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ASIA EDITION

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Business & Finance

Facebook has expanded its use of artificial intelligence to identify terrorist postings on its platform and at times to delete or block them without review by a human. **A1**

◆ **Baidu is looking** to get a leg up in the competitive financial-services market, but credit-rating companies are skeptical. **B1**

◆ **Britain's statistics** body said it would stop giving the U.K. government access to official data ahead of public release. **B5**

◆ **Daimler bought** a stake in the main rival to Uber in the Middle East, joining the ranks of other big car makers investing in the ride-hailing sector. **B1**

◆ **Chinese banks** are moving to limit their exposure to Anbang, a sign they are concerned about potential trouble spreading to other parts of the financial system. **B1**

◆ **BP is pushing ahead** with long-delayed efforts to develop natural gas offshore India, in partnership with Reliance Industries. **B3**

◆ **Kroger posted** a second consecutive quarter of same-store sales declines and cut its earnings outlook for this year. **B2**

◆ **Nike is cutting** more than 1,000 global jobs as part of a restructuring to help battle slowing sales. **B3**

◆ **Fiat Chrysler** is recalling nearly 300,000 minivans to fix faulty wiring that could lead air bags to deploy unintentionally. **B3**

World-Wide

◆ **Trump's firing** of former FBI Director James Comey is now a subject of the federal probe being headed by Special Counsel Mueller. **A5**

◆ **The U.S. president** signaled his unhappiness with reports that Mueller is investigating whether he obstructed justice, saying that he is the target of a "witch hunt." **A1**

◆ **Chinese scientists** have successfully sent specially linked pairs of light particles from space to Earth. **A1**

◆ **China's top Australia** envoy accused critics of Beijing's influence in the country of trying to "institute China panic." **A4**

◆ **A leaked recording** emerged of Australia's Prime Minister Turnbull mocking Trump. **A4**

◆ **The death toll** from a fire that engulfed a high-rise building in London rose to 17 and was likely to increase, police said. **A4**

◆ **Putin criticized** new sanctions against Russia that were approved by the U.S. Senate. **A4**

◆ **An Iranian Navy vessel** confronted three U.S. ships and pointed a laser at a Marine Corps helicopter over the Strait of Hormuz. **A3**

◆ **The U.S. and Qatar** signed a preliminary agreement for the sale of dozens of Boeing fighter jets to the Persian Gulf monarchy. **A3**

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Trump Criticizes Widening Probe

President tweets 'very bad and conflicted' people are investigating if he obstructed justice

By PETER NICHOLAS

President Donald Trump signaled his unhappiness with reports that Special Counsel Robert Mueller is investigating whether he obstructed justice, writing Thursday that he is the

target of "the single greatest WITCH HUNT in American political history."

"They made up a phony collusion with the Russians story, found zero proof, so now they go for obstruction of justice on the phony story. Nice," the president wrote on Twitter.

Though Mr. Trump didn't mention Mr. Mueller by name, he appeared to have the special counsel's office in mind, adding on Twitter that the inquiry is being "led by some very bad

- ◆ President: Scalise 'in some trouble' after shooting... A5
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and conflicted people!"

Mr. Trump's allies have put forward a similar argument in the month since the Justice Department appointed Mr. Mueller to investigate

Russia's alleged interference in the 2016 U.S. presidential election and whether associates of Mr. Trump colluded with Moscow. They have maintained that Mr. Mueller, a former director of the Federal Bureau of Investigation, isn't an impartial figure and can't carry out an independent inquiry.

Newt Gingrich, a former Republican House speaker and a campaign supporter of Mr. Trump, tweeted Monday

that "Republicans are delusional if they think the special counsel is going to be fair. Look who he is hiring....Time to rethink."

Some of the investigators Mr. Mueller has retained have made contributions to Democratic candidates.

One friend of Mr. Trump's, Chris Ruddy, has said that the GOP president was considering whether to fire Mr. Mueller. Though he said such a move

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Putin Faults U.S. Sanctions in Annual Chat With Nation



LISTENING IN: Cadets at the Sevastopol Presidential Cadet Academy in Crimea watch Russian President Vladimir Putin's annual call-in show. Mr. Putin blamed new sanctions approved by the Senate on U.S. politics and called for improved ties between the countries. **A4**

Quantum Leap for China Scientists

By JOSH CHIN

BELIJNG—Chinese scientists have succeeded in sending specially linked pairs of light particles from space to Earth, an achievement experts in the field say gives China a leg up in using quantum technology to build an "unhackable" global communications network.

The result is an important breakthrough that establishes China as a pioneer in efforts to harness the enigmatic proper-

ties of matter and energy at the subatomic level, the experts said.

In an experiment described in the latest issue of *Science*, a team of Chinese researchers used light particles, or photons, sent from the country's recently launched quantum-communications satellite to establish an instantaneous connection between two ground stations more than 1,200 kilometers (744 miles) apart.

Using the quantum proper-

ties of tiny particles to create a secure communications network is scientifically and technically demanding, according to security researchers, and China is years away from being able to build one.

If China ultimately succeeds, such a system could undermine U.S. advantages in penetrating computer networks.

The Pentagon, in an annual report on China's military delivered to Congress last week, described the quantum satel-

lite launch in August as a "notable advance in cryptography research."

Disclosures by former National Security Agency contractor Edward Snowden in 2013 about U.S. spying on Chinese networks rattled Beijing, and have pushed the country to bolster cybersecurity measures in a variety of ways.

The Snowden revelations undoubtedly played a part in the drive towards quantum

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Facebook Takes Aim At Terrorist Content

By SAM SCHECHNER

Under intense political pressure to better block terrorist propaganda on the internet, Facebook Inc. is leaning more on artificial intelligence.

The social-media firm said Thursday that it has expanded its use of AI in recent months to identify potential terrorist postings and accounts on its platform—and at times to delete or block them without review by a human. In the past, Facebook and other tech giants relied mostly on users and human moderators to identify offensive content. Even when algorithms flagged content for removal, these firms generally turned to humans to make a final call.

Companies have sharply boosted the volume of content they have removed in the past two years, but these efforts haven't proven effective enough to tamp down a groundswell of criticism from governments and advertisers. They have accused Facebook, Google parent Alphabet Inc. and others of complacency over the proliferation of inappropriate content—in particular, posts or videos deemed as extremist propaganda or communication—on their social networks.

In response, Facebook disclosed new software that it says it is using to better police its content. One tool, in use for several months now, combs the site for known ter-

Please see TERROR page A2

The Bell Tolls for 'Whom' (to the Disgust of Grammatical Purists)

* * *

As the word is increasingly neglected, die-hard grammarians fight to save it

By SPENCER JAKAB

When Twitter users open their home pages, they are greeted by an inset box at the top of the screen in which three words appear in gray type: "Who to follow."

Correct grammar? Certainly not.

Plenty of Twitter users, including members of the blue-checkmarked elite, have complained about that oversight. "The 'whoms' put up a good fight, but we ultimately opted for a more natural cadence and the 'whos' won out," says Twitter spokeswoman Brielle Villablanca.

This sort of grammatical nonchalance doesn't sit well with many people, among them Thomas Steiner, a systems engineer at Google.

Mr. Steiner, a German who lives and works in Hamburg, says Twitter's language annoys him. "As a non-native speaker, I make a lot of effort to learn the language, and the people who should know better don't," he says.

In his spare time, he wrote a free browser plugin that automatically corrects the "who" to "whom." He "fixed the internet," gushed one user of the program.

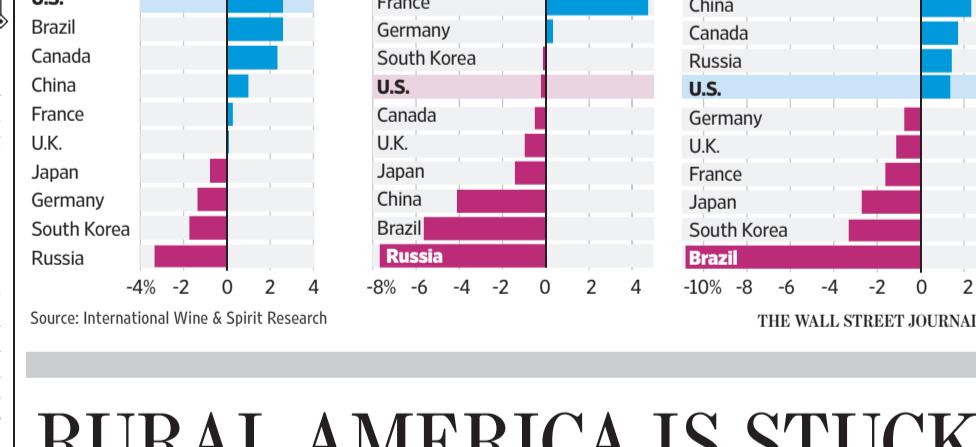
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Using the quantum proper-

Cocktails Gain as Consumers Lose Taste for Beer and Wine

The world is drinking less, though sales of spirits and mixed drinks are still growing. **B1**

WORLDWIDE CONSUMPTION IN 2016, CHANGE FROM A YEAR EARLIER



Source: International Wine & Spirit Research

THE WALL STREET JOURNAL.

RURAL AMERICA IS STUCK IN THE DIAL-UP AGE

High costs and lack of access to broadband service prevent residents

of farflung communities from joining the modern economy

By JENNIFER LEVITZ AND VALERIE BAUERLEIN

CALEDONIA, Mo.—Jeanne Wilson Johnson raises sheep and angora goats, and to sell the wool and mohair online she drives 4 miles to the parking lot of Roy's gas station, the closest spot for decent internet access.

At her 420-acre farm, Ms. Johnson pays \$170 a month for a satellite internet service too slow to upload photos, much less conduct business.

As in many rural communities, broadband here lags behind in both speed and available connections. Federal data show only a fraction of Washington County's 25,000 residents, including Ms. Johnson, have internet service fast enough to stream videos or ac-

cess the cloud, activities that residents 80 miles away in St. Louis take for granted.

"We don't feel like we're worth it," said Ms. Johnson, 60 years old.

Delivering up-to-date broadband service to distant reaches of the U.S. would cost hundreds of billions of dollars, experts estimate, an expense government, industry and consumers haven't been willing to pay.

In many rural communities, where available broadband speed and capacity barely surpass old-fashioned dial-up connections, residents sacrifice not only their online pastimes, but also chances at a better living. In a generation, the travails of small-town America have overtaken the ills of the city,

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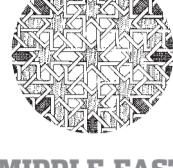
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OFF DUTY, W1

WORLD NEWS

Turkey Sees Itself as a Target in Qatar Squeeze



MIDDLE EAST CROSSROADS

By Yaroslav Trofimov

Turkish President Recep Tayyip Erdogan's determination to stand by Qatar, a tiny Gulf emirate under a barrage of sanctions by Saudi-led Arab nations, has taken many in the Middle East by surprise.

But for Mr. Erdogan, this conflict is deeply personal. If Turkey allows Qatar's

autonomy to be crushed, officials in Ankara fear Mr. Erdogan's administration could be next to face international pressure.

"Whatever Qatar is accused of, Turkey can also be accused of, and Erdogan is aware of that. There is a sense in the Turkish leadership that they are aiming at Qatar but really are trying to target us," said Asli Aydintasbas, a Turkey specialist at the European Council on Foreign Relations. "Hence the reaction and the overreaction."

Saudi Arabia, the United Arab Emirates, Egypt and Bahrain this month cut diplomatic and trade ties with Qatar. They accused the emir of sponsoring terrorism and demanded it end support for the Muslim Brotherhood, an Islamist group these Arab nations have declared a terrorist organization.

Turkey, by contrast, sees the Brotherhood as a legitimate movement with broad popular appeal.



Turkish President Recep Tayyip Erdogan in Ankara on Tuesday. Addressing the Qatar crisis this week, he said isolating a country 'in all areas is inhuman and un-Islamic.'

Once imprisoned for his own Islamist politics, Mr. Erdogan has a longstanding affinity with the group and with other Islamist organizations that seemed ascendant throughout the region in the aftermath of the Arab Spring.

Following the 2013 military coup that ousted a Brotherhood-run government in Egypt, these groups have been crushed or driven underground almost everywhere. Amid this anti-Islamist backlash, Qatar is the only country left in the region that is aligned with Mr. Erdogan's position on the Brotherhood, and that also openly supports the Palestinian movement Hamas. Both Qatar and Turkey also oppose an escalation of Saudi Arabia's confrontation with Iran.

Mr. Erdogan—who has nurtured a personal bond with Qatari Emir Sheikh Tamim bin Hamad Al-Thani—

moved swiftly to offset the Saudi-led effort to isolate Qatar. Alongside Iran, Turkey opened air corridors to Qatari flights that have been barred from Saudi airspace. Ankara has also fast-tracked legislation to deploy thousands of troops to Qatar, aiming to prevent regime change in the wealthy emirate.

Addressing the Qatar crisis this week, Mr. Erdogan said "taking action to isolate a country in all areas is inhuman and un-Islamic"—a remark that seemed to question the Islamic credentials of the House of Saud. Pro-government Turkish newspapers, meanwhile, have accused the U.A.E. of orchestrating last year's failed military coup against the Turkish leader.

"Turkey does not see this as a bilateral crisis but as a beginning of a regional crisis. Qatar supported the Arab Spring, moderate Sunni Is-

lamic groups such as Muslim Brotherhood, and these are the positions that Turkey shares too," said Galip Dalay, research director at Al Sharq Forum, an Istanbul think tank backed by Qatar. "Turkey feels all of its stances on major regional issues are also being targeted. If Qatar gives in to these pressures, Turkey will lose its closest ally."

Groups supported by Turkey and Qatar also include jihadist militias in Syria and in Libya, some of them uncomfortably close to al Qaeda. In Libya, in particular, Qatar and Turkey have backed one side of the civil war against a rival alliance supported by Egypt and the U.A.E.

These connections are one of the reasons why President Donald Trump—overruling Secretary of State Rex Tillerson's attempts to defuse the crisis—

has backed the Saudi move on Qatar.

"The nation of Qatar has historically been a funder of terrorism at a very high level," Mr. Trump said last week. Qatar has denied the charge.

Mr. Erdogan's relationship with Mr. Trump is tenuous at best, and the Turkish leader failed to win any major concessions during a Washington trip last month. His new readiness to damage Turkey's ties with big Arab states—and potentially the U.S.—on Qatar's behalf has already alarmed the country's opposition.

"The decision that President Erdogan has made was a wrong decision. His affiliation with the Muslim Brotherhood is more important to him than his allied relationship with Saudi Arabia and U.A.E. and other countries,"

said Ozturk Yilmaz, a former ambassador who now serves as a lawmaker with CHP, Turkey's biggest opposition party. "Siding with Qatar against other Arab allies would backfire one day or another."

To Mr. Erdogan's critics, this reckless plunge into yet another Middle East crisis also shows just how volatile Ankara's policies have become now that the Turkish president has eliminated most checks and balances.

"The Turkish foreign policy has become highly personalized, just like its domestic policies," said Bulent Gultekin, a former governor of Turkey's central bank who teaches at the University of Pennsylvania. "In domestic policy, it worked in Erdogan's favor each time he was able to up the ante. When it comes to foreign policy, however, he's got into trouble because he behaves on impulse."

"The decision that President Erdogan has made was a wrong decision. His affiliation with the Muslim Brotherhood is more important to him than his allied relationship with Saudi Arabia and U.A.E. and other countries," said Ozturk Yilmaz, a former ambassador who now serves as a lawmaker with CHP, Turkey's biggest opposition party. "Siding with Qatar against other Arab allies would backfire one day or another."

tion currently in use.

The process described by the Chinese researchers in this week's report is too slow and complex to be used for practical quantum communications, said Gregoire Ribordy, co-founder of Geneva-based quantum cryptography firm ID Quantique. Mr. Ribordy's company recently formed a joint-venture to sell quantum-communications equipment in China.

But he said that China would be able to connect its embassies and other government facilities around the world by launching a second quantum satellite to expand the transmission range—something he predicted could happen within five years.

"They could do large-scale, global-scale quantum communications," said Mr. Ribordy. "They've gathered experience with this satellite."

Pan Jianwei, a physicist at the University of Science and Technology of China who runs the Micius program, didn't immediately respond to requests for comment.

who is working with Chinese researchers on a different experiment involving the satellite, said the result had exceeded his expectations.

The Chinese team behind this week's report was led by physicists from University of Science and Technology of China in the eastern city of He-

fei. The university also led development of the satellite, named Micius after a fifth-century B.C. philosopher.

Photons and other subatomic particles can be encoded with cryptographic keys—the kind used to scramble and unscramble messages. The state of a particle changes

as soon as it is intercepted, making it impossible for a third party to steal the key without alerting the intended recipient.

Quantum encryption can be defeated when it isn't used properly, said Alexander Ling, an expert in quantum communications at the Center for

Quantum Technologies in Singapore.

Deployed correctly, quantum encryption would protect data against conventional snooping and protect networks against efforts in the U.S. and elsewhere to build quantum computers powerful enough to defeat the math-based encryp-

JIN LIU/WANG/XINHUA/GETTY IMAGES



A composite photo taken in December shows a satellite-to-earth link between Chinese satellite Micius and an experiment platform in Tibet.

moderators to go through it. But the firm's new moves reflect a growing willingness to trust machines when it comes to thorny tasks like distinguishing inappropriate content from satire or news coverage—something firms resisted after a spate of attacks just two years ago as a potential threat to free speech.

One factor in the changed approach, executives say, has been the improved ability of algorithms to identify unambiguously terrorist content in some cases, while referring other content for human review.

"Our A.I. can know when it can make a definitive choice, and when it can't make a definitive choice," said Brian Fishman, lead policy manager for counterterrorism at Facebook. "That's something new."

Another factor in the fresh

A.I. push: intense pressure from advertisers and governments, particularly in Europe. British Prime Minister Theresa May ratcheted up complaints this week that calls on tech giants to go beyond deleting

wake of a series of deadly terror attacks in the U.K. Just days before a general election, meanwhile, the campaigns for both of Britain's two main parties pulled political ads from Alphabet's YouTube video-sharing site after being alerted those ads were appearing before extremist content.

Social-media firms insist they want to stamp out terrorism on their platforms.

Germany earlier this year proposed a bill that could fine firms up to €50 million (\$56 million) for failing to remove fake news or hate speech—including terrorist content. The U.K. and France published a counterterrorism action plan this week that calls on tech giants to go beyond deleting

content that is flagged, and instead identify it beforehand to prevent publication.

"There have been promises made. They are insufficient," French President Emmanuel Macron said Tuesday.

Facebook has already rolled out software to identify other questionable content such as child pornography and fake news stories. Ahead of French and German elections this year, the company began tagging "disputed" stories when outside news organizations ruled them as false.

Social-media firms including Facebook, Yahoo Inc. and Twitter Inc. are adamant that they want to stamp out terrorism on their platforms—and already do a lot to remove such content. Twitter says it is expanding its use of automated technology to combat terrorist content, too. From July through December last year, Twitter said internal tools flagged 74% of the 376,890 accounts it removed.

YouTube says it is collaborating with the other social media firms on a shared database of previously identified terrorist imagery, which allows the companies to more quickly identify posts that use them. But the company doesn't use technology to screen new content for policy violations, saying computers lack the nuance to determine whether a previously uncategorized video is extremist.

"These are complicated and challenging problems, but we are committed to doing better and being part of a lasting solution," a YouTube spokesman said.

—Jack Nicas contributed to this article.

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WORLD NEWS

U.S. and Iran At Risk of Clash in Syria

Southern Syria, once the quietest corner of the country's multisided conflict, has unexpectedly become the most volatile flashpoint between America and Iran as the two countries vie for control.

By Dion Nissenbaum in Washington and Maria Abi-Habib in London

The U.S. military has moved mobile artillery-rocket launchers into southern Syria for the first time, as American troops in the area face increasing dangers from Iran-backed forces. Iran's best-known military commander, meanwhile, was photographed praying with allied fighters in Syria, a visit seen by some U.S. officials as a public taunt by Tehran. Worried that the situation may spiral out of control, top U.S. military commanders are pressing Moscow to step in.

"This is rapidly developing, it's not settled at all and I don't even know that there's a good direction determined yet," one U.S. official said. "Everybody's trying to figure out what to do here. It's in nobody's interest for us to get into an active fight with these pro-regime forces."

For years, the U.S. military has focused its firepower in Syria on defeating Islamic State and largely avoided direct confrontations with President Bashar al-Assad's forces and his Iranian allies. But the risks of a combustive confrontation in southern Syria have

unexpectedly increased as the U.S. has ramped up its operations against Islamic State.

The jostling is partly driven by a view among some U.S. officials that the vast desert could become a staging ground for President Donald Trump's nascent efforts to counter Iranian influence in the region, including Tehran's efforts to establish firm control over weapons supply routes running through Iraq, Syria and into Lebanon.

Elite U.S. special operations forces have stepped up training and brought in more firepower to a small garrison known as al-Tanf, near a key border crossing with Iraq. About 150 U.S. special operations forces are rotating in-and-out of the training base, U.S. officials said. In Syria's north, more than 750 U.S. Marines and soldiers are using helicopters, artillery and airstrikes to help Syrian fighters push Islamic State from Raqqa, the extremist group's largest remaining stronghold in Syria.

Last month, the U.S. military carried out a rare airstrike on allies of Mr. Assad, who were heading toward the garrison and were viewed as a threat. That was followed by three more airstrikes, including the shootdown of an Iranian-made drone that had attacked U.S. military advisers in southern Syria.

While the U.S. has stopped short of publicly identifying the kind of drone used in the attack, U.S. officials have said it was an Iranian-made Shahed



A U.S.-backed fighter, left, and a U.S. soldier, right, took up positions in May at a border crossing between Syria and Iraq.

129. U.S. officials said they may never figure out who was piloting the Predator-size drone, but have narrowed their suspicions down to either Iran or Syria.

U.S. forces watched as the drone repeatedly circled a small patrol base recently set up by Western advisers working alongside Syrian fighters, U.S. officials said. The drone dropped a munition near the small military outpost, but it didn't explode. As the drone continued to circle the area, a U.S. F-15 took aim and blew it out of the sky, they said.

The increasing hostilities have triggered a debate in Washington over how to respond. Some Trump administration officials, including the State Department's point man on the fight against Islamic State, want to avoid taking provocative steps that could lead to clashes with fighters backed by Tehran, Damascus and Moscow, U.S. and Western officials said. Others, including top U.S. military commanders, see a need to more aggressively confront an increasing threat

posed by Iran-backed forces trying to seize an advantage.

While the U.S. focuses on Islamic State, Mr. Assad's forces and their allies are pushing toward a key Iraq-Syria border crossing in the south now held by Islamic State. The offensive, U.S. officials said, appears aimed at preventing U.S.-backed Syrian rebels trained at al-Tanf from moving north to seize the Abu Kamal border crossing.

Control of Abu Kamal would allow the rebels to cut off any possible Iranian weapons shipments both to the Damascus government and to the militant group Hezbollah in Lebanon.

The Abu Kamal border crossing in Deir Ezzour province has been a key land bridge for Islamic State forces to travel in and out of Iraq and Syria and also is strategic for its proximity to the extremist group's key source of revenue: nearby oil fields in Deir Ezzour.

Lt. Gen. Stephen Townsend, head of the U.S.-led coalition battling Islamic State, has repeatedly asked the Russian military to constrain its allies in

Tense Confrontation In Strait of Hormuz

WASHINGTON—An Iranian Navy vessel confronted three U.S. ships and pointed a laser at a Marine Corps helicopter over the Strait of Hormuz, U.S. military officials said, another in a series of incidents the military considers dangerous.

An Iranian Navy vessel encountered the three American ships traveling through international waters in the Strait of Hormuz on Wednesday, U.S. military officials said. The Iranian boat shined a spotlight on

two of the ships, the USS Bataan, an amphibious assault ship, and the guided-missile destroyer the USS Cole, said Cmdr. Bill Urban, a spokesman for the U.S. Fifth Fleet in Bahrain.

More worrisome, he said, was the use of a laser that members of the crew of the Iranian vessel pointed at a Marine Corps helicopter accompanying the ship formation in the area.

"Illuminating helicopters with lasers at night is dangerous as it creates a navigational hazard that can impair vision and can be disorienting to pilots using night-vision goggles," Cmdr. Urban said.

—Gordon Lubold

Syria, U.S. officials said. Gen. Townsend has sent blunt warnings to Russia that the U.S. won't shy away from a fight if Moscow doesn't help, they said.

To help check further threats, the U.S. military has sent High Mobility Artillery Rocket Systems into southern Syria for the first time to pro-

tect the small garrison at al-Tanf. Military officials are concerned that forces backed by Damascus and Iran may also try to seize a border crossing near the U.S. rebel-training base. The U.S. has established a 33-mile buffer zone around the base and told regime forces to steer clear.

Terrorist Had 'Unyielding' Views

Valeria Collina tried in June 2016 to enter the east London fast-food restaurant where her son Youssef Zaghba worked in the kitchen. He blocked her at

By Eric Sylvers
in Fagnano, Italy,
and Giovanni Legorano in Rome



A memorial for the London attack. Below, Youssef Zaghba.

the door, saying she couldn't sit there unaccompanied by a male relative.

"He was becoming more and more unyielding in his views on Islam," Ms. Collina said in an interview outside Bologna. "But there was no reason to think it could end in the terrible act that he did."

More than a year before Zaghba and two other terrorists killed eight people in a rampage at London Bridge and nearby Borough Market this month, the Italian-Moroccan man's steady radicalization had alarmed his family and raised the suspicions of Italian authorities. But despite the warning signs, he slipped through the grasp of Italian security personnel with an aggressive approach to extremists and years of experience combating the mafia.

"You hear about the guys who become terrorists after coming out of jail or those who are ex-drug addicts looking for something to latch onto," Ms. Collina said. "But Youssef is a different case and maybe that makes it more dangerous and harder to control."

The problem of Islamic extremism has been less severe in Italy than in other European countries, in part because Muslim immigration has been more limited here than elsewhere in the region. About 2.7% of the country's population is Muslim, compared with

8.7% in France, according to the World Religion Database.

Italy hasn't suffered a major Islamist terrorist attack. The country has seen about 100 foreign fighters depart for battlefields in the Middle East, and several hundred people are under special observation for the risk of radicalism in Italian jails—far fewer than in other large European countries.

The country has long had some of Europe's strictest anti-terrorism laws, a legacy of its experience combating the mafia and homegrown political terrorism. Authorities have broad authority to wiretap

suspects and to order preventive detention if they feel a subject could repeat an offense or hide potential evidence.

But since most of the country's suspected Islamist extremists are foreign-born, authorities' main tool in combating them has been expulsion and repatriation. Italy has been especially aggressive at expelling people who display extremist views, even if they haven't been convicted of any crime. Since January 2015, the country has expelled 184 suspected extremists.

Such techniques didn't apply to Zaghba, who was born in Morocco of an Italian mother and a Moroccan father and had dual citizenship. Ms. Collina, born in Bologna, moved to Morocco about 25 years ago after converting to Islam and marrying Zaghba's father. She gave birth to her son there in 1995. The two returned to Italy in 2015 after Zaghba failed two university exams in Morocco.

In 2014 when Ms. Collina and her son still lived in Morocco she noticed that he had an Islamic State flag on his

headgear. "He had his politics and I had mine," his mother said. "He believed in ISIS and I tried to show him what they do is wrong."

U.S., Qatar Sign F-15 Agreement

By JAY SOLOMON
AND DOUG CAMERON

WASHINGTON—The U.S. and Qatar signed a preliminary agreement for the sale of dozens of Boeing Co. F-15 jet fighters to the Persian Gulf monarchy, in a transaction that risks further ensnaring the Trump administration in an escalating dispute between leading Arab countries.

Qatar's Defense Ministry valued the contract at \$12 billion and said it would create 60,000 U.S. jobs. The preliminary deal was signed at the Pentagon on Wednesday by U.S. Defense Secretary Jim Mattis and his Qatari counterpart, Khalid al-Attiyah, said U.S. and Qatari officials.

Saudi Arabia, the United Arab Emirates and other Arab countries severed diplomatic relations with Qatar last week, and sealed their air and land borders, after accusing the gas-rich emirate of financing terrorism and promoting extremist ideologies.

Qatar is home to the Al Udeid air base, the largest U.S. military facility in the Middle East. American energy and defense companies have major investments in the country.

The dispute among U.S. allies has placed the administration in a diplomatic bind and resulted in conflicting statements coming out of Washington.

President Donald Trump has appeared in recent days to side with Saudi Arabia and the U.A.E., publicly accusing Qatar of financing terrorism at the "highest levels." At the same time, Secretary of State Rex Tillerson has called for easing of the Arab states' economic squeeze on Qatar last week, and offered to

mediate the dispute.

In private, U.S. officials have said the Trump administration is trying to take an evenhanded approach.

A senior administration official said the Boeing sale has been in the works for a long time and officials realized a White House move to block the deal, or slow its progress, would have appeared as an attempt to undermine Doha.

"We want to try and reintegrate Qatar amongst its neighbors," the U.S. official said. "Obviously, blocking it would have made the opposite statement."

The Obama administration last year first approved the possible sale of 72 F-15s for an estimated \$21.1 billion, a deal that would keep the Boeing production line in St. Louis moving into the next decade after a previous dearth of new deals had threatened its closure. Mr. Trump has prioritized generating American jobs as part of his foreign-policy approach. A completed deal had come into question following the sanctions imposed against Qatar last week, people involved in the process said.

Boeing claimed it had secured \$50 billion in potential sales of jets, helicopters, munitions and other equipment to Saudi Arabia during Mr. Trump's recent state visit to the kingdom. The U.A.E., another big Boeing customer, backs Qatar's isolation.

Qatar didn't provide details on Wednesday of how many planes were involved in the current negotiations, though analysts had expected the acquisition of an initial 36, with a potential follow-on deal for another 36.



U.S. Air Force fighter aircraft fly over Iraq.

Al Qaeda Trying to Fill ISIS Gap, EU Warns

BY JULIAN E. BARNES

2016 to replace it as leader of the movement, Europol said in its annual report on terrorism.

Al Qaeda's challenge to the extremist Sunni Muslims of its rival is occurring despite its messages in Arabic that tend to "downplay its international aspirations." Its propaganda aimed at the West, however, echoes Islamic State's calls for terrorist attacks, the agency said on Thursday.

Europol said al Qaeda in the Arabian Peninsula, the organiza-

tion's affiliate in Yemen, began publishing English-language commentaries aimed at would-be attackers in the West, offering advice on what groups to target in attacks and how to maximize the impact of strikes.

Among the report's other findings, it said the amount of propaganda generated by Islamic State fell, as military pressure on it grew and countermeasures by social-media companies became more effective, Europol said.

The total number of jihadist terrorist attacks slightly decreased in 2016, to 13 from 17 the year before. While the deaths caused by those attacks fell during the same period, to 135 from 150, the casualty toll is still far higher than in other recent years, Europol said.

Rob Wainwright, Europol's executive director, said the need for improved information-sharing on suspected militants has become more pressing in the past two years.

WORLD NEWS

Australian Prime Minister Mocks Trump

In leaked recording from press ball, Turnbull speaks of 'winning,' 'fake polls'

BY ROB TAYLOR

CANBERRA, Australia—A leaked recording emerged of Australia's prime minister mocking President Donald Trump, the latest awkward episode between two allied leaders whose relationship had gotten off to a rocky start.

In an address to an annual press ball at Australia's Parliament on Wednesday, Malcolm Turnbull poked fun at the U.S. president about his alleged connections to Russia, and over their first official meeting in May on a mothballed aircraft carrier in New York.

"It was beautiful. It was the most beautiful putting-me-at-ease ever," Mr. Turnbull joked to the crowd, impersonating Mr. Trump's voice to widespread laughter and applause. "The Donald and I, we are winning and winning in the polls. We are winning so much. We are winning like we have never won before."

In addition to journalists, the event was packed with most of Australia's senior cabinet ministers, as well as business leaders and lobbyists.

In his routine, Mr. Turnbull cracked jokes about "fake polls," riffing off Mr. Trump's frequent attacks on "fake news."

"We're winning in the real polls. You know, the online polls. They are so easy to win.



President Donald Trump, left, chatted with Australia's premier, Malcolm Turnbull, in New York in May.

BRENDAN SMIALOWSKI/AGENCE FRANCE PRESSE/GETTY IMAGES

I have this Russian guy. Believe me it's true. It is true," Mr. Turnbull said.

The prime minister's speech was supposed to be strictly off the record and unreported, but video and audio recording was leaked to an Australian television news channel.

Relations between Messrs. Turnbull and Trump got off to a testy start in February after an unsanctioned leak of a phone conversation in which the U.S. leader berated his ally. Mr. Trump had objected to an Obama-era deal for the U.S. to accept around 1,250 mostly Iranian and Afghan ref-

ugees for resettlement from Australian immigration detention centers.

Since that early clash, though, Mr. Turnbull has been among the president's most uncritical foreign supporters. Australia is one of America's closest allies and has fought alongside the U.S. military in every major conflict since World War I.

"We get along great. We have a fantastic relationship, I love Australia, I always have," Mr. Trump told reporters after the pair attended a dinner in May commemorating the 75th anniversary of the Battle of

the Coral Sea, a World War II engagement in which allied forces checked the Japanese advance.

Asked about the leak on Thursday, Mr. Turnbull said his speech was meant to be a "good-humored roast," taking aim at himself as much as Mr. Trump.

"It's a breach of protocol, it's a breach of faith and all those things, but it's light-hearted, affectionate, good-natured. The butt of my jokes was myself. It's fun, you've got to have a laugh. We've got to lighten up," he said.

The U.S. Embassy in Can-

Beijing Envoy Says Critics Foment Panic

CANBERRA, Australia—China's top Australia envoy accused critics of Beijing's influence in the country of trying to "instigate China panic," as calls mount for a probe into political donations from wealthy Chinese.

Speaking at a conference on Thursday meant to bring Chinese business leaders into contact with Australian lawmakers, China's ambassador to the country, Cheng Jingye, hit out at allegations of influence-buying by China-linked donors.

"In Chinese, we call it cooking up the overnight cold rice, which means repeating the same stuff over and over," he said. "Those who have fabricated the allegations really have an imagination which is

wild and morbid."

Fears of China's ability to potentially influence Australian policy through political donations have raised questions in Parliament over the country's economic reliance on China. In the year ended June 30, 2016, China accounted for almost a third of Australia's trade, valued at about 150 billion Australian dollars (US\$113.8 billion). In comparison, trade flows with the U.S. were worth A\$69.2 billion, although the U.S. remains the country's biggest investor.

Australia is one of 55 nations that allow foreign donations to political parties.

Prime Minister Malcolm Turnbull has promised to introduce legislation banning foreign donations this year, but he has so far resisted Labor calls for a political inquiry into Chinese influence by Parliament's powerful intelligence oversight committee.

—Rob Taylor

W. Bush that revealed the American leader's ignorance of a coming Group of 20 meeting in Washington.

Organizers of the ball on Thursday said they were disappointed that some guests refused to comply with a non-publication request, saying the event had "a long tradition of being a lighthearted evening with a strong tone of self-deprecating."

"The leaders' speeches this year reflected this sentiment brilliantly," said Andrew Meares, president of Australia's Federal Parliamentary Press Gallery.

Questions Mount As Blaze's Toll Rises in London

BY JENNY GROSS AND WIKTOR SZARY

LONDON—Prime Minister Theresa May's government came under mounting pressure over the fire that engulfed a high-rise building in west London and killed at least 17, as critics pushed for answers on how a tragedy of its scale could have happened in the U.K.

The early morning fire that on Wednesday blazed through the hulking 24-story tower where hundreds lived has raised questions about whether officials were too slow to address concerns about fire-safety measures in low-income housing.

The charred building, which looms over a rapidly gentrifying neighborhood not far from central London, continued to smolder and was at risk of internal collapse. The death toll was expected to rise.

Mrs. May ordered a public inquiry. "We need to know what happened," she said. "We owe that to the families, to the people who have lost loved ones, friends, and the homes in which they lived."

The blaze comes on the

heels of a trio of terrorist attacks in the past three months, including one in London less than two weeks ago, in a procession of dispiriting news. Donations flooded into community centers. Families appealed on social media for information on people who were unaccounted for.

London police commander Stuart Cundy said 17 of 37 people receiving hospital treatment were in critical care. It wasn't clear how many may have been trapped inside and weren't yet counted. But witnesses have described people screaming for help or attempting to signal from their apartments with lights. Others jumped from high floors to escape the flames.

"Our absolute priority for all of us is identifying and locating those that are missing," Mr. Cundy said, though it could be weeks before the task is completed.

David Lammy, a Labour lawmaker, said his friend living on the 20th floor of the building was communicating on Facebook that she was about to faint hours after the fire started. She is missing,



Firefighters on Thursday worked to stabilize the 24-story Grenfell Tower, where a fire killed at least 17 people.

and likely dead, he said.

The fire's swift spread revived concerns about the safety of low-income public housing in one of the world's wealthiest cities. The building, Grenfell Tower, sits amid an otherwise upscale area in the tony district of Kensington and Chelsea.

The public-housing block was built in 1974 and recently went through an £8.6 million (\$11

million) refurbishment. New exterior cladding and a new heating system were installed.

Fire experts have suggested that the materials used on the outside of the building may have enabled the fire to swiftly spread. Ray Bailey, the managing director at **Harley Facades** Ltd., which completed the refurbishment work, said,

"We are not aware of any link between the fire and the exte-

rior cladding to the tower."

Residents said they heard few, if any, alarms, and had complained for years about the building's fire safety, including that it lacked adequate emergency exits. It wasn't clear if the building had sprinklers, but residents who escaped the fire said none had come on.

Fire-services minister Nick Hurd faced tough questioning from lawmakers at a committee

hearing in Parliament called to discuss the crisis. Labour leader Jeremy Corbyn said residents had raised concerns about the building and their concerns went unanswered.

"Some hard questions have got to be answered," he said. "It cannot be right that a fire like this takes so many lives in the 21st century, in modern Britain. Somewhere along the line, regulations, or something, failed."

WORLD WATCH

CHINA

Several Are Killed in Blast Outside School

An explosion outside a kindergarten in eastern China killed seven people and injured dozens, authorities said.

The cause of the blast wasn't immediately known. It occurred at 4:49 p.m. outside the Fengxian Innovation Kindergarten in Jiaxing province, police said.

Videos purportedly of the aftermath of the blast were circulated on social media and showed adults and children lying on the ground, some covered in blood. The authenticity of the videos couldn't be verified by The Wall Street Journal.

Class was still in session, so students and teachers at the kindergarten weren't affected, based on preliminary checks, according to the Fengxian government.

Two people died at the scene, and five died in a hospital.

At least 66 people were injured, nine of them severely, authorities said.

—Eva Dou



GRIM TOLL: At least 39 people were killed when Islamist extremists attacked a restaurant in the Somali capital of Mogadishu with bombs and gunfire, police said. Security forces ended the siege of the Pizza House restaurant by al-Shabaab extremists early Thursday, killing all five attackers.

RUSSIA

Putin Says New U.S. Sanctions 'Political'

Russian President Vladimir Putin criticized new sanctions approved by the U.S. Senate,

blaming them on domestic political battles in the U.S. and calling for improved ties between the countries.

The U.S. Senate said the new measures were meant to punish Moscow for Russia's violation of Ukraine's territorial integrity, cy-

berattacks and interference in the 2016 U.S. elections.

On Thursday, Mr. Putin said that there was no reason for the new sanctions and that the move was driven by the controversy in the U.S. over contact between President Donald

Trump's campaign team and Russian officials.

"It is, of course, evidence of the continuing domestic political battle in the States," said Mr. Putin during his annual call-in program, in which he takes questions from Russians across the country.

—Thomas Grove

JAPAN

Parliament Targets Would-Be Terrorists

Japan's parliament passed a law boosting police powers to prosecute those suspected of planning terrorist acts, despite opposition from civil groups concerned about increased public surveillance.

The bill makes it a crime for an organized terror or criminal group to plan an offense such as a bombing, even if no bombing is carried out or attempted. The bill names 277 offenses that are subject to prosecution for planning alone, overturning a traditional principle in Japanese criminal law that one must actually commit wrongdoing to be punished.

Polls have shown public opinion roughly split evenly on the need for the law. After an all-night session, the upper house of parliament approved the bill early Thursday, with support from Prime Minister Shinzo Abe's ruling coalition ensuring enough votes for passage.

Japan has suffered no major terror attacks by foreigners and few domestically launched incidents outside of nerve-gas poisonings by a religious cult in the mid-1990s that killed about two dozen people. However, Mr. Abe's government says the new legislation is needed as part of counterterrorism preparations for the 2020 Summer Olympics in Tokyo and will enable Japan to ratify a United Nations convention to tackle organized crime.

While the bill doesn't grant police any new investigative powers, critics said the result could be increased surveillance of groups planning protests, since police could more easily justify invasive tactics at an early stage. Similar legislative proposals have failed three times in recent years.

—Alastair Gale

U.S. NEWS

Mueller Probe Delves Into Obstruction

WASHINGTON—President Donald Trump's firing of former FBI Director James Comey is now a subject of the federal probe being headed by special counsel Robert Mueller.

By Del Quentin Wilber,
Shane Harris
and Paul Sonne

ler, which has expanded to include whether the president obstructed justice, a person familiar with the matter said.

Mr. Mueller is examining whether the president fired Mr. Comey as part of a broader effort to alter the direction of the Federal Bureau of Investigation's probe into Russia's alleged meddling in the 2016 presidential election and whether associates of Mr. Trump colluded with Moscow, the person said.

Mark Corallo, a spokesman for Mr. Trump's personal lawyer, Marc Kasowitz, denounced the revelation in a statement.

"The FBI leak of information regarding the president is outrageous, inexcusable and illegal," Mr. Corallo said.

Peter Carr, a spokesman for Mr. Mueller, declined to comment. The special counsel's pursuit of an obstruction of justice probe was reported Wednesday by The Washington Post.

Mr. Mueller's team is planning to interview Director of National Intelligence Dan Coats and National Security Agency Director Mike Rogers as part of its examination of whether Mr. Trump sought to obstruct justice, the person said.

The special counsel also

plans to interview Rick Ledgett, who recently retired as the deputy director of the NSA, the person added.

While Mr. Ledgett was still in office, he wrote a memo documenting a phone call that Mr. Rogers had with Mr. Trump, according to people familiar with the matter. During the call, the president questioned the veracity of the intelligence community's judgment that Russia had interfered with the election and tried to persuade Mr. Rogers to say there was no evidence of collusion between his campaign and Russian officials, they said.

Russia has denied any government effort to meddle in the U.S. election. Mr. Ledgett declined to comment, and officials at the NSA didn't respond to a request for comment. An aide to Mr. Coats declined to comment.

Mr. Coats and Mr. Rogers told a Senate panel June 7 that they didn't feel pressured by Mr. Trump to intervene with Mr. Comey or push back against allegations of possible collusion between Mr. Trump's campaign and Russia. But the top national security officials declined to say what, if anything, Mr. Trump requested they do in relation to the Russia probe.

"If the special prosecutor called upon me to meet with him to ask his questions, I said I would be willing to do that," Mr. Coats said June 7. Mr. Rogers said he would also be willing to meet with the special counsel's team.

Mr. Comey told a Senate



Special Counsel Robert Mueller's investigation has expanded into examining whether President Donald Trump obstructed justice.

panel on June 8 that Mr. Trump expressed "hope" in a one-on-one Oval Office meeting that the FBI would drop its investigation into former national security adviser Michael Flynn, who resigned under pressure for making false statements about his conversations with a Russian diplomat. Mr. Trump has denied making that request.

Mr. Comey said during the testimony that it was up to Mr. Mueller to decide whether the president's actions amounted to obstruction of justice. The former FBI director also said he had furnished the special counsel with memos he wrote documenting his interactions with the president on the matter.

At a June 13 hearing at a

House of Representatives panel, Deputy Attorney General Rod Rosenstein declined to say who asked him to write a memo justifying Mr. Comey's firing. The White House initially cited that memo as the reason for the termination, and Mr. Trump later said in an NBC interview that he also was influenced by the Russia investigation. Mr. Rosenstein

said he wasn't at liberty to discuss the matter.

"The reason for that is that if it is within the scope of Director Mueller's investigation, and I've been a prosecutor for 27 years, we don't want people talking publicly about the subjects of ongoing investigations," Mr. Rosenstein said.

—Carol E. Lee contributed to this article.

TRUMP

Continued from page A1 would be a mistake, Mr. Ruddy, too, has raised questions about whether Mr. Mueller has a conflict of interest. He noted that before Mr. Mueller's appointment, he interviewed with the president for the FBI director job—a post that opened up after Mr. Trump fired James Comey.

Mr. Mueller is examining

whether the president fired Mr. Comey as part of a broader effort to alter the direction of the FBI's probe into Russia's alleged meddling in last year's election, according to a person familiar with the matter.

Russia has denied any government interference in the election, and Mr. Trump has denied his campaign colluded with Moscow.

Mr. Trump, as a presidential candidate and since taking office, has complained frequently that he is the subject

of a "witch hunt."

For the president, tweeting about an active criminal investigation carries risks. White House advisers have urged him to hold back out of concern that anything he writes could be fodder in a Russia probe

that is now looking into his own conduct.

His tweets are also out of step with the views of some congressional Republican leaders, who have said Mr. Mueller should be given the space to do his job. Should Mr. Mueller

wind up clearing Mr. Trump of any wrongdoing, that would vindicate the president, they have said.

On Thursday, Sen. John Thune (R., S.D.), chairman of the Senate Republican Conference, described Mr. Mueller as a "man of integrity" who "needs to be allowed to do his work."

"It's not a witch hunt," Mr. Thune said on MSNBC. "It is in everybody's best interests if we let him do his job and we do ours."

President: Scalise 'in Some Trouble' After Shooting

BY LOUISE RADNOFSKY
AND PETER NICHOLAS

WASHINGTON—President Donald Trump said that Republican Rep. Steve Scalise is "in some trouble" Thursday, a day after the House's third-ranking congressman was shot during a practice of the Republican congressional baseball team.

In a statement at the White House, the president stepped back from his own optimistic assessments the previous day of the Louisiana lawmaker's condition, as the extent of his injuries from the Wednesday morning baseball field attack emerged.

Mr. Scalise, the House majority whip, was shot once in the left hip and was in critical condition after multiple surgical procedures, the Washington hospital treating him said late Wednesday.

MedStar Washington Hospital Center said the bullet caused extensive internal damage and that Mr. Scalise had undergone two surgical procedures and was expected to undergo more, and had received



President Donald Trump and first lady Melania Trump shake hands with Dr. Ira Rabin while leaving the MedStar Washington Hospital Center after visiting with victims of Wednesday's shooting.

"multiple" units of blood transfusion.

"It's been much more difficult than people even thought at the time," Mr. Trump said at a White House event Thursday. "He's going to be OK, we hope."

On Wednesday morning a gunman opened fire as about 22 Republican congressmen and others gathered at a baseball field in Alexandria, Va., near Washington to practice for Thursday night's game

against the Democratic team.

In addition to Mr. Scalise, a Capitol Police officer, a lobbyist and a young congressional aide were shot. Another congressman and police officer sustained minor injuries.

Officials have identified the suspected gunman as James T. Hodgkinson, a 66-year-old home inspector who had runins with neighbors in an Illinois suburb of St. Louis. Mr. Hodgkinson, who had one handgun and one rifle, was killed by police, officials said.

Mr. Trump, first lady Melania Trump and the White House physician visited Mr. Scalise's bedside Wednesday night and met with Mr. Scalise's wife, Jennifer, and the medical team, including a top hospital official, Ira Rabin.

White House physician Ronny Jackson, who had also cared for Mr. Trump's predecessor, Barack Obama, earlier visited the hospital to learn about Mr. Scalise's condition, the White House said.

Mr. Trump sent a tweet after leaving, saying that Mr. Scalise was "in very tough shape—but he is a fighter. Pray for Steve!"

Earlier Wednesday Mr. Trump said on Twitter that Mr. Scalise "would fully recover."

Vice President Mike Pence

and his wife Karen visited the hospital on Thursday morning and spoke with Mr. Scalise's family as well as with Capitol Police Officer Crystal Griner, a spokeswoman for Mr. Pence said.

Officer Griner, who was shot in the ankle in the attack, is also recovering at MedStar Washington Hospital Center, the White House said Wednesday night. Mr. Trump visited with Ms. Griner and her wife and brought them flowers, the White House said.

A congressional lobbyist for Tyson Foods Inc., Matt Mika, is being treated at another hospital and has been described by his family as in a critical condition. Congressional aide Zach Barth was shot in the leg and has been released from the hospital. On Thursday morning he made several television appearances with his boss, Rep. Roger Williams of Texas, whose ankle was injured during the attack.

"I decided if I wanted to live I needed to make a run for it so I ran down the first-base line to the dugout," Mr. Barth told CBS News.

U.S. WATCH

WHITE HOUSE

Apprenticeship

Programs Expanded

President Donald Trump signed an executive order Thursday that will double federal spending on apprenticeships and direct federal agencies to broadly review job-training programs.

The White House is making apprenticeships the cornerstone of its workforce-training efforts, arguing that hands-on learning is the best approach to help businesses struggling to find qualified employees and to draw back Americans who left the workforce in the wake of a deep recession.

Businesses have told the administration that they are limiting their growth and investment because of concerns over workforce availability and foreign firms are more worried about access to workers than the cost of labor when considering whether to expand in the U.S.

"We want to keep jobs in America and we want to train people and hire American work-

ers to do the job," Mr. Trump said just before signing the order in the White House.

The executive order directs additional funds within the Labor Department to apprenticeship programs, roughly doubling spending to \$200 million annually, senior administration officials said.

—Eric Morath

LITIGATION

Bill Cosby's Jury Says It Is Deadlocked

Jurors in the Bill Cosby sexual-assault trial said Thursday they were deadlocked on their fourth day of deliberations, raising the possibility of a mistrial in the high-profile case outside Philadelphia. Judge Steven O'Neill ordered the jury of seven men and five women to continue trying to reach a verdict after they sent a note to him, after roughly 30 hours of deliberations, saying they couldn't come to a consensus on any of the counts against Mr. Cosby.

—Kris Maher

Detainee's Neurological Injury Called Severe

BY JON KAMP

Otto Warmbier, the U.S. student jailed in North Korea for more than a year before his release this week, has suffered a severe neurological injury, a spokeswoman for the hospital treating him said Thursday.

The University of Cincinnati Medical Center was planning to give an update later in the day on the 22-year-old college student's condition, a hospital spokeswoman said.

Speaking at the same news conference, his father, Fred Warmbier, said his family was relieved to have their son home, but was angry because he was "so brutally treated for so long."

Mr. Warmbier said his family received word last week that his son was in a coma in North Korea, where he was sentenced to 15 years of hard labor last year for allegedly defacing a political poster while on tour there. He was detained at the airport in Jan-



Fred Warmbier, Otto's father

bier said. In the conversation, Mr. Trump expressed sorrow about his son's condition and told Mr. Warmbier that he told him about what the State Department did to secure his son's release. "He wanted to find out about Otto," he said. "It was gracious and nice."

Mr. Warmbier said the Obama administration had stressed to the family that

they maintain a low profile, and said "we did so without result." But after the change of administration in Washington the family "decided the time for strategic patience was over," Mr. Warmbier said.

He also said that former U.S. basketball star Dennis Rodman—who has made several trips to Pyongyang, and is visiting there again this week—had nothing to do with Otto Warmbier's release.

Mr. Warmbier said the North Korean government claims his son was in a coma for almost all the time he was held.

One reason for his lengthy detention in that condition was because he was being held by North Korea's public security department, according to a person familiar with the situation. The public security department is seen as more hard-line than Pyongyang's Ministry of Foreign Affairs, and Mr. Warmbier's father said Thursday that his son was being held by North Korea "as a war criminal."

"We want to keep jobs in America and we want to train people and hire American work-

IN DEPTH

RURAL

Continued from Page One
and this stubborn technology disconnect is both a cause and a symptom.

Counties without modern internet connections can't attract new firms, and their isolation discourages the enterprises they have: ranchers who want to buy and sell cattle in online auctions or farmers who could use the internet to monitor crops. Reliance on broadband includes any business that uses high-speed data transmission, spanning banks to insurance firms to factories.

Rural counties with more households connected to broadband had higher incomes and lower unemployment than those with fewer, according to a 2015 study by university researchers in Oklahoma, Mississippi and Texas who compared rural counties before and after getting high-speed internet service.

"Having access to broadband is simply keeping up," said Sharon Strover, a University of Texas professor who studies rural communication. "Not having it means sinking."

Many rural schools have a fraction of internet speeds common at most American campuses. "Sometimes it feels like they get more education, and they get more prepared for their futures than we do," said David Bardol, a 13-year-old sporting a crew cut and Star Wars T-shirt. He attends Kingston Junior High in Cadet, Mo., one of the communities in Washington County.

At the county's 911 center, dispatch director William Goad sometimes loses his connection to the state emergency system. That means dispatchers can't check license plates for police or relay warrant information.

As severe thunderstorms approached in late February, Mr. Goad tried to keep watch using an internet connection sputtering at speeds too slow to reliably map a tornado touchdown or track weather patterns.

"We drill for oil above the Arctic Circle in some of the worst conditions known to man," Mr. Goad said. "Surely we can drop broadband across the rural areas in the Midwest."

About 39% of the U.S. rural population, or 23 million people, lack access to broadband internet service—defined as "fast" by the Federal Communications Commission—compared with 4% of the urban residents.

Fast service, according to the FCC, means a minimum download speed of 25 megabits per second, a measure of bandwidth known as Mbps. That speed can support email, web surfing, video streaming and graphics for more than one device at once. It is faster than old dial-up connections—typically, less than 1 Mbps—but slower than the 100 Mbps service common in cities.

In St. Louis, speeds as fast as 100 Mbps start at about \$45 a month, according to BroadbandNow, a data research firm. Statewide, an estimated 61% of rural residents lack broadband access.

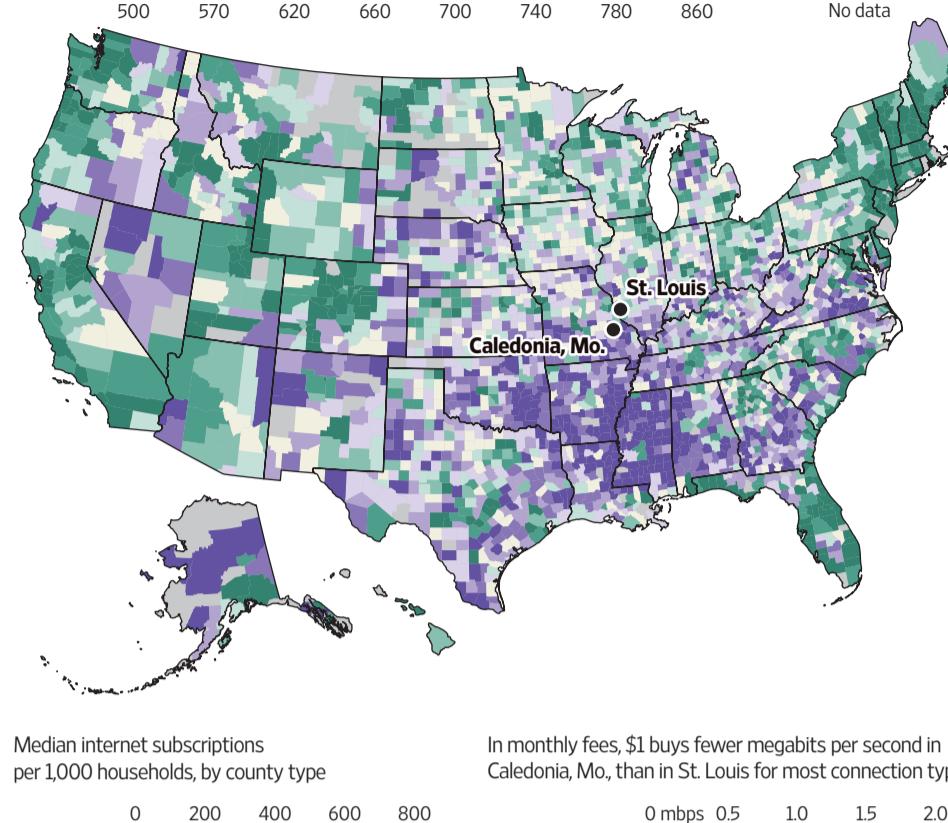
Expanding rural broadband is a priority of FCC Chairman Ajit Pai, who grew up in Parsons, Kan., population 9,900. "If you don't have a digital connection, you are less likely to be able to succeed," he said.

At a weekly gathering of wool producers at a 1930s-era Craftsman-style bungalow, Ms. Johnson and others snacked on local goat cheese and deer sausage. They talked about internet sites for buying and selling raw mohair, mohair

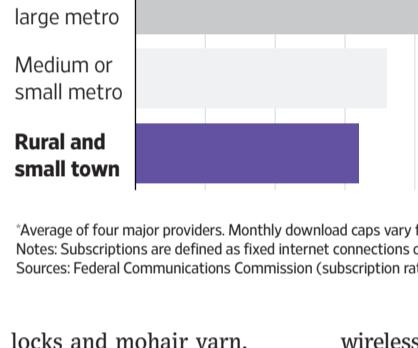
Rural America Stuck in Time Lag

Sparingly populated parts of the U.S. have less access to broadband internet service, leaving rural communities with wireless alternatives that are slow and expensive.

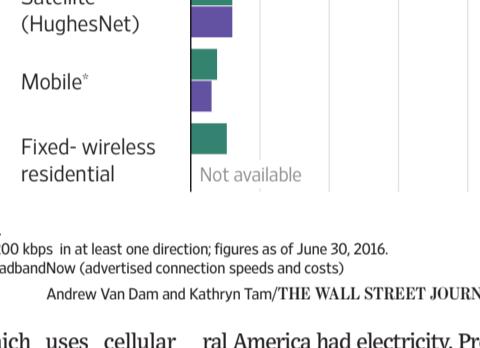
Internet subscriptions per 1,000 households



Median internet subscriptions per 1,000 households, by county type



In monthly fees, \$1 buys fewer megabits per second in Caledonia, Mo., than in St. Louis for most connection types



Average of four major providers. Monthly download caps vary for each.

Notes: Subscriptions are defined as fixed internet connections of over 200 kbps in at least one direction; figures as of June 30, 2016.

Sources: Federal Communications Commission (subscription ratio); BroadbandNow (advertised connection speeds and costs)

Andrew Van Dam and Kathryn Tam/THE WALL STREET JOURNAL

Costly connections

Rural America can't seem to afford broadband: Too few customers are spread over too great a distance. The gold standard is fiber-optic service, but rural internet providers say they can't invest in door-to-door connections with such a limited number of subscribers.

St. Louis has more than 5,000 people per square mile compared with 33 in Washington County, according to U.S. Census figures.

Fiber-optic trunk lines already make up much of the U.S. internet backbone. The trouble is reaching individual rural customers. It costs roughly \$30,000 a mile to install optical fiber cable, according to industry estimates, to trench and secure right-of-way access.

Most rural communities rely on existing telephone technology that transmits data over copper lines. Even with upgrades, those lines can't deliver data at speeds common to fiber-optic networks.

Smartphone service is available but has coverage gaps and isn't always reliable in rural communities such as Washington County. Even when it works, cell service can't match the speed or capacity of broadband.

"You just can't compete," said Brian Whitacre, an agricultural economics professor at Oklahoma State University. "Running a business with a smartphone is not going to happen."

Alternative internet technologies—satellite dish or fixed

wireless, which uses cellular networks to beam data short distances using antennas and transmitters—struggle to handle video streaming or other high-data uses. Those services also typically cap the amount of data used each month.

The 25-bed Washington County Memorial Hospital, which has service of 10 Mbps, loses internet connections often enough that ambulance drivers are told to divert critical patients, whose CT scans are transmitted to specialists, to a hospital 40 minutes away, said Michele Meyer, the county's interim chief executive.

The Irondale city clerk, who is connected to the internet through existing copper lines, can't attach financial reports to email because it is so slow.

The Red Wing Shoe Co.'s factory in Potosi, which invested in a fiber-optic line, lost internet service for 30 hours last summer and again in May, outages that delayed shipment of more than 10,000 pairs. The company couldn't access inventory or print stickers for shoeboxes, said John Gardner, the plant manager. "It brought us to our knees."

Red Wing's other U.S. factories have backup internet providers, a company spokesman said.

Such dependence illustrates how broadband has become a basic service alongside telephones and electricity, said Bonnie Prigge, executive director of the Meramec Regional Planning Commission, which aids economic development in eight rural Missouri counties including Washington. Installation of those utilities in the 20th century, she said, took investment and special effort.

In 1935, when just 10% of ru-

ral America had electricity, President Franklin D. Roosevelt pledged to get service to almost every far-flung farm. Two decades later, electrification had reached more than 90% of rural areas, said Richard Hirsh, a history professor at Virginia Tech.

By the end of 1954, a federal program had lent \$2.9 billion,

typically to farmers who formed cooperatives to build and operate electricity systems, said Christopher McLean, of the Agriculture Department: "It's one of the most amazing American success stories ever."

Big River built a wireless network to transfer data between company towers and devices installed at homes and businesses. The technology is much slower than fiber-optic systems but better than dial-up service, said Big River President Kevin Cantwell.

The \$14.99 promotion rose to monthly prices that range from \$49.99 on a limited data plan to \$99.99 for unlimited use. The prices are for "high-speed" connections—typically at speeds from 2 Mbps and 7 Mbps, the company said.

Big River estimated it would reach 52,000 homes and businesses with its share of the stimulus money. Nearly five years after its first tower began operation it has 4,000 subscribers in seven counties

cluded in the expected infrastructure package. He would like to boost subsidies, rewrite regulations to cut red tape and accelerate the FCC's own processes, he said, which have slowed access to rural broadband.

The Obama administration earmarked \$7 billion from the 2009 stimulus package for expanding rural broadband service. Half the money went to a program that the administration estimated would reach 840,000 households and businesses, according to a 2014 review by the Government Accountability Office. There still isn't a tally of how many were connected and at what speeds, government officials said.

Missouri broadband providers received \$261 million of the stimulus money. "The intent was to spread accessibility throughout the state," said Luke Holtschneider, the state's Rural Development Manager. "But that program did not on its own continue to expand in the community like you would hope."

Big River Communications, a St. Louis telecommunications provider, collected about \$20 million in stimulus money—half in grants, half in loans—to connect parts of southeast Missouri, including Washington County. It set up a tent at the Dickey-Bub Farming Supply store in Potosi, the Washington County seat, and gave away hot dogs to potential subscribers. Plans started at \$14.99 a month for students, seniors and low-income households. But the project didn't quite pan out, said Krista Snyder, executive director of the Washington County Industrial Development Authority.

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Big River estimated it would reach 52,000 homes and businesses with its share of the stimulus money. Nearly five years after its first tower began operation it has 4,000 subscribers in seven counties

but is trying for more.

"I just want to know what happened to all the money and grant and things," said Ms. Johnson, the sheep farmer. "We didn't see any benefits."

Mr. Cantwell said parts of Washington County are too thinly populated—and, therefore, too expensive—to reach. "It wasn't a slight to anybody, but we have to pay the government back and be able to provide for our employees," he said. "We've got to make some money."

Ronnie Trent, a 44-year-old electrician in Washington County, said more people would sign up if the service was better. "There are enough people out here who are hardworking people who pay their bills and who would pay for that," he said, but the speeds are "pretty much ter-

rrible." He subscribes, but his wife, a teacher, finds it too slow to work at home in the evenings.

Self-serve systems

Some rural communities have successfully done the job themselves. In central Missouri, Co-Mo Electric Cooperative Inc., a not-for-profit, customer-owned co-op formed in 1939 to deliver electricity, started a fiber-optic network that has built connections to 25,000 members in a region more sparsely populated than Washington County. So far, it has 15,000 subscribers, including non-members in neighboring communities.

Co-Mo's members, which include farms and businesses, realized they were falling behind, said John Schuster, board chairman of Co-Mo Connect, the internet service. Residents had to drive to the parking lot of a community college to work online. Students at local schools were cut off from the internet.

The cooperative, after failing to obtain government subsidies, borrowed \$80 million from two private institutions that serve utilities and went door to door asking members to contribute \$100 each. In 1939, the co-op asked each member to contribute \$5 toward electrification.

Rather than only digging trenches for fiber-optic cable, Co-Mo strung cable along its own utility poles and rented space on others. An estimated 70% of Co-Mo internet subscribers have 100 Mbps service that costs \$49.95 a month, Mr. Schuster said.

The co-op's service is doing well financially, Mr. Schuster said, but "the definition of making money for me and for a shareholder from AT&T is going to be two different things."

Such local broadband systems are tough to duplicate. Nearly all government subsidies go to major telecommunication providers, a legacy of the FCC's long relationship with phone companies, said Jonathan Chambers, a former FCC strategic planning chief, now a consultant to cooperatives.

Mr. Pai, the agency chairman, said the next phase of FCC subsidies would be open to all types of providers.

While some rural communities have built their own systems, laws in at least 19 states restrict such efforts, generally on the grounds they pose a threat to private companies. A GOP-sponsored bill that set up obstacles to similar broadband efforts stalled this spring in the Missouri legislature.

Every other Thursday, Dr. Stuart Higano, a cardiologist from Missouri Baptist Medical Center in St. Louis, visits the family practice office of Gregory Terpstra in Potosi, Mo., to see patients. The office has internet service at 10 Mbps from CenturyLink Inc., too slow for Dr. Higano to efficiently connect with the database at his hospital to access patient records or view heart images. "Everything in medicine now is electronic medical records," he said.

Dr. Terpstra, age 69, now has a copper line that connects his office to the fiber-optic cable that runs through town. To get a faster and more reliable connection, CenturyLink said it would have to install 1,000 feet of fiber-optic line to his office and charge the higher monthly fee.

Earlier this year, Dr. Terpstra said he got a quote for fiber-optic service that ranged from \$563 a month for 20 Mbps to \$1,190 a month for 200 Mbps.

"Does that sound like a good deal?" he said.

21st century it was one to 11. So, is "whom" headed the way of "thou," a word people now encounter mostly when reading religious texts or Shakespeare?

Edward Sapir, an anthropologist and linguist of the last century, predicted in a 1921 book on language that "within a couple of hundred years from today not even the most learned jurist will be saying 'Whom did you see?'" No logical or historical argument will avail to save this hapless "whom."

While internet language is hardly helping rescue the word, Mr. Yagoda thinks it will hang on as an object of prepositions, if not of verbs. He never expects to see a letter starting with "To whom it may concern."

Mr. Harding sees reason to lament the way his generation has largely stopped using "whom."

"It's a shame in a way, because they're missing out on a way to correct people and be annoying."

WHOM

Continued from Page One

Mr. Steiner has a kindred spirit in British scriptwriter James T. Harding, who recalls that, as a teenager, he used to go through music videos and correct the soundtracks. That was around the time he established an imaginary group called the Grand Order of the Whomic Empire. Today, the case-sensitive Mr. Harding runs a lightly visited Facebook group, the Whom Appreciation Society.

As for when "whom" is appropriate: It is the correct choice if the word is the object of a preposition or a verb, such as in Hemingway's "For Whom the Bell Tolls." The choice should be "who" if the word serves as the subject of a sentence or clause.

Ben Yagoda cares about such matters as the author of several books on language and a professor of English and

journalism at the University of Delaware. Still, he doesn't insist on 100% whom-compliance either. For Twitter, he says, "It would be worse to say 'whom' to follow.' It's so stilted. I mean, here you are on social media with all these exclamation points and whatever."

The writer Calvin Trillin has gone further: "As far as I'm concerned, 'whom' is a word that was invented to make everyone sound like a butler," he once wrote.

Think about it: Would anyone listen to a band called "The Whom"? And for that matter, would the signature phrases of "Ghostbusters" and a certain Bo Diddley song have worked if they read "Whom ya gonna call?" and "Whom Do You Love?"

Even Mr. Harding, the scriptwriter, makes concessions for how people actually talk. One exception is a recurring character in a script he wrote, a 1,224-year-old vampire. "She uses 'whom' when it's appropriate

because she's old-fashioned," Mr. Harding says.

Arrayed in galactic war against these accommodating types is Doctor Whom, a "grammatically correct TimeLord" created by Adam Roberts, who, besides being a professor of 19th-century literature at Royal Holloway, University of London, is a prolific writer of science fiction.

Is 'whom' headed the way of 'thou,' a word now encountered mostly in olden texts?

In a nod to the subtitle of Lynne Truss's grammar best seller "Eats, Shoots & Leaves"—which is "The Zero Tolerance Approach to Punctuation"—Doctor Whom has adopted a "zero tolerance approach to parodication," according to the cover of

a book about him, as he travels through time righting grammatical and other wrongs. "I'm a grammar pedant in a lighthearted way," says Mr. Roberts. "There's a difference between being a grammar Nazi and a Nazi." Mr. Roberts continues to use "whom" when it is proper and encourages others to do so too, because "there's just something elegant about it."

There could be other advantages, if a 2014 Wired article is to be believed. The magazine sifted through thousands of profiles at dating sites Match.com and OkCupid trying to figure out what sorts of things made someone a more desirable date. Among other tips for success—be into yoga, don't mention religion, learn to surf—Wired found that men who used "whom" had 31% greater success at getting dates.

"This changes everything," wrote the University of Pennsylvania's normally buttoned-down Language Log. "It's not just about the inflectional marking

of relative and interrogative pronouns any more, people; it's about getting more sex!" Carelessly throwing around "whom," though, can raise the risk of the embarrassing misstep known as a hypercorrection: using what the speaker thinks is correct grammar, but isn't.

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BOOKS

'The soldier above all other people prays for peace, for he must suffer and bear the deepest wounds and scars of war.' —Douglas MacArthur



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ONE ISLAND AT A TIME A still from a color film shot by a Marine photographer of the second flag-raising at Iwo Jima on Feb. 23, 1945.

Endgame in the Pacific

In the war's grim final months, the human cost of invading Japan weighed upon America's leaders

Implacable Foes

By Waldo Heinrichs
And Marc Gallicchio
Oxford, 711 pages, \$34.95

BY JAMES D. HORNFISCHER

IN APRIL 1945, as German troops surrendered en masse to American forces wheeling through the Ruhr Valley, news from the western Pacific seemed equally hopeful: Landings on the island of Okinawa had been largely unopposed. It was a high-water mark for public optimism regarding the prospects for the unconditional surrender of Japan and the return, at last, of peace.

That month, a U.S. government bureau forecast that an economy shackled by the restrictions of war production would make a smooth transition to normalcy. Although unpopular controls such as the curfew on nightclubs and bans on horse racing would soon be lifted, industrialists and labor unions alike were pushing back against the Army's voracious needs and the government's far-reaching management of the economy. President Harry Truman dared hope that Japan could be forced to quit before the home front finally turned on him, imperiling the yearslong struggle to defeat Japan on terms set long ago by Franklin D. Roosevelt and his Joint Chiefs of Staff.

Then Germany surrendered, and the Japanese emperor's Okinawa garrison showed its teeth. Those two developments threatened to change everything.

This startling, nearly forgotten story is well documented in "Implacable Foes," a valuable and revealing study by Waldo Heinrichs and Marc Gallicchio, historians at San Diego State and Villanova, respectively. The authors remind us how public weariness with the war and the difficulty of redeploying armies worldwide for a reckoning with Tokyo imperiled Truman's plan to defeat Japan and avoid the type of economic disruptions that tested the nation after World War I.

Though the military campaigns carried out by the forces under Gen. Douglas MacArthur and Adm. Chester Nimitz from February 1944 forward are covered in this book, those oft-told tales are not the main event.

The authors' major contribution lies in bringing to life the turmoil of a home front "going sour," as Secretary of War Henry Stimson put it, which pushed the finale of the Pacific campaign toward the precipice of possible failure or abandonment.

Though that outcome was never in actual view, war planners did fear, as casualties mounted, what the authors call "a public psychology of complacency, slackening effort, and a drift of labor away from war work." The special military advisor to the president, Adm. William D. Leahy, believed that at some point the clamor to bring the boys home could become irresistible.

From day one, Iwo Jima was a meat grinder. In late 1944 the volcanic isle had been so lightly defended that it could have been taken by a regiment. But by D-Day, Feb. 19, 1945, it had become a hive of stone.

The Marines suffered more than 25,000 casualties in taking it. Though MacArthur used his well-cultivated relationships in the press to lobby otherwise, his own campaigns were equally costly.

That winter, MacArthur's army in the Philippines was in the grip of crisis. The 32nd Division, having served there since November 1944, teetered at half-strength. By June, the larger Sixth Army's "non-battle" losses from fatigue and illness would surpass its combat casualties, more than 93,000 overall. Said a veteran sergeant, "How much of this is flesh and blood expected to stand?"

In Washington, political leaders were having similar concerns. It was not at all clear that the climactic invasion of Japan could be successfully staged. High casualties made it critical to sustain an influx of replacement troops, but the shortage became acute as MacArthur prepared to liberate Manila. The Army was surging newly trained soldiers to Europe to replace losses suffered in the Ardennes. The Battle of the Bulge dented the order of battle drawn up for the invasion of Japan as deeply as the campaigns in the western Pacific did.

It may seem counterintuitive, but victory in Europe did no favors to commanders looking to drive the costly effort against Japan. After V-E Day, Army Chief of Staff Gen. George Marshall was alive to the need to crush Tokyo swiftly, for delay threatened the essential perishable com-

modities of momentum and national morale. But maintaining a fast pace exhausted soldiers, and the losses they suffered tended to dampen domestic political support.

The battle for Okinawa turned for the worse shortly after the first reports of unopposed landings hit the papers. It was secured in June for a price of more than 49,000 U.S. killed, missing and wounded, a 35% casualty rate.

On June 18, Truman approved Operation Olympic, as the landings in Kyushu (Japan's southernmost home island) were known, and implicitly rejected the strategy of prolonged blockade and siege. At the same time, the political pressure to discharge veteran troops after V-E Day finally had its effect. Marshall developed a plan to bring some of the boys home.

A points system determined eligibility for discharge. As it was going into effect, another complex scheme was under way to redeploy three million troops from Europe to the Pacific to undertake the second phase of the invasion of Japan. With experienced troops going home, units were bled of critical know-how just as they were arraying for another massive task.

A shipping shortage helped produce what Marshall would call "the greatest administrative and logistical problem in the history of the world."

The massive movement of troops over three continents, the authors note, relied on "a Rube Goldberg-like system of ships, planes and trains crisscrossing the globe, operating on tight schedules with almost no allowance for delay." The system teetered under the combined weight of war and peace. Manila was a mess, so thoroughly destroyed by its Japanese occupiers during the vicious fight for its liberation that its harbor could not unload at the rate that the timetables required.

Running a war from the midst of this ruin, MacArthur hoarded cargo ships in the Philippines for use as floating warehouses. Postponements spilled through the schedule of operations, giving Japan the gift of time in which to reinforce.

"By early August, the Army's plans were strained to the breaking point," Messrs. Heinrichs and Gallicchio write. On Aug. 4, as Adms. Ernest King and Nimitz discussed their doubts about the feasibility of invad-

ing Kyushu, the Joint War Plans Committee recommended a re-examination of the objectives. Day by day, Tokyo's strategy of bleeding America to the bargaining table seemed to become more plausible.

The authors have profitably plumbed official correspondence, studies of logistics and industrial policy, congressional records and daily journalism to track the public mood and trace its effect on the way in which the final act of the war was planned, staged and fought.

"How much of this is flesh and blood expected to stand?" a veteran sergeant remarked about American losses in the Philippines.

"Implacable Foes" is stronger on plans and policy than on combat operations and covers the Army more authoritatively than the Navy. But its novelty and freshness emerges in the interstices of the actual fighting. For readers familiar with the military campaigns, the book is essential reading for its lucid treatment of the pressures that imperiled critical operations in a truly global war.

As the tale proceeds to the familiar end, two heroes emerge. One is George Marshall. The native of Uniontown, Pa., graduated from Virginia Military Institute in 1901 in time to serve notably in World War I.

As Army chief of staff he had a "powerful and perpetually inquisitive mind and an awareness beyond the garrison, of things in time, changing and unchanging. His soldierly skills operated within this worldly context," the authors write.

He was alive both to domestic politics and to the war's needs and respected the principle of civilian authority during wartime. His temper remained a servant to his pragmatism. Though he stood aghast when MacArthur dallied self-indulgently in the Philippines, clearing southern areas at a time when prudence required a shift of resources toward Japan, Marshall tolerated the strategy because it promised to open badly needed ports. He acquiesced to the rickety divided command setup between MacArthur and

Nimitz because it kept American forces moving west in a way that impressed a fickle public and promised the quickest end to the fighting. George Marshall was the adult in the room at all times.

The other hero is Truman. War's end, through his administration's careful work, produced "no sudden shock to the system, in large part because there would be a gradual drawdown in forces matched by equally measured cutbacks in procurement," the authors observe. A well-managed transition to peace became possible because of the competence of his administration's planners and bureaucrats—and no small amount of political courage from the commander in chief.

Gallup polls showed that more than 60% of Americans wanted to try Hirohito for war crimes (though few even knew the emperor's name), and old hands at the State Department such as Dean Acheson and Cordell Hull regarded leaving him in power as a form of appeasement. But to achieve peace, Truman dared to preserve him on the throne.

The contribution of this vital book is its portrait of history as lived desperately in the moment; of the varied troubles that beset planners and commanders in the war's horrific last year; and of the mettle and vision of an American president whom history should underrate no longer. "Implacable Foes" shows war operations as a human ordeal even at the highest level, fueled by the exhaustible human spirit.

In the heat of August, salvation came from on high, when the Fat Man's core of enriched plutonium compressed over Nagasaki just as Dr. Oppenheimer intended, ending the calamity of the war in a flash.

Afterward, Japan, like Western Europe, did not turn communist. The void created by its collapse was filled partly by Chinese and Soviet communism but also by robust American power, deployed forward for decades and even to this day, in the land of the Rising Sun. By defying the polls, Truman secured a very conditional surrender, delivering victory fast enough to bring a winnable peace.

Mr. Hornfischer is the author, most recently, of "The Fleet at Flood Tide: America at Total War in the Pacific, 1944-1945."

BOOKS

'God may not play dice, but He enjoys a good round of Trivial Pursuit every now and again.' —Federico Fellini

A Checkered History

It's All a Game

By Tristan Donovan
Thomas Dunne, 292 pages, \$26.99

BY WAYNE CURTIS

IN THE SPRING of 1989, a new board game was released amid modest media hoopla. It was called Trump: The Game, and it was sold by Milton Bradley Co. "It's a much more sophisticated game than Monopoly," Donald Trump boasted at the unveiling. Based on his 1987 book, "The Art of the Deal," the game involved players amassing airlines, casinos and real estate, then cutting deals that would cut other players out.

Trump: The Game sold fairly well, and then it didn't. Within a year sales sagged; the price was slashed at Bloomingdale's. "The word of mouth was that the complexity of the game hurt it," Mr. Trump told a reporter. Others suggested that Mr. Trump's faltering business and collapsing marriage were to blame. "The Trump name is almost laughable," a Paine Webber analyst told New York's Daily News. "It has about as much value as the name 'Watergate' after the scandal."

Trump: The Game merits a few scant paragraphs in Tristan Donovan's "It's All a Game: The History of Board Games from Monopoly to Settlers of Catan." This is both disappointing and a relief. Certainly the game didn't have all that much influence in the history of board games, which is the focus of the book. But Mr. Donovan deftly deploys this tale to show how swiftly an idea can move from concept to market.

In this case, the creators had a notion, wangled a meeting with Mr. Trump, got his blessing after a 10 or 15 minute sit-down, then persuaded Milton Bradley to sign on.

The game was meant to capture the spirit of the '80s. As Mr. Donovan tells it, the best-selling games do often capture the zeitgeist in miniature, whether it's Twister making a splash during the sexual revolution, Scrabble arising during the mania for crossword puzzles or Col. Mustard showing up as a character in Clue (originally Cluedo) in 1949, at a time when the English-speaking world couldn't get enough of crime novels in general and those set at British country houses in particular.

The author suggests that, unlike high-tech videogames, which create parallel realities into which we can escape, board games began in the ancient world as a way to organize reality—a simple throw of the dice was thought to aid in foreseeing the future. "Using games for spiritual guidance or to learn about the future might strike us as strange today," Mr. Donovan writes, "but it makes more sense when we understand that our



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brains have a serious aversion to the concept of randomness."

"It's All a Game" starts off in Egypt and Mesopotamia, touching on archaeological finds such as the Royal Game of Ur, which dates to about 2600 B.C. and was rediscovered in the 1920s. This game involved the movement of pawns around 20 squares, although the precise rules are unclear. Then it's on to the appearance of chess in ancient Persia and its evolution in both play and design after it hitched a ride to Europe with marauding troops in the eighth century. The queen became the most powerful piece on the board during the 15th and 16th centuries, reflecting (Mr. Donovan suggests) "how female leaders were taking charge in kingdoms across Europe and showing they could rule as well as any man." Chess continued to evolve until relatively recently; not until 1849 did the board pieces finally ossify in the Staunton design familiar today, in which the shape of the pieces is inspired by the neoclassical architecture then in fashion.

Chapter by chapter, "It's All a Game" tracks the rise and fall of games both familiar and not. Backgammon (a likely descendant of the Royal Game of Ur) captivated Roman emperors and early American presidents alike. "Thomas Jefferson played it while taking a break from writing the U.S. Constitution," Mr. Donovan says. Prince Alexis Obolensky, a Russian exile living in New York, served as

the game's de facto emissary when he launched a splashy tournament at a posh resort in the Bahamas in 1964. The game caught fire, with high-stakes tournaments cropping up in Las Vegas and Monaco, attracting celebrities like Hugh Hefner and Mick Jagger. Eventually the stakes grew so high that the game was taken over by professionals. "The wealthy playboys, tycoons, and heiresses found backgammon wasn't fun anymore and stopped coming," Mr. Donovan writes. Backgammon's cachet cratered in certain circles.

If there's any identifiable trend in the history of board games, it's the way they've changed from enduring multigenerational pursuits to fleeting entertainments subject to whims and trends, becoming all the rage for a few years before edging toward the shadows. Think: The Game of Life, Mouse Trap, Operation.

Many of Mr. Donovan's chapters center on a single game, but not all. Some set off on intriguing detours—such as how military intelligence outfitted Monopoly boards with false compartments during World War II to ship to prisoners of war in Germany and provide them with escape maps; how computers eventually came to dominate chess; and how more modern games have rejected competition to focus on cooperation, such as Pandemic, released in 2007 in the shadow of severe acute respiratory syndrome, or SARS: "Four diseases have broken

out in the world," as the manufacturer lays out the goal, "and it is up to a team of specialists in various fields to find cures for these diseases before mankind is wiped out."

"It's All a Game" is a timely book—board games are proliferating again among millennials and hipsters, as are

Board games tap into the zeitgeist, as Monopoly did during the Depression and Twister did during the sexual revolution.

theories why. (I'm going with the argument that they offer a corrective to too much phone time, too many video-games and not enough face-to-face contact.) Coffee shops and bars host board-game nights, and even the Game of Life has enjoyed a modest revival: One online offer on Kickstarter promises an "ultra premium model which is hand painted by artisans in the UK with premium Vallejo paints." As of this writing it has raised nearly 10 times its initial target.

One of Mr. Donovan's chapters focuses on the mega-hit Trivial Pursuit, which a pair of Canadian journalists invented after 45 minutes of brainstorming. The game shares certain

characteristics with his book—lots of throw-away facts and lore but not much of a dramatic arc. Mr. Donovan occasionally veers into padding: A history of uranium mining, for instance, is dutifully recounted to explain why the 1960 edition of Life had "Find Uranium Deposit, Collect \$100K." Many chapters begin with those soft leads once favored by newspapers but abandoned because readers found them irksome. The first sentence in the Trivial Pursuit chapter: "The afternoon air bit as Chris Haney walked through the streets of Montréal."

Overall, though, "It's All a Game" provides a wonderfully entertaining trip around the board, through 4,000 years of game history. It will certainly get you thinking, quite possibly about how you might devise your own game and reap a fortune.

At least it did for me. I've been thinking about an update of Trump: The Game. Just add in some tweetstorms that force all players to reverse direction and a stack of "headline" cards that ask you to determine if the news is fake or real; then set it all amid "Game of Thrones"-style infighting. Can someone help me set up a meeting with the president?

Mr. Curtis is the author of, most recently, "The Last Great Walk: The True Story of a 1909 Walk From New York to San Francisco, and Why It Matters Today."

Fumbling With Pandora's Box

Atomic Adventures

By James Mahaffey
Pegasus, 363 pages, \$29.95

BY GRAHAM FARMELO

HOHO SAPIENS had been on its hind legs for tens of thousands of years before it understood the potentially huge amounts of energy stored in the cores of atoms—in their nuclei. That was only little over a century ago. Since then, many people have tried to harness this energy in useful ways, and the attempts have ranged from the impressively efficient to the comically inept, as James Mahaffey describes in his rewarding book "Atomic Adventures."

The first indication of the sheer amount of energy stored deep inside the atom followed the discovery of radioactivity near the end of the 19th century. In 1909, the chemist Frederick Soddy commented in a prominent lecture that the radioactive chemical element radium, first isolated about a decade before by Marie and Pierre Curie, "gives out heat and light like Aladdin's lamp." He told his audience that the energy released in radioactivity could be "employed as an explosive incomparably more powerful in its activities than dynamite." Soddy's ideas stimulated H.G. Wells to write "The World Set Free" shortly before World War I. In that slight but visionary volume, he predicted accurately that energy released in radioactivity would first be used to generate electrical power in 1953, coined the term "atomic bombs" and even foresaw a nuclear war. Such a catastrophe would bring

humanity to its senses, he believed, and lead it toward pursuing many of his favorite social policies.

Wells would have been fascinated by "Atomic Adventures," especially by the ways its cast of scientists—who range from authentic experts to the shadiest of con artists—have tried to make use of atomic energy in war and in peace. Mr. Mahaffey, a former research scientist at Georgia Tech, is a knowledgeable narrator who plainly loves his subject. He knows how to tell a good story and, no less important, has an eye for unfamiliar and revealing details.

H.G. Wells foresaw atomic bombs and nuclear war more than 30 years before Hiroshima.

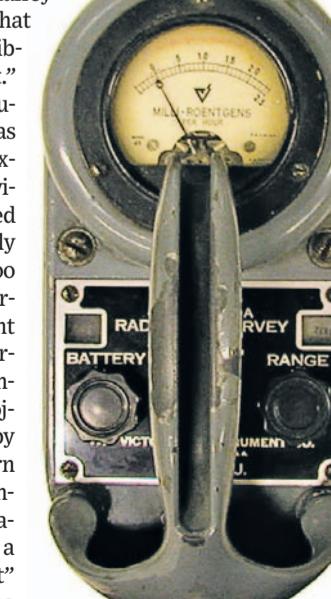
Mr. Mahaffey is at his best in his account of Japan's project to build a nuclear bomb during World War II. In common with the scientists working on the Manhattan Project, the Japanese wanted to build a bomb by harnessing the energy released when uranium nuclei split into smaller nuclei and other particles—the process known as nuclear fission. Spies working for the Japanese infiltrated the American project, though the intelligence reports reaching Tokyo were evidently of poor quality, since they gave the impression that the Manhattan Project was proceeding slowly. The Japanese nuclear experts concluded that they could take their time. In this

story's powerful conclusion, Mr. Mahaffey describes how, soon after 8:15 a.m. on Aug. 6, 1945, a Japanese naval captain saw his desktop light up briefly and felt the floor shake. Outside he saw "a huge, gray cloud... forming up where Hiroshima should have been." "The world had just entered the Atomic Age," Mr. Mahaffey writes, "and all that Japan had contributed was the target."

After the war, nuclear technology was begging to be explored, with some visionaries convinced that it could supply electrical energy too cheap to meter. Argentine President Juan Perón generously funded an ambitious nuclear project pitched to him by the Austrian-born German Ronald Richter, whom Mr. Mahaffey dismisses as a "third-tier scientist" and "nutcase." The idea was to harness atomic energy not by inducing heavy nuclei to undergo fission but by fusing nuclei that have only a small mass. This process of nuclear fusion promised to yield energy in huge quantities without nasty radioactive byproducts. In March 1951, Richter announced that he had engineered a controlled process of nuclear fusion. His claims did not stand up, though,

and the entire venture folded in the following year. Perón had bankrolled Richter to the tune of \$300 million in today's money but generated nothing of lasting value, though some of the leftover apparatus proved useful to Argentine soldiers for target practice.

Optimism about nuclear fusion soared in 1989 after a press conference by the chemists Martin Fleischmann and Stanley Pons at the University of Utah. They announced that they had engineered the process, not at the ultra-high temperatures assumed to be essential but in a simple laboratory experiment at room temperature. Mr. Mahaffey's reaction was similar to that of most other scientists: Fleischmann (who died in 2012) and Mr. Pons either "had a lock on the Nobel Prize for physics or they were crazy." Mr. Mahaffey was one of the many investigators who plunged into cold-fusion research, but he and his colleagues, in common with many other experimenters, could not reproduce Fleischmann and Mr. Pons's observations. The cold-fusion dream was soon over. Elsewhere, international collaborations have con-



TICK-TOCK A military-issue radiation meter from the 1940s.

tinued to pursue conventional high-temperature fusion projects, but, as the cynics like to say, electrical power from nuclear fission always seems to be 40 years away.

Of the other adventures that Mr. Mahaffey describes in his book, two of the most compelling concern attempts to find ways of propelling aircraft and spacecraft using nuclear fuel. Neither venture has been successful, but Mr. Mahaffey's accounts make for instructive reading—a refreshing change from most popular presentations of research science, which too often play down failures, dead-ends and snafus. A slightly chilling chapter on "dirty bombs" makes one relieved that they have not become common. The danger from dirty bombs is more a lethal panic than direct mortality, so we should not be afraid of such weapons, Mr. Mahaffey counsels us, convincingly.

Even if "Atomic Adventures" is sometimes a tad dense with nerdy details, it is an enlightening read, and I'm sure it would have been an education for H.G. Wells. He lived about a year beyond the dropping of nuclear weapons on Japan but was apparently too frail to publish his reflections on the events. He would probably have been surprised to read in Mr. Mahaffey's book that progress has been slower than he envisaged in "The World Set Free." For sure, progress in nuclear energy has not set the world free but has made it a rather more frightening place for *Homo sapiens* to live.

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Mr. Farmelo is the author of "Churchill's Bomb" and "The Strangest Man."

BOOKS

'I see a beautiful city and a brilliant people rising from this abyss . . . in their struggles to be truly free.' —Charles Dickens

Revolutions in the Street

The Unruly City

By Mike Rapport

Basic, 364 pages, \$32

BY DAVID POLANSKY

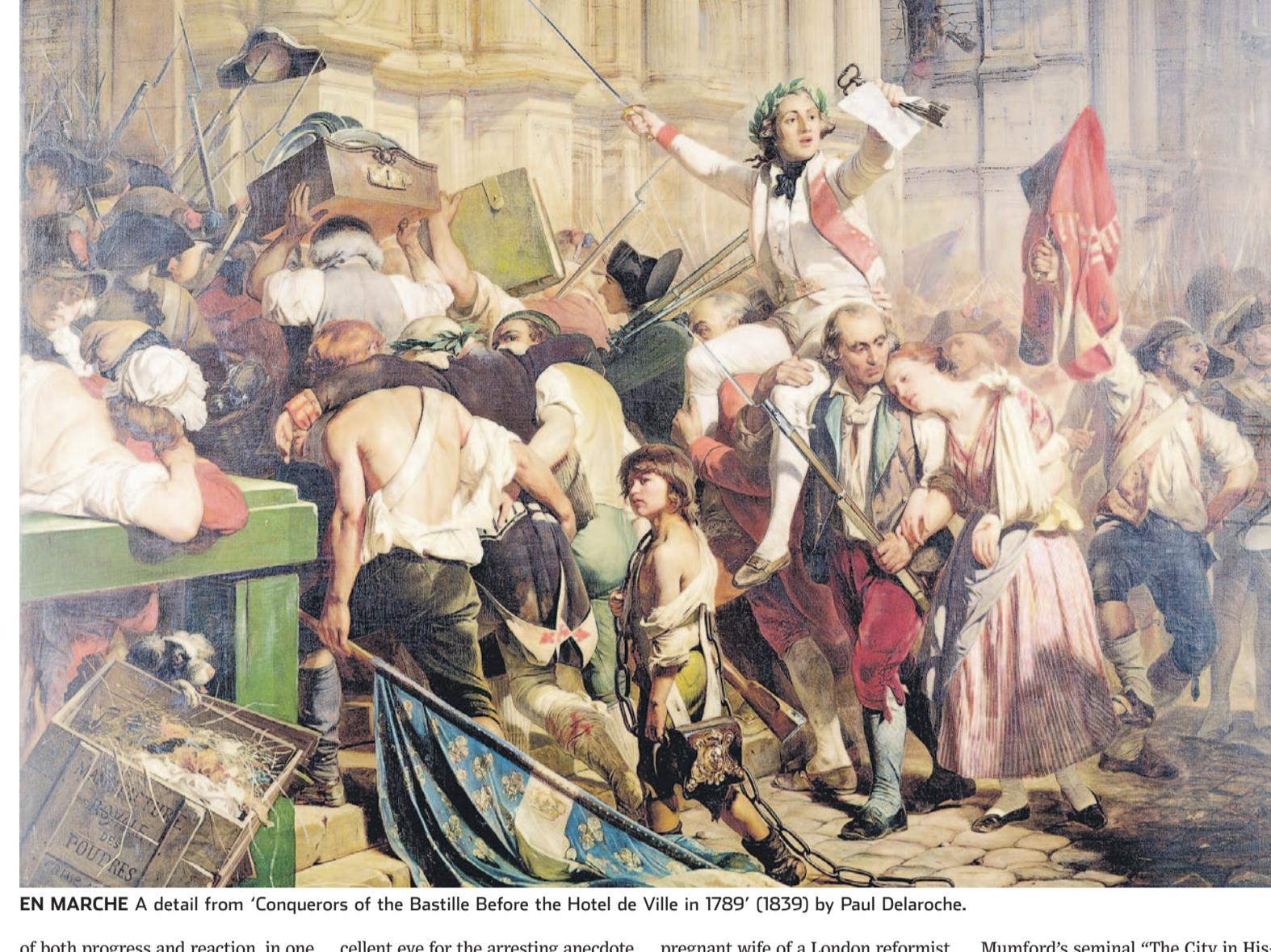
IT WAS THE BEST of times, it was the worst of times, and it was something in between. Mike Rapport's "The Unruly City"—his account of the experiences of Paris, New York and London during the Revolutionary Era of the late 18th century—runs the gamut. Throughout this highly readable book, the author interweaves the histories of the three cities from roughly the close of the Seven Years' War in 1763 through the Thermidorian Reaction in 1794, when the French Revolution turned against the Terror.

Compared to their current incarnations, all three were small and relatively compact. Yet they remained very much cities, with all their closeness and density, and their fusing of politics and commerce and industry made them "places of conflict" and crucibles of revolution, in Mr. Rapport's telling.

That said, there is an undeniable asymmetry in Mr. Rapport's scheme. Of the three cities, one, London, did not in fact undergo a revolution. Another, New York, was only briefly a capital, from 1785 to 1790. And though after the ratification of the U.S. Constitution it was the most populous city in America, New York's population was still not much over 30,000—an order of magnitude smaller than either Paris or London. Moreover, its revolutionary significance was at least rivaled by Boston and Philadelphia. By contrast, neither Paris nor London faced any domestic competitors for their titles.

Given the tenuousness of this overarching narrative, the individual chapters tend to stand or fall on their own merits. In his fifth chapter, "London Burns," Mr. Rapport cleverly traces the ways that the colonial revolution in America reverberated back against the metropole, with British reformers both inspired by and disdainful of the rebellious colonists. That revolution's national significance had particularly uneasy implications for the British Isles ruled by a (German) Hanoverian crown.

Mr. Rapport's accounts of the political and philosophical struggles in ancien régime France are also very good, in the vein of Simon Schama's magisterial "Citizens" (1989). He paints a deft portrait of Parlement (a judicial body, not a legislative one) and its ambiguous status as an agent



EN MARCHE A detail from 'Conquerors of the Bastille Before the Hotel de Ville in 1789' (1839) by Paul Delaroche.

of both progress and reaction, in one moment pushing back against the overweening ambition of an absolute monarchy, in the next upholding a gruesome capital punishment for the crime of blasphemy. Above all, Mr. Rapport homes in on what would become the central question in pre-Revolutionary France (and not only there): Who actually represents the people and the nation, the king or the magistrates?

Other chapters do not justify themselves as well. While Mr. Rapport's depiction of the social and intellectual effects of the French Revolution on New York life is engaging, I'm not sure he presents anything to match the drama of its impact on, say, the friendship of John Adams and Thomas Jefferson.

An old saw holds that political scientists can't write and historians can't think. Mr. Rapport can certainly do both, but one notes that the skillfulness of his fluid prose outclasses his conceptual scheme. He has an ex-

cellent eye for the arresting anecdote or apt quotation, as when describing the festivities that accompanied the arrival of the French warship Embuscade in New York Bay in 1793, which included a dockside crowd of New Yorkers "bellowing out the Marseillaise and . . . greeting the French crew with tricolour cockades," or recording novelist Daniel Defoe's exclamations of horror at London's expansion during the 18th century.

He also excels at literary portraiture, painting quick but vivid sketches of well-known figures from Mary Wollstonecraft to Maximilien Robespierre. But he is even better at bringing to light courageous lesser-known figures like John Wilkes, the London journalist, and the Scottish lawyer Thomas Erskine, who successfully defended radical reformers against charges of treason. And the dramatic set pieces mostly come to life; not just the obvious rousers like Paris during the Terror but smaller numbers like the pathetic fate of the

pregnant wife of a London reformist, losing both her child and her life in the wake of a mob's assault. In these and other moments, Mr. Rapport makes good on his promise to record the "lived experience" of those years.

Paris, London and New York were breeding grounds for both reform and reactionary backlash.

Near the outset of the book, he declares that the cities themselves will take center stage, even as they jostle with teeming humanity for the limelight. As the title would indicate, Mr. Rapport wants to demonstrate that revolution is in some crucial way a distinctly urban phenomenon. His book is too focused, however, to chase a macrohistorical thesis about the importance of cities, like Lewis

Mumford's seminal "The City in History" (1961). At the same time, it lacks the theoretical ambition of pathbreaking works like "Nature's Metropolis" (1991), William Cronon's ecological history of Chicago, or Saskia Sassen's similarly named "The Global City" (1991), which overlaps with two of Mr. Rapport's cities. Similarly, despite Mr. Rapport's occasional reference to the importance of "spaces," the reader never quite gets a sense of the geography and topography of the three cities.

Indeed, though the cities are hardly absent, with their wharves and markets and taverns, they never do quite take center stage. Mr. Rapport is simply too interested in particular humans, in all their messy, strutting individuality. Perhaps the title was the problem. Might I suggest "The Unruly Urbanite"?

Mr. Polansky is a doctoral candidate in political science at the University of Toronto.

The Captive and the Free

Milosz: A Biography

By Andrzej Franaszek

Harvard, 526 pages, \$35

BY MICAH MATTIX

WHEN, IN 1980, Czeslaw Milosz won the Nobel Prize for Literature, his colleagues at the University of California were shocked. Students knew the 69-year-old professor for his popular course on Dostoevsky, but only a handful of members of the Berkeley community knew the importance of his poems, most of which were then available only in Polish.

At a press conference with the university's chancellor shortly after the Swedish Academy's announcement, Milosz read "A Magic Mountain," a recent poem about the isolation and apparent impotence of a political exile living in the strange eternal spring of San Francisco Bay and continuing to write in his native tongue. Why bother to write when "I won't have power, won't save the world?" the poet asks. "Did I then train myself, myself the Unique, / To compose stanzas for gulls and sea haze?" The answer is typical Milosz: "One murky island with its barking seals / Or a parched desert is enough / To make us say: yes, oui, si. / . . . Endurance comes only from enduring. / With a flick of the wrist I fashioned an invisible rope, / And climbed it and it held me."

Andrzej Franaszek's award-winning 2011 biography of Milosz, now translated into English by Aleksandra and Michael Parker, is an enthralling account of the poet's work as well as the events he endured to create it. A reluctant defector whose poems were proscribed by the Polish People's Republic, he wrote for decades without

a country or an audience—or so it seemed to him. In Communist Poland, however, to a degree unknown to Milosz, his verse secretly shaped an entire generation. In the wake of the Nobel Prize, it has become recognized world-wide as a testament to the power of art.

Long chapters, each covering anywhere from five to 20-odd years, give Mr. Franaszek the flexibility to handle tumultuous periods of Milosz's life in detail and depth. Aside from a childhood idyll on his maternal grandparents' estate in Lithuania, the poet's life was marked by displacement from the beginning.

Though the poet was not aware of it, his work shaped a generation in Communist Poland.

In 1913, two years after Milosz was born in Szetejnie, Lithuania, the family moved to Siberia, where his father, the engineer Aleksander Milosz, built bridges and railroads for the Czarist government. When war broke out in 1914, the family returned briefly to Lithuania before following Aleksander to the front in a carriage. After the war, they moved to the capital, Vilno (Vilnius), where Milosz began his formal education. He excelled in reading and writing, and the focus on clarity in his Latin classes made a lasting mark. He studied law at the local university and spent his free time discussing poetry in various student clubs.

A trip to Paris in 1931 to visit his uncle, the poet and Christian mystic

Oskar Milosz, proved pivotal, sparking in him a religious awakening and confirming his literary calling. It is in part because of his uncle that Milosz came to believe that the true artist is always on the side of the particular, the individual. He wrote frequently against abstraction in



NOBEL LAUREATE Czeslaw Milosz, 2001.

art, which transforms artists into tools of propaganda, and argued for verbal simplicity and concreteness. For Milosz, poetry was "plain speech in the mother tongue." This specificity is the source of poetry's poetry. "Hearing it you should be able to see," he writes in his "Treatise on Poetry" (1956), "As if in a flash of summer lightning, / Apple trees, a river, the bend of a road. / . . . One clear stanza can take more weight / Than a whole wagon of elaborate prose."

"What is poetry," Milosz asks in "Dedication" (1945), "which does not save / Nations or people?" His relationship to his own people, however, was complex, and Mr. Franaszek's meticulously researched account of the two decades bookending Milosz's 1951 defection to the West is particularly revelatory.

Politically, Milosz was a man of the left and wrote strongly against rising Polish fascism before World War II, but unlike many of his friends, he didn't throw his weight behind communism. Instead, he kept his head down and wrote poems that, if not apolitical, avoided calls to political action. It could make him look like a self-absorbed aesthete. For Milosz, however, the artist is at his most political when he avoids politics and aims at purity of expression.

In 1945, shortly after joining Poland's diplomatic service, Milosz, then enjoying a reputation as one of the state's emerging poets, was named cultural attaché to the embassy in New York City. When, in 1950, he was relocated from Washington, D.C., to Paris, he left his pregnant wife and their 3-year-old son behind. Because he had family in America, and because he had never joined the Party, his loyalty to Poland was doubted by the Communist regime. During a visit to Warsaw, his passport was confiscated, and it was then that he defected to France. Separated from his wife, son, and now an infant boy whom he had never seen, the poet was alone, depressed, and secretly living in a small room in the Paris office of the Polish-language magazine *Kultura*. When he failed (according to certain influential Polish emigrants) to denounce communism with appropriate vehemence, his application for an American visa

was rejected. He briefly contemplated suicide before finding solace in the encouragement of friends including Albert Camus and the Trappist monk and poet Thomas Merton.

Soon after he defected, he wrote openly, eloquently and damningly about the effects of totalitarianism on the individual psyche in his major prose work, "The Captive Mind" (1953). Unlike most other defectors, however, he refused to write for the American-funded Radio Free Europe and cast a jaundiced eye on Western consumerism.

His family eventually joined him in France, and in 1960 they moved to America when Milosz accepted a teaching position in the Slavic department at Berkeley. Milosz excelled in the classroom, but he occasionally found it difficult to write in a vacuum. In 1961, he complained to his Polish editor Jerzy Giedroyc, "No one writes to me. It is as if I ceased to exist." Ten years later, he wrote Giedroyc again: "I have just celebrated my sixtieth birthday. No one except those closest to me remembered it."

Milosz died in 2004, more than a decade after the collapse of the U.S.S.R. In 1981, the year following his Nobel Prize, he visited Poland during a brief thaw in Soviet-Western relations. He was moved to tears to discover that, 30 years after his defection, many Poles knew his poems by heart. The translator Richard Lourie visited Poland the year before and saw a monument to murdered shipyard workers in Gdansk during the 1970 strikes with a line by Milosz on it. A worker told him: "He was banned, but we always knew Milosz."

Mr. Mattix is an associate professor of English at Regent University and a contributing editor to the Weekly Standard.

OPINION

REVIEW & OUTLOOK

The Fed Moves Up

The Federal Open Market Committee surprised no one Wednesday when it raised the federal-funds rate by another quarter percentage point, its third such increase since December. The real surprise Wednesday is that the government's measure of inflation fell in May to below the Fed's target of 2%.

The Fed's governors and regional presidents might have been spooked by that decline in the price level to below their target, and a year or two ago they would have been. But the economy has now reached its eighth anniversary of expansion, and the Fed is still holding its target interest rate of 1% to 1.25% below the increase in the consumer price index. The real rate of interest is still negative, even as the national jobless rate has fallen to 4.3% and the global economy seems to be accelerating.

In other words, the Fed hardly seems at risk of tightening too quickly even if the dangers of price inflation are receding. Much of the price decline is due to the fall in oil prices in recent weeks, and the Fed's decision makers should see how that moves through the overall economy in the coming months.

Monetary conditions have even eased since

The central bank is taking its bond selloff very slowly.

the Fed's last move as long-bond rates have fallen. Investors bid up bond yields after they anticipated pro-growth tax policies from the new Republican Congress and President, and they have bid them back down as they grow more doubtful of that result. The Open Market Committee's estimates for future interest-rate levels suggested

one more increase through the end of 2017, but the committee can adjust that pace if the economy slows.

The Fed also released more detail of its plans to begin winding down the huge balance sheet it acquired during and since the financial panic. Sometime this year the Fed will stop reinvesting all of the principal proceeds of its securities as they mature. The Fed will initially cap its roll off at \$6 billion a month for Treasury bonds and \$4 billion a month for mortgage-related debt and securities.

The idea seems to be to go slow given that the Fed has never attempted this kind of policy reversal. That's fair enough, but we wish the Fed started by selling its mortgage bonds first so it gets out of the business of allocating capital that much sooner. The U.S. housing market is doing well enough these days in any case.

Their Finest Hour

We're referring to the two Capitol Hill police officers, Crystal Griner and David Bailey, who prevented what would have been a massacre on Wednesday when they engaged and shot a man with a rifle bent on killing Republican Members of Congress.

The officers were the security accompanying Steve Scalise, the House majority whip, and other Members who were practicing at 7 a.m. for the annual Congressional baseball game scheduled for Thursday. James Hodgkinson, a 66-year-old home inspector from Illinois, began to fire on the dozens of Members and staff assembled on the field. He struck Mr. Scalise in the hip at second base and wounded a lobbyist and one House aide before the officers returned fire and were hurt themselves.

The officers shot and subdued Hodgkinson, who later died of his wounds, but imagine the carnage had the officers not been armed and ready to act on the spot. Their response is a reminder of the bravery of police who must be trained to respond in an instant when tedious routine becomes a mortal threat. The remarkable good fortune—the wounded are all expected to recover—also teaches again that the best defense against marauding men with guns is other men and women with guns.

Police haven't disclosed a motive, but the evidence suggests it was political. Hodgkinson had multiple social-media posts expressing fury at President Trump and Republicans. Rep. Ron DeSantis of Florida said that as he left the practice field early he was approached by a man who asked if those on the field were Republicans or Democrats. Mr. DeSantis later

Two officers save many lives, and the politicians respond well too.

recognized the man as Hodgkinson, who had been a volunteer for the Bernie Sanders presidential campaign.

Politically motivated attempts at mass murder aren't common but they do happen and too often they're exploited for partisan ends. The good news is that on Wednesday most political leaders

rose to higher ground.

President Trump offered gracious condolences to the wounded, praise for the officers, and a call to national unity. Speaker Paul Ryan and Minority Leader Nancy Pelosi united to denounce the attack, and Mr. Sanders disavowed and denounced Hodgkinson. Mr. Ryan said the baseball game will go on as scheduled—to a thunderous ovation.

These are divisive political times, when verbal abuse and physical harassment are all too frequent against political opponents. The duty of political leaders and the rest of us is to keep the divisions in the perspective of our shared values of free debate and democratic consent. One way to contribute to a better political climate would be to stop claiming as a reflex that victory by the opposing party is illegitimate, and another would be to stop portraying political assassination as entertainment.

Congress has already imposed tougher security restrictions on access to the Capitol since 9/11, but the Members have to think about more far-reaching security when they appear in public. We admire those who represent Americans without fear, and maybe that's the risk we have to take in a free society. But it's also true that without those two officers many more would have died at that ball field.

ObamaCare's 'Secret' History

Senate Republicans continue to negotiate the details of their health-care reform, and one measure of progress is that their opponents are more manic and disingenuous. Progressives who used to deride the GOP for incompetence are now panicked that they may really succeed, and thus the faux tantrums.

The distortion du jour is that the GOP is operating "in secret." This week Minority Leader Chuck Schumer accused Republicans of working "behind closed doors, writing a bill they won't let the public read.... Today, no Member of Congress can read the bill because we don't know what it is."

Despite Mr. Schumer's bewilderment, he still knew enough to assert that the Senate bill will "greatly hurt the American people." Well, which is it? And if Republicans are trying to suppress a public debate about repealing and replacing ObamaCare, then they haven't prevailed, either now or across the presidential campaign. Health care has been central to U.S. political debate for nearly a decade as Democrats created a new entitlement with little public support.

Compared to that effort, the Senate this time has been a model of deliberative democracy. On Dec. 19, 2009, a Saturday, then Majority Leader Harry Reid tossed the 2,100-page bill the Senate had spent that fall debating and offered a new bill drafted in an invitation-only back room. Democrats didn't even pretend to care what was in it while passing it in the dead of night on Dec. 24, amid a snowstorm, in the first Christmas Eve vote since 1895.

Liberals excused this legislative sausage-making as the price of making history, which was an insult to sausages. MIT economist and ObamaCare architect Jonathan Gruber told an academic audience in 2014 that "lack of transparency is a huge political advantage. And basically, you know, call it the stupidity of the American voter or whatever, but basically that was really, really critical to getting the thing to pass."

Mr. Gruber has since re-emerged to complain of the current debate that "I'm just worried about the speed they're moving at for what that

Jonathan Gruber is back and betting again on public 'stupidity.'

implies, because it implies no effort to actually get this right." The professor had apologized for what he called his "inexcusable" remarks in 2014 but he's betting he can con Americans again.

The irony is that the GOP negotiations are so time-consuming because Senators are trying to improve the product as they build a consensus that

can get 50 votes. They're trying to answer the

House bill's critics on the left and right, not that

they'll get any credit.

One objection is that the House's tax credits aren't generous enough to help the working poor; the Senate is likely to increase their value. Another is that the House's Medicaid expansion wind-down is too disruptive for Governors to manage; the Senate will probably create a longer off-ramp. When they reach an agreement, they'll release the specifics.

The policy parameters are known to anyone paying attention, including those like Mr. Gruber who are arguing in especially bad faith because no bill the Senate could possibly produce would satisfy them. Even as the GOP moves the bill toward the political center, reflexive liberal opposition increases.

Mr. Schumers claimed Republicans have "so-called zero bipartisan support," which is hilarious. Democrats opted for total pre-emptive resistance to the Trump Administration, and in January Mr. Schumers and Nancy Pelosi announced together that "we are a united caucus. We are two united caucuses. And we're united in our opposition to these Republican attempts to make America sick again," as he put it. House Republicans hadn't even released a bill at that point and the ObamaCare exchanges were already in increasing distress, but Democrats refused to participate.

This is also a notable change from 2009-10, when Democrats froze out centrist Republicans who wanted to cut a bipartisan deal of the kind Orrin Hatch and Ted Kennedy had struck on the children's health insurance program. The Obama White House preferred a far more liberal program that would complete the entitlement state. The GOP's obligation now is to start to clean up that mess.

America's Political Disorder Syndrome



WONDER LAND
By Daniel Henninger

James T. Hodgkinson, who on Wednesday shot Republican Rep. Steve Scalise and four others, posted this on his Facebook page on March 22: "Trump is a Traitor. Trump Has Destroyed Our Democracy. It's Time to Destroy Trump & Co."

Sitting in the dying light of World War I, the poet T.S. Eliot wrote, "I had not thought death had undone so many." What's our excuse?

Displays of political or social excess seem to be everywhere. Whatever once fastened the doors of people's minds to something secure and stable has become unhinged.

Some thought the apotheosis of political derangement had been reached when celebrity Kathy Griffin posted a video of herself holding the bloody, severed head of Donald Trump.

But that wasn't the end of it. We may assume that as Ms. Griffin was creating her video, the artists at New York's Public Theater were rehearsing their production of "Julius Caesar," the one in which Central Park audiences watch Caesar as a blond-haired Donald Trump, who is pulled down from a podium by men in suits and assassinated with plunging knives.

The news site Axios runs stories regularly about journalists who have been suspended or fired because of their unhinged postings on Twitter. After Donald Trump used a tweet to revive his long-running feud with the mayor of London amid the June 3 killings, CNN personality Reza Aslan tweeted that Mr. Trump was a "piece of s---."

Some take comfort that these displays didn't go unpunished. CNN wrist-slapped Ms. Griffin by dropping her as co-host of its New Year's Eve show with Anderson Cooper. American Express, Bank of America and Delta Air Lines withdrew their sponsorship of "Julius Caesar," though New York City's Democratic Comptroller Scott Stringer said their pullout "sends the wrong message."

Advertisers must wake up every morning wondering what political meteorite will hit them next. J.P. Morgan Chase pulled its ads this week from NBC News rather than be associated with Megyn Kelly's prime-time interview with Alex Jones to discuss "controversies and conspiracies," such as his notion that the Sandy Hook murders were a hoax.

Ms. Kelly justified the interview in part on Twitter because Donald Trump appeared on Mr. Jones's show and "our job is to shine a light."

Donald Trump's election has caused psychological unhinging in much of the population. But the Trump phenomenon only accelerated forces that were plummeting in this direction before the 2016 election.

Social media—a permanent marinade for the human brain—is causing a vast, mysterious transformation of how people process experience, and maybe

someday a future B.F. Skinner will explain what it has done to us.

Impossible to miss, though, is how jacked up emotional intensity has become in American politics. The campaign rallies of both Mr. Trump and Bernie Sanders often sat on the edge of violence. Reporters describe political town-hall meetings as full of "angry" voters.

Shouting down the opposition in these forums or on campus has been virtually internalized as standard behavior. Refusal to reason is the new normal. And then the unreason is euphemized as free speech.

Explaining away these impulses as a routine turn of the populist political cycle is insufficient. Something more permanent is happening.

Public Theater should cancel its Trump assassination play. But it won't.

I remain fascinated with the case of the 10 incoming Harvard freshmen who celebrated their achievement by posting a series of remarkably repulsive, violent photographic memes on Facebook. One said abusing children was sexually arousing; another described the hanging of a Mexican child as "piñata time."

What those no-longer Harvard students had done was create a "private" Facebook messaging board, where they somehow felt free to mock and subvert current social convention. They aren't alone. Reddit, which has about 500 million monthly visitors, became known for similar "anonymous" bulletin boards on which men, for example, exchange outrageous sexual postings.

We negotiate much of daily life now in tense, parallel universes: One is overflowing with individual political and social behavior that is deviant—flights from the norm—at a time when broader norms of political and social behavior are enforced with a vengeance. Today you can get shamed, sued or fired for almost any conceivable offense.

In reaction, millions of people—including the president—seem to regard social media as a kind of wildlife refuge, where they can run naked against society's dammed-up personal and political opinions.

The possibilities for psychological dislocation are limitless. Kathy Griffin justified her beheaded-Trump stunt by arguing, "I've dealt with older white guys trying to keep me down my whole life.... This is a woman thing."

We know that political anger and violence can become mystical in its attraction, especially at the margin for people like political shooter James Hodgkinson. This is a good moment to dial it back. The Public Theater's management could cancel their staged Trump assassination in Central Park.

But they won't. Like so many others with political disorder syndrome, they no longer can.

Write henninger@wsj.com.

Gorsuch Gets Settled Into Scalia's Chair

By Kenneth W. Starr

The U.S. Supreme Court convened Thursday afternoon for a tradition-rich ceremony welcoming its newest member, Justice Neil Gorsuch. Like a civil wedding, such investitures are meant to be short and sweet. After the attorney general reads aloud the formal commission, the new Justice is escorted up to his seat, the chief justice makes a few welcoming remarks, then the court adjourns.

Entirely symbolic, the ceremony comes during the court's busiest season, with the frenetic rush to decide the remaining cases from the term that began last October. After his rancor-filled confirmation process, Justice Gorsuch joined the court in mid-April, in time to participate in the final 13 cases. On Monday the court issued his first opinion, in *Henson v. Santander*. It was unanimous.

Predictions about judicial behavior are frequently off-base, but Justice Gorsuch so far comes across as an energetic jurist in the mold of Antonin Scalia, whom he replaced. Justice Gorsuch set a rookie record for the number of questions asked—22—in a first appearance at the high court. Justice Sonia Sotomayor previously held the mark at 15.

On the substance, Justice Gorsuch seems committed to honoring Scalia's legacy. In a lecture last year at Case Western Reserve University, then-Judge Gorsuch proudly embraced his predecessor's approach to the law: "Though the critics are loud and the temptations to join them may be many, mark me down too as a believer that the traditional account of the judicial role Justice Scalia defined will endure."

When Scalia ascended to the high court in 1986, he saw the danger of a runaway judiciary, as embodied in the Warren Court and to a lesser extent the

Burger Court. The judges were "making it up" as they went along.

Justice Gorsuch used those words in his first oral argument, a case involving a complex interplay of federal statutes. Like Scalia, Justice Gorsuch searched for an authoritative answer in the text alone. That approach, textualism, was Scalia's way of restoring the judiciary's proper role.

So far he seems to be an energetic jurist in the textualist mold.

Statutory interpretation provides daily grist for the judicial mill, but the stakes are far higher in interpreting the Constitution. To the textualist school, "making it up" is the ultimate judicial sin.

In contrast to Scalia, Justice Gorsuch came of age as a lawyer not in the freewheeling Warren Court era, but during the more judicially restrained leadership of Chief Justice William Rehnquist. By that time, the Federalist Society was going strong, and Scalia's approach was increasingly in favor. The written Constitution was law, not moral philosophy.

Thursday afternoon, Justice Gorsuch ceremonially took the chair Scalia occupied for almost 30 years. At his confirmation hearing, he called Scalia a mentor who "reminded us that words matter—that the judge's job is to follow the words that are in the law, not replace them with those that aren't."

Antonin Scalia changed the way mainstream judges think about their role in a representative democracy. On this investiture day, the Scalia tradition boasted a worthy inheritor.

Mr. Starr served as a federal judge, solicitor general and Whitewater independent counsel.

OPINION

The ‘Exporting Jobs’ Canard

By Matthew J. Slaughter

President Trump has voiced a widely shared—but incorrect—belief that the global economy is a zero-sum game. “One by one,” Mr. Trump said in his inaugural address, “the factories shuttered and left our shores, with not even a thought about the millions and millions of American workers that were left behind.” In his first White House meeting only a few days later, Mr. Trump warned a roomful of CEOs that companies sending factories overseas would face a new border tax.

Mr. Trump assumes that when

Repeated research shows that multinational hiring abroad doesn’t come at the expense of U.S. workers.

U.S. multinationals expand abroad, it necessarily reduces the number of people they employ in the U.S. But this assumption is wrong, and tariffs would hurt American workers, not help them.

Academic research has repeatedly found that when U.S. multinationals hire more people at their overseas affiliates, it doesn’t come at the expense of American jobs. How can this be? Large firms need workers of many different skill levels and occupations, and the jobs done by employees abroad are often complements to, not substitutes for, those done by workers at home.

Manufacturing abroad, for example, can allow workers in the U.S. to focus on higher value-added tasks such as research and development, marketing and general management. Additionally, expanding overseas to serve foreign customers or save costs often helps the overall company grow, resulting in more U.S. hiring.

The ultimate proof is in the numbers. Between 2004 and 2014, the most recent year for which U.S. government data are available, total employment at foreign affiliates of U.S. multinationals rose to 13.8 million from nine million. Yet the number of jobs at U.S. parent companies rose nearly as much, to 26.6 million from 22.4 million.

Over the same period, the value-added and capital investment grew faster among U.S. parent companies than in their foreign affiliates. In fact, on these two measures the American parent companies outperformed the overall U.S. private sector.

This suggests that having overseas affiliates gives companies a competitive advantage that allows them to invest more at home. More than ever, jobs in America are connected to the world.

One can always find anecdotes of a company closing an American facility and moving the work it does overseas. But these anecdotes are not representative of the overall synergies between parent companies and their affiliates.

Consider Caterpillar Inc., the American manufacturer of heavy machinery whose main facility for research and development is in Peoria, Ill. In recent years the company



DAVID KLEIN

has established several research-and-development facilities outside the country. Yet Caterpillar’s engines lab in Peoria still runs two shifts a day. Before closing up for the night, the Illinois engineers send data to their colleagues in Chennai, India, who process it overnight. When the Peoria workers come back the next morning, the refined data is waiting for them.

Dow Chemical’s largest global investment is Sadara, a \$20 billion joint venture with Saudi Aramco to construct a fully integrated petrochemical complex in Saudi Arabia. This facility, which will be one of the world’s largest, has created Ameri-

can jobs not only at Dow but at its supply-chain partners as well. Since 2007, Sadara has generated more than \$1 billion in contracts for 18 U.S. companies that have provided engineering, design and other high-value services. In recent years approximately 700 Americans at leading engineering companies have supported Sadara’s work.

In 2011, IBM became the first company to earn more than 6,000 U.S. patents in a year. These inventions were generated by more than 8,000 employees in 46 American states and 36 countries. IBM inventors abroad collaborated on more than 26% of that year’s patents.

How to Keep the Fed From Following Its Models off a Cliff

By Glenn Hubbard

Wednesday’s decision by the Federal Reserve to raise the target for the federal-funds rate by 25 basis points has continued a debate about the tightening cycle. Yet these “Fed watching” discussions aren’t necessarily productive. It would be better to rethink the Fed by evaluating its strategy, structure and accountability.

How can the institution be restructured to better achieve its goals of financial and price stability? The late economist Allan Meltzer, a scholar and historian of the Fed, gave the central bank high marks in these objectives in only about a quarter of its years in operation. An understanding of why the Fed succeeded and failed in the past is a natural guide to reform.

Economists emphasize two factors accounting for periods of Fed failure: political influence on Fed decisions and adherence to false models of the financial system and the economy.

In the first, the Fed’s balance sheet or regulatory power may be hijacked in service of the government’s near-term electoral or fiscal objectives. In the second, ignorance of economic conditions or doctrinaire attention to false models may blow Fed policy off course.

Independence, sometimes put forth as the key insulation against

politicization of the Fed, hasn’t proved sufficient to guarantee stability. Policy errors during the Great Depression, the inflationary period of 1965-79 and the accommodative run-up to the 2007-09 financial crisis all occurred during times of substantial independence. Nor is ostensible freedom an antidote to politicization, as political pressures certainly figured in the 1960s and ’70s.

Milton Friedman recognized the limits of independence—given the choice of an independent central bank with complete discretion, a commodity standard, and a monetary rule, he chose the rule.

For today’s debate, I would say an institution capable of executing a framework for price and financial stability needs independence from formal government control. But such a framework must be clear and credible at all times: specifying an analytical approach, laying out how departures from normal financial and economic conditions will be addressed, and explaining those departures when they occur. Call it “maintain and explain.”

Structural reforms of the Fed can mitigate political influence. First, a credible, simple monetary framework can offer significant insulation from political pressure, while increasing the likelihood of success in achieving the Fed’s objectives. Inflation targeting—that is, a commitment to conduct monetary policy consistent with a target long-run in-

flation rate—is a familiar example for a goal.

Likewise, the Fed should describe the balance-sheet size it believes it requires for the conduct of monetary policy. And it should spell out mechanisms it will use in lending during times of stress or crisis.

For one thing, governors should have varied life experiences to broaden the perspectives in the room.

The Fed should also specify an operating framework. This could include, for example, following a variant of the Taylor rule, which sets an ideal level for the federal-funds rate based on output and inflation.

Another crucial step: a mechanical path for normalization of the balance sheet and clarity about the assets the Fed will hold. Limiting itself to only Treasury securities, for example, would prevent opportunities for political pressure to be brought on the Fed not to acquire or sell them.

Allowing Fed officials discretion to deviate in times of stress would enhance their credibility—but only if such decisions are explained clearly in advance and are consistent with the overall framework. This maintain-and-explain process

would enhance understanding of the Fed’s success in achieving its objectives and enforce accountability when it isn’t. Such discretion also would grant flexibility in monetary policy and lender-of-last-resort actions in periods of stress.

While a clear and consistent framework gives the Fed a strategy, structure remains important. Giving the Fed a larger role in financial regulation has proved to be fraught with opportunities for political pressure, since elected officials can review such regulatory actions. This was the case after the financial crisis, when the Fed’s regulatory power expanded and its political scrutiny did too.

Strategy and structure matter, but ultimately personnel is policy. Including regional bank presidents in the Federal Open Market Committee brings intellectual and political diversity to the Fed decision-making process. Choosing Fed leaders committed to the maintain-and-explain framework and to resisting political influence is essential as a last line of defense.

The false-model account of Fed failure played a role in the Great Depression, the inflationary ’60s and ’70s, and the pre-financial-crisis years. During the Depression a failure to discriminate between real and nominal interest rates, as well as the now-discredited “real bills doctrine,” were enabling failures. The Fed’s emphasis on the simple Phillips curve

also built in a policy bias toward accelerating inflation several decades later. And the Fed from 2002 to 2005 placed too little weight on financial imbalances encouraged by an easy-money policy.

Three steps can bolster defenses against false models. The first is to strengthen research inside and outside the Fed on the integration of finance and monetary policy and the economy, an intellectual gap exposed by the financial crisis. Second, Fed officials should interact more with market participants and businesspeople to understand financial innovations and economic developments better. Policy should be more reflective of proactive data gathering than reactive data dependence. Finally, Fed governors should be chosen with varied life experiences to broaden economic perspectives and encourage a healthy skepticism about prevailing models.

The Fed faces a challenge in crafting and explaining normalization of the extraordinary measures undertaken during the financial crisis. There is now also an opportunity to make personnel decisions that shape the Fed’s strategy, structure, and accountability. Fortunately, experience with Fed success and failure offers a road map.

Mr. Hubbard, dean of Columbia Business School, was chairman of the Council of Economic Advisers under President George W. Bush.

Modi’s Message to the Media

By Sadanand Dhume

Is media freedom in India under threat? A government investigative agency’s raids earlier this month on the founders of New Delhi Television, a prominent private broadcaster, have triggered a fierce debate in the country over this perennial question.

Critics accuse the government of Narendra Modi of fostering an environment that makes ordinary journalists afraid or unable to do their jobs. Many in the media cannot remember a time when they had to watch their step so carefully.

To the prime minister’s vocal

fans, especially on social media, this is hogwash. They view much of the elite English-language media as ethically challenged and unremittently hostile to the government.

While some of the more excitable crusaders for press freedom may exaggerate the problem—India is in no danger of becoming another Russia or Turkey any time soon—on the whole they are more right than wrong. On Mr. Modi’s watch, the space to criticize the government or the ruling Bharatiya Janata Party without fear of retaliation has indeed shrunk. If the action against NDTV is a portent, then in the run-up to the 2019

elections this space may shrink even more.

The government argues that its tussle with NDTV founders Radhika and Prannoy Roy has nothing to do with media freedom. According to investigators, the Roys violated the law by obtaining a partial waiver of interest on a 2008 loan worth about 3.5 billion rupees (about \$70 million at the time) from private bank ICICI.

In anonymous leaks to sympathetic media outlets, alleged government officials suggest they may also pursue more serious charges, including money laundering and concealment of income. NDTV denies any wrongdoing, and accuses the government of “an unsubstantiated, politically motivated and vindictive campaign” against it.

The government’s argument appears shaky. In India, large borrowers owe government-owned banks many billions of dollars. That the Central Bureau of Investigation’s case hinges on a nine-year-old loan repaid to a private bank seems to suggest, at the very least, an odd set of priorities.

The move against NDTV comes against the backdrop of a media landscape that has tilted noticeably toward the government. Prominent news channels now spend more time attacking the enfeebled opposition than scrutinizing the government. The front pages of several major newspapers increasingly read like official press releases. The burden of holding the government accountable for its missteps has largely shifted to opinion writ-

ers and a clutch of online publications with far less reach than TV or newspapers.

For the most part, Mr. Modi eschews interviews and press conferences, preferring to communicate directly through Facebook, Twitter and a regular radio address. His junior foreign minister,

The prime minister exacts an increasingly higher price on freedom of the press.

V.K. Singh, has helped popularize the pejorative term “presstitute” to describe journalists.

The BJP pays lip service to the idea of a free press, but one that knows its place. In party President Amit Shah’s formulation, criticizing the government remains permissible but criticizing the nation is out of bounds.

Earlier this year, the party appointed as its spokesperson Tajinder Bagga, notorious for a televised 2011 assault on a left-wing lawyer and anticorruption activist he deemed too sympathetic to Kashmiri separatists.

“He try to break my Nation, i try to break his head,” Mr. Bagga tweeted at the time.

Mr. Modi’s supporters tend to dismiss concerns voiced by journalists as much ado about nothing. And it’s certainly true that, unlike many developing countries, India remains a place where you can call the prime minister an imbecile without facing a lawsuit or a mid-

night knock on the door from a thug. Government critics are feted at literary festivals and regularly published in the most prestigious op-ed pages. They may lose access to top officials, but they aren’t queuing up for asylum in Sweden or languishing in prison.

Moreover, most of the Indian media’s problems predate Mr. Modi’s 2014 election. The owners of most major TV channels and newspapers juggle other business interests as well. They must negotiate a plethora of opaque laws and regulations that would make them vulnerable to government pressure. Many outlets also rely on government advertising to stay afloat. All this ensures that Indian journalism maintains a long tradition of kissing up to power rather than questioning it.

Things have nonetheless deteriorated on Mr. Modi’s watch. This government is particularly ruthless about cutting off access to reporters it deems unfriendly. The BJP also appears to at least tacitly encourage social-media lynch mobs that go after any journalist seen to be stepping out of line. No other major political party appoints trolls to responsible positions.

It may still be easier to practice journalism in Mr. Modi’s India than in Vladimir Putin’s Russia or Recep Tayyip Erdogan’s Turkey. But for a country that prides itself as the world’s largest democracy, that isn’t saying much.

Mr. Dhume is a resident fellow at the American Enterprise Institute and a columnist for WSJ.com.

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FILM REVIEW | By Joe Morgenstern

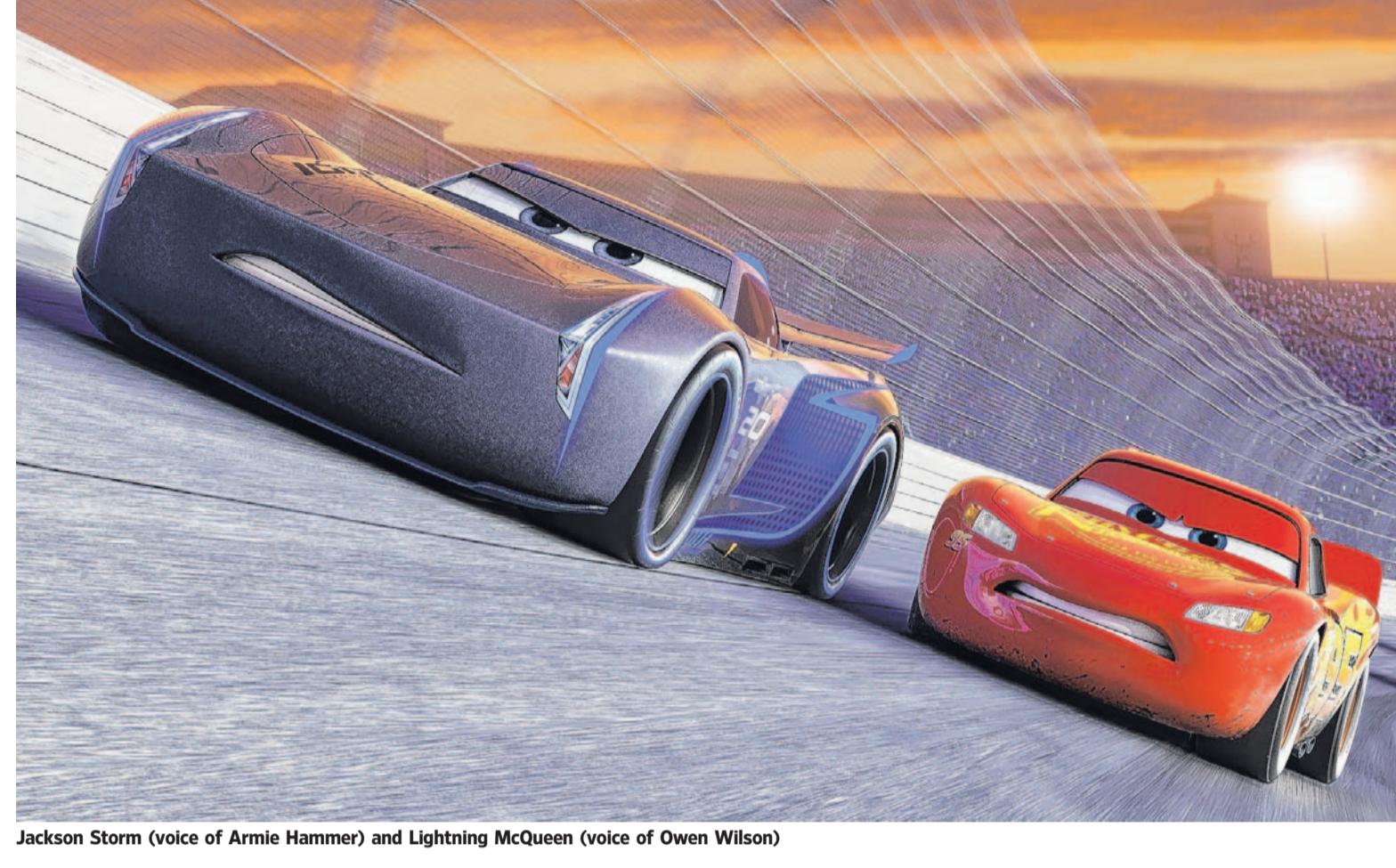
'Cars 3': Once Too Often Around the Track

Aging champ Lightning McQueen returns to take on a high-tech rival in Pixar's racing film

IF PIXAR WANTED to mobilize its peerless creative resources, the studio could probably do a delightful short about a farmer who milks cash cows for profit and pleasure. But it's the studio that's doing the milking in "Cars 3," and the pleasures are modest at best. (Brian Fee directed from a screenplay by Kiel Murray, Bob Peterson and Mike Rich.)

This time the former hotshot, Lightning McQueen (voiced by Owen Wilson), is a faded champion who yearns to win one more race. An unlikely hero for young audiences, Lightning is also an intriguing one—a living legend and incipient geezer struggling to compete against a new breed of race cars represented by Jackson Storm (Armie Hammer), a high-tech marvel with a formidably low drag coefficient. The computer animation is remarkable, just as we've come to expect from Pixar features—all those gorgeous colors and hurtling objects going round and round—and round and round and round. Yet the film's drag coefficient starts to climb when Lightning's story is intertwined with that of a gifted young rookie, Cruz Ramirez (Cristela Alonzo). Having missed her own shot at racing, Cruz is determined to inspire Lightning as his trainer.

There's more to the relationship than that—a process of mutual inspiration, reciprocal support and, sometimes affectingly, a passing of the baton from one generation to the next. (And from Anglo to Hispanic, although Lightning is painted cherry red and Cruz is a lovely mustard yellow.) But the script is full of Disney-esque motivational slogans—don't fear failure, be afraid of not having the chance, seize your chance when you can, look for new opportuni-



Jackson Storm (voice of Armie Hammer) and Lightning McQueen (voice of Owen Wilson)

ties you never knew were there. And, paradoxically, the story slows most noticeably when the emphasis is on speed at a cutting-edge training center. That's where Cruz helps her aging student sharpen his rusty skills in a program that differs little from countless other training sequences, and where we're expected to thrill to the spectacle of Lightning coping, at a bizarre level of narrative abstraction.

ties with the head-spinning challenges of a virtual-reality simulator.

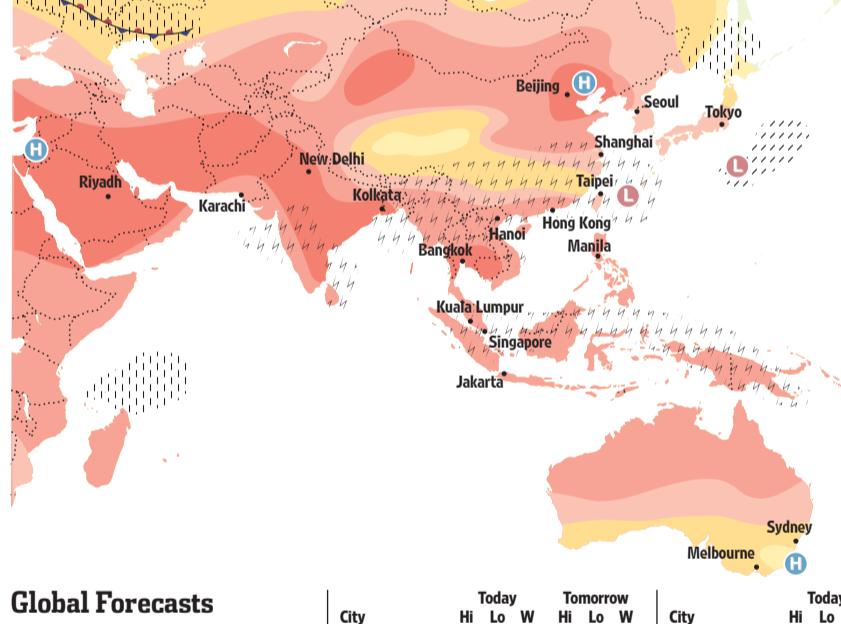
That reference to the narrative should be taken loosely; it's more like a succession of pit stops in a film that meanders all over the landscape to rural race tracks, and to one extremely muddy demolition derby. The script declines to explore Jackson Storm's technology. In an era where race cars—and even pas-

senger cars—are prodigies of complexity, Lightning's ultramodern rival is seen entirely from the outside, with no sense of the soul in the elegant machine.

"Cars 3" does examine, albeit briefly, some of the strategies Cruz teaches her aging champ so he can compensate for slower reflexes and diminished fire in his cylinders. But much of the latter section becomes a trip down memory lane as Light-

ning searches for his old pal Smokey (Chris Cooper), and for further inspiration from the memory of his role model and mentor Doc Hudson. (It's eerie to hear Paul Newman's voice purring from the past.) The first film wasn't bad, though it had its lapses. "Cars 2," an aberration, was readily forgotten. This one feels like the series, at the end of the road, is running on fumes of nostalgia for its earliest self.

Weather



AccuWeather.com

Global Forecasts

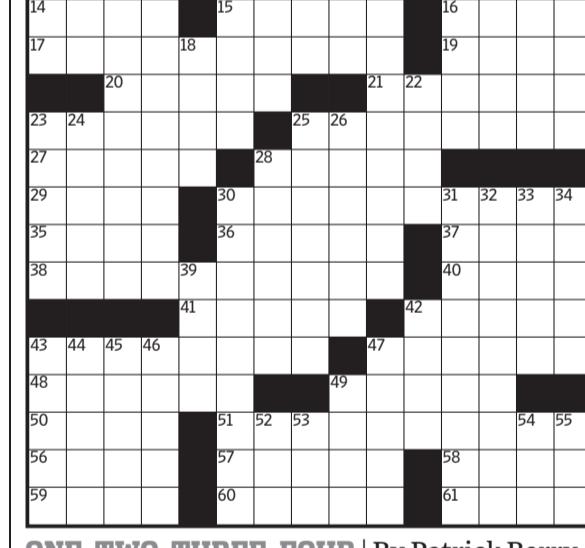
s...sunny; pc...partly cloudy; c...cloudy; sh...showers;

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

Today Hi Lo W Tomorrow Hi Lo W

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Geneva	27	15	t	26	14	s
Hanoi	35	27	t	32	25	c
Havana	31	23	pc	31	23	pc
Hong Kong	32	28	t	32	27	t
Honolulu	30	23	t	30	24	pc
Houston	35	24	t	35	24	pc
Istanbul	26	19	c	26	18	s
Jakarta	32	25	t	31	25	t
Johannesburg	21	4	s	20	5	s
Kansas City	35	21	t	34	23	pc
Kansas City	41	26	s	41	27	s
Las Vegas	23	16	pc	22	16	pc
Bangkok	36	25	pc	35	26	pc
Beijing	39	19	c	37	22	pc
Berlin	26	16	pc	20	12	sh
Bogota	19	9	c	19	9	c
Boise	26	15	c	23	11	c
Boston	22	14	s	20	16	c
Brussels	27	13	t	20	14	pc
Buenos Aires	20	18	sh	24	19	c
Cairo	35	22	s	36	23	s
Calgary	19	10	pc	20	7	c
Caracas	31	26	pc	30	26	pc
Charlotte	33	22	t	30	21	t
Chicago	33	21	pc	30	21	t
Dallas	35	26	s	36	26	s
Denver	31	13	pc	33	15	pc
Detroit	29	19	t	32	21	t
Dubai	44	32	s	43	32	s
Dublin	18	11	sh	21	13	pc
Edinburgh	18	11	sh	18	14	sh
Frankfurt	30	14	pc	23	11	c

The WSJ Daily Crossword | Edited by Mike Shenk



ONE, TWO, THREE, FOUR | By Patrick Berry

The answer to this week's contest crossword is a group of four.

Across

- 1 Macintosh's predecessor
5 Jewish deli buy
10 Polyethylene sheet
14 At an end
15 Petrova of tennis
16 Mental flash
17 Song sung by Marilyn Monroe in "Gentlemen Prefer Blondes"
18 Beam
19 Santo Domingo
20 Sao Paulo
21 Seattle
22 Salt Lake City
23 San Diego
24 San Francisco
25 San Juan
26 Santiago
27 Santo Domingo
28 Stockholm
29 Sydney
30 São Paulo
31 Rio
32 Santiago
33 Stockholm
34 Sydney
35 São Paulo
36 Rio
37 Santiago
38 Stockholm
39 Sydney
40 São Paulo
41 Rio
42 Santiago
43 Stockholm
44 Sydney
45 São Paulo
46 Rio
47 Santiago
48 Stockholm
49 Sydney
50 São Paulo
51 Rio
52 Santiago
53 Stockholm
54 Sydney
55 São Paulo

The answer to this week's contest crossword is a group of four.

Down

- 1 High ball
2 Academic growth
3 Lose focus, perhaps
4 Step in
5 Hawaiian guitar's place
6 Cops
7 President McKinley's wife
8 Kid's roomie, often
9 They can make a bundle
10 Princess costume accessory
11 Form a line?
12 Put off
13 No longer fashionable
14 Ambience
15 Naval post?

16 Distressed
17 Ugarte's portrayer in "Casablanca"
18 Blow away
19 Fruit in a sweetheart cake
20 Answer offered hesitantly
21 Intersection
22 Consumer
23 Wrangler jeans protection?

24 Inventor for whom element #102 was named
25 Title given to Queen Victoria in 1876
26 Most opportune
27 Cultural foundation
28 Like diplomatic pouches
29 Perceptive
30 Called in advance
31 2001 gothic film starring Nicole Kidman
32 Deadly bait
33 Take part in
34 Quaint exclamation
35 Ambience
36 Naval post?

37 Get hooked?
38 Like halter tops
39 Part of YSL
40 Jazz legend James
41 Usually-abbreviated Latin phrase
42 Vehicle that may get more than 100 miles per gallon
43 Ambitious bridge contracts
44 College team whose fight song is "The Orange and Blue"
45 Seaweed-wrapped delicacy
46 Fruit in a sweetheart cake
47 Answer offered hesitantly
48 Class offering parental guidance
49 Seaweed-wrapped delicacy
50 Exam format

51 Trials that are often televised? [2, 3]
52 Absorbed, as cost
53 Mare or doe
54 Smallest prime number
55 Make duds

PUZZLE CONTEST

51 Trials that are often televised? [2, 3]

56 Pasta frequently served in soup

57 Cultural foundation

58 "The Fair Penitent" playwright Nicholas

59 Perceptive

60 Marine abysses

61 Winter coat

62 Called in advance

63 2001 gothic film starring Nicole Kidman

64 Distressed

65 Ugarte's portrayer in "Casablanca"

66 Blow away

67 Fruit in a sweetheart cake

68 Answer offered hesitantly

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119 Perceptive

120 Marine abysses

121 Winter coat

122 Distressed

123 Ugarte

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	Zipcar.....B1	Z

BUSINESS & FINANCE



KEVIN HAGEN FOR THE WALL STREET JOURNAL

The change in consumer preferences has hurt brewers. Beer volumes in the U.S. fell 0.3% last year, according to industry tracker IWSR.

DRINKS

Continued from the prior page

Spirits tend to retail at higher prices than wine and beer, providing a bit of a cushion for the alcohol industry as a whole. Despite falling volumes last year, the dollar value of alcoholic drinks sold globally rose 4.7%, according to Euromonitor. In the U.S., dollar sales rose 3.3%.

Liquor makers have started pushing more expensive brands, as have beer and wine companies.

"We continue to look to

premiumize," Diageo PLC Chief Financial Officer Kathy Mikells told investors earlier this year.

"You can see across our biggest brands, our global giants and local stars—it's the reserve brands and variants that are growing faster," she added. Those brands include Johnnie Walker Green Label and Johnnie Walker Gold Label Reserve, pricier variants of its flagship Scotch whisky.

Earlier this year, Diageo launched a new high-end Irish whiskey brand, Roe & Co, which sells at £30 (\$38) a bottle in the U.K.

Rémy Cointreau SA, which

currently gets 50% of its sales from products priced above \$50 a bottle, has set a target to bump that share up as high as 65%.

The taste shift has left brewers out in the cold. Beer volumes in the U.S. fell 0.3% last year, according to IWSR, and beer makers experienced significant sales drops in important overseas markets.

An economic crisis in Brazil sent sales down 5.7%. Chinese beer sales fell 4.2% as drinkers flocked to wine and spirits. Beer sales in Russia declined 7.8% amid economic headwinds and price rises there.

"We need to take back the

share of stomach we've lost over the past decade to wine and spirits," said Britt Dougherty, MillerCoors LLC's vice president of marketing insights and engagement.

Anheuser-Busch InBev

NV's Bud Light, the biggest beer brand in the U.S., continues to lose volume and market share. After a failed bid to revive the brand last year, AB InBev this year launched a new U.S. marketing campaign.

The company said last month that it would invest \$2 billion through 2020 in U.S. capital expenditures targeted in part at "elevating" struggling core brands.

Often, wealth-management products are bundles of corporate loans, trusts and other investment vehicles—making it difficult for investors to understand what they are getting. The products have attracted increasing regulatory oversight from China's central bank.

'Investors have been concerned about Baidu's slowing growth rate...'

filiate, Ant Financial, offers lines of credit and consumer loans with lending limits of 50,000 yuan a month. The company says more than 100 million users have taken out loans, with interest rates ranging from 2.5% to 8.8%.

"There's a good appetite for personal loans and one that hasn't fully been met," said Mark Natkin, managing director of Marbridge Consulting, a Beijing-based tech consultancy. "The online-lending platforms allow loan products to extend to a much greater percentage of the population."

Last year, about 160 million Chinese went online to take out loans worth 1.2 trillion yuan (\$177 billion). Analytics firm iResearch expects China's lending to grow at an annual rate of 50% for the next three years.

One reason China's internet giants have waded into the fintech business is the vast amount of data they collect, and which they can use to assess creditworthiness in non-traditional ways, such as by analyzing a person's search history or online video-watch-

ing patterns.

Baidu's finance group has focused particularly on the education-loan market, where it says it has a market share of roughly 75%. Typical borrowers are 20- to 35-year-olds who are attending a trade school or signed up for language or IT programs. A Baidu financial-services group executive said the company has partnerships with more than 2,500 educational institutions in China and provides, at peak times, 3,000 loans each day to students.

Most of Baidu's education loans are for less than 30,000 yuan (roughly \$4,400), though a small number of elite graduate loans can range higher. The Baidu executive says the company aims to serve one million students a year. Baidu's consumer interest rates range from 10.8% to 18%, with 70% of its consumer loans falling between 13% and 15%. For elite education loans, such as M.B.A. programs, Baidu's interest rates are lower to stay competitive with state-run bank rates.

—Lilian Lin contributed to this article.

CREDIT

Continued from the prior page

cerned about Baidu's slowing

growth rate compared with the other internet giants in China," said Marie Sun, an analyst at Morningstar.

Along with Baidu, Chinese tech giants Alibaba Group Holding Ltd. and Tencent Holdings Ltd. also are moving into the attractive and risky fintech space as they all look to move beyond their core businesses. The fintech products they offer include short-term consumer loans and wealth-management products.

Fitch said Baidu's credit risk is higher than that of Alibaba and Tencent because it doesn't have the financial might of those two rivals, which are more profitable and have stronger cash-generation abilities. Alibaba shares are up 56% this year through Wednesday on the New York Stock Exchange, and Tencent shares in Hong Kong have advanced 44% through Thursday.

Tencent recently joined with China Rapid Finance, a consumer-lending marketplace, to offer more investment products. Tencent also runs a distribution channel that lends users sums ranging from 500 to 300,000 yuan (roughly \$75 to \$44,000) through its online-banking affiliate, with interest rates ranging from 7.3% to 18.25%. The average loan size distributed is around 8,200 yuan.

Alibaba Group's financial af-

BANKS

Continued from the prior page

try's insurance sector and

probably under a half-percent

of China's total financial sec-

tor assets when including

banks and stocks, according to

corporate, regulatory and ana-

lyst figures.

Mr. Wu led Anbang through

explosive growth by exploiting

a brief period of financial lib-

eralization in China, when tra-

ditional lines of business got

blurred. The company is regu-

lated as an insurer but it takes

deposits like a bank and trades

stocks like a brokerage, while

making strategic investments

like a private-equity firm.

Andy Xie, an independent

economist, says Anbang's size

suggests it poses little system-

wide risk for China, calling it a

far smaller part of the finan-

cial system than Bear Stearns

was in the U.S. before it caused shock waves with its 2008 collapse. Plus, he says, Anbang operates in an environment where authorities have more power than their U.S. counterparts to order prevention of any "snowballing effect."

But to Mr. Xie, Beijing's handling of the Anbang chief signals political leaders may sacrifice big names to tame an indebted financial system.

Anbang said in a statement,

dated Tuesday, that its busi-

ness is running smoothly. Em-

ployees echoed that view in

brief interviews on Thursday

outside Anbang's glass head-

quarters in central Beijing.

"Everything's normal. In fact,

approvals for things are going

through faster," said one man,

before hurrying away.

Employees said the person

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BUSINESS NEWS

TPG's Bonderman Gets 'Careless'

Billionaire investor has remarkable record, now tarnished by impolitic comment

BY MATT JARZEMSKY

For billionaire investor David Bonderman, the controversy caused by a comment he made at an **Uber Technologies Inc.** employee meeting represents a low point in a career marked by big wins and the occasional high-profile stumble.

The co-founder of private-equity firm **TPG** resigned from Uber's board after the remark, which was seen as disparaging women. It was made at a meeting Tuesday to discuss problems with the ride-hailing company's culture, including allegations of sexual harassment.

In a statement later Tuesday, Mr. Bonderman called his words "careless, inappropriate, and inexcusable."

The gaffe briefly shifted the intense spotlight on Uber toward the press-shy 74-year-old, who serves as chairman of one of the largest managers of private equity and other so-called alternative investments.

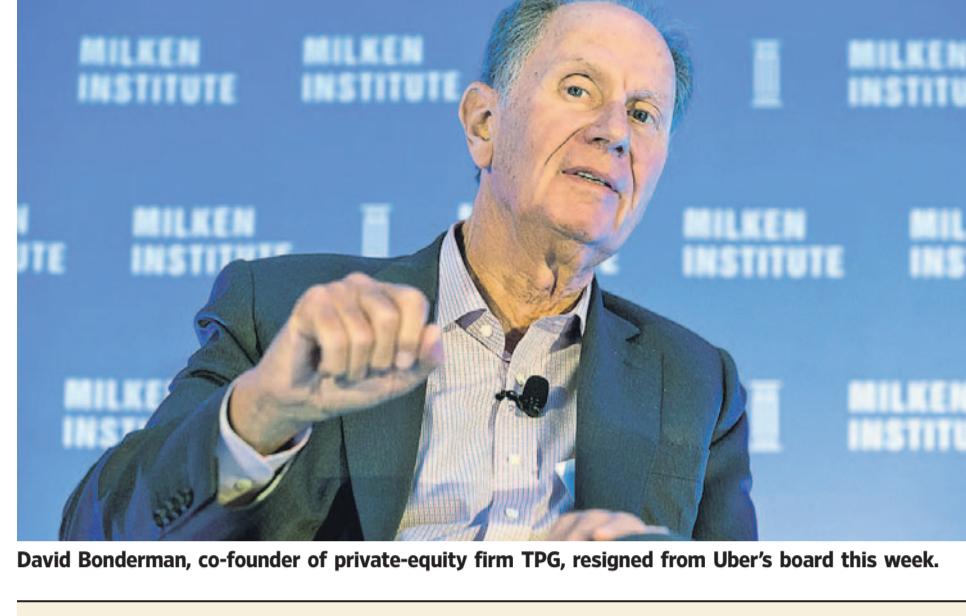
People who have worked with Mr. Bonderman say he has a penchant for irreverent, sometimes brusque remarks—though usually in better taste.

The comment in question came in the opening minutes of an all-hands meeting about a lack of diversity in the company's workforce and its response to charges of sexism.

He interrupted fellow director Arianna Huffington after she noted the company's recent appointment of a second female board member, Wan Ling Martello.

As Ms. Huffington said data show that "when there's one woman on the board, it's much more likely that there will be a second woman on the board," Mr. Bonderman interjected, saying, "actually, what it shows is that it's much more likely to be more talking."

Mr. Bonderman discussed his remarks and apologized to TPG employees on a company-



David Bonderman, co-founder of private-equity firm TPG, resigned from Uber's board this week.

Group to Lead Uber During CEO's Leave

The decision by **Uber Technologies Inc.**'s chief executive to take an indefinite leave of absence will put management of the world's most valuable startup in the collective hands of more than a dozen managers—a challenging structure for a company that has favored a strong central leader and pitted executives against each other.

The ride-hailing firm said Tuesday it would turn the company reins over to a group of 14 senior executives while CEO Travis Kalanick regroups following a punishing half-year of scandals and setbacks, capped by the death of his mother in a boating

accident that left his father seriously hurt.

The recent exits of Mr. Kalanick's effective second-in-command, Emil Michael, and the previous deputy, Jeff Jones, and of several other direct reports to the CEO have left Uber with no real line of succession.

Uber now has made the unusual choice of having it run by the heads of legal, human resources, communications, products, operations and other units.

Mr. Kalanick, in his note to staff announcing his leave, said "I will be available as needed for the most strategic decisions, but I will be empowering [the committee] to be bold and decisive in order to move the company forward swiftly."

"A committee is very implausible," said Joseph Bower, a Har-

vard Business School professor emeritus of business administration. "You can't make decisions that way."

An Uber spokesman said the firm has "a strong leadership team including veterans who helped make the business what it is today, and new talent who are helping to drive the changes we're committed to making."

Uber has been grappling with accusations of sexism and sexual harassment and on Tuesday rolled out reforms to upend its workplace culture after a months-long investigation led by former U.S. Attorney General Eric Holder.

Mr. Kalanick said he would take the time off "to become the leader that this company needs" and to grieve for his mother.

—Greg Bensinger

wide call Wednesday and invited them to speak with him personally to voice any concerns, people familiar with the matter said.

He responded directly to some of the firm's investors who inquired about the episode, they added.

Mr. Bonderman rarely gives interviews, but public remarks over the years illustrate his outspoken style. During the 2004 presidential campaign, Mr. Bonderman supported

John Kerry and told The Wall Street Journal that President George W. Bush was "turning out to be the worst president since Millard Fillmore—and that's probably an insult to Millard Fillmore."

The occasional setback aside, Mr. Bonderman's remarkable career puts him among the most successful Wall Street financiers of his generation.

He founded TPG in 1992 at age 50 after following an unusual path for a Wall Street

mogul. The Los Angeles native attended the University of Washington and Harvard Law School, then taught at the Tulane University Law School and worked in the Civil Rights Division at the Justice Department.

During a stint at corporate-law firm **Arnold & Porter LLP**, Mr. Bonderman worked on a number of historic-preservation cases. He teamed up with Texas billionaire Robert Bass on an effort to stop the widening of a Fort Worth, Texas,

freeway that threatened a park and historic properties. Later, he went to work for the private investing firm of Mr. Bass, an oil heir known for audacious corporate takeovers and real-estate deals. There he met Jim Coulter, with whom he would found TPG in 1992.

TPG gained attention shortly thereafter with an investment in then-bankrupt **Continental Airlines Inc.**

The firm and its co-investors made 10 times their money on the investment after selling their stake in the late 1990s, according to a Wall Street Journal report.

After a number of other successful deals—TPG's holdings range from guitar maker **Fender Musical Instruments Corp.** to talent agency **Creative Artists Agency LLC**—the firm hit a rough patch during the financial crisis.

It put \$1.35 billion into Seattle thrift **Washington Mutual Inc.** in April 2008, only to see its investment wiped out when regulators seized the bank the following September.

Other investments of that era soured, notably the power company now known as **Energy Future Holdings Corp.**, casino operator **Caesars Entertainment Corp.** and telecommunications-gear supplier **Avaya Corp.**, all of which filed for bankruptcy.

TPG's \$15 billion buyout fund raised in 2006 had returned 5.3% annually after fees through September, according to Oregon Public Employees Retirement System data, while a 2008 fund returned 11.6%.

Private-equity firms historically have sought returns of roughly 20% annually. The firm, nevertheless, has increased its assets under management to \$72 billion.

In recent years, the TPG co-founder was named chairman and stepped back from day-to-day operations at the firm.

Part of TPG's success can be tied to venture investing, the latter exemplified by well-timed stakes in apartment-sharing service **Airbnb Inc.**, music-streaming site **Spotify AB**—and Uber.

BP Moves Ahead on Its India Gas Plans

BY SARAH KENT

LONDON—**BP PLC** said Thursday it is pushing ahead with long-delayed efforts to develop natural gas offshore India, partnering with **Reliance Industries** to plow \$6 billion more into the first big investment it made following the Deepwater Horizon disaster.

BP and Reliance, one of India's biggest energy companies, are expecting to produce 425 million cubic feet of gas a day from deep-water gas fields roughly 70 kilometers (43 miles) off India's east coast by 2020, in the first of three projects they plan to develop.

Between 2020 and 2022, they are expecting to add another 1 billion cubic feet a day of new gas production, assuming the other two projects are approved by the government.

BP first partnered with Reliance in 2011, spending \$7.2 billion for a 30% stake in oil and gas fields operated by the Indian company. The deal was the company's first major investment since its fatal blowout in the Gulf of Mexico in 2010, and came at a time when BP was desperately selling assets elsewhere to help pay for the fallout from the spill.

BP paid Reliance \$7.2 billion in 2011 for a 30% stake in oil and gas fields.

It was meant to mark a step toward new growth prospects in a market where demand for oil and gas was growing rapidly, but for years government caps on gas prices limited profitability and stymied investment. "It's taken a while to develop a natural gas price to help develop these projects," BP's Chief Executive Bob Dudley told the industry CERAWeek conference in Houston in March. "It is behind in developing these resources," he said of India.

The Indian government last year unveiled a new formula for gas prices from deep-water projects that Mr. Dudley said provided more certainty.

"I'm feeling optimistic about sizable investment in India," Mr. Dudley said.

Now, the British oil giant seems ready to pile in again, hoping to take advantage of India's rapidly growing market. The country already consumes over 5 billion cubic feet of natural gas a day, according to BP. Though weak oil and gas prices have pressured spending across the industry and delayed new projects, BP has made it clear that it is back in growth mode after years of retrenchment.

In addition to its latest investment in India, the company intends to add 800,000 barrels a day of new production by the end of the decade and has ambitious plans to increase profit from its refining and marketing arm.

BP and Reliance also said Thursday they would look for other opportunities in India in conventional fuel retail as well as lower-carbon alternatives.

Nike to Cut Jobs Amid Deflated Sneaker Sales

BY SARA GERMANO

Nike Inc. is cutting more than 1,000 global jobs as part of a restructuring to help the sneaker giant battle slowing sales.

The company said Thursday that the layoffs would affect 2% of its global workforce. The Beaverton, Ore., company employed more than 70,000 around the world as of last May, including retail staff.

Nike said the changes were part of a strategy to focus on key markets, digital sales and fewer products. In recent quarters, the company has reported slowing future orders for products in its North America market.

"We're getting even more aggressive in the digital marketplace, targeting key markets and delivering product faster than ever," Chief Executive Mark Parker said.

Nike was forced to slash 1,750 jobs, including 500 at its Oregon headquarters, during the 2009 recession. Since then, its global workforce has more than doubled, not including its increased reliance on contract workers, particularly at corporate headquarters.

Construction is under way to expand its Beaverton cam-

pus, which currently houses more than 10,000 people.

But a shift to online shopping and the demise of traditional sporting-goods chains such as Sports Authority has pinched the company and U.S. rival Under Armour Inc. Nike is also being challenged by Adidas AG, which has recaptured some of the market share it lost in past years.

In March, Nike gave a tepid outlook for sales growth this year, citing competition in the U.S. market and a more promotional retail environment.

Overall, athletic footwear retail sales have fallen about 1% to \$5.4 billion this year through April, according to NPD Group. Nike is expected to report its latest results on June 29.

Sales declines have hurt the lucrative basketball-shoe category, which is dominated by Nike. Nike reduced the price for LeBron James's signature shoes over several years from more than \$200 a pair to between \$140 and \$170.

The company also introduced custom kicks for Paul George and Kyrie Irving at more moderate price points, between \$100 and \$140.

As part of its restructuring

MAKIKO ELAN/BLOOMBERG NEWS

Nike is eliminating more than 1,000 positions as part of a global restructuring.

Nike said it would reduce its geographic divisions from six to four: North America; Europe, the Middle

East and Africa; Greater China; and Asia Pacific and Latin America.

The company also said it

would reduce its styles by 25% to focus on its biggest franchises and help speed product introductions.



The sportswear giant will eliminate more than 1,000 positions as part of a global restructuring.

BUSINESS WATCH

FIAT CHRYSLER

Nearly 300,000 Minivans Recalled

Fiat Chrysler Automobiles NV said Thursday it was recalling nearly 300,000 minivans to fix faulty wiring that could lead air bags to deploy unintentionally, a condition the company linked to eight injuries.

The auto maker said wiring in certain 2011-2012 model-year Dodge Grand Caravan minivans could short-circuit, causing inadvertent deployment of the driver-side front air bag.

The recall affects 209,135 vehicles sold in the U.S. and another 87,703 in Canada.

A representative for Fiat Chrysler said the company is

aware of eight minor injuries stemming from such incidents, but no accidents or fatalities.

—Chester Dawson

NESTLÉ

Company Explores Sale of a U.S. Unit

Nestlé SA said Thursday it is considering selling its U.S. confectionery business that includes Butterfinger and BabyRuth candy bars and the sugary candy Nerds as part of a strategic review that it expects to complete by the end of the year.

The Switzerland-based consumer giant said the strategic review doesn't include the company's Toll House baking products. Nestle's U.S. confections

business generated about 900 million Swiss francs, or \$927 million, in sales last year, or 3% of the company's total U.S. sales.

"Nestlé remains fully committed to growing its leading international confectionery activities around the world, particularly its global brand KitKat," Nestlé said.

—Brian Blackstone

MATTEL

Dividend Is Cut Amid Turnaround Efforts

Matel Inc. is cutting its quarterly dividend by more than half, as new Chief Executive Margo Georgiadis looks to free up money to help the toy maker modernize its brands for the digital world and expand in emerg-

ing markets.

The El Segundo, Calif., maker of the Barbie and Hot Wheels has been paying more than \$500 million in annual dividends, but business setbacks left it paying out more than it generated in earnings. The new dividend is 15 cents a share, starting with the company's fiscal third quarter, down from 38 cents.

Ms. Georgiadis sees the strategy requiring an investment of \$250 million to \$350 million.

Chief Financial Officer Kevin Farr said Mattel will target a dividend payout ratio of between 50% and 60% of earnings. The company's ratio swelled to more than 160% last year, and recently it was the second-highest among S&P 500 companies.

—Paul Ziobro



A 2011 Dodge Grand Caravan at an Ontario plant. Fiat Chrysler is recalling certain model years because wiring could short-circuit.

Snap Faces Tricky Path to Growth

Social-media company woos ads with pledge for human touch, but algorithms are tested

BY GEORGIA WELLS

When the company behind Snapchat hatched plans to earn money from its popular messaging app, it told advertisers their ads would only appear beside content curated by people.

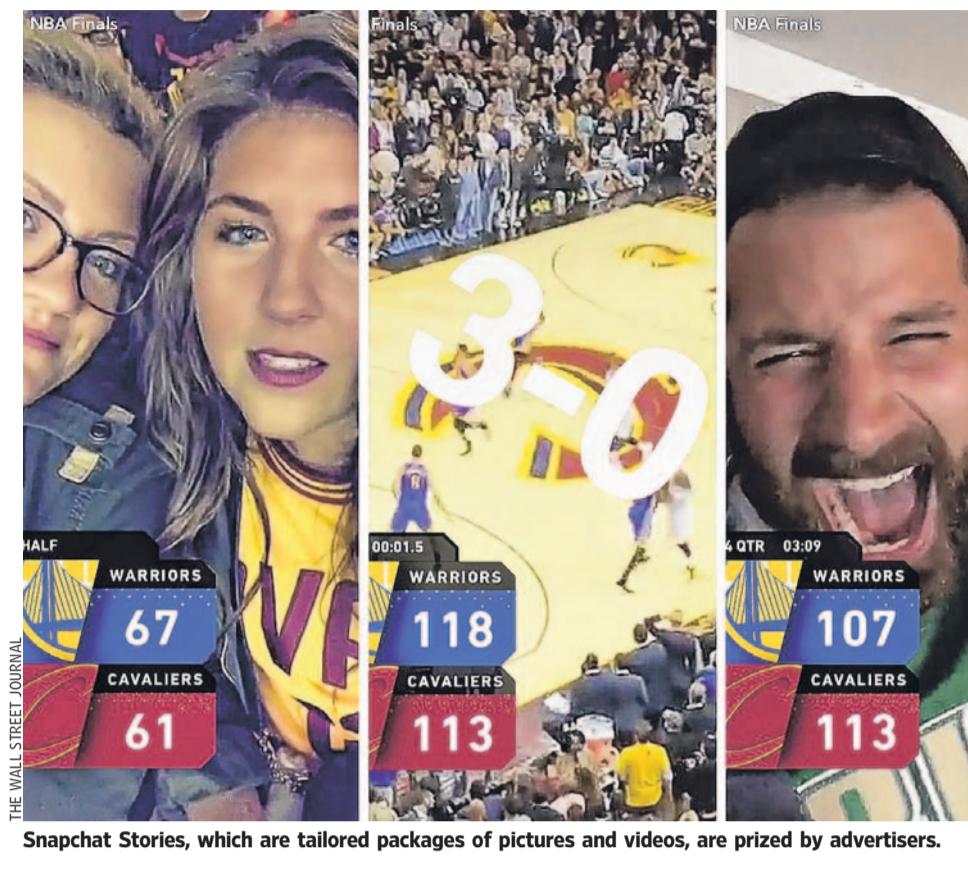
Now, **Snap Inc.** is in a tricky spot. To boost revenue, the 6-year-old company will ultimately need more of the tailored packages of pictures and videos, called Stories, that advertisers prize. Expanding its offering using only editors could be a slow and costly effort, but letting computers do the work would eliminate the human touch that has helped Snapchat stand out.

Ads accounted for nearly all of Snap's \$149.6 million in revenue in the latest quarter, which surged from a year earlier but declined sequentially for the first time.

The Venice, Calif.-based company gets ad revenue from several areas, including publisher content and sponsorships. While Stories is a smaller share—it could amount to more than one-quarter of ad revenue this year, Barclays PLC estimates—it is the lever Snap has the greatest control over.

Snap created Stories four years ago to take advantage of the steady stream of pictures and videos people send in private, disappearing messages called Snaps. By allowing users to stitch Snaps together into a narrative arc that could be shared publicly for 24 hours, Stories showed how Snapchat could be more than just a messaging app.

More important, it gave Snap a place to showcase ads. Unlike Facebook Inc. and Twitter Inc., Snapchat doesn't have a content feed optimized by algorithms. And it doesn't



Snapchat Stories, which are tailored packages of pictures and videos, are prized by advertisers.

show traditional ads with most of the three billion.

Facebook, by comparison, pulled in \$7.86 billion in ad revenue in the first quarter, driven by ads placed in the news feeds of its 1.28 billion daily users. Twitter had \$474 million in ad revenue and 328 million monthly users in the first quarter.

With its stock falling more than 22% since its first earnings report, Snap is under pressure from investors to prove its new form of advertising will grow. "Snap might be able to scale with human editors, but it will be labor intensive and won't make much money," said Pedro Domingos, a professor of computer science and engineering at the University of Washington who wrote a book on machine learning.

In the first quarter, Snap editors created more than 450 Stories, called Our Stories,

chief strategist Imran Khan said on an earnings call. While Snapchat's 166 million daily users also can create Stories that carry ads, those don't have the ability to go viral. Users see Stories from editors and people they follow, and Snapchat has no equivalent to a "share" or "retweet."

Snap doesn't talk publicly about its process for curating Stories, but former employees say about 50 people scan videos—as many as 100,000 a day—to piece them into narratives and weed out inappropriate content.

Workers try to focus on positive Stories, they say.

At the same time that competitors including Twitter, Facebook and Alphabet Inc.'s YouTube are grappling with how to handle inappropriate material, curation lets Snap position its content as high-quality.

"There is a degree of safety for brands with Snap's human

curation," said Chris Paradysz, co-chief executive of the digital-marketing firm **PMX Agency**, which doesn't have a business relationship with Snap. "How that scales is everybody's head-scratcher."

Snap says it is committed to human curation, and the company is testing new software to help editors more quickly and efficiently craft Stories, former employees say. Editors will remain critical to how Snap presents stories in the more prominent "Discover" section of the app, a spokeswoman said.

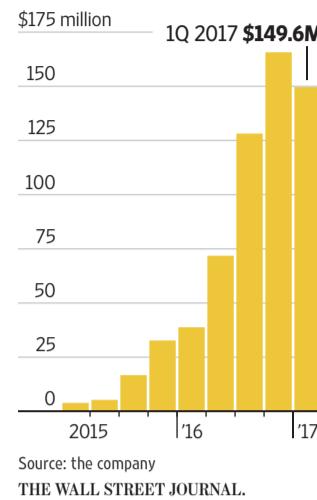
Still, Snap has hired people with machine-learning expertise, a person familiar with the matter said. And since 2014 Snap has filed for patents related to automated content curation, according to research firm CB Insights.

Last year, Snap tested tools that help create Stories using algorithms.

The company isn't planning

Snipped Snap?

Snap quarterly revenue



Source: the company
THE WALL STREET JOURNAL.

on including ads in algorithm-created content, said a spokeswoman, who added that the company doesn't speculate about future plans.

During the first phase of testing, algorithms flagged when users in New York created a burst of Snaps after a statue of Donald Trump appeared in August. Editors then culled the content into a Story, according to a person who saw the tool in action.

A later version of the tool did the work of pulling Snaps together for editors to evaluate. Stories sometimes contained coherent narratives, but often were nonsensical, former employees said.

In March, Snap pushed the experiment further forward, creating a Stories search tool that uses machine learning to scrape information in posts to show users relevant content. The algorithms group related content around themes such as "NYU Law School Graduation" or simple categories such as "turtle." At times they failed to flag foul language, while a video of women in plaid shirts was in the turtle section.

"The hard part for machine learning," Prof. Domingos said, "is understanding what makes a good story."

INVEST

Continued from page B1
owning MyTaxi, a taxi-hailing app, and Blacklane, an upscale chauffeur-hailing app.

Daimler also has launched a joint venture with **Bosch** GmbH to develop a robot-taxi by the end of the decade.

"[T]he future of transport is autonomous," Careem's Mr. Sheikha said. "We are hoping a partnership with [Daimler] will put us on the fast track of innovation."

Careem is working with a U.S. startup to bring battery-powered, self-driving electric pods to the Middle East and North Africa, consistent with Dubai's goals to make at least a quarter of all trips in the city smart and driverless by 2030.

Careem on Thursday said it would use the funds it has raised to gain traction in the region and to develop driverless pods as a new mode of public transportation.

Careem raised \$350 million last year from investors, including Japan's Rakuten.

In the past six months, Careem started operating in Turkey and in cities in Egypt and Pakistan. The app is popular in Saudi Arabia where women—who make up about two thirds of Careem's customers in the kingdom—are barred from driving.

Careem raised \$350 million of the \$500 million late last year from investors led by Japan's Rakuten and Saudi Telecom Co. DCM Ventures and New York-based Coatue Management LLC also contributed to the latest fundraising, Careem said.

Prince al-Waleed owns 95% of Riyadh-listed Kingdom Holding, an international investment company with a stake in News Corp, owner of Dow Jones, the publisher of The Wall Street Journal.



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The internet can be a dangerous place for marketers. Automated digital advertising provides scale and pricing benefits, but there's a risk ads will wind up in the wrong places. In our Special Report: The Ad Maze, we examine the lurking dangers for brands and how they're trying to protect themselves.

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FINANCE & MARKETS

U.K. Stops Providing Early Look At Stats

By MIKE BIRD

LONDON—Britain's statistics body said it would stop giving the U.K. government access to official data ahead of public release, a practice that statisticians had long complained increased the chances of leaks.

"Prerelease access to [official] statistics is outweighed by the detriment to public trust in those statistics," said John Pullinger, the head of the U.K. Statistics Authority.

The move follows reports by The Wall Street Journal which showed that some investors could be trading with knowledge of U.K. economic statistics before they are published.

The British pound and government-bond futures moved in a way that was consistent with traders being informed of the strength or weakness of economic statistics before their publication, according to analysis for the Journal.

Statisticians have long pointed to what they say is Britain's unusual practice in the handling of market-moving data: More than 100 people, from Prime Minister Theresa May to dozens of policy advisers and press officers, can get to see some of the figures a day before they come out. In the U.S., the president and the chairman of the Council of Economic Advisers receive sensitive data such as gross domestic product a day in advance. In several European countries, there is no prerelease access at all.

"This is extremely welcome news," said Hetan Shah, executive director of the U.K. Royal Statistical Society. "It will reduce the opportunities for figures to be 'spun' and increase public confidence in official statistics. It will also lower the risk of market-sensitive information being leaked or abused."

The government's Cabinet Office didn't immediately comment.

Many experts had complained that the practice increased the chances of leaks.

A limited number of officials at the Bank of England would still be granted prerelease access when an economic data release coincided with a BOE interest-rate decision, said Miles Fletcher, head of media and public relations at the Office for National Statistics, which produces the data.

Alongside economic statistics, politically sensitive data on migration and crime also will no longer be given to the government ahead of time.

In his letter, Mr. Pullinger said that a round of recent changes to prerelease access aimed at addressing risks from the policy hadn't been adequate. The Statistics Authority is tasked with promoting and safeguarding official data.

Mr. Pullinger also cited a letter sent to the Times of London signed by 114 academics and other experts expressing their concerns on the policy that had followed the Journal's coverage.

Analysis for the Journal showed that U.K. markets often anticipate that economic data is going to be better or worse than analysts expect ahead of its release.

In 59.5% of 172 U.K. economic data releases between April 2011 and December 2016, British government-bond futures correctly anticipated the rise or fall that ultimately happened when economic data were published, according to an analysis prepared for The Wall Street Journal by Alexander Kurov, associate professor of finance at West Virginia University.

There may be other reasons why markets move ahead of embargoed data. Traders, for example, use privately collected economic data in a bid to estimate consumer-price inflation themselves. But in other countries, such as the U.S. and elsewhere in Europe, traders aren't anticipating economic data released by government departments with the same precision as it happens in the U.K., research shows.

Greece Is a Case Study in Capital Controls

By NEKTARIA STAMOULI

ATHENS—When Greece imposed capital controls in the summer of 2015, the measures were a critical bulwark for banks left teetering after fears of a Greek exit from the European Union caused citizens to pull billions of euros in deposits.

Two years later, the country is a case study in capital controls. The measures prevented a collapse in the banking system, and predictions they would throw grit into the wheels of the economy haven't materialized. Instead, controls have produced some surprising results, including helping Greece combat tax evasion, a perennial scourge.

As Greece's creditors prepared to approve Thursday the final payment in the country's up-to-\$86 billion (\$96.5 billion) bailout, there was no talk of lifting the measures—a reflection of the continued fragility of its battered economy.

"If we put aside the chaos created in the first couple of months, the mechanism currently in place is running smoothly," says Nikos Manesisotis, who runs a food-import company and has had to navigate the measures to pay for foreign suppliers. "But Greece remains the black sheep of Europe."

Greece's experience adds to the debate over whether capital controls can be a positive force in checking destabilizing flows of capital, a view more economists and policy makers are es-



People lined up outside a bank in Athens in July 2015, hoping to get access to their money.

pousing. China has restricted yuan spending abroad in an effort to stabilize its economy. In Cyprus, the only other eurozone member that has experienced capital controls, the measures succeeded in saving the banking system, but the economy shrank 10% in the two years that controls were imposed.

In Greece's case, authorities imposed controls after a prolonged economic crisis was heightened amid threats the country would abandon the euro. Greek households and businesses withdrew a quarter of deposits, or €40 billion, from banks in the first six months of 2015.

With ample warning about the measures, which began in June 2015 and included strict limits on bank withdrawals and money transfers, Greeks had plenty of time to stash their cash away. Cash in circulation shot up to €42 billion in May 2016, €10 billion higher than at the end of 2014, according to Bank of Greece data.

"Over the first half of 2015, the domestic banking system experienced a slow-motion bank run," says Eurobank Group chief economist Platon Monokroussos. "Most of this excess liquidity remained within the country, but under the mattress."

The weekly limit

on cash withdrawals is €420, and the average Greek salary is €700 a month.

Greek companies have had little trouble securing permission to move money overseas, with the special committees charged with approving such transfers typically dispatching them in days, according to officials, economists and businessmen.

"I don't like having to fill in all these forms and submit them," says Kalypso Kannelli, a wine importer. "But it hasn't created much trouble."

And rules allowing foreign investors to take out money they have brought into the country haven't crimped the

flow of money coming from abroad. For instance, Chen Bo, head of corporate communication for private Chinese conglomerate Fosun, says his company has put hundreds of millions of euros into Greek tourism and retail over the past few years. The measures haven't deterred Fosun from planning more investments in the medium and long term.

Capital controls have chalked up one major accomplishment: putting the squeeze on Greece's notorious tax-evasion problem.

Cash withdrawal limits have forced Greeks to use more plastic, which is free from restrictions. The number of noncash transactions has tripled since 2014. About 1 million debit cards were issued in the summer of 2015, five times the rate before the bank restrictions.

The result has been an extra €1 billion in tax revenue a year, according to Greek officials—a major explanation behind the eightfold increase in the country's primary surplus last year.

But fears over the fragility of Greece's banks continue.

Late last year, Greek bankers were working on a plan to ease the restrictions, but talks founders when tensions over fresh austerity measures drove Greeks to pull more money from banks. Deposits have fallen €2.4 billion since December and are now at their lowest levels since November 2001. The Greek banking system has lost about €120 billion in deposits, or about half the total, compared with peak levels in 2008.

Investors Take On Risky Role of Lender to Firms

By JON SINDREU

Desperate to increase returns, some of the world's most conservative investors are taking bigger risks by applying banks and lending directly to companies.

In recent years, there has been a surge in investments from pension funds and life insurers into specialist asset managers that lend to midsize firms who can't get financing from banks, which became more risk-averse following the financial crisis. But now the flood of cash is pushing down returns, leading these funds to design riskier and more complex products, while increasing their leverage.

Because ultralow interest rates and other monetary stimulus have pushed down yields across markets, pension funds and life insurers have struggled to match their long-dated liabilities. That has encouraged them to chase riskier assets, such as real estate, private equity and now direct lending to companies.

That risk taking could back-

fire on investors for whom stable returns are particularly important. It could also be problematic for the companies and wider market if defaults start rising and these investors suddenly pull out.

"It is concerning," said Niels Bodenham, private-markets director at consultancy bfinance. "A pension fund is not always aware of the difference" between safer direct-lending investments and riskier ones, he said.

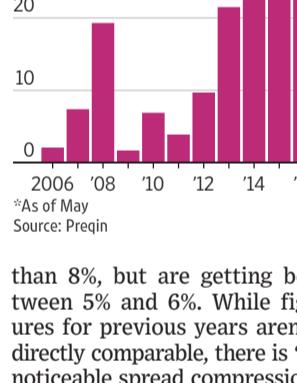
Last year, asset managers raised \$25 billion from global investors for direct lending, according to data provider Preqin. A decade ago, that was \$2 billion. Some analysts expect the growth to increase at a faster pace.

There is so much cash pouring in that the asset managers can't always invest it. In May, there was \$62 billion idling in these funds, according to Preqin, when a decade ago it was \$12 billion.

A recent survey by bfinance found that managers of unlevered senior private debt funds expect a return of more

Hunting for Yield

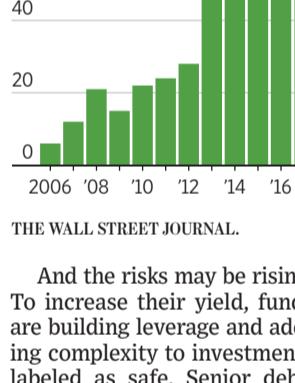
Funds are doing more direct lending to companies...



*As of May

Source: Preqin

...and investors are giving them more money than they can deploy.



THE WALL STREET JOURNAL.

than 8%, but are getting between 5% and 6%. While figures for previous years aren't directly comparable, there is "a noticeable spread compression since 2012," the report said.

Lending directly to companies will always bring more risks than pension and insurance funds' typical staple of bonds, which can usually be traded on public markets and so are easier to sell on.

And the risks may be rising. To increase their yield, funds are building leverage and adding complexity to investments labeled as safe. Senior debt, which gets paid first in case of insolvency, is increasingly being packaged together in a single tranche with more-junior slices of debt, according to research and investors' accounts.

Investors say that as newcomers to this market, pension

funds and life insurers, especially in Europe, are just not used to dealing with such structures. Also, a market that was traditionally dominated by a dozen big lenders has become saturated by upstart funds. In 2008, 16 funds were doing direct lending. In 2016, it was 55, Preqin data show.

Bigger funds say these smaller players are the ones that pose the risks because they don't have the size to diversify their lending and properly assess borrowers.

Some smaller funds, though, say they match their size to that of the companies they lend to. That avoids the market for slightly larger firms that has become overcrowded as well as more complex and levered, said Alastair Brown, chief of direct lending at Shard Credit Partners, a smaller London-based firm.

Analysts say that despite the new money there are many opportunities in direct lending, because there is demand from the firms that banks aren't lending to but are too small to tap public markets.

U.S. Seeks Assets Tied to 1MDB Case

U.S. prosecutors are moving to seize another \$540 million in assets they allege were bought with stolen money tied to a sweeping Malaysian financial scandal.

By Justin Baer,
Aruna Viswanatha
and Bradley Hope

The suit, filed Thursday, is the latest seeking to claim property and other assets linked to alleged fraud at a Malaysian state fund called 1Malaysia Development Bhd.

The government already has filed suits to seize artworks and luxury real estate. This suit includes a \$165 million yacht known as the Equanimity, which is owned by Jho Low, a financier who the Justice Department alleged was involved in misappropriating money from the fund.

It also includes a stake in a hedge-fund firm and the rights to the comedy "Dumb and Dumber To."

Last summer, the Justice Department filed civil asset-forfeiture suits against more than \$1 billion of assets allegedly purchased with money stolen from the fund, known as 1MDB, by several people including Mr. Low.

Mr. Low and his attorney didn't immediately respond to requests for comment.

The Justice Department filed three new cases last week targeting about \$100 million of high-end real estate controlled by Mr. Low in London, including a penthouse apartment with views of Buckingham Palace.

The latest suit also aims to seize a lithograph poster of the 1927 film "Metropolis," Picasso and Basquiat artwork and a cache of jewelry, the government said.

Mr. Low has told news organizations he was the victim of political infighting in Malaysia and was only an informal adviser to 1MDB. Lawyers for Mr. Low's family have said they would contest the U.S. asset-seizure lawsuits.

Officials at 1MDB have denied wrongdoing and promised to cooperate with investigators.

The case is the Justice Department's largest-ever anti-kleptocracy case. The alleged 1MDB frauds are under investigation in several other countries, including the United Arab Emirates, Singapore and Luxembourg. Malaysia closed all but one of its probes without finding wrongdoing.

Equanimity was last sighted Thursday off the coast of the Cambodian island of Koh Rong, according to ship tracking site MarineTraffic.

Equanimity was last sighted Thursday off the coast of the Cambodian island of Koh Rong, according to ship tracking site MarineTraffic.

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FUND NAME GF AT LB DATE CR NAV YTD CR NAV -%RETURN-

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China A-Share Fund C A AUD I OT HKG 06/14 AUD 12.28 12.4 18.8 -8.6

China A-Share Fund C A CAD H OT HKG 06/14 CAD 12.17 11.4 20.4 -9.1

China A-Share Fund C A EUR H OT HKG 06/14 EUR 12.76 11.1 19.1 -8.6

China A-Share Fund C A GBP H OT HKG 06/14 GBP 12.58 11.2 21.0 NS

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China A-Share Fund C A NZD H OT HKG 06/14 NZD 12.99 12.0 22.2 -7.6

China A-Share Fund C A USD H OT HKG 06/14 USD 11.29 13.4 18.3 -10.5

China A-Share Fund Cz A RMH (CNY) OT HKG 06/14 CNY 14.23 13.5 24.4 -10.8

China A-Share Fund Cz A USD OT HKG 06/14 USD 13.02 17.0 21.2 -8.9

China A-Share Fund Cz A USD H OT HKG 06/14 USD 12.94 11.4 20.7 -8.5

China Greenchip-A Units AS EQ CYM 06/14 HKD 12.30 22.5 31.5 -5.9

China Greenchip-A Units AUD H AS EQ CYM 06/14 AUD 10.56 22.9 32.5 -6.1

MARKETS DIGEST

Nikkei 225 Index

19831.82 ▼ 51.70, or 0.26%

High, low, open and close for each trading day of the past three months.

Year-to-date
52-wk high/low
All-time high

2017.28
14952.02
38915.87 12/29/89

STOXX 600 Index

386.05 ▼ 1.53, or 0.39%

High, low, open and close for each trading day of the past three months.

Session high
Session open
Close
Open
Session low

20500
20000
19500
19000
18500
18000
17500

Bars measure the point change from session's open

Mar. Apr. May June

International Stock Indexes

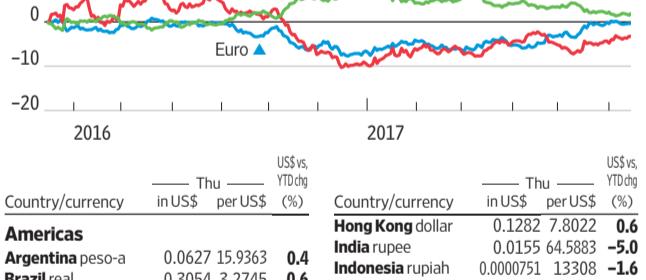
Data as of 12 p.m. New York time

Region/Country	Index	Close	Net Chg	% chg	52-Week Range	Close	High	YTD % chg
World	The Global Dow	2753.33	-30.13	-1.08	2193.75	● 2791.48	8.9	
	MSCI EAFE	1876.35	-29.48	-1.55	1471.88	● 1956.39	9.3	
	MSCI EM USD	1001.23	-12.46	-1.23	691.21	● 1044.05	26.1	
Americas	DJ Americas	582.11	-3.06	-0.52	480.90	● 587.15	7.7	
Brazil	Sao Paulo Bovespa	61922.93	...	Closed	48066.67	● 69487.58	2.8	
Canada	S&P/TSX Comp	15125.44	-44.69	-0.29	13609.58	● 15943.09	-1.1	
Mexico	IPC All-Share	48977.87	-313.16	-0.64	43902.25	● 50154.33	7.3	
Chile	Santiago IPSA	3681.81	-26.41	-0.71	3061.18	● 3786.05	14.2	
U.S.	DJIA	21346.96	-27.60	-0.13	17063.08	● 21391.97	8.0	
	Nasdaq Composite	6133.03	-61.86	-1.00	4574.25	● 6341.70	13.9	
	S&P 500	2426.49	-11.43	-0.47	1991.68	● 2446.20	8.4	
	CBOE Volatility	11.15	0.51	4.79	9.37	● 26.72	-20.6	
EMEA	Stoxx Europe 600	386.05	-1.53	-0.39	308.75	● 396.45	6.8	
	Stoxx Europe 50	3174.67	2.00	0.06	2626.52	● 3279.71	5.5	
France	CAC 40	5216.88	-26.41	-0.50	3955.98	● 5442.10	7.3	
Germany	DAX	12691.81	-114.14	-0.89	9214.10	● 12921.17	10.5	
Israel	Tel Aviv	1423.62	-5.36	-0.38	1372.23	● 1490.23	-3.2	
Italy	FTSE MIB	20847.51	-113.04	-0.54	15017.42	● 21828.77	8.4	
Netherlands	AEX	518.75	-2.96	-0.57	409.23	● 537.84	7.4	
Russia	RTS Index	991.96	-21.82	-2.15	884.83	● 1196.99	-13.9	
Spain	IBEX 35	10699.60	-76.20	-0.71	7579.80	● 11184.40	14.4	
Switzerland	Swiss Market	8853.01	3.61	0.04	7475.54	● 9136.95	7.7	
South Africa	Johannesburg All Share	50831.89	-657.27	-1.28	48935.90	● 54716.53	0.4	
Turkey	BIST 100	98737.01	-899.26	-0.90	70426.16	● 100000.7	26.4	
U.K.	FTSE 100	7419.36	-55.04	-0.74	5788.74	● 7598.99	3.9	
Asia-Pacific	DJ Asia-Pacific TSM	1618.02	-22.61	-1.38	1308.52	● 1643.59	13.7	
Australia	S&P/ASX 200	5763.20	-70.70	-1.21	5103.30	● 5956.50	1.7	
China	Shanghai Composite	3132.49	1.81	0.06	2854.29	● 3288.97	0.9	
Hong Kong	Hang Seng	25565.34	-310.56	-0.12	20038.42	● 26063.06	16.2	
India	S&P BSE Sensex	31075.73	-80.18	-0.26	25765.14	● 31309.49	16.7	
Indonesia	Jakarta Composite	5776.28	-16.61	-0.29	4814.39	● 5792.90	9.1	
Japan	Nikkei Stock Avg	19831.82	-51.70	-0.26	14952.02	● 20177.28	3.8	
Malaysia	Kuala Lumpur Composite	1790.01	-2.34	-0.13	1614.90	● 1792.35	9.0	
New Zealand	S&P/NZX 50	7516.35	32.36	0.43	6664.21	● 7571.11	9.2	
Pakistan	KSE100	47442.73	-165.91	-0.35	37039.57	● 52876.46	-0.8	
Philippines	PSEi	7964.49	-1.52	-0.02	6563.67	● 8102.30	16.4	
Singapore	Straits Times	3232.09	-21.34	-0.66	2729.85	● 3271.11	12.2	
South Korea	Kospi	2361.65	-10.99	-0.46	1925.24	● 2381.69	16.5	
Taiwan	Weighted	10088.35	15.89	0.16	8458.87	● 10226.84	9.0	
Thailand	SET	1573.53	-3.47	-0.22	1406.18	● 1591.00	2.0	

Source: SIX Financial Information; WSJ Market Data Group

Currencies

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Country/currency	Thu	USD vs. in US\$	YTD chg (%)	Country/currency	Thu	USD vs. per US\$	YTD chg (%)
Americas				Hong Kong dollar	0.1282	7.8022	0.6
Argentina peso-a	0.0627	15.9363	0.4	India rupee	0.0155	64.5883	-5.0
Brazil real	0.3054	3.2745	0.6	Indonesia rupiah	0.0000751	13308	-1.6
Canada dollar	0.7521	1.3297	-1.1	Japan yen	0.009030	110.74	-5.4
Chile peso	0.001502	18600.33	-0.6	Kazakhstan tenge	0.003145	3179.6	-5.4
Colombia peso	0.0003407	2935.50	-2.2	Macau pataca	0.1244	8.0383	1.5
Ecuador US dollar-f	1	1 unch		Malaysia ringgit-c	0.2343	4.2675	-4.9
Mexico peso-a	0.0552	181023	-12.7	New Zealand dollar	0.7203	1.3883	-3.9
Peru so'l	0.3050	3.2788	-2.2	Pakistan rupee	0.0095	104.835	0.4
Uruguay peso-e	0.0352	28.370	-3.3	Philippines peso	0.0201	49.855	0.5
Venezuela bolivar	0.100150	9.99	-0.1	Singapore dollar	0.7228	1.3836	-0.2

Country/currency	Thu	USD vs. in US\$	YTD chg (%)	Country/currency	Thu	USD vs. per US\$	YTD chg (%)
Argentina peso-a	0.0627	15.9363	0.4	Hong Kong dollar	0.1282	7.8022	0.6
Brazil real	0.3054	3.2745	0.6	India rupee	0.0155	64.5883	-5.0
Canada dollar	0.7521	1.3297	-1.1	Indonesia rupiah	0.0000751	13308	-1.6
Chile peso	0.001502	18600.33	-0.6	Japan yen	0.009030	110.74	-5.4
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Venezuela bolivar	0.100150	9.99	-0.1	Philippines peso	0.0201	49.85	

FINANCE & MARKETS

Emerging Markets: No Fear

Fed's rate rise fails to spook investors in developing economies as optimism remains

BY STEVEN RUSOLILLO
AND SAUMYA VAISHAMPAYAN

Who's afraid of the Federal Reserve? Not, it seems, investors in emerging markets.

The Fed's overnight interest-rate increase, the second this year, drew a muted response Thursday. In Asia, Hong Kong's benchmark Hang Seng Index dropped 1.2% and South Korea's Kospi index slipped 0.5%, but both remain up by double-digit percentages for the year. The U.S. dollar was broadly steady against major global currencies in midday trading.

At the start of the year there were concerns that as U.S. interest rates rise, money would flow out of emerging markets. But the Fed's tightening has been gradual and well telegraphed, and central banks in Europe and Japan have continued their loose-money policies.

Combine that with investors' unceasing pursuit of high-yield assets, and the result has been a boon for emerging-market stocks and bonds. The iShares MSCI Emerging Markets ETF, one of the biggest funds that invests in emerging-market stocks, has gained 19% this year.

And even though the Fed is now detailing plans to start shrinking its \$4.5 trillion balance sheet this year—which could push up long-term U.S. Treasury yields—many investors remain emerging-market optimists.

The Fed's current approach to shrinking its balance sheet "is like trying to empty a bathtub with a thimble," said Ashley Perrott, head of pan-Asian fixed income at UBS Asset Management in Singapore.

"If the economic data stays decent and the economic trajectory is as they expect it to



Wednesday's rate increase by Janet Yellen's Federal Reserve drew a muted response abroad.

be, then I don't think the rundown in the balance sheet is likely to upset other markets too much," he said.

Foreigners bought an estimated net \$20.5 billion of emerging-market stocks and bonds in May, the sixth consecutive month of net inflows, according to the Institute of International Finance.

It isn't just the search for yield that is boosting the allure. Also helping is resilient trade and economic growth for many emerging markets, including China, where first-quarter growth was better than expected.

The concern, however, is that the wave of money into emerging markets could just as easily recede, as happened in 2013, when investors stampeded out of emerging-market assets after the Fed indicated it could begin winding down its bond purchases.

This year's contrasting calm can be credited to better communication between central bankers and investors.

"Emerging markets four or five years ago were so worried about the Fed slowing asset purchases and entering a rate-

Rally Emerges

The iShares MSCI Emerging Markets exchange-traded fund is up 19% this year.



Source: FactSet

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hiking cycle," said Arthur Kwong, head of Asia Pacific Equities at BNP Paribas Asset Management. "But now that's not the case. There has been so much time and communication from the Fed that there are very few surprises anymore."

Some large money managers are trimming their holdings. **Goldman Sachs Asset Management** said last week it has cut its exposure to emerging-market currencies.

Data from the U.S. Commodity Futures Trading Commission last week showed that fast-moving investors like hedge funds did little to change their bullish positioning on emerging-market currencies, according to analysts at Australia & New Zealand Banking Group Ltd.

"Hot money is always a cause for concern," said Dwyfor Evans, head of macroeconomic strategy for the Asia-Pacific region at State Street Global Markets. "We know that just looking at history of markets over the past 20 years, hot money is hot money by definition and doesn't stay in emerging markets when there are compelling reasons for it to move elsewhere."

But he added that low volatility is typically a beneficial factor for emerging markets and the gains in risky assets for much of the year are still supported by the broader macroeconomic environment.

"I think it's only natural at this stage for investors to start thinking about how to protect themselves in emerging markets and risk markets broadly," Mr. Evans said.

Tech Stocks in U.S. Continue Their Slide

BY GEORGI KANTCHEV
AND AKANE OTANI

U.S. stock indexes fell Thursday as shares of large technology companies came under renewed pressure, while Asian shares slipped in response to news of tighter monetary policy from the Federal Reserve.

The Dow Jones Industrial Average fell 25 points, or 0.1%, to 21349 by midday. The S&P 500 fell 0.4% and the tech-heavy Nasdaq Composite lost 0.9%.

U.S. stocks have hit a string of records this year, thanks in part to stronger-than-expected corporate earnings. But many investors say they remain cautious, pointing to risks including the lack of clarity about President Donald Trump's agenda, elevated stock valuations and soft economic data.

Some investors are concerned that Fed policy makers, who decided to raise benchmark interest rates by 0.25 percentage point on Wednesday, appear to be sticking to previous predictions of at least three interest-rate increases both this year and next year, despite signs of cooling inflation.

"The U.S. economy looks quite dull at the moment," said Neil Dwane, global strate-

gist at Allianz Global Investors. "Despite falling unemployment, inflation is still low and the economy is struggling to grow in the uninspiring 1-2% range."

In Hong Kong, where rates move in line with those in the U.S. because the Hong Kong dollar is pegged to the greenback, property stocks fell in response to expectations banks will raise mortgage rates. The Hang Seng index declined 1.2% to 25565.34, the lowest closing level since May 24. Sino Land closed down 1.3% and Sun Hung Kai Properties fell 1.7%.

South Korea's Kospi fell 0.5% and the Australian market benchmark declined 1.2%.

In the U.S., technology stocks continued their recent decline. **Apple**, **Facebook**, Google parent **Alphabet** and **Microsoft** all fell more than 1% in morning trading, though Microsoft later clawed back some ground. It was down 0.6% shortly after midday.

Semiconductor stocks, which alongside the broader tech sector have outperformed the S&P 500 this year as investors bet on fast-growing companies, also retreated.

In Europe, where the Bank of England said it would keep interest rates unchanged, the Stoxx Europe 600 shed 0.7%, led by declines in the technology and automobile sectors.



Microsoft has slipped back after big gains so far this year.

THE FUTURE OF EVERYTHING

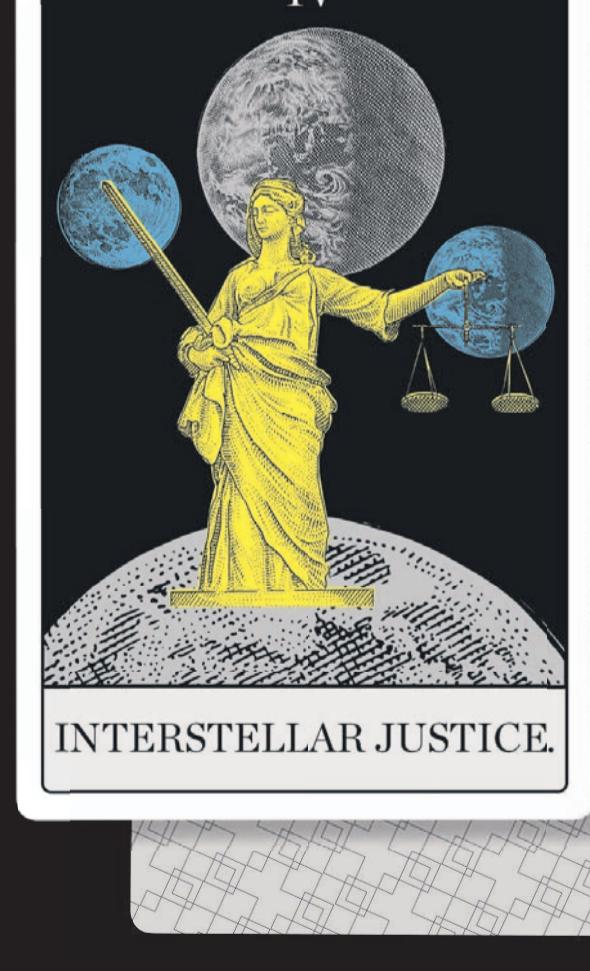
What Laws Will Rule the Final Frontier?

Extraterrestrial travel, resource extraction and even settlement are moving from the realm of science fiction to reality. But whose laws hold sway in space? Divine the future of galactic law and order in this special digital series.

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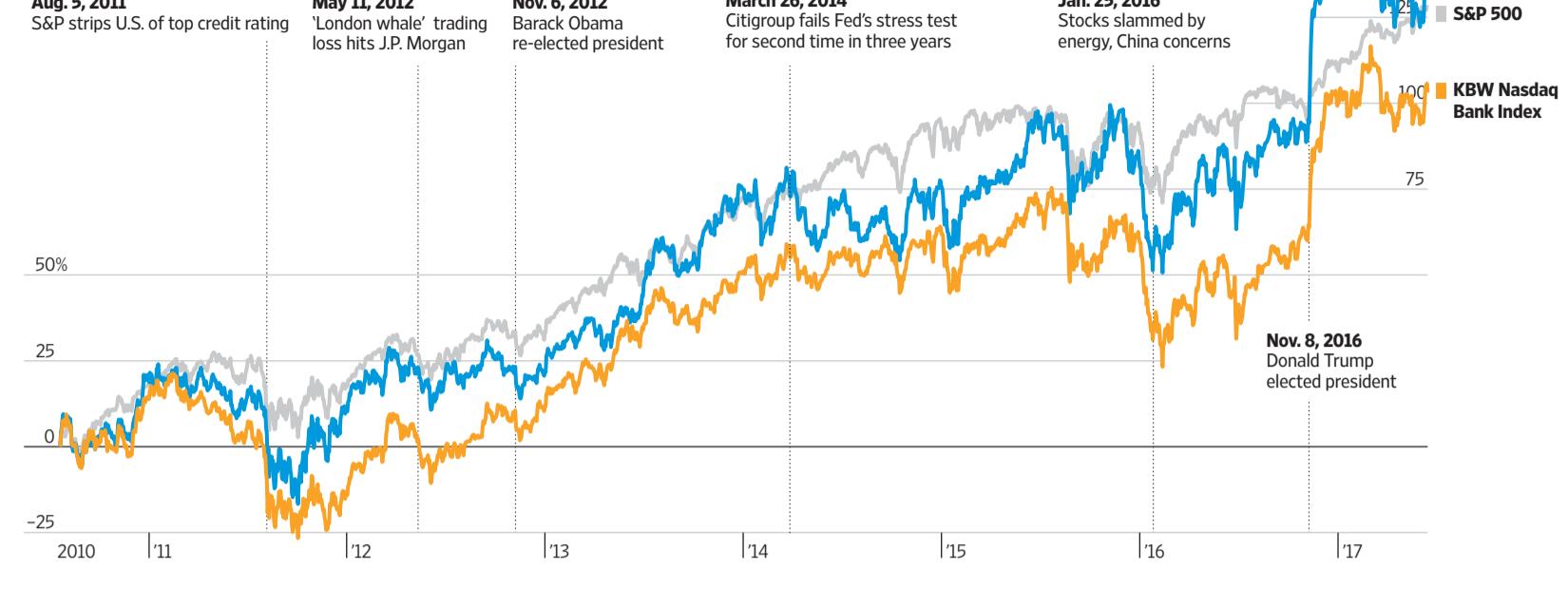
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MARKETS

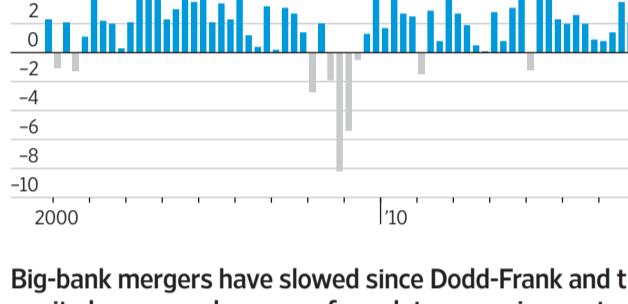
Banks may soon enter a new regulatory era, reflected by Treasury Department proposals this week to roll back parts of the Dodd-Frank Act. Since the 2010 law, banks' stocks have posted gains but haven't yet fully recovered from the financial crisis.

Price performance since the signing of the Dodd-Frank Act*



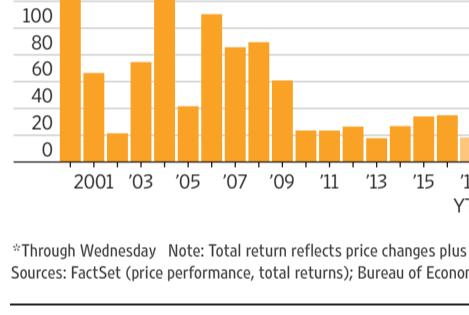
Banks have been hampered by a subpar U.S. economic recovery and continued tepid growth in recent years.

Real gross domestic product, change from previous quarter, at a seasonally adjusted annual rate

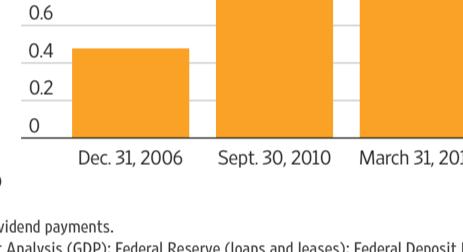


Big-bank mergers have slowed since Dodd-Frank and the crisis, while common equity has grown because of regulatory requirements.

Total U.S. deal value of bank mergers



Total common equity at the six largest U.S. banks

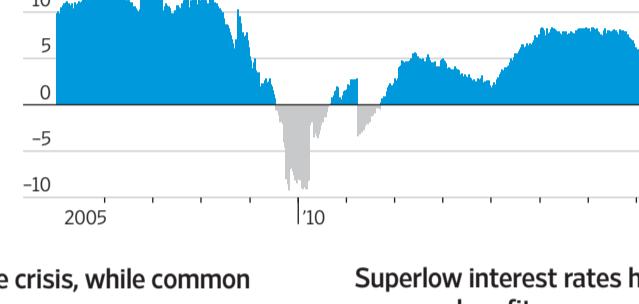


*Through Wednesday Note: Total return reflects price changes plus dividend payments.

Sources: FactSet (price performance, total returns); Bureau of Economic Analysis (GDP); Federal Reserve (loans and leases); Federal Deposit Insurance Corp. (return on equity, net-interest margin); Dealogic (mergers); the companies (common equity)

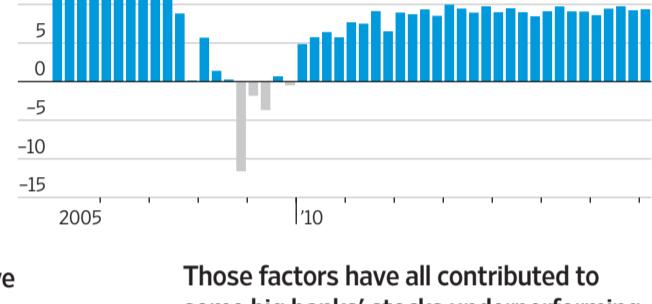
Lending has bounced back from the depths of the crisis, but growth still lags behind the precrisis era.

Loans and leases at U.S. commercial lenders, weekly, change from a year earlier



Return on equity has also lagged behind, due in part to the need to hold more capital.

Average return on equity for U.S. banks, quarterly



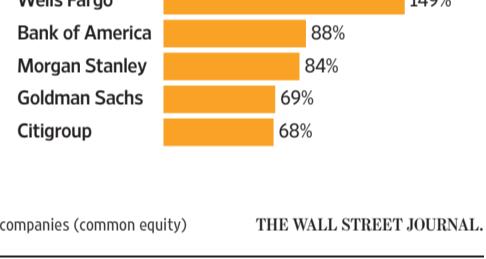
Superlow interest rates have squeezed profits.

Average net-interest margin for U.S. banks, quarterly



Those factors have all contributed to some big banks' stocks underperforming.

Total returns since Dodd-Frank passage*



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FINANCIAL ANALYSIS & COMMENTARY

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Glencore Might Regret Coal Grab

Knowing when to go in with cannons blazing and when to hold your fire is essential for all businesses, but especially for big miners. That makes Glencore's gambit to poach Rio Tinto's Australian coal assets from rival Chinese suitor Yancoal for \$2.55 billion an interesting case.

Glencore's bid is typical of its opportunistic approach to asset-buying. The Switzerland-based company already owns most of the coal assets surrounding Rio's mines. Blending Rio's high-quality coal with its own lower-quality coal would improve the price it gets in Asian markets. Glencore should enjoy significant operational synergies with its existing mines, especially if it also buys out the adjacent mines owned by Mitsubishi, as planned. UBS puts its potential cost savings at \$300 million or more. And Glencore is offering only \$100 million more than Yancoal.

But it is still a hefty premium: RBC Capital Markets

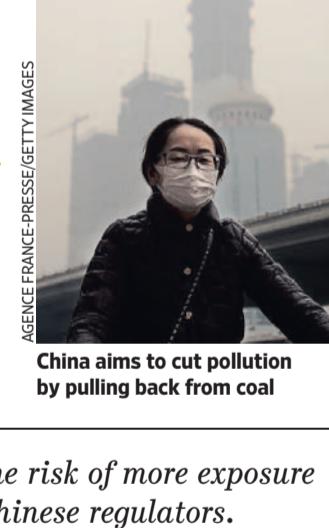
Big Dipper

Change from a year earlier



Sources: Thomson Reuters, International Monetary Fund

THE WALL STREET JOURNAL.



China aims to cut pollution by pulling back from coal

Glencore would get the risk of more exposure to coal and finicky Chinese regulators.

estimated Rio's coal assets were worth only \$2.2 billion at January spot prices, a few dollars higher than today's.

For its billions, Glencore would get the risk of increased exposure to coal—and finicky Chinese regula-

tors. The main problem is the outlook for coal itself. Thermal coal, used to generate electricity, has the dubious distinction of being one of the most volatile commodities in recent years. Botched mine closures ordered by Chinese

regulators sent prices in Asia up 90% from June to October 2016; over the next three months, they fell 20%.

Misjudging the coal market has already helped sink Glencore's old rival Noble—one reason the bid by Yancoal, which is 13% owned by Noble, is under threat. And while China's efforts to cut coal dependence have borne mixed fruit to date, the political rationale for appeasing citizens unhappy with terrible air pollution—and potentially importing a lot more clean-burning U.S. natural gas—is clear.

Such trends make thermal coal a risky bet. Glencore shareholders might be better served if the company further diversified into agricultural commodities: Its recent overture toward agricultural heavyweight Bunge shows it is already interested.

If Glencore does go ahead with its bid, Rio would be wise to accept. For Glencore, however, the deal looks like a mixed bag.

—Nathaniel Taplin

OVERHEARD

Drug-patent expirations strike fear into the hearts of pharmaceuticals executives everywhere, but there has been at least one very long and profitable ride into the sunset.

It was a century ago that aspirin, a blockbuster for Germany's Bayer, was stripped of patent protection in major markets during World War I. Sales continued, but newer painkillers made aspirin a bad business.

The drug then was reborn as a heart-attack therapy, though.

Bayer bought back the U.S. rights to Bayer Aspirin in 1994. It has most of the market and recorded U.S. sales of \$520 million in 2015 despite plenty of competition.

Compare that with Prozac, a cultural touchstone and a huge blockbuster for Eli Lilly that went generic in 2001.

Just four years later, sales of the generic version of the drug had slumped to \$249 million.

The company doesn't even break out the sales figure for Prozac today.

BOE Vote Is A Warning To Investors

Surprises from central banks have become a rare thing in recent times. So when one comes along, as it has at the Bank of England, it is worth paying attention—both inside and outside the U.K.

The shock at the BOE lies in the split on the Monetary Policy Committee; policy was left unchanged, with rates at 0.25%. But three policy makers voted for an increase by 0.25 percentage point, versus only one in May. That was unexpected, given the political and economic uncertainties the U.K. is facing because of Brexit. Sterling and gilt yields jumped.

Inflation, which at 2.9% in May is well above the BOE's 2% target, is provoking discomfort. The central bank has previously managed to keep policy loose in the face of higher inflation, most notably 2011's climb to above 5%. But things are different now. The recovery has run a long way, and unemployment is much lower. That is making the BOE less tolerant of above-target inflation, the minutes of the meeting show, although that sits uneasily with the idea that rising prices are due to the sharp fall in sterling, something the BOE can't easily offset.

In terms of U.K. assets, the pound has found a friend. While politics are still a source of volatility, investors can no longer blithely believe that the BOE is on perma-hold. The wider message is that the BOE, like other central banks, is buying into the idea that the global economy has picked up speed. That is another signal the period of peak support for markets from central banks now lies in the past.

—Richard Barley

Short Sellers Follow a Quick Route to Pain in Hong Kong

Short sellers in Hong Kong are getting trampled on by traders from the north.

The city's stock market has seen a number of stocks surge this year despite having been heavily shorted by skeptical investors. In another notable example this week, shares in mainland China-based auto maker Great Wall Motor surged 21% in one day on Monday. The stock had been one of the most heavily shorted in Hong Kong: Almost 15% of its shares are out on loan, a proxy for short interest, according to IHS Markit.

Sure, there have been

some bullish notes from analysts on Great Wall recently that may have contributed to its sudden rise. But short sellers in Hong Kong are also getting caught out by the market's structure, notably the prevalence of small free floats and dominant shareholders. Only a third of Great Wall's shares, for example, are tradable in Hong Kong, with the rest listed in Shanghai. The small free float in this \$16 billion company means it doesn't take much for shorting the stock to become a crowded trade. Anyone piling into short positions in stocks such as

Great Wall is also at risk if investors from mainland China, notorious momentum traders, start flocking in. These investors, who can buy stocks in Hong Kong via a trading link called Stock Connect, now own around 26% of Great Wall's shares listed there, up from 10% at the start of the year. The inflow may have caused some short sellers to capitulate this week, while the tight liquidity in trading of the stock looks likely to have exacerbated its volatility.

Other heavily shorted stocks have seen similar jumps recently. Shares of property developer Sunac

with short positions can easily get squeezed. Another property developer, China Evergrande, has been one of Hong Kong's most heavily shorted stocks. Yet its shares have tripled this year, partly because of share buybacks by the company, which has left its free float at only 22%. Shorts now account for around one-fifth of this free float, making them highly vulnerable to sudden inflows from the north.

In Hong Kong, it takes more than looking at financial statements to be a successful short seller.

—Jacky Wong

Climbing the Wall

Great Wall Motor's shares on loan as a percentage of free float

20%

July '16 May '17

Source: IHS Markit

THE WALL STREET JOURNAL.

How a
caftan can
make holiday
dressing
effortless
W3



OFF DUTY



In many ways,
the future of
self-driving cars
is already here.
Dan Neil
reports **W8**

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE OFF DUTY SUMMER SPECIAL

Lazy Does It

In the sunniest season, no one really wants to lift a finger.
Here are 50 looks, recipes, gadgets, shortcuts and travel tricks to help
you overachieve when it comes to underachievement



OFF DUTY

Loosen Up, On the Sly

The latest style of shorts for men is comfort incarnate—but no one has to be the wiser

BY JACOB GALLAGHER

AT SAVE KHAKI UNITED, a New York menswear store that sells its own line of casual, cotton basics, the most popular shorts go by the name "Easy." Yet, easy to spot on the street, they are not. If you wear them with a T-shirt draping over the waistband, they fly under the radar, just another cotton twill pair, out for a stroll. What's obscured—a guilty-pleasure drawstring waist—is the secret to the shorts' success. "It's just about being comfortable," explained Save Khaki's designer David Mullen.

But it's not just the drawstring that's easy. The shorts' straight-cut legs are slightly fuller than the norm, though not sloppy. These are shorts in which to truly—yet still rakishly—kick back. Go fishing. Fall asleep during the day with a book on your face. Eat apricot-glazed chicken wings to excess and simply retie. You can have it all.

Labels like Gucci, Ami and Brunello Cucinelli have also discovered that by widening the leg and adding a tie-it-as-you-like-it waist, they can transform stodgy Bermuda shorts into something much freer. (Though none christened theirs with a winky title like "Easy.")

When Save Khaki introduced the shorts three years ago, it was ahead of the comfort curve. Back then, the reigning style of summer shorts could have passed for Lance Armstrong's competition gear. In J. Crew catalogs and GQ spreads, men found taut, abbreviated shorts that girdled their midsections and gave the world a high-resolution glimpse of their gluteus maximus. "People were wearing things tight, even shorts," said Todd Barket, the owner of Unionmade, a mini-chain of West Coast menswear stores. Over time, those sealed-like-a-sau-



From top: Mt Shorts, \$252, skmanorhill.com; Save Khaki United Shorts, \$85, savekhaki.com; Emmett Shorts, \$185, [Freemans Sporting Club](http://freemanssportingclub.com), 212-673-3209

sage shorts became overcooked. "People were so attached to skinny, it got pedestrian-looking," said Mr. Barket, who felt compelled to offer relief this season by stocking elastic- and drawstring-waisted shorts from labels like Barena and Older Brother.

The look "comes from an athletic



FRESH CATCH Reel in summer's newest shorts by their drawstrings. Shirt, \$188, noahny.com; T-shirt, \$135, amiparis.com; Shorts, \$50, jcrew.com; Adidas Originals Sneakers, \$120, adidas.com; Sunglasses, \$340, garrettlight.com; Watch, \$6,600, omegawatches.com; Sidney Garber Bracelet, \$4,000, barneys.com

leisure background," said Dominic Sondag, designer of New York menswear brand S.K. Manor Hill, whose twill drawstring pull-ons were inspired by a pair of vintage military training shorts. Another antecedent: roomy mesh basketball shorts. To balance sporty connotations, Mr. Sondag crucially decided

to upgrade the fabric, making his in a refined cotton twill. The result? Shorts more appropriate for a cocktail bar than a bench press.

Though stealthily stylish, these shorts are likely too relaxed to pair with an oxford shirt. For a bit of polish, try a fitted, but not tight, pique polo shirt. Unionmade's Mr.

Barket also recommended looser tees and open-collared camp shirts to keep the overall silhouette relaxed. If you go that mellow route, said Save Khaki's Mr. Mullen, a tonal color scheme—blue-on-blue or grey-on-grey—can keep things modishly sophisticated: "It's less preppy and looks a little cleaner."

MY SUMMERTIME GUILTY PLEASURE

"Sundays are really my one day to lazily indulge. I throw some swim trunks on, lotion up and walk 20 steps from the back door to my pool. I make sure the radio is tuned to FIP (a French Jazz station), which is super relaxing because I don't speak any French, so I don't have to worry about what they're saying. I'll do half of the crossword puzzle, then I'll nod off until I'm burning, wake up, jump in the pool and do it all over again."



Sid Mashburn
Chief executive officer and designer, Sid Mashburn

Enrich Your Robe

When you're in a robe, no one misunderstands your intentions. You're off the clock, ready for in-action, dressed for maximum do-nothing-ness. But you shouldn't throw your style standards out with the chore list. There is life beyond that tacky terry robe. Upgrade your lay-about look with Sleepy Jones's more considered madras tie-on. It's no less carefree than terry, but the rakishly cool plaid cotton makes you look vaguely Bond-like even if the only thing you're saving is your strength. Robe, \$298, sleepyjones.com



Get the Hang of It

It's a summer day, gorgeous yet insistently sunny, when you look down, check your pockets and discover your beloved sunglasses are gone. Now, you either have to retrace your steps (Did you leave them in the Uber? Will you have to tip the driver \$50 to return them?) or accept that they're forever lost in the Land of Misplaced Shades. No more. Just slide Reggie Holder's waterproof sunglass straps onto your aviators' temples and let your specs hang free when you're not wearing them. You avoid the bother of finding a safe place to stash them—and the tedium and expense of buying replacement pairs. Sunglasses, \$340, garrettlight.com; Reggie Holder Strap, \$32, mohawkgeneralstore.com



Discover the Thrill of Not Hunting Trawling massive flea markets, like Brimfield Antiques Market in Brimfield, Mass., is a summer tradition. But lazy strategists can score vintage brass anchors, signal flags and patinaed wicker baskets without spending days pawing through endless stalls. Mate Gallery cuts through the clutter with its natty nautical finds. Shop online at mategallery.com, at its seasonal store in Montauk, N.Y. or its new Manhattan pop-up shop in designer Todd Snyder's 26th Street flagship (pictured).



Stay Above the Fold "Loafer." The very word connotes determined leisure. Yet standard loafers don't rate when it comes to true sloth. Ermenegildo Zegna's espadrille-inspired slip-on, meanwhile, is engineered with a fold-down back to transform it from a proper shoe to something resembling a pool slide. On lethargic mornings when sleep is heavy on your lids, just slip your foot right over the back. No taxing heel-wriggling required. Espadrilles, \$495, zegna.com

OFF DUTY

Be Covered for Everything

A versatile caftan makes vacation-dressing—from deck chair to dinner time—a no-brainer



GREEN LIGHT Outfit planning with caftans is a walk in the park. *On model:* Pippa Holt Caftan, \$725, Bergdorf Goodman, 212-753-7300; Sunglasses, \$340, garrettlight.com; Elizabeth Locke Chain, \$5,125, and Pendant, \$3,850, Neiman Marcus, 800-937-9146; Yellow and Turquoise Chain Necklaces, \$650, Nephrite Jade Charm, \$450, Pink Opal Charm, \$695, davyurman.com; Serpenti Spiga Watch, \$6,700, bulgari.com; Sandals, \$210, ancient-greek-sandals.com. Still-lives from top: Chloé Caftan, \$2,395, net-a-porter.com; Caftan, \$375, lemlem.com; Caftan, \$595, lisamariefernandez.com; Le Sireneuse Positano Caftan, \$355, emporiosirenese.com; Caftan, \$480, suparis.com

BY CHRISTINE WHITNEY

Rather ironically, relaxing takes work. Even a do-nothing vacation of cozying up to your Kindle on an uneventful island requires figuring out what to wear for your days in the sun. One garment, however, can help curtail the indecision.

Consider the caftan. "Caftans can be worn on the beach or poolside and then later, perhaps over that same bikini, while you're having a cocktail at a restaurant," said Winnie Beattie, owner of Manhattan resort-wear boutique Warm, which offers a variety of loose, wanderlust styles.

The flowy garments were popularized during the *dolce vita* 1960s (think: bohemian socialite Talitha Getty on a Marrakesh rooftop), and though they weathered a bleak period in the 1970s as the go-to garment of the *dolce-less* Mrs. Roper in the sitcom "Three's Company," they're enjoying a renewed vogue.

Last year, Carla Sersale, of the family-run Hotel Le Sireneuse in Positano, Italy, began to offer her line of block-printed cotton caftans, called Le Sireneuse Positano, at retailers beyond the hotel's shop, such as Bergdorf Goodman. A caftan "can dress you from morning to night," she said, noting that guests tend to waft from the pool to the terrace restaurant and oyster bar wearing similarly breezy styles. "It's a very easy garment."

The process of transitioning from deck chair to dinner, Ms. Sersale and Ms. Beattie agreed, is relatively hassle-free. Just swap flip-flops for strappy heels and throw on some jewelry, whether a pair of dangly earrings, a few layered necklaces or a chunky cuff. The

right accoutrements can range from a simple array to the haute bohemian extremes captured in a photo of socialite and style icon Deeda Blair—a caftan inspiration for gallerist Sarah Gavlak. In the photo, Ms. Blair is wearing a scarf-print number "with this incredible long scorpion necklace, and great big sunglasses, and has her gorgeous poodle next to her while she's sipping a cocktail," said Ms. Gavlak. As someone who splits her time between Los Angeles and Palm Springs, Ms. Gavlak prefers to wear caftans by the pool, but said she'd go beyond the sun deck: "I would definitely wear one as a hostess outfit. It's casual, but you're in a gown, in a way."

Before accessorizing, however, it's important to choose the right one. Caftans can easily go awry: swallowing a small frame, bulking up a larger one, or reading more tent than Talitha. "Some women feel better if they have a bit of ankle showing," said Warm's Ms. Beattie. Petite women, she added, might consider a sleeveless caftan or one with a lower neckline. Ms. Sersale recommended a style with side-slits to show off a bit of leg. "It breaks up the shape and makes it more graceful," she said.

Chic prints or stripes are enough to make an impact; heavy beading can overdo it for day. "I think embellished caftans are fabulous, but sometimes they're overpowering," said Vogue editor-turned-designer Pippa Holt, who enlists Mexican artisans to hand-weave her new cotton caftan collection. Find the caftan that best suits you, and you've cracked the vacation-dressing code—with a healthy side of glamour. "It's a dream statement," said Ms. Sersale. "You feel empowered to be Sophia Loren."



Do Try It at Home

Few tasks trigger dread like shopping for a bathing suit in public. Direct-to-consumer brands let you flee the fitting room for the sales-associate-free zone of your bedroom. Our favorite: Andie, which ships you the three one-piece styles in its debut swim collection to try on. Co-founders Tess de Paula and Melanie Travis designed the collection after surveying hundreds of women on the best fits and fabrics. Only keep what works and send back the rest. Swim suits, \$105-\$125, andieswim.com —Lauren Ingram

Shine On and On

Long-wear nail polish without a prolonged salon visit? It does exist. A recent innovation: lasting-color gel formulas that can be used at home—or on the go—like Butter's Patent Shine 10X, Essie's Gel Couture polish and Deborah Lippmann's Gel Lab Pro. Ms. Lippmann recommends waiting two minutes between applications and adding an extra layer a day later for more protection. From left: "Cake by the Ocean," \$20, deborahlippmann.com; "Smashing," \$18, butterlondon.com; "Perfect Posture," \$12, essie.com —L.I.



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OFF DUTY

Go Easy On The Noodles

Pasta salad lightens up nicely with a reduced carbs-to-crunch ratio. And there's no more obliging dish to devise on a moment's notice

BY GAIL MONAGHAN

AFORGIVING DISH, pasta salad. Chances are, you have the makings of a respectable one in the fridge right now, ready to be thrown together without undue contrivance.

Forgiving is not the word I'd apply to the Italian approach to pasta. Years ago, while watching me prepare a seafood risotto, a Milanese friend was appalled at the abundance of shrimp, clams and calamari I enthusiastically included. She insisted that, when made correctly, her country's rice and pasta dishes were all about the starch; any other ingredient was there merely to provide nomenclature and a bit of variety. Duly shamed, I followed her directive for years afterward.

Time has passed, I've gained confidence as a cook, and anyway, I live in New York, not Florence. Lately I've been flipping the ratio on my pasta salads—easier on the noodles, prodigal with the produce—and loving the results.

My newfangled, crunch-forward, summer-light salads have just enough pasta—a fourth of what I previously used—to provide a bit of heft and here-and-there chewiness. I include only about a quarter of a box (four ounces) of pasta to make six generous main-course servings. As for the rest,

I've always seen a pasta salad as the ideal repository for extraneous bits and pieces. If you're even marginally imaginative, most any combination of leftover meat, poultry, fish, seafood, sausage, legumes and vegetables—canily tossed with olive oil and seasonings, or with a first-class vinaigrette—will be a winner. For even lighter salads and additional servings, add shredded lettuces or cabbage and extra vegetables.

For those who prefer following a recipe, I've included, at right, my two current favorites. The first—with fusilli (whole-wheat, if you like), cucumbers, tomatoes, feta, scallions, arugula, fresh herbs and pine nuts—is my go-to lunch when temperatures soar. A shady porch, this salad (pictured, right) and an ice-cold Chablis is my kind of healthy.

The somewhat richer other recipe, a combo of roast chicken, Roquefort cheese, grapes, pears and walnuts (left), will pair nicely with a dry rosé now and also slip seamlessly into autumn. Feeling ambitious? Try swapping in smoked chicken or roast duck, if you fancy. Or go vegetarian and omit the poultry entirely. Play around. Replace the Roquefort and walnuts with chèvre and pistachios, or the pears with Granny Smith apples. It's effectively impossible to go wrong here, whatever my friend in Milan says.



at least 1 hour to allow flavors to marry. Taste and adjust the seasoning as needed. // In

a large pot of boiling water, cook 6 ounces penne, rotelle or farfalle according to package directions until just al dente. // Drain cooked pasta and toss in a large salad bowl with 8 cups roast chicken cut into bite-size pieces, 1 bunch watercress, tough stems removed, coarsely chopped, 3 large Belgian endives sliced crosswise into 1/2-inch pieces, 1 bulb fennel, trimmed and cut into bite-size pieces, 3/4 cup seedless red grapes, halved vertically, 1 cup crumbled Roquefort or other blue cheese, 1 cup thinly sliced celery, 1/2 cup toasted and coarsely chopped walnuts, 1/4 cup coarsely chopped mint, 1/4 cup coarsely chopped Italian parsley, 1 medium red onion, halved and sliced into paper-thin half rings. Core 2 Bosc pears and slice into 1/4-inch-thick wedges. Add pears to salad. // Toss with just enough vinaigrette to moisten and flavor. Adjust seasonings as needed.

Veggie-Forward Pasta Salad

SERVES: 8 as a main course, 12-14 as a first course or side

In a large pot of boiling water, cook 6 ounces fusilli according to package directions until just al dente. // Meanwhile, make vinaigrette: In a small bowl, whisk together 1/4 cup fresh lemon juice, 1/4 teaspoon fine salt and 1/4 teaspoon freshly ground black pepper. Slowly add 3/4 cup extra-virgin olive oil, whisking until emulsified. // Once pasta has cooked, drain and toss in a large salad bowl with 6 Persian cucumbers, very thinly sliced crosswise, 3 cups quartered cherry tomatoes, 3 cups crumbled Bulgarian feta, 1/4 cup toasted pine nuts, 3 cups pea shoots, 9 ounces baby arugula, 6 tablespoons chopped mint, 3 cups coarsely chopped parsley, 1 cup chopped chives, 3 large Belgian endives, sliced crosswise into 1/2-inch

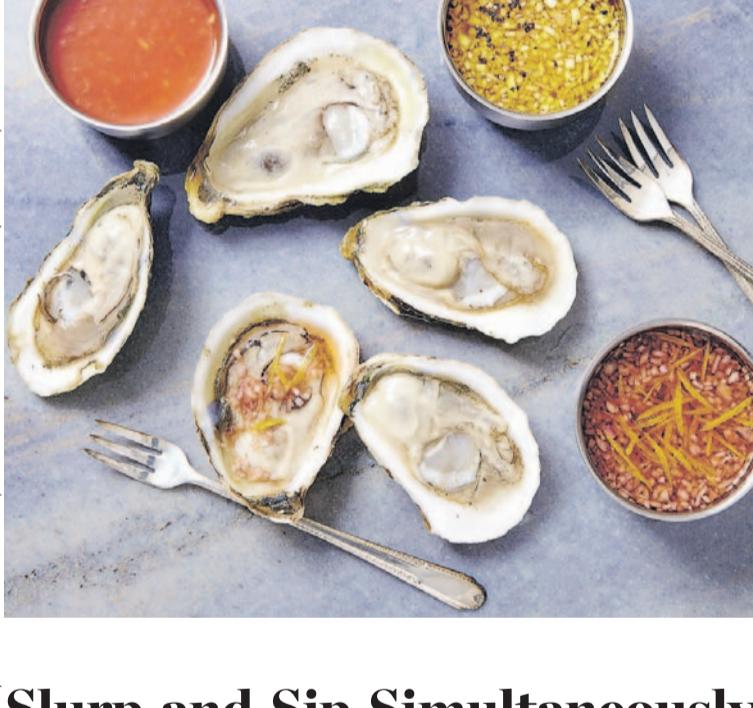
pieces, 1 large red onion, cut into paper thin half rings. If you like, add or swap in fresh fennel, cooked potatoes, cooked green beans or cooked fava beans. // Add enough vinaigrette to moisten and flavor. Adjust salt and pepper to taste.

Pasta Salad With Roast Chicken, Roquefort, Pears, Red Grapes and Walnuts

SERVES: 8 as a main course, 12-14 as a first course or side

Make walnut vinaigrette: In a lidded jar, combine 1/2 cup walnut oil, 2 tablespoons Sherry vinegar, 1 tablespoon grainy mustard, 1/4 teaspoon fine sea salt, 1/4 teaspoon freshly ground black pepper and 1 large clove garlic, finely minced. Secure lid and shake vigorously until well combined. Let sit

at least 1 hour to allow flavors to marry. Taste and adjust the seasoning as needed. // In a large pot of boiling water, cook 6 ounces penne, rotelle or farfalle according to package directions until just al dente. // Drain cooked pasta and toss in a large salad bowl with 8 cups roast chicken cut into bite-size pieces, 1 bunch watercress, tough stems removed, coarsely chopped, 3 large Belgian endives sliced crosswise into 1/2-inch pieces, 1 bulb fennel, trimmed and cut into bite-size pieces, 3/4 cup seedless red grapes, halved vertically, 1 cup crumbled Roquefort or other blue cheese, 1 cup thinly sliced celery, 1/2 cup toasted and coarsely chopped walnuts, 1/4 cup coarsely chopped mint, 1/4 cup coarsely chopped Italian parsley, 1 medium red onion, halved and sliced into paper-thin half rings. Core 2 Bosc pears and slice into 1/4-inch-thick wedges. Add pears to salad. // Toss with just enough vinaigrette to moisten and flavor. Adjust seasonings as needed.



Brew Without Brouhaha

Many beer hobbyists have long banished their infuriatingly complex homebrew setups to basements and garages, where the cumbersome tubes and kettles are just collecting dust. Seattle-based company PicoBrew has brought homebrewing into the light—indeed, right onto the kitchen counter—with the fully automatic Pico Pro appliance. Use the dozens of brewery-sanctioned recipe kits, or design your own if you're the tinkering type. Pico Pro produces handmade, super-fresh suds with the push-button ease of a Mr. Coffee. It looks way cooler than your KitchenAid and can brew kombucha and cook sous-vide, too. Still unconvinced? A new, even more streamlined and affordable iteration, the Pico Model C, hits shelves this fall. \$800 for Pico Pro, \$550 for Pico Model C (available for pre-order), picobrew.com —William Bostwick

Slurp and Sip Simultaneously

At Nostrana in Portland, Ore., chef Cathy Whims has come up with a brilliant work-around for the age-old party-guest problem of how to handle a drink and an hors d'oeuvre at the same time: Combine them. "The ingredients that make a great cocktail are also delicious flavors for raw oysters," she said. Her Negroni mignonette brings bracing bitterness and a hit of booze to the briny mollusk in a palatable, pretty bite that leaves your other hand free for Instagramming.

Negroni Mignonette

In a small bowl, combine 3 shallots, peeled and minced, 1/2 cup vermouth vinegar, 2 tablespoons Campari, 2 tablespoons gin, 1/4 cup Prosecco, julienned zest of 1/2 orange and sea salt and cracked black pepper to taste. Let sit in refrigerator 30 minutes to allow flavors to blend. Drizzle over oysters.

Find recipes for Ms. Whims's beet mignonette and cocktail sauce at wsj.com/food.



Rustle Up Some Grub—From a Can

Ah, the romance of the open range. The truth is, driving cattle was hard work, so cowboys kept things simple at chow time. Old-school cream-can cooking called for sealing ingredients in a metal container with a good dousing of beer or other liquid for steaming over a fire. The CanCooker Jr., updated in anodized aluminum with a non-stick interior, accommodates eight servings of vegetables, sausages, seafood or whatever you hanker for at a camp-out or beach bonfire. \$60, cancooker.com

Throw a Do-Nothing Dinner Party

Haven't you always wanted to be that host who makes it all look effortless? Lucky for you, some popular cook-at-home meal-delivery services are sending out party-ready kits built to feed a crowd. Ingredients arrive already portioned, and most recipes are doable in under an hour. Atlanta-based PeachDish collaborates with Southern chefs on the meals it delivers nationwide. Try Kevin Clark's Comfy Chicken (\$150 for up to 12 people, peachdish.com), a bounty of fried chicken, buttermilk biscuits and sausage gravy. Currently delivering in New York City (with plans to expand), Feasting focuses on seasonal meals with an international bent. To make the Korean-inspired Bulgogi Sliders (shown at right, \$210 for up to 7 people, feasting.com), simply sizzle the marinated beef for six minutes, set out potato buns, cucumber-chili pickles, sliced scallions, cabbage kimchi and spicy mayo, and let guests do the rest. —K.M.G.



Grill Sloppily

Between Alexa and self-driving cars, it seems the robots are taking over—a boon for the indolent. Add the Grillbot to the list and rest assured, cleanup after your next barbecue will be taken care of. This adorable automatic grill cleaner tattles around the greasy grate, scouring away with its wire brushes, propelled by three high-power electric motors and guided by a clever CPU chip that controls direction and speed. The brushes pop right out and into the dishwasher for easy cleaning; the lithium ion battery is rechargeable; and the LCD alarm and timer allow you to program different cleaning times depending on the state of the grate. Think of it as your barbecue butler. \$130, grillbot.com

MY SUMMERTIME GUILTY PLEASURE

"To be honest, it's my busiest season so I don't get to be that lazy. But when I can, I love to just lie down in the park—any park—on the grass, ideally with friends, music, food and mezcal."

Fany Gerson, maker of frozen confections and author of "Mexican Ice Cream" (*Ten Speed Press*, June 13)

OFF DUTY



FRANCESCO LASTRUCCI FOR THE WALL STREET JOURNAL

BY TARA ISABELLA BURTON

I TOOK Rok Vogric seven days to propose marriage to me. Red-faced, gold-bearded and exuberant, Rok—one of the waiters at Pirat restaurant in Piran, a pastel-colored Baroque town of 4,000 on Slovenia's Adriatic coast—had gotten used to my daily lunchtime order: a warm seafood stew of net-fresh mussels and clams, thick with garlic and wine, known as *buzara*; and sautéed *bietola* (chard). If I agreed to marry him, he insisted, he would grow *bietola* fields in my honor. He knew I was a city girl, he said, unused to village life. "But here in Piran, we are a city in a village." Over time, this border-town has been Venetian, Austro-Hungarian, Yugoslavian, Slovene and, briefly, Napoleonic French.

Some Friday nights, the piazza transformed into an open-air cocktail party.

My tongue-in-cheek courtship may have been whirlwind. But time moves differently in Piran. Most visitors—often staying in the adjacent, somewhat gaudy casino-resort town of Portorož—come for a day or two, at most. They wander the marbled Tartini Square, its Venetian-style palazzos, complete with winged lions, a testament to the onetime presence of those doges in this city. They climb the hill for a glimpse of the 14th-century Franciscan Piran Minorite Monastery. They dine at one of the waterside restau-

rants that line both sides of the sardine-shaped peninsula at the town's edge, drinking elderflower-scented Hugo cocktails and Aperol spritzes imported from Italy, a 40-minute drive away. They may indulge in a few of Piran's Balkan specialties, like flaky, borek pastries stuffed with cheese, or visit the kitschy Sarajevo '84 restaurant *forcevapicici* (grilled sausages without casings) and Bosnian coffee, or walk along the seaside Via Lenin (a jarring reminder that this isn't your typical Adriatic beach town). The more culturally inclined may visit the nearby Sečovlje salt pans, the exportation and trade of which gave Piran its wealth and funded its splendor. But, ultimately, they move on.

Not me.

On the hunt for an inexpensive, quiet place to write up a meandering doctoral thesis, I'd chosen to return for a month to Piran, where I'd previously just spent weekends: paying \$800 to rent a stonewalled studio through Airbnb for 30 days in high season. For my first two days in town, I strolled along the harbor; lingered over a cappuccino on the peninsula's less-developed, northern side; and walked a mile beside the cliffs to Fiesa, a hamlet with pebble beaches, plastic chairs and red-umbrella cafes. I relished the kind of peacefulness that derives from the absence of anything formal to do whatsoever (aside from my thesis, that is). Then I began to worry that Piran's relentless pleasantness might turn, after a week or more, to stultification: death by 30 identical dishes of *buzara*, 30 identical dips in the sea.

But spending a month in a day-trip town, I came to discover, meant discovering its rhythm: the ebbs and flows of energy that rendered



THE INSIDE SLACK From top: The harbor of Piran, on Slovenia's Adriatic coast, is a three-hour ferry ride from Venice; Piran's medieval walls.

Piran's apparent pink-hued uniformity increasingly complex. I started to notice the differences between the two- and three-story houses clustered along the harborfront: the pistachio-green one with its Venetian-style roofs, the ones whose grand wooden doors were overlooked by art nouveau-style statues. Passing along Župančič Street for the fourth or fifth or 10th time, I noticed a tiled alcove shrine to the Virgin Mary nestled beneath an archway, candles lit.

Outside the cavernous, dome-ceilinged Café Galerija, a 19th-century-style space with paintings of Charlie Chaplin on most of the walls, artists and lavender sellers spread their wares on stone tables. But some Friday nights, the piazza transformed into an open-air cocktail party—the tables supporting free buffets of cheeses, sweets, wines. One Saturday, I passed by at 1 a.m. to find an Irish folk band

leading a raucous, foot-stamping singalong. Another night I came to the statue-flanked cistern in Piran's First of May Square to find speakers arranged for a dance party: an elderly man with shoulder-length gray hair served as DJ as a dozen children invented gleefully un-self-conscious dance moves to Robin Thicke's "Blurred Lines."

As the days ran into one another, and sunset followed sunset on the swimming promenade between Piran and Portorož, I came to tell the passing of time by the number of children scampering around the rocks outside the Hotel Piran—where ladders from the concrete pier dropped straight into the sea; by the number of half-beleaguered parents holding ice creams (a weekend phenomenon); and by whether or not my local morning-and-late-night workspace, the Café Teater, in a reclaimed art nouveau performance space right on the water,

was playing live jazz or tango or simply screening a football game.

But Piran's greatest pleasure, I found, was its regularity. I learned from "Mitch" (Mitja) Pilih, the Café Teater's night-shift waiter and my postwork confidante, that I was one of two writers to occupy the prime table next to one of the few power outlets; a Japanese journalist took the "afternoon shift." The morning-shift waiter memorized my breakfast-order, preemptively sending me away to the bakery if he'd run out of croissants; Mitch in turn, knew my customary evening order (an optimistic espresso, followed by a resigned prosecco or three). I came to know the other regulars, too: an eccentric Viennese composer in his 50s, whom I knew only as Berghardt, convinced me to take a midnight swim with him off the pier (Mitch, long-suffering, watched my laptop).

But my favorite home in Piran, inevitably, was at Pirat, with Rok and his fellow waiters. Along with the fantastically fresh *buzara*, Rok served up daily meditations (on Dave Matthews Band, opera and James Joyce). Later in my stay, Rok urged me to try more experimental morsels. "Everything is the same in Piran," he said, "I try to mix it up." Out of the kitchen came stockfish purée, a piquant squid salad, cold octopus. He brought me far more than I had asked for—putting the excess (clams in prosecco, shots of Malvasia-wine liquor, a sorbet) on the house. Soon, he told me, the *bietola* fields would be ready. Perhaps by next summer. "Then you'll return," he said. "All summer long."

I promised him I would.

► For details on where to stay and eat in Piran, see wsj.com/travel

Score a Front-Seat Seat

For those weary of endless cineplex escalators, drive-in movie theaters can feel indulgent, particularly at the new Blue Starlite, just outside Austin, Texas. With space for just 30 to 50 cars, it bills itself as a "mini" drive-in. The lineup favors throwbacks, like "Jaws" and "The Goonies," and beyond the windshields, you'll find fire pits, s'mores

kits and local ales at the Cinema Saloon. If you'd rather dine in, so to speak, pre-order giant pickles and a brisket sandwich from the app and skip the snack-bar line. Other Blue Starlites are planned; for now, the only other location is a summer-only pop-up in Colorado's Vail Valley. bluestarlitedrivein.com —Kathryn O'Shea-Evans

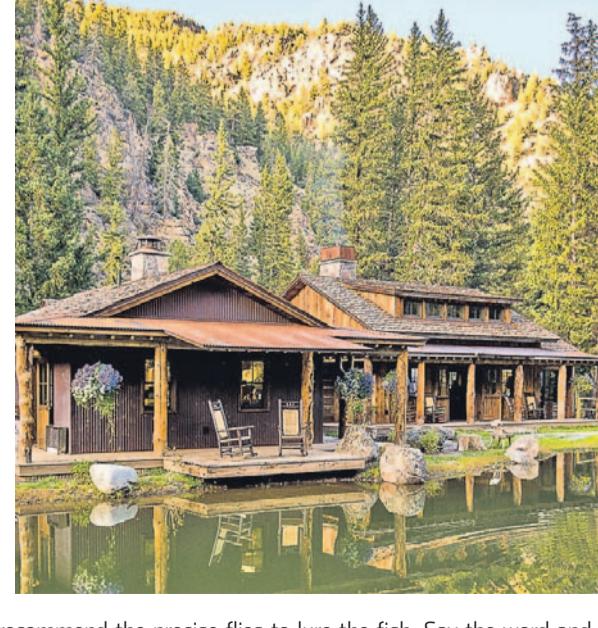


ILLUSTRATION: DAVE URBAN

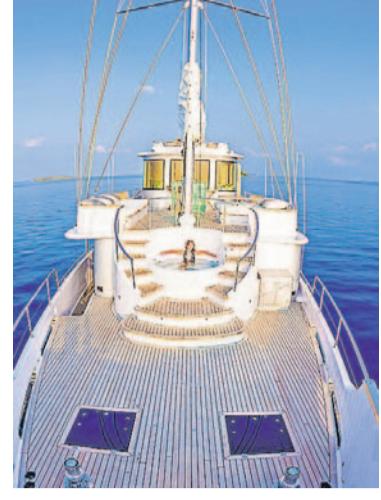
Cast Off All Responsibility

The guides at Taylor River Lodge—a secluded, coddling six-cabin wilderness retreat just outside of Crested Butte, Colo.—are more like fly-fishing butlers, standing by to outfit guests in top-of-the-line Simms waders and equip them with locally made fly rods. As novices warm up on a trout-stocked pond and experienced anglers cast on a semi-private stretch of the

Taylor River, guides are available to recommend the precise flies to lure the fish. Say the word and they'll do the heavy lifting—bait, cast, untangle lines, reel in your trophy rainbow. They will supply you with a cooler stocked with coconut water and local session IPAs from Irwin Brewing Company, or pack your poison of choice. Later, while you're busily occupied with riverside picnics and post-fishing massages, they'll put away the tackle and hang your fishing kit outside your cabin door (\$860 per person a night, including meals, elevenexperience.com). —Jen Murphy



OFF DUTY



Catch a Five-Star Wave

What beats a fly-and-flop resort? A fly-and-flop resort that moves. These top hotel brands float their own boats

► **Soneva, Maldives**

Soneva operates two lavish resorts in the Maldives. Serious divers or novice snorkelers who aren't content to loll about their bungalows can opt for a one- to three-day cruise through the sealife-rich Baa Atoll aboard the hotel's 63-foot-long yacht, **Soneva in Aqua** (pictured). The crew includes a chef and yoga/tai chi instructor. soneva.com

► **The Strand, Myanmar**

Yangon's fabled hotel, the Strand, a lacquer and teakwood remnant from Myanmar's colonial era, now boasts its own 28-cabin river boat. **The Strand Cruise**, inaugurated in 2016, sails the Irrawaddy between Mandalay and Bagan, docking near temples, pagodas and monasteries. hotelthestrand.com

► **Aman Resorts, Indonesia**

Aman Resorts' five-cabin **Amandira** explores Komodo National Park and the Raja Ampat Islands on five- and seven-night cruises. Built by Konjo craftsmen to Aman's fastidious specs, the two-masted vessel sets sail from Moyo Island, a seaside jungle encampment with luxury tents and an open-air spa. aman.com —*Sara Tucker*

Bask in Terminal Bliss

Can you bypass airport chaos without buying a premium-class ticket? Here's the insider way

BY BARBARA PETERSON

SOME YEARS AGO, after an overnight flight, I arrived at Moscow's dreary Sheremetyevo Airport to face the usual scrum at passport control. Through my jet-lagged fog, I spotted an airport attendant effusively greeting a well-dressed man just behind me, and pulling him off the lengthy queue. I assumed the man was a visiting dignitary—until I learned that any schlub could buy himself the same high-status welcome.

Many airports offer similar VIP services, but some are fairly pricey. For upward of \$3,000 you and two guests can gain entry to London Heathrow's private lounge with its own security screening. More modestly priced, the new VIP terminal at LAX is attracting celebrities and other nabobs who pay \$1,500 for access for up to three people. Other such venues are reserved for the most-frequent fliers or first-class habitués. But even infrequent fliers whose tickets read coach can enlist their very own valet to whisk them from curbside to boarding gate, making short work of security checkpoints.

These so-called meet-and-greet

services, provided by self-styled "airport concierges" can also facilitate swift connections and easy-breezy arrivals. Think of them as a nanny service for grown-ups. Major international players include Gateway VIP Services, Royal Airport Concierge and the biggest of these, Global Airport Concierge—which operates in 450 locations, from Uzbekistan to Uruguay—though some airports and airlines also offer their own services for lazy, impatient and stressed-out travelers. Prices vary widely, depending on the airport and how much TLC you require, ranging from \$30 per person for a basic meet-and-greet in Dubai to \$2,000 for a near-royal welcome or send-off in Paris.

"It is a great service if you're arriving in an unfamiliar place, numbed out and not at the top of your game," said Kate Doty, a managing director at tour operator GeoEx, who uses these hand-holders to get clients out of sticky situations, like visa snafus and tight connections. Gary Leff, an airline expert who pens the travel blog View from the Wing, adds that these programs are especially well-priced and useful in Asia, Latin America or Africa, when braving crowds without knowing the local language can be intimidating.

Here, a sampling:

AIRPORT SERVICES

At **London's Heathrow**, fliers booked in any class can take advantage of the airport concierge service. Attendants usher you through security and immigration with your sanity intact, escort you to your gate through the hub's labyrinthine concourses, and help run errands such as picking up yet-another-forgotten phone charger. Traveling with heaps of luggage? Opt for the separate porter service. From about \$127 for up to two people, heathrow.com

San Francisco International Airport, in conjunction with concierge service Airport Butler, offers perks from check-in assistance to personal shopping. From \$250 for solo travelers, \$300 for two, airportbutler.com

Toronto Pearson, Canada's largest international hub, has its own concierges, who help departing, connecting or arriving passengers. They'll also do your shopping or get you into that members-only lounge. From \$110 per person, torontopearson.com

At Israel's main airport, Tel Aviv's **Ben-Gurion**, famous for its tight and time-consuming security, Israel Welcome offers a personal escort through the terminal, skipping right past those snaking lines. From \$119 for up to four travelers, israelwelcome.com

Bangkok Flight Services at **Suvarnabhumi Airport** in the Thai capital will meet you at the plane or curb and speed you through formalities. It can also shuttle you from one end of this sprawling airport to the other in a souped-up golf cart. From about \$50, www.bangkokflightservices.com

AIRLINE PROGRAMS

Air France deploys concierge services at Paris's Charles de Gaulle Airport and Paris Orly, as well as in Bordeaux and Nice. They'll meet you at the curb or the gate and take care of everything in between. From about \$168 per person, airfrance.us

Emirates' affiliate Marhaba Services offers meet-and-greet services not only at Dubai, the air carrier's hub, but at other airports in Cairo, Johannesburg, Kuala Lumpur and Singapore. For an extra fee, you can also arrange for welcome gifts and limo transfers. From about \$30 per person in Dubai, marhabaservices.com

Last year, **United Airlines** rolled out its own meet-and-greet valet service at five U.S. airports: Chicago O'Hare, Houston, Los Angeles, Newark and San Francisco, plus five in Europe. From \$250 for solo travelers, \$475 for four, united.globalairportconcierge.com

Charge While You Lug



Mayur Bhatnagar, co-founder of the year-old luggage company Arlo Skye, hopes to get away this summer to Panarea, a tiny island north of Sicily with only 300 residents. "That place is the antidote to 'too much,'" said the Louis Vuitton alum. When designing their own carry-on, Mr. Bhatnagar's team also steered away from excess, crafting a just-big-enough suitcase with a super-light aluminum-alloy shell that clamps shut—no need to wrestle with a zipper. Best of all, the Arlo Skye comes equipped with its own (removable) phone and tablet charger so you can fritter away the airport hours without crawling around in desperate search for an outlet. The Carry-On, \$550, arloskye.com —*Liz Logan*

Camp Like a Champ

Thanks to the National Park Service's centennial celebration, 2016 was a record year for park visitors—and nabbing a spot at a popular lodge or campground likely won't be any easier this summer. A workaround: your own private campsite, assembled soup-to-nuts by bespoke travel company EXP Journeys, which specializes in glamping excursions in and around the U.S. national parks. Arrive to find roomy tents with queen-size beds, a hot shower, an actual toilet plus a chef and a guide. Not cushy enough? EXP airlifted one set of friends to the top of 1,800-foot Tower Butte at Lake Powell (pictured), where the staff had assembled an elaborate juice bar. Another group, prepared to work slightly harder, joined paleontologists on a dig near Utah's Escalante to unearth Tyrannosaurus rex fossils. From \$650 per person per night, expjourneys.com —*Kelly Michèle Guerotto*



MY SUMMERTIME GUILTY PLEASURE

"At 4 o'clock, when the cicadas are creating their summer buzz, instead of a cup of motivational coffee and more work, I sit down to peruse a large stack of mail-order catalogs—Boden, Guideboat, J. Peterman, Sundance, Garnet Hill—with a glass of chilled Vermentino."

Samantha Brown, host of PBS's 'Samantha Brown's Places to Love,' coming in early 2018.

Fly Blind

Who among us hasn't spent nearly as much time *planning* a weekend getaway as actually being on it? Travel agency Pack Up + Go aims to reform obsessive-compulsive vacationers, not just by making all arrangements for three-day trips in the U.S., but by choosing the destination itself. You complete a short survey, specifying travel dates, a budget level, and interests (such as hole-in-the-wall restaurants, galleries, fitness), then Pack Up + Go books hotels, flights or trains, and suggests a detailed itinerary—but doesn't share the info until your departure day. (A week beforehand they'll email a weather forecast and recommend travel gear, say, hiking boots or a swimsuit.) The only thing left to decide is what to read on the plane. packupandgo.com



OFF DUTY

Rock—and Hold the Rye

Six attractively unambitious ways to wile away a day, paired with recipes for cool drinks that won't leave your head spinning

GRANDMA KNEW THAT when the mercury climbs, no activity (and we use the word loosely) relieves like swaying in a rocking chair with your hand cupping a cool ice tea. With contemporary chair designers offering new takes on the classic form, this old-fashioned summer pleasure needn't be fusty, however—neither in terms of the seat nor the restorative, booze-free drink in your paw. Here are six fresh rockers we'd love to laze about in, plus a thirst quencher to match each model's style.

1 Boston Reboot

Made in Vermont, with a sturdy solid-ash frame and hand-turned spindles, this collaboration between O&G Studio and Rejuvenation gives the all-American Boston rocker a sleek, urban edge. \$999, rejuvenation.com

Goes-down-easy drink Try a switchel, the newly popular tonic that Yankee farmers have been drinking for health and hydration since the 1700s. In a glass, muddle 1 slice fresh ginger, 1 tablespoon maple syrup and 1 tablespoon apple cider vinegar. Fill glass with ice, top with seltzer and stir.



2 Simple Pleasure

Safavieh's Vernon Rocking Chair offers stealth luxury, with deep weather-resistant cushions and a generous eucalyptus-wood build, but its silhouette reads clean and contemporary with a pop of citrusy yellow. \$185, safaviehhome.com

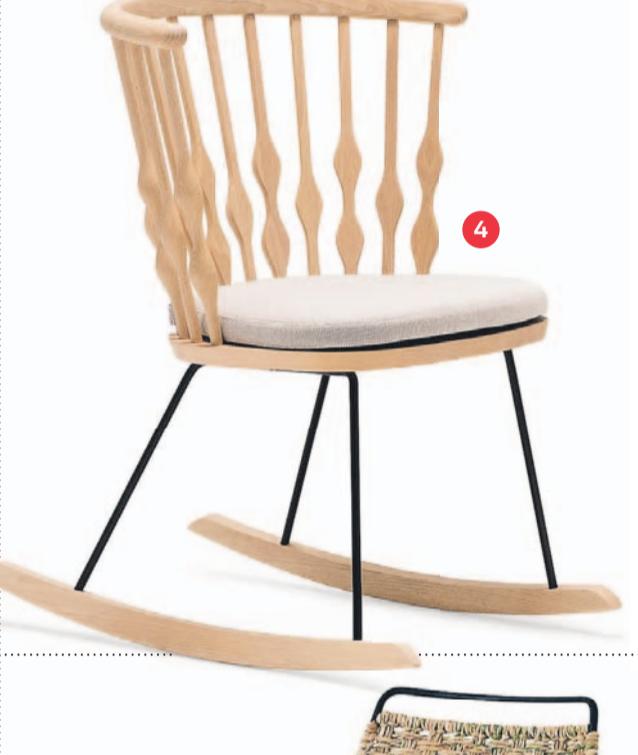
Goes-down-easy drink Fresh herb lemonade imbues a simple, lemony favorite with sophistication. For one pitcher, bring 5 cups water and 3/4 cup honey to a simmer. Stir, remove from heat, add large sprigs of mint and basil. Steep until cool. Stir in 1 cup lemon juice. Serve in ice-filled glasses garnished with more herbs.



3 Latin Twist

This "tropicalized" interpretation of the Windsor chair—a collaboration between Mexican designers Mexa and Spain's Mermelada Estudio—imbues an Anglo design with fresh global energy. 1730 Rocking Chair, from \$284, cushion, \$60, [Moxo Design](http://mexodesign.com), 956-857-3203

Goes-down-easy drink Experiment with a booze-free spin on that British classic (and Spanish obsession)—the gin and tonic. Fill a tall glass with ice, add a few dashes of rosemary bitters and 1 tablespoon of lime juice. Top with tonic water and stir.



4 Modern Mashup

Like a nursery rocker out of "The Jetsons," designer Patricia Urquiola's beech and steel Nub chair combines a Scandi all-natural sensibility with an atomic-age silhouette. From \$1,485, andreeworld.com

Goes-down-easy drink Indulge your midcentury nostalgia with a grown-up riff on that soda-shop stalwart, the cherry lime rickey. Spoon 2 tablespoons maraschino cherry juice (preferably Luxardo) and 1 tablespoon Rose's lime juice into a tall ice-filled glass. Top with lime seltzer, stir and garnish with a maraschino cherry.



5 Chai Chair

Inspired by the caned seats Swiss architect Jean Jeanneret created when invited to plan the Indian city of Chandigarh in the 1950s, the Unam rocker by Sebastian Herkner for Very Wood fuses ambitious design with elements like a webbed leather back and a water-repellent seat. From \$1,725, haute-living.com

Goes-down-easy drink Add subcontinental spice to a frosty favorite by making a masala cola float. Drop a large scoop of vanilla ice cream into a tall glass. Top with 1 teaspoon chaat masala spice blend. Add cola and stir gently.

6 Palmy Perch

A nod to the rustic rockers that populate the sidewalks of Monterrey, Mexico, the Norestense chair—a partnership between designer Christian Vivanco and the collective Los Patrones—pairs traditional handwoven Tule palm with a trim, contemporary metal frame. \$545, theworkshopco-op.com

Goes-down-easy drink Mix up a batch of sweet-tart hibiscus agua fresca (vended on the streets south-of-the-border and showing up at U.S. taqueria bars). Combine 6 cups boiling water, 6 bags hibiscus tea, 1 cinnamon stick and 1 cup sugar. Steep 10 minutes, discard tea bags and chill until cold. Serve in ice-filled glasses garnished with lime. —Sarah Karnasiewicz

Flicker Quicker

Romantic though it might seem, toting an oil lamp on a summer outing—with its stinky fuel, finicky wick and risk of setting your gingham spread aflame—is no picnic. Inspired by the diffuse glow of Japanese rice-paper lanterns, Danish design company MENU worked with Copenhagen's Norm Architects on the Carrie Lamp, lit by LEDs. With a detachable steel handle, opal-glass globe and five-hour, USB-rechargeable batteries, it provides brainless (and dimmable) outdoor ambience at its most modern. Designer Jonas Bjerre-Poulsen invokes the Scandinavian art of coziness that defined his own upbringing. "A big part of hygge is lighting, especially outdoors in the summer, sitting on a blanket on the beach or by a bonfire," he said. "We thought it would fulfill the same need, and be much easier to use, if it was digital." \$150, store.menedesignshop.com —Sarah Storms



Make a Messy Bed

Linen isn't supposed to look fastidiously neat. The fabric evokes the insouciance of a rumpled character from a Graham Greene novel. That imperfection makes these Always Piper linen blankets handy as coverlets in summer, when making a bed with military precision appeals as much as wearing long johns. Maine designer Caitlin Mushial and her team stitch imported European linen into puckered one- or two-layer blankets that look purposefully wrinkled, provide comfort without smothering and ripple like the sea when you toss them on a bed. Double Sided Linen Blanket in Blue (left) and Linen Blanket in Natural, from \$235, kcolette.com —Daisy Prince



Spin for Your Supper

How could a special issue devoted to lassitude not include a Lazy Susan? With a tricked-out version of their solid-ash Memos table, Italian firm Giorgetti elevates the midcentury suburban turntable, which has long delighted children and saved diners the bother of asking for plates beyond their reach. The nearly 6-foot-wide piece, designed by Roberto Lazzeroni, features not only a bronze-colored rotating glass, but a diamond-shaped inset of gold calacatta marble that stabilizes the legs and adds a layer of style. \$20,714, [DDC](http://ddc.com), 212-685-0800, x124

Grow Self-Reliant Edibles

The effort of maintaining even a small garden has been compared with that of husbanding a pet. Slack off on your green-thumb duties, and your plants will shrivel in reproach. Those who want to avoid such horticultural indignity can keep fresh ingredients at arm's length sans effort or guilt with the Smart Garden 3. Choose from 37 varieties of flowering plants, herbs and edibles, like wild strawberry (right), slot the seeded soil capsules, set it and you can (mostly) forget it. A built-in timer ensures the overhead LED lamp—which supplements natural rays—provides 16 hours of light each day. The 40-ounce water reservoir hydrates your greenery, alerting you when it's time to refill (about once a month). \$100, clickandgrow.com —Kelly Michèle Guerotto



OFF DUTY

Let Your Car Do (Most of) the Driving

Your car can't automatically chauffeur you around town...yet. But today's self-driving tech can de-stress your summer ride

BY DAN NEIL

AMERICANS AREN'T lazy behind the wheel. Actually, we're quite industrious. We text, we eat, we read, we yak on the phone and put on makeup, but let's leave me out of it.

That is why autonomy—the emerging science of self-piloting automobiles—will be good for everybody: good for these heedless over-achievers and good for those who might be in their way.

Most experts think we are about five years away from commercially available, fully autonomous automobiles, the sort of transpo-pods in which you could quaff a mojito in the back seat on your way down to Acapulco. And that's just as well, because consumers remain wary of the technology. According to a Deloitte study released in January, three out of four Americans said they did not trust autonomous vehicles. But two out of three said they would be interested if the technology were proven safe.

"To win consumers' trust," wrote Deloitte vice chairman Craig Giffi, "auto makers will need to integrate limited self-driving and advanced-safety features into new product offerings steadily over time..."

That, as of Summer 2017, is where we are, with car makers rolling out a limited palette of driver-support technologies that reduce driver workload to a minimum. And isn't reducing workload what summer is all about?

The leader in driver-assisted loafing is Tesla. The Silicon Valley car maker rocked the world in 2015 when it introduced Autopilot, a suite of functions, including Autosteer, that keep the car in the center of the lane even if the road twists and turns. The Tesla also uses dynamic, all-speed cruise control that can manage stop-and-go traffic, as well as emergency braking, lane-changing and side-collision warning/prevention. Together these features comprise a rudimentary highway auto-piloting function. Tesla still requires drivers to hold on to the



wheel and pay attention. The company has had a couple of cars crash while in Autopilot mode.

Never one to hedge a deadline, Tesla CEO Elon Musk has said his company would have fully autonomous cars on the road by the end of the decade. And here it's good to note how much Tesla's human-factors engineering pioneered other kinds of bum laziness. With the key fob in the pocket of your favorite frayed cargo pants, you merely walk up to your Tesla and the door latch pops up as you reach for it. By the time you sit down, the car is already started; just put your foot on the

brake, select your direction, D or R, and go.

The Tesla experience changed automobiles, particularly the operative definition of "easy." In your typical well-heeled sedan, be it Audi or BMW, Cadillac or Infiniti, the headlights come on automatically and dim so as not to blind an oncoming car. Mercedes uses face-feature algorithms and temperature sensors to detect fatigue. The car will find a hotel for you before you realize you need a good lay down.

Of course, we all know the human burden that is parking. The good news is that most auto makers now

offer parking-assistance systems that will identify available parking places—in the case of Manhattan, they are all in Queens—and then take over like a harbor pilot, gently easing the car into the spot, nose-in, nose-out, parallel or, in the case of Tesla, perpendicular.

Mercedes-Benz is the first major auto maker to hard-wire their cars for vehicle-to-infrastructure (V2X) communications that would enable a real-time, cloud-computed model of city streets and available parking in the area. When you put the two technologies together—autonomous driving and self-parking—the mix-

ture practically explodes with possibilities that could transform civil architecture and city planning.

Imagine automobiles that drop their passengers off at the door of their workplace, the doctor's office, a shopping mall, and then retreat to park themselves, returning when summoned to pick up. Tesla has had summoning for a while, but it was intended for people's driveways. The recent Enhanced Autopilot update will allow the car to negotiate more complex, low-speed environments.

That's right: No more crossing the burning asphalt to get to Nordstrom. Easy.

Launder Languidly

Repeated trips to the dry cleaner are a drag anytime, but especially so when your highest ambition is to lie motionless under a tree. Besides, subjecting a linen dress—which you wore for only a few hours—to an elaborate chemical rigmarole is overkill. To refresh gently worn clothes with only a modicum of effort, try hanging them in the LG Styler (shown closed and open below). Designed to sit in a walk-in closet (no plumbing required), this appliance uses a combination of steam and a touch of heat to eliminate odors and relax subtle wrinkles. A bar for hanging up garments like shirts and dresses will give clothes a gentle shake while the Styler works its magic. A special spot on the door for pants aims to help them maintain their crisp crease. \$1,999, lg.com



Get Walloped by a Lounge Chair



Why wait for a visit to a nail salon or airport terminal to submit to the ministrations of a massage chair? This compact model—handsome enough to grace your living room—does more than jiggle. Using mechanically manipulated balls and rollers embedded in its back, the seat will gamely knead, tap and dig into trigger points along your neck, shoulders and upper and lower back. The footrest flips out to reveal two compartments; slide in your feet and calves, and the contraption will squeeze your lower legs in a wavelike pattern while rollers invigorate the soles of your feet. All you do is sit there and discreetly moan. uDiva Classic Massage Sofa, \$2,499, us.osim.com

Nap Commandingly

Anyone who is serious about napping knows that all white noise is not created equal. At one end of the spectrum is the tiny *shhh* that smartphone white-noise apps emit. At the other end, the rich, soporific *whooooooshhhh* of the Snooz. A whirring fan inside the gizmo produces full-bodied sound as loud as 71 dBA (measured from 2 feet away). Unlike a table fan, the Snooz moves barely any air, so you won't catch a chill while you slumber. It also uses very little electricity (from 1.2 to 5.4 watts, depending on which of the 10 power settings you choose). A companion app lets you control the Snooz from the far side of your king-size bed—but ideally you'll be too drowsy to use it. \$79, getsnooz.com



Surf in the Breeze

So you've settled into your poolside lounger with a fully charged laptop and plans to spend the afternoon perusing Instagram while comparison-shopping for used Karmann Ghias. An admirable goal. But don't underestimate how stressful web surfing can be. To keep your cool when you chance upon a frenemy's irksome humble brag, plug the Arctic Breeze Mobile Mini USB Fan into your laptop's side. It provides a surprisingly forceful breeze, and the gooseneck design lets you aim the airflow where it counts. Don't be intimidated by the whirring blades; the fan comes to a halt with the slightest touch. \$9, arctic.ac



MY SUMMERTIME GUILTY PLEASURE

"For me, it's shutting all the curtains and binge watching true-crime documentaries in the middle of the day. The sun causes aging and cancer. BBQs are filled with fatty foods, and drunk humans are generally awful. Needless to say, I feel very little guilt about my lazy summer choices."

Dave Navarro
Host of Spike's 'Ink Master'

MANSION

What shelter to grow ripe is ours?
What leisure to grow wise?

—Matthew Arnold

HOMES | MARKETS | PEOPLE | UPKEEP | VALUES | NEIGHBORHOODS | REDOS | SALES | FIXTURES | BROKERS

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THE WALL STREET JOURNAL.

Friday - Sunday, June 16 - 18, 2017 | W9



Escape From The Hamptons

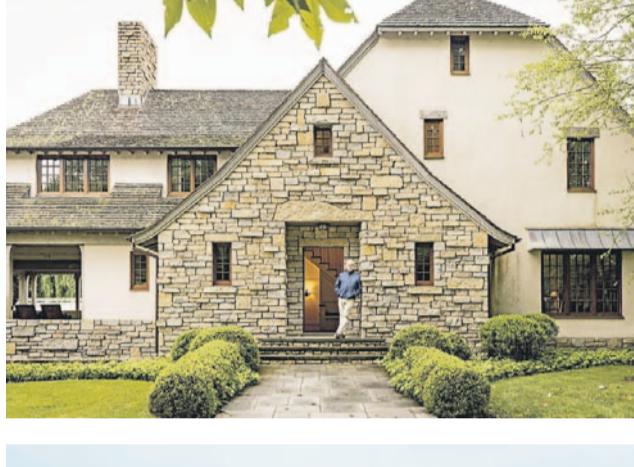
A five-minute ferry ride away, Shelter Island offers scant traffic and gentler prices.

BY AMY GAMERMAN

MANHATTAN INTERIOR DESIGNER Kevin Roberts owns a beach house in the Hamptons with his partner and husband, Timothy Haynes. But when he wants to get away from it all, Mr. Roberts jumps on the ferry for a five-minute ride from the South Fork to Shelter Island, N.Y., where he owns not one, but two antique homes on Gardiners Creek.

"My house in the Hamptons is kept by 20 minions running around," said Mr. Roberts, who often meets clients there. On Shelter Island, he reads, gardens and kayaks between his Dutch gambrel cottage and his 19th century farmhouse, on facing sides of the creek. "I like to mow the lawn myself," he said. "It's so private and old-fashioned, and it feels so authentic in every way."

Please turn to page W10



GET AWAY Shelter Island offers good sailing, top; clockwise from top right: Patrick Parcells is selling this 5,000-square-foot home for \$5.675 million; the pool and greenhouse at Mr. Parcells's property; local shops; Sunset Beach; the dining room of Stephen Harvey and Perry Sayles; the exterior of the home, which they bought for \$765,000 in 2014; they spent another \$410,000 on improvements.

HOUSE CALL | JAMES PATTERSON

ALONG CAME A WRITER

The prolific author grew up along the Hudson River in upstate New York; today he has an ocean view in Palm Beach.

James Patterson, 70, has written more than 150 novels, including "Pottymouth and Stoopid" (*Jimmy*), for middle-schoolers, and "Murder Games" (*Little, Brown*). He spoke with Marc Myers.

When I was 11, I watched my best friend ride his sled down an icy hill and fly into a busy street. His sled

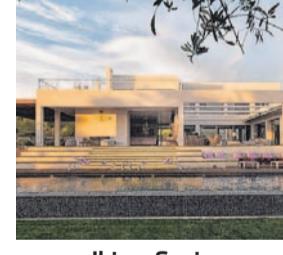
passed under a moving car and shot out the other side safely, but the car's underside sheared his scalp. He needed 100 stitches. That's when I realized life can be taken away in the blink of an eye.

I grew up in Newburgh, N.Y., in the 1950s and early '60s. My grandparents had

Please turn to page W11



HOUSE OF THE DAY
wsj.com/houseoftheday



Ibiza, Spain
A minimalist home on the Spanish island



New York
A Manhattan townhouse for \$10 million



Malibu, Calif.
A modern beach house with a view



OPEN BOOK James Patterson, right, at publisher Hachette Book Group offices in Manhattan. His home in Palm Beach, Fla., above.

FROM LEFT: JESSICA KLEWKICK GLYNN FOR THE WALL STREET JOURNAL; CHRIS SORENSEN FOR THE WALL STREET JOURNAL; TOM GRIMES

DOROTHY HONG FOR THE WALL STREET JOURNAL (7)

IBIZA SOTHEBY'S INTERNATIONAL REALTY

TOM GRIMES

SCOTT EVERTS/SAE PHOTOGRAPHY

MANSION

ESCAPE FROM THE HAMPTONS



Continued from page W9

Shelter Island—an 8,000-acre island wedged between Long Island's North and South Forks that can only be reached by ferry or private plane—draws a moneyed crowd in search of a more laid-back vibe, along with a rich history, good sailing, scant traffic and more attractively priced vacation homes than can be found in the nearby Hamptons.

"Last year, we sold \$60 million in real estate on Shelter Island—that was a banner year," said Penelope Moore, a real-estate agent with Saunders & Associates. "What we are hearing from buyers is that the Hamptons are great, but they are getting too congested—the people that come over here want to be in a quieter place."

Shelter Island, whose core population of about 2,400 burgeons to 10,000 in season, has been a vacation destination since the 1870s, when a group of clergymen created a summer retreat of gingerbread cottages for Methodist camp meetings. A large hotel was built soon after: Sections of the golf course at the private Gardiner's Bay Country Club date to 1896.

Many Shelter Islanders have deep roots there—some can trace their family history on the island back to the Colonial period—and are wary of overdevelopment. Concerned by the prospect of a free-wheeling Airbnb-style tourist culture, the island's town board recently passed a measure to regulate short-term rentals, which prevents property owners from renting out their homes more than once in a two-week period.

"You never want to say no, but we also want Shelter Island to stay quiet," said Craig Wood, Shelter Island town assessor.

The market for vacation homes has tightened, with sales prices that are now surpassing pre-recession levels in some categories. "Under \$1 million, I have very little to show," said Catherine Debackere, an agent with Daniel Gale Sotheby's International Realty. On the high end, she is showing a 5,400-square-foot home priced at \$4.7 million; "If that house were in the Hamptons, it would be \$6 million at least," she said.

"It's not precious, and people sort of want to keep it that way—thank God that ferry keeps people away," said Mr. Roberts, who bought his first home—Creek Cottage, a Dutch gambrel built for the island's first chaplain in the 1730s—for \$1.25 million in 2014, according to public records. The cottage is set within the gates of Sylvester Manor, a 243-acre nonprofit educational farm with a 1737 Georgian manor house that has remained in the same family for 11 generations—and which had long fascinated Mr. Roberts.

Shortly after he bought the cottage, Mr. Roberts learned a picturesque 19th-century yellow farmhouse opposite the creek was for sale. "When it looked like someone was going to buy it and rip it down, I threw all caution to the winds and bought it."

Mr. Roberts paid \$1.6 million last year for the house, called the Homestead, records show. He has stabilized an original circa-1750 portion, put on a wood shake roof, and is in the process of installing a heating and cooling system—part of a continuing restoration. He said the cost far exceeds any reasonable return on his investment. "It has nothing to do with real-estate values—but a love for the island and an interest in preserving

IT TAKES TWO Manhattan interior designer Kevin Roberts, above right, first purchased Creek Cottage, above and top right. Later, he bought a 19th-century farmhouse, below, which faces his cottage across the creek. Mr. Roberts owns a house in the Hamptons but says he uses these two homes to get away from it all.



COME SAIL AWAY The waterfront home of Bill Persky, an Emmy-award winning producer, director and writer, and his wife, Joanna Patton, below. The contours of the couple's main house evoke a billowing sail.



DOROTHY HONG FOR THE WALL STREET JOURNAL (9); MAP BY JASON LEE



two historic properties," said Mr. Roberts, who intends to bequeath both homes to Shelter Island when he dies.

Some rooms are being left in their faded glory—like the dining room with peacock wallpaper dating to 1907 and a centuries-old sideboard, which Mr. Roberts bought from Glorian Dorsey, the 83-year-old matriarch of the family who had owned the house since prerevolutionary times. "That wallpaper was given to Glorian Dorsey's grandmother on her wedding day. It's peeling off and I'll never touch it," said Mr. Roberts.

"I love what he's doing—he's made wonderful changes," said Ms. Dorsey, who has become a close friend, staying in her old pink bedroom on visits from her home in Maryland.

Ms. Dorsey doesn't approve of other changes to the island—notably, Sunset Beach, the celebrity-friendly hotel and restaurant that André Balazs opened in 1997. "Shelter Island was not a fancy place, not until André Balazs ruined it," Ms. Dorsey said. "The secret got out. There are a lot of people with too much money and not enough taste." Mr. Balazs

couldn't be reached for comment.

Bill Persky, an Emmy-award winning producer, director and writer whose credits include "The Dick Van Dyke Show," "That Girl" and "Katherine & Allie," built a waterfront home on West Neck Bay 20 years ago after spotting the site from his boat.

Mr. Persky, 85, and his wife, Joanna Patton, spent close to \$2 million to create their compound: a 2-acre property shaded by Norwegian spruce trees, with a 2,500-square-foot main house whose contours evoke a billowing sail, as well as a guesthouse and a pool.

"It's not like the Hamptons where there are a thousand places to go—there's one coffee shop and you see everybody there," said Mr. Persky, who is more likely to be found at the annual firehouse barbecue than a bash at Sunset Beach. "There's never any traffic—I don't think we have a traffic light." (Shelter Island has no traffic lights. "And in the winter they re-

move some of the 'Stop' signs," Ms. Moore said.)

Stephen Harvey, an Egyptologist, and his partner, Perry Sayles, a designer, bought a 1778 Colonial farmhouse for \$765,000 in 2014 after selling their home in Sagaponack. "It was 'On Goldman Pond,'" said Mr. Harvey, 51, of his former Hamptons neighborhood and its investment-banker denizens.

The couple spent another \$410,000 on improvements. While digging a pool trench, they discovered a trove of artifacts: bits of shell-edged pearlware, a Native American grinding stone, a pitchfork and a broken champagne flute dating from about 1810.

"There's this layering, and the feeling of all these families who have come and gone," Mr. Harvey said.

Other vestiges of Shelter Island's past are disappearing. All but a few of the tiny fisherman's shacks that once dotted Little Ram Island, a narrow peninsula, have been replaced by sprawling multi-

million-dollar homes.

Nor is the island immune to Hamptons-style spats between neighbors. In Dering Harbor—a tiny village with a year-round population of 11, according to a 2016 U.S. Census Bureau estimate—village authorities have taken residents to court for planting hedges without permits.

Patrick Parcells, who is selling his 5,000-square-foot home in Dering Harbor Village for \$5.675 million, ran an unsuccessful 2014 campaign for mayor of Dering Harbor against the incumbent Tim Hogue—currently serving his 13th two-year term. More recently, he has challenged the eligibility of some voters in village elections—notably, out-of-state adult offspring of vacation-home owners.

"I love the village and I'm going to continue to live in it, but the people who run the village have been running it for 30 years," said Mr. Parcells, a 66-year-old retired banker. "The mayor in particular is very litigious."

Mr. Hogue defended his role in hedge-gate. "You need to apply for a permit for a hedge, which is considered a fence," he said.

Mr. Parcells said his six-bedroom house is too big for his family now that his son is in college. The home and its 7.6 acres are part of a 19-acre property that Mr. Parcells purchased for \$2 million in 2001; once an arboretum, it features an allee of weeping beech trees, a 19th-century barn and a restored glass conservatory.

Mr. Parcells, who is reserving 3 acres for a smaller home, said his political opponents are still good neighbors. "We play golf," he said. "We don't agree about everything, but we're able to get along."



Apitchfork and a broken champagne flute dating from about 1810. "There's this layering, and the feeling of all these families who have come and gone," Mr. Harvey said.

Other vestiges of Shelter Island's past are disappearing. All but a few of the tiny fisherman's shacks that once dotted Little Ram Island, a narrow peninsula, have been replaced by sprawling multi-

MANSION

LIVING HISTORY

Gilded Grandeur. Bad Timing.

A London mansion hits the market at nearly \$46 million amid political uncertainty

BY RUTH BLOOMFIELD

WHOEVER GAVE Mansion House its name went straight to the point: This five-story behemoth in London measures 11,075-square-feet and was built to impress, with towering columns and an elaborate classical pediment.

However the name is misleading in one respect. Although the property is 112 years old, it has never actually been a house—until now. After serving as a company headquarters and political command post, it has been converted into a seven-bedroom house, listed for almost \$46 million. The price tag includes all its furniture and fittings, down to the artwork (a bronze nude by Rodin stands in the main living room).

Mansion House's new identity was given to it by London-based luxury developer Saigol DDC. In 2013, when London's prime property market was skyrocketing, it bought the building in Westminster, home of the British government.

The building, designed by architect Horace Field and built in 1905, was originally the London office of the North Eastern Railway Company at a time when the railways were the locomotive of Britain's expanding industrial power.

In 1982, the centrist Social Democratic Party (since renamed the Liberal Democrats) took over the building. The party had been founded the year before and Mansion House—then known simply as 4 Cowley Street—was conveniently close to parliament. The Liberal Democrats remained there until 2011, when the run-down building was listed for \$14 million.

Saigol's renovation concentrated on restoring the property's original features—the dark wood paneling in the main reception rooms and the central staircase. A lavish cupola lights the stairs, a glass dome decorated with gold



leaf and a confection of plaster scrolls and flowers.

With Calacatta Oro marble and parquet flooring, chandeliers hanging and a gray/white/taupe color palette, Mansion House is an exercise in grandeur. In addition to seven bedrooms and seven bathrooms, the house includes a dining room, formal and informal living rooms, a media room, wine room and staff quarters.

Outside is a walled backyard and a roof terrace with views of the Houses of Parliament and the peak of Big Ben. The basement features a pool tiled in gold, green and bronze mosaic tiles, as well as a hot tub and sauna.

When Saigol bought the property, offices across London were being converted into luxury homes to satisfy raging demand from international buyers. But since 2014, a combination of tax increases and the fallout from Brexit has seen prices fall substantially.



The stamp duty bill for anyone who pays \$46 million for a prime residence in the U.K. would be about \$5.4 million. For a second home, that bill would increase to about \$6.8 million.

Mansion House officially went on the market in May but has been offered "off market" since the

start of the year—an arrangement where key clients are invited to see a property in advance of its official launch. Charles Lloyd, a director at Savills and one of Mansion House's two selling agents, said it attracted global interest, but no buyer, and its original asking price of \$54.77 million was



LIVING LARGE Mansion House, top, measures 11,075 square feet and has lavish classical details. The home has seven bedrooms and seven bathrooms, as well as two living rooms, above left, and a chef's kitchen, left. Above, a glass dome decorated with gold leaf and intricate plasterwork.

rapidly adjusted.

Tax and politics aside, Mansion House's location may be a disadvantage. Westminster lacks the boutiques, bars and restaurants of the prime heartland areas. But Alastair Nicholson, a director of Knight Frank and the other selling agent, believes this won't be an obstacle. "It is quiet, but you are close to the River Thames and you can be anywhere in 10 minutes," he said.

And the fact that this month's general election has left the British government in disarray might be a silver lining for Mansion House.

The pound, already weak against the dollar and euro, has tumbled still further, making the giant house a—relative—bargain to overseas buyers.

PATTERSON

Continued from page W9

built a small restaurant and, behind it, a house and two cottages. My family first lived in one of the cottages—two parents and three kids in two small bedrooms.

I loved walking in the woods and making up adventure stories about Indians—no cowboys. We lived there until I was 6. Then we moved into another tiny two-bedroom house—the kind you wouldn't notice driving by.

My father, Charles, had grown up in Newburgh's poorhouse. His mother was a charwoman, and for cleaning bathrooms there, she and my father were given a single room. He was naturally smart and went on to attend Hamilton College on a scholarship.

My father never knew his dad, so he wasn't fully aware of his role as a parent. The guy tended to be emotionally cautious and withholding. The only time I remember him giving me a hug was on his deathbed.

My maternal grandparents assumed a parental role. "You won't play in the NBA," my grandmother told me, "but you can achieve other things you want to do."

My grandfather was similarly encouraging. Before he built his restaurant, he drove a delivery truck. Once a week in the summer, I'd accompany him.

As we drove over Storm King Mountain on our way to West Point, he'd sing in his horrendous voice. He said, "Whatever you do in life, make sure you're singing when you go over the mountain to work in the morning." I still do.

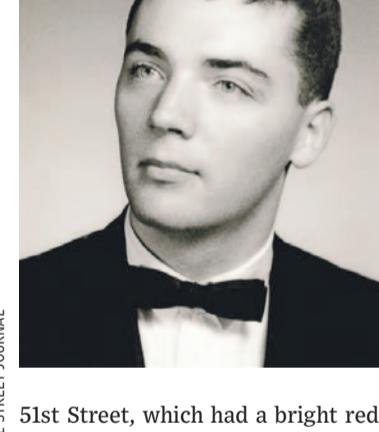
My Newburgh neighborhood was a combination of African-American children, farm kids and the offspring of military families stationed at nearby Stewart Air Force Base. That was a sad thing for me. I lost many close friends when they moved away to other Air Force bases.

When I was 11, my father gave up driving a bread truck to sell insurance. We moved into a two-story house on North Street that



THRILL SEEKER James Patterson, above, in Newburgh, N.Y., in 1953, and in his high-school senior portrait in 1965, right. Below, a 2012 photo of the Palm Beach, Fla., home that Mr. Patterson shares with his wife, Sue.

CLOCKWISE FROM TOP: JAMES PATTERSON (2); JESSICA KLEWICKI GLYNN FOR THE WALL STREET JOURNAL



51st Street, which had a bright red cross outside my window that blinked all night. The wallpaper had little pendants. Someone had drawn an "X" in every one of them. I had to get out of there.

Within a few years, when I was 34, I became the agency's creative director. One of the lines I came up with was "I'm a Toys 'R' Us Kid." Then in 1984, I became CEO of the agency's U.S. operations.

While working there in 1976, I sold my first book, "The Thomas Berryman Number," to Little, Brown. I left Thompson in 1996 to write full time.

The big turning point in my writing career was the Alex Cross character I created for "Along Came a Spider." It convinced Larry Kirshbaum, the head of Time Warner Books, the owner of Little, Brown, to make me a two-book deal. Then I was off to the races.

Today, my wife, Sue, and I live in Palm Beach, Fla. Our house is larger than we need, but we wanted to live on the ocean.

The person we bought it from had started a major renovation of the house but ran out of either patience or money. We told the town that we'd take it over only if they'd let us put in large windows. Most of the other beachfront houses had small traditional windows. Reluctantly, they let us do it.

I'm happiest when I'm in my office writing in longhand and looking up occasionally at the water. Each time I do, the ocean is a different color and texture. It's like owning a great painting that changes shapes and colors all day long.



MANSION

PRIVATE PROPERTIES | CANDACE TAYLOR

AOL's Steve Case Asks \$49.5 Million for Virginia Estate



America Online co-founder Steve Case is selling Merrywood, a childhood home of Jacqueline Kennedy Onassis, for \$49.5 million.

Located in the affluent Washington, D.C., suburb of McLean, Va., the property is the most expensive on the market in the area and would set a record if it sells anywhere near its asking price, according to Mark C. Lowham of TTR Sotheby's International Realty, who has the listing with Juliana E. May of JLL. Mr. Lowham said the property also set a record the last time it sold, which was to Mr. Case in 2005 for \$24.5 million.

On the banks of the Potomac River, the 7-acre estate is about 8 miles from downtown Washington. Its Georgian-style house measures about 23,000 square feet with nine bedrooms. Merrywood was renovated but a number of original details remain, such as elaborate plaster moldings.

The gated estate has rolling lawns and formal gardens, including a series of "garden rooms" for gatherings. The grounds also include a swimming

pool, a tennis court and a pavilion containing an indoor lap pool, kitchen, gym and changing rooms. A carriage house provides parking for four cars, a security office and staff quarters.

Merrywood became the primary home of the young Jacqueline Bouvier in the 1940s, when her mother married the property's owner, Standard Oil heir Hugh D. Auchincloss, according to the book *Jacqueline Bouvier Kennedy Onassis: A Life*.

Mr. Lowham said the Cases are selling because they are empty-nesters and are traveling more. They also plan to spend more time at their farm in Warrenton, and they recently acquired an apartment in Washington, Mr. Lowham said. They also own a winery, Early Mountain Vineyards, in Madison County.

Mr. Case, who resigned his post as chairman of AOL Time Warner in 2003, is currently chief executive of investment firm Revolution. His wife Jean is Chairman of the National Geographic Society. The Cases couldn't be reached for comment.



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\$2,650,000 or \$8,250,000 w/lot kiawahisland.com/real-estate



CRAZY MOUNTAINS, EAST OF BOZEMAN, MONTANA

Alta Vista Ranch- 440 acres A spectacular retreat! Near Big Timber, Montana, National Forest, and Yellowstone River. Nice, secluded house. 3 bedrooms, each with a private bath. 3-car garage. Barn. Springs. Wildlife. Birds. Pristine fields not grazed in 10 years. Qualified for conservation easement and possible tax benefits. Note: This rare property has the privacy, beauty, location and feel of a large trophy ranch – at a fraction of the cost

\$1,175,000 (270 acres & house \$885,000) MileHighMontana.com



ORLANDO, FLORIDA

Twin Lakes is now selling homes from the **\$200s** in the Orlando Area. Here residents will enjoy a magnificent 20,000 sq. ft. clubhouse with amenities that are usually reserved for fine resorts. The outstanding views and location are only surpassed by our cutting edge home styles and luxurious included features that are an upgrade to other builders. Twin Lakes is a 55+ Active Lifestyle Community.

From the \$200s TwinLakesFL.com

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