers and even the judge ignored the lack of evidence and instead prejudged him by what they wanted or feared to see in him. As the judge said in his summing up: "A man of that kind has not the presumption of innocence in his favour."

Slater was sentenced to death. But in the few weeks between his trial and execution date, more than 20,000 people signed a petition on his behalf, and the powers that be ended up commuting his sentence to life imprisonment and hard labor. One journalist pointed out the irony: Slater was "too guilty to be released, yet not guilty enough to be hanged." It doesn't seem melodramatic to call the case, as many have done, the "Scottish Dreyfus affair."

Slater cannot be called a lucky man, but from the start he was fortunate enough to attract tireless advocates. The most prominent of them was Sir Arthur Conan Doyle. He first entered the Slater fray in 1912, when he rigorously reviewed the case and trial. He published his conclusions—a round condemnation of the shabby proceedings—in a book called "The Case of Oscar Slater": "The trouble . . . with all police prosecutions is that, having once got what they imagine to be their man, they are not very open to any line of investigation which might lead to other conclusions."

Both Conan Doyle's book and the many letters he wrote to newspapers and government officials had no practical results. In 1925 he was galvanized back into action when Slater managed to smuggle out a note in the dentures of a just-released convict begging him to re-energize the famous author. At this point, Conan Doyle joined forces with the Glasgow journalist William Park, whose book "The Truth About Oscar Slater" finally brought about Slater's release in 1928, after nearly 19 years of imprisonment.

Conan Doyle was, of course, the father of the most famous detective of his day: Sherlock Holmes. Conan Doyle shared his creation's "passion for definite and exact knowledge." Back in 1906 he had moved from detective fiction to real-life crime when he helped overturn the conviction of George Edalji, a half-English, half-Indian solicitor who had been falsely accused of maiming animals.



ELEMENTARY One judge in Glasgow said of Oscar Slater, a German-Jewish cardsharp who spoke with an accent: 'A man of that kind has not the presumption of innocence in his favour.'

When Conan Doyle took up the Slater case, he showed, Ms. Fox writes, "a readiness to wade into battle, a sense of honor so intense that it trumped personal antipathies." He thought Slater "a disreputable rolling-stone of a man" when he first wrote about him; when he finally met him, he disliked him. Although an ugly personal wrangle forms the bathetic close of their joint story, Conan Doyle's integrity shines through. So does Slater's humanity. The loving letters he wrote from jail to his parents and sisters in Silesia, sampled by Ms. Fox, form a poignant counterpoint to the impersonal rhetoric of the police report, law court and newspaper story.

When an 82-year-old Scottish spinster was brutally murdered in 1908, the crime was pinned on a suspicious foreigner—until Sherlock Holmes's creator decided to play detective.

Ms. Fox, a former obituary writer for the New York Times, has an eye for the telling detail, a forensic sense of evidence and a relish for research. She weighs the material evidence that, at one point, put Slater's life in the balance (it is "barely an ounce: I have held it in my hand"): a piece of paper from a London watchmaker that may have connected Slater to the victim's house. Along the way, she explores conflicting schools in early 20th-century criminal investigation as well.

Some scientists, she tells us, like the Italian Cesare Lombroso (1835-1909), tried to anticipate future criminals by identifying telltale physical signs—from "enormous jaws, high cheekbones, prominent superciliary arches" to "extremely acute sight, tattooing, excessive idleness, love of orgies, and the irresistible craving for evil for its own sake." This approach was dubbed "criminology." A quite different approach—called "criminalistics"—was developed by the Austrian Hans Gross (1847-1915); it concentrated on evidence left after a crime had been committed: footprints, blood stains, fingerprints. Ms. Fox counteracts any smugness she suspects we might feel at Lombroso's expense by bringing up one way in which law enforcement still seeks to prevent crime: profiling.

As for the Slater case, the approach was a hodge-podge of inadequate evidence and testimony and opportunistically wishful thinking, as Ms. Fox shows so vividly. So in the end, whodunnit? Victorian novels often end with a tidy chapter that ties up the loose ends. As Oscar Wilde's Miss Prism opines, "The good ended happily, and the bad unhappily. That is what fiction means." Slater's story—and Miss Gilchrist's—didn't end in a blaze of glorious resolution. A great deal about the murder remains a mystery. If you fancy yourself a second Sherlock Holmes—or Conan Doyle, for that matter—the game is still afoot.

Ms. Mullen writes for the Hudson Review and the New Criterion.

An Indian Visitor in Search of America

FICTION
SAM SACKS

Three for the road: A prim Bengali widow, her artsy New York chaperon and their Bangladeshi tour guide.

THE TROUBLESOME new client for the First Class India USA Destination Vacation Tour Company, as related in Leah Franqui's debut novel, **"America for Beginners" (Morrow, 310 pages, $26.99)**, is Pival Sengupta, a well-to-do Bengali widow who has booked a cross-country sightseeing trip but, because she is "traveling scandalously alone," requires a female companion to accompany her. Enter Rebecca, a luckless New York actress who resignedly takes the role of joining Pival and her young, bewildered male guide, Satya, as they rush through the country's tourist hot spots, as well as some lesser destinations—no offense to the Corning Museum of Glass—that are on the itinerary because Satya gets a cut of the gift-shop sales.

Only in America, as they say, would the unlikely trio be brought together. Satya is a struggling recent immigrant trying to hide his Bangladeshi origins, since in the widow's rigid social hierarchy this makes him virtually untouchable. Rebecca is your average artsy East Coaster who has more sexual activity in a single bar-hopping weekend than Pival has had in her entire life. Pival has a secret, too: When her son, Rahi, who moved to California for his studies, came out of the closet, her husband cut off ties with him. Soon after, her husband announced that Rahi had died of a heart attack. But Pival has never believed him, and her trip is a labyrinthine route to finding out the truth.

Ms. Franqui covers the latent melodrama of this story with the amusing misadventures of the tour. The culture clash is rooted in rules of propriety. Satya is servile and deceptive; Rebecca, candid and egalitarian. And in observing the pair as they form a cagey alliance, Pival comes to better understand the constraints of her life in India and the liberties Rahi would have found in America.

The pleasure of this smart, mild-mannered novel is that, through its juxtapositions, the reader, too, begins to see the country afresh. Pival acutely reflects on the unruly power of Niagara Falls, the deep sadness of the Lincoln Memorial ("President Lincoln was so massive and weighed down in this prison of marble") and the contrived prurience of Las Vegas. The novel returns the embattled promise of freedom to the heart of the immigrant's tale. The old idea that America is where you come to re-create yourself, to live according to your own lights, animates this book like a misplaced truth newly rediscovered.

America's reputation for sexual permissiveness is what most excites Kailash, the narrator of Amitava Kumar's **"Immigrant, Montana" (Knopf, 304 pages, $25.95)**, when he comes from India to graduate school at Columbia in the early 1990s. First he's educated in the art of pleasure by listening to Dr. Ruth Westheimer's radio program. Then he matriculates to a succession of relationships with smart, beautiful women on campus. A meditation on "youth and love and politics," the book puts an erotic spin on the phrase "land of opportunity."

THIS WEEK'S BOOKS

America for Beginners
By Leah Franqui

Immigrant, Montana
By Amitava Kumar

Brother
By David Chariandy

What we get is a lot of pillow talk interspersed with gleanings from Kailash's postcolonial studies, the latter meant to lend an intellectual sheen to the former. Mr. Kumar makes much of his status as an exile, yet it's not clear how his experiences differ from those of any other randy grad student. The title is a red herring—Kailash passes through Montana during a weeklong vacation with his girlfriend Nina—and was presumably chosen because it sounds sexier than "Student, Ivy League University."

The crux of the problem is that Mr. Kumar follows in the current vogue for mixing fiction and memoir (this is, he writes, an "in-between novel"). The suspicion of autobiography turns these wistful evocations into something crass and embarrassing: a middle-aged guy bragging about his college conquests. Kailash's first girlfriend, Jennifer, leaves him after getting pregnant and undergoing an abortion. He blithely chalks up the episode to youthful error and, a few pages later, hops into bed with Nina. But Jennifer seems to have been deeply disturbed by the experience, and the very possibility that an actual person has had the most private and distressing details of her life made public hangs like a toxic cloud over the rest of the book. The irony is that Mr. Kumar's celebration of sensuality is an unwitting testimony to the virtues of morality and discretion.

David Chariandy's novel **"Brother" (Bloomsbury, 180 pages, $22)** centers on a 1991 killing in a housing complex in the Toronto suburbs known as the Park. The victim is named Francis, a talented, restless teenager who had grown "dissatisfied with the world and with his destined place in it." The survivors are his mother, Ruth, a Trinidadian immigrant who provided for her sons by cleaning houses, and his brother, Michael, the book's introspective narrator. Depicting their tightly bound relationship triangle and its remnants in the aftermath of the tragedy, Mr. Chariandy's novel is small but emotionally dense, a dwarf star of mourning and regret.

The story runs on parallel tracks. The first captures the neighborhood of Michael's childhood and gradually progresses toward Francis's death, while the second finds Michael and his mother a decade later. Ruth suffers from what doctors call "complicated grief," a condition that leaves her prone to fugue states and hallucinations. Michael has spent the years working himself to exhaustion in a supermarket stock room. Despite the passage of time, neither has managed to get any distance from their loss. "Memory's got nothing to do with the old and grey and faraway gone," Michael thinks. "Memory's the muscle sting of now."

But the neat trick of "Brother" is its ability to explore the disorienting effects of grief without sacrificing any sharpness in its portrayals. Mr. Chariandy's descriptions of life in the Park—the hangouts, the late-night dangers, the home cooking and most of all the music—have the texture of felt experience. Most memorable is the character of Ruth, whom we see as both a redoubtable matriarch and a confused, heartbreakingly bereft woman. In her strength and her suffering, she seems as ageless as literature itself.

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BOOKS

'Autobiography is usually honest but it is never truthful.' —ROBERT A. HEINLEIN

One Final Vanity Project

Confessions of an Old Jewish Painter
By R.B. Kitaj
Schirmer/Mosel, 398 pages, $45

BY PETER PLAGENS

ECKHARD J. GILLEN ARCHIVE/SCHIRMER/MOSEL

RUMINATIONS 'Unpacking My Library' (1991) by R.B. Kitaj.

TWENTY YEARS ago, I was sent to Los Angeles for a story on the American painter R.B. Kitaj (1932-2007). He had recently returned to the U.S., after more than three decades in England, over an artistic brouhaha and a personal tragedy: His 1994 retrospective at the Tate Gallery had been roundly panned; shortly thereafter, his second wife, Sandra Fisher, had died at the age of 47 of a stress-related aneurism. Kitaj was convinced the English press had killed her.

Kitaj's art uniquely combines a huge drawing talent with restless, acidic color and a mastery of off-handedly complex composition. I respected Kitaj's work and thought that the British critics had been unduly savage. When I visited him in Los Angeles in 1998, he was finally painting again and delving deeper into his Jewish identity. Lem Dobbs, the artist's screenwriter son by his first wife, had helped him find a house near the University of California, Los Angeles, where Kitaj would live until his suicide nearly a decade later. (He suffered intractable pain from Parkinson's.) After Kitaj's death, it was discovered that from 2001 to 2003 the artist had written, by hand, what would become "Confessions of an Old Jewish Painter." It is not a flattering autobiography.

In the 1950s Kitaj studied at Oxford's Ruskin School and London's Royal College of Art, where he became best friends with David Hockney. (Mr. Hockney contributes a deftly noncommittal preface to the book). Kitaj gained immediate success with the powerful Marlborough Gallery—the Gagosian of its day—and coined the term "School of London" to put himself, Mr. Hockney, Francis Bacon and Lucian Freud under the same anti-abstractionist umbrella. Kitaj later became only the third American, after John Singer Sargent and Benjamin West, to be invited into the Royal Academy.

Kitaj married Elsi Roessler in 1953. The two had Lem and adopted a daughter, Dominie. But Kitaj left Roessler behind on any number of occasions—to join the Army, to ship out on freighters and, finally and fatally, to take up a teaching gig in California. Roessler committed suicide in 1969. Kitaj glosses over her death, writing only that "she was a good, quiet, innocent, very pretty young American girl-next-door who never grew old in exile." Soon he set his sights on Fisher, then but a teenager, who in 1970 was employed at a Los Angeles workshop where Kitaj was making prints. She became the love of his life, but theirs was a semiturbulent relationship: She once left him to be with a Frenchman in Paris, and he continuously pursued sex outside their marriage.

Kitaj seems to have compulsively slept with his students: a "little affair" at Kent State, an orgy at Berkeley, but no luck at Dartmouth, where, he writes, there were "plenty of pretty WASP girls, but they wouldn't put out." He also indulged his "great interest in whoring, which I think of as a lifelong romance, almost an 'art' of its own. . . . Whoring is deeply traditional and instinctive. It's instinct with tradition." To justify himself, Kitaj invokes such "heroes" of his as Degas, Flaubert, van Gogh, Manet and Proust. "I would cruise the street about twice a week with Sandra's blessing," Kitaj writes, "and a few times *with* her."

Kitaj's other obsession was his Jewishness. During our interview, he told me that he was haunted by two questions: Why, for three millennia, have Jews been so hated? And why, with so many Jewish greats in such disparate fields as physics and literature, were there no great Jewish artists? The creative result of contemplating his own "Jewish Question," however, wasn't some great project on the order of Jacob Lawrence's "The Migration Series," which depicted blacks moving northward from the American South in the early 20th century. Rather, Kitaj produced a hit-and-miss collection of images that amount to an aggregate of mug shots of famous intellectuals.

As "Confessions" makes clear, Kitaj is all about celebrating Kitaj. "By 1982," he writes, "I probably became the first prominent Jewish painter to engage the Jewish Question." He has a whole chapter titled "I Can Draw Better Than Any Jew in History" and says that "at 70 I had become the most controversial easel-painter alive."

A charitable interpretation would say that "Confessions" is a diary and that almost every famous contemporary artist's jottings would similarly be marked by contradictions and embarrassments. Yet by writing, as Kitaj does, that "I want you to keep reading my book," he makes clear his grander intentions. The takeaway is that Kitaj blamed the British art critics for the death of his beloved Sandra, probably felt a repressed complicity in Elsi's suicide and never suffered any doubt about his own greatness. His is not a confession on the order of an Augustine or Rousseau but rather the ruminations of an artist given to grandiosity. Stick with the paintings.

Mr. Plagens is an artist and writer in New York.

Into the Wild With a Dog Named Bo

CHILDREN'S BOOKS
MEGHAN COX GURDON

> A lost, orphaned teen faces the terrible urgency of finding shelter, food and fire in cold northern Canada.

'THE WILD DOESN'T care and won't remember," 16-year-old Jess Cooper reflects, as she stares out at the impassive surface of a lake in the remoteness of northern Canada with the smoking ruins of her father's cabin behind her. Her mother is dead, killed three months before in a car crash that left Jess scarred and limping. Her estranged father is dead, murdered by the same men who torched the cabin before climbing back into their plane. Now Jess is on her own with only a dog named Bo and what little she can remember of her father's hasty tutelage in surviving the wild: the terrible urgency of finding shelter, food and fire.

In Kate Alice Marshall's **"I Am Still Alive" (Viking, 314 pages, $17.99)**, Jess narrates her story by toggling back and forth in time, filling us in on the reasons for her predicament while tracing her struggle to survive. Early on, we see her trying to overcome her city-girl squeamishness at killing fish and rabbits. As summer gives way to the premonitory cold of autumn, she will have to overcome revulsion of a far deeper kind when she realizes that a crucial tool for her survival—and for revenge—is buried with the rotting corpse of her father.

It's a gripping adventure, if stylistically overwrought with the present-tense vehemence so common in young-adult novels. Jess is not merely a resourceful teenage girl in a bad spot; she's an emotional wreck suffering continual pain that pounds and pulses and throbs; she bleeds and aches and shakes, and she's forever dragging, flailing, grabbing, cramming, flinging, slamming and digging. Eventually she does some serious killing, too, in this heart-pounder for readers ages 13 and older.

A little boy named Elliot wakes up one morning in perplexity. He notices "a most terrible smell." What can it be? That's the question that animates Blake Liliane Hellman's endearing picture book **"Something Smells!" (Atheneum, 48 pages, $17.99)**. Witty ink-and-watercolor pictures by Steven Henry (see below right) show the boy trotting around in his favorite skeleton costume, scouting and sniffing for the source of the stench. "Was it the cat food? Nope." Is it the baby, or the trash? Or perhaps the bubbling soup kettle full of Grandma's famous "Gefartzenschnaffer"? Readers ages 3 to 7 will delight in following small clues to solve the mystery even as, right through his sudsy bath and the laundering of his outfit, Elliot remains oblivious.

While on safari in Africa, the prolific British rhyme-writer Julia Donaldson noticed that though everyone admired the "big five" animals of the veldt—think trunks and horns and mighty roars—few seemed to appreciate the "lumps and bumps and wrinkles" of less comely creatures. In the rollicking picture-book pages of **"The Ugly Five" (Scholastic, 32 pages, $17.99)**, for children ages 3-8, Ms. Donaldson celebrates the wildebeest, the warthog, the spotted hyena, the Lappet-faced Vulture and the Marabou Stork.

THIS WEEK'S BOOKS

I Am Still Alive
By Kate Alice Marshall

Something Smells!
By Blake Liliane Hellman
Illustrated by Steven Henry

The Ugly Five
By Julia Donaldson
Illustrated by Axel Scheffler

Bigger Than You
By Hyewon Kyung

Marching through Axel Scheffler's colorful pictures, the deprecated animals chant: "We're the ugly five, we're the ugly five. Everyone flees when they see us arrive." Ah, but *are* they so ugly? Not to their babies, they aren't: "We love all your spots and your warts and your bristles, / Your grunts and your groans and your hoots and your whistles. / We really don't think you look ugly at all. / You're beauties! You're bombshells! The belles of the ball."

Just as ugliness is a relative concept, so is size, as readers ages 2 to 5 will notice while visiting a primeval playground in Hyewon Kyung's picture book **"Bigger Than You" (Greenwillow, 32 pages, $17.99)**. "Who wants to play with me?" a gray, ridge-backed Dimetrodon calls from one end of a toppled tree balanced on a boulder like a prehistoric see-saw. In reply, a spiked orange Minmi climbs on the other end of the tree and it thumps down. "I'm bigger than you," he says. With each turn of the watercolor-dappled page comes a new and slightly larger dinosaur to disconcert the one before. When toothy Tyrannosaurus gets outmatched by colossal Brachiosaurus, he changes the rules: "I'm more terrible than you!" T. rex is terrible, too, and the other dinosaurs seem to be at a loss when order is restored—and the young reader's perspective widens—with the arrival of a much larger dinosaur: "Mom!"

ATHENEUM

MYSTERIES
TOM NOLAN

Alpha Females And the Secrets They Keep

'YOU DON'T HAVE A SELF until you have a secret." That is one bit of alleged wisdom given by a reckless mother to her vulnerable teenage daughter in **"Give Me Your Hand" (Little, Brown, 342 pages, $27)**, the latest thriller from the ever-impressive Megan Abbott.

As it happens, the daughter herself, the scientifically gifted Diane Fleming, soon acquires such a secret—one so terrible that she feels the need to share it with her only high-school friend, Kit Owens. But Kit, another able science student (and the book's narrator), is so alarmed by Diane's confidence that she breaks off their friendship.

Jump ahead 12 years: Kit is now a 29-year-old postgrad in the lab of the brilliant scientist who inspired her career, and she is hoping to be chosen for a spot on a reputation-making research project. With the lucky few soon to be named, a surprise last-minute candidate is brought in: Diane Fleming.

Ms. Abbott sows suspense by shifting between past and present, demonstrating how life's earlier acts affect future ones. Will Kit betray Diane's secret to advance her own prospects? Will Diane's past resurface in this "nest of vipers"? The sudden violent death of one of the other lab members forces both women—"accidental accomplices" and "wary conspirators"—to confront their darkest impulses.

THIS WEEK'S BOOKS

Give Me Your Hand
By Megan Abbott

The Last Thing I Told You
By Emily Arsenault

The Last Time I Lied
By Riley Sager

Another woman's disturbing memories of a troubled adolescence form the core of Emily Arsenault's **"The Last Thing I Told You" (Morrow, 401 pages, $15.99)**. As a high-school student, Nadine Raines was so emotionally at sea that she committed an act of violence upon one of her teachers. Twenty years later, Nadine returns to her Connecticut hometown for a holiday visit, during which the therapist who treated her in the aftermath of that incident is bludgeoned to death.

"The Last Thing I Told You" is partly narrated by Nadine. Her chapters constitute a posthumous monologue delivered to the slain doctor, whom she recalls with disappointment, some affection and much anger. The other chapters are from police detective Henry Peacher, a former classmate of Nadine's and the town's hero emeritus for his quick action years ago stopping a mass shooting at a nursing home. It's Henry who is tasked with investigating the doctor's demise. "Yes, this is my first homicide case," he admits in his own one-sided conversation with the murder victim. "But no, that doesn't mean you're getting some kind of a raw deal here."

Ms. Arsenault, in her earlier books, displayed impressive abilities and great charm. With this new work—its diverse supporting cast and mix of wry wit and psychological dread—she vaults to an even higher plateau of achievement. Intertwining strands of police-procedural and personal-confessional details set the reader up for one of the most surprising plot twists in recent memory.

In Riley Sager's **"The Last Time I Lied" (Dutton, 370 pages, $26)**, some of the privileged teenage girls who attend Camp Nightingale, at the base of the Adirondacks, play a game called Two Truths and a Lie: "You say three things about yourself," one of these young women explains. "Two of them must be true. One is false. The rest of us have to guess the lie."

Emma Davis, the 28-year-old New York painter who narrates this book (which also flashes back and forth in time), first played this game at age 13, egged on by older camper Vivian, a bold "alpha female" whose attention she craved. But one night Vivian and two other girls vanished from Camp Nightingale, never to be seen again.

Fifteen years later, the wealthy woman who ran the summer camp (closed in the aftermath of the girls' disappearance) plans to reopen it and invites Emma to be its art teacher. Hoping to exercise her guilt over that awful incident by discovering what happened to the missing girls, Emma agrees. But her new stay is marred by anonymous acts of hostility—and then by the disappearance of three more girls.

The first half of "The Last Time I Lied" is sleekly written and involving. The second part seems to meander, then erupts in an abundance of physical action. Readers who persist to the novel's truth-or-lie ending will be rewarded, though, with a startling, film-noir turn of fate.

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BOOKS

'Where does a thought go when it's forgotten?' —SIGMUND FREUD

Answers In the Wind

The Weather Detective
By Peter Wohlleben
Dutton, 195 pages, $20

By Geoff Wisner

PETER WOHLLEBEN, a professional forester, manages an ancient beech forest for the German municipality of Hümmel, near the Belgian border. He believes that not only do trees compete with one another for light and nutrients, they support one another when a tree is sick or injured, and they communicate threats to one another by sending electrical impulses or by releasing chemicals into the air. His unusual insights made "The Hidden Life of Trees" (2015) an international best seller.

Now his earlier book "The Weather Detective" has been published in an English translation by Ruth Ahmedzai Kemp. While "The Hidden Life of Trees" focused squarely on its subject, "The Weather Detective" ranges more widely in fewer pages. Many of its tips and observations are aimed at gardeners, though the author's more general aim is to encourage people to spend more time outdoors and to notice and understand more of the phenomena that surround them.

FLOWERPHOTOS/UIG VIA GETTY IMAGES

Some of the author's notes on understanding weather are fairly basic: "To determine the wind direction, you can't beat the classic weathercock." Others are more surprising: The daisy closes its petals, or even droops over, if rain is on the way, and the flowers of the water lily "close when they sense rain, often hours before it comes." Whether the flower senses a change in air pressure or responds to the dimming of sunlight because of cloud cover remains unclear.

A small insect called a thrips, whose fringed wings work like paddles, swarms when a storm is on the way. Why? The resistance of air for thrips is like the resistance of water for humans, so "their motion is more like swimming through the air, and it's therefore a rather slow action." When the air is hot, sticky and moving, they can get around more easily.

Other observations are intriguing but have less to do with the weather. The common swift, we learn, "sometimes flies for several months without interruption, even sleeping in flight, albeit for a mere few seconds at a time." The moon's gravity not only causes the tides but pulls on the Earth to a surprising extent. "Over the course of the day, your garden can bob anywhere between 24 and 32 inches up and down without you noticing it." Many scientists believe that the water that covers almost three-quarters of our planet's surface came mainly from comets, "which traveled through the universe like dirty snowballs and, veering off course, crashed into the Earth." (Other scientists say asteroids were the source.)

At many points in this brief book it becomes clear that the author is a European writing for other Europeans. Whether you find this annoying or interesting may depend on whether your main interest is growing flowers or enjoying unfamiliar perspectives on the natural world.

For instance, Mr. Wohlleben quotes the saying "red sky in the morning: shepherd's warning," which we may remember as "sailors take warning." The spells of warm weather in the fall that we call Indian summer are known in German as "old woman's summer," after the silvery threads left by spiders in the air. He mentions "the extremely unpopular European water vole" but doesn't pause to say what makes them so unpopular. (In addition to looking like rats—Ratty in "The Wind in the Willows" was a water vole—they sometimes feed on crops.) A couple of pages are devoted to ways you can keep martens, a forest-dwelling member of the weasel family, from nesting in your car or chewing through the rubber tubing: a serious issue in Germany, where drivers can buy marten insurance, but less so in the U.S., where spotting a marten is an unusual event.

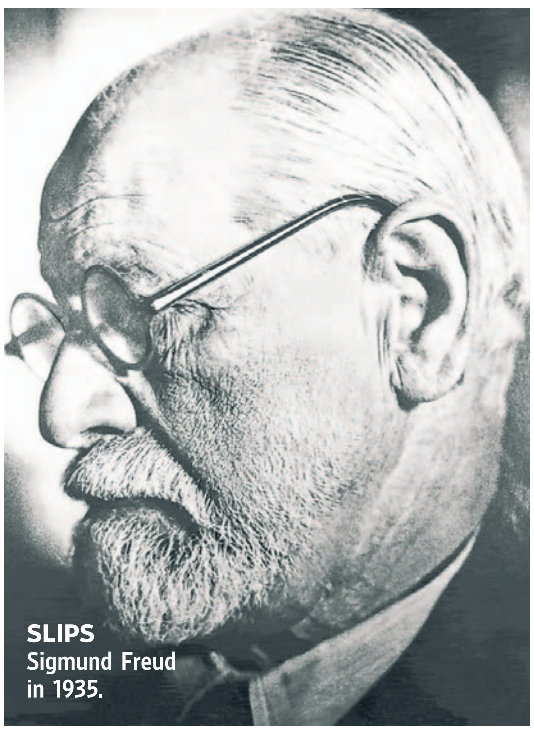
"The Weather Detective" is peppered with fun facts about nature but breaks little new ground. Readers in search of the wide-ranging insights they found in Mr. Wohlleben's book on trees may find that this one whets their appetite but does not satisfy it.

Mr. Wisner's latest book is "Thoreau's Animals."

FIVE BEST BOOKS THAT OPEN THE MIND

Deborah Levy

The author, most recently, of 'The Cost of Living'



SLIPS
Sigmund Freud in 1935.

BETTMANN ARCHIVE

The Psychopathology of Everyday Life
By Sigmund Freud (1901)

1 The father of psychoanalysis loved to chain-smoke cigars, yet he didn't encourage his colleagues to ponder the unconscious significance of his addiction. "Sometimes a cigar is just a cigar," was his famous (and contested) retort. But Freud did believe that there was significance to the ways we mysteriously forget the names of people well known to us, or to the seemingly innocuous slips of the tongue. When we forget a name, we "are robbed by an unknown psychic force." Everyday speech blunders, he explained, result from the intrusion of an unwelcome, unconscious thought. Unable to remember the name of a colleague, Freud was reminded that the name is "Nervi," to which he replied, "to be sure, I have enough to do with nerves." A patient asking about the consultation fee is told it's $10. After the examination he asks again, adding that he didn't like to owe money, especially to doctors, and that he liked to "play right away." He meant, of course, to say "pay." "I was sure his mistake betrayed him," Freud wrote, and that "he was only playing with me." This intuition couldn't have been far from the mark. All his inquiries notwithstanding, the patient presented just $4 for the fee and would remain unwelcome when billed for the rest. I have always marveled at the painstaking ways in which Freud attempted to explain to the lay readers of his generation the new avant-garde science of the unconscious—this was his genius and it lit up the world.

The Lover
By Marguerite Duras (1984)

2 Set in 1930s Saigon, a young Frenchwoman wearing a fedora and gold sandals is standing on a ferry. A wealthy Chinese banker, 12 years her senior, observes her. They begin an affair, which is culturally taboo at the time. She lives in genteel poverty with her harsh, widowed mother and brothers. Written in chiseled, intense prose, every sentence exquisite, "The Lover" is more than the story of a forbidden seduction. It is also about colonialism and the need to make a life of one's own. Erotic and existential—"He says he's lonely, horribly lonely because of this love he feels for her. She says she's lonely too. She doesn't say why"—the book has been translated into more than 40 languages and won the Prix Goncourt.

The Wonderful Wizard of Oz
By L. Frank Baum (1900)

3 I read this book at the age of 9, before I saw the film, and am glad that is so. The imaginative reach of L. Frank Baum's mighty story is still lively in my mind. No Harry Potter, Dorothy hasn't got a wand—but does have magical silver shoes and the comfort of her beloved dog. "It was Toto that made Dorothy laugh, and saved her from growing as gray as her other surroundings." The idea that the much-feared Wizard of Oz was a whimpering weakling was subversive to me, but not as thrilling as Dorothy being asked to wear green-tinted spectacles so as not to be blinded by the light of the Emerald City. Baum created a glittering literary eclipse and made humble Dorothy the most powerful character in the book.

Cocaine Nights
By J.G. Ballard (1996)

4 J.G. Ballard was the big dreamer of British fiction. His major influences were Freud and the Surrealists, and he put this heady mix of psychological acuity and absurd juxtaposition to work in "Cocaine Nights." Set in the south of Spain, the novel is peopled by wealthy, tanned British expats. Afflicted by a crashing boredom, they look to their adored and charismatic tennis coach—who, it turns out, is also an arsonist and thief—to make their lives more exciting. The mild-mannered narrator steering us through this dystopia is travel writer Charles Prentice, who views this sun-drenched world as one of "those strips of no-man's land between the checkpoints [that] seem such zones of promise, rich with the possibilities of new lives, new scents and affections." But they also set off "a reflex of unease that I have never been able to repress." Charles doesn't repress much for very long. Civilization is just a thin veneer under which the id waves at these expats, who have become disenchanted with the good life of consumerism and leisure.

Crudo
By Olivia Laing (2018)

5 Olivia Laing's debut novel, "Crudo"—the Italian word for "raw," often used for a kind of cuisine—is about love and all the vulnerability, fear and feelings of omnipotence it brings. It's a narrative written with immense vitality and, miraculously, the lightest of touches. The narrator is 40-year-old Kathy, who is, in the summer of 2017, feeling raw about falling madly in love. In the run-up to her wedding, "she'd been uneasy for weeks." She is afraid that marriage might pin her to a societally conforming status that does not fit her. Most of all, she is anxious about the toxic dangers of social media; she worries that one rogue tweet might push the world into nuclear war, just as things are going right for her. She wants to explore all the dimensions of this new love, mostly told later through the meals she shares with her new husband. "There was goat's curd and tomatoes, there was a tilting bowl full of razor clams and regular clams with little dots and dashes of chorizo." At the same time, "her husband's sad eyes upset her but also infuriated her." It's a subversive love story that shouldn't work, but does.

Best-Selling Books | Week Ended July 22

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Liars, Leakers, and Liberals Jeanine Pirro/Center Street	1	New
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	2	1
Magnolia Table Joanna Gaines & Marah Stets/William Morrow & Company	3	2
The Subtle Art of Not Giving a F*ck Mark Manson/Harper	4	4
The Plant Paradox Steven R. Gundry/Harper Wave	5	3
StrengthsFinder 2.0 Tom Rath/Gallup Press	6	8
12 Rules for Life Jordan B. Peterson/Random House Canada	7	5
The Plant Paradox Cookbook Steven R. Gundry/Harper Wave	8	6
Educated Tara Westover/Random House	9	10
Calypso David Sedaris/Little, Brown and Company	10	9

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Other Woman Daniel Silva/Harper	1	New
The President Is Missing J. Patterson & B. Clinton/Little, Brown & Company & Knopf	2	1
Cottage by the Sea Debbie Macomber/Ballantine Books	3	New
The Outsider Stephen King/Scribner Book Company	4	3
The Good Fight Danielle Steel/Delacorte Press	5	2
The Hate U Give Angie Thomas/Balzer & Bray/Harperteen	6	7
The Perfect Couple Elin Hilderbrand/Little, Brown & Company	7	6
Spymaster: A Thriller Brad Thor/Atria Books	8	5
Children of Blood and Bone Tomi Adeyemi/Henry Holt & Company	9	–
All We Ever Wanted Emily Giffin/Ballantine Books	10	8

Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Walmart) and web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Peter.Saenger@wsj.com.

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Educated Tara Westover/Random House Publishing Group	1	1
Girl, Wash Your Face Rachel Hollis/Thomas Nelson, Inc.	2	3
The 7 Habits of Highly Effective People Dr. Stephen R. Covey/Stephen R. Covey	3	2
Bad Blood John Carreyrou/Knopf Doubleday Publishing Group	4	5
A. Lincoln Ronald C. White, Jr./Random House Publishing Group	5	–
The Subtle Art of Not Giving a F*ck Mark Manson/HarperCollins Publishers	6	–
Hidden Figures Margot Lee Shetterly/HarperCollins Publishers	7	–
Van Gogh Steven Naifeh/Random House Publishing Group	8	–
Mayflower Nathaniel Philbrick/Penguin Publishing Group	9	–
Modern Sauces Martha Holmberg/Chronicle Books LLC	10	–

Nonfiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Liars, Leakers, and Liberals Jeanine Pirro/Center Street	1	New
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	2	1
Magnolia Table Joanna Gaines & Marah Stets/William Morrow & Company	3	3
The Subtle Art of Not Giving a F*ck Mark Manson/HarperOne	4	4
The Plant Paradox Steven R. Gundry/Harper Wave	5	2
Educated Tara Westover/Random House	6	7
You Are A Badass Jen Sincero/Running Press Adult	7	5
12 Rules for Life Jordan B. Peterson/Random House Canada	8	6
Kitchen Confidential Anthony Bourdain/Ecco Press	9	8
Calypso David Sedaris/Little, Brown and Company	10	9

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Other Woman Daniel Silva/HarperCollins Publishers	1	New
The President Is Missing James Patterson & Bill Clinton/Little, Brown & Company	2	1
Cottage by the Sea Debbie Macomber/Random House Publishing Group	3	New
Her Mother's Grave Lisa Regan/Bookouture	4	New
Every Time We Fall In Love Bella Andre/Bella Andre	5	New
The Perfect Couple Elin Hilderbrand/Little, Brown and Company	6	3
All Your Perfects Colleen Hoover/Atria Books	7	New
All We Ever Wanted Emily Giffin/Random House Publishing Group	8	4
The Outsider Stephen King/Scribner	9	–
Hornet Flight Ken Follett/Penguin Publishing Group	10	–

Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Other Woman Daniel Silva/Harper	1	New
The President Is Missing J. Patterson & B. Clinton/Little, Brown & Company & Knopf	2	1
Cottage by the Sea Debbie Macomber/Ballantine Books	3	New
Sharp Objects Gillian Flynn/Broadway Books	4	2
Origin Dan Brown/Anchor Books	5	–
The Adventure Zone Clint McElroy/First Second	6	New
The Outsider Stephen King/Scribner Book Company	7	9
The Perfect Couple Elin Hilderbrand/Little, Brown & Company	8	5
The Rooster Bar John Grisham/Dell	9	4
All We Ever Wanted Emily Giffin/Ballantine Books	10	8

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
StrengthsFinder 2.0 Tom Rath/Gallup Press	1	1
Total Money Makeover Dave Ramsey/Thomas Nelson	2	6
Emotional Intelligence 2.0 Travis Bradberry & Jean Greaves/TalentSmart	3	2
Extreme Ownership Jocko Willink and Leif Babin/St. Martin's Press	4	5
Bad Blood John Carreyrou/Knopf Publishing Group	5	3
The Five Dysfunctions of a Team Patrick Lencioni/Jossey-Bass	6	8
Principles: Life and Work Ray Dalio/Simon & Schuster	7	7
Radical Candor Kim Scott/St. Martin's Press	8	10
Measure What Matters John Doerr/Portfolio	9	9
The Power of Positive Leadership Jon Gordon/Wiley	10	–

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PLAY

NEWS QUIZ DANIEL AKST

From this week's Wall Street Journal

1. Ivanka Trump, the president's daughter, is closing her namesake fashion brand. What's the name of the company behind the brand?

- A. Make Apparel Great Again Inc.
- B. Ivanka Ltd.
- C. Ivana Marie
- D. IT Collection LLC

2. Beef, poultry and pork are piling up in U.S. cold storage. What's one reason?

- A. Growing vegetarianism
- B. Decisions by China and Mexico to impose retaliatory tariffs
- C. High consumer prices due to the soaring cost of feed
- D. The advent of test-tube meats

3. Which of these is part of a new corporate uniform of sorts for men?

- A. Spats
- B. Rugby shirts
- C. A fleece vest
- D. A lightweight cardigan

4. A home inspired by Henry David Thoreau's book "Walden" is on the market—for $29 million. Where is it?

- A. Massachusetts
- B. Colorado
- C. California
- D. An exclusive new suburb of Shanghai

5. Sergio Marchionne, who merged Fiat and Chrysler into one big success, died at the age of 66. What further merger did he publicly seek?

- A. With General Motors
- B. With Ford
- C. With Toyota
- D. With Google

6. Some House Republicans filed articles of impeachment against Deputy Attorney General Rod Rosenstein. When was the last time an executive branch official lost his office through impeachment?

- A. 1999
- B. 1876
- C. 1798
- D. Never

7. In the latest attempt to reverse its decline, J.C. Penney has decided to focus on which group of shoppers?

- A. Middle-aged moms
- B. Middle-aged dads
- C. Millennials
- D. Immigrants

8. Beth Ford was named CEO—of which outfit?

- A. Ford Motor
- B. Ford Models
- C. The Ford Madox Ford Trust
- D. Land O'Lakes

9. Scientists found evidence of a hidden liquid lake on Mars—implying what?

- A. Boat noise
- B. A temperate climate
- C. A crucial precondition for life
- D. That Martians can swim

FROM TOP: MICHAEL REYNOLDS/EPA-EFE/REX/SHUTTERSTOCK; NASA

Answers are listed below the crossword solutions at right.

VARSITY MATH

Provided by **National Museum of Mathematics**

The coach shares a numerical brain teaser with the team this week.

Circle of Friends
The math team members position themselves in a circle. Each is given a number and shows it to his or her two neighbors. Each then takes the average of the two numbers he or she was shown and announces the result. The announced numbers turn out to be 1, 2, 3, ... and so on all around the circle in order.
Cindy exclaims, "The number I was given initially is 10 times the number I announced!"

How many members are in the circle if there are fewer than 30 in the group?

Learn more about the National Museum of Mathematics (MoMath) at momath.org

Make 29
Produce a mathematical expression equaling 29 in which you use the numeral 2 twice, 6 once, and +, -, ×, ÷, decimal points and parentheses as many times as you wish.

SOLUTIONS TO *LAST WEEK'S* PUZZLES

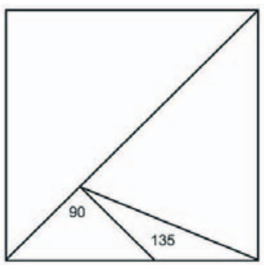
Ender's Game

C	A	R	O	L	E		S	S	A		S	W	I	M		G	L	A	S	S
A	B	A	C	U	S		T	I	E		C	O	N	E		L	I	T	H	E
N	I	G	H	T	C	A	P	E	R		H	E	A	D	B	U	T	T	E	R
A	D	I	S	H		B	E	G	O	F			B	E	E	T		R	A	T
L	E	N		E	L	A	T	E		A	C	T	I	V	E		T	A	R	A
			P	R	O	S	E	S		L	O	R	N	A		S	E	C		
J	E	T	L	A	G	E	R		B	L	O	O	D	C	O	U	N	T	E	R
E	V	I	A	N				L	O	F	T	Y			U	L	T	I	M	A
F	E	R	N			S	T	E	N	O	S		W	A	T	T	H	O	U	R
F	R	E	A	K	S	H	O	W	E	R		B	E	L	L	A		N	S	A
			R	E	H	I	R	E	S		R	A	D	I	A	N	S			
A	P	B		L	E	F	T	S		M	A	G	I	C	W	A	N	D	E	R
L	E	A	F	L	E	T	S		R	E	C	E	D	E			A	R	C	O
A	D	R	I	E	N			M	O	T	E	L				S	P	I	C	A
S	I	E	R	R	A	M	I	S	T	E	R		H	O	T	T	U	B	E	R
		L	E	S		A	N	G	E	R		P	I	P	E	U	P			
F	E	E	D		S	P	A	R	S	E		A	C	R	A	B		P	O	T
A	L	G		A	S	T	I			D	I	N	K	A		B	R	A	V	O
T	I	G	H	T	W	A	D	E	R		C	A	S	H	F	L	O	W	E	R
A	T	E	A	M		C	O	N	N		E	M	O		L	E	V	E	R	S
L	E	D	G	E		K	F	C	S		D	A	N		U	S	E	D	T	O

Marching Bands

T	U	R	N	I	P	A	D	M	I	N	I	S
G	R	A	M	P	A	G	E	S	T	A	L	T
N	E	P	A	L	I	S	H	A	N	G	E	R
A	S	T	R	I	D	E	T	H	E	L	M	A
W	R	I	N	G	L	O	V	E	B	O	A	T
T	E	T	E	S	T	A	N	D	U	P	T	O
S	P	U	R	N	S		G	U	S	H	E	R
E	S	C	A	R	O	L	E	S	L	I	P	S
T	I	C	K	E	T	S	D	E	A	L	I	O
A	D	E	L	A	I	D	E	G	R	E	E	N
N	A	P	O	L	E	O	N	S	D	A	R	T
I	M	A	L	L	S	E	T	A	B	A	S	H
E	F	F	A	C	E	D	O	I	D	A	R	E

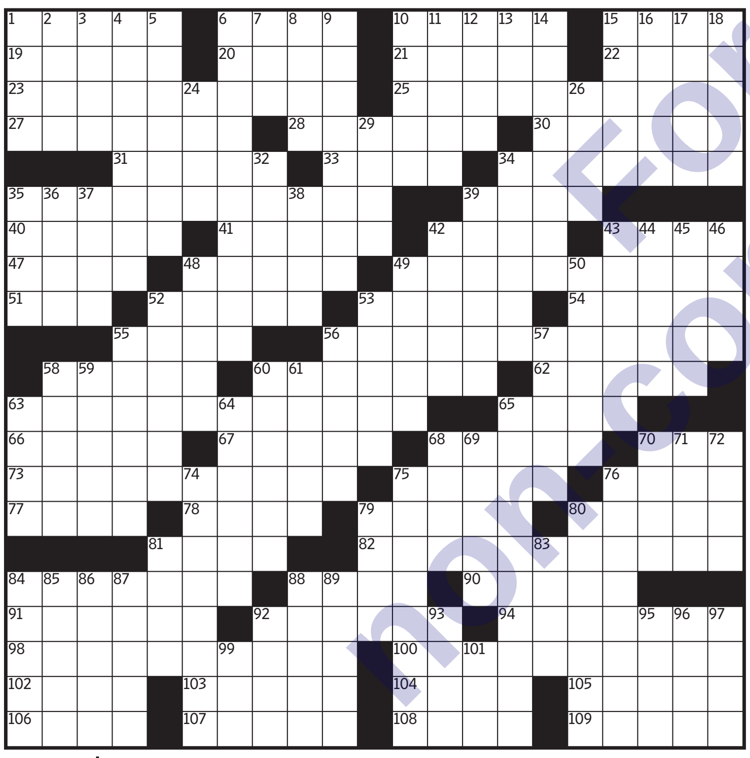
Varsity Math
The solution to **Tile the Square** is shown in the figure below. In **Largest Circle**, the radius of the largest circle that can be drawn inside the polygon is r = (√3 - √2 + 1)/2 = .6589186...



For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

Answers to News Quiz: 1.D, 2.B, 3.C, 4.B, 5.A, 6.D, 7.A, 8.D, 9.C

THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



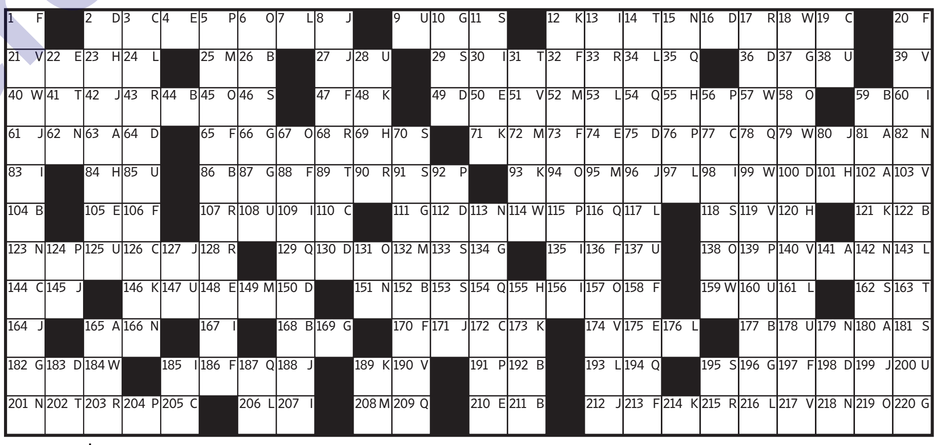
Add-Ons | *by Charlie Oldham*

Across

1 Gondola's course
6 Aromatherapy settings
10 Hekzebiah Hawkins's daughter, in "Li'l Abner"
15 Subtler "Hey you!"
19 "Gentlemen Prefer Blondes" writer Loos
20 Flyer at Australia's Festival of the Winds
21 Dense wood
22 Mandolin's cousin
23 Invader of Britain with a highish voice?
25 Fat chicken who's a fathead?
27 Have reached the level of
28 Chef's asset
30 Fills of some cartridges
31 Keypad key
33 Kippers containers
34 Action movie shout
35 Starbucks's Howard Schultz?
39 It's about a foot
40 Unearned run precipitator
41 Illusionary works
42 Tuckered out
43 Milhouse's crush
47 "Know that we have divided in three our kingdom" speaker
48 Taunts persistently
49 Principle like "Always put recyclables in the blue bin"?
51 Small drink
52 Drives, in a way
53 Sully
54 3M sponge brand
55 Farmer's buy
56 Discount for a Versailles tour?
58 Knapsack part
60 1976 George Harrison song
62 Lets out
63 Influential member of the hospital staff?
65 Nickelodeon explorer
66 "Give it ___!"
67 Bother
68 Figurehead positions
70 Easy victim
73 Climber's spike in a pinkish-yellow hue?
75 Encircling operation
76 Chimney shaft
77 "She's a Lady" songwriter
78 Pork purchase
79 Any of 1,406 for Rickey Henderson
80 "Symposium" author
81 Jargon
82 Fabric for astronauts' outfits?
84 Hospital where Prince George, Princess Charlotte and Prince Louis were born
88 Apple Store purchase
90 "Go away!"
91 Sportsplex features
92 Makers of air deliveries
94 "Vista de Toledo" painter
98 Part of a soccer robot's controller?
100 Leader of the Anti-Knight Guild?
102 Incise
103 Victor's gloat
104 Significant spans
105 Bikini, e.g.
106 Global septet
107 Chemise's kin
108 Low card in a pinochle deck
109 Like some divorces

Down

1 Show whose characters include Macavity, Mungojerrie and Mr. Mistoffelees
2 Waylon Jennings song "Working Without ___"
3 Nickname of the caravel Santa Clara
4 Expiate
5 Ring in a library
6 Item with a deck supported by two trucks
7 Instagram uploads
8 Situated on
9 Canadian Tire Centre team
10 Car called a saloon by Brits
11 Neighbors
12 Thoroughly cooked
13 Kin of Ltd.
14 Canine
15 Producer of wood shavings
16 "Terrif!"
17 Seattle's WNBA team
18 In need of chilling
24 Gratify completely
26 Place to put in
29 Dryer accumulation
32 Fleet
34 Virginal
35 Breton, e.g.
36 Twistable treat
37 Rush setting
38 "Phooey!"
39 Spirit-raising gathering
42 Cox of "Succession"
43 Unfilled space
44 Blundering
45 Piloting milestones
46 Before long, poetically
48 Microwave output
49 Condor claw
50 Doves, at times
52 Warm spot
53 The Hierophant, e.g.
55 Grapefruit-lime soda brand
56 Song of praise
57 Javert's portrayer in 2012's "Les Misérables"
58 Philosophy's Kierkegaard
59 Fine adjustment
60 "Phooey!"
61 Prod
63 Oscar-Quebec go-between
64 Shop groups
65 Lab requirement
68 Diner display
69 Paper packages
70 Do in
71 Camera setting
72 Drudge
74 Romper's kin
75 Cattle farmers
76 Unvarying charge
79 Harry's lightning bolt, e.g.
80 Usher's handout
81 Twins-Lion go-between
83 Nippy
84 Some Japanese spirits
85 Hardly original
86 Jamaraat Bridge location
87 Looped crosses
88 Van Morrison's "Have ___ You Lately"
89 Something to take into account
92 Past Derby winner, perhaps
93 Asian wrap
95 Vanity cases
96 Maj.'s superiors
97 Not more than
99 Sette minus quattro
101 Cubs fielder Happ



Acrostic | *by Mike Shenk*

To solve, write the answers to the clues on the numbered dashes. Then transfer each letter to the correspondingly numbered square in the grid to spell a quotation reading from left to right. Black squares separate words in the quotation. Work back and forth between the word list and the grid to complete the puzzle. When you're finished, the initial letters of the answers in the word list will spell the author's name and the source of the quotation.

A. Home of watchmakers Chopard, Rolex and Patek Philippe — 141 63 102 81 180 165

B. "The best laid schemes o' Mice an' Men gang aft agley" poet (2 wds.) — 44 26 59 104 86 168 152 177 192 122 211

C. Orbiter in a shell — 3 172 19 144 110 126 77 205

D. Brunch dish topped with hollandaise sauce (2 wds.) — 112 100 150 183 2 198 130 16 64 49 75 36

E. Belief that life is without meaning or intrinsic value — 22 210 175 105 4 148 74 50

F. Be left to fend for oneself in a problematic situation (4 wds.) — 136 88 32 197 65 1 73 170 186 213 20 47 106 158

G. Child's toy with an animal head mounted on a stick — 10 66 196 111 220 37 169 182 134 87

H. Nation whose name comes from the Greek for "Red Sea" — 120 69 84 23 155 101 55

I. Orchestra's concertmaster, for one (2 wds.) — 207 135 109 83 185 156 60 30 98 167 13

J. Tipper on election night, perhaps (2 wds.) — 61 27 127 145 80 212 171 96 42 164 188 8 199

K. Navel, clinically — 12 214 146 93 173 189 71 121 48

L. Larry McMurtry novel made into a 1989 TV miniseries (2 wds.) — 97 206 143 176 24 53 193 34 161 216 7 117

M. Rich frozen dessert that may be topped with almonds or macaroon crumbs — 95 72 52 25 132 149 208

N. Author who coined the words "positronic" and "robotics" (2 wds.) — 179 62 142 201 113 218 82 123 166 151 15

O. Birthplace of bubble wrap, Band-Aids and Teflon (2 wds.) — 94 157 67 131 138 219 45 6 58

P. Zoning out, so to speak — 191 56 139 5 124 76 204 115 92

Q. Info on food and medicine packaging (3 wds.) — 78 116 154 54 194 35 187 209 129

R. Edible wrapping for spring rolls (2 wds.) — 17 203 33 128 107 68 215 43 90

S. 1979 Broadway musical whose title character "served a dark and a vengeful god" (2 wds.) — 153 162 11 181 29 46 133 118 195 70 91

T. Where Paul Gauguin lived and painted from 1895 to 1901 — 202 89 163 41 31 14

U. Song performed by Janis Ian on the first episode of "Saturday Night Live" (2 wds.) — 108 85 137 147 200 28 160 9 125 38 178

V. Increase incrementally (2 wds.) — 217 21 174 103 119 140 190 39 51

W. Abalone, conch or limpet (2 wds.) — 18 184 114 79 40 159 99 57

▶ **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.**

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REVIEW

BARTHÉLEMY TOGUO/GALERIE LELONG & CO. PARIS & BANDJOUN STATION, CAMEROON

ICONS

He Builds the Boat And Serves the Coffee

In a Hamptons show, Cameroon-born Barthélémy Toguo treats serious issues in a vivid style

By Susan Delson

The work of African artist Barthélémy Toguo encompasses painting, sculpture, photography, installation, performance—and coffee.

Mr. Toguo's coffee is grown and roasted by local workers at Bandjoun Station, the cultural center and organic farm that he established in 2007 in his native Cameroon. Adorned with labels based on his own watercolors, packages of Bandjoun Station coffee are sold at art fairs, often in limited editions created for each event.

Mr. Toguo plans to personally serve the coffee at an Aug. 4 preview reception for "Platform: Barthélémy Toguo: The Beauty of Our Voice," opening Aug. 5 at the Parrish Art Museum in the Hamptons hamlet of Water Mill, N.Y. Like his limited-edition coffee, the show deals with weightier subjects than the materials might at first suggest.

The centerpiece of the exhibition is "Road to Exile," a large-scale installation that made its debut in Paris in 2008. For the Parrish version—each one is slightly different—Mr. Toguo built a life-size boat and plans to load it with baggage made from colorful African fabrics and set it on a sea of glass bottles. Reflecting the perilous journeys of migrants and refugees around the globe, the work also suggests a broader interpretation. "We're all living in some kind of an exile," Mr. Toguo said in French, with translation by Corinne Erni, senior curator at the Parrish. "We're all immigrants in some way, or migrants."

Mr. Toguo could be counted among them. Born in 1967 in Mbalmayo, Cameroon, he studied at art schools in Ivory Coast, France and Germany. Originally working in sculpture, in the 1990s he expanded into photography, video and performance. In 2011 France gave him a major cultural award, and in 2015 the Venice Biennale featured his work. These days, Mr. Toguo divides his time between Paris and Bandjoun, Cameroon.

Curated by Ms. Erni, the exhibition is part of the Parrish's annual "Platform" series, which invites individual artists to consider the entire museum, its architecture, landscape and local community as a site for their work. Although Mr. Toguo is well known in Europe, "The Beauty of Our Voice" is his first solo museum show in the U.S. It's also the first collaboration in a partnership between the Parrish and the nearby Watermill Center, an interdisciplinary center for the arts that hosted Mr. Toguo this past June as an artist in residence.

Above, a 2009 iteration of 'Road to Exile,' Mr. Toguo's work that includes a boat he builds himself—a project he is doing in the Hamptons.

Presented in one of the museum's largest galleries, "Road to Exile" is surrounded by roughly a hundred works from the Parrish collection—paintings, videos and works on paper that largely celebrate seafaring and global commerce, and ships as symbols of prestige, wealth and power. They offer a provocative contrast to the handmade boat at the gallery's center, with its cargo of hope and desire.

A second gallery houses the latest edition of Mr. Toguo's "Mobile Cafeteria," a participatory installation reminiscent of African street cafes. Here, visitors will be able to play African board games, watch recorded African soccer games and learn more about Bandjoun Station as a cultural and agricultural center.

This gallery also hosts works from different series by Mr. Toguo, including three from "Stupid African President" (2005-08)—large-scale photographs of the artist that caricature politicians who ruthlessly exploit the continent's resources for their own benefit. That series, Mr. Toguo said, is "a way of raising awareness for Africans themselves—that they have to do something about this situation and these autocratic leaders."

A series of dreamlike paintings done at the Watermill Center depicts human and animal forms fluidly merging and morphing, dissolving the boundaries between human beings and nature. The relationship with nature is an important topic to Mr. Toguo, said Ms. Erni. "As a farmer, he very much sees the degradation" of the environment, she added. The exhibition also marks the debut of "Black Lives Matter" (2018), 10 pencil drawings depicting African-Americans killed by police in recent years. Mr. Toguo said that he had been inspired in his work by French author and philosopher Albert Camus, who pointedly questioned the role of the artist in society. "I'm very aware of what is happening in the United States," he said. "I couldn't do my first museum show here without addressing these social problems."

The show also gave Mr. Toguo an opportunity to expand one of his most extensive ongoing series. "Head Above Water—Hamptons" (2018) is the latest addition to a world-wide project, begun in 2004, in which people in local communities—often living under challenging circumstances—write to him about their lives and hopes, using postcards that he designs. Mr. Toguo said he wanted to make sure that, along with young adults from area schools, the project included members of the Shinnecock Indian Nation, a Native American people of eastern Long Island. "Head Above Water" gives voice to people who are not normally heard, he explained. The 96 framed "Hamptons" postcards are on view in the central gallery running the length of the museum, alongside previous editions from communities in Lagos, Nigeria (2005) and Mexico (2008).

As for the coffee, Mr. Toguo sees serving Bandjoun Station coffee at the museum reception as a way to underscore the self-sufficiency that can follow when African producers set the price for coffee as well as art. It's literally a wake-up call.

MASTERPIECE | 'BIBLIOTHÈQUE' (1926-27), BY GERALD MURPHY

A Severe Take on Timeless Pleasures

By Helen A. Cooper

IN A ROOM in the Yale University Art Gallery alive with great works of American modernism, each one bursting with energy and clamoring for attention, there is one, monumental in size, aloof, cool, an otherworldly silent presence, that stops you in your tracks. Could it be by the same man who with his wife, Sara, inspired F. Scott Fitzgerald's protagonists Dick and Nicole Diver in "Tender Is the Night," and who were at the center of a glittering circle of European and American expatriates in Paris and the French Riviera in the 1920s? It is. For a brief seven years, from 1922 to 1929, Gerald Murphy was a brilliant and inventive artist who created paintings that seem as daring and original today as they did when they were first painted.

The Murphys had moved to France with their three young children in September 1921 to escape the stifling social conservatism of their New York families, determined to create a life that was "fresh, new and alive." They quickly became part of a circle of experimental artists, writers, dancers and composers, and were seen as the epitome of modern America in their taste, informality and stylishness.

Murphy's career as a painter could be said to have begun on an October day soon after arriving in Paris when, by chance, he walked past a gallery showing works by Picasso, Braque and Gris. "I was astounded," he later recalled. "My reaction to the color and form was immediate. To me there was something in these paintings that was instantly sympathetic and comprehensible."

Until this "shock of recognition" Murphy had considered painting strictly an art of verisimilitude. Cubism was not only a radical form of painting, with its shifting points of view, geometric forms and emotional ambiguity, but it was a new way to express the fractured pace of contemporary life.

For six months the 33-year-old American took daily lessons from the expatriate Russian painter Natalia Goncharova, whose reductivist concentration on abstract shapes and blocks of color left an impact on him, as did the Cubism of Picasso and especially Léger. The result was wholly unexpected paintings of boat decks, turbines, ball bearings, and the newest consumer goods—safety razors, fountain pens, watches—executed in signlike flatness and often enlarged to colossal size, all rendered in meticulous detail, turning the ordinary into the emblematic.

Inspired by his father's study, the painting can be read as a portrait of his difficult relationship with the man.

YALE UNIVERSITY ART GALLERY/VAGA VIA ARS, NEW YORK

He entered important avant-garde exhibitions where he stunned critics and the public. In less than a decade he produced at least 14 paintings that were celebrated in France as the embodiment of American modernity.

"Bibliothèque" (1926-27) is Murphy's most personal painting. He said it was inspired by childhood recollections of his father's study, but it is impossible not to read it also as a portrait of his difficult relationship with his father. Patrick Murphy was a witty, erudite man of commanding presence who had taken a failing saddlery, Mark Cross, and made it into the most prestigious leather-goods company in America. Gerald, who hated his brief stint in the business, knew he had never lived up to the expectations of his strict and emotionally distant father.

A narrow painted black band encloses the composition of architectural columns and capitals, books, a globe, a classical bust, and a magnifying glass, their strictly frontal and profile views adding to an impression of severity. Heroic in scale (6 feet tall), with flat planes of muted tans, browns and greens (the colors of Mark Cross leathers?) rendered in invisible brushwork, the painting's style lies midway between realism and abstraction. A Cubist grid of overlapping repeated linear and rounded forms, arranged along vertical and horizontal axes and punctuated by circles, lock the picture into place around the central column. The bisected composition is indebted to Léger, while the pale tonalities, clarity, classical poise and immaculate edges reveal the impact of Purism, a Cubism-derived movement pioneered by Le Corbusier in response to the chaos of World War I.

"Bibliothèque" portrays a world of timeless pleasures—literature, geography, classical architecture, philosophy. We are seduced. But then we notice the books' spines are bereft of letters, the countries and continents depicted on the globe have no names, and the magnifying glass, which at first glance offers an invitation for closer examination, reveals only a blank, opaque lens. Even the bust of Ralph Waldo Emerson, his father's favorite philosopher, remains half hidden. This library is an austere, unwelcoming place—one of learning and rich taste but giving nothing of itself. It's not hard to imagine the feelings of a young Gerald called in to answer for some transgression.

In 1929 the Murphys' charmed life in France ended when their younger son became ill and their finances crumbled in the stock-market crash. The death of Murphy's father two years later put the family business in jeopardy. So in 1934, they reluctantly returned to New York, where the artist took over the management of the company—not only saving it, but making it more successful than ever.

The deaths of their two sons soon after changed everything. Murphy never again took up a brush. Before departing France, he had put all but two paintings, which he took to America, into storage. Two decades later he asked friends to retrieve them; ultimately, only five were found. It is on these surviving seven remarkable works that Murphy's reputation lives.

Ms. Cooper is curator emeritus at Yale University.

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Midnight Sipping
Bedside carafes that are arguably ravishing **D8**

OFF DUTY

FASHION | FOOD | DESIGN | TRAVEL | GEAR

THE WALL STREET JOURNAL. ****

SATURDAY/SUNDAY, JULY 28 - 29, 2018 | **D1**

Those Extra Somethings
Dan Neil on the upselling of the BMW X4 **D10**

A HEALTHY ARRANGEMENT
Doctors recommend bolstering your mental-wellness routine with these feel-good foods.

MEREDITH HEUER FOR THE WALL STREET JOURNAL, FLORAL STYLING BY LINDSEY TAYLOR, PROP STYLING BY JARED LAWTON, FOOD STYLING BY ELEANORE PARK

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Feed Your Head

Based on mounting research, doctors are prescribing nutrient-rich foods as an antidote to depression and anxiety. With the help of high-profile chefs, they're doing it deliciously, too

By Kathleen Squires

IN 2015, Jessica Largey was living her dream. As the chef de cuisine at the Michelin-starred restaurant Manresa, in Los Gatos, Calif., she won the prestigious James Beard Foundation Rising Star Chef Award. Yet she was anxious and depressed, and she had no idea why. "It's not to say I didn't have happiness in my life. I did," she said. "But I had lost my sense of self."

She tried to counteract her depression by throwing herself into work, but she quickly burned out. She left her position at Manresa and took time off to address her mental health. During that time, she worked with a holistic counselor who asked: "What are you eating?"

Guided by her counselor, Ms. Largey reexamined her dietary habits. She incorporated more whole grains, leafy greens, avocado, pickles and nuts into her diet. Turmeric and ginger became her staple spices. And she started to feel better. "I realized how my eating habits were actually affecting my emotional and mental state," she said. Changing her diet didn't eliminate her proclivity to depression, but she felt more

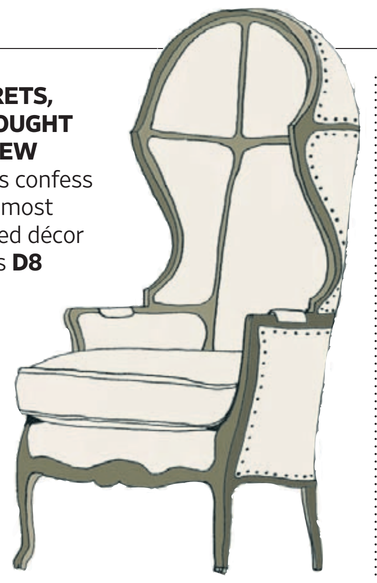
Please turn to page D6

Inside

UNCHEESY GINGHAM
A history of the sometimes-kitschy pattern—plus hip new iterations **D3**

REFRESHING FRENCH CUISINE
Your guide to *particulièrement* clever, iconoclastic chefs in Lyon **D5**

REGRETS, I'VE BOUGHT A FEW
Designers confess their most misguided décor buys **D8**



MISSION: IMPISH
20 Odd Questions for the very playful Simon Pegg, costar of the new M:I film **D9**

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Tattoos Hit The C-Suite

The new tattooed man is just as likely to get around by private jet as by Harley-Davidson. How to ink elegantly

By Brennan Kilbane

WE ARE LIVING in a Golden Age of Tattoos. And while tattoos have heretofore mostly been brandished as signs of swagger by youthful sailors, bikers and larger-than-life celebrities like David Beckham, now older men with traditional white-collar jobs are getting inked too. In the corporate world, tattooed role models abound: Aetna's 62-year-old CEO Mark Bertolini has one, as does Nvidia CEO Jensen Huang, 55. And Justin Trudeau is living proof that getting a Haida raven tattoo on your shoulder will not harm your chances of becoming a world leader.

Tattooing later in life is a clear trend, but it still bucks convention; the majority of tattooed Americans get theirs before age 30, according to a 2017 Statista survey. More mature initiates have the benefit of experience to guide them through an informed choice. (As a teenager, I considered getting a Louis Vuitton logo tattooed onto my hip bone, a bullet I narrowly avoided.) Photographer Douglas Friedman got his first tattoo, of an anchor on his arm, at age 35. "It just felt like the time to start committing to something, anything," he said.

Artists like JonBoy, a notable tattooer at the sleekly appointed Bang Bang Tattoo in downtown New York, have mastered the kind of understated, considered body art older men often like. The delicate, dime-size designs (geometric shapes, initials) that he specializes in could easily be concealed under a shirt, or even a watch strap.

While the under-30 set might be susceptible to tattoos commemorating a night on the town or a fleeting relationship, one hopes that maturity results in more thoughtful concepts. JonBoy, who said that he has lately seen an uptick in older clients, recently graced a businessman with his first tattoo—three small icons, one for each of his kids: "He never thought he would get tattooed. He didn't realize they could look sophisticated." Family sentiment is often present in the mature man's tattoos; one 50-something man we spoke to shares an Om symbol with his two adult daughters.

"[Tattoos are] becoming another way to try to figure out who you are," said Scott Campbell, an artist known for working on celebrities like Justin Theroux. Not that your tattoo need announce your identity explicitly: CEO of Twitter and Square Jack Dorsey, 41, told the New Yorker magazine that his large S-shape forearm tattoo symbolizes the form of the collarbone, the integral symbol in calculus and the violin's f-hole.

Of course, priorities shift: Lawyer David White's first tattoo at age 18 was the fraction "2/3," an earnest economic commentary which referenced, he said, "some World Bank study about the number of folks who live below the poverty line. I was a class warrior at the time." More than a decade later, he had another artist freestyle a crescent-within-a-circle, similar to that used to mark chapters in David Foster Wallace's "Infinite Jest." Mr. White, now 31, prefers this more recent addition.

As for how to dress around a visible tattoo when you spend more time at a tech bar than an actual bar, balance is key. Nick Wooster, the abundantly inked men's fashion director of Dallas store Forty Five Ten, believes that tattoos go well with simple outfits consisting of just a T-shirt and a pair of chinos or jeans. "The tattoo is the perfect third piece," he said. Mr. Wooster has often been seen in more daring outfits too, such as a neat jacket paired with shorts that display his calf tattoo. Still, he understands that sometimes it's necessary to conceal tattoos. When he got his first in 1992—a classic "Mom" on his arm—he knew that it could be easily covered with a sportcoat. "By choosing the places that I did, if I'm properly dressed, nobody's the wiser," said Mr. Wooster. Mr. Friedman also subscribes to the wise-placement camp: "I just make sure that I can put on a suit and not see any ink."

Mr. Wooster offered a final piece of advice for the tattoo-curious: "What might be true for you today may not be true for you tomorrow." Hey, come to think of it, that might make for a good tattoo.

BRANDED CONTENT Clockwise from top: A dapper tatted guest at the 2017 Pitti Uomo fair in Florence; Nick Wooster at the Tim Coppens spring '17 show; another inked guest at Pitti Uomo sports a white look; Domenico Gianfrate balances his tattoos with suspenders.

GETTY IMAGES; ILLUSTRATIONS: BOB PIERSANTI

ILL-ADVISED INKAGE / THREE TYPES OF TATTOOS THAT YOU WILL INEVITABLY REGRET

Anything in a Language You Don't Speak It might mean "Namaste," but then again, it might not.

Anything With a Logo Unless the company is paying you enough that a butler is reading this to you.

Anything Featuring a Celeb Your love for Jim Morrison may be enduring, but this tattoo isn't.

A Field Guide to the New Midtown Uniform

The suit and tie that reigned in corporate America has given way to a low-key, fleecy, vesty (sometimes ridiculed) outfit

The Vest In all of its glorious shades of gray and blue (or even black, for true renegades), the fleece vest is the pièce de résistance of the corporate clock-puncher's uniform. Bonus points if your company's name is stitched on the breast—yes, that's a thing.

The Coffee Cup Because how can you get through a grueling 12-hour workday (after crushing tequila shots the night before) without a venti double shot latte? The Midtown Man whips out his battered Starbucks Rewards card at coffee shops from Rockefeller Center to Richmond, Va.

Slacks The Midtown Man favors beige-colored chinos, with pleating for the over-40 gentleman and a flat front for under-40 guys. Grey wool pants are the winter-friendly option.

The Lanyard Sure, you could tuck it in your pocket, or keep it in your wallet, but then how would everyone know where you work so they can find you on LinkedIn later? It's all about the connections.

The Button-Up Shirt The trusty base layer of today's cubicle armor, often in safe shades of blue, white and pink. The only item more contentiously conventional than the fleece vest is the blue-and-white gingham shirt, so wearing both clearly brands you as someone who colors within the lines.

Brown Shoes From chocolate-brown brogues by Allen Edmonds to cafe-au-lait square-toed Rockport loafers to topsiders straight off the sailboat, brown shoes are the anchor of the Midtown uniform.

JOE MCKENDRY

THE FLEECE ZIP-UP vest, the capstone of a new corporate uniform, lurks in air-conditioned cubicles across America. It covers the sweating backs of nervous interns ordering coffees at Starbucks. It's worn by silver-haired executives in corner suites. It appears in myriad shades of gray and blue, on men of all shapes and sizes with all kinds of salaries. It has become as ubiquitous as the takeout salad in humdrum workplaces and is slowly supplanting the suit and tie as essential office wear.

It's typically worn over a button-up shirt and paired with chinos and brown dress shoes of any flavor. "The uniform" is how this ensemble has been branded around the office of one 36-year-old working in capital markets in Pittsburgh, a former practitioner of the much-mocked look who asked that his name be withheld. During a trip to New York City this month, he observed scores of men wearing gray fleece vests even as temperatures touched the mid-90s.

The trend is so pervasive that an Instagram account with nearly 40,000 followers, The Midtown Uniform (@midtownuniform), has sprung up to savagely document these corporate clones.

"The dress code has changed. It's gone a little bit more relaxed," said Will Crowley, a 25-year-old investment banker who lives in Hoboken, N.J., and adheres to this midtown uniform. He owns six vests from Patagonia and Vineyard Vines that he rotates during the week—unless he's meeting with a client, in which case he wears a suit.

No place epitomizes a business-casual working climate more than the Bay Area. And on HBO's parodic sitcom "Silicon Valley," the character of the type-A COO Jared Dunn was an early adopter of the "midtown west" uniform. Jared's style is "perceived as the normal, basic, understated, business-casual attire," said Christina Mongini, the costume designer for the show and a Bay Area native, adding that "If you go to the Whole Foods here you're going to see [the vest] everywhere."

The vest has transcended Palo Alto, Calif. supermarkets and can now be found along the streets of the financial and business districts of most major cities. "It's a way for people to identify with each other who work in the industry," said Mr. Crowley, "and if you want to be successful, part of it is wanting to fit in."

There are benefits beyond just fitting in. A 35-year-old stock trader in Pittsburgh, who also asked to be anonymous, said his Helly Hansen vest keeps him warm on the air-conditioned trading floor. "I can sit at my desk and feel a little bit more comfortable. It's difficult to just sit there and work in a suit jacket." His counterpart in Pittsburgh had his own, valuable reason for wearing a zip-up vest. "As I'm aging, I would say it hides your belly." Who says fashion isn't functional?

—Jacob Gallagher

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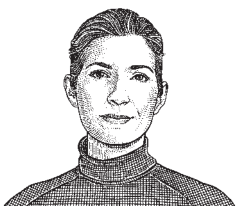
EVERETTY COLLECTION (DOROTHY); F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (CLOTHING); ILLUSTRATION BY MATT CHASE

SQUARING OFF From left: Judy Garland as Dorothy in the 1939 film 'The Wizard of Oz'; a model cruises down the Loewe spring '18 runway in a low-cut gingham day dress.

FASHION WITH A PAST / NANCY MACDONELL



Keeping Clothes In Check

GINGHAM, WITH ITS CHEERY, forthright grid, seems like a straightforward enough fabric. It suggests summers and picnics—which is why we tend to see so much of it at this time of year—as well as authenticity and rustic simplicity. The latter qualities also describe its arguably most famous wearer, Dorothy Gale of Kansas, who sported a gingham dress for her unexpected journey to Oz.

Yet gingham's origins lie not in Middle America but in Southeast Asia, and it was not originally checked. "Gingham" is an anglicization of *genggang*, a Malayan word for "striped." The now-standard check pattern evolved in the 18th century, when Western cotton mills sought to differentiate their wares in a market flooded with Southeast Asian cottons. And despite its All-American connotations today, gingham has deep roots in many countries, including Britain, France, Italy and Germany, all of which associate it with a similar idealized bucolic past in which apple-cheeked farm wives churned butter and baked their own bread.

"Gingham plays with the ambiguity of being 'country,'" said Batsheva Hay, one of many designers who chose gingham for their pre-fall collections. Ms. Hay's modest, high-necked, extravagantly ruffled dresses offer a post-ironic interpretation of Laura Ashley and Gunne Sax that's made them a favorite of influencers like fashion writer Susie Lau. For fans of Ms. Hay's dresses who are challenged by her frequent use of exuberant florals, gingham offers a less extreme option. Of her best-selling dolman-sleeved gingham dress, Ms. Hay said, "It is not so 'pioneer woman.'"

> Rei Kawakubo, gingham's most extreme re-imaginer, used it for her 'lumps and bumps' show.

Adrian Gilbert, better known simply as Adrian, the costume designer for the 1939 film version of "The Wizard of Oz," went on to make frequent use of gingham, employing it as a foil for his sophisticated designs for both the screen and his Beverly Hills design house. Gingham's patriotic connotations aligned perfectly with his desire to show that American design was just as legitimate as anything that came out of Paris. Adrian's second-most-famous gingham creation was worn by Katharine Hepburn, as Tracy Lord in the 1940 film version of "The Philadelphia Story." A tiered, floor-length gingham skirt topped with an organza blouse, it connects Hepburn's imperious society girl character to a pioneer past while simultaneously giving her a knowing chic that Dorothy never dreamed of—she's a fantasy of American womanhood.

Playing against type like this gives gingham its greatest impact. It can complement ideas that are out of gingham's homespun range—as in the Jacques Esterel dress Brigitte Bardot wore in 1959 for her second wedding. In France, gingham is known as "vichy," after the spa town that was also the capital of the collaborationist government during World War II. As in the U.S., small-v vichy is associated with traditional ideas about femininity—exactly the sort the Vichy government thought French women should espouse. Esterel's demure-sexy combination of pink gingham, lace trim and a snug bodice that outlined Bardot's voluptuous figure upended that. Gingham took on a youthful allure that adolescent girls were especially taken with. In April 1960, Seventeen put a Bardot look-alike, teenage model, Carol Lynley, in lace-trimmed pink gingham on its cover.

Bardot's gingham influence didn't end there. In 1964, Barbara Hulanicki launched her now-iconic clothing line, Biba, as a mail-order business with a tiny pink gingham minidress and matching kerchief, inspired by photos of Bardot in St. Tropez. Although the dress came in only one size—minuscule—17,000 orders were placed, confirming that the child-woman look had powerful appeal.

Gingham's most extreme re-imaginer is Rei Kawakubo, of Comme des Garçons, who used it in her 1997 collection Body Meets Dress, Dress Meets Body, colloquially known as the "lumps and bumps" show. It featured tubular gingham dresses stuffed with filler that transformed the body's silhouette into something disturbingly alien. Ms. Kawakubo rarely offers insight into her creative process, but it's not unreasonable to surmise that she used gingham in this collection because its familiar, folksy quality set off the strangeness of her reimagined bodies.

Today, designers tend to refer to gingham's graphic discretion; it's a pattern that doesn't scream "I'm a pattern." New York designer Caron Callahan, who uses gingham in "probably 80%" of her collections, considers it a grounding influence. "If I make a pattern that uses 3 or 4 yards, in floral that's a lot. It starts to feel like fashion with a capital F. Gingham takes it down to something you can wear on the street," Ms. Callahan said.

Cut into the current oversize '80s-inspired silhouette, gingham provides balance, said Amy Smilovic of Tibi: "With that voluminous look, it makes you crave something with heritage. It grounds it so you don't go off the deep end."

Ms. Smilovic then defined what is perhaps gingham's ultimate virtue. "No one ever sees someone in gingham and thinks, 'There's an angry person,'" she said. "It's happy."

WE'RE NOT IN KANSAS ANYMORE / MODERN TAKES ON GINGHAM, MORE CHIC THAN COUNTRY-SWEET

Jacket, *$550, 31phillipLim.com*

Clu Too Dress, *$264, shopbop.com*

Blazer, *$595*, Shorts, *$295, tibi.com*

ROUTINELY VS. RARELY

Linda Rodin

Closet treasures come in two kinds: everyday workhorses and seldom-worn stars. Here, the New York-based cosmetics magnate shares one of each

Vintage Glasses, *similar styles at cutlerandgross.com*

Routinely "I wear glasses all the time. The ones I'm wearing now are Cutler and Gross. I put tinted bifocal lenses in them and everyone says to me, 'Why are you wearing sunglasses at night?' My vision now is always through tinted glasses; I don't know what the real world looks like anymore."

Rarely "I have the most beautiful jewelry collection, but I don't wear it anymore. One day I took it off for a photo shoot and I never put it back on. I just got bored with all that stuff. I have a nice Pomellato ring that's old and beautiful. I don't wear it and it's a tragedy, but my niece will have it." *—Lauren Ingram*

Vintage Ring, *similar styles at pomellato.com*

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ADVENTURE & TRAVEL

TOPS IN ITS FIELD The view from Steptoe Butte in Washington state, along the Palouse Scenic Byway.

BROOKE FITTS FOR THE WALL STREET JOURNAL; MAP BY JASON LEE

A Grain Escape To the Palouse

This scenic farm region on the Idaho-Washington border is often likened to Tuscany. But its pie shops and ice-cream socials are as American as it gets

By Matthew Kronsberg

MY WIFE AND SON laughed at me when, for the third time in less than a mile, I stopped our rental car, stepped onto the gravel road and took yet another wholly inadequate cellphone picture of the rolling fields that surrounded us. Soon they clambered out too and fell quiet. We were in the Palouse, a roughly 4,000-square-mile agricultural region that straddles the Idaho-Washington border. Intensely fertile, the region is defined by its dunelike hills, formed eons ago by windblown silt. The hills, gold and green with grains and legumes, undulate without pattern or rhythm; every bend in the road reconfigures the landscape in unpredictable ways, leaving you feeling just a bit off kilter, in a perpetual low-level swoon.

This is farm country; not anyone's idea of a tourism hot spot. The unusual topography draws photographers and cyclists, but even if your relationship to those pastimes is casual at best, it is an easy place to fall in love with. At the heart of the Palouse are two cheek-by-jowl college towns, Pullman, Wash., and Moscow, Idaho, with populations of roughly 33,000 and 25,000, respectively. They're about a 10-minute drive apart. When I asked Nancy Ruth Peterson, a lifelong Muscovite and president of the Latah County Historical Society, to characterize the difference between the burgs, she said "Moscow is a town that has a university. Pullman is a university that has a town. I'm probably going to get into trouble for saying that."

And indeed, even during a mid-July visit, when most of Moscow's 12,000 students were gone, the town felt alive. We based ourselves at the modishly refitted Monarch Motel, just a block off Main Street. On an evening stroll, I stopped to watch the Palouse Peace Coalition string up tie-dyed banners saying "peace" in a dozen or so languages, as they've done nearly every Friday night since 2001. I asked coalition member Bill Beck when the peacenik contingent had taken root in the region; he told me that many of its cohort had been there for decades, noting a "huge number of back-to-the-landers" who came to the area in the late '60s and early '70s. "Most people come here because of the universities. It's this incredibly quiet, beautiful town," he said, gesturing down the block toward BookPeople of Moscow, the largest of three independent bookshops, "with some intelligentsia."

For dinner that night, we went to Lodgepole, a smartly decorated New American restaurant. Delivering a dish of very snackable guajillo chili-dusted fried garbanzo beans, the waiter told us that legumes and pulses are a big deal in these parts. The chickpeas in your store-bought hummus may well come from the Palouse, and every August, the National Lentil Festival takes place over in Pullman. Delivering the check, he suggested we visit the town's farmers market the next day.

We woke up early the following morning to heed this advice. Parents deposited their kids at Main Street's Kenworthy Performing Arts Centre for free Saturday morning cartoons before loading up on wiffle-bat-sized stalks of rhubarb, braided garlic and lush greens. Some browsed crafts like ivory-colored horsehair pottery, made with clay mined nearby in Deary, Idaho. Horsehair, singed on the ceramics after firing, left jagged tangles of dark lines. The lighter lines came from the hair of Appaloosa horses—notice the middle syllables (ap-PA-LOOSE-uh)—believed to have originated in the region. The market's prepared-food stands reflected the area's diversity: Shanghai dumplings, Egyptian pastries and for me, tamales filled with local lentils.

At Paradise Creek Bicycles, just behind the tamale stand, we rented bikes and decided to take advantage of the area's rails-to-trails paths. We rode the 7-mile Bill Chipman Palouse Trail to Pullman, a wide and flat path with frequent turnouts featuring interpretive and historical signs.

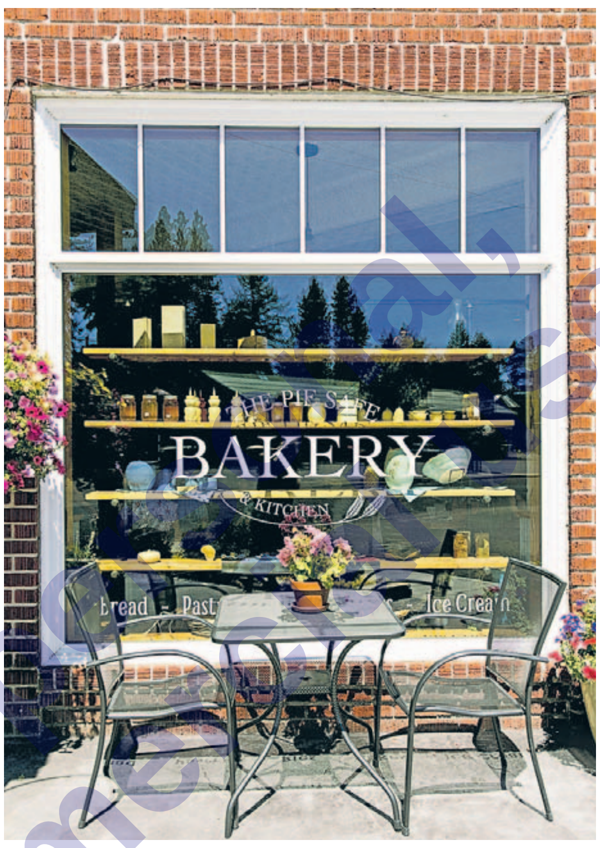
For all that Moscow and Pullman have to offer, we took the greatest pleasure in exploring the region's smaller towns, and the byways between them. In Uniontown, Wash., we visited the soaring art space Artisans at the Dahmen Barn, easily identifiable by its fence, made from more than a thousand steel wheels. Inside, among the workspaces, we grabbed a free "Photography Hot Spots on the Palouse" map, marked with the area's most photogenic barns, abandoned houses and lone trees. Its detailed rendering of small, usually unpaved farm roads that vein the landscape proved invaluable.

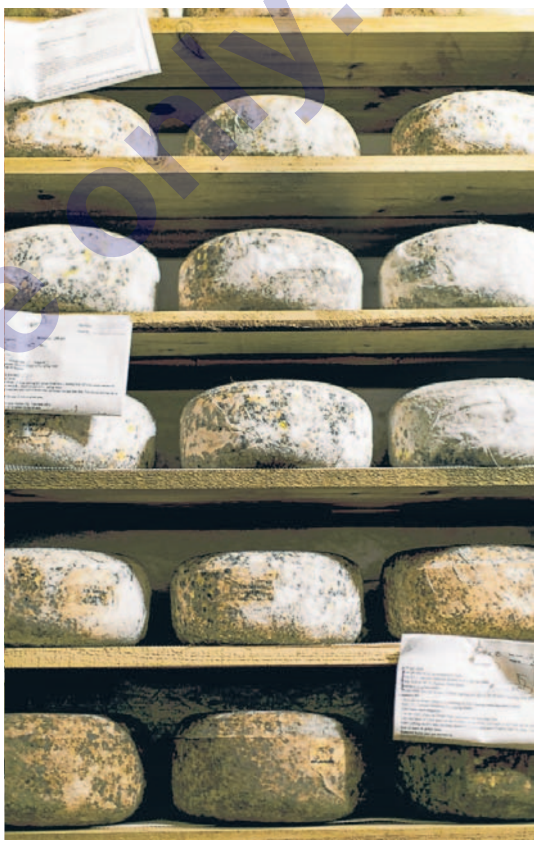
Over in Deary, at the Pie Safe Bakery & Kitchen, which shares space with the Brush Creek Creamery, we had a lunch of grilled-cheese sandwiches and pizza, followed by a heaping wedge of berry-lemon chess pie—alone worth a trip the Palouse. And after a Sunday morning hike among the towering red cypress trees in the Idler's Rest Nature Preserve, we went to the town of Palouse, Wash., for its annual Ice Cream Social. As the Auf Gehts German Band played in the gazebo of the riverside Palouse City Park, we lined up for slices of home-baked pie, topped with ice cream scooped by the Palouse Royalty—teenage girls in black gowns, white gloves and tiaras.

Sitting on the grass beneath the towering pines at the Social, we talked to brothers Don and Richard Scheuerman of Palouse Heritage, who are working to revive the landrace grains that were first farmed in the region a century and a half ago. "All these towns have something special," said Richard, a former professor at Seattle Pacific University and the author of several books on the region. Don cut in to say, "Our little town, Endicott, is on the edge of viability with about 300 people, but it has been that way forever. Our big thing is Fourth of July. Big fireworks. It's really quite spectacular for a rinky-dink little town."

For year-round spectacle, it's hard to beat the view from Steptoe Butte, about 13 miles northwest of Palouse. It is no Devil's Tower—pictures of it are typically underwhelming but photos from it make you see why travel writers have taken to calling the region America's Tuscany. When the sun hangs low in the sky, the colors and contours of the hills deepen, and photographers line the roadway that corkscrews up a thousand feet above the surrounding landscape. Diehards will come out for sunrise, about 5:30 a.m. during the summer. We were not diehard, and found sunset to be sufficiently breathtaking.

It was another sunset drive, over back roads from Pullman to Moscow, that convinced me that this might be America's most perfect agrarian landscape. The just-risen full moon bobbed and weaved over the hilltops like a vesper sparrow chasing a dragonfly. It only stopped when I pulled over to snap another picture.





SLICE OF LIFE Clockwise from above left: The Pie Safe Bakery & Kitchen, in Deary, Idaho; wheels of locally made cheese at Brush Creek Creamery, which shares space with the bakery; Rebecca Ashbach at Lodgepole, an urbane New American restaurant in Moscow, Idaho; Dahmen Barn, in Uniontown, Wash., serves as an art space.

THE LOWDOWN / ON THE LOOSE IN THE PALOUSE

Getting There From Seattle, Pullman, Wash. is about a 4½-hour drive or an hour flight directly into the Moscow-Pullman Regional Airport. Spokane International Airport is about a 90-minute drive from Moscow, Idaho.

Staying There The Monarch Motel, a refitted motor lodge in Moscow, Idaho, offers simple, stylish rooms, just a block off Moscow's Main Street. *From $79 a night, moscowmonarch.com.*

Eating There On Moscow's Main Street, Lodgepole serves sophisticated takes on regional staples *106 N. Main St., lodgepolerestaurant.com.* At the Pie Safe Bakery & Kitchen, in Deary, Idaho, flaky-crusted pies are the stars, but dishes like pizza and salad that take advantage of Brush Creek Creamery's output are terrific too. *307 Main St., piesafebakery.com.* The Mediterranean-influenced cuisine at the Black Cypress in Pullman reflects the Greek heritage of chef-owner Nick Pitsilionis, a French Laundry alum. *215 E. Main St., theblackcypress.com.*

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Lyon Lightens Up

A new generation of chefs in France's tradition-bound second city are stirring the pot, bringing a dash of exoticism and levity to old-school French cuisine

By Jay Cheshes

LYON PRIDE Arnaud Laverdin, owner-chef of La Bijouterie, one of the restaurants redefining classic French fare.

CHICKEN FEED From top: The avian portraits at Le Supreme were gifts from Daniel Boulud; the restaurant's chef-owners, Gregory Stawowy and Yun Young Lee.

JEROME GALLAND FOR THE WALL STREET JOURNAL

AT LUNCH AT La Bijouterie in Lyon, a team of young chefs send out delicate dim sum from an open kitchen featuring a mix of French and Asian flavors—from lobster bisque to an apple-tamarind jus. Just across the Rhône, at Les Apothicaires, the midday menu might include fermented black rice and ceviche with plums and almonds. The food at these restaurants, and other edgy spots like them, is transforming France's second city, bastion of formal French fare, into a new destination for creative cooking.

Lyon, long an essential stop on any European gluttony tour, remains steeped in tradition, its gastronomic temples still draped in white tablecloths and immersed in old-school technique, its rustic bouchons serving the same artery-clogging specialties they always have (pike quenelles, pork sausage en brioche). But suddenly there's room for something else, a contemporary spin on what it means to be French. "Before, it was all the traditional chefs who controlled the city," said Arnaud Laverdin, 37, La Bijouterie's owner-chef. "Now the new generation is coming up, changing the way you eat."

Paul Bocuse, Lyon's epicurean patron saint, who died in January at the age of 91, opened a new chapter in French cooking in his city 40 years ago as a founding father of *la nouvelle cuisine.* After decades of relative stagnation, upstarts are finally shaking up the food scene again. They are a mix of transplants and locals who've returned home after working abroad. Many were drawn to the city by Mr. Bocuse himself. The chef's name is everywhere in Lyon. Les Halles de Lyon-Paul Bocuse, the city's big beautiful central market, is filled with inspiring (but traditional) things to eat. Le Bocuse d'Or, its international food Olympics, brings in the world's top chefs every two years, while the Institut Paul Bocuse, a cooking school in a 19th-century château, draws apprentice chefs from 40 countries to its professional programs on the edge of town. The school has adopted a progressive outlook in recent years, capturing the original spirit of its iconic namesake. "Paul Bocuse is a revolutionary, our Che Guevara of gastronomy," said the institut's director, Dominique Giraudier. "We sometimes forget that he brought a modernity to tradition."

Many graduates, inspired to push the envelope, have begun leaving a mark on Lyon—among them Brazilian, Peruvian, Korean and Japanese expats who've stuck around and opened restaurants. "A lot of big chefs do traditional food. There's no point in my doing the same thing," said Younghoon Lee, originally from Seoul, who launched his modern French restaurant, Le Passe Temps, here in 2014. "Young Lyonnais are looking for something more creative, not too heavy, more refined."

Other chefs moved to the city for the quality of life it affords, eschewing the steep rents and intense competition of Paris in favor of Lyon's more manageable pace—not to mention its prime location between the Alps and Burgundy wine country. Here's where to find some of the best young chefs in Lyon:

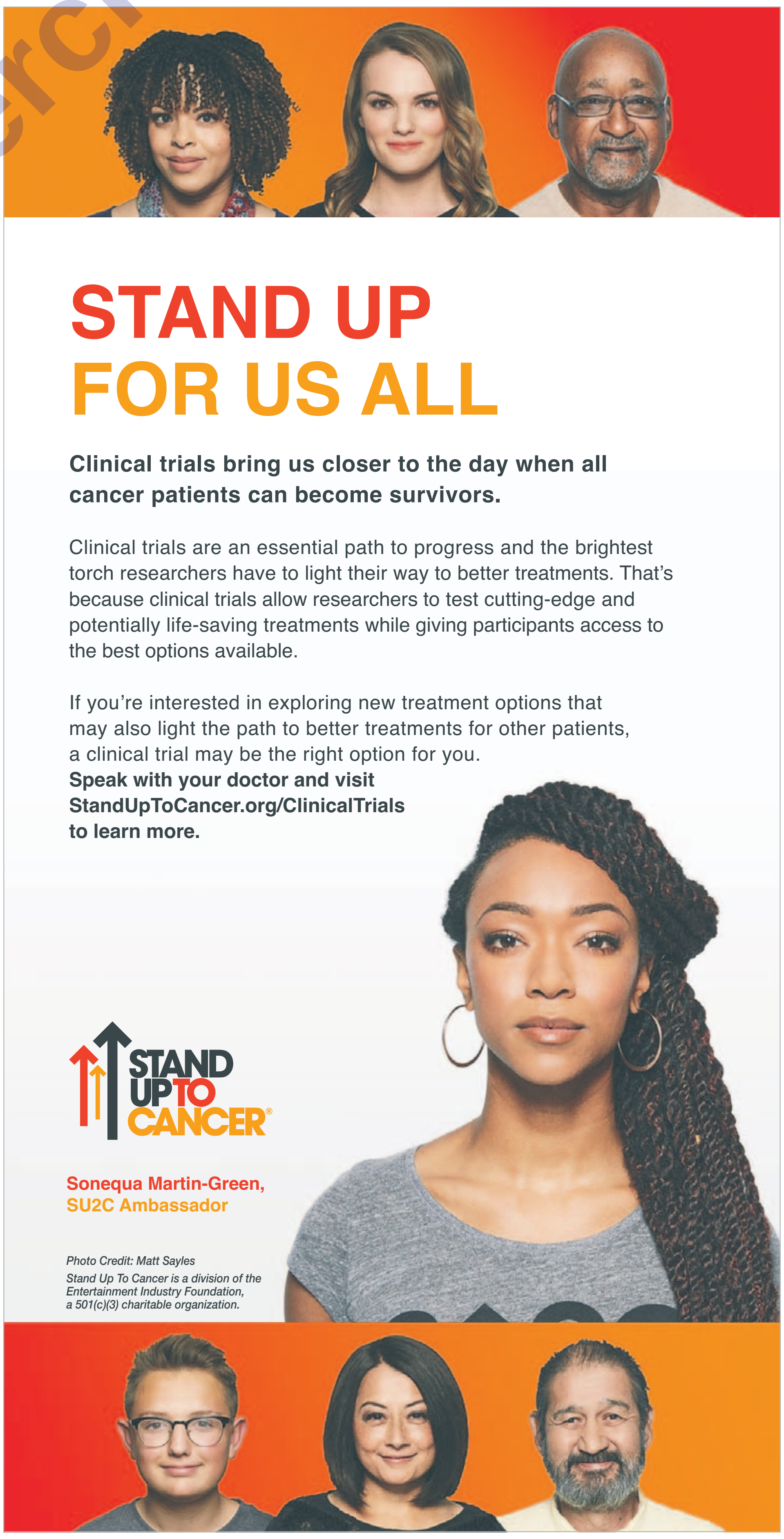
La Bijouterie
This snug spot in downtown Lyon was called the "most hipster restaurant in France" by the French media when it opened in 2015, according to Mr. Laverdin. "People didn't fully grasp the concept," he said. "There are certain cool touches, but that is not what we're here for." The restaurant's trendy features include an open kitchen with counter seating and a long wooden table for communal dining. Mr. Laverdin, a native of Brittany, has cooked in Paris and London and on yachts that sailed to the North and South poles. His food takes inspiration from across the globe. Lunch is devoted to cross-cultural dim sum, with wrappers, fillings and sauces all made on site. At dinner, the chefs offer ambitious tasting menus featuring offbeat combinations like quail with buckwheat and sea urchin. *labijouterierestaurant.fr*

Le Supreme
Gregory Stawowy, a native of Burgundy, spent eight years in New York working for Daniel Boulud at his restaurant Daniel, eventually rising to executive sous chef. He met his wife, Korean pastry chef Yun Young Lee, in the kitchen there. When they began to think of opening their own place together, they considered New York and Paris first before settling on their mentor's hometown, Lyon. Mr. Boulud offered to help get things started—as the venture's minority investor and spiritual godfather. In 2015, the couple took over a kitschy poultry restaurant in a sleepy corner of town. They stripped out most of the chicken knickknacks but kept the avian theme intact, installing giant portraits of majestic birds, gifts from Mr. Boulud, and initially serving an all-chicken tasting menu. Though Mr. Stawowy's silky chicken-liver parfait remains a signature dish, the menu has lately become much more eclectic—featuring dishes like pork loin with dates and John Dory bathed in a bouillabaisse jus. *lesupremelyon.fr*

Les Apothicaires
Tabata Mey, a transplant from Rio, had a meteoric rise through the French food scene after finishing her studies at the Institut Paul Bocuse, landing in the spotlight, initially, with a star turn on the country's "Top Chef." She met her husband Ludovic, who was raised in the Alps, while running the kitchen at a Paul Bocuse restaurant in Lyon (she was his boss). They opened their own cozy restaurant together two years ago, collaborating on everything from the décor to the cooking. The dining room has a living-room feel, with mismatched pillows lining the banquettes and personal keepsakes (skins from the Brazilian Amazon, sci-fi toys) crammed onto bookcases. "We want people to feel like they're dining at our home," said Ms. Mey. The food is far too complex to pass for home cooking, though, mixing French and Latin American tastes. Recent highlights of the eight-course dinner menu: onion confit with miso and farofa; baby lamb with caviar and lovage. *lesapothicaires-restaurant.com*

Le Passe Temps
Younghoon Lee cooked in French restaurants in Seoul before moving to Lyon to study "real French cuisine," he said. Instead of returning to Korea after school, he opened his own restaurant near the Rhone in 2014. Two years ago, he earned his first Michelin star there. His sous chef and sommelier are both Korean. Mr. Lee, though, serves elegantly plated modern French food with only the occasional Far Eastern accent (soy-cream filled gougeres, roast duckling in black rice vinaigrette). "I do French cuisine, but I'm not French so it's a different taste, my way," he said. *lepasse-temps-restaurant.com*

FOREIGN ACCENT From top: Foie gras at Younghoon Lee's Le Passe Temps; Les Apothicaires, whose chefs are from Rio and the Alps.



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EATING & DRINKING

Brain-Boosting Recipes

Continued from page D1

able to deal with it. Emotionally equipped to step back into work, she recently opened her own restaurant, Simone, in Los Angeles.

Holistic approaches to mental as well as physical wellness often include nutrition. But the connection between food and mental health is now gaining traction in the medical community, too. Research in the field of nutritional psychiatry supports the scientific claim that what you eat and how you feel may be connected, especially when it comes to managing anxiety and depression.

According to the Anxiety and Depression Association of America, anxiety disorders are the most common form of mental illness in the U.S., affecting 18% of the population. Increasingly, mental health professionals are turning to integrative treatments to complement medication and traditional forms of therapy.

Next month, the World Journal of Psychiatry will publish "Antidepressant Foods: An Evidence-based Nutrient Profiling System for Depression," by Dr. Drew Ramsey, assistant clinical professor of psychiatry at Columbia University, and Dr. Laura LaChance of the Centre for Addiction and Mental Health in Toronto. It includes a nutrient-profile scale, which identifies the most nutrient-dense foods in relation to "the prevention and treatment of depressive disorders." The paper names 12 nutrients key to managing depression and anxiety: folate (vitamin B9), iron, long-chain omega-3 fatty acids, magnesium, potassium, selenium, thiamine (vitamin B1), vitamin A, vitamin B6, vitamin B12, vitamin C and zinc. The foods richest in these include bivalves such as clams, mussels and oysters; leafy greens such as kale and spinach; wild salmon; organ meats; nuts; beans and seeds.

Nutritional psychiatrists assert that the "gut-brain" connection is the crux of managing anxiety and depression for many. "The balance of good and bad bacteria in the gut is essential for mental health," said Dr. Uma Naidoo, psychiatry instructor at Harvard Medical School, culinary instructor at Cambridge School of Culinary Arts and director of nutritional and lifestyle psychiatry at Massachusetts General Hospital. "An imbalance causes inflammation and an imbalance of the important hormones and neurotransmitters—melatonin and serotonin—in the brain."

Dr. Naidoo added that nutrition as a facet of therapy especially benefits patients to whom she prescribes medication. "Some of the medications cause weight gain and metabolism changes, so

'All of it helps. You can't just say, Take 10 milligrams of Prozac. At the same time, you can't just say, Eat 10 blueberries a day.'

the responsible thing to do is address that," she said. Dr. Naidoo, an integrative psychiatrist, emphasized that diet is just a part of her approach. "I don't only ask what they're eating. I ask how they're sleeping, what they're doing for exercise, what they're doing to be mindful, along with traditional forms of therapy. In my clinical opinion, all of it helps. You can't just say, Take 10 milligrams of Prozac. At the same time, you can't just say, Eat 10 blueberries a day."

Both Dr. Ramsey and Dr. Naidoo are collaborating with chefs, among them David Bouley, who focuses on the connection between good eating and good health at his Manhattan restaurant/cooking lab Bouley at Home. Mr. Bouley is working with both doctors, and nearly 50 others, leading a charge to educate medical professionals, nutritionists and home cooks, in the same way he promotes the connection between food and physical wellness. Mr. Bouley's favorite anti-anxiety ingredient: bacteria.

Eating fermented foods, according to Drs. Ramsey and Naidoo, brings "good bacteria," aka probiotics, to the digestive system that help ease anxiety in the brain. This month, Mr. Bouley is introducing a menu with fermented foods at Bouley at Home. The menu includes ice cream made with koji (a fermenting agent used frequently in Japan), fermented foie gras and fermented mushrooms. Next year, he will publish a book, "Living Pantry," that will document his work with doctors. He will also debut a Living Pantry website geared toward implementing the research in home kitchens.

This last piece is key, said Victoria Albina, a functional- and integrative-medicine nurse practitioner, herbalist and life coach. She stresses the need for accessibility. "Medication and doctor visits are way more expensive than eating real food," she said. "We as a nation need to start supporting community gardens and farm bills to make real food more available." She shares recipes such as bone broth and sauerkraut, which promote good mental health, on her website, victoriaalbina.com. "These are easy, affordable recipes. Even eating frozen vegetables is a great, inexpensive way to get brain-healthy nutrients," she said.

The doctors, chefs and counselors interviewed for this story were very careful to say that mental-health treatment must be individualized and there is no one-diet-fits-all therapy. The following recipes are merely a starting point. What the doctor ordered never tasted, or felt, so good.

Pressure-Cooker Farro Grain Bowl With Cashew Cream, Summer Vegetables and Pickled Ginger Turmeric Dressing

Chef Jessica Largey recommends adding a few spoonfuls of your favorite fermented food—sauerkraut, beet kraut or fermented radishes, for instance—for an extra boost of anxiety-fighting nutrients. She also changes the toppings with the seasons. Sautéed eggplant mashed into a paste with miso is a favorite option.

Active Time 1 hour 30 minutes **Serves** 4

For the farro:
1 cup whole-grain farro, rinsed
2 cups water
1 tablespoon toasted sesame oil
1 tablespoon apple cider vinegar
1 tablespoon kosher salt

For the cashew cream:
1 cup unsalted cashews (toasted or untoasted)
4 cups water
Juice of ½ lemon
Kosher salt

For the red onion and ginger pickles:
¼ cup olive oil
1 tablespoon red chile flakes
1 teaspoon ground turmeric
1 small red onion, peeled and sliced ⅛-inch thick
2-inch piece ginger root, peeled and cut into matchsticks
1 teaspoon kosher salt
2 cups apple cider vinegar
½ cup wildflower or orange-blossom honey

For assembly:
1 tablespoon butter
4 tablespoons olive oil, plus more for drizzling
½ white or yellow onion, thinly sliced
3 cups Swiss chard, stemmed and cut into thick ribbons
Kosher salt
Sherry vinegar, or substitute lemon juice, to taste
2 medium zucchini or summer squash, cut into 1-inch pieces
2 cloves garlic, smashed
3 sprigs fresh thyme or basil
Zest of ½ lemon
Salt
8 cherry tomatoes
½ avocado, cut into chunks
Fermented foods such as sauerkraut and pickled radishes

HAPPY MEAL This grain bowl is packed with brain-healthy ingredients.

1. Make the farro: in a pressure cooker or multicooker, combine farro, water, sesame oil, apple cider vinegar and salt. Cook on high pressure for 1 hour. Release steam and drain off excess liquid. Set aside and let cool.

2. Meanwhile, make the cashew cream: In a medium saucepan, combine cashews and 2 cups water and bring to boil. Reduce heat to maintain a rolling simmer and cook until water evaporates and cashews expand slightly and soften, about 30 minutes. Drain and add remaining water. Repeat process, cooking until water is reduced by half and nuts are barely covered. Once cooked, carefully transfer nuts and remaining water to a blender. Blend on high speed until thick and smooth. Season with lemon juice and salt to taste. Let cool completely in refrigerator, at least 20 minutes. Cover with plastic wrap, pressing onto surface of cashew cream.

3. Prepare the red onion and ginger pickles: In a large saucepan, heat olive oil over medium-low heat. Add chile flakes and let steep 2 minutes. Add turmeric, onions, ginger and salt. Cook, stirring often, until slightly softened, 2-4 minutes. Add apple cider vinegar and honey, stirring to combine. Increase heat to high and bring to a boil. Remove from heat and let cool completely.

4. In a medium skillet, melt butter with 1 tablespoon olive oil over medium-low heat. Add onions and cook until translucent, about 5 minutes. Add Swiss chard and season with salt. Stir to combine, cover and remove from heat. Let greens steam for 5 minutes. Season with vinegar or lemon juice to taste.

5. In a medium skillet, heat remaining olive oil over medium-high heat. Add squash and cook, stirring occasionally until golden brown on all sides, about 7 minutes. Reduce heat to medium-low and add garlic and thyme or basil, tossing to combine. Sprinkle lemon zest over pan. Season with salt to taste.

6. Assemble bowl: In a small bowl, combine tomatoes with salt to taste and a drizzle of olive oil, and toss to combine. Season avocado pieces with salt to taste. In a large bowl, season farro with 3 tablespoons pickling liquid. Take 2-3 tablespoons of cashew cream on the back of a large spoon and spread generously onto one half of each of four bowls. Divide farro among th bowls. Top bowls with pickles, chard, zucchini, tomatoes, avocado pieces and fermented foods, if using. Each diner can mix together everything in his or her bowl before eating.

—Adapted from Jessica Largey, Simone Restaurant, Los Angeles

Whole Trout en Papillote with Garlic Broccoli

Total Time 50 minutes **Serves** 4

4 whole trout, cleaned
7 tablespoons olive oil
2 teaspoons salt
2 teaspoons paprika
1 teaspoon freshly ground black pepper
2 lemons, thinly sliced
4 tablespoons chopped fresh herbs, such as oregano, chives, rosemary, sage, parsley or cilantro
3 cloves garlic
2 anchovy fillets packed in oil, drained
1 head broccoli, cut into florets

1. Preheat oven to 400 degrees. Rub each trout generously with a tablespoon of olive oil. Season each fish inside and out with ½ teaspoon salt, ½ teaspoon paprika and ¼ teaspoon black pepper, and stuff with a quarter of the lemon slices and herbs.

2. On a clean work surface. set out four sheets of parchment paper or aluminum foil large enough to fold over fish. Place 1 trout in center of each sheet. Fold edges up and over to create packets; crimp edges to seal, or secure with toothpicks if using parchment paper. Transfer packets to a baking sheet and bake fish until cooked through and flesh easily flakes apart when pressed with a fork, 20-25 minutes.

3. Meanwhile in a food processor, combine remaining olive oil, garlic and anchovies. Pulse until a coarse paste forms. Transfer mixture to a large bowl and add broccoli; toss to combine.

4. Place broccoli on another sheet of parchment paper or aluminum foil. Fold edges up and over to make a packet, then seal. Transfer packet to a baking sheet and bake until tender, 15-20 minutes. Serve immediately with fish.

—Adapted from "Eat Complete" by Drew Ramsey, MD (Harper Wave)

Feel-Good Foods: Get Your Daily Dose

The following nutrient-dense foods come highly recommended for their anxiety- and depression-busting properties by nutritional-psychiatry specialists Dr. Uma Naidoo of Harvard Medical School and Dr. Drew Ramsey of Columbia University. Like others in their field, both doctors emphasize that it's not an eat-three-almonds-and-call-me-in-the-morning situation. These foods are most effective as part of a larger program including regular exercise, a healthy sleep pattern, therapy and, where appropriate, medication.

BEANS such as **small red beans** *contain B vitamins, thiamine, iron and magnesium.*

FERMENTED FOODS such as **kimchi and pickles** *contain probiotics.*

FRUITS such as **berries and avocados** *(yes, that's a fruit) contain potassium, B vitamins, vitamin C and magnesium.*

LEAFY GREENS such as **spinach and kale** *contain magnesium, iron, zinc, vitamin A, vitamin E and B vitamins.*

LEGUMES such as **lentils** *contain magnesium, B vitamins, zinc and iron.*

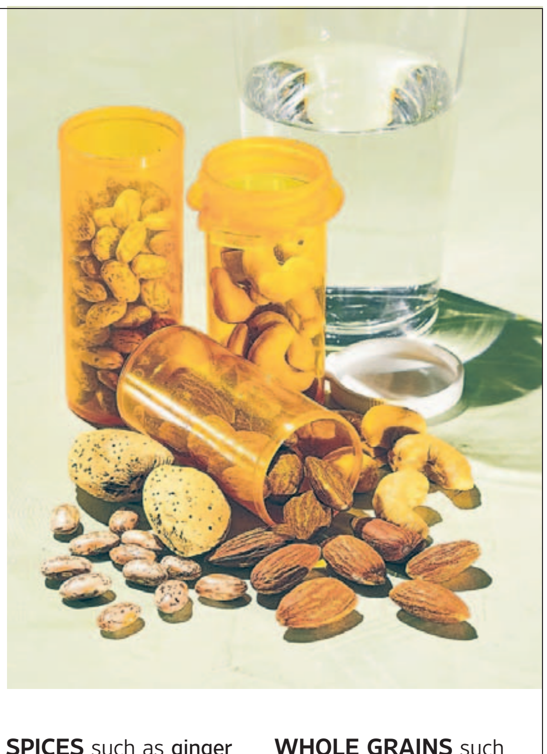
MEATS such as **grass-fed beef and organ meats** *contain vitamin A, B vitamins, zinc and iron.*

NUTS AND DRUPES such as **walnuts and cashews** *contain magnesium, omega-3 fats, zinc, B vitamins, vitamin E and selenium.*

OILS such as **olive and fish** *contain omega-3 fats and vitamin E.*

SEAFOOD such as **clams, wild salmon and anchovies** *contain zinc, iron, B vitamins, omega-3 fats, magnesium and selenium.*

SEEDS such as **sunflower and chia** *contain vitamin E, vitamin B1, magnesium, zinc and omega 3 fats.*



SPICES such as **ginger and turmeric** *contain magnesium, vitamin C, vitamin B6, vitamin B1 and vitamin E.*

WHOLE GRAINS such as **quinoa, farro and wild rice** *contain zinc, iron, vitamin B1, selenium and magnesium.*

F. MARTIN RAMIN/THE WALL STREET JOURNAL, FOOD STYLING BY ELEANORE PARK (FARRO, BOTTLES); ELLEN SILVERMAN (FISH)

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PEP MONTSERRAT

ON WINE / LETTIE TEAGUE

The Anxious Oenophile's Game of Chance

WHAT SCARES YOU the most when it comes to wine? For a beverage ostensibly all about pleasure, wine can be quite intimidating indeed. How many other drinks inspire self-styled "educators" or, for that matter, critics to rate them according to a scale of numerical points?

I've heard friends express all kinds of wine-related anxieties over the years, and I confess to having a few of my own. Some fears are restaurant-related: "Will the wine list be horribly overpriced?" "Will my friends order a wine that I don't like?" Others relate to possible flaws in a particular bottle: "What if I spend a lot of money and the wine turns out to be oxidized or corked?"

I've found that quite a few oenophiles share this last worry. A "corked" bottle gets its musty flavor from the compound 2,4,6-trichloroanisole, or TCA, which can linger in the cork or, more rarely, in barrels or elsewhere in the winery, and taint wine upon contact. The possibility of a corked bottle was the single most commonly cited fear among the wine lovers I polled. My husband has an alternative take: "What if I don't recognize that a wine is corked?"

Failing to notice a corked wine or doing so belatedly happens surprisingly often. It's happened to me and to just about everyone I know. You might take a few sips, maybe drink half a glass (or half the bottle) before you realize something is simply not right. I was even served a corked wine at one of the best restaurants in New York. The sommelier tasted the wine before presenting it, but a wine's flavors, good and bad, will develop in the glass with exposure to oxygen; in this case, the cork taint came to the fore in the short time between his tasting of the wine and my own. I had to tell him the bottle was corked, and he was duly appalled.

> You might take a few sips, maybe drink half a glass (or half the bottle) before you realize something is simply not right.

The telltale taste of a corked wine can be subtle or overt, though it generally grows more apparent over time. This is particularly bad news for the fearful, since a flawed wine might start off as just a bit dull and inexpressive, but by the end of the bottle it could taste like cardboard and smell like a wet dog—and by then it's too late to send the wine back.

Many wine fears are focused on situations that unfold in restaurants or stores, in front of other, presumably more knowledgeable people. Fear of public humiliation is a huge factor. My stepdaughter Leah fears ordering a wine and not liking it—but being afraid to send it back because she can't explain why.

In this sense, Leah has a lot in common with many of the customers of Sara Sparks, sales manager at Astor Wines & Spirits in New York. Ms. Sparks often encounters customers "who think the bottle they opened is off in some way." Sometimes the customer will even bring the bottle to the store and taste it with Ms. Sparks who finds a "high percentage" of the bottles aren't actually flawed but simply present flavors or styles the customers haven't encountered before. Ms. Sparks likes when this happens. "It's an awesome learning moment," she said.

The customers of Metro Wines in Asheville, N.C., fear that they will be "judged" by the staff for their lack of knowledge, said proprietor Gina Trippi. This is especially true of women shopping in wine stores staffed only by men, Ms. Trippi added. (She has several women on her staff.)

Even wine-knowledgeable people I know fear being judged. A collector friend—who asked to remain anonymous—feared guessing the age of a wine incorrectly in front of fellow wine collectors when they served wines blind. "I'm usually off by a lot, at least 20 years," he said. My friend doesn't have the same depth of experience as his peers in tasting really old, great Burgundies and Bordeaux because his cellar isn't as extensive. "They have a lot more money than I do," my friend added.

Crystl Faye Horton, wine director at Del Frisco's Double Eagle Steakhouse in New York, said that among her customers, both male and female, young and old, the number one fear is the same. "They're afraid they will be taken advantage of, that I will sell them some crazy expensive wine," she said. As a result they'll often avoid talking or asking her questions, thinking she might use their uncertainties as an opportunity to make a big sale. So she goes out of her way to talk to them and ask questions "so they'll feel comfortable."

Andrew Fortgang, wine director and co-owner of Le Pigeon and Canard restaurants in Portland, Ore., said that he finds diners are no longer as afraid of obscure wines or wines with weird names as they were about a decade ago. Now they are actually nervous about "classic" wines such as Sancerre or Chianti. If he suggests a wine like this to someone, "they're on guard, taken aback," said Mr. Fortgang. Some customers actually think the sommelier has an ulterior motive in making such a suggestion, because such an "obvious" choice can't possibly be good.

Unlike most people, Mr. Fortgang doesn't fear corked wine, simply because he regards it as "inevitable." But he does have a wine fear of his own: restaurants with "good wine lists and stemless wine glasses." That sort of glass makes it hard to enjoy a good wine, he maintains.

Some people have grape-specific fears. They presume Riesling is always sweet. (To dispel this fear, I would refer them to my recent column on German Riesling.) Chardonnay crops up pretty often as a feared wine, especially when it's aged in oak. My friend Alison once feared the oakiness of Chardonnay, but now that she's found unoaked versions she's moved on to fearing Malbec and Zinfandel, which give her headaches.

Retailers probably hear more wine-related fears than anyone else regarding grapes, bottle shapes and colors. Gerald Weisl, proprietor of Weimax Wines & Spirits in Burlingame, Calif., noted that tapered Riesling-style bottles scare some customers, as do blue bottles. Some buyers express wine fears relating to the size of the winery. "Too big" can thwart a sale, he said.

Both Mr. Weisl and Gary Fisch, owner of the Gary's Wine & Marketplace stores in New Jersey, noted that customers tend to fear any bottle with a screw cap. "They think it looks cheap," said Mr. Fisch. They shun this kind of bottling even when the wine is one styled to be consumed young, such as a rosé, and therefore perfectly suited to a screw cap, he added. "They will say, 'Don't you have anything with a cork?' Even when they're drinking it by the pool!" he said.

Mr. Fisch also has customers who worry that they've waited too long to drink the wines in their cellars, typically with regard to Napa Valley Cabernet and Bordeaux specifically. They worry that they've missed the best moment of the wine's life. (They're often right, Mr. Fisch noted sadly.)

Of all the wine drinkers and professionals I polled, only one person, my friend Barry, claimed to have no fears at all. We were dining together a few weeks ago—in a BYO restaurant, as usual. How could that be? I asked Barry. Everyone has some kind of fear, even the pros. "But whenever we go out to dinner," Barry replied, "you bring the wine."

▶ Email Lettie at wine@wsj.com.

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SLOW FOOD FAST / SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

Summer Fruit Salad With Burrata and Prosciutto

The Chef
Michael Gallina

His Restaurant
Vicia, in St. Louis

What He's Known For
Showcasing Midwestern produce with a minimalist, modern approach. Making clever use of every last vegetable scrap.

IT'S BOOM TIME at the farmer's market and high season for stone fruits in particular. In his second Slow Food Fast recipe, chef Michael Gallina seizes the moment with a lush and layered salad of cherries, peaches, melons, tomatoes, cucumbers and basil with a kicky ginger-spiked vinaigrette. Add a ball of milky burrata—that extra-rich mozzarella oozing with cream—and a few thin slices of prosciutto, and you have a superb summer meal.

At Mr. Gallina's St. Louis restaurant, Vicia, a garden wraps around the building. Though at first the plots were merely decorative, they were soon pressed into vegetable growing and are currently profusely productive. "It's yielding more than we expected," said Mr. Gallina. Fortunately, he knows just what to do with the bounty that's befallen him.

"Salt the tomatoes, cucumbers and cherries ahead of time," he suggested. "The salt pulls out their juices, and those give the vinaigrette a sweet-acidic note." But don't salt the melon and peaches, or they'll fall apart. "Add those at the end. You want everything to keep its structure," he said. This no-cook meal is as simple as it gets, but when the produce is at its summery peak, you want to be sure to do it justice. *—Kitty Greenwald*

Total Time 25 minutes
Serves 4-6

3 cups halved cherry tomatoes
2 cups halved and pitted cherries
1 Persian cucumber, sliced into ¼-inch rounds
Kosher salt
Juice from ½ lemon, plus more as needed
1 tablespoon raspberry or Sherry vinegar
1 tablespoon grated fresh ginger
1 tablespoon minced shallot
¼ cup olive oil, plus more for drizzling
2 peaches, skin removed and cut into wedges
3 cups diced cantaloupe
½ cup roughly torn basil, leaves, plus more to garnish
2 balls fresh burrata or mozzarella, halved
12 thin slices prosciutto

1. In a medium bowl, combine cherry tomatoes, cherries and cucumbers. Season with salt and set aside until fruits release their juices, at least 10 minutes.

2. Meanwhile, make the vinaigrette: In a small bowl, whisk together lemon juice, vinegar, ginger and shallots. Season with salt and let shallots macerate until lightly pickled, at least 5 minutes. Whisk in olive oil and season with salt to taste.

3. Toss tomato-cherry mixture with vinaigrette and let marinate until flavors meld, at least 5 minutes. Just before serving, toss in peaches, melon and basil. Season with salt and lemon juice to taste.

4. To serve, place ½ ball burrata on each plate and season cut side with salt and olive oil. Generously mound salad around cheese and arrange prosciutto slices alongside. Garnish with more basil.

JUICY FRUIT Salting the tomatoes, cherries and cucumbers pulls out their sweet juices, which mix with the salad when it's tossed.

JAMES RANSOM FOR THE WALL STREET JOURNAL, FOOD STYLING BY EUGENE JHO, PROP STYLING BY SUZIE MYERS, ILLUSTRATION BY MATTHEW COOK

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Not Every Acquisition Is Exquisite

Design professionals reveal the smartest décor buys they've ever made, and the most regrettable

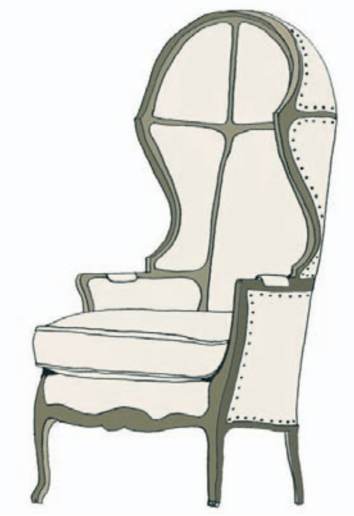
ASKED TO NAME their best design buy, many people single out a gem they scored at a gloat-worthy price, like the original Josef Hoffmann bistro chair Justin Colombik, of design and consulting firm Puccini Group, nabbed for $1.50 in a Chicago consignment shop. Another kind of "best": finds that cost dearly but keep on giving. Bay Area designer Chloe Warner, for example, sprang for $7,000 worth of a botanical-print Lee Jofa fabric to cover a 1960s sofa that's followed her from apartment to house. "It's been shockingly versatile," she said of the piece. When it comes to foolish purchases, some sting financially, like the commercial oven in Rick Shaver and Lee Melahn's Catskill's country house that could be lighted only with a blow torch. Others just sting the ego. The handle of the chrome tea kettle architect Andrew Wilkinson bought gets too hot to hold, a regular source of mirth for his wife. Here nine more designers share their wins and failures. *—Catherine Romano*

CANVAS WITH A PAST Charlotte, N.C., designer Catherine M. Austin happily discovered after buying this painting locally that it was originally sold by a highly reputable New York gallery.

DUSTIN PECK; ILLUSTRATIONS: ZOË MORE O'FERRALL

BEST "I scored four midcentury dining chairs on Craigslist for $50 when I lived in Chicago," said New York designer **Mikel Welch**. "The guy just wanted them out of his house. I swapped out the white vinyl for forest-green velvet."
WORST "I was super excited when I got an authentic Moroccan leather pouf for $100 online," he said, "but it had the most vile odor, like I was running a circus out of my one-bedroom apartment. I donated it to a local thrift store."

BEST "At a charity event, I bought a huge piece of abstract art that's a crazy mix of mint green, electric orange, red, bright pink, and yellow, with a shot of black and white," said New York interior designer **Courtney McLeod**. "It's followed me to five apartments. I use it as an example for my clients to buy what you love and you'll inevitably make it work."



WORST ▲ "I fell for a porter chair, a classic design with a high back and domed hood," said Ms. McLeod. "It just wasn't me, but the style had become trendy and I fell for it. Lesson learned: Trust your personal style and let trends come and go."

BEST "I found a tall, shallow glass cabinet that fit an impossibly sized nook in our family room," said New York designer **Libby Langdon**. "It feels airy and open, and the interior lights illuminate a peculiar corner that would otherwise be a dark hole."
WORST "I thought this asymmetrical

bookcase was modern and cool," said Ms. Langdon. "It had funny juts and odd-shaped openings and no back or doors. Nothing stayed standing up no matter how many bookends you used. It failed miserably."

BEST ▲ "I bid on and won a 16-piece porcelain coffee set for $200," said **Max Humphrey** of a decades-old collaboration between Richard Ginori and Gucci. "I lived in a basement apartment in Los Angeles, with no real furniture, so 'status' items like this were a big deal," said the Portland, Ore., designer, who still enjoys morning coffee from the logo-graced cups.
WORST "In L.A., also, I collected foo dogs, and most were little ceramics that fit under the seat of my Vespa," said Mr. Humphrey. "One day I spotted a waist-high pair I had to have. After haggling for them, I discovered they were cast concrete and unbelievably heavy. I made it halfway back to my apartment with the pair balancing between my legs before having to abandon them on the side of the road."

BEST "For the longest time, the only piece of furniture I had was a Chinoiserie coffee table I bought in a vintage shop for under $100," said **Rob Polacek**, chief creative officer at San Francisco's Puccini Group. "It was rough around the edges but had great lines, and I still have it."
WORST ▶ "I paid more than I should have for a donkey-tail succulent, and I knew it would be difficult to take care of with my travel lifestyle. It died."

BEST "I had to stretch to buy my walnut George Nakashima console, but seeing the craftsmanship and detail every day is an inspiration," said New York designer **Stephanie Goto**.
WORST "In a frenzy for one more chair for an evening of entertaining, I bought a black Philippe Starck Ghost Chair and brought it home in a cab. It's made of polycarbonate, and in the end, is too much the opposite of the timeless Nakashima. It's in storage now."

BEST "I made over my dining room inspired by the colors and textures I saw when looking into the water of Lake Tahoe," said Bay Area designer **Cynthia Spence**, who said that both the lake and the room evoke serenity.

WORST "When I moved into a California ranch, I added arches to it reminiscent of those in the Spanish-style house I had moved from. All it did was make me miss that house, and looking at them every day made me hate them."

BEST "In 2002, I bought a sofa for $6,000 off the floor of Holly Hunt, Chicago," said Larkspur, Calif, interior designer **Alison Pickart**. "Upholstered in an incredible giant-format black and cream plaid, it's the ultimate statement piece. And it is one of the most comfortable and well-made pieces I have ever owned."
WORST "So I could host a dinner party, I ordered 10 dining chairs online because they were available immediately," said Ms. Pickart. "Impatience is a weakness. The 'leather' was like plastic, the legs made of an awful veneer, and the chairs were just devoid of personality. I had bought into the convenience of mass-produced design. The chairs were left in the apartment when we moved."

BEST ◀ "When we remodeled and I got a closet I didn't share with my husband, I was able to go over-the-top girlie and put bold floral wallpaper on its ceiling," said Dallas designer **Abbe Fenimore**, "something I've wanted to do since I was little."
WORST "I couldn't talk my husband out of buying a pitiful knockoff of a modern Italian leather sofa," said Ms. Fenimore. "We argued about getting rid of it for so long, we both laughed when our new puppy shredded the back cushions."

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FAST FIVE

Get a Good Night's Sip

Especially after an evening of dehydrating indulgence, a bedside water carafe is just what the doctor ordered. Forgo plastic with one of these handsome vessels, and get a crowning drinking glass in the bargain

Cabana Carafe and Glass Set, *$700, modaoperandi.com*

Night Carafe, *$106, heathceramics.com*

Ribbed Glass Carafe, *$30, CB2.com*

Kati von Lehman Bedside Carafe, *$112, totokaelo.com*

Off Pitcher + Cup, *$220, esque-studio.com*

F. MARTIN RAMIN/THE WALL STREET JOURNAL

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GEAR & GADGETS

20 ODD QUESTIONS

Simon Pegg

Between playing with his toys and popping up in summer blockbusters, this Gloucester boy is recreating his childhood at home and on film

MISSIONARY MAN The 'Mission: Impossible' tech nerd enjoys the Los Angeles sun in 2015.

STEVE SCHOFIELD/CONTOUR BY GETTY IMAGES (PEGG); ANDREW HARRER/BLOOMBERG (CANDY CRUSH); EVERETT COLLECTION (SISTERS OF MERCY)

THE WORLD OF Simon Pegg changed when "Star Wars" made its way to England in December 1977, a slow seven months after its U.S. debut. A susceptible Mr. Pegg, then 7 years old, mainlined the movie and snatched up the merchandise to the tune of at least 80 little plastic figures and vehicles. "'Star Wars' informed so much of my tastes as a kid," the actor said, "and that bled into my adulthood and some of the films I've been involved in."

Mr. Pegg caught the acting bug early, studying theater at Stratford-upon-Avon College at 16 to jump-start a career. His Hollywood breakthrough came in 2004 with the cult classic "Shaun of the Dead," which he also co-wrote.

In the years since, Mr. Pegg, 48, has found his way into a disproportionate number of iconic pop-culture film series, with his turn as Scotty in the last three "Star Trek" films and a cameo (thinly disguised by CGI) as the Jakku junk boss Unkar Plutt in "Star Wars: The Force Awakens." He also reteamed with director Edgar Wright for two "Shaun" follow-ups and this weekend reappears as Benji Dunn, the beleaguered field tech who keeps Ethan Hunt (Tom Cruise) well-equipped, in "Mission: Impossible—Fallout."

Despite his fame, Mr. Pegg hasn't let go of the things that defined his childhood. He recreated his favorite movie theater in his house, spends time educating his daughter on "classic" cinema of his youth and occasionally checks in on his action figures ("I still keep them in a little suitcase," he admitted). But that doesn't mean he hasn't adequately embraced adulthood, he insists.

"I'm not really a man-child," he said from London while shuttling between red-carpet duties, "even though a lot of people assume that I am."

SOME OF HIS FAVORITE THINGS Clockwise from above: 2016 Mercedes GL SUV; Sisters of Mercy; Candy Crush Saga, not quite at 800 levels yet; the Fujifilm X-T2; Arbor Wasteland snowboard.

The way I impress my 9-year-old is: introducing her to YouTubers. My daughter met Tom Cruise on set and she wasn't bothered. But Stampy Cat, this guy who does "Minecraft" videos on YouTube? She can't believe she's going to meet him.

My obsession is: snowboarding, which I make time for every year. I panic and sweat if I get a job that may [conflict with] the season. I tend to go to Les Portes du Soleil in the Alps.

I cannot live without: my home cinema. It's got 12 black leather recliners, a projector and a 3-meter screen. It's based on a little cinema I went to as a kid called the ABC in Gloucester. I saw all the big movies there.

It's important to introduce children to: classic films that you kind of assume everybody's seen, like "Bill and Ted's Excellent Adventure," "Raising Arizona," the Spielberg milieu. You get to sort of vicariously view them for the first time again.

My favorite car is: my 2016 Mercedes GL SUV. I went through a period in my mid-40s when I decided to get a Jaguar XK. Then I realized I preferred my family car, which has Apple Play and is bigger and more comfortable. I got rid of the Jag.

When I want to unwind I listen to: "The Adam Buxton Podcast." He does these fantastic chats with people like Brian Eno. And he seems so amiable and funny and easy to talk to. The conversations are just really engrossing.

My favorite place to vacation is: Cephalonia, a Greek isle in the Ionian Sea. My wife and I picked it out of a hat and fell in love with it.

A book I want to bring to the screen is: "The Wasp Factory," by Iain Banks. It's a really strange kind of allegory about Thatcher's Britain, but it's extremely twisted. It's just a brilliant, odd book.

I'm still playing: "Candy Crush Saga." I'm loathe to begin another game just because I'm 800 levels into it and, as far as I can see, it doesn't end. On set, playing it centers me.

The biggest lesson I've learned in my career is: be proactive. I don't think my career would be anything like what it is if I hadn't self-generated and written and tried to create much of my own work.

Before I write I have to: travel at least a short distance. I find it difficult to write with home comforts around me. I need to go to a space I've designated for writing, whether that's the garden, or my office in town. I have to feel like I'm at work.

The problem with smartphone cameras is: they lack a degree of manipulation you get with real cameras. I just got a Fujifilm X-T2. I'm really enjoying it. I like the idea of actually discovering photography again.

My favorite band while growing up was: The Sisters of Mercy. I was very much a goth.

My dad introduced me to: the Eagles, Queen and Billy Joel's "52nd Street," which I love to this day.

London's best-kept secret is: Banner's, a restaurant in Crouch End. It isn't in the London where tourists go. It's in the London where we shot "Shaun of the Dead." It's got an amazingly welcoming vibe.

If I weren't an actor: I'd still be in the film industry, perhaps working with special-effects makeup. I love the idea of sitting in a workshop and making fantastic beasts and stuff.

The best gift I ever received was: a digital watch with a red blank face. You pressed the button and the little LED numbers turned on. I can feel the excitement right now talking about how amazing it was back in 1977 or whenever. It was such an exciting thing to unwrap.

—Edited from an interview by Chris Kornelis

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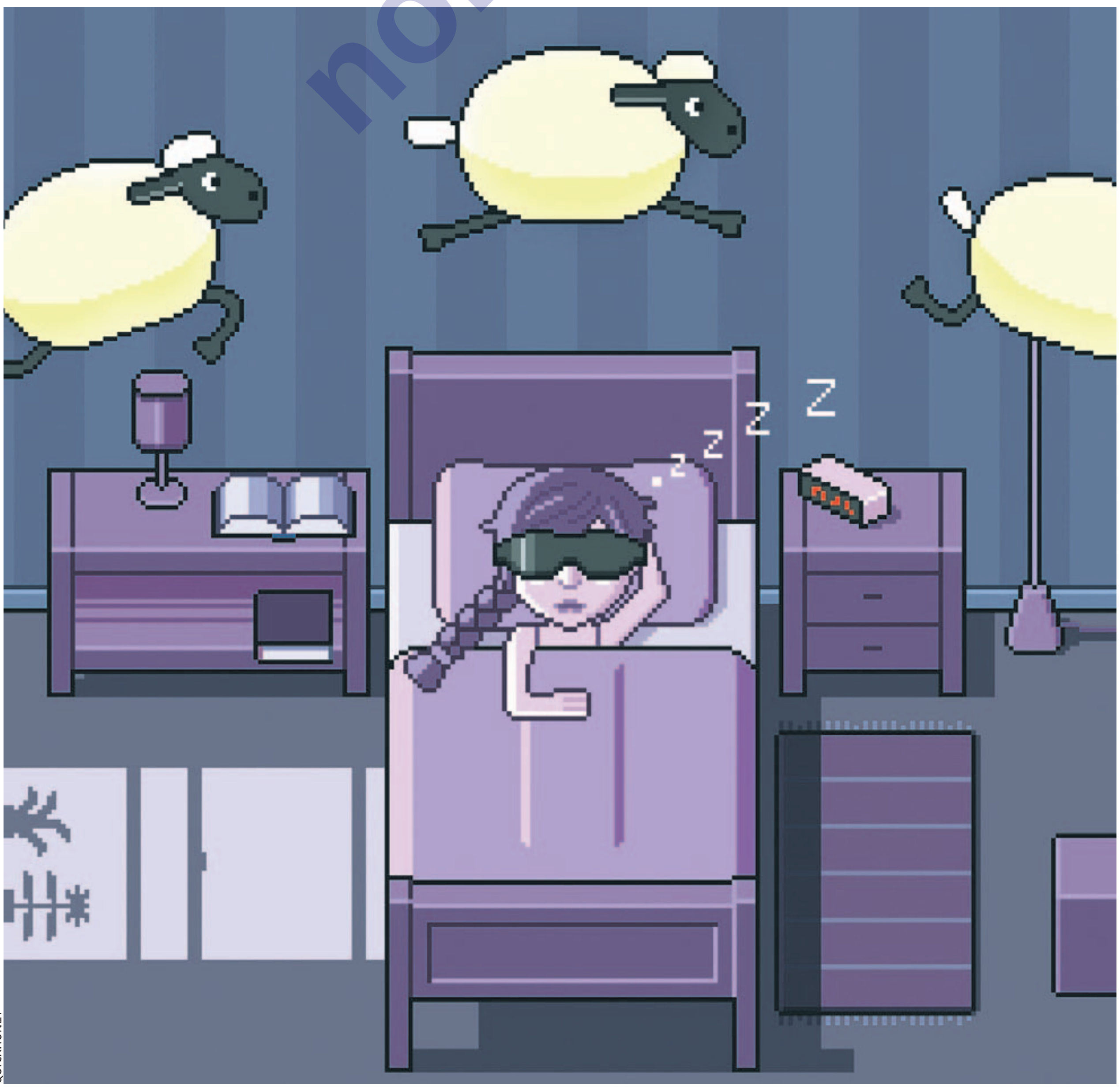

QUICKHONEY

MASK MARVEL Pulsing beams help you sync your circadian rhythms without affecting your slumber.

Technically Sleeping

Tossing and turning? High-tech masks use light to help reset your body clock so you can rest easy

THOSE EXTRA HOURS of summer sunlight may galvanize early risers, but can wreak havoc on sleep schedules for the rest of us. Without blackout curtains to shun the sun (as irksome as they are to install), many bedrooms don't get the recommended 8 hours of darkness. To the rescue: new high-tech sleep masks that can help ensure slumber, especially if you're looking to reset your body clock or need to combat jet lag.

The Lumos Smart Sleep Mask, available for preorder in August *($175, lumos.tech)*, is intended to let night owls readjust their circadian clocks by delivering light pulses while they sleep. Using the jet-lag setting on its Bluetooth-connected app, travelers can create a sleep schedule to prepare their body clocks for the next time zone. And if strapping technology to your eyelids sounds uncomfortable, the Lumos is barely thicker than a standard eye mask.

The methods might seem counterintuitive, but sleep therapy often employs bright light, said Dr. Shelby Harris, a behavioral sleep specialist in White Plains, N.Y. "We time it properly based on someone's specific sleep scheduling."

Though it otherwise mimics the Lumos, Dreamlight, a smart sleep mask funded on Indiegogo ($300, dreamlight.tech), costs a bit more and out-bulks its slimmer rival—think "face cummerbund." On the plus side, the mask's ample wraparound design includes infrared lights meant to treat wrinkles, sensors to track your heart rate and movement, and embedded headphones that pipe in audio-meditation and sleepy soundscapes.

If you've recently had your DNA analyzed by a company like 23andMe, the Dreamlight app can use the results to personalize a sleep schedule. The feature is based on a 2011 Stanford Sleep study connecting the dots between sleep and genetics.

A less expensive model, Sound Oasis's Illumy mask ($100, soundoasis.com) offers standard light-therapy features but isn't as technically equipped or comfy, and lacks Bluetooth. In any of these options, you won't look your sexiest come nightfall, but for chronic light sleepers and frequent jet-setters, bionic bedtime style might be worth a refreshing 8 hours.

—Rebecca Dolan

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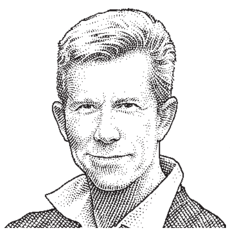
FABIAN KIRCHBAUER

FULLY LOADED The BMW X4 can go 0-60 mph in 4.6 seconds—for the right price.

RUMBLE SEAT / DAN NEIL



With This BMW, You Get What You Pay (and Pay) For

OCCASIONALLY READERS will complain that the cars tested in this column are all fully loaded, top-of-the-line models with the biggest engines. That's a fair point, damn it. Auto makers typically max out press vehicles to promote the latest bells and whistles; these shimmering towers of upselling don't necessarily, and sometimes not even remotely, represent the mainstream consumer experience.

Consider BMW's refreshed-for-2019 X4. This is the second generation of the company's niche-y, fashion-forward fastback—they call it a "sports activity vehicle"—based on the globally popular X3 compact SUV. A bit less practical than the X3—18.5 cubic feet of cargo space, compared the X3's 28.7, and slightly less rear-seat headroom—the raked-roof X4 is way sexier, and who doesn't want that? (Answer: People with small children or large dogs).

The starting MSRP for the X4 xDrive 30i—scientists are still deciphering the nomenclature—is an entirely reasonable $50,450; that includes the Bavarian brand's turbocharged 2.0-liter, 248-hp four-cylinder butter churn; a lubricious eight-speed transmission and all-wheel drive; panoramic sunroof; and a nicely detailed exterior-trim level called xLine, with 19-inch wheels.

Otherwise a mechanical twin of the square-backed X3, the X4 breathes the same air as glam utes such as the Range Rover Velar, Mercedes-Benz GLC Coupe, and Alfa Romeo Stelvio, which I regard still as the best looking and best handling of the bunch.

If you want the blacked-out body trim and M Sport Design wheels on the xDrive 30i, that's gonna cost you an extra $3,000. This year's conversation-starter is the gesture-control user interface (you wave your hands in front of the touch screen like you are brushing away pixies). But the gesture UX and BMW's colorful, data-rich heads-up display are bundled in what BMW calls the Premium Tier, which will skin you for another $1,600.

Long-distance road warriors with love the car's slick driving-assistance systems, including distance-keeping cruise control, lane-keeping warning/assist, forward-collision warning and automatic emergency braking. Doh. That's $1,700. And of course you will want the dynamic damper control for $1,000? I mean, what sort of monster goes around with uncontrolled dampers?

I visited the BMW website and quickly built myself an X4 xDrive 30i for $62,070, including Phytonic Blue Metallic paint ($550) and Tacora Red Vernasca leather upholstery ($1,700). Exquisite. You have any idea how rare red Vernascas are?

But the biggest upsell of all is also the one least likely to bring happiness: more power. The X4 is also available with BMW's turbocharged 3.0-liter, 355-hp in-line six cylinder. That one they call the xDrive M40i M Performance trim level, and it starts more or less where the fully equipped xDrive 30i leaves off ($60,450 base MSRP).

I drove both versions at a June press event at BMW's factory in Spartanburg, in the Bavarian region of South Carolina, and came away convinced that, were it my money, I would absolutely choose the smaller, more fuel-efficient engine (29 mpg on the highway, according to the feds). If you listen closely you can hear the hearts of BMW sales managers breaking.

Oh yeah, the M40i runs like a scalded dog. The 3.0-liter engine is a wondrous piece of watchworks: lightweight, compact, potent, ridiculously refined, with oodles of ready torque (365 lb-ft as low as 1,520 rpm) sluicing through the gears, sufficient to launch the M40i to 60 mph in 4.6 seconds, officially, though it feels a bit quicker to me.

Commensurate with the additional power and torque (365 lb-ft), the M40i's suspension settings are firmer than the xDrive 30i (adaptive dampers as standard); bigger brakes with very blue calipers are fitted; and the variable-rate steering is a bit heftier to the touch (what the engineers call "hand torque").

My time in the M40i included a half-dozen spirited laps around the handling course behind the factory in Spartanburg. The track-prepared M40i's were equipped with the optional electromechanically locking rear differential and shod with 20-inch summer stickies, so they were getting around pretty well. While the sport diff does virtually nothing for you on loose terrain, on a track,

> **The X4's biggest upsell of all is also the one least likely to bring much happiness: more horsepower.**

whoa Nelly does this thing rotate under power. In the M40i you can just blast out of slow corners, crossed up and countersteering, with the rear tires hazed with the stink of melted Michelins.

The M40i also comes equipped with a flap-based sport-exhaust system; as engine revs increase the flap opens and the tones get deep and louder. Off-throttle, the exhaust spits and crackles charmingly, if a bit synthetically (engine and exhaust sounds are electronically enhanced through the sound system).

And all that's great if you have both tires and cash to burn, and if you happen to live behind BMW's factory. If not, the 2.0-liter engine pairing feels more natural, sensible, and yes, even virtuous.

You won't miss a thing. In real world driving, the 2.0-liter engine wildly overachieves. Like the M40i, the xDrive 30i feels quicker than BMW claims (6.0 seconds). And unlike most turbo-fours controlled by fuel-saving algorithms, BMW's 2.0-liter is responsive and seemingly untaxed, with practically zero lag at throttle tip-in.

This is the engine to get. Don't let some sweet-talking sales manager convince you otherwise. Or car reviewer.

2019 BMW X4 xDrive 30i/M40i

Base Price $50,450-$60,450

Powertrain Twin-scroll turbocharged direct-injection in-line four cylinder with variable timing/lift (30i); turbocharged direct-injection in-line six cylinder with variable valve timing/lift (M40i); eight-speed automatic transmission with four drive modes and manual-shift mode

Power/Torque 248 hp/258 lb-ft (30i); 355 hp/365 lb-ft (M40i)

Length/Width/Height/Wheelbase 187.5/75.5/63.8/112.7 (30i); 187.5/76.3/63.8/112.7 (M40i)

Curb Weight 4,147-4,323 pounds

0-60 mph 6.0/4.6 seconds (30i/M40i)

EPA Fuel Economy 25/22/29 mpg (30i); 23/20/27 mpg (M40i)

Cargo Capacity 18.5 cubic feet

Should I Sanitize My Phone?

For all the grime that gets on our devices, the occasional wipe down might not be enough. These glowing gadgets give them a deeper clean

F. MARTIN RAMIN/THE WALL STREET JOURNAL

RAISING THE SOAP BAR When closed, PhoneSoap bathes your mobile in purifying blue light.

MOST OF US spend all day fused to our smartphones, toting the devices wherever we roam, tossing them into messy purses, swiping through screens as we sauté, pressing them against our sweaty faces. Turns out our phones get pretty filthy. "All surfaces have bacteria," said Amesh Adalja, M.D., a senior scholar at the Johns Hopkins Bloomberg School of Public Health. "We transfer it from our bodies to items we touch, like keyboards, light switches and phones."

Lingering germs can lead to sickness and skin breakouts, and even though considerate companies have made wipes and microfiber cloths specifically to disinfect electronics—please, don't just spray your phone with Windex—they can't always reach those tiny seams and crevices. Now a stable of sanitizing devices has been built to safely blast gadgets with UV-C light rays, which penetrate cell bacteria and effectively kill 99.99% of germs.

Akin to a glowing lightsaber, the Verilux CleanWave Portable Sanitizing Wand *($99, verilux.com)* can be waved back and forth over any gizmo of questionable hygiene, including keyboards remote controls, kids' toys and phones. Meanwhile the PhoneSoap, a chic little tanning bed that fits even the hulking Galaxy S9 Plus, provides a hands-free option for sanitizing your cell while it charges. You can also toss in keys, credit cards or whatever fits its sizable cradle *(from $60, phonesoap.com)*.

Inside the PhoneSoap are blue bulbs under glass and a reflective surface that helps bathe the device in cleansing light. It can sanitize your cell in a 10-minute cycle but your phone won't suffer if you leave it sealed inside overnight. A dual charging portal lets you power up multiple devices at once—I plugged in both my phone and my Apple Watch—and for an extra $40 you can upgrade to a PhoneSoap with wireless charging.

PhoneSoap comes in seven colors—the minimalist white model could have been picked up straight from the Apple store—and looks at home on the tidiest desk or nightstand. There's no home test to verify the grime is vaporized, but a 1903 Nobel Prize confirmed the science. "There's no question that UV light kills bacteria," said Lisa Maragakis, M.D., an infectious disease specialist. It batters "the DNA of the bacteria until there's so much damage that they die."

Still, if you're skeptical, or loathe to part with $60, maybe just wash your hands more often instead.

—Rachel Jacoby Zoldan