

# THE WALL STREET JOURNAL.

# WSJ

## THE IMMIGRATION EXPERIMENT

### REVIEW

VOL. CCLXIX NO. 140

\*\*\*\*\*

WEEKEND

★★★★ \$4.00

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SATURDAY/SUNDAY, JUNE 17 - 18, 2017

WSJ.com

## What's News

### World-Wide

A growing number of major insurers are seeking premium increases averaging 20% or more for next year on plans sold under the Affordable Care Act. A1

◆ Trump stepped up criticism of a probe into whether he obstructed justice, targeting the government team looking into his conduct. A4

◆ New financial disclosures show some of Trump's real-estate properties thriving since his election. A4

◆ The president said he is canceling the Obama administration's shift to a more open stance toward Cuba. A4

◆ Anger grew over the London high-rise fire, as questions about the building's material swelled. A6

◆ The Minnesota policeman who fatally shot a black motorist last year was acquitted. A3

◆ U.K. intelligence officials believe a group linked to North Korea perpetrated last month's cyberattack. A7

◆ The Russian military said it might have killed Islamic State's leader, a claim the Pentagon couldn't confirm. A8

◆ Died: Helmut Kohl, 87, chancellor who engineered Germany's reunification. A6

### Business & Finance

◆ Amazon.com said it would buy Whole Foods in a \$13.7 billion deal, instantly transforming the online giant into a major player in bricks-and-mortar retail. A1, B1

◆ The purchase is a direct strike at Wal-Mart, the country's largest grocer. A5

◆ Shares of retailers fell on worries the deal would heighten competition. B10

◆ Apple has poached two top Hollywood TV executives from Sony to spearhead a push into the original-programming business. B1

◆ Friction between the U.S. and Mexico over trade is starting to cut into sales for U.S. farmers and agribusiness. B1

◆ The IOC and McDonald's have agreed to end their long-running partnership before their latest deal expires. B3

◆ GM plans to open a supplier park in Texas, resulting in the relocation of 600 jobs from Mexico to the U.S. B2

◆ EU regulators are set to hit Google with a record fine for manipulating search results to favor its own comparison-shopping service. B4

◆ Japanese car firms say they are prepared to weather a bankruptcy filing by Takata. B3

## Inside NOONAN A13

Rage Is All the Rage, and It's Dangerous

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### NOTABLE ACQUISITIONS

ZAPPOS.COM 2009



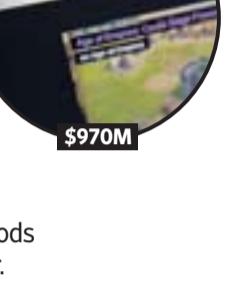
\$930M

KIVA SYSTEMS 2012



\$775M

TWITCH 2014



\$970M

WHOLE FOODS 2017



\$13.7B

### Amazon's World

The online retailer's footprint grows with a Whole Foods acquisition, though the grocery chain is a small player. Other retailers' stocks sank.

April 1999

Alexa Internet and Exchange.com are some of Amazon's earliest deals.

Amazon launched July 1994

1998 2000 '02 '04 '06 '08 '10 '12 '14 '16

2005

Prime membership is launched, offering free two-day shipping for an annual fee of \$79.

2006

Creates subsidiary to sell cloud computing services

Two-day share performance



2005

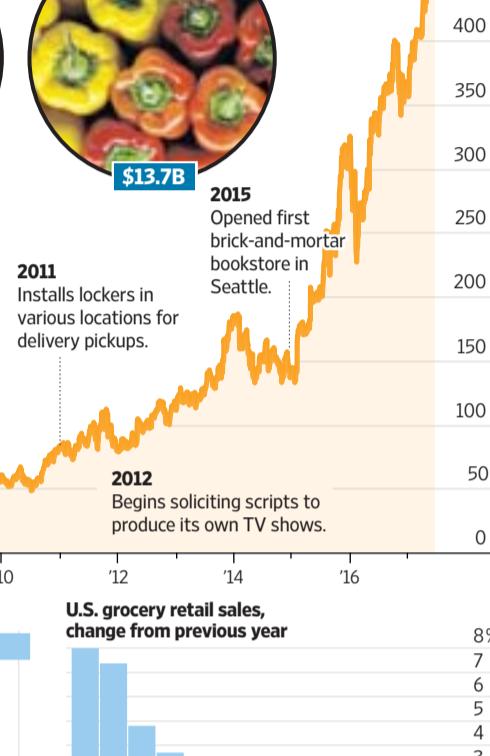
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2006

Creates subsidiary to sell cloud computing services

Sources: WSJ Market Data Group (market cap, share performance); Euromonitor International (market share, retail sales)

Photos: Zuma Press; Bloomberg; Reuters (2)



A \$13.7 billion purchase opens new terrain for retailing's online giant, in the grocery aisles

BY LAURA STEVENS AND ANNIE GASPARRO

Amazon.com Inc. said it would buy Whole Foods Market Inc. in a deal valued at \$13.7 billion, instantly transforming the online giant into a major player in the bricks-and-mortar retail sector it has spent years upending.

The acquisition, Amazon's largest by far, gives it a network of more than 460 stores that could serve as beachheads for in-store pickup and a distribution network. It makes Amazon an overnight heavyweight in the all-important grocery business, a major spending segment where it has been seeking a foothold, because consumers still largely prefer to shop for food in stores.

In its drive to conquer consumer spending, Amazon has ventured far from its roots as an online bookseller. It is developing its own delivery network, and it has become a significant creator of video content and a cloud data-service provider.

Its Whole Foods deal is a blow to other retailers, notably Wal-Mart Stores Inc., which derives more than half its sales from groceries and is struggling to compete online.

Traditional grocers such as Kroger Co. and Albertsons Cos. have been battling volatile food prices, lackluster consumer spending and stiffer competition from deep discounters, online merchants and a plethora of places to

Please see AMAZON page A5

◆ How a grocery pioneer lost its way..... A5

◆ Heard on the Street: Amazon margin squeeze on menu.... B1

## Tech Companies Spread Their Tentacles

By CHRISTOPHER MIMS

Why does a phone maker get into banking transactions?

### ANALYSIS

Why does a social network build a virtual-reality headset? Why does an online retailer buy a grocery chain?

Amazon's bid to acquire Whole Foods is just the most extreme example of a larger,

more consequential phenomenon: America's biggest tech companies are spreading their tentacles, pushing into complementary businesses in a play to sustain growth as they saturate the market for their existing goods. Led by hard-charging executives, these companies are fueled by classic ambition—combined with the almost messianic attitude of Silicon Valley that tech can fix

every industry on Earth.

The impact of all this is

clear: Existing businesses that

can't respond by becoming tech

companies themselves are go-

ing to get bought or bulldozed,

and power and wealth will be

concentrated in the hands of a

few companies in a way not

seen since the Gilded Age. The

rest of us will have to decide

how comfortable we are buying

all our goods and services from

the members of an oligopoly.

Think about it: Apple, a com-

puter company that became a

phone company, is now work-

ing on self-driving cars, TV pro-

gramming and augmented real-

ity, while pushing into

payments territory previously

controlled by banks, moves that

could make it the first trillion-

dollar company in the world.

Facebook, still seen by

Please see TECH page A5

## Health Insurers Seek Big Premium Increases

By ANNA WILDE MATHEWS AND LOUISE RADNOFSKY

A growing number of major insurers are seeking premium increases averaging 20% or more for next year on plans sold under the Affordable Care Act.

But the rate requests by major

insurers show stress on the

marketplaces stretches beyond

those trouble spots.

The biggest ACA-plan insurers in Delaware, Virginia and Maryland are asking for average increases greater than 30% for next year. In Oregon, North Carolina and Maine, the rate proposals from market leaders were around 20% or higher.

The insurers' proposals reflect continuing struggles under the 2010 health law to enroll enough healthy people to offset

Please see HEALTH page A2

◆ Governors criticize GOP bill in letter..... A2

place, or exchange, next year. But the rate requests by major insurers show stress on the marketplaces stretches beyond those trouble spots.

As Republicans try to pass a health-care bill to overhaul the ACA, the attention has focused on insurers' withdrawals that may leave certain areas in at least a few states with no company selling coverage through the online insurance market-

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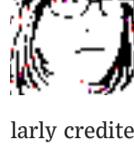
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# U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

## Genius Behind Accounting Rule Wasn't Einstein



Bad news, Einstein fans.

The genius behind the theory of relativity is regularly credited with discovering a clever accounting rule for investments then reeling off a witty quote to go with it.

But Albert Einstein is not the brains behind the Rule of 72, nor did he originate, or perhaps even utter, the quote.

The Rule of 72 is a shortcut to estimate how long it will take an investment to double in value. It's less precise than the logarithmic equation that will produce an exact answer, but it's easier to figure out in your head.

Here's how it works: Divide 72 by an investment's interest rate, without any decimal point. The result is approximately how long it will take the money to double given a compounded, fixed annual rate of return.

"If you take your interest rate, say 8%, and divide it into 72, you get 9," said Murphy Smith, an accounting professor at Texas A&M University in Corpus Christi. "It

lets you know that it will take about 9 years for an investment earning 8% interest to double."

Applying the Rule of 72 can help anyone quickly discern the significance of a rate of growth, whether it has to do with interest or, say, population.

It reveals that the value of an investment earning 6% interest will double in 12 years, but an investment earning 4% will take 18 years to double.

**I**t shows that if Conroe, Texas, the fastest-growing city in the U.S., continues to grow at a rate of 7.8%, its population will double in less than a decade.

"It really is uncanny the way it works," Dr. Smith said.

Finding the precise answer requires a calculation that doesn't come as easily as the Rule of 72. But for those who want to test the logarithmic equation with a calculator or spreadsheet, divide the natural log of 2 by the natural log of 1 plus the rate of return (this time with the decimal point).

Although books by high-school teachers and college

### Formula for Success

A logarithmic equation can determine exactly how long it takes for an investment to double in value, but the much simpler Rule of 72 can be used to make a good estimate.

Interest rate	Years to double the investment		
	Using rule of 72	Using logarithmic formula	Difference
2%	36.00	35.00	1.00
3	24.00	23.45	0.55
4	18.00	17.67	0.33
5	14.40	14.21	0.19
6	12.00	11.90	0.10
10	7.20	7.27	0.07
13	5.54	5.67	0.13
15	4.80	4.96	0.16
20	3.60	3.80	0.20

Source: WSJ calculations based on formulas

professors and articles by bloggers and financial advisers have credited Einstein with discovering the Rule of 72, the calculation has been around for more than 500 years.

The author of the rule is unknown, but it was first published in 1494 by an Italian friar obsessed with math. Luca Pacioli included the rule in his book "Summa de arithmeticā geometriā, proporcionalitā et proportionalitā," a guide to arithmetic, algebra,

pounded interest is more complicated than relativity theory." "The most powerful force in the universe is compound interest." "The most significant invention of the 19th century is compounded interest."

According to the collection, Burton Malkiel, an economist and author of the classic 1973 finance book, "A Random Walk Down Wall Street," is among those who have attributed the thought to Einstein.

So is former Treasury Secretary John W. Snow, who served under President George W. Bush.

Variations in the text of a quote are a red flag regarding its authenticity, according to experts, who say it isn't uncommon for popular quotes to be erroneously attributed.

"Humorous quotes are routinely attributed to Mark Twain that he never said or never would have said," said Fred Shapiro, a lecturer in legal research at Yale and editor of "The Yale Book of Quotations."

"In the political sphere, quotes are attributed to Lincoln that he never said and never would have said," Mr.

Shapiro said. "In another realm is Einstein. Clearly, this is apocryphal."

**E**instein biographer Walter Isaacson agreed.

So, if Einstein didn't say it, then who did?

The website quoteinvestigator.com traced versions of the quote to a 1906 essay by author Jack London, who wrote that compound interest is a "remarkable invention of man," and to a 1916 advertisement for an investment company that said compound interest "is the greatest invention the world has ever produced."

The earliest account the website could find attributing the quote to Einstein was a 1976 letter to the editor that appeared in The Wall Street Journal.

According to Dr. Smith, a Pacioli scholar, the friar's goal was to put everything that was known about math into his book, which he wrote in everyday Italian, rather than Latin, to make it more accessible.

"He wanted to make a big difference," Dr. Smith said.

Too bad Einstein has been getting the credit.

## HEALTH

Continued from Page One

the costs of the sick—but also uncertainty at the federal level about the law's future. Insurers are particularly concerned about the fate of federal government payments that are used to reduce out-of-pocket costs like deductibles for low-income ACA-plan enrollees, which the Trump administration has threatened to halt, and enforcement of the individual mandate meant to prod young, healthy people to buy insurance.

"It's still a very volatile market," said Rick Notter, an executive at Blue Cross Blue Shield of Michigan. "There are so many uncertainties." The market in his state isn't stable, he said, but the problems are being exacerbated by the lack of clarity in Washington. For health-maintenance-organization plans, the insurer seeks a 22.6% increase if the federal cost-sharing payments end, or 13.8% if they don't.

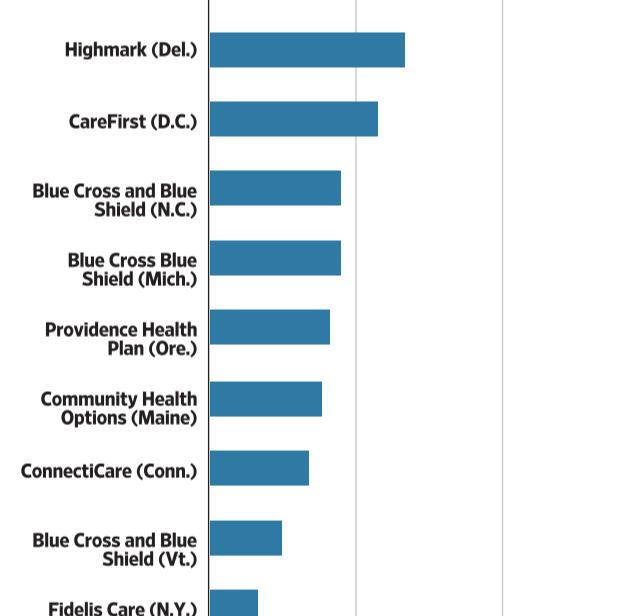
A new survey of health insurers by consulting firm Oliver Wyman, a unit of Marsh & McLennan Cos., found that 43% were planning to propose rate increases greater than 20%, while another 36% were looking at boosts of between 10% and 20%. The average rate increase in the May survey, with responses from 14 insurers, was around 20%. Nearly all of the responses assumed that the cost-sharing payments would continue—if they didn't, insurers said they would either seek further increases or withdraw from the market.

Insurers' rate proposals, which often need to be approved by regulators before going into effect, are likely to give fodder to both Republicans and Democrats in the argument over the ACA.

Republicans, who have passed a health-care bill through the House and are trying to do so in the Senate, have pointed to insurers' struggles as signs of problems with the law. "The laws of economics were in

### Premium Future

The average premium increase request for the major ACA insurer in each state in which rate proposals for 2018 have been made public.



Note: Michigan is for Blue Cross Blue Shield of Michigan HMO plans, if cost-sharing payments cease. With the payments, request is 13.8%.

Sources: State regulators; rate filings; the companies

THE WALL STREET JOURNAL.

place long before today. These companies were losing hundreds of millions of dollars," a White House official said.

Democrats argue that the markets would be poised to stabilize, but Republicans are hurting the marketplaces by threatening the cost-sharing payments and raising questions about enforcement of the ACA's coverage mandate.

"These actions, these statements, these inactions, this uncertainty, has created a huge set of chaos in the individual marketplace leading to instability for insurance carriers, higher premiums, and reduced competition," said Sen. Tim Kaine (D., Va.) on the Senate floor Thursday.

On Friday a bipartisan group of governors sent a letter to the

Senate leadership urging Congress to focus on ways to stabilize the private insurance market.

Some of the biggest rate increases reflect a combination of lingering issues in the market-

*The rate proposals are likely to give fodder to both parties in the debate over the ACA.*

places and federal uncertainty. In Maryland, CareFirst BlueCross BlueShield is proposing a 52% average increase, which it said will need to go even higher if cost-sharing payments aren't

### Governors Criticize GOP Bill in Letter

A bipartisan group of governors, including three Republicans, is criticizing the House GOP health bill's proposed cuts to Medicaid and urging Congress to focus on bipartisan action to stabilize the private insurance market, according to a letter sent Friday to Senate leadership.

Lawmakers should improve the insurance system by controlling costs and stabilizing the market, the governors wrote.

The three Republicans who signed the bill were John Kasich of Ohio, Brian Sandoval of Nevada and Charlie Baker of Massachusetts. It was also signed by four Democrats: Steve Bullock of Montana, John Hickenlooper of Colorado, John Bel Edwards of Louisiana and Tom Wolf of Pennsylvania.

The letter says the House legislation fails to improve coverage for millions of Americans.

"It calls into question coverage for the vulnerable and fails to provide the necessary resources to ensure that no one is left out, while shifting significant costs to the states," according to the letter.

guaranteed. The insurer, which said it has been losing money on the exchanges, said its rates have been falling short of the costs of the relatively unhealthy group of people it enrolled. Also, CareFirst believes even more healthy people will drop out because they don't think they will face penalties for lacking coverage.

"The attempt to get back to basic adequacy, together with a worsening risk pool, together with federal actions that lead to uncertainty, that's what causes it," said Chet Burrell, CareFirst's chief executive.

In Delaware, Highmark Health said about a third of the 33.6% rate increase it seeks is due to projected loss of the cost-sharing payments and concerns about the individual cov-

erage mandate, with the rest tied to the need to catch up to higher-than-expected costs that have been generating losses, among other factors. Highmark, set to be the only remaining exchange insurer in Delaware after Aetna Inc.'s withdrawal, said it is still weighing whether it can even offer marketplace plans in the state. "We have to let the next several months play out," said Alexis Miller, a Highmark senior vice president.

Other insurers said they were seeing signs that markets were steady and rate increases could be limited—if the federal cost-sharing payments were locked in. In New York, nonprofit Fidelis Care seeks an increase of 8.48%. Blue Cross and Blue Shield of Vermont wants 12.7% in that state. And Blue Cross and Blue Shield of North Carolina said its requested 22.9% boost would have been 8.8% if it could rely on the federal funds.

Insurers are also worried that if they put more rate increases into place, it will lead even more healthy people to drop their coverage, pushing rates up further in the future as there are fewer premiums to offset the higher costs of covering sicker policyholders. Many consumers' premiums are largely funded by federal subsidies under the ACA, but some people bear the full brunt of premium rises—and may not stick around as the rates go up.

New-home construction declined for the third straight month in May, signaling a softening in U.S. home building at a time of tight supply.

Housing starts dropped 5.5% in May from the prior month to a seasonally adjusted annual rate of 1.092 million, the Commerce Department said Friday.

The plunge in starts last month was led by continued weakness in multifamily construction, but single-family

starts were lower as well.

A shortage of construction workers and short supply of land in some areas are weighing on the construction industry, said PNC chief economist Gus Faucher in a note. Still, looking past month-to-month fluctuations, starts in the first five months of the year were up 3.2%.

## U.S. WATCH

### ILLINOIS

#### Lawmakers to Tackle The Budget Impasse

Illinois lawmakers will return for a special session next week to address a historic budget impasse, but the two sides still seem far apart.

Republican Gov. Bruce Rauner ordered the special session starting Monday, as the backlog of unpaid bills reaches \$15.1 billion. On July 1, the state will begin a third fiscal year without a budget.

The state Transportation Department has said it would stop roadwork by July 1 without a budget and the lottery said it may be forced to withdraw from some multistate games. State workers have continued to receive pay because of court orders, but school districts, colleges and medical and social service providers are under increasing strain.

Credit-rating firms have cut the state's ratings to near junk

—Joe Barrett

### HOME CONSTRUCTION

#### Despite Tight Supply, Housing Starts Wane

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—Sarah Chaney

### NEW YORK

#### Panel Approves Plan For DNA Searches

A state panel voted to allow New York's DNA database to be searched for family members of suspects, potentially ushering in the first use of the technique in the state.

The policy was approved by the Commission on Forensic Science, which includes medical examiners, district attorneys and others. Regulations implementing the policy are expected to take effect in early fall. Law-enforcement officials say the technique can be a powerful investigative tool. Critics say it will unfairly target the records of poor people of color, who are disproportionately represented in the state's DNA database.

—Corinne Ramey

## CORRECTIONS & AMPLIFICATIONS

leges. Those errors were caused by a WSJ/THE calculation error. The revised rankings are available online at [on.wsj.com/college-rankings-2016](http://on.wsj.com/college-rankings-2016).

**In the June/July WSJ Magazine** article about actor Kyle Chandler, the name of ABC talent scout Mari Lynn Henry was misspelled as Mary Lynn Henry.

**Global alcohol volumes** across all types fell 1.4% in 2016, according to industry tracker IWSR. A Business News article Friday on falling global alcohol volumes incor-

rectly said they fell 1.3%.

**About 80%**

## U.S. NEWS

# Minnesota Officer Acquitted In Fatal Shooting

BY MELISSA KORN  
AND SHIBANI MAHTANI

The Minnesota police officer who shot a black motorist during a traffic stop last year was acquitted Friday of second-degree manslaughter and all other charges, prompting calls for protests.

St. Anthony Police Department Officer Jeronimo Yanez was charged last year with second-degree manslaughter for shooting Philando Castile, a 32-year old supervisor at a school cafeteria, in July.

Officer Yanez pulled Mr. Castile over for a broken taillight in Falcon Heights, a Twin Cities suburb, and fatally shot him when Mr. Castile informed the officer that he was legally permitted to carry a gun.

The incident drew widespread attention because Mr. Castile's girlfriend live-streamed the aftermath of the shooting on Facebook. The video was watched by hundreds of thousands of people.

The city of St. Anthony said Friday afternoon in a statement that "the public will be best served if Officer Yanez is no longer a police officer in our city." The city intends to offer him a voluntary separation agreement.

"The verdict was the correct verdict," said Earl Gray, Officer Yanez's attorney. "In my opinion the case should have never been charged."

Mr. Castile's mother, Valerie Castile, expressed anger at the Minnesota justice system.

"Where in this planet do you tell the truth and you be honest and you still be murdered by the police of Minnesota?" she asked. "The system continues to fail black people and they will continue to fail you all."

St. Paul Mayor Chris Coleman urged calm following the verdict and announced plans for "facilitated community discussions" throughout the weekend.

## Woman Is Found Guilty In Boyfriend's Suicide

BY JACOB GERSHMAN

A Massachusetts judge found a young woman criminally responsible for the suicide of her boyfriend who killed himself after she sent him numerous text messages urging him to take his life.

Michelle Carter, who was convicted Friday of involuntary manslaughter, was miles away from 18-year-old Conrad Roy III when he sat in his truck in a parking lot inhaling carbon monoxide in 2014.

A lawyer for Ms. Carter wasn't immediately available to comment Friday.

The case against her wasn't the first in Massachusetts to wrestle with the culpability of encouraging someone to commit suicide. But this case was unusual in that the criminal conduct wasn't a physical act, like giving someone a gun, but consisted of words alone.

Ms. Carter was 17 when she sent texts to Mr. Roy telling him he should take his life. "If u don't do it now you're never gonna do it," said one text quoted in court papers.

In another exchange, she helped him figure out the method for doing it, a portable generator to pump carbon monoxide into his truck.

Evidence also emerged that she knew he had been treated for mental illness and had previously attempted suicide.

Television images from the courtroom in Taunton, Mass., showed Ms. Carter in tears as Bristol County Juvenile Court Judge Lawrence Moniz read his verdict. She faces up to 20 years behind bars.

Ms. Carter's attorney had argued in the trial that her texts were protected by the First Amendment, and that it was unreasonable to expect her to know that her conduct was prosecutable.

## Girls Put Robots Through Their Paces



FOLLOW THE BLUE ARROWS: From left to right, La'Mya Besant, Ariadne Traylor and Nydia Williams look on as a robot programmed by Gabrielle Kelley and Shelby Lowe navigate an obstacle course during Code Like a Girl, a program that Louisiana Delta Community College funds with a federal grant, in Monroe, La., on Friday.

## State Aims to Shield Immigrants

California Legislature approves measure to curtail spread of detention centers

BY ALEJANDRO LAZO  
AND COVEY E. SON

SAN FRANCISCO—California lawmakers advanced new measures intended to block the growth of immigrant detention facilities in the state and fund \$45 million in new spending over three years that could provide free attorneys for immigrants facing deportation.

The new policies, which passed as part of a package of bills that accompanied the state's \$125 billion budget deal, mark the latest moves by the state to attempt to shield the nation's largest population of illegal immigrants.

Republicans warned the measures could jeopardize safety, and one federal official said immigration agents won't be deterred.

California is home to about 2.6 million of the 10.9 million undocumented immigrants estimated to be living in the U.S., according to the Center for Migration Studies, a nonprofit based in New York.

Late Thursday, both houses

### Dreamers Program, For Now, Continues

WASHINGTON—The Trump administration reaffirmed that it will continue, at least for now, an Obama-era program that allows people brought to the U.S. illegally as children a reprieve from deportation and the chance to work legally.

This policy has been in place since President Donald Trump took office, and it was made official in a February memorandum implementing one of the GOP president's executive orders on immigration.

of the Democratic-controlled state legislature passed a bill that blocks local governments and law enforcement from making new contracts or expanding existing contracts with the federal government to detain undocumented immigrants. The bill also gives new powers to California's attorney general to review conditions at the state's immigrant-detention facilities.

Both houses also voted to modify and expand an existing legal fund administered through the state's Department of Social Services so attorneys could provide deportation defense.

Under President Donald Trump, immigration agents have been successful in increasing the pace of arrests of illegal immigrants.

Through executive orders, the Republican president has also sought to crack down on cities that limit cooperation with federal-immigration enforcement and institute restrictions on U.S. entry for people from six Muslim-majority countries. Federal courts have blocked those efforts.

Homeland Security Secretary John Kelly has repeatedly told Congress and others that the new administration is retaining the so-called Dreamers program. The administration has approved tens of thousands of new applications and renewals.

Mr. Kelly said as much in a memorandum on a related subject issued late Thursday. "The June 15, 2012, memorandum that created the Deferred Action for Childhood Arrivals (DACA) program will remain in effect," he wrote.

Still, administration officials said they could still change their minds. "There has been no final determination made about

the DACA program, which the president has stressed needs to be handled with compassion and with heart," said Jonathan Hoffman, Department of Homeland Security assistant secretary for public affairs, in a statement.

From January to March of this year, the agency granted 17,275 new DACA applications and 107,524 renewals, according to statistics from the U.S. Citizenship and Immigration Services, the agency that administers the program. Since the program began, nearly 800,000 people have been granted the protective status.

—Laura Meckler

opposed the measures.

"America has a long tradition of welcoming law-abiding immigrants," Mr. Morrell said. "However, with the actions being taken by California Democrats to severely limit cooperation between state and local law enforcement and their federal counterparts, the safety of our families and friends is being jeopardized."

Nikki Marquez, an attorney with the Immigrant Legal Resource Center, an immigration advocacy group, said the limitations on detention will make it more expensive and difficult for U.S. Immigration and Customs Enforcement to expand.

An ICE official said the agency uses a variety of facilities throughout the country "to meet the agency's detention needs while achieving the highest possible cost savings for the taxpayer."

"Placing limitations on ICE's detention options here in California won't prevent the agency from detaining immigration violators," the official said.

"It will simply mean ICE will have to transfer individuals encountered in California to detention facilities outside the state, at a greater distance from their family, friends and legal representatives," the official said.

## Race a Factor in Whether Students Return to College

BY MELISSA KORN

College students are staying in school at higher rates than they did a few years ago, but the increases vary widely by students' race or ethnicity, and whether they are enrolled full-time or part-time, according to a new review of school enrollment data.

Overall, 73.4% of students who entered U.S. colleges in fall 2015 came back to school—any school—the following fall, according to an analysis of 3.7 million students by the National Student Clearinghouse Research Center, a higher-education research organization. And 61.1% re-enrolled at the same institution.

Both those numbers have edged up by about 2 percentage points over the past six years.

Asian students are the most likely to return, with more than 84% returning to school last fall, and 72.9% returning to the same school. In comparison, 66.9% of black students returned to any school and 54.5% went back to the same school. White students came back to any school at a rate of 79.2%, and 72.5% of Hispanic students went back to any school for a second fall.

This is the first year that

### Staying in School

Second-year persistence and retention rates for college students are up since 2009, though significant gaps remain among some types of students.

■ Retention rate: Percentage of students returning to their starting school

■ Persistence rate: Percentage of students returning to any school

#### By student type, 2015\*

—I 2009 level

Overall 61.1% 73.4%

Full-time 73.8% 82.8%

Part-time 45.7% 58.6%

#### By racial group, 2015\*

Asian 72.9% 84.2%

Black 54.5% 66.9%

Hispanic 62.0% 72.5%

White 64.4% 79.2%

\*For students who started their first year in fall 2015, and then continued in fall 2016.

Source: National Student Clearinghouse Research Center THE WALL STREET JOURNAL

the clearinghouse broke down the levels, known as persistence and retention, by race or ethnicity.

Low persistence rates, which measure students returning to any school, can be an indication of financial challenges, with students unable to cover costs after the first year. Many schools front-load financial aid, with more generous packages for the first year. Students also opt not to return to the same school—tracked in the retention rate—when they have received poor advice on which

institution to attend or what classes to take, or aren't prepared academically or socially to handle college life.

Wide gaps in school-return rates also exist depending on whether students started going full-time or part-time. Nearly 83% of students who began attending college full-time in fall 2015 enrolled somewhere the following fall. And while the rates for part-time students have been increasing in recent years, they still lag behind full-time students' by more than 24 percentage points.

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## U.S. NEWS

# Trump Sounds Off on Obstruction Probe

BY PETER NICHOLAS

President Donald Trump stepped up his criticism of an investigation into whether he obstructed justice, targeting the leadership of the government team looking into his conduct in the White House.

"I am being investigated for firing the FBI Director by the man who told me to fire the FBI Director! Witch Hunt," Mr. Trump wrote in a tweet Friday.

Mr. Trump didn't identify "the man" referenced in the tweet, but the description most closely aligns with Dep-

uty Attorney General Rod Rosenstein, who was nominated by Mr. Trump.

A White House spokeswoman referred questions to the president's outside counsel, Marc Kasowitz. A spokesman for Mr. Kasowitz didn't respond to a request to comment.

Last month, Mr. Rosenstein appointed former FBI director Robert Mueller III as special counsel to lead a wide-ranging investigation into Russian meddling in the presidential race and possible collusion between Trump campaign aides and Russia.

The Wall Street Journal and

other news outlets reported this week that investigators are looking into whether the president sought to obstruct the investigation, in part by firing FBI Director James Comey on May 9.

The White House initially said Mr. Trump had fired Mr. Comey on the "clear recommendations" of Mr. Rosenstein and Attorney General Jeff Sessions. But the White House later said Mr. Trump had already decided to fire Mr. Comey before he received those recommendations.

Mr. Rosenstein issued a statement Thursday night,

saying people should be wary of reported leaks, and of their source. "Americans should exercise caution before accepting as true any stories attributed to anonymous 'officials,' particularly when they do not identify the country—let alone the branch or agency of government—with which the alleged sources supposedly are affiliated," he said.

Mr. Rosenstein's statement, and its timing, raised questions about what had prompted it. It came hours after the Washington Post, citing anonymous sources, said the special counsel's office was in-

vestigating the business dealings of Mr. Trump's son-in-law and adviser, Jared Kushner.

A Justice Department spokesman, asked if the White House had urged Mr. Rosenstein to issue the statement, said Friday, "It was Rod's statement and Rod's alone."

Mr. Rosenstein's statement prompted criticism from some of his former colleagues. Former Manhattan U.S. Attorney Preet Bharara wrote on Twitter, "where is Rod Rosenstein's overdue statement responding to the President's repeated attacks on his appointment of Robert Mueller?"

Advisers to Mr. Trump have urged him not to tweet about the Russia investigation, cautioning that the notes could provide fodder for Mr. Mueller's investigation.

Sen. Dianne Feinstein (D, Calif.), the top Democrat on the Senate Judiciary Committee, said some of Mr. Trump's statements suggest he may try to fire Messrs. Mueller and Rosenstein. "It's becoming clear to me that the president has embarked on an effort to undermine anyone with the ability to bring any misdeeds to light," she said.

—Aruna Viswanatha contributed to this article.

## Obama Cuba Policy Partly Rolled Back

BY FELICIA SCHWARTZ

President Donald Trump said Friday he is "canceling" the Obama administration's historic shift to a more open stance toward Cuba, taking particular aim at travel and transactions with Cuba's military but leaving many policies in place.

The most tangible change will be an end to a directive that allowed for individuals to plan their own trips to Cuba, a provision that essentially ended a U.S. ban on travel. Left standing are provisions that allow Americans to travel to Cuba in groups and for purposes such as education or professional purposes.

"Our new policy begins with strictly enforcing U.S. law," Mr. Trump said in Miami's Little Havana. The U.S., he added, would "very strongly restrict American dollars" flowing to Cuba's military and enforce a tourism ban.

Mr. Trump castigated the Cuban government for human-rights abuses and said the longstanding U.S. embargo would remain in place until the Cuban government holds free elections, releases political prisoners, legalizes all political parties and takes other steps to open up its society.

However, the U.S. Embassy in Havana will remain open, Mr. Trump said, with the hope that the U.S. and Cuba can come to a better arrangement. He faulted the Obama administration's policy for benefiting the Castro regime.

Mr. Trump's speech drew a quick condemnation from Havana, with Granma, the official newspaper of Cuba's ruling Communist Party, calling it "a return to the rhetoric of the Cold War which seemed to have been overcome."

Scheduled air service between the U.S. and Cuba resumed last summer for the first time in 50 years. Cuba drew a record 4 million foreign arrivals last year, up 13% from 2015, according to the Cuban



President Trump prepared to sign a memorandum on Cuba on Friday in Miami's Little Havana area.

government. Cuban-Americans and other U.S. visitors numbered 614,000, up 34%.

Mr. Trump's move on Friday represented a step to satisfy the demands of Florida political allies with hard-line views on Cuba's human-rights record and to fulfill a campaign vow to reverse Mr. Obama's legacy.

But Mr. Trump's initiative also took into account pressure from business groups and others to avoid completely undoing the opening to Cuba and to refrain from interfering with deals already under way.

"It has been a measured response, in the right terms," said Pepe Hernández, presi-

dent of the Cuban American National Foundation.

Sen. Ben Cardin (D, Md.), slammed the move, calling it "far from credible" that it was motivated by human-rights concerns and saying it could hurt the Cubans Mr. Trump says he wants to support.

Republican lawmakers who favored former President Barack Obama's normalization push also criticized Mr. Trump's speech on Friday.

"By returning to the failed policy of the past 55 years, the administration moves no closer to helping improve the human-rights situation in Cuba," said Rep. Tom Emmer (R, Minn.).

Some leading business groups also took issue with Mr. Trump's directive.

"Unfortunately, today's moves actually limit the possibility for positive change on the island and risk ceding growth opportunities to other countries that, frankly, may not share America's interest in a free and democratic Cuba that respects human rights," said Myron Brilliant, executive vice president and head of international affairs at the U.S. Chamber of Commerce.

—Arian Campo-Flores, Dudley Althaus, Susan Carey and José de Córdoba contributed to this article.

## Trump Revenue From Mar-a-Lago Surges

BY REBECCA BALLHAUS AND RICHARD RUBIN

The Office of Government Ethics on Friday released President Donald Trump's latest financial-disclosure form, showing some of his real-estate properties thriving since his election as well as fresh sources of income from overseas.

In the 16-month period ending April 15, Mr. Trump reported \$37.2 million in revenue from Mar-a-Lago, the luxury Palm Beach, Fla., resort he dubbed the "Winter White House"—\$7.5 million more than he reported earning from the resort in his previous financial disclosure, in May 2016. The time periods covered by the reports include some overlapping months.

Mr. Trump in the first months of his presidency spent several weekends at the resort, which earlier this year doubled its initiation fees to \$200,000.

The new filings also indicate the extent to which, although Mr. Trump has said he wouldn't initiate new foreign projects, he has continued to reap benefits from overseas development projects initiated before the election.

Among those are a new India project in Kolkata that brought in revenue of between \$100,001 and \$1 million. The filings also disclosed substantial revenue from projects in Mumbai and Gurgaon in India.

The disclosures report income and assets in ranges, and the income numbers are revenue, not profits.

The 98-page document provides a glimpse into the president's vast holdings—despite the sell-off of some properties and all of his individual stocks, and Mr. Trump's outstanding debts.

The Trump National Golf Club in Bedminster, N.J., was shown to have provided nearly \$20 million, while the Trump

golf course in Sterling, Va., brought \$17 million. Those amounts were roughly consistent with what the properties brought in revenue on the 2016 report.

The president also reported nearly \$20 million in revenue from the Trump International Hotel in Washington, just blocks from the White House. Major donors and foreign business partners flocked to the hotel during the inauguration and since then, and Mr. Trump has frequently dined at the hotel with his family members.

The largest source of Mr. Trump's income was the flagship Trump National Doral Golf Club in Miami, which provided more than \$115 million

\$37.2

The amount, in millions, that the Florida resort brought in

in revenue, though that was down from the previous year.

Total revenue for the 15 golf courses operated by the Trump Organization in the U.S. and overseas that report income in the filing was down 5%, to \$300 million.

Profits from Mr. Trump's business flow into a trust that the president owns. He can draw money from that trust as its trustees—his adult son and a company lawyer—see fit without disclosing it publicly. Ethics experts have criticized the arrangement, arguing that the president hasn't taken adequate steps to distance himself from his company.

Unlike recent presidents, Mr. Trump hasn't released his tax returns, which would have more detailed information.

—Erica Orden and Alexandra Berzon contributed to this article.

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## AMAZON'S WHOLE FOODS TAKEOVER

# Battle of Behemoths Turns Up a Notch

BY SARAH NASSAUER  
AND IMANI MOISE

**Amazon.com** Inc.'s purchase of Whole Foods Market Inc. isn't just a \$13.7 billion bet that many shoppers still want to buy groceries at physical stores. It is a direct strike at the world's biggest retailer: **Wal-Mart Stores** Inc.

Wal-Mart generates more than half of its \$486 billion in annual revenue from groceries and is the country's largest grocer. Shoppers' penchant for picking their own produce and the unprofitable nature of delivering fresh food to homes has given Wal-Mart a rare edge over Amazon and breathing room while building its digital business.

"I feel great about how we are positioned with 4,700 stores," Wal-Mart's U.S. e-commerce chief, Marc Lore, said Friday in an interview. "It's fun playing offense and I like the fact that we aren't chasing."

That edge may narrow for Wal-Mart and other retailers who have relied on a grocery advantage. In the wake of Amazon's grocery bet, Wal-Mart shares fell 4.7%, **Costco Wholesale Corp.** dropped 7.2% and **Kroger Co.** slid 9.2%

"This deal just accelerates where we thought the world was going with Wal-Mart and Amazon fighting over price, assortment, and convenience as titans for the next decade," said Brandon Fletcher, retail

analyst at Bernstein in a research note.

Wal-Mart said Friday it acquired another small e-commerce firm, paying \$310 million for menswear retailer Bonobos, the latest counter to Amazon. The rivalry heated up last fall as Wal-Mart bought Mr. Lore's startup Jet.com for \$3.3 billion and put him in charge of U.S. e-commerce at the retailer. Mr. Lore, who had sold a previous startup to Amazon, vowed to use his new perch to take on Amazon.

Mr. Lore has since engineered a series of small acquisitions of niche online chains—such as Moosejaw and ModCloth—that appeal to wealthier or more fashion-forward shoppers than Wal-Mart's core customer. Wal-Mart has pushed to use its stores to ship online orders and expanded its online grocery pickup service.

Earlier this month Amazon took direct aim at Wal-Mart by discounting its Prime membership program for shoppers on government assistance.

Wal-Mart executives have touted their U.S. store base as an advantage over Amazon. "Will it be easier for an e-commerce company to build out a massive store network and create a customer service culture at scale? Or are we better able to add digital and supply chain capabilities and leverage our existing stores?" Chief Executive Doug McMillon told investors in 2015.



As mainstream grocers began stocking more natural and organic food at cheaper prices, Whole Foods began to lose its advantage.

## How a Pioneer Lost Its Way

Whole Foods set the pace with healthier fare, but its prices and rivals caught up with it

BY ANNIE GASPARRO  
AND HEATHER HADDON

**Whole Foods Market** Inc. lost its edge, and now it is losing its independence.

With a sale to **Amazon.com** Inc. announced Friday, Whole Foods is entering a new frontier, joining the mass retailers from which it has long striven to differentiate itself.

For decades, the natural and organic food retailer grew faster than the rest of the grocery industry by tapping into an emerging population of affluent urbanites interested in a new way of eating and grocery shopping. It had a certain cachet, with a distinct offering of foods and specially trained salespeople promoting an experience for which customers were willing to pay more.

But in recent years, as mainstream grocers from Kroger Co. to Wal-Mart Stores Inc. began stocking more natural and organic food at cheaper prices, Whole Foods began to lose its advantage.

"They didn't do enough to continue to command the higher prices," said Gaurav Gupta, a corporate-strategy consultant at Kotter International. "Their competitive advantage has eroded slowly over the last five years."

For nearly two years, Whole Foods, which has about 460 stores, has endured its longest stretch of quarterly same-store sales declines since it began trading on the stock market in 2010, and Facebook only went public in 2012.

Two things become apparent from this timeline: First, it's flabbergasting how quickly both the revenue and the ambitions of these companies have grown. Second—and this should really give us pause—they are just getting started.

A key reason these companies are behaving differently than their peers is that the fundamental technologies of the microchip, the internet, wireless connectivity, just-in-time manufacturing, robotics, big data, etc., have made it possible. Those with expertise in these areas can create businesses that solve existing problems in entirely new ways, or at least more efficiently and profitably. It also doesn't hurt when investors believe this to be true—Amazon enjoyed a soaring stock valuation for more than a decade without reporting much in the way of profits.

While we might like how these companies deliver services, goods and innovation in new and exciting ways, eventually we're going to have to ask ourselves, as a country and as a civilization, just how much power we're comfortable having consolidated in the hands of so few businesses.

Imagine a future in which Amazon, which already employs north of 340,000 people worldwide, is America's biggest employer. Imagine we're all spending money at what's essentially the company store, and when we get home we're streaming Amazon's media. The latest update from the Amazon News Network features Jeff Bezos, president of the newly formed North American Union. I'm joking, of course—but only a little.

One way he does this is by moving not just laterally—from books to consumer packaged goods—but vertically, through the supply chains that create and deliver goods. Thus, Amazon used its experience running its own websites to create Amazon Web Services, a \$14 billion-a-year business. And it's working on its own network of trucks and planes to disrupt UPS. Physical retail—still nearly 90% of

1992. Its share price had been cut in half leading up to Friday's announcement.

Pressure on Whole Foods and its co-founder and chief executive, John Mackey, mounted this year, when activist investor Jana Partners, with several allies, unveiled a stake in Whole Foods and publicly pushed the company to explore a sale. The new dynamic added to shareholder tension that had been more quietly bubbling.

Since it opened its first store in 1980, Whole Foods has prided itself on its independence. Mr. Mackey, a strict vegan, aimed to bring healthier food to the world. During the 1990s and 2000s, Whole Foods expanded rapidly, buying 11 regional health-food chains and opening more stores. As recently as last year, he spoke of expanding the chain to 1,200 stores in the U.S.

Whole Foods' problem with its prices worsened in the summer of 2015 when the New York Department of Consumer Affairs accused it of over-

charging customers in nine stores by putting incorrect weights on some items.

"That was when these other competitors were really starting to ramp up, so that was when they needed to reverse that perception, not reinforce the negative perception," said Sonia Lapinsky, managing director in the retail practice at AlixPartners. Whole Foods' sales and stock never came back from that, she said.

Whole Foods put its efforts toward lowering its prices compared with rivals like Kroger. It expanded its private-label brand, called 365, to more foods and opened a new line of smaller stores called 365 by Whole Foods.

But it was too little too late, Wall Street analysts say.

"Retail is a really easy game when you're growing," said Paul Beswick, a partner and global head of Oliver Wyman's digital practice. "Whole Foods reached the point where there wasn't a lot of easy growth left." It was forced to improve its operations to compete with

mainstream rivals, and that wasn't its expertise, he said.

Despite its efforts, Whole Foods' prices are still 20% to 30% higher than mainstream grocers', according to consulting firm OC&C Strategy Group. Earlier this year, Whole Foods said it was no longer aiming for 1,200 locations in the U.S.

In November, Whole Foods said its longtime co-chief Walter Robb would step down, leaving Mr. Mackey to make swifter decisions. Last year, Whole Foods' profit declined by more than 5% and its comparable-store sales fell 2.5%.

Mark Bittman, the cookbook author who joined Jana's activism campaign as a consultant, said that Whole Foods diverted from its original mission to improve the quality of food people eat. "Without the mission, what is it? A fancy supermarket," said Mr. Bittman, who spoke on behalf of himself and not Jana.

Whole Foods and Jana declined to comment on Friday.

—David Benoit contributed to this article.



Wal-Mart, the country's largest grocer, is pushing its online service.

## TECH

Continued from Page One  
some as a baby-pictures-and-birthday-reminders company, is creating drones, virtual-reality hardware, original TV shows, even telepathic brain-computer interfaces.

Google parent **Alphabet** Inc. built Android, which now runs more personal computing devices than any other software on Earth. It ate the maps industry; it's working on internet-beaming balloons, energy-harvesting kites, and ways to extend the human lifespan. It's also arguably the leader in self-driving tech.

Meanwhile, serial disrupter Elon Musk brings his tech notions to any market he pleases—finance, autos, energy, aerospace. He's delivering satellites to orbit and wants to put colonists on Mars, a backup in case his other planet-saving efforts fail. Those include electric self-driving cars, home energy storage, traffic-easing tunnels and cyborg implants.

What distinguishes Amazon is that it's the company most willing to work on everyday

consumer purchases as of 2016, not including car and gasoline sales—is just the latest frontier.

This trajectory wasn't obvious 15 years ago. You couldn't guess that a handful of companies would leverage their expertise, talent pools and capital to eat industries outside their own.

The iPhone, Apple's cash machine, is only 10 years old. Mr. Musk's SpaceX was founded in 2002 and Tesla in 2003. Amazon started Web Services in 2002 and made its first big acquisition (Zappos) in 2009. Google founded its X incubator for far-out ideas in 2010, and Facebook only went public in 2012.

Two things become apparent from this timeline: First, it's flabbergasting how quickly both the revenue and the ambitions of these companies have grown. Second—and this should really give us pause—they are just getting started.

A key reason these companies are behaving differently than their peers is that the fundamental technologies of the microchip, the internet, wireless connectivity, just-in-time manufacturing, robotics, big data, etc., have made it possible. Those with expertise in these areas can create businesses that solve existing problems in entirely new ways, or at least more efficiently and profitably. It also doesn't hurt when investors believe this to be true—Amazon enjoyed a soaring stock valuation for more than a decade without reporting much in the way of profits.

While we might like how these companies deliver services, goods and innovation in new and exciting ways, eventually we're going to have to ask ourselves, as a country and as a civilization, just how much power we're comfortable having consolidated in the hands of so few businesses.

Imagine a future in which Amazon, which already employs north of 340,000 people worldwide, is America's biggest employer.

problems. In the long run, this might be the smarter move. While Google and Facebook have yet to drive significant revenue outside their core businesses, and Apple is only just beginning to, Amazon Chief Executive Jeff Bezos has managed to create business after business that is profitable, or at least not a drag on the bottom line.

One way he does this is by moving not just laterally—from books to consumer packaged goods—but vertically, through the supply chains that create and deliver goods. Thus, Amazon used its experience running its own websites to create Amazon Web Services, a \$14 billion-a-year business. And it's working on its own network of trucks and planes to disrupt UPS. Physical retail—still nearly 90% of

## AMAZON

Continued from Page One  
purchase food.

Retail stocks including Wal-Mart, Target Corp. and Costco Wholesale Corp. sank. Amazon shares were up more than 2% to \$987.71 at the close.

"Amazon views grocery as one of the most important long-term drivers of growth in its retail segment," Colin Sebastian, a Robert W. Baird analyst, wrote. The acquisition gives Amazon a scale and density "that otherwise would have taken years to build out."

The deal came together in the past month or so, just after Whole Foods announced an overhaul of its board of directors, according to people familiar with the deal. The process was influenced by Amazon's own plans to build a network that would have competed against Whole Foods, the people added.

Amazon agreed to pay \$42 a share for Whole Foods, valuing it at a 27% premium to its closing price Thursday, or \$13.7 billion including debt. It expects the deal to close in the second half of this year.

Mutual-fund giant Neuberger Berman, which owns some 2.7% of Whole Foods, and activist hedge fund Jana Partners LLC, with roughly 8.2%, had been pressuring the retailer to add directors experienced in retail operations, technology, finance and real estate, and to consider a sale.

Neuberger portfolio manager Charles Kantor said Amazon's bid could be topped by grocery companies worried about new competition. "It's not a big check," he said in an interview. "I would be very surprised if this is the final chapter of Whole Foods."

Buying Whole Foods is strategic for Amazon, a way for it to quickly grab a bigger portion of the estimated \$674 billion U.S. market for edible groceries, according to consulting firm Kantar Retail. Until now, Amazon's grocery efforts have largely focused on its Amazon Fresh subscription service, which promises quick delivery of online food orders.

Analysts said they expect Amazon eventually to use the

stores to promote private-label products, integrate and grow its artificial-intelligence-powered Echo speakers, boost Prime membership and entice more customers into the fold.

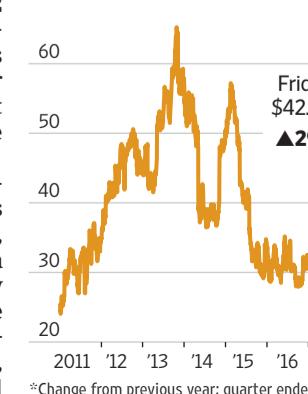
Online grocery selling is logistically complex, often requiring fast delivery of cold items as part of large orders on routes where stops are spread far apart. And many consumers still prefer to touch, smell and pick out fresh items like fruits and vegetables.

Online shopping accounted for 2% of grocery sales last year, according to Kantar. Before Amazon's announcement, that share was projected to grow to 3% by 2021. Amazon's food-and-beverage grocery market share was estimated at 1.1% last year,

## Bottom Shelf

Whole Foods' shares lost much of their value as comparable store sales declined.

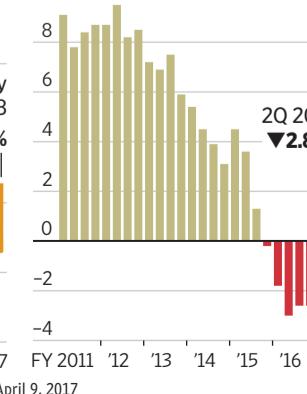
### Share price



\*Change from previous year; quarter ended April 9, 2017

Sources: FactSet; the company

### Comparable store sales



THE WALL STREET JOURNAL.

compared with 1.7% for Whole Foods, according to Cowen.

Now Amazon has to combine two distinct corporate cultures and leverage its full-scale entry into bricks-and-mortar retailing. Largely a hands-off manager of smaller acquisitions like Zappos.com, Amazon is likely to take a more active role in Whole Foods, Macquarie analyst Ben Schachter said.

Whole Foods has come under fire as traditional grocers offer more natural and organic items, which are Whole Foods' mainstay. Its shares had lost nearly half their value since a 2013 peak, and sales at stores open at least a year had slumped.

At first, the two retailers don't seem like an immediate match. Amazon is a low-price leader, while Whole Foods is a premium offering. Whole Foods' operating margins, at 5.5%, are higher than those of Amazon's North American retail business at 3%, Citi analysts note. The combined companies would be the fifth-largest U.S. grocery retailer by market share, according to an analysis by Cowen, behind Wal-Mart, Kroger, Costco and Albertsons/Safeway.

John Mackey will remain chief executive of Whole Foods; stores will operate under that name and maintain their suppliers, Amazon said. Amazon Chief Executive Jeff Bezos said the company is "doing an amazing job and we want that to continue."

—David Benoit and Austen Hufford contributed to this article

## WORLD NEWS

# Fire Aftermath Draws Protests, Questions

Residents, neighbors vent outrage as police say the death toll has climbed to 30

By WIKTOR SZARY  
AND JENNY GROSS

LONDON—Anger grew Friday over the huge fire that ripped through a low-income London high-rise, as questions about the building's material swelled and residents and neighbors vented their outrage as they desperately sought news on the missing.

Protesters briefly pushed into the town hall of the local council responsible for Grenfell Tower, chanting "We want justice!" A scuffle broke out outside but appeared to be quickly subdued. Hundreds marched through the upscale Kensington area to the hulking shell of Grenfell Tower, where they held a moment of silence.

As the death toll from Wednesday's fire rose to 30 and appeared certain to increase, attention turned to the aluminum cladding on the building's recently refurbished exterior. Questions focused on whether the material contributed to the fire's quick spread, as the government came under pressure to clarify its policies on building materials and fire-safety regulation.

Robert Pontin, a spokesman for Harley Facades Ltd., said the company installed cladding made from aluminum composite as part of its refurbishment work. Harley Facades purchased the cladding, called Reynobond PE, from Omnis Exteriors, and the company said it was unaware of a link between the fire and the exterior cladding to the tower. Omnis didn't respond to requests to comment.



Demonstrators on Friday vented anger over a fire early Wednesday that destroyed Grenfell Tower, in west London. The death toll from the blaze is expected to rise.

Exterior cladding on the 24-story Grenfell Tower that caught fire in London Wednesday wouldn't have met widely adopted U.S. standards, building groups said, though the material has been used in a number of high-rise buildings around the world.

Residents, who had complained for years that the building wasn't fire-safe, questioned how a disaster of such severity could happen in a country as wealthy as the U.K. and said the government and local officials hadn't done enough to help them in its aftermath.

The fire left many people without homes, and grasping for information about their loved ones. Prime Minister Theresa May, facing fresh criticism, promised to rehouse residents within three weeks.

Grenfell Tower sits on a large council estate in north Kensington near Notting Hill, an island of government-subsidized housing in a neighborhood that has rapidly transformed into one of London's trendiest and priciest addresses. Neighbors said the block was home to a diverse group of people, including

some who had fled warzones in the Middle East and Africa.

Bob Felix, who lived near the building, said residents' warnings about a lack of emergency exits and insufficient fire alarms were ignored. "Some of them were poor people, disabled people, elderly. They had no voice," said Mr. Felix, 60 years old.

Some directed their ire at Mrs. May, who stopped to see injured people in the hospital on Friday after not meeting with residents during a private visit to the scene the previous day over security concerns.

Pressure has continued to mount on the British leader, who was dealt a major setback in elections last week after struggling to connect with voters and amid anger at years of austerity measures under her Conservative Party.

"I understand she is the prime minister, and there are a lot of nutters out there. But she should've met with some of the people, residents, families," said Koni Vitalis, 58.

Queen Elizabeth II and Prince William met with victims, community members and emergency services officials on

Friday, a day after Jeremy Corbyn, head of the opposition Labour Party, visited residents.

Mrs. May on Friday said she had established a £5 million (\$6.4 million) fund to pay for emergency supplies, food, clothes and other costs, such as for funerals, and promised a government review of fire-safety at all high-rise public-housing buildings.

"Everyone affected by this tragedy needs reassurance that the government is there for them at this terrible time—and that is what I am determined to provide," Mrs. May said.



Authorities Friday with the remains of a victim at Grenfell Tower.

## Hope Fades on Third Day of Searches

By WIKTOR SZARY

With fires in the 24-story Grenfell Tower finally dimmed, anger and desperation gripped residents and neighbors searching for friends and family still missing after Wednesday morning's deadly blaze.

People appealed to social media and took to the streets, posting fliers near the tower in north Kensington.

Manfred Ruiz, a former resident of the neighborhood,

said he came from Gloucestershire in southwestern England to support his sister in the search for her 12-year-old daughter, Jessica Urbano, who lived on the 20th floor.

Around 1:30 a.m. Wednesday, Jessica made two calls from a stranger's phone to her mother, who was outside the building, to tell her she was making her way down the stairwell with some neighbors.

"She said 'Mummy, can you please come get me,' but they'd already stopped letting

people in a couple of minutes earlier," Mr. Ruiz said.

Mr. Ruiz said he and his family are regularly checking all hospitals that are treating the injured. "We're not giving up hope."

Mo Khalil said his uncle, Hesham Rahman, 57, lived on the top floor and made a phone call to his family around 3:15 a.m., telling them he couldn't come down because the smoke was too thick.

"We're getting phone calls from the police, asking us

what could help identify him, what sort of jewelry he was wearing," Mr. Khalil said.

Piers Thompson, a 57-year-old local resident, compared the disaster to Hurricane Katrina in the U.S., when officials were widely criticized for their response.

"It's because people in power have paid no heed to little people for too long, chipping away at public provisions. We've obviously got to the point where the rope has worn too thin," he said.

## Kohl Grasped Chance to Unify Germany, Europe

Helmut Kohl, who as German chancellor engineered the unification of West and East Germany and was a principal architect of the European

By David Crossland,  
Harriet Torry  
and Anton Troianovski

Union, has died at age 87, his party, the Christian Democratic Union, said Friday.

Mr. Kohl was chancellor from 1982 to 1998, making him the longest serving leader of post-World War II Germany. He presided over Germany's reunification in 1990 and was one of the main drivers of Europe's monetary union. He helped elevate German Chancellor Angela Merkel to the national stage but fell out with her years later.

After the Berlin Wall collapsed in 1989, Mr. Kohl was instrumental in persuading allies of the Federal Republic, including British Prime Minister Margaret Thatcher and French President François Mitterrand, that a reunited Germany would remain a pillar of the Western alliance.

Mr. Kohl's health had been deteriorating over the past years, and he spent several months in a hospital recently following surgery on his hip and intestine. Mr. Kohl died at 9:15 on Friday morning in his house in Ludwigshafen, said Kai Diekmann, the former editor of the *Bild* tabloid and a close friend of the Kohl family.

"We can all be thankful for that which Helmut Kohl did in



Chancellor Helmut Kohl campaigning in East Germany in September 1990, a month before unification.

his many years of service for us Germans and our country," Ms. Merkel said. "He will live on in our recollection as a great European and as the chancellor of unity. I bow down before his memory."

Former U.S. President Bill Clinton said Mr. Kohl "was called upon to answer some of the most monumental questions of his time, and in answering them correctly he made possible the reunification of a strong, prosperous Germany and the creation of the European Union...History continues to prove that he deserved."

A towering figure at 6 feet 4 inches tall, with a massive

frame, Mr. Kohl was often dismissed by opponents as an intellectual lightweight. But he showed shrewd instinct and leadership by stepping into a dangerous power vacuum in the months of uncertainty after the Berlin Wall was opened on Nov. 9, 1989.

Grasping the opportunity, Mr. Kohl swiftly charted a course to German unity, secured the Soviet Union's acquiescence through checkbook diplomacy, and swept aside domestic doubts and practical hurdles.

He overcame the misgivings of neighbors worried about a stronger Germany by pledging to integrate the country more

closely into what was then called the European Community and even surrender the mighty Deutsche mark. That helped convince them that a unified Germany would remain a reliable member of Western alliances such as the North Atlantic Treaty Organization.

Former Soviet leader Mikhail Gorbachev later described him as "the right man in the right place at the historically right moment."

Avuncular, jovial, Catholic, staunchly conservative and fond of stuffed pig's stomach or *Saumagen*, a delicacy of his home region of Rhineland Palatinate, Mr. Kohl won the trust of his counterparts not

least because he embodied reassuringly West German traits—a yearning for comfort and security and a deep loyalty to the U.S.

Mr. Kohl was born April 3, 1930, in the southwestern city of Ludwigshafen, the youngest of three children. His father was a midranking civil servant in the local tax office. At age 12, he was drafted into a unit to remove rubble following Allied bombing raids.

After the war, Mr. Kohl studied history and political science in Frankfurt and Heidelberg. A strong interest in current affairs, combined with irrepressible ambition, led him into politics. He rose rapidly through the ranks of the conservative CDU.

Mr. Kohl's small-town unpretentiousness struck a chord with middle-class Germans, and his conservatives emerged as the largest party in a 1976 election, failing to form a government only because the small, business-friendly Free Democrats remained loyal to the center-left Social Democrats.

In October 1982, Social Democratic Chancellor Helmut Schmidt's coalition collapsed. The Free Democrats switched their support to the Christian Democrats and parliament elected Mr. Kohl as chancellor. He led his party to a general-election win in March 1983.

Mr. Kohl easily won re-election in 1987, helped by a buoyant economy. With his focus on continuity, his legacy wasn't shaping up to much until 1989, when he seized the opportunity that history offered his country.

—Andrea Thomas contributed to this article.

## Softer Brexit May Still Be Option

BY VALENTINA POP

BRUSSELS—European Union officials will start Brexit negotiations Monday based on the assumption that the U.K. still wants to leave the bloc completely as outlined by Prime Minister Theresa May before her election setback.

But softer Brexit options have been worked out and are ready to be negotiated if London changes its mind later this year, according to a senior EU official.

Mrs. May's loss of a parliamentary majority has raised questions about whether she will be able to push through the tough Brexit stance laid out before the election.

Many politicians fear that a complete departure from the EU's single market—the bloc's zone of common product and services regulation—will create significant disruption for the British economy.

According to the EU official, several alternatives to the radical departure from the single market have been worked out and are ready to be negotiated, but first the U.K. government should clarify what it wants. "We are prepared for everything. We have all scenarios ready," the official said.

The expectation in Brussels is that it will take at least until September at the Conservative Party's conference to iron out what the U.K.'s end goal is.

## WORLD NEWS

# Britain Blames Pyongyang For Hack

By STU WOO

LONDON—British intelligence officials believe that a group linked to North Korea perpetrated last month's massive cyberattack, which crippled computer networks at British hospitals and other organizations around the world, a person familiar with the investigation said Friday.

South Korea and some major cybersecurity firms have previously concluded the attack was perpetrated by the North Korean hacking group, dubbed "Lazarus," which had previously been implicated in the 2014 hacking of Sony Entertainment. Most other governments, including British officials, haven't publicly commented on any conclusions about who they believe was responsible for the attack.

South Korean officials believe the Lazarus group is part of North Korea's cyberattacking operation. North Korea has denied involvement in the Sony hacking and last month's attack.

May's cyberattack used a worm called WannaCry, which locked hundreds of thousands of computers around the world and demanded payment to unlock them. The attack hit dozens of Britain's National Health Service organizations, including hospitals.

British officials conducted similar detective work as cybersecurity firms to determine who was responsible for the attack. That involved examining WannaCry's code for similarities to worms used in previous attacks. They also used tools unavailable to private researchers, the person familiar with the investigation said.

Still, government officials and private researchers say it is possible the attacker planted false flags to deceive detectives about the culprit's identity.

# Ex-CIA Agent Tied to Balkan Plot

U.S. congressional investigators want to know what an ex-CIA operative was doing in Montenegro last fall at the time of an alleged Russian-backed coup plot against NATO's newest member.

By Julian E. Barnes  
in Brussels and Drew Hinshaw in Podgorica, Montenegro

Former Central Intelligence Agency officer Joseph Assad is celebrated in Washington for helping extract dozens of Iraqi Christians from Islamic State territory in 2015. Last October, days before a hotly contested national election in Montenegro, Mr. Assad flew to the tiny Balkan country that has been the subject of tensions between the U.S. and Russia.

Why Mr. Assad went is a focus of a spy trial in Montenegro—and now a congressional inquiry in Washington.

The imbroglio is a sign that old East-versus-West spy games are alive again in Europe. Current and former U.S. and Russian officials acknowledge that their operatives are at work in the Balkans and in Montenegro in particular.

Montenegro's most recent troubles began when the North Atlantic Treaty Organization said it would admit the country, a setback in Moscow's efforts to block further expansion of the military alliance. Russia immediately declared its opposition, and Western officials say it began a campaign to derail the country's entry.

U.S. and Montenegrin officials say the campaign culminated in a Russian-backed plot that was thwarted at the last moment. The government's opponents say the events amounted to a fake coup intended to rally the people to the ruling party's side.

Congressional officials said they want to learn if Mr. Assad, intentionally or unwittingly, was dragged into the alleged Russian plot. Russia denies backing any coup attempt.



A Montenegrin honor guard inspects NATO and Montenegrin flags before a June 7 ceremony to mark Montenegro's accession to NATO. Below, ex-CIA operative Joseph Assad with his wife in 2016.

STEVO VASILEVIC/REUTERS



LADY HEREFORD/PALM BEACH ATLANTIC UNIVERSITY (BELOW)

## Agent Joined CIA Along With Wife

Joseph Assad is an Egyptian Christian raised in Lebanon and Egypt and a naturalized U.S. citizen, according to a story about him and his wife on the website of his college alma mater and a 2016 profile in a Florida newspaper. He attended Palm Beach Atlantic University and graduated in 1994. In 1999, Mr. Assad and his wife both joined the CIA.

Montenegrin officials said they are investigating whether Mr. Assad was hired to help the alleged perpetrators. Prosecutors have charged 14 people in the alleged plot, including what the indictment describes as a group of Serb nationalists, several of whom called themselves The Wolves. The indictment, recently upheld by Montenegrin courts, says the men planned to overthrow Montenegro's government, possibly kill its prime

minister and install a pro-Russian regime. It doesn't charge Mr. Assad, but names him as a potential contractor hired to help lead a subsequent escape from the country.

Montenegrin and U.S. officials said it is possible Russian operatives wanted to associate a former CIA officer unwittingly with the plot so as to obscure Moscow's responsibility.

Prosecutors allege that Mr. Assad approached a Florida security firm, Patriot Defense

Group, looking for someone to help with "counter surveillance and evacuation" for the opposition party.

Brian Scott, a former CIA official and chief executive of Patriot Defense Group, said a staff member spoke with Mr. Assad about general security work in Montenegro for a company affiliated with Patriot. Mr. Scott said his company quickly turned down the job because it wasn't aligned with his firm's mission to assist U.S.

companies overseas.

Mr. Assad, who hasn't been indicted, declined to speak to The Wall Street Journal. His lawyer, Vincent Citro, said Mr. Assad had been in Montenegro to assist a friend and colleague who was managing the opposition's campaign. Mr. Citro says Mr. Assad had nothing to do with any plot and denies Mr. Assad was working as a spy for Russia or anyone else.

Mr. Citro confirmed there was a call between Mr. Assad and Patriot Defense Group. He said Mr. Assad has cooperated with the U.S. government "to clarify misinformation coming from Montenegro" but said he was told his client isn't under investigation.

Last year, Montenegro's Democratic Party of Socialists, which has pushed for NATO membership, faced a challenge from the Democratic Front, a coalition of opposition groups that called for a referendum on NATO.

The opposition hired Aron Shaviv, a British-Israeli campaign manager. With Mr. Shaviv's ads poking fun at the government, Mr. Shaviv said, he was followed by Montenegrin police and security.

Mr. Shaviv said he called Mr. Assad, with whom he had worked previously, to come to Montenegro to conduct a security assessment. Mr. Assad's lawyer says his client provided the assessments for Mr. Shaviv, then left on the day of the election.

Montenegrin officials say they have no indication Mr. Shaviv, who hasn't been accused in the plot, was followed by the military or security agencies.

Montenegrin and U.S. congressional investigators have questioned the timing of Mr. Assad's exit. In conversations with the Journal, they asked why a security adviser would leave his client on the day of the election.

The ruling party won the election, and on June 5, the country formally joined NATO, becoming its 29th member.



North Korea agents abducted Megumi Yokota, 13, on her way home from school in Japan in 1977.

# Doubts on Warmbier Case Echo Japan Abductees' Story

By ALASTAIR GALE

A major question hangs over the case of Otto Warmbier, the U.S. student who suffered a serious brain injury while imprisoned in North Korea: Did North Korea cause the coma?

As doctors and relatives in the U.S. seek an answer, the experience of family members of Japanese citizens held captive in North Korea shows how difficult it can be to obtain reliable explanations from Pyongyang.

Mr. Warmbier's father said in a Thursday news conference that he doesn't believe North Korea's explanation that his son slipped into a coma after contracting botulism and taking a sleeping pill.

Doctors in the U.S. who examined the 22-year-old also said there was no evidence of botulism.

The relatives of Japanese abductees by North Korea—and Japanese government officials—similarly dispute Pyongyang's accounts of their fates.

In the 1970s and '80s North Korea abducted more than a dozen Japanese, many snatched from coastal areas by secret agents and whisked away by ship.

Among them was 13-year-old Megumi Yokota, taken on

her way home from school in northern Japan in late 1977.

In 2004, North Korea told Japanese officials Ms. Yokota had committed suicide in 1994 and handed over what it said were her remains.

DNA testing showed the remains belonged to other people.

North Korea said seven other abductees had also died, including two from traffic accidents in a country with few

## Japanese families dispute North Korea's accounts of treatment.

cars and two from heart attacks while in their 20s.

The regime said the remains of six had been washed away by rain.

"North Korea is a country that can't be trusted in the slightest," Sakie Yokota, the mother of Megumi Yokota, said in an interview.

"We're glad he [Mr. Warmbier] was able to come home so soon when in our case so much time has passed," she said.

It is unclear whether Mr.

Warmbier will ever be able to explain what caused his injuries. Doctors say he suffered extensive loss of brain tissue and is in a state of "unresponsive wakefulness."

His severe state is puzzling in part because few Westerners detained in North Korea in recent years have reported physical abuse.

While detainees are typically made to perform manual labor, only U.S. missionary Robert Park, imprisoned by North Korea in 2009, publicly reported being tortured.

U.S. officials may press North Korea for a new explanation of Mr. Warmbier's condition, as well as why he was held for more than a year while in a coma.

History shows North Korea would likely seek political and economic benefits in exchange.

Japan has held several rounds of talks with North Korea since 2002 to seek a full account of what happened to the abductees.

In October 2002, five kidnapping victims returned to Japan following a deal in which Tokyo provided Pyongyang with billions of dollars in aid, ostensibly to atone for its decadeslong occupation of North Korea, which ended in 1945.

—River Davis  
contributed to this article.



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## WORLD NEWS

# Gulf Allies Draw U.S. Into Mideast Rift

Cutoff of Qatar seen as part of efforts by Saudis and U.A.E. to reshape power in region

America's closest Gulf allies have entangled the Trump administration in a longstanding rift in the Middle East as a group of Saudi-led nations pursues a realignment that risks further destabilizing the region and complicating the fight against Islamic State.

By Maria Abi Habib in Beirut and Margherita Stancati in Doha, Qatar

The United Arab Emirates and Saudi Arabia are moving to reshape the region's power dynamics, Arab and American officials say, at a time when the new U.S. administration has yet to vocalize a Mideast policy or fill key positions in the departments of State and Defense.

That offers Gulf allies a chance to try to influence U.S. policy in hopes of settling decades-old scores with Iran and with the tiny emirate of Qatar, with which several Saudi-led Arab states cut ties on June 5.

The split between Saudi-led nations and Qatar is, at its core, about espousing two different visions of the Middle East.

The tensions deepened during the Arab Spring uprisings that began in late 2010. Saudi Arabia and the U.A.E. defended the political status quo for the most part. Gas-rich Qatar took a different approach, emerging as an unlikely patron of change.

"There is a conflict between



The Qatari and American navies took part in a joint military exercise on Friday in Doha.

forces sparring for change and others trying to maintain the old system, the status quo," said Salah Edin Elzein of the Doha-based Al Jazeera Center for Studies in Qatar, a think tank linked to the media outlet.

This is about Qatar's independent stand."

Previous U.S. administrations sought to keep peace between Gulf allies to maintain American interests in the region, notably military bases including the headquarters of Central Command, or Centcom, in Qatar.

President Donald Trump supported the Saudi-led cutoff of Qatar while top officials at the State and Defense departments argued against it, U.S. of-

ficials said.

The rift in the Gulf could compromise the U.S.-led fight against Islamic State in Iraq and Syria, American and European officials said. The fight is run out of Qatar and involves an international coalition that includes Emirati and Saudi forces.

"The logic has been: You can't piss off the Qatars because you can't close down Doha and Centcom," said a U.S. diplomat in the region, referring to the Central Command base.

Underscoring America's ambivalent position on the Gulf rift, on Wednesday the U.S. and Qatar signed a preliminary \$12 billion deal for the sale to Doha of Boeing F-15 jet fighters.

Qatar and its Arab rivals have embarked on a lobbying war in Washington, with Doha seeking help from the U.S. to resolve the dispute, while Abu Dhabi and Riyadh want the U.S. to back their efforts to isolate their neighbor.

Qatar's foreign minister, Sheikh Mohammed Al-Thani, said Doha is willing to debunk accusations that it supports extremism, but that it won't bow to pressure to change its domestic or foreign policies.

Saudi Arabia and its regional allies have long complained about Qatar's maverick foreign policy, including its decision to host members of Islamist groups such as Egypt's Muslim



Source: Institute for the Study of War

**Embedded**  
The U.S. runs its military campaign against Islamic State out of a base in Qatar. Key U.S. military assets in the Persian Gulf region:



been too accommodating to the demands of terror groups.

The U.A.E., Saudi Arabia and their allies say they want to see a change of policy in Qatar, not a change of leadership.

Reem al-Hashimi, the U.A.E.'s minister for international cooperation, said Saudi Arabia and its allies decided at a recent summit to try to end what they deem to be Qatar's disruptive behavior.

Mr. Trump, who also attended the meeting in the Saudi capital, Riyadh, assured the Saudi side the U.S. would support efforts to fight terrorism in the region. Mr. Trump also tried to rally leaders to push back against the influence of Iran.

After Mr. Trump returned to the U.S., he publicly sided with Saudi Arabia and its Arab allies—and suggested he was behind the diplomatic spat, saying it resulted from his pledge to fight extremism during the trip.

—Asa Fitch in Dubai contributed to this article.

## WORLD WATCH

### CHINA

#### Bomber Said to Have Nerve Disorder

Chinese authorities said a deadly blast at a kindergarten in eastern China was the work of a 22-year-old suicide bomber, who had scrawled words like "death" and "extermination" on the walls of his apartment.

Authorities in Jiangsu province said Friday that the bomber, who was identified with the help of DNA, had a nerve disorder. There was no mention of political, religious or personal grievances that could have prompted the attack, which left eight dead and 65 injured.

China's minister of public security ordered a full investigation, according to state-run Xinhua News Agency. Authorities said the cause was a homemade bomb.

—Eva Dou

### EUROZONE

#### Wage Growth Slows In Sign of Weakness

Eurozone wages increased at a slower pace in the first three months of this year, despite a pickup in economic growth that has seen unemployment rates fall to eight-year lows.

That slowdown in pay growth will likely reinforce the European Central Bank's caution in the face of calls from Germany to remove its stimulus measures, since policy makers see a pickup in pay as essential to meeting their inflation target.

The European Union's statistics agency said wages in the first quarter of 2017 were 1.4% higher than a year earlier, a smaller increase than the 1.6% recorded in the final three months of last year.

—Paul Hannon

### JAPAN

#### Seven Crew Members Missing After Collision

Seven U.S. sailors were missing off the coast of Japan early Saturday after a U.S. Navy destroyer collided with a Philippines merchant vessel, according to a U.S. defense official.

The USS Fitzgerald, a 500-foot-long destroyer, began taking on water as the Japanese Coast Guard and other U.S. ships headed to its aid. The Fitzgerald's commanding officer was injured and taken by helicopter from the destroyer as the search continued for the others missing after the collision, the official said.

The Fitzgerald was operating under its own power, but the Navy said its propulsion was limited.

—Gordon Lubold

and Costas Paris

# Civilian Casualties Rise Amid Fight for Raqqa

By RAJA ABDURAHIM  
AND NOUR ALAKRAA

Syrian civilians face rising peril and increasing casualties as the U.S.-led coalition ramps up its campaign to capture the Islamic State stronghold of Raqqa and militants try to hold on to their dwindling territory, according to the United Nations and groups that monitor the conflict.

An estimated 200,000 people are trapped in Raqqa and at risk from airstrikes by the coalition. Those who want to try to escape the city must choose between crossing the Euphrates River, a frequent target of coalition airstrikes, or traversing minefields patrolled by Islamic State militants who have banned people from leaving, residents said.

"ISIS didn't give us the freedom to leave the city," said an activist in Raqqa who works with an anti-Islamic State group, Raqqa24. "People are mostly afraid of the airstrikes now and then secondly of ISIS."

An airstrike in Raqqa last week hit an internet cafe, killing at least 15 civilians, monitoring groups said. The civilians were trying to contact family outside the city or to get advice on how to flee Raqqa, according to activists and a relative of one of those killed.

The coalition said it was investigating reports of civilian casualties in the strike. The coalition said it "routinely conducts strikes on internet cafes used to spread ISIS propaganda and recruit foreign terrorists," adding, "based on intelligence and surveillance, these strikes are conducted at a time when civilians are not assessed to be using the facilities."



Syrians who fled the countryside surrounding the Islamic State stronghold of Raqqa arriving at a camp in the village of Ain Issa in May.

Civilians are also at risk southeast of Raqqa, including in Deir Ezzor province, where the coalition is bombing Islamic State and where the Syrian regime and its ally, Russia, are pursuing their own campaign against the militants.

The regime and Russia have been responsible for the bulk of casualties in the six-year conflict, in which they are also fighting rebels opposed to the government of Syrian President Bashar al-Assad, according to most human-rights groups.

Groups that monitor the conflict say that airstrikes by the U.S.-led coalition have killed hundreds of civilians in each of the past three months.

The groups include Airwars, a U.K.-based nonprofit; the Syrian Network for Human Rights, which backs the opposition to the Syrian regime; and the Syrian Observatory for Human Rights, another opposition monitoring group, also based in the U.K.

The U.S. military has dismissed many reports of civilian casualties as not credible and released much lower casualty figures. It has said the monitoring groups don't have access to the same information as the coalition, including airstrike logs and surveillance video.

Coalition airstrikes have killed at least 300 civilians in Raqqa province since March,

and are forcing people from their homes as the U.S.-backed Syrian Democratic Forces push deeper into Raqqa, the last major city Islamic State fully controls, U.N. investigators said Wednesday.

"The intensification of airstrikes, which have paved the ground for an SDF advance in Raqqa, has resulted not only in staggering loss of civilian life but has also led to 160,000 civilians fleeing their homes," said Paulo Sérgio Pinheiro, head of a U.N. commission on the Syria conflict.

The U.N. warned last month that scant attention was being paid to the predicament of Syrian civilians trapped in Islamic State-controlled areas.

Defense Secretary Jim Mattis has said the U.S. tries to limit harm to civilians. "Civilian casualties are a fact of life in this sort of situation," he said in an interview with CBS. "We do everything humanly possible consistent with military necessity."

Residents of Raqqa said escaping has become treacherous since the start of the battle to oust Islamic State. There are no humanitarian corridors, and both bridges spanning the Euphrates were severely damaged in earlier coalition bombings, residents said. Islamic State militants have publicly executed smugglers.

# Russia Says It May Have Killed Islamic State Leader

The Russian military said Friday that it might have killed Islamic State leader Abu Bakr al-Baghdadi in an airstrike in Syria in late May, a claim that the Pentagon couldn't confirm and Russia's foreign minister quickly played down.

By Nathan Hodge in Moscow and Julian E. Barnes in Brussels

Russia's Defense Ministry said warplanes struck a meeting of high-ranking Islamic State commanders near Raqqa, the group's de facto Syrian capital, on May 28.

"According to the information that is now being checked through various channels, Islamic State leader Ibrahim

Abu Bakr al-Baghdadi was present at the meeting, and was destroyed as a result of the strike," it said.

After the military's announcement, the foreign minister, Sergei Lavrov, said he didn't have "100% confirmation" that Mr. Baghdadi had been killed, Russian news agencies reported.

A Pentagon spokesman said the U.S. military had "no information to corroborate those reports" of Mr. Baghdadi's death.

A senior U.S. official said Russia has reasons to play up their Syria strikes and make sweeping claims of success, even if evidence of that success isn't clear.

The official couldn't con-

firm whether the airstrike in May hit Mr. Baghdadi, who has been reported killed several times before.

The U.S. and Russia are backing opposing sides in the Syrian conflict, with Moscow

supporting the government of Syrian President Bashar al-Assad and the U.S. backing antigovernment rebels. But both Moscow and Washington target Islamic State.

Mr. Baghdadi has generally

remained in hiding. In November 2016, he delivered a rare audio recording, after a nearly yearlong silence, in which he called on his followers to defend Islamic State strongholds.

Russia has stepped up its attacks against Islamic State in Syria, although they don't account for the majority of Russian strikes, which target antigovernment rebels, according to U.S. officials.

The strategy is designed, the U.S. official said, to gain diplomatic leverage internationally and bolster Moscow's case that it is doing more than just propping up Mr. Assad.

The Russian military's claim it had killed Mr. Baghdadi might also be intended for a domestic audience.

ALEXEI DRUZHININ/ASSOCIATED PRESS

Russian President Vladimir Putin meets with security officials.

#### Seven Crew Members Missing After Collision

Seven U.S. sailors were missing off the coast of Japan early Saturday after a U.S. Navy destroyer collided with a Philippines merchant vessel, according to a U.S. defense official.

The USS Fitzgerald, a 500-foot-long destroyer, began taking on water as the Japanese Coast Guard and other U.S. ships headed to its aid. The Fitzgerald's commanding officer was injured and taken by helicopter from the destroyer as the search continued for the others missing after the collision, the official said.

—Gordon Lubold and Costas Paris

# OBITUARIES

ANGELA HARTLEY BRODIE  
1934–2017

## Scientist Paved Way for a Breast-Cancer Treatment

BY PETER LOFTUS

**W**hen Angela Hartley Brodie first came up with a new way to treat breast cancer in the 1970s, there was little interest from the pharmaceutical sector.

But her persistence over the years laid the groundwork for a big advance: the use of a class of drugs known as aromatase inhibitors that block estrogen—a key hormone for the female reproductive system—and subsequently, shrink breast tumors or prevent a recurrence. The drugs are now standard treatment for breast cancer in postmenopausal women.

They work by blocking aromatase, an enzyme key to the production of estrogen. Studies have shown that it can reduce the risk of recurrence of breast cancer after surgery, compared with an older drug, tamoxifen, and versions of the treatment have been marketed by some of the biggest drug companies, including AstraZeneca PLC and Pfizer Inc.

Dr. Brodie, a biologist, worked as a laboratory research assistant at a U.K. cancer hospital earlier in her career and knew that estrogen could fuel the growth of certain breast tumors. Her idea: test whether an experimental estrogen-blocking drug could cut off that fuel line.

"Her great insight was to block the synthesis of the estrogen altogether," said Margaret M. McCarthy, chairwoman of the department of pharmacology at University of Maryland School of Medicine, where Dr. Brodie spent most of her career.

Dr. Brodie died June 7 at her home in Fulton, Md., from pancreatic cancer and complications of Parkinson's disease, her husband, Dr. Harry Brodie, said. She was 82 years old. Her husband said Dr. Brodie was persistent in her re-



search despite lack of encouragement from drug companies. "She was very tenacious," he said. "She was a hard worker."

Born Angela Mary Hartley on Sept. 28, 1934, in Oldham, England, Dr. Brodie's father was an industrial chemist and her mother a homemaker. She attended a Quaker school before getting her undergraduate degree at the University of Sheffield and a Ph.D. from the University of Manchester.

**D**r. Brodie came to the U.S. in the early 1960s on a fellowship from the National Institutes of Health that included research at the Worcester Foundation for Experimental Biology in Massachusetts. There she met her husband, a chemist. They married in 1964.

Though not a practicing Quaker, Dr. Brodie subscribed to the faith's pacifism, her husband said, and they participated in protests against the Vietnam War.

In the Worcester lab, her husband began to synthesize aromatase inhibitors. "His idea was that they might be useful as con-

traceptives," she said in 2010 at the Breast Cancer Research Foundation's annual symposium and awards ceremony. "But with my background in breast cancer, I really thought they had the potential to become a useful treatment for breast cancer."

She conducted animal studies to test her hypothesis. In 1979, Dr. Brodie moved to Maryland and joined the faculty at the University of Maryland. She continued her research, but had a tough time persuading drug companies to test the drugs in humans.

A presentation she made at a scientific conference in Rome helped break the logjam. A British oncologist, Charles Coombes, attended it and asked to collaborate with her. Dr. Brodie and her staff made a batch of an aromatase inhibitor and sent it to Dr. Coombes to conduct a small clinical trial of breast-cancer patients in London.

The drug was effective, and drugmaker Ciba-Geigy, which later became Novartis AG, agreed to sponsor larger studies and market the drug. The company paid her a consulting fee for several years, her husband said. The treatment, an injected drug called formestane, was approved for sale in Europe in the 1990s but not in the U.S. The industry developed other aromatase inhibitors in the form of pills that were considered more convenient for patients, such as AstraZeneca's Arimidex and Pfizer's Aromasin.

Dr. Brodie liked to climb mountains and ride horses, her husband said. In addition to her husband, she is survived by a son, Mark Brodie, a drama teacher, and two grandchildren. Another son, John Hartley Brodie, a theoretical physicist, died in 2006.

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

ARNOLD GOLDMAN  
1943–2017

## Pioneer in Solar Energy And Word-Processing

**A**rnold Goldman helped create one of the first word-processing machines, then moved on to build some of the world's largest solar-energy plants.

In 1969, the electrical engineer co-founded a Los Angeles company that became Lexitron Corp. It built what looked like a cross between an electric typewriter and a TV set, allowing people to manipulate texts on a screen before printing them out. Lexitron's Videotype machines sold for around \$20,000.

After Lexitron was sold to Raytheon Co. for about \$15 million in the late 1970s, Mr. Goldman moved to Israel. At the time, oil prices were soaring amid worries that the world would soon run out

of crude. He founded a company called Luz International, which developed nine solar plants in the Mojave Desert near Barstow, Calif., in the 1980s. At one point, Luz accounted for an estimated 90% of the world's solar-power output.

Luz sank into bankruptcy in 1991 as tax breaks expired and worries about oil shortages faded. Mr. Goldman made a solar comeback in 2006 by founding BrightSource Energy Inc. BrightSource provided the technology for the Ivanpah solar plant in the Mojave Desert, about 50 miles southwest of Las Vegas.

Mr. Goldman died May 29 in Tel Aviv, where he was undergoing cancer treatment. He was 74.

—James R. Hagerty

HOWARD MARGULEAS  
1934–2017

## Farmer Brought Exotic Fruits to Produce Aisles

**T**he Dead Sea mango groves that Howard Marguleas saw on a visit to Israel in the early 1980s reminded him of the arid landscape near his home in California's Coachella Valley.

That gave him an idea.

Mr. Marguleas planted the first commercial mango farm in the Western U.S. just as Americans were developing a taste for exotic fruits and vegetables.

He also brought seedless watermelons, multicolored sweet peppers and vine-ripened tomatoes to produce aisles across the country.

Each was a hit with consumers hungry for variety at a time when many distributors were focused on shelf life.

"He was a visionary," said Bob DiPiazza, who began buying from Mr. Marguleas in the 1980s as head of produce at the Dominick's chain of supermarkets in Chicago. "When you were used to having to spit out all those watermelon seeds and all of a sudden you didn't have to, that was a big deal."

Mr. Marguleas died June 1 in Rancho Mirage, Calif., of complications from cancer. He was 82 years old.

Mr. Marguleas is survived by his wife of 59 years, Ardith, their four children and nine grandchildren. At the time of his death, Mr. Marguleas still owned a stake in a California mango farm.

—Patrick McGroarty

# THE FUTURE OF EVERYTHING

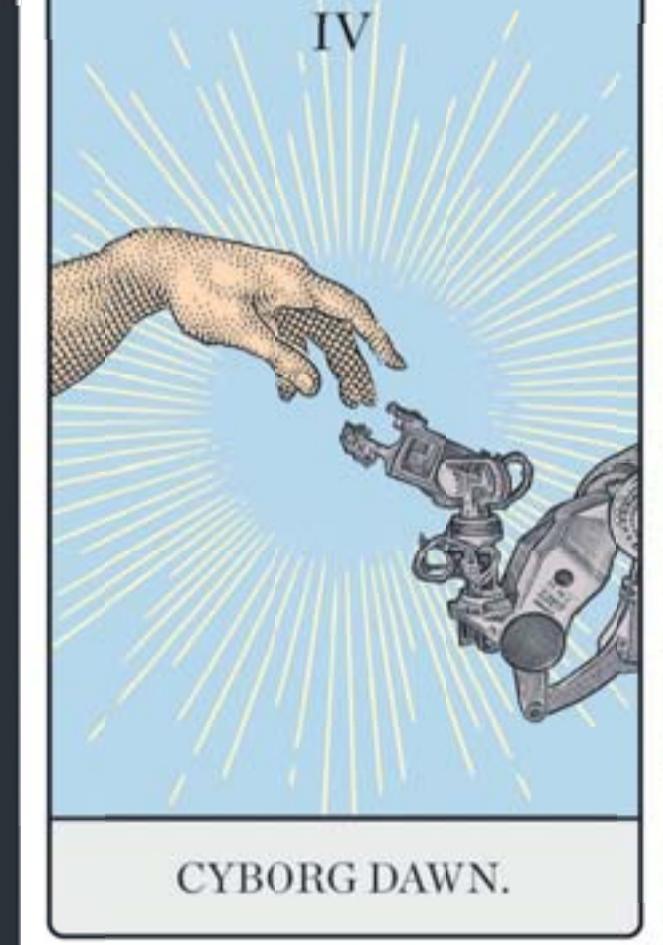
## Erasing the Line Between Human and Machine

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## IN DEPTH



EUROPEAN PRESSPHOTO AGENCY/JOSHUA ROBERTS/REUTERS, METZEL MIKHAI/TASS/ZUMA PRESS

## COLD

*Continued from Page One*

biggest nuclear powers at a time of rising diplomatic tension. Moscow has narrowed a yawning gap in the quality of its conventional forces, but the U.S. remains far more powerful in that category. It is this imbalance that has shaped the strategic thinking of the two generals. It's American force and resolve against Russian cunning and diversion.

Gen. McMaster, now President Donald Trump's national security adviser, has emphasized that America's true strength lies not in shadowy commando raids or pinprick drone strikes, but in well-equipped land, air and naval forces working together to clearly demonstrate overwhelming superiority.

### Pentagon spending

Military officers who know Gen. McMaster said they believe he will help shape the Trump administration strategy and influence the Pentagon's spending. Already the administration, which has been critical of allied defense budgets, has proposed a 40% increase in U.S. military spending in Europe, money that will pay for additional forces—from Army helicopters to Navy sub-hunters—to deploy there.

Gen. McMaster was a hero of the first Gulf War's most important tank battle. He later honed his reputation in Iraq, implementing one of the first counterinsurgency campaigns in the city of Tal Afar, which later became a model for the 2007 troop surge. More recently Gen. McMaster has overseen two critical Army initiatives to prepare America for wars of the future and counter Russia's military advances.

Gen. Gerasimov, by contrast, has always looked for American weaknesses and how Russian prowess can overcome American power. The chief of Russia's General Staff, he has been the most articulate proponent of Russia's emerging vision of conflict, something Western observers dub "hybrid warfare." In conflicts in Syria and Ukraine, he has pioneered new approaches to hybrid war by combining traditional military weaponry with powerful nonlethal tools such as cyberwarfare, fake news and elaborate deception.

Both men obtained outsize reputations as military thinkers, lauded for their studies of the other side's strategy and tactics. Each was assigned by his military to predict the contours of future conflict. Perhaps more than anyone else on either side, the two men have delineated the strategy now playing out in Europe.

Gen. McMaster, who declined to speak for this article, in essence rejected prevailing wisdom that viewed the Taliban's toppling in Afghanistan by U.S. special-operation forces as the future of warfare. Instead he focused on the Cold War, when conflict was avoided by ensuring adversaries understood America's conventional might. That means honing force-on-force war-fighting skills that had been neglected at the Army's main training ranges.

"This is one officer who has done his homework over the years," said retired Army Gen. B.B. Bell, a former senior military commander in Europe and Korea. "H.R. spent the last couple years pointing the path forward for the Army to put it on a strong path to relearn the capacities it must have to defend the nation."

Gen. McMaster is the author of a secret study compiling lessons of Russia's strategies in Ukraine. The work, according to officials, drew on front-line reports by Ukrainian troops and U.S. officers, analyzing how Moscow used advanced jamming techniques, electronic surveillance and drones to make its artillery more lethal than ever. Army officials say the research is continuing and the report remains classified.

He has also influenced a generation of officers—including those serving on NATO front lines in the Baltics—with a talk on what he dubbed "Four Fallacies." The lecture argues that technology alone cannot deliver quick, clean military victories; commando raids don't amount to a military strategy; proxy

**Hybrid war is how you prepare the ground before you send in the men with guns.'**

forces aren't enough to win a conflict; and deterring war by demonstrating the presence, strength and capability to defeat an enemy is vital.

His idea underpins NATO strategy in Europe: the move to eastern and central Europe of four battle groups led by the U.S. and its allies, plus America's deployment of a 3,500-soldier heavy brigade.

NATO's maneuvers are also a response to the Russian gambit devised by Gen. Gerasimov, who has overseen Russian military modernization and its innovative use of its armed forces in Ukraine, Syria and elsewhere.

Gen. Gerasimov, who didn't respond to an interview request, has also studied the American way of war in recent conflicts.

The Russian general's most influential article—an often-

**A U.S. Apache assault helicopter participates in NATO exercises, above; Gens. H.R. McMaster and Valery Gerasimov, above left.**

quoted but little-understood 2013 essay in a military journal—reflects close study of U.S. regime-change operations in Afghanistan and Iraq, and argues Russia must master similar methods.

Those ideas have been implemented in the separatist conflict in eastern Ukraine and Russia's annexation of Crimea, and are now seen as textbook examples of Russian hybrid warfare. While the Russian strategy was designed specifically to beat Ukraine's army, American officers studying the fight see Russian techniques that would also undermine U.S. military advantages, such as control of the skies and superior surveillance through drones and satellites.

Equally worrying for the U.S. and its allies is Russia's mastery of what the Russians call "information war." The genius of Gen. Gerasimov, according to NATO and U.S. officials, is that he has paired the technological advances in military hardware with new strategies of disinformation. His insight was that Moscow could practice deception operations not just on a battlefield but on a global scale.

Writing last year in a leading Russian defense journal, Gen. Gerasimov extolled the virtues of nonmilitary means to defeat or contain an adversary. "Indirect and asymmetric actions...allow you to deprive the opposing side of de facto sovereignty without seizing any territory," he wrote in a review of the lessons learned from the Russian military's combat role in Syria.

U.S. and other Western strategists scrutinize Gen. Gerasimov's writings. "The important point is that while the West considers these nonmilitary measures as ways of avoiding war, Russia considers these measures as war," wrote Charles Bartles, an analyst at the U.S. Army's Foreign Military Studies Office at Fort Leavenworth, Kan.

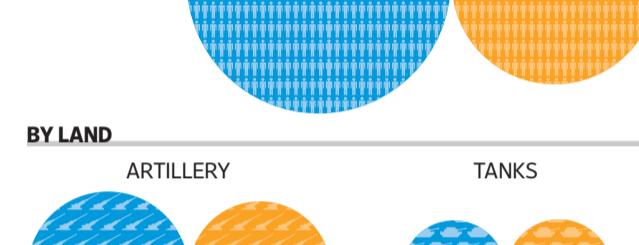
### Tank command

Gen. Gerasimov, a 62-year-old native of Kazan, Russia, had a conventional military background. He trained at the Kazan Higher Tank Command school during the Cold War and rose through the ranks as an armor commander. For a time he was stationed in Eastern Europe, preparing for the clash of armor and infantry that both the Soviet and U.S. militaries long

### Force Against Cunning

Russia has been investing in its conventional forces, but it remains behind U.S. military, by far the most powerful in the world.

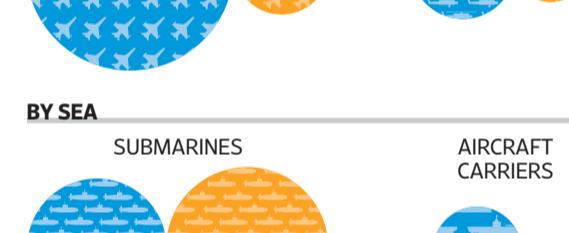
#### ACTIVE-DUTY TROOPS



#### BY LAND



#### BY AIR



#### BY SEA



Source: IISS Military Balance 2017

THE WALL STREET JOURNAL.

analysts.

An early test of those ideas came in 2008 during Russia's brief conflict with Georgia, which provided an opportunity for experimentation in cyber-warfare. Before combat started, the Georgian government faced a concerted campaign to hack and disable websites, which it blamed on Moscow. Russia denies involvement in any hacking.

That experience presaged what analysts say is Russia's relentless focus on information operations, which range from planting fake news stories to directly interfering in the elections in the U.S. and Europe through cyberattacks. Russia denies such meddling.

Mark Galeotti, senior researcher at the Institute of International Relations, a foreign-policy think tank in Prague, said Gen. Gerasimov saw the tools of hacking and disinformation as a way for Russia's military to set the conditions on the conventional battlefield, sowing chaos behind the lines before the shooting started.

"The West doesn't get that what Gerasimov has described—hybrid war—is how you prepare the ground before you send in the men with guns," he said.

Gen. Gerasimov's approach now emerges wherever the Russian military deploys, either overtly or covertly.

### Drones overhead

"Their drones work around the clock," said Col. Vyacheslav Vlasenko, a Ukrainian battalion commander deployed recently in the country's east, referring to forces opposing him. "They correct their artillery fire. They also started using precision weapons."

Gen. McMaster and other U.S. military officers have studied Ukraine closely, including sending officials on low-profile trips to the front lines to watch the Gerasimov strategy in action.

Like Gen. Gerasimov, Gen. McMaster burnished his reputation through his writing. His 1997 book, "Dereliction of Duty," focused on the failure of the Joint Chiefs of Staff and national security establishment to prevent strategic errors of the Vietnam War. The book, originally his Ph.D. dissertation from the University of North Carolina at Chapel Hill, remains required reading at America's war colleges.

## CONE

*Continued from Page One*

Across America, many pet owners are doing the same. The new collars—some made with velvety fabric and plush cushioning—more closely resemble travel pillows. Other options for dissatisfied pet owners include cones made from soft, flexible materials and "recovery suits," or onesies that cover up surgical sites.

These so-called "pet friendly" devices are increasingly replacing what many pet owners refer to as the "cone of shame," which veterinarians have used for decades to help cats, dogs, and even rabbits heal after surgery by limiting the animals' ability to lick, bite or scratch their wounds.

Traditional plastic cones, which resemble upside-down lamp shades, are commonly called Elizabethan collars, or E-collars for short. They were named after the wide ruffs that Queen Elizabeth I often wore during the 16th century.

Some pet owners complain

that the wide collars are uncomfortable, limit visibility, and often lead to unintended run-ins with human legs, door frames and other objects.

Today she runs All Four Paws, a Santa Monica, Calif. company that sells thousands of flexible recovery collars every year. Sales of her "Comfy Cone" products, which are made of foam and colored nylon fabric and claim to conform to any openings that pets pass through, topped \$2 million last

year, she said. The cones retail for between \$14.99 and \$40.99 apiece.

"It's not just that it works. It has to appeal to the pet owner because they need to leave it on," Ms. Markfield said.

Competing products include the inflatable KONG Cloud Collar for Dogs & Cats that sells for between \$9.99 and \$17.56 on pet supply website Chewy.com. The Well & Good E-Collar, the rigid plastic version, sells for between \$8.99 and \$16.49 on Petco.com.

At retail chain PetSmart, sales of inflatable and softer recovery collars have nearly doubled over the past three years, according to a spokeswoman.

Recovery from surgery is "already distressing for an animal, and hard plastic cones can impede dogs' movement, impair their vision, and limit their ability to drink and eat normally," said Daphna Nachminovitch, senior vice president of cruelty investigations at People for the Ethical Treatment of Animals. She said Peta encourages softer solutions "when possible."

Pet experts are less en-

thralled, with some vets saying the hard plastic collars are still the best option, particularly for pets nimble enough to squirm out of, or rip up soft collars.

After the disastrous end of the Vietnam War in 1975.

For Gen. Gerasimov, 1991 was also life-changing. The U.S.S.R. collapsed and Moscow lost its global superpower status almost overnight.

Russia's first post-Soviet decade was tumultuous. Russian troops found themselves fighting separatist insurgents during a brutal conflict in Russia's predominantly Muslim region of Chechnya. Their military leaders such as Gen. Gerasimov watched as revolutions swept through former Yugoslavia, Georgia and Ukraine from 2000 to 2004, further eroding Russian power in what it viewed as its rightful sphere of influence. Those upheavals, along with the social media-driven popular revolts of the Arab Spring, informed his concepts of hybrid warfare, according to military

experts.

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Alpha wouldn't have seemed as mean as if he had made Dug wear a blown-up inflatable cone, said Mr. Petersen. "It would have been the cone of inconvenience." Dug ultimately got his revenge. Near the end of the film, he put the cone of shame on Alpha.

For some animals, recovery collars aren't feasible. At the Denali National Park & Preserve in Alaska, sled dogs that patrol the park have been known to rip recovery collars to shreds.

"Our dogs hate the cones of shame. They can shatter them in a matter of minutes," said Jennifer Raffaeli, the park's kennels manager. She said cones make the dogs feel inferior in a pack and obstruct their movement in and out of their pens.

Ms. Raffaeli said she can quickly stop the dogs if she hears them trying to mess with their stitches. "They pant all night long but they do love the bed," she said.



ROB ALCARAZ/THE WALL STREET JOURNAL

into a cone shape and wrapped it around Sabre's neck, securing it with duct tape.

Veronica Thew and Thomas Hynes in New York City, with their dog Ladybug, who is wearing an inflatable recovery cone.

the wide collars are uncomfortable, limit visibility, and often lead to unintended run-ins with human legs, door frames and other objects.

Linda Markfield started making softer recovery collars in 2000 after Sabre, her Great Pyrenees, had surgery on his tail and struggled to make it through doorways in her home. One night, she cut up a one-inch-thick foam exercise mat

# OPINION

THE WEEKEND INTERVIEW with Robert Duvall | By Matthew Hennessey

## A Hollywood Legend's Life in the Country

**R**obert Duvall is happy out here among the softly rolling hills of Northern Virginia's Fauquier County. In spirit if not in distance, this is about as far as a guy can get from the bang and clatter of the film business. For more than 25 years the Academy Award-winning actor has visited New York and Los Angeles only when necessity demands. "I like a good Hollywood party," he says. "I have a lot of friends there. But I like living here."

Mr. Duvall, 86, and his Argentinian-born wife, Luciana, live in a 270-year-old Georgian farmhouse nestled among wood-fenced horse paddocks, picturesque grazing pastures and turtle ponds on the 360 acres of Byrnley Farm. Still as trim and squared away as he was 45 years ago when he played Tom Hagen in "The Godfather," Mr. Duvall greets visitors in his elegantly appointed foyer looking fit enough to run a mile.

**The 86-year-old actor talks about his favorite roles, his worst review and (up to a point) politics.**

Of average height and modest build, Mr. Duvall has never been what you'd call movie-star handsome, yet he's played the lead as often as supporting roles. His hairline has been in retreat since his debut as the mysterious Boo Radley in Robert Mulligan's 1962 adaptation of "To Kill a Mockingbird," but he's never resorted to toupees, wigs or transplants, except when the character required it.

From rhapsodizing about "the smell of napalm in the morning" as the surf-loving Lt. Col. Bill Kilgore in Francis Ford Coppola's 1979 Vietnam epic "Apocalypse Now" to calling forth the healing power of the Holy Ghost as a foot-stomping Pentecostal preacher in his 1997 directorial effort "The Apostle," Mr. Duvall has cemented his legacy as a versatile film star. He won the Academy Award for Best Actor in 1984 for his note-perfect performance as the washed-out Nashville singer Mac Sledge in Bruce Beresford's "Tender Mercies." He has earned six other Oscar nominations. Yet Mr. Duvall says his favorite role was for the small screen: Augustus "Gus" McCrae, the grizzled Texas Ranger he played in the 1989 TV miniseries adaptation of Larry McMurtry's "Lonesome Dove."

Like most actors of his generation, Mr. Duvall idolized Marlon Brando: "When I first saw him I said, 'What is this? What's he even doing?'" Unlike most of his peers, Mr. Duvall had multiple opportunities to act alongside

Brando, beginning in Arthur Penn's largely forgotten 1966 film, "The Chase." In Brando's dressing room, master and apprentice broke the ice with a friendly conversation. Then things shifted. "For like eight weeks he wouldn't even look at you," recalls Mr. Duvall. "You thought, 'Ooh, boy, we're going to be friends now.' But he knew you wanted that. He'd just walk by. You'd say 'Good morning.' He'd just keep walking." Brando, he is quick to add, loosened up a bit during the filming of "The Godfather."

\* \* \*

The son of a naval officer, Mr. Duvall spent most of his childhood in Annapolis, Md. His family tree, however, has deep roots in Northern Virginia. They were Union sympathizers who had to survive the chaos of the Civil War while somewhat stranded behind enemy lines. The actor's paternal grandfather, born in 1861, was christened Abraham Lincoln Duvall.

Twenty feet from Mr. Duvall's front door stands a shagbark hickory with a trunk as wide as a train car. He doesn't know exactly how old the tree is, but it "goes back to the 19th century, easy." It almost certainly gave shade to the Union and Confederate soldiers who passed through en route to successive bloody battles at nearby Manassas Junction. "We thought it would come down during the last hurricane," Mr. Duvall says, "but it didn't."

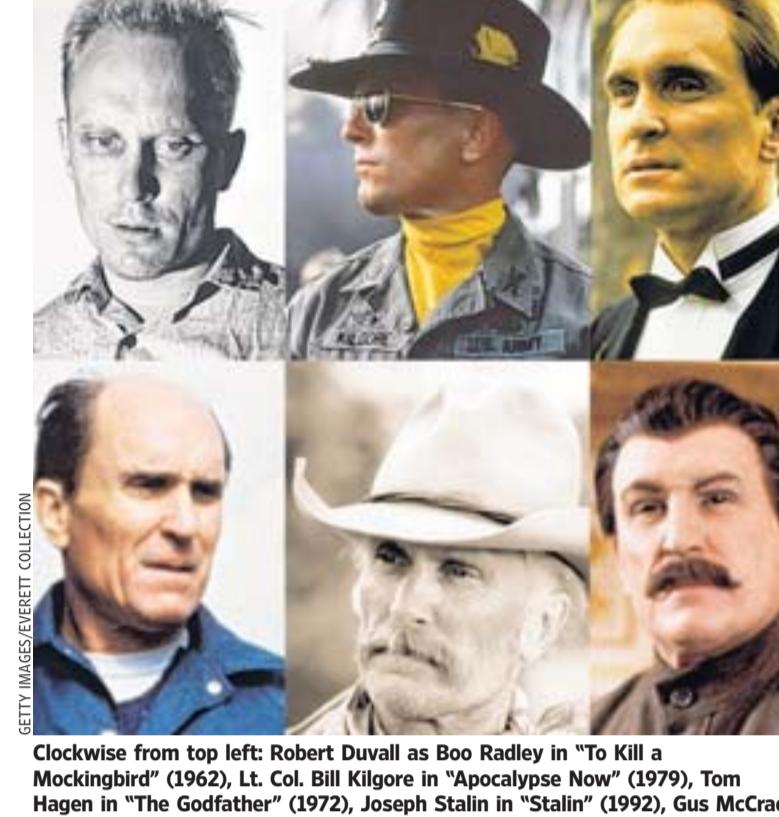
With Confederate monuments and memorials being toppled across the South, a Northerner like me can't help but note that the street names in this pleasant village are heavy with historical freight—Lee, Pickett, Stuart, Forrest. "Stonewall Jackson marched right through," says Mr. Duvall. "Bull Run is just down the road."

Today the Old Dominion is a different kind of battleground. Hillary Clinton carried Virginia with 49.9% of the vote in 2016, but Fauquier County went 59.6% for her opponent. This is Trump country, not the kind of place you might expect to find Hollywood royalty.

The mention of the president's name causes Mr. Duvall to stiffen. Ask him about football, showjumping or Brando, and he lights up. Ask him about politics, and his eyes narrow: "I'm not interested in making any statements."

Mr. Duvall's reticence is understandable. As one of the more famous Republicans in the motion-picture business, he is aware that certain political opinions can crimp a film career. Being an outspoken conservative "can be a very limiting thing," he admits. That's why he's always careful around the topic—especially, it appears, with strangers from New York City.

"Nothing has hurt my career," he insists. "I don't talk politics, but nothing has hurt my career."



Clockwise from top left: Robert Duvall as Boo Radley in "To Kill a Mockingbird" (1962), Lt. Col. Bill Kilgore in "Apocalypse Now" (1979), Tom Hagen in "The Godfather" (1972), Joseph Stalin in "Stalin" (1992), Gus McCrae in "Lonesome Dove" (1989), and Bob Hodges in "Colors" (1988).

In 2008 Mr. Duvall campaigned for John McCain and narrated a video for the GOP convention. In 2012 he hosted a party at Byrnley Farm that reportedly raised \$800,000 for Mitt Romney. Lately he has shied away from candidates and campaigns, but he agrees that actors who cling to the coasts may have trouble appreciating that there are two sides—at least—to every political argument.

If you scratch beneath the surface in liberal Hollywood, "you can find some hypocrisy," he says. Such as the tendency of highly paid actors to sound off at award shows? "Yeah. I mean, how informed are they? How informed is anybody, really?" he asks, his face turning hard. Have Hollywood liberals read Thomas Sowell? Mr. Duvall has. Have they read Ayaan Hirsi Ali? "I've got a lot of respect for that woman," he says.

**W**hen movie stars pontificate about politics, "I get a little like this," he says, cringing. "I want to tell them to take it easy." Heeding his own advice, that's as much as he'll say on the record. He hasn't survived a half-century in the film business by speaking freely with journalists.

Mr. Duvall used his own Oscar acceptance speech in 1984 to thank the country-music superstars who inspired his "Tender Mercies" performance.

The validation of his friends Johnny Cash, Waylon Jennings, Billy Joe Shaver and Willie Nelson, he says now, meant more to him than any review—though some of the criticism still stings:

"There were people who really

loved that movie, but there was a strain of people in Washington and New York who hated it." Anyone in particular? "Yeah," he says without hesitation. "Pauline Kael."

Kael, the New Yorker's longtime movie critic, penned a review dripping with condescension of the sort lately called elitism. "The film is said to be honest and about real people," she wrote. "Mostly the picture consists of silences; long shots of bleak, flat land, showing the horizon line (it gives the film integrity); and Duvall's determination to make you see that he's keeping his emotions to himself."

Thirty-four years later, Mr. Duvall doesn't hold anything back when it comes to Kael, who died in 1991. "She was a fraud," he says, in a way that suggests he didn't mourn her passing—or the passing of the time when a big-name critic at a major magazine could make or break a film on opening weekend.

What else did Kael get wrong? "She put 'Raging Bull' down, which was a beautiful movie—De Niro and Scorsese were at their height—but then she lauded 'Bonnie and Clyde.'" Though the latter movie is considered a counterculture classic, Mr. Duvall wasn't a fan. "My friends in the Texas Rangers said it was not accurate at all."

\* \* \*

In the twilight of his long career, Mr. Duvall's regrets are few—and specific. "They offered me the lead in 'Jaws,' but I wanted to play the other part, the fisherman played by Robert Shaw," Mr. Duvall says. Steven Spielberg told him he was too young. Mr. Duvall

took one or two jobs solely for the money. "I did a lot of crap," he admits. "Television stuff. But I had to make a living. And like my wife said, 'It's amazing how you survived all these years!'

Mr. Duvall may be secluded here beneath the shagbark hickory, but he knows what's going on in the wider world. He reads history and is eager to discuss topics ranging from Ireland's neutrality during World War II to the relative horsemanship of the Boers vis-à-vis the Comanche. He watches cable news sometimes—Mika and Joe.

And he's still acting and developing projects. If he can get it off the ground, Mr. Duvall will star in the film version of Western novelist Elizabeth Crook's forthcoming book, "The Which Way Tree." He recently noticed that Saudi Arabia and the United Arab Emirates had pledged \$100 million to a World Bank fund backed by the president's daughter Ivanka. "I thought to myself, 'Please give us \$25 [million] to do this movie!'"

Let's say a Saudi prince called with an offer along those lines. Would he entertain it? "Maybe," he says. "I don't gravitate toward those guys."

Mr. Duvall visited the kingdom once—with Wilford Brimley to watch falconry. "It was strange—strangest place I've ever been. We were there four days and no one came to get us," he says. The trip was sponsored by "American Sportsman," an ABC program. "It was weird. You'd drive through [the desert] to go to the camel races and they'd give you the wrong directions. You'd see cars upside down with the wheels still going. You'd come back and it'd be the same, two hours later—wrecked cars all over the highway."

He and Mr. Brimley high-tailed it to London lest they, too, find themselves upside down in the desert.

**M**r. Duvall knows where he doesn't belong—and where he does. Byrnley Farm is undeniably charming, "choice land," as a satisfied Mr. Duvall calls it. The air is clean, which he appreciates. Mostly what he likes about it, though, is that it's not the city. "The great Texas playwright Horton Foote once said a lot of people in New York don't know what goes on beyond the south Jersey Shore, which is true," Mr. Duvall says. "I mean, New York is a wonderful place. But it's not the beginning and end of America. Nor is L.A."

At Byrnley Farm, the problems of the world can seem very far away. Does he worry at all about the country's future? "No," he says. "We'll survive."

*Mr. Hennessey is an associate editorial features editor at the Journal.*

## A Town's 'Creative Accounting' Leads to a Fraud Conviction



**CROSS COUNTRY**  
By Steven Malanga

sounded the alarm about states and cities that used slippery accounting to "obscure their true financial position, shift current costs onto future generations, and push off the need to make hard choices." But rarely have officials been made to answer for their deception.

Until now. Last month a jury convicted Christopher St. Lawrence, the former town supervisor of Ramapo, N.Y., of federal charges including securities fraud in connection

**Such misrepresentation is common in municipal bookkeeping. Rarely do officials answer for it.**

with the financing of a minor-league baseball stadium. Prosecutors have frequently jailed local officials for accepting bribes or stealing money. But Mr. St. Lawrence, who could serve prison time and is planning to appeal, is the first to face criminal charges for cooking a municipality's books. His conviction, part of an escalating federal enforcement effort, should be a wake-up call for towns, cities and states nationwide.

In 2010 residents of Ramapo voted 67% to 33% against using public money to build a new stadium for the Rockland Boulders. So Mr. St. Lawrence concocted an elaborate plan to have the town's economic-development agency float debt for the stadium. But the agency couldn't actually finance all the debt: Mr. St. Lawrence was funneling money to it from town accounts. Then he tried to hide Ramapo's weakening finances.

After assuring a bond analyst in 2013 that the town's budget was sound, Mr. St. Lawrence was caught on tape telling employees, with a laugh, that to make the numbers work "we're going to have to be magicians." Prosecutors also accused him of recording on Ramapo's books a proposed \$3.1 million sale of town property, even though the deal eventually fell through because the land was a rattlesnake habitat.

Mr. St. Lawrence's lawyers argued that he did not profit from the transactions. They portrayed him as a well-meaning official guilty only of creative financing. But several witnesses painted a picture of Mr. St. Lawrence as a man who lied to raise money for a pet project and then tried to cover up the result.

The former head of Ramapo's development agency, N. Aaron Troodler, was charged with conspiring to commit securities fraud and pleaded guilty. He testified at Mr. St. Lawrence's trial that the town had booked a \$3.6 million payment from Mr. Troodler's agency for rights to the stadium land, even though there had been no such transaction.

Ramapo's finances remain in disarray, and the town has struggled

to pay its debts. But the acting supervisor says there's no way to know how bad the situation is until officials complete a forensic audit. Meantime, Standard & Poor's has withdrawn Ramapo's credit rating because of the town's unreliable financial statements.

The jury's verdict ought to resonate far beyond Ramapo. Nearly 44,000 local governments issue debt, and for years the Securities and Exchange Commission, daunted by the task of trying to track their financial filings, did little to discipline public officials. But then came the financial crisis, followed by a rash of government defaults, including in Stockton, Calif., where

prosecutors also accused officials of manipulating financial statements to mask increasing deficits." In an unprecedented civil trial, a jury

one official described the city's bookkeeping as having "eerie similarities to a Ponzi scheme."

By early 2010 the SEC had created a new unit to police municipal misconduct. Later that year, regulators accused New Jersey of misleading investors over a decade about its pension debt. No penalties were imposed, but the state was told to change its practices. Since then, the SEC has gotten tougher. In 2013 it charged Miami and the city's budget director, Michael Boudreux, with financial manipulation that included shifting money among its various accounts to mask increasing deficits." In an unprecedented civil trial, a jury

watched in disbelief. Somehow, ugly aggressive reality had intruded upon what was meant to be a field of play.

Thankfully stadium security guards grabbed the fellow before he could do any harm and took him away to sober up. Hopefully he regretted his stupidity.

**Spectators and players should worry about foul balls, not foul play.**

I have since spent thousands of hours inside many maximum-security prisons, documenting daily life. Prison culture has its own rules. The slightest unwanted physical contact often leads to violent confrontation—except on the baseball field.

"If Smith bumps into Jones on the

block or dining room," a deputy warden explained to me, "that can be a killing offense. But if he slides into second base and roughly knocks into Jones, well, that's baseball. Out on that field, they're not prisoners. They're players." Even killers instinctively treasure the protected play space.

This week Americans watched in horror as a would-be assassin opened fire on a field of play. Forget about blaming the president; forget about blaming Bernie Sanders. Recall instead the wounded Capitol Police officers who bravely interceded to kill the shooter.

But more than that, mourn what's become of us. And long for the days when we felt more secure on our ballfields than convicted prisoners felt on theirs.

*Mr. Blecker teaches criminal law at New York Law School.*

## Even in Prison, Baseball Isn't Violent

By Robert Blecker

**W**hen I was a child my father took me to a baseball game, where a foul ball smashed a spectator in the head a few seats away. I had never before seen an adult cry. I knew the injury was an accident, but I also knew that baseball was supposed to make you happy, not make you cry.

In 1961, the year Roger Maris broke Babe Ruth's single-season home-run record, I attended a game at Yankee Stadium. One inning, as Maris took his usual place in right field, a man ran onto the field waving a broken beer bottle. He was yelling in slurred speech, "No son of a bitch's going to break the Babe's record."

Maris at first ignored the man. But as he got closer and began waving his weapon, the Yankee slugger began to backpedal. The rest of us

## OPINION

### REVIEW & OUTLOOK

## Robert Mueller's Mission

**T**hat didn't take long. Barely a week after James Comey admitted leaking a memo to tee up a special counsel against Donald Trump, multiple news reports based on leaks confirm that special counsel Robert Mueller is investigating the President for obstruction of justice. You don't have to be a Trump partisan to have concerns about where all of this headed.

President Trump has reportedly stepped back this week from his temptation to fire Mr. Mueller, and that's the right decision. The chief executive has the constitutional power to fire a special counsel through the chain of command at the Justice Department, but doing so would be a political debacle by suggesting he has something to hide.

Deputy Attorney General Rod Rosenstein, who appointed Mr. Mueller, would surely resign, and other officials might resign as well until someone at Justice fulfilled Mr. Trump's orders. The President's opponents would think it's Christmas. The dismissal would put the President's political allies in a terrible spot and further distract from what are make-or-break months for his agenda on Capitol Hill. His tweets attacking the probe are also counterproductive, but by now we know he won't stop.

\* \* \*

There are nonetheless good reasons to raise questions about Mr. Mueller's investigation, and those concerns are growing as we learn more about his close ties to Mr. Comey, some of his previous behavior, and the people he has hired for his special counsel staff. The country needs a fair investigation of the facts, not a vendetta to take down Mr. Trump or vindicate the tribe of career prosecutors and FBI agents to which Messrs. Mueller and Comey belong.

Start with the fact that Mr. Comey told the Senate last week that he asked a buddy to leak his memo about Mr. Trump specifically "because I thought that might prompt the appointment of a special counsel." Did Mr. Comey then suggest Mr. Mueller's name to Mr. Rosenstein? He certainly praised Mr. Mueller to the skies at his Senate hearing.

The two former FBI directors are long-time friends who share a similar personal righteousness. Mr. Mueller, then running the FBI, joined Mr. Comey, then Deputy Attorney General, in threatening to resign in 2004 over George W. Bush's antiterror wiretaps.

Less well known is how Mr. Mueller resisted direction from the White House in 2006 after he sent agents with a warrant to search then Democratic Rep. William Jefferson's congressional office on a Saturday night without seeking legislative-branch permission. The unprecedented raid failed to distinguish between documents relevant to corruption and those that were part of legislative deliberation. GOP Speaker Dennis Hastert rightly objected to this as an executive violation of the separation of powers and took his concerns to Mr. Bush.

The President asked his chief of staff, Joshua Bolten, to ask Mr. Mueller to return the Jefferson documents that he could seek again through regular channels, but the FBI chief refused. Attorney General Alberto Gonzales was also unable to move the FBI director. When Mr. Bolten asked again, Mr. Mueller said he wouldn't tolerate political interference in a criminal probe, as if the Republican Mr. Bush was trying to protect a corrupt Democrat. Mr. Mueller threatened to resign, and the dispute was settled only after Mr. Bush ordered the seized documents sealed for 45 days until Congress and Mr. Mueller could work out a compromise.

The D.C. Circuit Court of Appeals later ruled that the FBI raid had violated the Constitution's Speech or Debate Clause and Mr. Jefferson's "non-disclosure privilege" as a Member of Congress, though the court let Justice keep the documents citing Supreme Court precedent on the exclusionary rule for collecting evidence.

## DeVos's Gainful Redeployment

**L**iberals are howling that Education Secretary Betsy DeVos has pulled back the Obama Administration's gainful employment and borrower defense rules that were aimed at destroying for-profit colleges. But the rules did far more to ensure gainful employment for lawyers and government than they helped students.

The Obama Administration imposed both rules after advisory committees of higher education stakeholders—students as well as public, nonprofit and for-profit colleges—failed to reach a consensus. Ms. DeVos on Wednesday ordered a pause while new committees consider changes to better "protect students from predatory practices while also providing clear, fair and balanced rules for colleges and universities to follow."

After a federal judge in 2012 tossed the Obama Administration's first gainful employment rule, vindictive department officials imposed more draconian regulations that cut off federal aid to vocational programs—nearly all for-profit—in which graduate debt-to-earnings ratio exceeds 12%. A nursing program whose graduates finish with an average of \$35,000 in debt and earn \$35,000 a couple years out of school would fail.

Many public and nonprofit colleges that educate large numbers of low-income students could have failed under the rule. The department estimated that about 1,400 programs

We relate all this because it shows how Mr. Mueller let his prosecutorial willfulness interfere with proper constitutional and executive-branch procedure. This showed bad judgment. He shares this habit with Mr. Comey.

\* \* \*

Meanwhile, Mr. Mueller's staff appointments suggest that he is preparing for a long prosecutorial campaign. One unusual choice is Michael Dreeben, a highly regarded Deputy Solicitor General whose expertise is criminal law and the Constitution. He is not a prosecutor or counter-intelligence expert. Is Mr. Dreeben on hand to make a legal case for impeachment?

The special counsel has also recruited Andrew Weissmann, who oversaw the Enron Task Force and led the prosecution of the Arthur Andersen accounting firm. The Supreme Court unanimously overturned Andersen's conviction, though too late for Andersen's 28,000 U.S. employees.

Mr. Weissmann has donated to Hillary Clinton's political campaign, but more relevant for this case he was highly criticized for his legal conduct over the years by the New York Observer newspaper. "In Andrew Weissmann, The DOJ Makes a Stunningly Bad Choice for Crucial Role," said one headline in January 2015. The owner of the Observer at the time? Jared Kushner, President Trump's son in law and now a White House aide.

With that history, can Mr. Weissmann fairly judge the actions of the Trump family and campaign? And knowing that history, why would Mr. Mueller choose Mr. Weissmann for his prosecutorial team when the appearance of fairness is crucial to public acceptance of the result?

As it happens, the Washington Post reported in its second big story this week that Mr. Mueller "is investigating the finances and business dealings of Jared Kushner." A fair question is whether Mr. Weissmann is another Patrick Fitzgerald who won't stop until he nails someone in this probe.

\* \* \*

Mr. Mueller is widely admired and no one questions his personal integrity, but we raise these issues because the stakes for American democracy are so high. As we've said from the beginning, Russian meddling in U.S. elections is a serious matter and Americans need to know what happened. If Mr. Trump or key associates canoodled with the Russians to steal an election, then he must face the likely consequence of impeachment.

But the public has seen no such evidence, and the FBI has been looking for months. Instead we have leaks that the special counsel whose friend was fired by Donald Trump is focusing on obstruction of an investigation into an underlying crime that so far doesn't exist. In Watergate at least there was a third-rate burglary.

Much of Washington clearly views Mr. Mueller as their agent to rid the country of a President they despise. Every political and social incentive in that city will press Mr. Mueller to oblige. But you cannot topple a duly elected President based merely on innuendo or partisan distaste without doing great harm to democracy.

Richard Nixon's road to resignation was painful but the facts were clear enough at the end that most Americans accepted the result. The country deserves no less concerning Donald Trump, no matter his character flaws. Mr. Mueller and his team of zealous prosecutors have a duty to bring a case based only on solid and conclusive evidence. Otherwise close the case with dispatch and move on.

American politics is divisive and dysfunctional as it is. Imagine what it will be like if millions of Americans conclude that a presidential election is being overturned by an elite consensus across the vast ideological and cultural divide running all the way from the New York Times to the Washington Post.

**She withdraws two rules that punished for-profit schools.**

Officials would have both defended and adjudicated claims. Colleges could have been hit to pay for discharged loans, though the department estimated that taxpayers would also be on the hook for between \$9.5 billion and \$21.2 billion. Plaintiff attorneys would have made out since the rule banned class-action waivers and arbitration agreements. Imagine the cable-TV commercials soliciting clients.

While the rule technically applied to all colleges, department officials would have had enormous discretion. While bureaucrats might let, say, NYU off the hook for misrepresenting graduate outcomes, DeVry University probably wouldn't be as lucky. Yet even many nonprofits and public colleges were worried about how the rule could apply to them.

One irony is that many more students might be gainfully employed today if the Obama Administration hadn't spent so much energy pursuing an ideological crusade against for-profits. Any new rule should hold colleges equally accountable. Once upon a time, liberals believed in equality under the law.

## LETTERS TO THE EDITOR

## Middlebury's Student Discipline Is Too Mild

In "The Outspoken Campus" (Review, June 10), Middlebury College President Laurie Patton states her commitment to a robust public square for open and fearless debate on campus. Her positive steps for building a culture of free and open discourse are wholesome. However, Middlebury's disciplinary actions in response to the violation of Charles Murray's right to speak and the right of others to hear him were toothless, and President Patton gives no indication that the policies governing such egregious offenses will change.

Elsewhere, Middlebury knows how to be firm. Its College Handbook states: "Any infraction of the honor system is normally punishable by suspension from the College." Does the silencing of an invited speaker and the assault on a faculty member really merit so much weaker a response? Arguably, the students who prevented Dr. Murray from speaking did something worse. They cut at the heart of free inquiry and norms of civil discourse. Severely disciplining students is never pleasant, but without appropriate penalties, President Patton's vision is a quixotic aspiration.

Middlebury's administration, with the active guidance of its trustees, has a duty to establish and enforce sanctions that will deter such outrages in the future.

**MICHAEL B. POLIAKOFF, PH.D.**  
President  
American Council of  
Trustees and Alumni  
Washington

I am disappointed with Dr. Patton's essay. It's impossible to find fault with her endorsement of free debate and civility on campuses, but how can Middlebury hope to discourage future incidents of this type when those found responsible for violence and intimidation are not held to account in any real sense? Most of the students

involved were given probation (i.e., a free pass this time), while a letter was placed in the file of a select few whose role was labeled especially prominent. Middlebury has a proud tradition of inclusivity. I encourage my fellow alumni to join me in calling on the college to live up to its legacy by paying more than lip service to the ideals upon which the institution was founded.

**PROF. STEPHEN CLARK**  
California State University  
Channel Islands  
Camarillo, Calif.

Putting students on their heads while giving them pretty mild discipline will do nothing to stop mob rule. I agree that students should have a basic understanding of the First Amendment, but why should it be taught as a remedial course at arrival on campus?

**MARGARET CARAH**  
Brighton, Mich.

Having a letter put in their permanent file was probably seen as a badge of honor rather than a punishment to those students.

**MARY M. LEPP**  
Yankton, S.D.

It has been said that the best judge of an individual (in this context an institution), isn't her words but her verifiable actions. When will Middlebury be ready to invite Dr. Murray back to Middlebury's public square?

**ALAN GREENBERG**  
Henderson, Nev.

In the world of political correctness, we are no longer responsible just for our intentions but also how anyone might feel about them. Since we have no control over the feelings of others, this is an impossible standard. This game has no winners.

**ASHMEAD PIPKIN**  
Raleigh, N.C.

## The Cost of Those Bucolic Illegal Immigrants

Regarding Crispin Sartwell's "Fiestas and Apple Orchards: Small-Town Life Before Trump" (Cross Country, June 10): I envy Mr. Startwell his naïveté. Here in California almost everyone once thought like him until the reality of unregulated immigration set in.

The mantra that was repeated so often was that these poor economic refugees only wanted to do the work that Americans wouldn't do. What everyone failed to see were the many peripheral costs that have become overwhelming. Imagine that one illegal immigrant takes a minimum-wage job (a job that used to go to teenagers beginning their climb on the economic ladder) and then has, or brings into the country, five children who now go through the local school system at \$10,000 a year per child, and one gets a glimpse at one of the many expenses hidden behind the curtain by the open-border folks.

In Orange County one can clearly see the social costs of unregulated immigration as well. Small, post-World War II ranch-style houses built with two bedrooms and one bath are now home to as many as five families, with the resultant pressure on infrastructure and social services. Local food banks are overwhelmed, and crimes of all types have increased. Once beautiful jew-

els, like the city of Santa Ana, have become crime-ridden and dangerous, full of gang members openly flouting their affiliations while plying their criminal enterprises. Now the city of Anaheim is currently undergoing this same deadly metamorphosis.

Take it from one who has seen the consequences of unregulated immigration first hand—York Springs, Pa., dodged a bullet.

**WILLIAM M. WILSON**  
Laguna Woods, Calif.

There is no denying that some U.S. industries and communities rely on hardworking, family-oriented immigrants and that most of those immigrants embrace traditional American values. Hispanic-American citizens of the U.S. and legal immigrants aren't at risk of arrest or deportation because of aggressive enforcement of immigration laws.

If the world knows that America doesn't aggressively enforce immigration laws, there will be more illegal immigration. Compassion and economic interests (local or national) have roles to play in immigration policy and enforcement. Before the Trump administration, however, the costs and risks of illegal immigration were overlooked. Policy pendulum swings are ugly, but they are an unavoidable facet of democratic governance.

**BRAD STEPHENS**  
Bethesda, Md.

## What Happened to Training On the Job by Employers?

While there might be a skills shortage in some careers, a much larger issue is at play ("Job Openings Suggest a Skills Shortage," U.S. News, June 7). It used to be that companies offered on-the-job training. However, the financial burden has been shifted to the applicant. Look at the trucking industry and law enforcement. Today many law-enforcement agencies require applicants to already have successfully completed the police-academy training at their own expense rather than paying for new recruits' training.

The trucking industry used to train the applicant to receive a commercial driver's license. When an applicant has no job, it is very hard to raise the funds needed to complete required training or certification programs. The issue carries across other industries as well, many of which have done much to create the situation they are complaining about. It would be great for America if employers invested more in their employees' skills and spent less energy complaining.

**JACK P. HONORE III**  
Princeton Junction, N.J.

Perhaps Mr. Startwell should explore the reasons why President Obama, with large Democratic majorities in Congress from 2009-10, thought so little of the Hispanic community in America that he took no action to resolve its immigration issues. President Trump is enforcing the law which he was sworn to uphold. President Obama could have changed the law to provide these immigrants with legal status, which would have made enforcement moot.

**RICHARD A. WEINER**  
Englewood, Colo.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"Any career goals other than moving out of your parents' basement?"

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## OPINION

# Rage Is All the Rage, and It's Dangerous



**DECLARATIONS**  
By Peggy Noonan

**W**hat we are living through in America is not only a division but a great estrangement. It is between those who support Donald Trump and those who despise him, between the two parties, and even to some degree between the bases of those parties and their leaders in Washington. It is between the religious and those

**A generation of media figures are cratering under the historical pressure of Donald Trump.**

who laugh at Your Make Believe Friend, between cultural progressives and those who wish not to have progressive ways imposed upon them. It is between the coasts and the center, between those in flyover country and those who decide what flyover will watch on television next season. It is between "I accept the court's decision" and "Bake my cake." We look down on each other, fear each other, increasingly hate each other.

Oh, to have a unifying figure, program or party.

But we don't, nor is there any immediate prospect. So, as Ben Franklin said, we'll have to hang together or we'll surely hang separately. To hang together—to continue as a country—at the very least we have to lower the political temperature. It's on all of us more than ever to assume good faith, put our views forward with respect, even

charity, and refuse to incite.

We've been failing. Here is a reason the failure is so dangerous.

In the early 1990s Roger Ailes had a talk show on the America's Talking network and invited me to talk about a concern I'd been writing about, which was old-fashioned even then: violence on TV and in the movies. Grim and graphic images, repeated depictions of murder and beatings, are bad for our kids and our culture, I argued. Depictions of violence unknowingly encourage it.

But look, Roger said, there's comedy all over TV and I don't see people running through the streets breaking into laughter. True, I said, but the problem is that, for a confluence of reasons, our country is increasingly populated by the not fully stable. They aren't excited by wit, they're excited by violence—especially unstable young men. They don't have the built-in barriers and prohibitions that those more firmly planted in the world do. That's what makes violent images dangerous and destructive. Art is art and censorship is an admission of defeat. Good judgment and a sense of responsibility are the answer.

That's what we're doing now, exciting the unstable—not only with images but with words, and on every platform. It's all too hot and revved up. This week we had a tragedy. If we don't cool things down, we'll have more.

And was anyone surprised? Tuesday I talked with an old friend, a figure in journalism who's a pretty cool character, about the political anger all around us. He spoke of "horrible polarization." He said there's "too much hate in D.C." He mentioned "the beheading, the play in the park" and described them as "dog whistles to any nut who wants to take action."

"Someone is going to get killed," he said.



A June 10 protest in Chicago.

That was 20 hours before the shootings in Alexandria, Va.

The gunman did the crime, he is responsible, it's fatuous to put the blame on anyone or anything else.

But we all operate within a climate and a culture. The media climate now, in both news and entertainment, is too often of a goading, insinuating resentment, a grinding, agitating antipathy. You don't need another recitation of the events of just the past month or so.

A comic posed with a gruesome bloody facsimile of President Trump's head. New York's rightly revered Shakespeare in the Park put on a "Julius Caesar" in which the assassinated leader is made to look like the president. A CNN host—amazingly, of a show on religion—sent out a tweet calling the president a "piece of s—" who is "a stain on the presidency." An MSNBC anchor wondered, on the air, whether the president wishes to "provoke" a terrorist attack for political gain. Earlier Stephen Colbert, well known as a good man, a gentleman, said of the president, in a rant: "The only thing your mouth is good for is being Vladimir Putin's c—holster." Those are but five dots

in a larger, darker pointillist painting. You can think of more.

Too many in the mainstream media—not all, but too many—don't even bother to fake fairness and lack of bias anymore, which is bad: Even faked balance is better than none.

Yes, they have reasons. They find Mr. Trump to be a unique danger to the republic, an incipient fascist; they believe it is their patriotic duty to show opposition. They don't like his policies. A friend suggested recently that they hate him also because he's in their business, show business. Who is he to be president? He's not more talented. And yet as soon as his presidency is over he'll get another reality show.

And there's something else. Here I want to note the words spoken by Kathy Griffin, the holder of the severed head. In a tearful news conference she said of the president, "He broke me." She was roundly mocked for this. *Oh, the big bad president's supporters were mean to you after you held up his bloody effigy.* But she was exactly right. He did break her. He robbed her of her sense of restraint and limits, of her judgment. He broke her, but not in

the way she thinks, and he is breaking more than her.

We have been seeing a generation of media figures cratering under the historical pressure of Donald Trump. He really is powerful.

They're losing their heads. Now would be a good time to regain them.

They have been making the whole political scene lower, grubbiest. They are showing the young what otherwise estimable adults do under pressure, which is lose their equilibrium, their knowledge of themselves as public figures, as therefore examples—tone setters. They're paid a lot of money and have famous faces and get the best seat, and the big thing they're supposed to do in return is not be a slob. Not make it worse.

By indulging their and their audience's rage, they spread the rage. They celebrate themselves as brave for this. They stood up to the man, they spoke truth to power. But what courage, really, does that take? Their audiences love it. Their base loves it, their demo loves it, their bosses love it. Their numbers go up. They get a better contract. This isn't brave.

If these were only one-offs, they'd hardly be worth comment, but these things build on each other. Rage and sanctimony always spread like a virus, and become stronger with each iteration.

And it's no good, no excuse, to say Trump did it first, he lowered the tone, it's his fault. Your response to his low character is to lower your own character? He talks bad so you do? You let him destabilize you like this? You are making a testimony to his power.

So many of our media figures need at this point to be reminded: You belong to something. It's called: us.

Do your part, take it down some notches, cool it. We have responsibilities to each other.

## The Great War's Great Historian Appreciated the Good Life

By Roger Kimball

**T**he historian David Fromkin died last Sunday, a couple of months shy of his 85th birthday. I first met him over lunch in 1986, when he was working on the book that would be his magnum opus, "A Peace to End All Peace: The Fall of the Ottoman Empire and the Creation of the Modern Middle East." That book, about how France and Britain endeavored to impose a new political dispensation on the Middle East in the aftermath of World War I, was published in 1989, to near universal commendation.

**David Fromkin's 'A Peace to End All Peace' was a masterpiece. But I wish I'd eaten at his restaurant.**

All of Fromkin's signature virtues were on display in "A Peace to End All Peace." It was the product of prodigious but lightly worn research. It was politically canny about the realities of power (Fromkin had been a student of Hans Morgenthau at the University of Chicago). And it was beautifully written. It is worth stressing this last point. He commanded a light, allegro prose, spare but deeply evocative, clear as an Alpine spring.

"A Peace to End All Peace" was also shot through with a recurring leitmotif typical of Fromkin, at once nostalgic and admonitory. The nostalgia focused on the lost sense of innocence and amplitude that marked the decade before the outbreak of war in the summer of 1914—"Europe's Last Summer," as he put it in the title of his 2004 book about who started the Great War. (Spoiler: there were really two wars. One was started by the Hapsburg Empire

when it attacked Serbia, the other by the Germans.)

The innocence had to do with the political easiness of the time. The opening decade of the 20th century was a time of apogees and consummations. There was a shared sense, Fromkin wrote in his book "The Independence of Nations" (1981), that Europe, finally, at last, had become civilized. Sweetness and light reigned, and would reign, forever. He quotes the historian A.J.P. Taylor: "Until August 1914, a sensible, law-abiding Englishman could pass through life and hardly notice the existence of the state. . . . He could live where he liked and as he liked. He had no official number or identity card." For the most part, there were no passports. One didn't even need a business card when traveling. A personal card would do. This was an age before the income tax, before exchange controls and customs barriers. In many ways, Fromkin notes, there was more globalization than there is now.

There was also immensely more security—or so it seemed. In several of his books, Fromkin quotes a melancholy passage from the Austrian author Stefan Zweig about the decade before the Great War: "The Golden Age of Security," he called it, "Everything in our almost thousand-year-old Austrian monarchy seemed based on permanency."

Except, of course, that it wasn't. The admonitory current that flows through Fromkin's writing has to do with the real permanencies in life: the intransigence of competing cultures, the unyielding imperatives of power, the awful awakenings of shattered illusions. It is appropriate that one of his abiding passions was ancient Greek civilization—he was involved in several archaeological digs in the islands off the Turkish coast—for the old teaching that nemesis was the inevitable result of

hubris was a recurring theme in his work.

In politics, Fromkin was a species of Democrat that scarcely exists today. He was an unapologetic American patriot of decidedly cosmopolitan tastes. He adulated FDR and clear-eyed, disabused politicians like Scoop Jackson and Pat Moynihan. He admired much about Bill Clinton, was repelled by Mr. Clinton's wife, and regarded Barack Obama with a mixture of curiosity and revulsion (though he undoubtedly voted for him). Unlike so many politicians of both parties today, he had the supreme political wisdom to understand that when politics becomes all-important it has failed

in its primary duty: to safeguard and promote the good life.

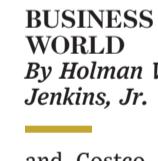
Looking back on it now, it seems significant that my first meeting with David should have been over lunch. Like a character in the cartoon *Tottering-by-Gently*, David was a man who never knowingly under-lunched. His nostalgia for the glittering cornucopia of antebellum Europe was an expression of a gentle but thoroughgoing hedonism. When it came to food and wine, David knew the best and wanted the best. For his friends, this had the gratifying result that they, too, encountered the best.

It is one of my regrets that I did not know David during the years

that he owned a restaurant in Paris with his friend Steven Spurrier, the great wine connoisseur. I especially wish I had been on hand for the competition he organized to determine which was better, duck or goose pâté de foie gras. The details of the competition are lost in the mists of time, but I do recall that the event involved sending someone by plane and motorcycle to procure the requisite truffles in Italy. With David, there were still some glints of grandeur post-1918.

*Mr. Kimball is editor and publisher of the New Criterion and president and publisher of Encounter Books.*

## Amazon Will Free You From the Minivan



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

Amazon's announcement on Friday that it is purchasing the Whole Foods grocery chain was puzzling to analysts; to the grocery industry it was unalloyed lousy news. Share prices of food retailers from Kroger and Costco to Wal-Mart dropped sharply in the moments after the news broke.

But maybe it's the car industry and its frenemy Uber that should really be worried. Some see the deal as evidence of Amazon's craving for a brick-and-mortar presence, but the fattest bogey out there is getting grocery customers out of their cars and in front of their laptops.

The average American makes 1.5 trips to the grocery store a week, spending an average 53 hours a year roaming the aisles. A British survey that studied in detail the reasons for car ownership—and second- and third-car ownership—found high on the list was the need to haul otherwise unmanageable grocery loads from store to home. Some 65% said grocery shopping would be "quite" or "very" difficult without a car.

In the U.S., an even more suburban and exurban society, the same is undoubtedly true. Trips to the grocery store are second only to physically transporting oneself to school or work as a reason for car ownership, and not as easily replaced. Traveling to school or work, after all, usually doesn't involve dragging along 70 pounds of irregular small items in awkward bundles.

The British study found that even 23% of non-car owners used a car for grocery shopping, suggesting they borrowed a relative's or neighbor's vehicle. Add other food-related trips and the potential displacement is even larger. Daily trip logs kept by 7,665 Atlanta residents

in 2011 showed, over a two-day period, 11,995 trips for food, 44% of which were to a store and the rest to some kind of eatery. Only 7% of these trips were made on foot.

Not that Mr. Bezos's ambition is to substitute home delivery for outside shopping. His ambition is oriented toward accelerating consumer gratification however possible. If that means delivering an item to

**With his Whole Foods purchase, Jeff Bezos takes aim at groceries—and car ownership.**

you wherever you might be by drone, he's game. If it means setting up kiosks and lockers so you can grab in an hour what otherwise Amazon would have to ship you overnight, fine.

So what if some of this is uneconomic and effectively a loss leader? So what if free shipping encourages people to order inefficiently small numbers of items at a time? So what if lowering the barriers to gratification engenders a higher-than-average incidence of buyer's remorse and elevated returns?

As every Amazon Prime subscriber discovers, even with these higher costs, the great genius of Amazon's business model is to encourage us to buy more stuff and, gradually, relinquish the habit of using the web as a tool of remorseless price equalization.

Mr. Bezos figured out early that the great untapped gold mine of Amazon's business model, "price discrimination," would have to remain untapped. Price discrimination means using various methods to coax out of each customer the highest price he or she would be willing to pay for a given item. It's a common and even efficient practice defended by economists elsewhere in the economy, but Amazon customers

have made it clear their trust would dissolve if Amazon used its copious personal information to turn its logic on them.

In every other way, however, the Amazon promise to shareholders is founded on softening customer resistance to buying stuff without carefully comparing prices. Don't kid yourself about this. You're ordering sparkplugs? What a pain to get up and walk five feet to see if the cat food is running out. Just order more. Is the price on Amazon.com really a bargain even with free shipping? I guess I could Google for a comparison but why bother?

Whole Foods also built its success partly on, ahem, confusing customers about value—especially the value of the nutritionally meaningless term "natural." But it's doubtful Amazon believes now it can rescue Whole Foods' own faltering success in this regard. The chain's same-store sales have been falling for two years. To the very occasional visitor, it still attracts young affluents in puffy jackets and designer hi-tops looking for dates and picking out a dainty handful of items. But serious devotees of household logistics can now fill their carts to the brim with organic milk and free-range drumsticks at Safeway or even Wal-Mart.

Our guess surely is that Amazon, with \$135 billion in sales, is not buying Whole Foods, with \$12 billion in sales, to solve a Whole Foods problem. Only 3% of grocery shopping occurs online. The hassle of getting in a car and driving to a store on a crowded Saturday (when 41 million Americans do their grocery shopping) is one large area of anti-gratification in our retail economy. It's an area where, despite the best efforts of retailers, consumers still are careful about price and have a schlepping motive to ask, "Do I really need this?" If this is not a challenge the Amazon business model was born to take on, what is?

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BUSINESS NOT LOVIN' IT B3

# BUSINESS & FINANCE



REGULATION EU WATCHDOG BITES B4

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THE WALL STREET JOURNAL.

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## Apple Taps Hollywood in Content Push

Company hires two Sony TV executives to lead expansion in original programming

BY TRIPP MICKLE AND JOE FLINT

Apple Inc. has poached two top Hollywood television executives from Sony Corp. to spearhead an ambitious push into the original-programming business.

Jamie Erlicht and Zack Van Amburg, who oversaw Sony Pictures Television productions such as "Breaking Bad" and "The Crown," will join Apple in new positions as co-heads of video programming world-wide, Apple said. They will report to Senior Vice President Eddy Cue, who oversees Apple's \$24 billion services business, which includes

iTunes and its \$10-a-month streaming-music service.

The hires signal Apple's seriousness about jumping into the crowded programming business, which Mr. Cue has been working toward for more than a year. Original content has skyrocketed over the past five years as Netflix Inc., Amazon.com Inc., CBS Corp. and others vie for viewers who are dropping cable subscriptions in favor of streaming services. There were about 500 scripted shows during the just-concluded 2016-17 television season, nearly double the number of scripted shows in 2011.

Apple's music-streaming service already has taken tentative steps to carry original video content, cutting deals for shows like "Carpool Karaoke" to differentiate it from rival Spotify AB. By

broadening its video-programming push, Apple could boost its services business, whose revenue Chief Executive Tim Cook aims to double to about \$50 billion by 2020. It also could boost customer loyalty to devices like the iPhone and its Apple TV digital-media player, in which its content-delivery services are native.

The departures of Messrs. Erlicht and Van Amburg represent a blow for Sony Pictures Entertainment, which took a \$1 billion write-down in February due to its movie-studio woes. The two executives are well-regarded for their ability to identify TV programs and played a critical role in turning Sony's television business into a formidable Hollywood player by developing shows like NBC's "The Blacklist" and FX's "Rescue Me."

In a note to staff on Thurs-

day, Sony Pictures Entertainment Chief Executive Tony Vinciguerra said, "While we are sad to see them go, we are excited by the opportunity to work with them as partners in the future."

Apple's Mr. Cue said, "Jamie and Zack are two of the most talented TV executives in the world and have been instrumental in making this the golden age of television."

Still, Apple faces sizable challenges in the media business, as its efforts have a mixed record. Its iTunes service revolutionized the music business, giving birth to downloadable, \$1 songs. But an effort to bring publishers to the iPad triggered a price-fixing lawsuit, and a more recent play to create a TV-subscription service fizzled.

Apple began to dabble in programming last year with



Apple is looking to beef up its video-streaming services.

a deal to stream a documentary about a drum machine called "808" on Apple Music. This year it has pushed "Planet of the Apps," a reality

show about app developers modeled after "Shark Tank," and "Can't Stop Won't Stop: A Bad Boy Story," a movie pro-

Please see APPLETv page B2

HEARD ON THE STREET

By Justin Lahart  
And Spencer Jakab

## Amazon's Margin Squeeze Is on Menu

Amazon.com's purchase of Whole Foods Market is a rounding error for the giant online retailer. For the struggling grocery industry, it is the biggest shift in a century.

Amazon already sells groceries, of course, along with nearly everything else, but skeptics have pointed out that supermarkets are one business that may be largely safe from its mushrooming retail empire. Today's deal may prove the skeptics wrong.

Whole Foods will give Amazon a much bigger footprint in the food business. In addition to over 460 stores, Amazon also will be getting the high-end grocer's distribution chain. That will allow its food delivery service, which is so far limited to only a handful of cities, to rapidly enter multiple markets.

Moreover, Whole Foods is concentrated in the richer, higher-density markets where delivery makes the most sense. A quick glance at its store locations shows this. It has 28 stores in

Please see MARGIN page B2



Farmers in central Illinois deposit harvested corn outside a full grain elevator. Concerns about Nafta are hitting sales of some agricultural products from the U.S.

## Trade Unease Hurts U.S. Exports to Mexico

BY JACOB BUNGE

Friction between the U.S. and Mexico over trade is starting to cut into sales for U.S. farmers and agricultural companies, adding uncertainty for an industry struggling with low commodity prices and excess supply.

Over the first four months of 2017, Mexican imports of U.S. soybean meal—used to feed poultry and livestock—dropped 15%, the first de-

crease for the period in four years, according to data from the U.S. Department of Agriculture. Shipments of U.S. chicken meat fell 11%, the biggest decline for the period since 2003. U.S. corn exports to Mexico declined 6%. Mexico is the largest U.S. export market for those commodities.

The numbers reflect how Mexican companies are now increasingly buying grain on a short-term basis and purchasing more chicken from Brazil,

troubling some industry officials and analysts. The trade data, which is the latest available, indicates that Mexico is starting to follow through on aspirations to buy food from a wider range of countries and reduce reliance on the U.S.

"We have to send a signal to policy makers in Washington, and emphasize that we are not sitting still," said Raúl Urteaga Trani, head of international affairs for Mexico's Secretariat of Agriculture, who

last month shepherded officials from 17 Mexican companies on a trade mission to South America, focused on corn, soybeans and wheat.

Mexico ranks as the third-largest customer for U.S.-produced farm goods overall, accounting for \$18 billion in trade last year, and the U.S. is Mexico's biggest market for food, making for a close-knit trade relationship that has built up around the 1994 North American Free Trade

Agreement.

That agreement is expected to be renegotiated in August by the Trump administration. Beginning on the campaign trail, President Donald Trump claimed Mexico had siphoned jobs, investment and wealth from the U.S. through the deal.

Mexico's declining purchases of some commodities runs counter to the Trump administration's goal to boost U.S. exports generally.

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INTELLIGENT INVESTOR | By Jason Zweig

## Calm, Cool and Waiting To Collect on This Bet

When the asset that makes up more than two-thirds of his net worth lost almost 25% in a few hours this past week, Samuel Lee did the obvious thing: He took a nap.

Mr. Lee, 31 years old, runs SVRN Asset Management, a small investment-advisory firm in Chicago. In his own portfolio, but not for any of his clients, he holds more than 1,000 units of ethereum, the cryptocurrency that is one of the most explosively volatile assets in the world right now.

Can a rational investor enter a wild market without losing his mind? A former exchange-traded-fund strategist at Morningstar Inc., the

investment-research firm, Mr. Lee is a respected blogger and commentator on financial markets who says he insists on building prudent, long-term portfolios for his clients, without a whiff of speculation.

I would never emulate Mr. Lee's bet, and you shouldn't either. But for people who feel they must speculate—in ethereum or in any other wildly risky asset—Mr. Lee's experience offers a road map of how to go about it.

Almost 70 years ago, the great investing analyst Benjamin Graham set out the biggest dangers in taking a flier on a hot asset: "(1) speculating when you think you are investing; (2) speculating seriously instead of as a pastime, when you lack

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## New Bond King Nothing Like Bill Gross

Pimco CIO Dan Ivascyn, who likens himself to a conductor, directs firm back to top

BY JUSTIN BAER

Dan Ivascyn's predecessor at Pacific Investment Management Co. was known as the "bond king." But the firm's current investment

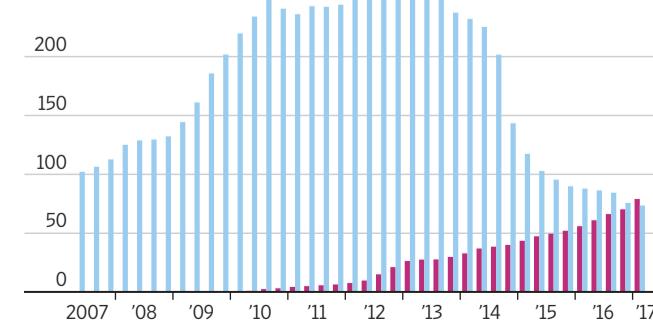
chief would rather be called just about anything else.

"There's a tendency to bestow royal terms on asset managers," he said at a recent conference. "We're much more like conductors of orchestras."

Mr. Ivascyn's ascension to the top of Pimco epitomizes the new direction taken by the California money manager as it recovers from the most tumultuous period in its history. He succeeded Bill Gross, the Pimco co-founder and bond-market legend who exited in Sep-

### A New King Rises

Dan Ivascyn's Income Fund has surpassed the size of the Total Return Fund once managed by Bill Gross, making it the largest of its kind in the world.



tember 2014 after clashes with fellow executives.

Hundreds of billions in client money followed Mr.

Gross out of Pimco, which later faced a breach-of-contract lawsuit from its former star. Pimco settled that suit

for \$81 million in March.

Mr. Ivascyn was able to stop the outflows with a team of managers who oversee more than \$1.5 trillion—one of the largest asset pools anywhere in the world. Inflows have outnumbered defectors for three straight quarters.

As manager of Pimco's Income Fund, Mr. Ivascyn also attracted enough new money to claim the title of world's largest actively managed bond fund—a perch long occupied by Mr. Gross's Total Return Fund. The Income Fund now manages more than \$79 billion.

"He is the perfect CIO for the Pimco we think of in the future," Pimco Chief Executive Manny Roman said in an interview. "What we've lost, and I would say it is a good thing, is the autocratic

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## PIMCO

Continued from the prior page style."

Pimco's new CIO bears little resemblance to his predecessor. Mr. Gross was known inside Pimco for his outbursts, was a regular fixture on financial TV shows, and occupied an extra-large desk at the center of the firm's trading floor.

Mr. Ivascyn, 47 years old, typically lets others speak first in meetings, rarely appears on TV, and chose a desk no bigger than others.

He ended Pimco's practice of reserving choice parking spots for key executives and, until recently, he drove a Toyota Prius to work.

In another departure from the Gross era, Mr. Ivascyn relies more heavily on the expertise of individual portfolio managers to find profitable trades. Under Mr. Gross, managers more closely followed directives set by broad investment calls.

The son of a school superintendent and a nurse, Mr. Ivascyn grew up in Oxford, Mass., a small town halfway between Boston and Springfield.

Mr. Ivascyn got his start in finance after graduating from Occidental College with stints at T. Rowe Price Group Inc., Fidelity Investments and Bear Stearns Cos.' research department. Later, he earned a graduate degree in business from the University of Chicago.

His career at Pimco nearly ended before it began. It was the summer of 1998, and Mr. Ivascyn was the newest trader on the firm's mortgage desk. A week into his new job, hedge fund Long Term Capital Management's implosion roiled markets around the world.

Mr. Ivascyn, who had never traded anything before, struggled to keep up

with the chaos. Pimco pulled him from the mortgage desk and exiled him to the opposite end of the same floor, where he sometimes sat alone. Colleagues encouraged him to send out his résumé, people familiar with the matter said.

"The kid is not working out," one portfolio manager told then-Pimco mortgage boss Scott Simon. "He's not a great fit."

He survived this rocky start after Mr. Simon argued that Mr. Ivascyn hadn't been given a fair shot. But it was the 2008 financial crisis that made him a star within Pimco.

In early 2008, Mr. Ivascyn directed a team of temps to scour the offering documents of scores of bonds linked to souring mortgages.

The research helped Pimco determine which bonds were more or less likely to meet their obligations to investors.

The analysis helped Pimco weather the downturn. And in the years that followed the crisis, it gave Mr. Ivascyn the confidence to invest heavily in bonds that stood to snap back in value as the economy stabilized.

The Income Fund, now co-managed with Alfred Murata, was a prime beneficiary of those trades.

"It allowed us to go on the offensive pretty quickly," Mr. Ivascyn said.

But Mr. Ivascyn wasn't immune to the strain that developed inside Pimco as Mr. Gross' relationships with fellow executives deteriorated.

Mr. Gross said in his lawsuit that his Pimco career reached a breaking point when Mr. Ivascyn and other managing directors threatened to resign.

Mr. Ivascyn declined to comment about his interactions with Mr. Gross.

—Sarah Krouse contributed to this article

DAMON LAVAREZ FOR THE WALL STREET JOURNAL

CIO Dan Ivascyn survived a rocky start to his Pimco career.

studio executives tried to reconcile Apple's relatively small steps with reports in The Wall Street Journal and elsewhere saying it planned to build a significant new original television business.

Apple Music executive Jimmy Iovine, who works out of the company's Los Angeles office, first brought Messrs. Erlicht and Van Amburg together with Mr. Cue

earlier this year to discuss how Apple could compete in the original-content business, according to a person familiar with the process. The Sony executives' contracts with the studio were up this August, and Mr. Cue moved to bring them on board because he was impressed with their experience in the industry.

In a statement, Mr. Erlicht said, "we want to bring to

video what Apple has been so successful with in their other services and consumer products—unparalleled quality." Mr. Van Amburg added, "We could not be more excited about what lies ahead."

In addition to developing shows they hope will break through in today's crowded media market, the executives will have to sort through questions includ-

ing whether Apple will launch a new TV-subscription service, as it has long desired.

If that happens, they also will have to determine if subscribers could buy both music and TV services at a discount.

Messrs. Erlicht and Van

## BUSINESS & FINANCE



SUSANA GONZALEZ/BLOOMBERG NEWS

General Motors' recruitment center in San Luis Potosi, Mexico. The company says the move was planned before the U.S. election.

## GM to Move 600 Jobs From Mexico

BY MIKE COLIAS AND WILLIAM MAULDIN

General Motors Co. said it would open a supplier park near its Arlington, Texas, sport-utility factory, resulting in the relocation of about 600 jobs from Mexico to the U.S. and a higher concentration of American-made parts in Chevrolet Suburbans and Cadillac Escalades.

Many of those U.S. employees will work for interiors supplier International Automotive Components Group, founded by billionaire investor and U.S. Commerce Secretary Wilbur Ross. The Luxembourg-based company will anchor the supplier facility.

The decision comes as the

Trump administration considers changes to the North American Free Trade Agreement and as Republican lawmakers weigh a border-adjusted tax, both of which could make it more expensive for companies to import parts.

Boosting the number of U.S.-made parts could alleviate some trade risk for GM's most-profitable vehicles, the hulking sport-utility vehicles assembled at its Arlington factory.

Analysts estimate that profit margins on the SUVs can exceed \$15,000. Any tariff on the trucks' components could pinch profits.

GM is one of several manufacturers rethinking the

sourcing of intermediate products through far-flung supply chains. Conceived as a strategy to lower costs, over-reliance on a global parts network can be a risky bet due to political shifts, protectionist measures and even natural disasters.

The auto maker this year announced plans to add about 1,500 factory jobs in the U.S. in the wake of public criticism from President Donald Trump of GM's Mexican imports.

The company said both the 1,500 jobs and the 600 supplier jobs were planned before Mr. Trump's election in November. The new supplier park is aimed at trimming logistical costs and deriving other advantages from the

closer proximity of parts to the assembly plant, GM purchasing chief Steve Kiefer said in an interview on Friday.

Mr. Trump has set in motion a renegotiation of the 23-year-old Nafta, which sets the ground rules for Detroit and foreign-based auto makers operating in the U.S., Canada and Mexico.

The SUVs assembled at GM's Arlington plant have among the highest Mexican content of any vehicles produced in North America, according to the National Highway Traffic Safety Administration. The SUVs contain 49% U.S.-or Canada-made components, while 38% of the parts come from Mexico, the agency says.

## TRADE

Continued from the prior page

U.S. Agriculture Secretary Sonny Perdue has been working to build bridges to Mexico. In May he initiated a call with his Mexican counterpart, José Calzada Rovirosa, that centered on mutually beneficial trade, and Mr. Perdue has invited Mr. Calzada to a two-day meeting in the coming week in Savannah, Ga., where trade is expected to be discussed.

Canada's agriculture minister, Lawrence MacAulay, is also expected to attend, along with U.S. business leaders.

Economic and financial conditions can quickly alter trading patterns.

The Mexican peso has weakened against the dollar in recent months, making some U.S. products more expensive and Brazilian chicken more attractive to some Mexican buyers.

And while U.S. sales of some crops and meat to Mexico have slowed, the country is buying more U.S. beef and

### Beyond Borders

Mexico is importing less of U.S. agricultural products, from grains to meat, as Nafta uncertainty looms.

#### Total U.S. exports through April, change from previous year



Source: U.S. Census Bureau Trade Data

THE WALL STREET JOURNAL

eggs, USDA data for the first four months of the year show.

Still, some U.S. agriculture officials worry that the uncertainty around trade could jeopardize a market that last year bought roughly 13% of total U.S. agricultural exports, at a time American farmers are struggling with low prices.

Last week, the U.S. Grains Council, a trade body focused on developing grain exports,

dispatched its board of directors to Mexico to emphasize U.S. crop producers' commitment to the country.

"Certainly, we're concerned," said Tom Sleight, the group's chief executive, who has made multiple visits to Mexico since February.

"There's a palpable interest on the part of Mexico—I've heard it referred to as 'Plan B' consistently by the Mexican

## MARGIN

Continued from the prior page

health-conscious Colorado and Connecticut combined. Kentucky and Alabama, with an almost identical population but lower incomes, education levels and population density, have six stores combined, one each in their major urban centers.

That could give it a leg up on other food delivery ventures such as **Ahold Delhaize**'s Peapod and venture-backed **Blue Apron Holdings**.

The cachet of the Whole Foods name—it was named most-admired food and drugstore by Fortune last year—could also make it a formidable competitor in the delivery business.

Whole Foods also operates at much higher profit margins than other grocers, thanks in part to the higher markups it gets for many of

its upscale items. It has a gross profit margin of 34%, which compares with 21% for **Kroger**. If Amazon's tolerance for lower profit margins in its retail business translates into its grocery venture, it could rapidly compress profitability in the sector.

Amazon's timing for the deal appears impeccable. Its \$42-a-share offer represents a modest 27% premium to Whole Foods's closing price on Thursday and just 18% to its closing price a day earlier. The entire grocery sector had sold off in the wake of a plunge in Kroger shares following a profit warning.

Even with the deal premium, Amazon's \$13.7 billion price tag, including debt, compares with a debt-adjusted market value of \$23 billion for Whole Foods less than four years ago when it had a fifth fewer stores.

And, while it seems somewhat surprising that Amazon

is paying cash rather than some combination of shares and cash despite having one of the best-performing large-company stocks in recent years, it is more likely to make the deal accretive to earnings per share. The price represents less than 3% of

### Food for Thought

Trailing gross profit margin

Whole Foods

34.1%

Ahold Delhaize

26.9%

Carrefour

20.9%

Kroger

20.7%

Supervalu

13.2%

Source: FactSet

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Amazon's own market value. Indeed, the rebound in Amazon's stock price as it began trading shortly after the news broke added as much market value as the purchase price.

Amazon's entry into a new business is awful news for anyone currently in it, and initial investor reactions show that this should be no exception.

Consider Kroger's share price. Following its swoon on Thursday, the largest this century, its stock was off an additional 9% on Friday in response to its formidable new competitor. And **Wal-Mart Stores**, the world's largest retailer by sales, America's largest seller of food and Amazon's most credible old-line competitor, saw its market value drop by \$14 billion.

The Amazon effect has finally hit the grocery business and it has been with a bang.

Mr. Vinciguerra

## BUSINESS NEWS

# McDonald's Ends Olympic Deal

Fast-food chain, IOC terminate long-running partnership as company cuts costs

BY IMANI MOISE  
AND JULIE JARGON

The International Olympic Committee said it and fast-food giant McDonald's Corp. agreed to end their long-running partnership before their latest deal was set to expire.

"We understand that McDonald's is looking to focus on different business priorities," the IOC said. "For these reasons, we have mutually agreed with McDonald's to part ways."

McDonald's said it decided to end the partnership to focus on new ways to grow.

The company is trying to turn around its business in the U.S., where it has lost customers to more price-competitive fast-food rivals, and to become more of a franchised business globally.

McDonald's recently said it is going back to the basics, focusing on improving core menu items such as hamburgers and trying to modernize the chain by investing in delivery and mobile-ordering technology.

The chain has also been cutting costs to become a leaner organization.

McDonald's in March announced it had already achieved more than \$200 million in savings through the end of 2016 toward its goal of reducing spending by \$500 million by the end of 2018 and said it expected to trim an additional 5% to 10% from its remaining cost base by the end of 2019. It is also returning more cash to shareholders.

A spokeswoman declined to disclose the investment it had made in the Olympics sponsorship.

McDonald's will still provide advertisements and restaurants in Pyeongchang, South Korea, for the 2018 Winter Olympic Games, but the partnership will otherwise end effective immediately.

The current deal was supposed to last through 2020, and the IOC said it has no current plans to name a direct replacement.

The agreement ends a nearly half-century relationship. The chain said it got involved by airlifting burgers to the 1968 Winter Games in Grenoble, France, to U.S. athletes who were homesick for American food. McDonald's became an official sponsor eight years later.

AP/GETTY IMAGES

Chinese paramilitary police guarding a post beneath umbrellas sponsored by the company near the main stadium, also known as the Bird's Nest, before the Beijing Olympic Games in 2008.



## Toshiba's Chip Business Struggles to Keep Up

BY MAYUMI NEGISHI  
AND TAKASHI MOCHIZUKI

**TOKYO**—Toshiba Corp. is lagging behind rival chip makers in securing next year's supply of silicon wafers, people in the industry said, showing how the company's troubles are hamstringing operations at its principal profit center.

Toshiba is trying to sell its memory-chip unit for some \$20 billion in a bid to survive multibillion-dollar losses tied to its U.S. nuclear unit, Westinghouse Electric, which filed

for bankruptcy protection in March. The company was aiming to reach a deal by June 28, but the sale process has bogged down. At a meeting Thursday, Toshiba's board failed to select a preferred bidder, people familiar with the meeting said.

The semiconductor unit is riding a once-in-a-decade boom in demand thanks to the growth in internet-connected devices and services that rely on huge data-storage capacity.

One effect of the boom is a shortage of silicon wafers, the

material from which chips are created. Inventory levels have fallen to all-time lows and companies are hurrying to lock up supplies.

People in the industry involved in contract negotiations said some of Toshiba's rivals have already agreed to price increases for next year's contracts so they can ramp up production, whereas Toshiba has held back in some cases.

Toshiba, the world's No. 2 maker of NAND flash memory, could find itself at a disadvantage in a fast-paced market.

Meanwhile, it remains two months behind market leader Samsung Electronics Co. in developing 3-D NAND chips, which are used in Apple Inc.'s iPhones, analysts said.

Japanese silicon-wafer makers Shin-Etsu Chemical Co. and Sumco Corp. won their first price rises in more than a decade in the January-March quarter, according to their most recent earnings announcements. Both companies supply to Toshiba, as does GlobalWafers Co.

A Toshiba spokeswoman de-

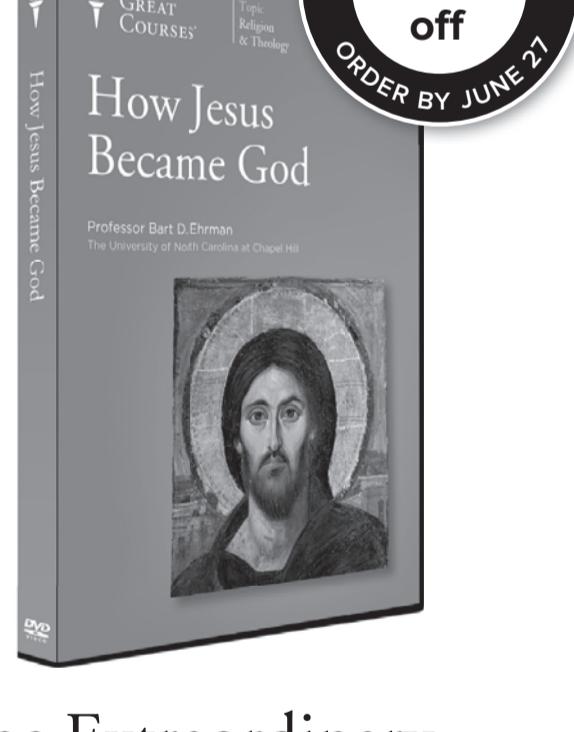
clined to comment on negotiations but said the company is working to deal with price rises for wafers.

Companies exploring bids for the Toshiba chip unit include Foxconn Technology Group of Taiwan, SK Hynix Inc. of South Korea, U.S.-based Broadcom Ltd. and Toshiba's joint-venture partner Western Digital Corp., according to people familiar with the matter.

Private-equity firms and entities backed by the Japanese government are also involved in the bidding.

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10. The Resurrection—What Historians Can't Know
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17. Was Christ Human? The Docetic View
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## Car Makers Prepare For Move By Takata

BY SEAN MCCLAIN

TOKYO—Japanese car companies say they are prepared to weather a bankruptcy filing by Takata Corp., whose rupture-prone air bags are being recalled around the globe.

Takata is preparing to seek bankruptcy protection in the U.S. and Japan as early as next week, according to a person familiar with the matter. The automotive-parts supplier is facing an \$850 million payment to car makers, as part of a settlement with the U.S. Justice Department. Takata recorded a ¥79.5 billion (\$716 million) loss for its March-ended fiscal year, and warned that its liabilities exceeded the value of its current assets.

Car companies are covering the costs of recalling millions of vehicles across the world—including 42 million in the U.S. alone—that contain air bags linked to at least 16 deaths and more than 100 injuries.

"We have enough parts to replace the recalled air bags," said a spokeswoman for Honda Motor Co., Takata's largest customer. Honda set aside ¥556 billion for recall-related costs over two years, fueling losses at a time when its Japanese peers were enjoying record profits from strong U.S. car sales and a weak yen.

A Takata spokesman said the company doesn't have the capacity to produce parts to replace all the defective air bags. "We are fulfilling the orders we receive from car makers every month," he said.

Toyota Motor Corp. said it is working with suppliers to ensure it has enough replacement parts. It no longer uses the type of inflator that caused Takata air bags to explode, but a spokesman said it will continue to use Takata "if they comply with safety requirements."

## BUSINESS NEWS

# Google Faces EU Antitrust Fine

By NATALIA DROZDIAK

BRUSSELS—European Union regulators in the coming weeks are set to hit **Alphabet** Inc.'s Google with a record fine for manipulating its search results to favor its own comparison-shopping service, according to people familiar with the matter.

The antitrust penalty is expected to top the EU's previous record fine levied on a company for allegedly abusing its market position: €1.06 billion (about \$1.2 billion) against **Intel** Corp. in 2009.

Under EU rules, the fine could reach as high as 10% of the company's annual revenue, which was \$90.27 billion last year.

Google faces additional and perhaps more painful consequences from the European

Commission's action, including possible changes not only to its handling of its shopping service but other services as well. The antitrust watchdog's decision could also embolden private litigants to seek compensation for damages at national courts.

The EU is likely to instruct Google to put its comparison shopping service on equal footing with those of its competitors, such as **Foundem.co.uk** and **Kelkoo.com** Ltd. Such companies rely on traffic coming to their site from search engines like Google's, and the equal-treatment requirement could lead to greater visibility for rival services on the tech giant's platform.

The EU has been in talks with some of the complainants about how Google should

change its search results, though the remedy likely would be hammered out only after a decision is announced.

Google General Counsel Kent Walker has previously argued that forcing the company to place competitors' product ads in its search results "would just subsidize sites that have become less useful for consumers."

The regulator's move would be welcome relief to a range of web companies—large and small, European and American—that have been urging the EU for years to take antitrust action against Google. News Corp., owner of The Wall Street Journal, has complained to the EU about Google's handling of news articles on its search service.

The EU watchdog opened its investigation into Google's

practices in 2010. The former competition commissioner, Joaquin Almunia, subsequently drafted various settlements with Google over more than two years of talks, but the steps offered by Google were rejected in 2014 following criticism from competitors, as well as from politicians in Germany and France.

That led the way for Mr. Almunia's successor, EU antitrust chief Margrethe Vestager, to file formal accusations against Google—the first regulator in the world to do so—by issuing a statement of objections in the comparison shopping case in April 2015.

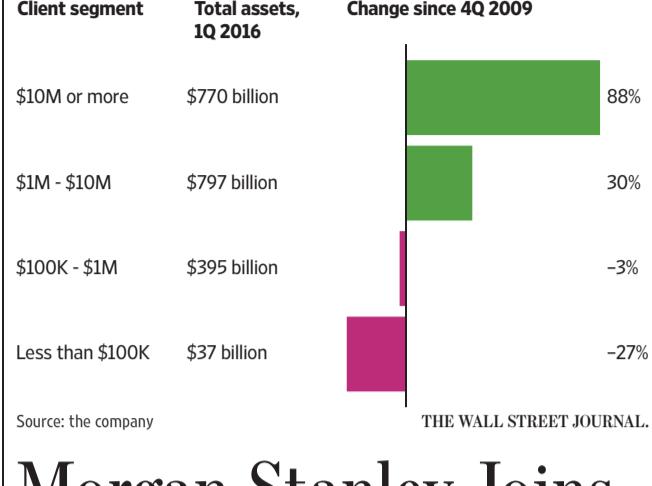
The U.S. closed its own investigation into Google's search practices in 2013 after the company agreed to voluntary changes.



The penalty by regulators is expected to top the European Union's previous record fine of \$1.2 billion levied against Intel in 2009.

## Range of Riches

Morgan Stanley's wealth business has long focused on high-net-worth investors, but it is looking to add clients at the lower end with its new robo offering.



Source: the company

THE WALL STREET JOURNAL.

## Morgan Stanley Joins Robo-Advisory Era

By MICHAEL WURSTHORN

Morgan Stanley is rolling out a welcome mat for the investing masses, part of a push to get a foothold with a new generation of wealth-management clients.

Starting this fall, investors with as little as \$5,000 can use the New York bank's robo-advisory service known as Morgan Stanley Access Investing, according to Securities and Exchange Commission filings.

Since ramping up in wealth management several years ago with the acquisition of Citi-group Inc.'s **Smith Barney** brokerage, Morgan Stanley has pushed its brokers to meet the investing needs of individuals with millions of dollars. Now, the bank is in the midst of a digital transformation that will let the U.S.'s biggest brokerage by number of financial advisers embrace some of the country's smallest investors.

"These robo-advisory solutions make sense for that segment of the market that has frankly been traditionally underserved," said Naureen Hassan, Morgan Stanley's chief digital officer for wealth man-

agement, while speaking at Morgan Stanley's financials conference this past week.

Morgan Stanley told brokers on Thursday it would begin testing its robo service with a small group of employees in June, according to a person familiar with the matter.

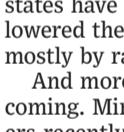
Similar to other robos, Morgan Stanley's automated-investing service relies on an algorithm to gauge an investor's appetite for risk and then recommends an appropriate portfolio of mutual funds and exchange-traded funds, according to the filing. The service, which will cost 0.45% of the invested assets annually, will also give investors the option to further customize their portfolios around certain themes, such as focusing on sustainable investments or other socially responsible investment themes.

Morgan Stanley is gearing the service initially toward people it already has a relationship with, such as the children of current clients or people who participate in employee stock-purchase plans administered by Morgan Stanley, Ms. Hassan said.

## WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

# More States Are Killing the Estate Tax



Want proof taxes can actually go down? In the past three years, nine states have eliminated or lowered their estate taxes, mostly by raising exemptions.

are willing to move out of state to avoid death duties that come only once. Since the federal estate-and-gift tax exemption jumped to \$5 million in 2011, adjusted for inflation, state death duties have stood out.

"States are under pressure to keep pace with both the federal estate-tax exemption and exemptions in neighboring states," says Bruno Graziano, a senior analyst with information services firm Wolters Kluwer NV.

Two holdouts remain: Massachusetts and Oregon. These two have estate-tax exemptions of \$1 million or below, compared with nine that did in 2009. The tax bite is set to increase in each because neither adjusts its break for inflation.

In Massachusetts, some lawmakers are worried about losing residents to other states because of its estate tax, which brought in \$400 million last year. They hope to raise the exemption to half the federal level and perhaps exclude the value of a residence as well.

These measures stand a good chance of passage even as lawmakers are considering raising income taxes on millionaires, says Kenneth Brier, an estate lawyer with Brier & Ganz LLP in Needham, Mass., who tracks the issue for the Massachusetts Bar Association. State officials "are worried about a silent leak of people down to Florida, or even New Hampshire," he adds.

The outlook is different in Oregon, according to Mark McMullen, the state's chief economist. No efforts to raise the exemption have gotten traction in the legislature, although estate-tax revenue of more than \$200 million for the two-year cycle ending June 30 is 50% higher than forecast, helped by strong housing and financial markets.

"We don't see a lot of folks migrating out to avoid the estate tax," says Mr. McMullen.

While most recent changes have been to state estate taxes, some states with inheritance taxes are

feeling pressure as well. Six states have these levies, which are payable by the person who inherits assets rather than the estate of the person who died. States can have either one of the taxes, or both.

Inheritance tax rates and exemptions often vary according to the heir's relation to the decedent.

Last year, lawmakers changed Pennsylvania's inheritance tax, which brought in \$962 million for the fiscal year ended June 30, 2016, so that family farms and businesses are exempt. The provisions were retroactive to 2012 for farm owners and 2013 for business owners.

In Kentucky, Gov. Matt Bevin has called for repeal of the state's inheritance tax, which has rates up to 16%, while remaining open to other revenue increases.

Two states, New Jersey and Maryland, have both estate and inheritance taxes. Although both have scaled back their estate tax, neither has cut the inheritance tax, according to Mr. Graziano.

## Death Duties

Eighteen states plus the District of Columbia still have an estate tax, an inheritance tax, or both, but many states have reduced these levies in recent years. Here are top rates and exemptions for 2017.

ESTATE TAX	Top rate	Exemptions in millions
Connecticut	12%	\$2.00
D.C.	16	2.00
Delaware	16	5.49
Hawaii	16*	5.49
Illinois	16	4.00
Maine	12	5.49
Maryland	16	3.00
Massachusetts	16	1.00
Minnesota	16	2.10
New Jersey	16	2.00
New York	16	5.25
Oregon	16	1.00
Rhode Island	16	1.52
Vermont	16	2.75
Washington	20	2.13*

INHERITANCE TAX

Iowa	15%	Inheritance-tax exemptions are highly variable, typically depending on how the heir is related to the decedent.
Kentucky	16	
Maryland	10	
Nebraska	18	
New Jersey	16	
Pennsylvania	15	

\*Rounded Source: Wolters Kluwer

In New Jersey, the inheritance tax is typically far less important than the estate tax because it exempts lineal descendants, says Samuel

Weiner, an attorney with Cole Schotz PC in Hackensack, N.J. Maryland has generous exemptions to its inheritance tax as well.

Stock Exchange, the archbishop of Dublin warned that investors were "well aware" the company wouldn't succeed, "but hope to sell before the price falls." Almost all who had bought, including none other than Sir Isaac Newton, were wiped out.

Putting only a tiny amount of his initial wealth at risk, while regarding the entire venture as an all but certain loss, has enabled Mr. Lee to keep greed from clouding his judgment—so far. "I've lost six figures in a matter of hours, several times," he says. "I never lost sleep over it."

Mr. Lee hopes he can avoid the "addictive" behavior that prevents most speculators from getting out of a bubble before it's too late. Perhaps the best sign that he can is his uncertainty that he will.

Investing intelligently is hard. Speculating intelligently is way harder.

## INVEST

Continued from page B1  
proper knowledge and skill for it; and (3) risking more money in speculation than you can afford to lose." Mr. Graham added: "If you want to try your luck at it, put aside a portion—the smaller the better—of your capital in a separate fund for this purpose....Never mingle your speculative and investment operations in the same account, nor in any part of your thinking."

Mr. Lee knows that passage almost by heart, and he fits it almost to a T.

He put only a "low single-digit percentage" of his net worth into Ethereum and expects to lose most or all of it. He paid an average of just over \$25 for Ethereum tokens that are now valued at more than \$350 apiece and, at their

### Into the Ether

The digital currency Ethereum in U.S. dollars



Note: Through Thursday  
Source: Bitfinex via Quandl.com

THE WALL STREET JOURNAL.

how long he will own it or exactly what will make him sell it, and he will tell you he doesn't know.

But he also thinks there's a remote chance that Ethereum will go up by a lot more than the roughly 1,500% it has already gained since he bought a year ago. He puts those chances at about 5%.

There are already hundreds of competing cryptocurrencies, forms of digital money that may replace cash for some purposes, enabling confidential payments without cost or delay. Which, if any, will take off is almost impossible to predict.

Launched in 2014 by a Swiss nonprofit, Ethereum is based on a global network with a built-in programming language allowing any user to write contracts for ownership and transactions. Units of its common currency, or "ether," are exchanged over the network.

"If I went by what common sense told me, I would have gotten out a long time ago," says Mr. Lee. "I had to train myself into thinking, 'If this is a bubble, then the valuation will exceed what I think is reasonable by an incomprehensible amount.'"

And so it has. Ethereum's total market value topped \$30 billion this past week, making it worth about 15% more than SunTrust Banks Inc., a regional-banking giant that generated more than \$1.8 billion in net income last year.

Ethereum's potential may be huge, but how do you value it? Merely a medium of exchange, it doesn't produce any income. A rival cryptocurrency, bitcoin, which this past week fell more than 25% from its recent high, may be falling out of favor; that could happen to Ethereum, too.

In fact, says Mr. Lee, "Ethereum" is the perfect

thing to call a bubble. It's nothing, it's just made out of ether." He wouldn't touch it at these prices. "You want to buy when everybody thinks it's insane," he says, "not when it's become sexy."

But Mr. Lee isn't ready to sell yet. History shows, he says, that bubbles last longer and inflate further than most people expect, tending not to burst until they get much more popular than Ethereum has so far become.

So, Mr. Lee is patiently holding an asset that most speculators trade in and out of at a ferocious pace. "When a speculative asset displays momentum," he says, "it's better not to cut it too soon."

Of course, he isn't the first person to take a ride on a rocket and be convinced he will know when to jump off.

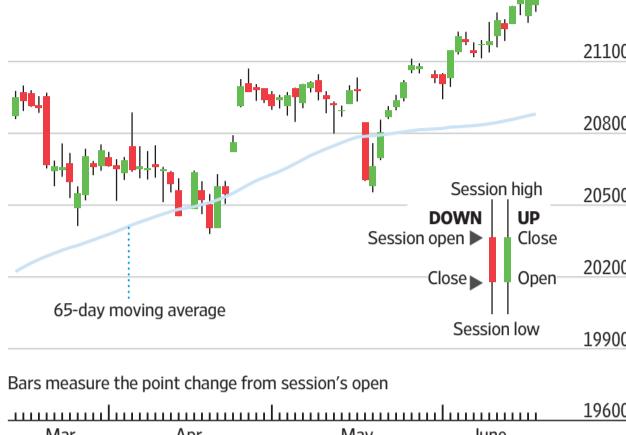
As long ago as 1720, during the bubble in stock of the South Sea Co. on the London

## MARKETS DIGEST

### EQUITIES

#### Dow Jones Industrial Average

**21384.28** ▲ 24.38, or 0.11%  
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Mar. Apr. May June 19600

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

#### S&P 500 Index

**2433.15** ▲ 0.69, or 0.03%  
High, low, open and close for each trading day of the past three months.



Mar. Apr. May June 2270

#### Nasdaq Composite Index

**6151.76** ▼ 13.74, or 0.22%  
High, low, open and close for each trading day of the past three months.



Mar. Apr. May June 5530

#### Major U.S. Stock-Market Indexes

	Latest		52-Week		YTD		% chg		
	High	Low	Close	Net chg	Low	% chg	3-yr. ann.		
<b>Dow Jones</b>									
Industrial Average	21384.42	21308.01	<b>21384.28</b>	24.38	21384.28	17140.24	<b>21.0</b>	8.2 <b>8.4</b>	
Transportation Avg	9420.40	9368.67	<b>9414.07</b>	5.06	9593.95	7093.40	<b>24.0</b>	4.1 <b>5.5</b>	
Utility Average	738.82	734.81	<b>737.51</b>	3.21	737.51	625.44	<b>7.4</b>	11.8 <b>10.1</b>	
Total Stock Market	25191.43	25082.14	<b>25191.39</b>	-0.04	<b>-0.0002</b>	25297.91	20583.16	<b>17.9</b>	8.2 <b>7.5</b>
Barron's 400	644.22	641.04	<b>643.56</b>	-1.55	<b>-0.24</b>	650.48	491.89	<b>25.0</b>	7.0 <b>6.8</b>
<b>Nasdaq Stock Market</b>									
Nasdaq Composite	6161.56	6125.50	<b>6151.76</b>	-13.74	<b>-0.22</b>	6321.76	4594.44	<b>28.2</b>	14.3 <b>12.5</b>
Nasdaq 100	5695.74	5656.62	<b>5681.48</b>	-19.41	<b>-0.34</b>	5885.30	4201.05	<b>29.9</b>	16.8 <b>14.5</b>
<b>Standard &amp; Poor's</b>									
500 Index	2433.15	2422.88	<b>2433.15</b>	0.69	<b>0.03</b>	2440.35	2000.54	<b>17.5</b>	8.7 <b>7.9</b>
MidCap 400	1753.50	1743.61	<b>1753.46</b>	0.16	<b>0.01</b>	1769.34	1416.66	<b>18.5</b>	5.6 <b>7.7</b>
SmallCap 600	852.74	849.04	<b>852.69</b>	-4.27	<b>-0.50</b>	866.07	670.90	<b>21.6</b>	1.8 <b>8.5</b>
<b>Other Indexes</b>									
Russell 2000	1407.22	1399.26	<b>1406.73</b>	-3.36	<b>-0.24</b>	1425.98	1089.65	<b>22.9</b>	3.7 <b>6.4</b>
NYSE Composite	11772.03	11716.69	<b>11772.02</b>	31.50	<b>0.27</b>	11796.79	9973.54	<b>13.8</b>	6.5 <b>2.7</b>
Value Line	521.63	518.28	<b>520.93</b>	-0.70	<b>-0.13</b>	529.13	435.06	<b>13.9</b>	2.9 <b>1.7</b>
NYSE Arca Biotech	3692.47	3653.48	<b>3691.85</b>	4.82	<b>0.13</b>	3720.14	2818.70	<b>22.7</b>	20.1 <b>10.7</b>
NYSE Arca Pharma	531.15	527.87	<b>531.15</b>	2.81	<b>0.53</b>	554.66	463.78	<b>4.8</b>	10.3 <b>1.1</b>
KBW Bank	94.17	93.46	<b>93.74</b>	-0.20	<b>-0.21</b>	99.33	60.27	<b>41.9</b>	2.1 <b>10.1</b>
PHLX® Gold/Silver	80.26	79.25	<b>79.71</b>	-0.13	<b>-0.16</b>	112.86	73.03	<b>-11.8</b>	1.1 <b>-4.6</b>
PHLX® Oil Service	136.20	133.20	<b>136.19</b>	2.81	<b>2.11</b>	192.66	133.30	<b>-19.8</b>	-25.9 <b>-23.0</b>
PHLX® Semiconductor	1079.50	1063.56	<b>1067.23</b>	-3.53	<b>-0.33</b>	1138.25	648.32	<b>54.9</b>	17.7 <b>19.1</b>
CBOE Volatility	11.35	10.26	<b>10.38</b>	-0.52	<b>-4.77</b>	25.76	9.75	<b>-46.5</b>	-26.1 <b>-6.4</b>

\$Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

#### Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Mkt and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 5,000 shares.

#### Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Yahoo!	YHOO	42,798.5	52.85	0.27	<b>0.51</b>	53.10	52.41
SPDR S&P 500	SPY	15,684.5	243.05	0.41	<b>0.17</b>	243.12	241.83
Teradata	TDC	12,007.6	28.30	...	unch.	28.31	28.27
Ansys	ANSS	9,545.1	121.75	...	unch.	121.75	121.72
General Electric	GE	9,436.0	29.00	...	unch.	29.01	28.74
Pan American Silver	PAAS	9,148.5	16.25	...	unch.	16.30	16.25
Align Technology	ALGN	8,362.8	145.04	-0.22	<b>-0.15</b>	145.26	145.04
Silver Standard Resources	SSRI	8,309.5	9.18	0.001	<b>0.01</b>	9.20	9.16

#### Percentage gainers...

Amyris	AMRS	29.2	3.29	0.24	<b>7.69</b>	3.29	3.06
NCS Multistage	NCSM	116.2	24.50	1.27	<b>5.46</b>	24.50	23.23
Altimune	ALT	5.4	3.71	0.17	<b>4.80</b>	3.81	3.54
McEwen Mining	MUX	386.2	2.68	0.10	<b>3.88</b>	2.70	2.58
Vivint Solar	VSLR	7.4	4.15	0.15	<b>3.75</b>	4.15	4.00

#### ...And losers

American Railcar Inds	ARII	5.6	34.55	-1.89	<b>-5.19</b>	36.44	34.55
Syndax Pharmaceuticals	SDNX	5.6	10.63	-0.57	<b>-5.09</b>	11.20	10.63
Yamana Gold	AUY	7,330.0	2.35	-0.10	<b>-4.25</b>	2.45	2.35
Span-America Medical Sys	SPAN	5.9	29.11	-0.88	<b>-2.93</b>	29.50	29.11
SunRun	RUN	16.3	5.59	-0.15	<b>-2.61</b>	5.74	5.59

#### Trading Diary

##### Volume, Advancers, Decliners

	NYSE	NYSE Mkt
<b>Total volume*</b>	2,265,757,564	187,170,043
<b>Adv. volume*</b>	1,086,134,693	72,953,303
<b>Decl. volume*</b>	1,107,068,692	102,882,818
<b>Issues traded</b>	3,097	330
<b>Advances</b>	1,699	148
<b>Declines</b>	1,252	162
<b>Unchanged</b>	146	



## COMMODITIES

WSJ.com/commodities

### Futures Contracts

#### Metal & Petroleum Futures

	Contract						Open interest
	Open	High	hi lo	Low	Settle	Chg	
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.	2,5570	2,5670	2,5570	2,5625	-0.0015	1,206	
Sept 2017	2,5825	2,5930	2,5700	2,5790	-0.0015	82,354	
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.	1252.80	1255.30	1251.30	1254.00	1.80	1,204	
June	1255.60	1258.60	1253.20	1256.50	1.90	330,735	
Sept	1259.30	1261.70	1256.80	1260.00	1.90	11,954	
Dec	1262.30	1265.50	1260.10	1263.40	1.90	83,056	
Feb'18	1265.40	1268.20	1264.00	1266.80	1.90	10,343	
Dec	1283.00	1283.00	1283.00	1283.60	1.90	5,913	
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.	887.85	893.95	887.85	888.65	19.90	57	
July	869.35	869.35	869.35	878.50	16.75	42	
Sept	862.85	870.45	858.30	865.65	7.70	34,109	
Dec	854.05	860.15	848.80	855.45	5.40	2,007	
March'18	849.50	849.50	849.50	847.75	7.70	132	
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.	925.40	926.80	925.40	925.90	5.60	4	
July	922.00	920.30	920.90	926.80	5.50	47,406	
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.	16.735	16.735	16.695	16.636	-0.055	18	
July	16.720	16.800	16.620	16.661	-0.055	89,791	
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.	44.25	44.44	44.24	44.74	0.28	104,865	
July	44.46	45.18	44.46	44.97	0.29	491,200	
Sept	44.70	45.41	44.70	45.20	0.29	284,780	
Dec	45.48	46.18	45.48	45.94	0.27	305,915	
June'18	46.69	47.18	46.68	47.01	0.26	119,213	
Dec	47.34	47.81	47.32	47.66	0.26	153,431	
<b>NY Harbor USLD (NYM)</b> -42,000 gal.; \$ per gal.	1,4113	1,4363	1,4099	1,4270	0.124	67,211	
Aug	1,4185	1,4434	1,4185	1,4340	0.020	95,358	
<b>Gasoline-NY RBOB (NYM)</b> -42,000 gal.; \$ per gal.	1,4400	1,4615	1,4369	1,4548	0.0191	80,765	
July	1,4368	1,4578	1,4361	1,4501	0.0164	95,943	
<b>Natural Gas (NYM)</b> -10,000 MMBtu; \$ per MMBtu.	3,049	3,082	3,021	3,037	-0.019	141,820	
Aug	3,076	3,102	3,042	3,060	-0.018	227,329	
Sept	3,053	3,087	3,034	3,047	-0.017	181,116	
Oct	3,077	3,108	3,057	3,070	-0.016	177,414	
Jan'18	3,371	3,387	3,349	3,356	-0.010	108,998	
April	2,895	2,904	2,878	2,882	-0.015	84,096	

#### Agriculture Futures

	Corn (CBT)							
	5,000 bu;	cents per bu.	377.85	384.50	377.00	384.00	4,50	406,465
Sept	386.75	392.25	385.00	392.00	4,50	424,237		
<b>Oats (CBT)</b> -5,000 bu.; cents per bu.	1,4099	1,4265	1,4165	1,4548	0.0191	80,765		
July	262.75	271.50	260.00	269.25	8.00	3,778		
Dec	246.75	255.25	246.75	252.50	7.00	2,177		
<b>Soybeans (CBT)</b> -5,000 bu.; cents per bu.	935.75	942.25	932.00	939.00	4.25	233,727		
Nov	945.00	951.00	940.25	950.00	6.00	290,618		
<b>Soybean Meal (CBT)</b> -10,000 tons; \$ per ton.	301.20	303.40	299.40	300.90	30	113,694		
Dec	307.00	308.80	305.00	307.20	70	138,170		
Dec'18	98.2700	98.3050	98.2500	98.2950	0.0300	1,385,689		

#### Interest Rate Futures

#### Treasury Bonds (CBT)

\$100,000; pts 32nds of 100%

June 156-200 157-050 156-160 156-280 5.0 2,592

Sept 155-140 155-280 155-050 155-200 5.0 738,073

#### Treasury Notes (CBT)

\$100,000; pts 32nds of 100%

June 126-265 127-020 126-230 126-295 2.5 44,216

Sept 126-205 126-280 126-160 126-240 3.5 3,182,393

#### 5 Yr. Treasury Notes (CBT)

\$100,000; pts 32nds of 100%

June 118-237 118-287 118-220 118-275 3.5 37,160

Sept 118-090 118-137 118-060 118-125 3.5 3,146,569

#### 2 Yr. Treasury Notes (CBT)

\$200,000; pts 32nds of 100%

June 108-080 108-100 108-080 108-097 1.5 8,640

Sept 108-035 108-055 108-025 108-050 1.5 1,343,169

#### 30 Day Federal Funds (CBT)

\$5,000,000; 100 daily avg.

June 98.958 98.960 98.958 98.960 ... 87,921

July 98.845 98.850 98.845 98.850 ... 390,761

#### 10 Yr. Del. Int. Rate Swaps (CBT)

\$100,000; pts 32nds of 100%

June 93.969 94.000 93.844 94.063 ... 17,209

Sept 102.703 102.969 102.703 102.891 ... 26,820

#### 1 Month Libor (CME)

\$3,000,000; pts of 100%

June 98.7875 98.7875 98.7875 98.7875 ... 9,533

July 98.7825 98.7825 98.7825 98.7825 ... 5,541

#### Eurodollar (CME)

\$1,000,000; pts of 100%

June 98.7200 98.7250 98.7200 98.7225 ... 1,420,312

Sept 98.6600 98.6700 98.6500 98.6650 ... 0.0050 1,491,148

Dec 98.5700 98.5900 98.5600 98.5800 ... 0.0100 1,732,303

Dec'18 98.2700 98.3050 98.2500 98.2950 ... 0.0300 1,385,689

#### Currency Futures

#### Japanese Yen (CME)

\$12,500,000; \$ per 100

June .9019 .9039 .8961 .9023 .0001 66,121

Sept .9059 .9076 .9012 .9059 .0002 149,057

#### Canadian Dollar (CME)

CAD 100,000; \$ per CAD

June .7537 .7571 .7534 .7565 .0031 95,111

Sept .7547 .7582 .7545 .7577 .0031 135,254

#### British Pound (CME)

£6

## BANKING &amp; FINANCE

## Court Ruling May Benefit PE Firms

BY DAVE MICHAELS

**WASHINGTON**—A recent decision by the U.S. Supreme Court that curbed the government's enforcement powers over Wall Street could hurt efforts to penalize private-equity managers over fees that the government considers poorly disclosed to investors.

The opinion, handed down last week, said the SEC has just five years to order firms to give back profits that it says were wrongfully taken. That means the regulator can no longer object to fees received long ago, significantly reducing the amount it could force a buyout firm to give up. Before the decision there was no limit to how far back the SEC could go in seeking "disgorgement" of fees.

The SEC is investigating private-equity managers **Carlyle Group LP** and **Silver Lake** over large one-time fees from companies they sold or took public. It settled milestone cases over disclosure of similar fees against **Blackstone Group LP** and **Apollo Global Management LLC** in 2015 and 2016, respectively.

"Many cases involve disgorgement for periods substantially longer than five years to get to the numbers you have seen in the settlements," said Jim Anderson, a partner at **Willkie Farr & Gallagher LLP** whose clients include private-equity managers.

The decision affects the private-equity industry in particular, people familiar with the matter said, because private-equity funds usually last 10 to 12 years—meaning the five-year statute of limitations imposed by the Supreme Court's ruling prevents the regulator



U.S. Supreme Court building.

from objecting to fees taken or expenses charged during the earlier years of a fund's life.

Because of the decision in *Kokesh v. SEC*, the financial sanctions in any future settlement could be much lower than past ones.

The court's ruling deprived the SEC of leverage it can use in settlement negotiations with firms, according to a recent **Debevoise & Plimpton LLP** memo by former SEC Chairman Mary Jo White and Andrew Ceresney, who served as her enforcement director. Debevoise rehired Ms. White and Mr. Ceresney after they left the SEC.

The SEC inspected hundreds of private-equity managers beginning in 2012, after gaining authority to supervise the industry through the 2010 Dodd-Frank financial-overhaul law. SEC officials took the unusual step of lambasting the industry for what officials called "hidden fees" that harmed investors such as pension funds and university endowments.

Spokesmen for Carlyle and Silver Lake declined to comment.

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## MARKETS

# China's Policy Zigs as U.S.'s Zags

By SHEN HONG

SHANGHAI—A day after learning that the Federal Reserve tightened monetary policy, China's central bank effectively loosened, in a move that suggests Chinese authorities are now more concerned about financial turmoil inside the country than money flowing out of it.

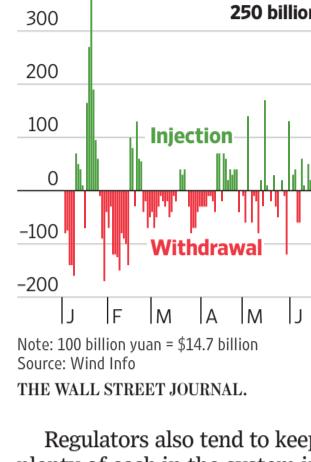
People's Bank of China on Friday injected a net 250 billion yuan (\$36.73 billion) into the financial system, the most for any day since mid-January, when demand for cash was high ahead of the Lunar New Year holiday.

The huge pump priming comes as a months-long regulatory crackdown on excessive leverage and financial misbehavior in China has left investors jittery. Most recently, authorities detained Wu Xiaohui, chairman of Anbang Insurance Group, one of China's biggest insurers, for what people familiar with the matter described as a probe into possible economic crimes.

Although market reaction has been muted, a number of Chinese banks had already distanced themselves from Anbang, whose life-insurance unit in May was barred from selling new products for three months, in what was seen as an attempt to keep any troubles there from spreading to other parts of the financial system.

## Flash Cash

China's central bank injected the largest amount of cash into the financial system on a single day since mid-January.



Source: Wind Info

THE WALL STREET JOURNAL.

Regulators also tend to keep plenty of cash in the system in June, analysts say, because of a seasonal surge in demand due to corporate-tax payments and regulatory requirements on banks' capital.

In contrast, following the Fed's previous rate increase in March, the central bank responded by pushing up its own rates within hours. Analysts attributed that reaction to the bank's desire to discourage a further surge in money leaving the country, a danger if interest rates in the U.S. look much more attractive than at home.

Since then, capital outflows have slowed, and analysts say Beijing's concerns have shifted

## Treasury Yields Drop During Busy Week

The U.S. government-bond market ended an eventful week on a quiet note Friday, with yields holding roughly flat after declining earlier in the week in response to soft inflation data.

The yield on the 10-year Treasury note settled at 2.157%, compared with 2.160% Thursday and 2.201% the previous Friday. Yields fall when bond prices rise.

After drifting slightly higher overnight, yields snapped back Friday morning after data showed an unexpected decline in housing starts in May.

In light of recent inflation

to making sure its regulatory crackdowns don't endanger the economy and financial system.

"Apart from the seasonal factors, the central bank's move today also shows it is adopting a milder approach to its effort to reduce financial leverage because the latter has already started to have a negative impact on the real economy," said Tang Yue, an analyst at Industrial Securities.

Beijing's campaign to tame highly leveraged investing began last summer and intensified in February and March, when it twice raised a suite of key money-market rates. The move to clean up China's messy and risk-prone financial system

data, many investors doubt the Federal Reserve will be able to follow through on its plan of raising interest rates at least once more this year.

Further signs that inflation is stuck below the Fed's 2% target would bolster this skepticism, leading to lower Treasury yields, while stronger data would have the opposite effect, they say.

Over the past week, the bond market staged a major rally in response to the latest lackluster inflation reading. An announcement from the Fed that it was raising short-term interest rates and sticking with its tightening plan for the rest of the year led to only a partial retracement of the initial move.

—Sam Goldfarb

has led to a sharp rise in borrowing costs: Yields on government bonds rose to a 29-month high last month and remain elevated, while a record number of companies have canceled or delayed new bond issuance.

Mr. Tang also pointed to weaker credit data released Wednesday as fresh signs of difficulty: China's broadest measure of money supply, M2, was up 9.6% at the end of May from a year earlier, lower than the 10.5% increase at the end of April and below economists' median 10.4% growth forecast. It is the first time the M2 growth figure has fallen below 10% since the central bank first published the data in 1986, ac-

# Dollar Falls On Political Headwinds

By IRA JOSEBASHVILI

The dollar fell amid continued uncertainty over White House efforts to boost the economy and after weak economic data.

The Wall Street Journal Dollar Index, which gauges the U.S. currency

CURRENCIES against a basket of 16 others, declined 0.3%, to 88.41.

U.S. housing starts fell for the third consecutive month in May, data from the Commerce Department showed Friday, in a sign home builders are struggling to meet buyer demand.

A spate of uneven U.S. data in the past few months has heightened concerns that the country's economy may have hit a soft patch.

At the same time, investors are worried that a series of political controversies surrounding President Donald Trump's administration will impede efforts to push through fiscal stimulus measures. "The political backdrop appears to be a major headwind for the dollar," said Omer Esiner, chief market analysts at Commonwealth Foreign Exchange.

The dollar fell against the Japanese yen, to ¥110.88, while the euro advanced to \$1.198.

# Hong Kong Pitches New Board

By GREGOR STUART HUNTER



The exchange operator wants to lure 'new economy' companies.

Hong Kong's stock-exchange operator has drawn up plans to launch a new board that could allow companies to sell shares offering greater voting power to some investors, as competition among global exchanges to attract new listings intensifies.

## Hong Kong Exchanges & Clearing

Ltd. said it would consult the market between now and Aug. 18 on its plan for a new board with two segments. One segment would focus on mature companies not currently able to list in the city because their shares limit the voting rights for some investors. The other would be geared toward early-stage companies and be off-limits to retail investors.

The exchange said creating the new board "would be the best way to attract a greater diversity of issuers to list in Hong Kong," citing a current lack of listings from companies in the fast-growing tech, biotech and health-care sectors.

"We want to stay competitive, we want to stay relevant, and we want to continue to enhance market quality," said HKEx Chief Executive Charles Li, adding he expected the new

board to be established early next year if the plan receives a positive response.

The Hong Kong exchange's proposals come as major global exchanges are angling to host more companies' share listings. A particularly fierce battle is being fought to attract

Saudi Arabian Oil Co., known as Saudi Aramco, the world's largest oil company by output, which is considering where to list its shares in an initial public offering that some estimate could value it at as much as \$2

trillion. London, New York and other global exchanges are also in the running for the IPO, and have faced pressure to change some of their listing rules to attract the oil giant.

Mr. Li has previously said he hopes the creation of a new board will help attract multinational corporations such as Apple Inc., Walt Disney Co. and Aramco to list in the city, but said the latest proposal was geared toward attracting stocks in the "new economy."

Dual-class shareholding structures offer different voting rights to different shareholders and are widely used in the U.S. by companies such as Facebook Inc.

Hong Kong exchange said it would tighten some requirements for companies to list in the city so as to provide safeguards to investors, including minimum cash flow and market capitalization.

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3 039280AGM2 ARCAP 2003-1A G 3,000,000.00 3,000,000.00

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# MARKETS

# Broad Selling Spree Hits Retail Stocks

Amazon deal news adds to pressure on traditional grocers and big-box operators

By CORRIE DRIEBUSCH  
AND RIVA GOLD

Shares of retailers fell during a heavy day of trading after **Amazon.com** said it would buy **Whole Foods Market**, potentially squeezing their competitors.

Grocers were already under pressure after **Kroger**, the biggest supermarket chain in the U.S. by sales, warned of disappointing earnings a day earlier.

Retailers from traditional grocers to big-box operators tumbled Friday on fears that Amazon would do to them what it did to bookstores, stock analysts and fund managers said.

"This is a shot across the bow," said Sean Lynch, co-head of global equities at the Wells Fargo Investment Institute. "The worry is that Amazon is going to impact the market, drive margins down."

The giant internet retailer's stock rose \$23.54, or 2.4%, to \$987.71 Friday, while Whole Foods shares jumped 9.62, or 29%, to 42.68.

Rival grocers **Supervalu** and Kroger both tumbled, capping a brutal week for the industry. Kroger shares sank 19% Thursday after it said increasing competition would hurt earnings for the year. That competition isn't letting up: This past week, German grocery chain **Lidl** opened its first stores in the U.S.

Big-box operators such as **Wal-Mart Stores** and Target fell roughly 5% on Friday.

Food and staples companies in the S&P 500 shed 5.5% during the week, the group's worst weekly decline in nearly two years.

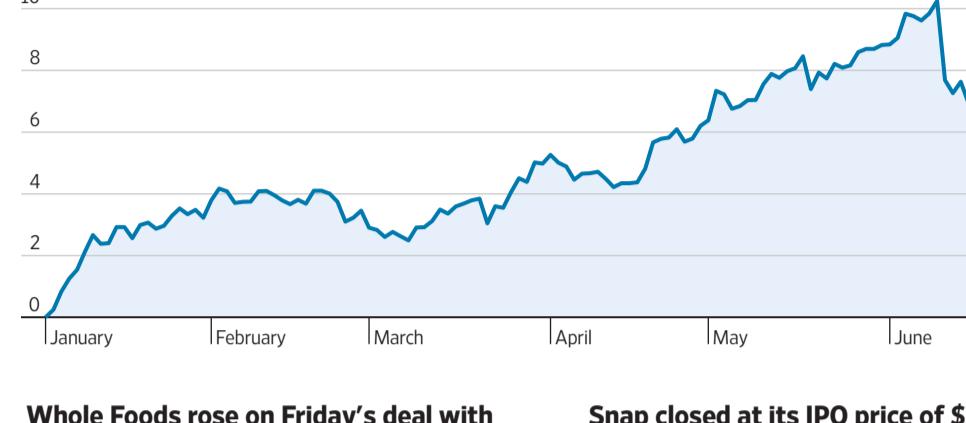
Technology stocks also slipped, extending losses for a

## Shopping Around

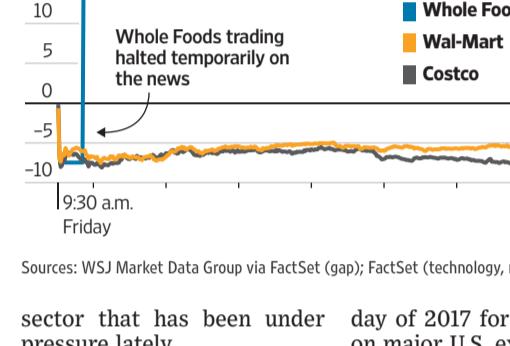
Amazon.com's push into groceries shook up the shares of several retailers, while technology stocks fell again.

This year's performance gap between the Nasdaq Composite and Dow industrials has narrowed in part because of declines in technology shares.

12 percentage points



Whole Foods rose on Friday's deal with Amazon, while competitors' shares slid.



Sources: WSJ Market Data Group via FactSet (gap); FactSet (technology, retailers, Snap) Thomson Reuters (crude)

sector that has been under pressure lately.

The tech-heavy Nasdaq Composite fell 13.74 points, or 0.2%, to 6151.76 Friday, notching a 0.9% weekly loss.

Meanwhile, the Dow Jones Industrial Average closed at a record, rising 24.38 points, or 0.1%, to 21384.28.

The S&P 500 added 0.69 point, or less than 0.1%, to 2433.15. Whole Foods was the best-performing stock of the day in the broad index, while Kroger and **Costco Wholesale** led declines.

It was the largest-volume

day of 2017 for stock trading on major U.S. exchanges.

Tech remains the best-performing S&P 500 sector in the index in 2017, up 17% year to date. But some recent sessions have been rough for the group. Declines in stocks including **Apple** and Google parent **Alphabet** have dragged the sector down 3.4% over the past two weeks—its biggest such decline since Brexit.

"Tech has done exceptionally well this year," said Yogi Dewan, chief executive at Has-sium Asset Management, pointing to signs of solid revenue growth in the sector. "But at these valuations, we're not putting new money into it."

Among the tech companies that fell in the past week: **Snap**, one of the most-anticipated initial public offerings in recent years. The parent of disappearing-message app Snapchat closed down at its \$17 IPO price on Thursday and rose 54 cents, or 3.2%, to 17.54 Friday, losing 3% for the week.

Medical-robotics maker **Myomo** ended its first week of trading up 5.45, or 61%, at 14.45. Myomo was the first company to list on a major U.S.

exchange through a provision of federal law known as Reg A+, which was designed to help fund small-business growth.

Despite the recent wobble in some of this year's best-performing stocks, both U.S. and global equities had their biggest weekly inflows this year in the week ended June 14, according to EPFR Global data.

Mr. Dewan said pullbacks this year have been short and overall volatility has been low because of the high cash levels he has seen among investors, with many clients waiting for any drop in the market to add

to their stockholdings.

Fund managers surveyed by Bank of America increased cash in their portfolios in June, bringing their cash allocations well above the historical average.

Energy stocks rose Friday as the price of oil rose slightly. U.S.-traded crude added 0.6%, to \$44.74 a barrel Friday, but prices have fallen more than 11% over the past four weeks on oversupply concerns.

The yield on the 10-year Treasury note eased to 2.157% Friday from 2.160% Thursday. Yields fall as prices rise.

Snap closed at its IPO price of \$17 Thursday, before rising Friday.



Oil prices tumbled to another weekly loss after data pointed to a global glut.



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## It's 30% Off In All Aisles At Kroger

This week was clearance season in the stock market's grocery aisle.

On Thursday, **Kroger** lowered its full-year profit forecast for this year and warned of a looming price war in the industry. The company now expects fiscal year 2017 adjusted earnings per share in the range of \$2 to \$2.05.

Then, on Friday, **Amazon.com** announced its blockbuster acquisition of **Whole Foods Market**. The double whammy caused Kroger shares to shed nearly 30% of their value in 24 hours, wiping out more than three years of capital gains.

The news isn't all bleak. Positive same-store sales growth is still expected for the rest of the fiscal year. Kroger's network of nearly 3,000 stores, and the distribution know-how that comes with it, haven't gone away.

Its valuation, meanwhile, is in the clearance bin. The stock trades at about 11 times the low end of 2017 earnings guidance. Kroger's balance sheet could support actions to get the stock moving higher, such as more share buybacks.

Granted, statistically cheap stocks can get cheaper if expected operating results don't materialize. But Kroger isn't caught off guard: CEO Rodney McMullen warned of looming industry consolidation on Thursday's call.

And while delivery methods might change over time, there is a limit to potential disruption in this business.

Meanwhile, the management team has earned an excellent operating reputation.

Investors across the sector are rightfully nervous. Such fear in the market is the source of great deals.

—Charley Grant

## Anbang's Tight Ties Could Bind

### Cash Drain

Anbang Life's monthly premium income



Note: 1 billion yuan=\$146.9 million

Sources: CIRC; Reuters (photo)

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Anbang Insurance Group headquarters in Beijing

self has some 40 subsidiaries across towns and villages in China. Anbang provides about 40% of the deposits for Chengdu Rural and accounts for 80% of its related-party transactions, most of which are short-term, money-market loans. The bank also pays Anbang a high 5% interest on its deposits and holds some of Anbang's debt.

Such tight relationships illustrate how financial stress at Anbang could quickly ripple through China's banking system. Banks like Chengdu Rural have already become reliant on short-term wholesale funding and have been resorting to capital raises.

The country's central bank made its biggest one-day cash injection into the market in nearly six months on Friday. If the detention of Anbang's chairman leads to the company stepping back more broadly from Chinese markets, the saga could have a while to run.

—Anjan Trivedi

### OVERHEARD

What about us? **Wal-Mart Stores** investors might be asking that question.

The big-box retail giant announced the acquisition of men's apparel company Bonobos for \$310 million on Friday morning. The company said the deal, which will beef up Wal-Mart's e-commerce presence, is expected to close as soon as the end of the fiscal second quarter.

Bonobos products will be available via Jet.com, which Wal-Mart said "continues to provide a strong avenue for reaching an urban, millennial customer."

Alas, Wal-Mart and Bonobos were upstaged. **Amazon.com** announced a multi-billion acquisition of **Whole Foods Market** at about the same time.

"Wear no doubts" is the Bonobos corporate mantra. But Wal-Mart investors seem to have a few of their own. Shares declined 4.7% on Friday.

## Investors Ignore Easy Money in Huntsman-Clariant Deal

Sometimes people really do leave free money lying around. In the merger of chemicals companies **Huntsman** and **Clariant**, investors have left a lot on the table.

Huntsman of the U.S. and Clariant of Switzerland announced their \$14 billion all-stock merger on May 22. The initial reaction to the deal, which offered no pricing premium to either side, was good. But both stocks have since slipped. Investors began to question the gains available from combining two groups with little overlap.

But the strangest thing is the difference between Huntsman's stock price and its value under the terms of the deal, which turns each

Huntsman share into the equivalent of 1.2196 Clariant shares. Huntsman has fallen further than Clariant. That has left each Huntsman share worth 5.9% less than its value in Clariant stock as of Friday morning in Europe.

That discount has been fairly consistent in the weeks after the deal. The gap has been as wide as 8% at the end of last week and has averaged 6%. If the deal closed tomorrow, owners of Huntsman stock would make a handsome immediate gain, about \$360 million.

There is little antitrust or regulatory risk because there is such little product overlap. There is little noise around potential third-party bidders coming in to disturb

the deal by bidding for one of these two.

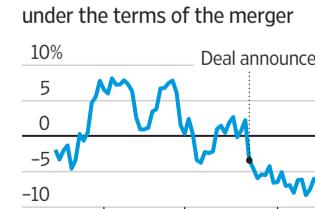
Typically, a valuation gap like this ought to be traded away by arbitrage investors buying the cheap stock and selling the more expensive one. So what gives?

Of the two, Clariant might be marginally more likely to attract an outside bidder because rivals have looked before. This is encouraging a few investors to buy Clariant and sell Huntsman, pushing the two prices apart, according to one broker.

But there are problems with this trade: Clariant has a group of family shareholders from a company it bought in 2011 who, like the management, don't want to sell the business. The trade

### Cut-Price Stock

Discount of Huntsman share price versus its value in Clariant stock under the terms of the merger



Source: FactSet

also assumes Huntsman shares would fall if the merger was off.

In fact, Huntsman shares might rally if the deal collapsed. The reason is that the U.S. company is spinning off and listing its volatile

pigments and additives business, Venator, which is expected to bring in about \$2 billion. The proceeds are now due to be shared between Huntsman and Clariant shareholders. If the deal didn't work out, Huntsman investors would get the lot.

So, there seems a decent chance that Huntsman stock should rise relative to Clariant stock or absolutely, whether the deal goes ahead or not. It is a real puzzle why there aren't more investors looking to exploit that valuation gap.

With the deal due to close by the end of 2017, more investors should be tempted to pick up this free money in the months ahead.

—Paul J. Davies

The problems of  
the Paris climate  
treaty go far  
beyond the U.S.  
withdrawal  
**C3**



# REVIEW



James Grant on a  
new book about  
gold and the  
glitter of  
economic myths  
**C5**

BOOKS | CULTURE | SCIENCE | COMMERCE | HUMOR | POLITICS | LANGUAGE | TECHNOLOGY | ART | IDEAS

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FROM TOP: FERNANDO YOVERA/ASSOCIATED PRESS; TIM CHAPMAN/MIAMI HERALD/ASSOCIATED PRESS  
A U.S. MARINE helps a Cuban child off a refugee boat, Key West, Fla., May 10, 1980. The Marines were called in to assist local authorities grappling with an exodus of Cubans from Mariel to Florida.

# THE IMMIGRATION EXPERIMENT

BY BEN LEUBSDORF

Nearly four decades after a massive wave of Cuban refugees landed in southern Florida, a dispute over the economic effects of the Mariel boatlift has become a flashpoint in the immigration debate.

**I**N THE SPRING and summer of 1980, some 125,000 Cuban refugees sailed from the port town of Mariel on fishing boats and pleasure craft toward the U.S., many destined to settle in Miami.

Nearly four decades later, that exodus is at the center of an unresolved, sometimes bitter argument among economists, hinging on a basic question: When foreigners come to the U.S., does their presence drive down the wages of native workers? The long-running dispute has gained new relevance as the Trump administration tries to implement and enforce a stricter immigration policy.

Research published a decade after the Mariel boatlift, as well as more recent analyses, concluded that the influx of Cuban migrants didn't significantly raise unemployment or lower wages for Miamians. Immigration advocates said the episode showed that the U.S. labor market could quickly absorb migrants at little cost to American workers.

But Harvard University's George Borjas, a Cuban-born specialist in immigration economics, reached very different conclusions. Looking at data for Miami after the boatlift, he concluded that the arrival of the Marielitos led to a large decline in wages for low-skilled local workers.

While the debate rages in the academy and online, Dr.



A FREIGHTER STEAMS toward Key West, Fla., with a load of Cuban refugees, April 1980.

Borjas and his views are ascendant in the political realm. Attorney General Jeff Sessions cited his research for years while a senator. President Donald Trump, with whom Dr. Borjas met during last year's campaign, has echoed the Harvard economist's research by regularly saying that low-wage immigrants hurt some Americans.

"This is his moment," said David Card, the author of the early research on the boatlift that Dr. Borjas is seeking to upend. (The Justice Department declined to comment, and the White House didn't respond to requests for comment.)

Dr. Borjas has sparred for years with Dr. Card, an economist at the University of California, Berkeley, as well as with Giovanni Peri of the University of Califor-

nia, Davis. In 2015, Dr. Borjas and Dr. Peri released papers three months apart that arrived at wildly different conclusions about Mariel.

The argument among the academics—all immigrants themselves—has escalated into charges of bias and bad faith. Dr. Peri and a co-author dismissed Dr. Borjas's study as having "serious limitations." Dr. Borjas fired back that "sloppiness" in their own paper "helps obfuscate what your eyes can clearly see and leads to a claim that nothing at all happened in post-Mariel Miami."

Dr. Card and Dr. Peri, reviewing a textbook by Dr. Borjas several months later, said that he only "presents half the story about the economics of immigration." Last fall, in another book, Dr. Borjas compared Dr. Peri to Marxist-Leninist teachers in his native Cuba: "They believed. All that was left was to compel everyone else to believe as well."

The real-world stakes in the dispute are considerable. More than 43 million U.S. residents were born somewhere else, and most of the rest are descended from immigrants. Still, for more than two centuries, waves of migration have provoked backlashes from Americans worried about the nation's economy, culture and social makeup.

Among economists today, there is little controversy about the benefits of immigration for the economy as a whole. A roughly 500-page assessment last year by the National Academies of Sciences, Engineering, and Medicine, which reviewed decades of re-

search, concluded that immigrants are "integral to the nation's economic growth" and have little or no effect on overall employment and earnings for workers already in the U.S.

The report said that experiences aren't the same for everyone and noted that some studies have found "sizable negative short run wage impacts"

for U.S.-born high-school dropouts, the group most likely to compete for work with low-skilled immigrants.

Please turn to the next page

**Did the Cuban newcomers lower wages for Miamians or not?**

## INSIDE

### MOVING TARGETS



In art, modern is in, old is out. Joe Queenan asks: Is it time for two-for-one sales on classic paintings?  
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ISTOCK (GOLD, BOOKS)

## REVIEW

# High Stakes in Studies of a Long-Ago Cuban Influx

Continued from the prior page

"There's no free lunch. There's going to be some effect of immigration" on wages, said Pia Orrenius, a senior economist at the Federal Reserve Bank of Dallas and a member of the panel that wrote the 2016 report. But, she added, the flexible U.S. economy adapts and should render any hit to the wages of native workers "a short-run phenomenon."

Those most exposed to competition from new arrivals have long been a focus for Dr. Borjas. "Immigration is not like manna from heaven," he said. "It can be great on average, but it doesn't mean that every single person benefits."

When he set out a few years ago to write a new book on immigration for a general audience, even some of his friends and family struggled with his draft chapter on the labor market. He says that his "very mathematical" analysis was correct but difficult for nonspecialists because "it doesn't tell a story."

In immigration economics, few stories are more compelling than that of the Mariel boatlift. In April 1980, Fidel Castro announced that Cubans would be allowed to leave the country from Mariel. Privately owned boats began to shuttle across the Florida Straits, some overloaded with refugees. By the time the boatlift ended in late September, more than 1% of the island's population had left for new lives in the U.S. Many of them remained in the Miami area, expanding the local workforce more or less overnight.

Economists refer to such an episode as a "natural experiment"—a situation involving a sudden and dramatic change, thus helping researchers to identify cause-and-effect relationships. In ordinary circumstances, such relationships can be hard to untangle from multiple forces and trends developing over time.

The Mariel boatlift is among several such episodes that labor economists have studied for insight into immigration's pluses and minuses. Others include the exodus of French Algerians to France in the 1960s and the arrival of Soviet Jews in Israel in the 1990s.

"Ideally, we would have a laboratory and conduct our own experiments. We can't do that," said Francine Blau, a Cornell University economist who led the National Academies' broad review of research on immigration. "But sometimes, the world conducts an experiment for us."

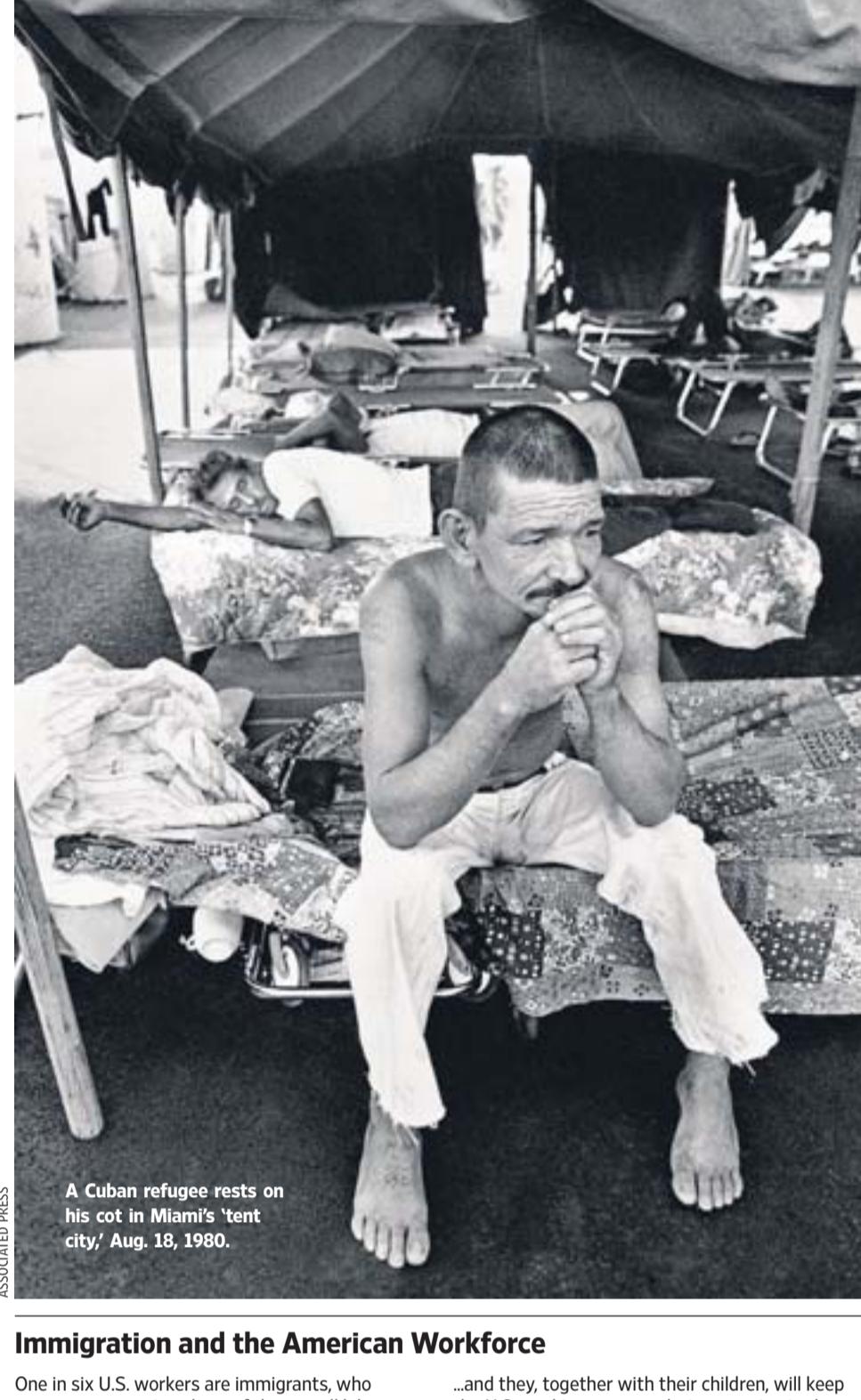
Still, researchers urge caution in generalizing from such natural experiments. A sudden wave of refugees, as in the Mariel case, isn't the same thing as a steady trickle of immigrants over time. "Eat a gallon of salt, and it will kill you," said Michael Clemens, a senior fellow at the Center for Global Development in Washington. "But that just does not help people trying to decide how much salt to put on their food."

Dr. Card, who is from Canada, kicked off the debate over Mariel in 1990 with a paper comparing Miami with four similar U.S. cities that hadn't absorbed a wave of refugees. His conclusion: "The Mariel immigration had essentially no effect on the wages or employment outcomes of non-Cuban workers in the Miami labor market." The study upended a simple supply-and-demand view of immigration, and decades later, it remains widely cited among economists.

Dr. Borjas, who left Cuba in 1962, when he was 12 years old, has long challenged the idea that immigration has few downsides. One of his studies in the early 2000s analyzed decades of national data to conclude that immigrants generally do push down wages for native workers, particularly high-school dropouts.

One Sunday morning in 2015, while working on his book, Dr. Borjas recalls, he decided to revisit the Mariel boatlift. He focused on U.S.-born high-school dropouts and applied more sophisticated analytical methods than had been available to Dr. Card a quarter-century earlier.

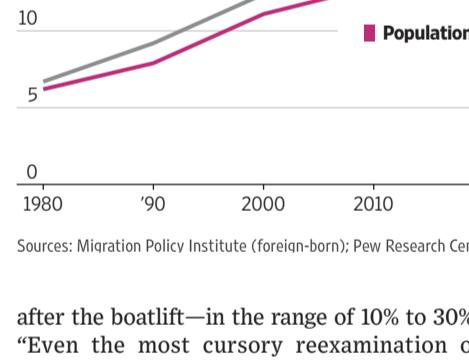
Dr. Borjas found a steep decline in wages for low-skilled workers in Miami in the years



## Immigration and the American Workforce

One in six U.S. workers are immigrants, who represent a growing share of the overall labor force...

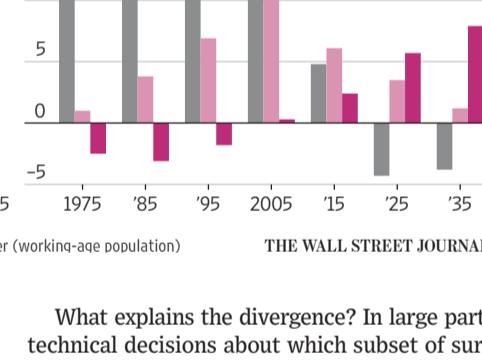
### Foreign-born as a share of:



Sources: Migration Policy Institute (foreign-born); Pew Research Center (working-age population)

...and they, together with their children, will keep the U.S. working-age population growing in the coming years.

### Change in working-age (25-64 years) population from 10 years earlier\*



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after the boatlift—in the range of 10% to 30%. "Even the most cursory reexamination of some old data with some new ideas can reveal trends that radically change what we think we know," he wrote in his initial September 2015 paper.

Within a few months, Dr. Peri, who is from Italy, and Vasil Yashenov, then a University of California, Davis, graduate student, released their own paper. Using methods similar to Dr. Borjas's to analyze the boatlift, they confirmed Dr. Card's finding that the Cuban influx had no significant effect on wages of the native-born in Miami, even low-skilled workers.

What explains the divergence? In large part, technical decisions about which subset of survey data to analyze and which Miami workers to put under the microscope.

Dr. Borjas said that Dr. Peri examined too broad a sample, diluting the Marielitos' effect by including women and high-school students among the U.S.-born workers in his analysis. Dr. Peri is "a good economist, but he cuts corners," Dr. Borjas said.

Dr. Peri revised his paper in response to the criticisms and said that his results still held up. He added that Dr. Borjas was too eager to draw conclusions from extremely small samples of



SOVIET JEWISH immigrants disembark at Israel's Ben-Gurion Airport, Aug. 20, 1991.

male, non-Hispanic, high-school dropouts in Miami—amounting to fewer than two dozen people in most years of survey data. "We all know it is crazy to try to say what happened to wages in a city based only on 20 people," Dr. Peri said. "The measurement error is such that it essentially swamps anything else."

Dr. Borjas said that he combined several years of data to get larger samples and still found the decline in native-worker wages to be statistically significant.

Economists on both sides of the divide acknowledge the difficulty of reaching definitive conclusions from the Mariel story about how immigration affects wages in general, given the boatlift's unique nature and the limitations of available data.

But that hasn't prevented years of argument. The heated academic dispute "perhaps mirrors the broader public debate—people tend to have very strong feelings about immigration," said Ethan Lewis, a Dartmouth College economist who also has studied the boatlift.

The economic establishment largely sides with the Card-Peri camp on the Mariel boatlift. Several top economists said in interviews that they found Dr. Borjas's findings less compelling.

Jennifer Hunt of Rutgers University, who served on the National Academies panel that studied immigration last year, and Dr. Clemens of the Center for Global Development released a new analysis in May that dismissed Dr. Borjas's finding as the result of quirks in underlying survey data. In turn, Dr. Borjas rejected their conclusion, calling it "fake news."

Dr. Borjas has spent decades swimming against the tide in his profession by focusing on immigration's costs rather than its benefits. He said that he sees a parallel to the way many economists look at international trade. Long seen as a positive force for growth, trade is now drawing attention from some economists looking for its ill effects on factory towns. "I don't know why the profession has this huge lag and this emphasis on the benefits from globalization in general without looking at the other side," Dr. Borjas said.

Those who see immigration as a boon have long cited Dr. Card's 1990 paper on the Mariel influx. "It was a 7% increase in Miami's workforce, and the evidence was it didn't take jobs away from Americans and it didn't lower their wages," said Jason Furman, who chaired the Council of Economic Advisers under President Barack Obama, in a 2014 briefing.

Dr. Borjas's research, including his recent work on Mariel, has found fans on the other side of the debate. When he testified at a Senate hearing in March 2016, then-Sen. Sessions welcomed his rebuttal to Dr. Card's paper. "That study, I could never understand it because it goes against common sense of [the] free market: greater supply, lower costs," Mr. Sessions said. "That's just the way the world works."

Now Mr. Sessions is a top policy maker, and the White House is pushing to curb both legal and illegal immigration. In his February speech to Congress, Mr. Trump called for lawmakers to limit low-skilled immigration in favor of merit-based entry, saying, "The current, outdated system depresses wages for our poorest workers."

In April, Mr. Trump signed an order requiring the executive branch "to rigorously enforce and administer the laws governing entry into the United States of workers from abroad." The goal, he told an audience in Wisconsin, was to "protect jobs and wages of workers in the United States."

Dr. Borjas welcomes what he calls a more realistic approach to immigration under the Trump administration. "If you knew what the options are, who gets hurt and who wins by each of these options, you can make a much more intelligent decision rather than relying on wishful thinking," he said. "Which is what a lot of immigration, trade debates tend to be about—that somehow this will all work out, and everybody will be happy."

## ASSESSING OTHER 'NATURAL EXPERIMENTS' IN IMMIGRATION

BY BEN LEUBSDORF

**THE 1980 MARIEL BOATLIFT** isn't the only event that economists have scrutinized for clues about how immigration affects the job prospects of native-born workers. Here are five other "natural experiments" from recent world history that they have examined. In several of these cases, studies found temporary wage or employment declines for native workers after waves of mass immigration, but much research concludes that immigrants bring broad long-term economic benefits as well.

### Pieds Noirs

After Algeria won its independence from French rule in 1962, some 900,000 members of the French settler population abruptly decamped to France. In 1992, the economist Jennifer Hunt (now at Rutgers University) published a study of how France's labor market reacted to the influx. She found that the repatriated French "had little impact on the unemployment of others," alongside "only weak evidence that the repatriates exerted downward pressure on wages."

### Braceros

In 1964, the U.S. ended its so-called *bracero* program, which admitted hundreds of thousands of Mexicans each year for seasonal farm labor, saying that it hurt native workers. But U.S. farmers didn't react to the labor shortage by hiring American laborers at higher wages, according to a recent National Bureau of Economic Research working paper by Michael Clemens, Ethan Lewis and Hannah Postel. Instead, the researchers found, farmers made "large changes in technology adoption and crop production," such as the use of labor-saving tomato-harvesting machines.

### Retornados

In the mid-1970s, after the former Portuguese colonies Angola and Mozambique became independent, an estimated 600,000 refugees rushed to Portugal, increasing the size of its labor force by about 10% in only three years. A 1996 study by the economists William Carrington and Pedro de Lima found that regions that attracted many migrants saw "much slower wage growth" over the next

decade, compared with other areas. But they added a caveat: A cross-country analysis found that while Portuguese unemployment seemed to have undergone an immigration-related increase, it was more modest than the broader

Europe-wide economic forces that had pushed up unemployment across the region during this period.

### Soviet Jews

Israel's population swelled in the early 1990s as hundreds of thousands of Jews emigrated from the crumbling Soviet Union. In a 2001 article, the Brown University economist Rachel Friedberg wrote that her findings "do not support the view that immigrants adversely affect the earnings and employment opportunities" of Israeli workers. A decade later, a study by Sarit Cohen-Goldner and M. Daniele Paserman found that the arrival of highly skilled Russian workers had briefly pushed down native Israelis' wages, but the effect faded after several years.

### Syrian Refugees

Since Syria plunged into civil war in 2011, millions of refugees have fled to neighboring countries, including Turkey. A 2017 working paper by four economists at the Turkish central bank concluded that the influx of Syrian refugees reduced employment among native workers, many of whom became unemployed or left the workforce entirely. The researchers speculated that the "prevalence of informal employment" in Turkey allowed refugees without work permits to displace native Turkish workers.

## REVIEW

# The Charade of the Paris Treaty

Empty pledges are no way to deal with the climate threat

BY BJORN LOMBORG

**ENVIRONMENTALISTS** were aghast when President Donald Trump withdrew the U.S. from the Paris climate treaty, with some declaring that the very survival of our civilization was at stake. But is the Paris accord really all that stands between the planet and the worst of climate change? Certainly not.

This is not to deny that President Trump's announcement was problematic. He failed to acknowledge that global warming is real and wrongly claimed that China and India are the "world's leading polluters." (China and the U.S. are the largest emitters of carbon dioxide, and the U.S. is the biggest per capita.) It was far-fetched for him to suggest that the treaty will be "renegotiated." Worse, the White House now has no response to climate change.

But the global consensus about the Paris treaty is wrong-headed too. It risks wasting huge resources to do almost nothing to fix the climate problem while shortchanging approaches that promise the most transformative results.

Consider the Paris agreement's preamble, which states that signatories will work to keep the rise in average global temperature "well below" 2 degrees Celsius and even suggests that the increase could be kept to 1.5 degrees. This is empty political rhetoric. Based on current carbon dioxide emissions, achieving the target of 1.5 degrees would require the entire planet to abandon fossil fuels in four years.

But the treaty has deeper problems. The United Nations organization in charge of the accord counted up the national carbon-cut pledges for 2016 to 2030 and estimated that, if every country met them, carbon dioxide emissions would be cut by 56 gigatons. It is widely accepted that restricting temperature rises to 2 degrees Celsius would require a cut of some 6,000 gigatons, that is, about a hundredfold more.

The Paris treaty is not, then, just slightly imperfect. Even in an implausibly optimistic, best-case scenario, the Paris accord leaves the problem virtually unchanged. Those who claim otherwise are forced to look beyond the period covered by the treaty and to hope for a huge effort thereafter.

The treaty commits nations to specific and reasonably verifiable (but nonbinding) cuts in carbon emissions until the year 2030. After that, nothing really is concrete, for a very understandable reason: Could you imagine a carbon-cutting promise made by President Bill Clinton being fulfilled by Mr. Trump? Could you see a Democrat in 2035 feeling honor-bound by policies set by Mr. Trump today?

Now ask the same sort of questions about every country that has signed the treaty. Rose-tinted hopes for the accord's success rely on heroic assumptions about what tomorrow's world leaders will do. If what we need is a car-

bon diet, the Paris treaty is just a promise to eat one salad today, pushing all the hard self-restraint far into the future.

History gives us cause for skepticism about overly optimistic forecasts, even over much shorter spans. In 1993, Mr. Clinton committed the U.S. to cutting emissions by 2000, but he ditched the promise seven years later. In 1992, the industrialized nations promised that they would lower their emissions to 1990 levels by 2000. Nearly every country failed. Before the Paris treaty, the Kyoto Protocol was sold as a key part of the solution to global warming, but a recent study in the *Journal of Environmental Economics and Management* shows that it achieved virtually nothing.

In the wake of Mr.

Trump's exit from the Paris treaty, there have been many claims that solar and wind energy will soon be ready to power the world. This also isn't true.

Just 0.6% of the world's energy needs are currently met by solar and wind, according to the International Energy Agency. Even with implementation of the Paris treaty, solar and wind are expected to contribute less than 3% of world energy by 2040. Fossil fuels will go from meeting 81% of our energy needs to three-quarters. The energy expert Vaclav Smil of the University of Manitoba puts it bluntly:

"Claims of a rapid transition to a zero-carbon society are plain nonsense."

Though there are contexts in which solar and wind energy are efficient, in most situations they depend on subsidies. These will cost \$125 billion this year and \$3 trillion over the next 25 years, to meet less than 3% of world energy needs. If solar and wind truly out-competed fossil fuels, the Paris treaty would be unnecessary.

On this issue, even the climate scientist James Hansen, who advises former Vice President Al Gore, agrees: "Suggesting that renewables will let us phase rapidly off fossil fuels in the U.S., China, India, or the world as a whole is almost the equivalent of believing in the Easter Bunny and Tooth Fairy."

Advocates of global carbon cuts fail to acknowledge the wider costs of subsidizing certain energy sources. A global pact in which governments promise to use more expensive energy ensures that the world economy will develop at a slower pace. This adds up to an immense expense: \$1 to \$2 trillion by 2030 and each year for the rest of the century, mostly in lost GDP growth. This represents \$150 to \$300 for every person in the world, every year.

Taxpayers in wealthy nations may well ask whether this money could be better spent on

schools, hospitals or care for the elderly. In developing countries with more immediate problems, there are definitely more productive ways to use the money. A global poll of almost 10 million people conducted by the U.N. finds that climate change is the lowest priority behind health, education, food and 11 other priorities. Work by the Copenhagen Consensus, which I oversee, has highlighted the many investments in nutrition, health and other areas that would help vulnerable communities much more than would any possible benefits from carbon cuts.

Acknowledging the Paris treaty's flaws does not mean endorsing the Trump administration's apparent intention to ignore climate change. Real progress in reducing carbon emissions and global temperatures will require far-reaching advances in green energy, and that will mean massive investment in research and development—an annual global commitment of some \$100 billion, according to analysis by the Copenhagen Consensus. When green energy is economically competitive, the whole world will rush to use it.

The real misfortune for the planet isn't that Mr. Trump withdrew the U.S. from the Paris treaty. Rather, it is that his administration has shown no interest in helping to launch the green-energy revolution that the world so urgently needs.

Mr. Lomborg is the president of the Copenhagen Consensus Center and the author of *"The Skeptical Environmentalist"* and *"Cool It."*



OLIVIER MAIRE/EUROPEAN PRESSPHOTO AGENCY

## Real progress will require a massive investment in green energy.

### MIND & MATTER: ROBERT M. SAPOLSKY

## Our Need to Make Music From the Cacophony of It All

**WE LIVE** in a random universe where order tends to fall apart and stable structures (say, a planet) are relatively few and far between. Cast into this entropy, our brains spontaneously try to impose structure—or, as a charming recent paper reports, look for a beat in the cacophony of it all.

All cultures have music that is rhythmic, and these rhythms show universal properties, as summarized in 2011 by Steven Brown and Joseph Jordania in the journal *Psychology of Music*. Wherever you go in the world, rhythmic music has regularly spaced beats, emphasizes some beats over others (for example, "downbeats" in Western music) and contains two- and three-beat motifs (like marches and waltzes, respectively). Another commonality is that the time intervals between beats tend to be multiples of 200 milliseconds. From a marching band in Peoria to a tribal drummer in the tropics, these patterns keep popping up.

Does the human brain automatically generate them? Andrea Ravig-

nani of Belgium's Free University Brussel and colleagues tackled this question in a study published late last year in the journal *Nature Human Behaviour*. The authors used a computer to create 32 rhythmic patterns that sounded like a snare drum. Each consisted of 12 beats, averaging about five seconds long. Crucially, the spacing between beats and strength of each one were totally random.

The authors then allowed these random rhythms to "evolve" experimentally with 48 student volunteers from the University of Edinburgh, divided into six chains. In each chain, the first subject listened to one of these random patterns and tried to repeat it as accurately as possible on an electronic drum pad. His recorded imitations were played for subject No. 2, who tried to repeat them. The second subject's recorded imitations went to the third subject for imitation—until subject No. 8.



A perfect chain of imitations would mean that No. 8's drumming pattern would be identical to the original one. But rhythms drifted with each repetition. If such drift was random, the rhythm patterns of each subject No. 8 would have differed randomly from each subject No. 1. But instead, with each round of attempted repetition, the imitator imposed more structure—

until, by the eighth generation, subjects produced patterns that conformed to the universals of rhythmicity that I described.

These patterns were structured. The first eight beats predicted the rest. Beats were regularly spaced and contained two- or three-beat motifs. The intervals between beats were statistically likely to be around 200 or 400 milliseconds. Just like in real music.

This might seem unimpressive. After all, though the subjects were non-musicians, they undoubtedly knew rhythmic music. So maybe they were just generating familiar rhythms. But each subject's goal was to perfectly repeat what he or she had just heard. Instead, unconsciously, each participant drifted toward those universals of rhythm. This is as unlikely as an eight-person game of telephone starting with random strings of nonsense

syllables and always producing, by the eighth generation, a sentence mentioning both the Alamo and strawberry Pop-Tarts.

This isn't the only instance of universal structure emerging from the complexity of our brains. Take the evolution of language. Linguistic history has shown that people speaking a hodgepodge of languages (for example, West African slaves in the Americas) soon create simple pidgin communication systems built from fragments of the individual languages. But their children then evolve the pidgins into creole languages that are grammatically similar world-wide, as Derek Bickerton of the University of Hawaii and others have shown.

Our brains are the universe's supreme anti-entropy machines. From "tell me what you see in this inkblot" to perceiving scatterings of stars as a centaur or winged horse, we turn randomness into patterns. It makes things easier to learn, conveys information, provides comfort in explaining the inexplicable—and makes for better, catchier music.

## REVIEW

### WORD ON THE STREET: BEN ZIMMER

## Comey Finds Clarity Amid The 'Fuzz'

**WHEN FORMER FBI** Director James Comey testified in front of the Senate Intelligence Committee earlier this month, one four-letter word raised some eyebrows: "fuzz."

"There should be no fuzz on this whatsoever," Mr. Comey said. "The Russians interfered in our election during the 2016 cycle. They did it with purpose. They did it with sophistication. They did it with overwhelming technical efforts. And it was an active-measures campaign driven from the top of that government. There is no fuzz on that."

From context, it was clear that "fuzz" meant "ambiguity" or "uncertainty." But there was, in fact, some uncertainty about this Comey-ism: Merriam-Webster admitted on Twitter, "We're a little fuzzy on Comey's usage." ("Fuzz" was one of the top look-ups on Merriam-Webster's online dictionary during the hearing, along with other words like "probative," "lordy" and "re-cuse.")

"Fuzz" goes back to the 17th century in English, probably formed by taking the "y" off the adjective "fuzzy." "Fuzzy" originally meant "spongy" (related to the Low German word "fussig"), before it came to describe things covered with light, fluffy particles or fibers, like the surface of a peach.

By the 18th century, "fuzzy" took on the more metaphorical meaning of "blurred, indistinct," eventually extended to imprecise thoughts or expressions. Meanwhile, the noun "fuzz" also got associated with blurriness, used as early as 1889 for out-of-focus photography. ("Fuzz" also became slang for "police" by the 1920s, though etymologists are still fuzzy on its origins.)

More technical meanings of "fuzz" emerged in the 20th century, often having to do with visual or audio distortion. The buzzy tone of sonic "fuzz" became a popular effect on electric guitars in the 1960s, achieved with a distortion device known as a "fuzz box."

"Fuzz" also fuzzed up radar screens, bringing the term into use in military and aerospace contexts. The Comey-esque usage of "fuzz" for "uncertainty" was used as early as 1990, when former NASA administrator James M. Beggs

### Guitars, police and uncertainty.

owned up to hiring a contractor that manufactured a defective mirror for the Hubble Space Telescope. "There is no fuzz on that, as we say in the trade," Mr. Beggs said by way of apology.

In 2000, in an interview with the Denver Post, Noel Hinners, vice president of flight systems for Lockheed Martin, made a similar *mea culpa* about the failure of the Mars Climate Orbiter: "We made mistakes. No fuzz on that." And in 2003, NASA Administrator Sean O'Keefe warned that the report on the space shuttle Columbia disaster would pull no punches, by saying that the report "is going to have no fuzz on it, no gloves."

The "no fuzz" turn of phrase extended beyond NASA, becoming "an intelligence community term," according to Jim Wright, a progressive blogger who served as a chief warrant officer in the U.S. Navy. As Mr. Wright explained on Facebook, "James Comey is saying that intelligence on this is 100% certain. No fuzz. No ambiguity." That explanation should dispel any lingering fuzz on "fuzz."



### EVERYDAY MATH: EUGENIA CHENG

## How to Measure Diversity

I OFTEN LOOK around me and have a gut reaction about how racially diverse my surroundings are. Symphony concert? Very white. Math fair in Southern California? Many Hispanic and Asian people. Art school? Very diverse but with particularly many Asian people.

After the Women's March in January some people celebrated how "diverse" the movement was while other people lamented how white it was. What was the disagreement? Were there different demographics in different places, were people seeing only what they chose to see, or do people simply have different baselines for what counts as diverse?

There is a mathematical theory of diversity that can help us to make this buzzword more precise. Ecologists study diversity of ecosystems by taking a sample area and counting how many creatures of each species they find. There are then various ways to quantify the diversity.

One is simply to count how many species are present. This is called species richness. Another compares how abundant each species is. If an area is dominated by rabbits, but there is also one hedgehog, this is different from an area with equal numbers of rabbits and hedgehogs. This notion of diversity is called species evenness. An even more nuanced measure of diversity takes into account how related the species are, so that a slug and a snail will yield less diversity than a slug and a rabbit.

For many observers of the Women's

March, diversity involved counting how many

different races were simply present (ignoring,

of course, the thorny question of what counts

as a different race). By that measure, the

march was quite diverse.

Diversity as evenness, by contrast, would consider the abundance of people of different races. The march would count as less diverse if there were only small numbers of minority races present, even if many different races of people were there. Imagine a city with 1,000 steak houses, plus just one each of Italian, French and Thai restaurants.

The dining options would feel much more varied if there were 250 of each type of restaurant. That is the difference between spe-

cies richness and species evenness.

Another interesting measure takes segregation into account. This could be measured by the probability that any individual was standing next to a person of a different race. If there was just one pocket of nonwhite people in a white crowd, that would register as less diverse than if those same nonwhite people were spread throughout the crowd.

Another question is whether we are measuring diversity relative to some standard. We might instinctively measure it relative to the diversity we generally see around us. So if you live your whole life in a city with only one Italian restaurant out of 1,000, you might be very pleasantly surprised to visit a city with 10.

What if we measure the diversity of a group relative to the overall population? This is the question of whether the group is representative, a measure related to diversity but different from it.

In the 2015 census, 62% of the U.S. population was white, 17% Hispanic or Latino, 13% African-American, 6% Asian-American and 1% American Indian and Alaska Native. A gathering would be more diverse in terms of evenness if it had equal numbers from all those groups of people, but it would not be representative of the general population.

We can use these same measures to examine the U.S. Congress. Neither the Senate nor the House is very diverse in terms of evenness, but the House fares better if we look at how representative it is.

A more interesting statistic is the rate of change. The racial composition of first-term members of Congress is quite representative of the overall population. But because Congress has been overwhelmingly white historically, incoming classes would have to be almost exclusively nonwhite for many election cycles to create a Congress that is racially representative.

Such discussions are inevitably complicated by the fact that we use diversity to mean so many different things. What people are really discussing is the sort of society they aspire to. Mathematical analysis can give us clear terms for that debate, but it can't tell us what our goals should be.

### Math adds some rigor to a sensitive issue.

### PHOTO OF THE WEEK



CHRIS J RATCLIFFE/AGENCE FRANCE-PRESSE/GETTY IMAGES

### R&D: DANIEL AKST

## For CEO Pay, CNBC Pays Off

IF YOU'RE the chief executive of a publicly traded company and want a raise, what should you do?

(a) Keep breathing.

(b) Get yourself on CNBC.

The first answer will probably work, but getting some media attention will work better, especially if your company isn't too large and its stock has been doing well. Those are the key findings of a new study of CEO pay and U.S. media exposure conducted by a pair of American-trained business professors in Asia.

Jingoo Kang of Singapore's Nanyang Technological University and Andy Y. Han Kim of Seoul's Sungkyunkwan University studied 4,452 CEOs at 2,666 U.S. firms from 1997 to 2009. They also took account of 104,129 news articles and 6,567 CNBC appearances featuring CEOs during that period. They found "that a CEO's appearance in CNBC interviews and major news articles has a positive relationship with his or her compensation in the following year, after controlling for firm performance and other confounding factors."

Drs. Kang and Kim hypothesized that CEO media appearances would lead to higher pay; that the effect would be larger if the firm's shares rose during the fiscal year of the media attention; that CEOs of small firms would benefit more than those of

large ones; and that the effect would be muted for founding CEOs or those holding large equity positions in their own firms.

The evidence, the professors report, bore out all those assertions. Why? The study's authors point to visibility and competition for executive talent. Going on CNBC, in particular, raises a CEO's profile, and the effect is greatest for the least-known. Mary Barra, say, is already famous as the CEO of General Motors and unlikely to gain much additional renown from a TV hit.

But for heads of smaller firms, a major TV appearance can put them on the radar for headhunters and competitors—and help them to get more compensation from their current employers. When the study's authors looked at the 187 CEOs who voluntarily left for other firms in the same year or the following year after print media or CNBC exposure, they got similar results.

How big is the CNBC effect? "CEOs who appear on CNBC interviews will earn \$210,239 more" on average the following year, the professors say, compared with similar CEOs who didn't go on. The effect for CEOs in the bottom quartile of firm size was \$130,925 greater than for CEOs in the top quartile, even though big-company CEOs usually get paid more. Print coverage had less impact: A CEO who got 1% more print coverage than average in a year got .028 percentage points of extra compensation the next year.

The professors say they recognized that CEOs go on CNBC voluntarily and some may push to get on air. CNBC may also be choosing CEOs who are doing a good job, which might motivate directors to raise a leader's compensation.

The professors used statistical techniques to tease out other potential causes for the phenomenon and assess their individual impacts. The findings held up: when the researchers controlled for company performance, CEO tenure, gender, age and other factors, the role of media exposure in boosting CEO pay persisted.

To ensure that the effect didn't result from media attention to a CEO's company rather than just to the boss, the researchers assessed the impact of news articles about the firm rather than those about the CEO. Articles about a company had no significant correlation with the following year's CEO pay.

*"The Relationship Between CEO Media Appearances and Compensation," Jingoo Kang and Andy Y. Han Kim, Organization Science (May 22)*

### A Wall of Sorrow

A man posted a picture of a missing person Friday near the Grenfell Tower, the residential skyscraper in London gutted by a lethal fire early Wednesday.

**Answers**  
To the News Quiz on page C13:

**1.C, 2.C, 3.A, 4.D, 5.D,  
6.B, 7.B, 8.C**

# BOOKS

THE WALL STREET JOURNAL.

Saturday/Sunday, June 17 - 18, 2017 | C5

## Goodbye, Yellow Brick Road

Gold shaped our country's monetary policy—and Americans' fantasies of wealth—for nearly four centuries

### One Nation Under Gold

By James Ledbetter  
Liveright, 380 pages, \$28.95

BY JAMES GRANT

**IT'S NO WORK** at all to make modern money. Since the start of the 2008 financial crisis, the world's central bankers have materialized the equivalent of \$12.25 trillion. Just tap, tap, tap on a computer keypad.

"One Nation Under Gold" is a brief against the kind of money you have to dig out of the ground. And you do have to dig. The value of all the gold that's ever been mined (and which mostly still exists in the form of bubbles, coins and ingots), according to the World Gold Council, is a mere \$7.4 trillion.

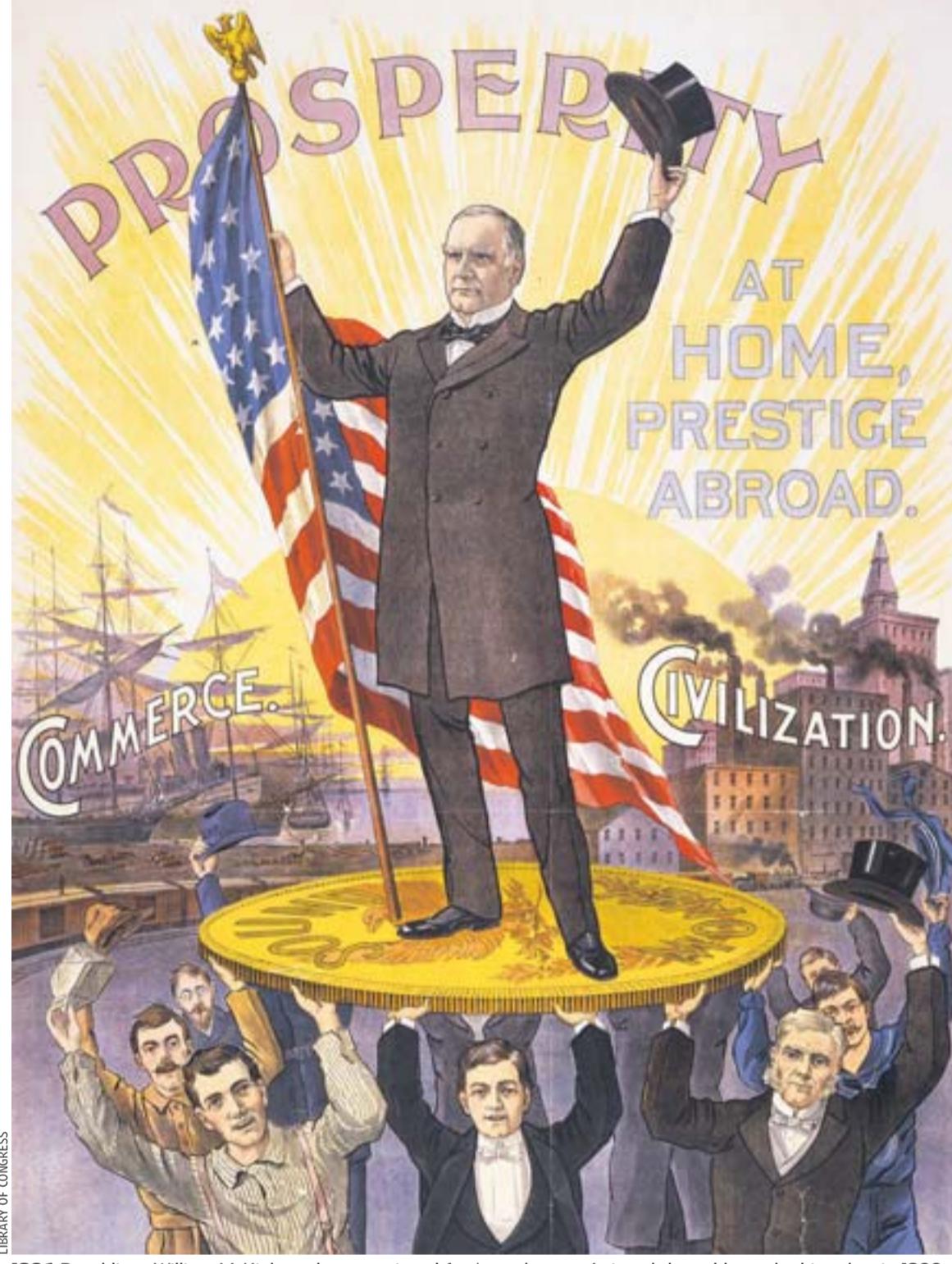
Gold anchored the various metallic monetary systems that existed from the 18th century to 1971. They were imperfect, all right, just as James Ledbetter bends over backward to demonstrate. The question is whether the gold standard was any more imperfect than the system in place today.

That system features monetary oversight by former university economics faculty—the Ph.D. standard, let's call it. The ex-professors buy bonds with money they whistle into existence ("quantitative easing"), tinker with interest rates, and give speeches about their intentions to buy bonds and tinker with interest rates ("forward guidance").

You wonder how the Ph.D. standard came to eclipse a system whose very name, "gold standard," is a byword for excellence. Addressing a national television audience on Sunday evening, Aug. 15, 1971, President Richard Nixon announced the temporary suspension of the dollar's convertibility into gold. No more would foreign governments enjoy the right to trade in their greenbacks for bullion at the then standard rate of \$35 to the ounce. (Americans had long since relinquished that right; indeed, as Nixon spoke, they could not legally own gold.) Roughly a half-century later, the temporary suspension is beginning to look permanent.

Up until the Nixon edict, paper money, under the law, was a kind of derivative. It derived its value from the metal into which it was convertible. Today's dollar is inconverible. To be sure, you can exchange Federal Reserve notes for gold coins or bit-coins to your heart's desire, but the rate of exchange is whatever the market will bear. Under a gold standard, fixedness was the great monetary virtue. Nowadays, adaptability is the beau ideal. As George Gilder observes, money has been transformed from a measuring rod into a magic wand. Anyway, the Hamiltons or Lincolns or Grants in your wallet owe their value to the government's fiat, not to its gold.

Mr. Ledbetter's book is a chronicle of the American people's fascination with gold. He is mystified and bemused by it. He rolls his eyes at the



1896 Republican William McKinley, who campaigned for 'sound money,' signed the gold standard into law in 1900.

gold rushes and the gold-centered orthodoxies of yesteryear. Whatever were our forebears thinking?

His well-spun narrative spans the better part of four centuries. He takes us from gold mining in North Carolina during the administration of John Adams to the Founders' monetary protocols, which defined the dollar as a weight of gold or silver; from the California Gold Rush to the late-19th-century politics of inflation, featuring William Jennings Bryan and his unsuccessful campaign to inflate the gold dollar by substituting abundant silver; from the formation of the Federal Reserve in 1913—the dollar was still as good as gold—to the shockingly improvisational dollar policies of the New Deal. One fine day, Mr. Ledbetter relates, FDR raised the gold price by 21 cents because it seemed to the president that three times seven was a lucky number.

Next comes the patchwork gold regime of the 1950s and 1960s, the system known by the place at which it was conceived, Bretton Woods (N.H.). No more was gold the gyroscope, or flywheel, of the international monetary system, as Lewis E. Lehrman has written. Now the metal sat inert in vaults. Central banks might demand the right to convert their dollars into gold, and vice versa, but few exercised the option.

Mr. Ledbetter breaks some historical news by uncovering the existence of Operation Goldfinger, a secret government project in the time of Lyndon Johnson to extract gold from "seawater, meteorites, even plants." By the late 1960s, America's foreign liabilities were growing much faster than the gold available to satisfy them. For better or worse, the run on finite American gold continued, and Nixon cut the cord.

On, now, to the great inflation of the 1970s, along with the rise of the goldbugs, the cranks (Mr. Ledbetter's interpretation) or visionaries (as others might style them) who predicted the collapse of the dollar and the rise of double-digit inflation in the Jimmy Carter years. In the mid-1970s, as Mr. Ledbetter recounts, the long fight to restore the right of American citizens to own gold—a right that FDR's administration had extinguished in 1933—was finally won. The author concludes his story with a survey of the contemporary rear-guard movement to expose the failings of today's monetary nostrums and reinstitute a gold dollar.

As if to clinch the case against gold—and, necessarily, the case for the modern-day status quo—Mr. Ledbetter writes:

"Of forty economists teaching at America's most prestigious universities—including many who've advised

or worked in Republican administrations—exactly zero responded favorably to a gold-standard question asked in 2012." Perhaps so, but "zero" or thereabouts likewise describes the number of established economists who in 2005, '06 and '07 anticipated the coming of the biggest financial event of their professional lives. The economists mean no harm. But if, in unison, they arrive at the conclusion that tomorrow is Monday, a prudent person would check the calendar.

Mr. Ledbetter makes a great deal of today's gold-standard advocates, more, I think, than those lonely idealists would claim for themselves (or ourselves, as I am one of them). The price of gold peaked as long ago as 2011 (at \$1,900, versus \$1,250 today), while so-called crypto-currencies like bitcoin have emerged as the favorite alternative to government-issued

Gold is great, gold is good, but political will is what keeps a currency stable when banks run amok.

money. It's not so obvious that, as Mr. Ledbetter puts it, "we cannot get enough of the metal." On the contrary, to judge by ultra-low interest rates and sky-high stock prices, we cannot—for now—get enough of our celebrity central bankers.

What was the gold standard, exactly—this thing that the professors dismiss so airily today? A self-respecting member of the community of gold-standard nations defined its money as a weight of bullion. It allowed gold to enter and leave the country freely. It exchanged bank notes to gold, and vice versa, at a fixed and inviolable rate. The people, not the authorities, decided which form of money was best.

The gold standard was a hard task master, all right. You couldn't devalue your way out of trouble. You couldn't run up a big domestic budget deficit. The central bank of a gold-standard country (if there was a central bank) was charged with preserving the convertibility of the currency and, in a pinch, serving as lender of last resort to needy commercial banks. Growth, employment and price stability took their own course. And if, in a financial panic or a business-cycle downturn, gold fled the country, it was the duty of the central bank to establish a rate of interest that called the metal home. In the throes of a crisis, interest rates would likely go up, not down.

The modern sensibility quakes at the rigor of such a system. Our forebears embraced it. Countries observed the gold standard because it was progressive, effective, civilized. It anchored prices over the long term (with many a bump in the short term). It promoted balance in international accounts and discipline in domestic ones. Great thinkers—Adam Smith, David Ricardo and, yes, John

Please turn to page C6

## TOM CLANCY POINT OF CONTACT

THE NEW JACK RYAN JR. THRILLER  
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## BOOKS

'Raise your glass in the air for the man from Clare who invented the submarine!' —'The Ballad of John Philip Holland'

# A Man Down Below

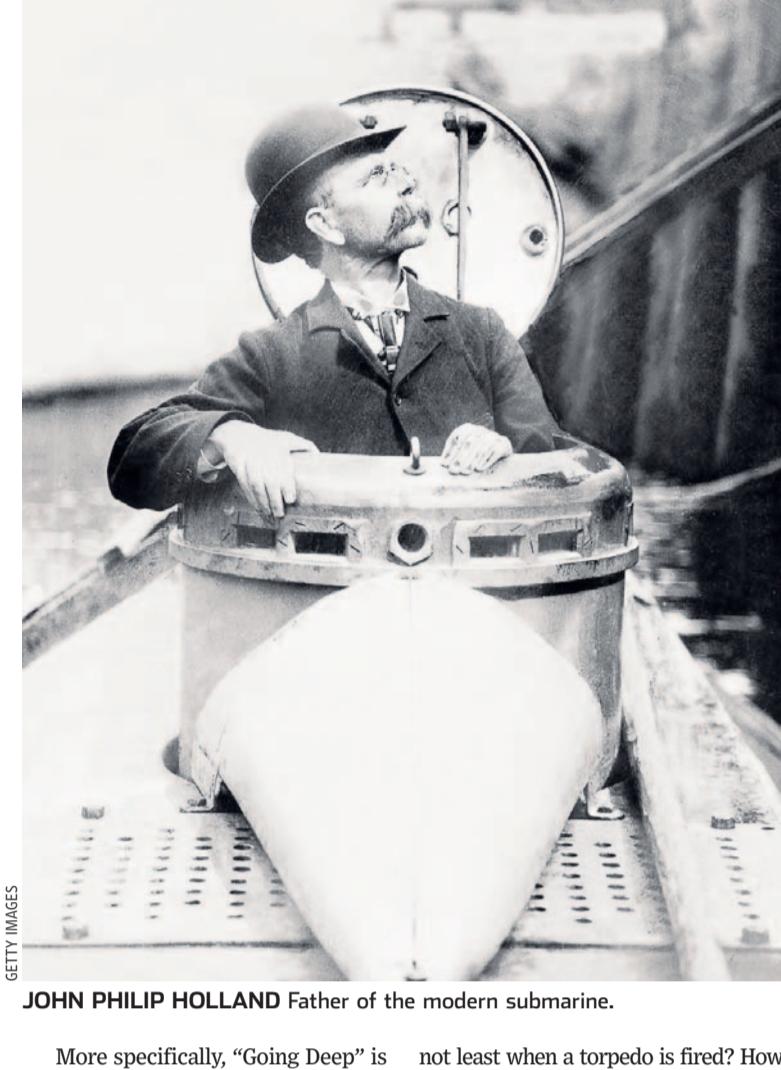
**Going Deep**By Lawrence Goldstone  
*Pegasus*, 378 pages, \$27.95

BY PAUL KENNEDY

**THERE ARE** very few wars in history that begin, dramatically, with a brand-new weapon displaying its transformative power, but one such case occurred in the southern North Sea in September 1914, when three large cruisers of the Royal Navy were torpedoed and swiftly sunk by a diminutive German U-boat, the U-9. At that moment, the age of the attack submarine was born, and the struggle for naval supremacy for a great part of both World War I and World War II was defined. The U-boat—shorthand for “Unterseeboot”—had come of age.

It is appropriate, then, that the historian Lawrence Goldstone begins “Going Deep” with a dramatic re-telling of the U-9’s exploit. It should be said immediately that his chronicle doesn’t present the whole history of submarine warfare but rather the story of the efforts of various American inventors and entrepreneurs—above all, an Irish-born engineer named John Philip Holland—to create a power-driven, human-directed and sub-marine vessel that could stalk and then, with its torpedoes, obliterate even the most powerful of surface warships. In the formative years of its development—from the Civil War to World War I—the story is chiefly an American one, though not completely, which is perhaps, despite the book’s many merits, a partial weakness of Mr. Goldstone’s presentation.

The librarian shelving “Going Deep” might pause before finding its exact location. It does indeed concern itself with technological innovation—and there are some intriguing illustrations to help the reader along: One of them, for instance, shows an electric taxi moving through New York streets in 1899, one of the many enterprises of Isaac Rice, whose interest in batteries and electrical systems would feed into his submarine research. The book also includes a large amount of detail about the U.S. Navy’s budgetary and ship-construction concerns as it entered the modern, post-Civil War decades. But “Going Deep” can also be seen, plausibly, as a study in American business history. As such, it fits in line with Mr. Goldstone’s earlier studies, notably “Birdmen: The Wright Brothers, Glenn Curtiss, and the Battle to Control the Skies” (2014) and “Drive! Henry Ford, George Selden, and the Race to Invent the Auto Age” (2016). The publisher’s blurb calls these works, appropriately, “innovation histories.”



JOHN PHILIP HOLLAND Father of the modern submarine.

More specifically, “Going Deep” is a story of late-19th-century American competitive capitalism, of winners and losers in the struggle to win congressional support and Navy Department authorizations for another fabulous and disruptive—and, if one got it right, hugely profitable—new technology. To the winner in this race went all, or nearly all, the spoils. Unlike the automobile, where the consumer would decide the outcome, but just like early aircraft development, the submarine depended upon government contracts, domestic and foreign. Thus Mr. Goldstone’s narrative also sheds light on America’s early military-industrial complex, which often involved dubious if not outright illegal actions, bribery, political corruption, exaggerated “yellow press” claims and bankrupted enterprises.

The book is strongest in its detail of technological invention, as Holland and the other designers struggled to overcome the many challenges of early submarine development. How do you design fan vanes—the movable fins or “wings” on the boat’s side—so that they will allow you to control oblique diving and also ensure that the craft will rise back to the surface? How do you keep the vessel stable when the center of gravity can shift so easily,

not least when a torpedo is fired? How do you release the fatal battery and engine fumes from a self-contained cylinder (for that’s what a submarine is) 60 feet under the surface? Finding the answers to these questions and others involved sea trials and, along the way, the loss of many brave men.

**How an Irish-American engineer developed a Jules Verne-like wonder-weapon of the deep.**

Mr. Goldstone has a shrewd eye and a lively pen. He wryly labels some supposed naval experts overseeing the production of an early design “notably inexpert” and “more inflexible for their ignorance.” While he doesn’t, curiously, employ the vast unpublished archives of the U.S. Navy (now in the National Archives), he makes ready use of memoir literature and quotes from the contemporary American press, which had an enormous appetite for any sign that Holland and his designer rivals were producing a Jules Verne-like wonder-weapon of the deep.

Among many fine vignettes is the

story of Teddy Roosevelt’s prescient interest in the submarine, including his taking an underwater trip in a prototype across Long Island Sound in August 1905. At this, as may be imagined, the newspapers went wild.

“Going Deep” ends in 1914. By that time, the U.S. Navy was on its way to possessing some submarines—vessels equipped with torpedoes that were therefore capable, in theory, of sinking an enemy’s warships or his merchant marine, although in fact these boats were aimed at only coastal defense. And by 1914 American industry could boast of a nascent submarine-building capacity, especially in the form of the Electric Boat Co., which was to survive the capriciousness of the Navy Department’s “on-off” love affair with the submarine until World War II finally proved its undoubted power.

But these successes, limited though they were, were not John Philip Holland’s. He had played a major role—really, the greatest role—in developing the early submarine, grasping that it could transform naval warfare. He had grappled with and overcome most of the daunting technological obstacles in the way of making his vision a reality. Mr. Goldstone is surely right to give him such prominence. But eventually Holland was shunted aside by more ruthless entrepreneurs, dabbled by business partners and denied Navy contracts. He passed away on Aug. 12, 1914, just as World War I was beginning. By then, feeling beaten and having retired, he was a quiet churchman and amateur historian. This part of Mr. Goldstone’s story is not a happy one.

For a book that is about the advent of the attack submarine, “Going Deep” is too America-centric in both its story and sources. In the decades before 1914, inventing submarines was, like inventing aircraft, something that involved a frenzied international competition, and on many occasions American designs were not the best. One yearns here for a comparative look, as Katherine Epstein offered in “Torpedo: Inventing the Military-Industrial Complex in the United States and Great Britain” (2014).

And since Mr. Goldstone’s story opens with the stunning wartime success of the U-9, one yearns more for even a brief explanation of why the most formidable submarine navy in both world wars was Germany’s, not America’s. Even the best of the nationally focused “innovation histories,” and this is one of them, would look better if they gave the reader an international perspective.

*Mr. Kennedy, a professor of history at Yale University, is the author of “The Rise and Fall of the Great Powers.” He is currently writing a book on sea power and World War II.*

*Continued from page C5*

Maynard Keynes himself in the wake of World War I—extolled it.

The chronic problem in gold-standard days was the one that continues to bedevil us moderns: how to maintain a stable currency when lenders and borrowers run amok. President James Buchanan, Lincoln’s immediate predecessor, addressed the question in his first State of the Union address in the wake of the Panic of 1857. The story of American finance, he contended, was the story of paper credit subverting sound money: “At successive intervals the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit.” A not-so-distinguished president, Buchanan made the monetary point that Mr. Ledbetter skirts: Excessive lending and borrowing subverts the stability of money. It’s the cause of panics under monetary systems both metallic and paper. Which is to say that we earthlings will never achieve financial perfection. It seems that the trouble (or, at least, one trouble) with money is credit and that the trouble with credit is people.

The gold standard, perhaps above all, was a political institution. It flourished in the age of classical liberalism. It was the financial counterpart to the philosophy of limited government. The Ph.D. standard is likewise a political institution. It is the financial counterpart to the philosophy of statism. The policy that some banks are too big to fail—that they must be treated almost as wards of the state to prevent their failure—is a hallmark of the modern age. The policy—indeed, the law—that the stockholders of a bank are themselves responsible for the solvency of the institution in which they hold a fractional interest was a hallmark of the gold-standard era.

Mr. Ledbetter is on a mission to set the historical record straight and head off an unprogressive movement away from paper money. He writes: “To avoid gold’s false paths, we need to argue with the past, to test the assumptions that are too often and too casually passed uncritically.”

I expect that before very long we will be arguing with our immediate past—demanding to know why the public debt has doubled since 2007, second-guessing our collective belief in the mazy doctrines of “quantitative easing” and “forward guidance,” and tuning in to watch congressional hearings into the causes of some future stock-market crash. Mr. Ledbetter has told some good stories. He hasn’t made his case.

*Mr. Grant is the editor of Grant’s Interest Rate Observer.*

# Reminders to Never Forget

**Hell’s Traces**By Victor Ripp  
*Farrar, Straus & Giroux*, 206 pages, \$25

BY DIANE COLE

**ALEXANDRE AND VICTOR** Ripp were ordinary Jewish boys from Russian families, similar in age and physical appearance, living in Paris in the early 1940s. But any further resemblances between the two cousins can never be known: In July 1942, at the age of three, Alexandre was rounded up with his grandmother and soon after was murdered at Auschwitz. By then, Victor and his family had managed a narrow escape from France, leaving just weeks after Germany’s invasion in the spring of 1940.

Why was it Victor—now living in suburban New Jersey—who survived and not Alexandre?

That’s the unbearable question that has always haunted Mr. Ripp. It gnawed with particular ferocity after he attended an exhibit several years ago at Berlin’s Jewish Museum that included material about his mother’s well-to-do family, which possessed the combination of foresight, financial assets and connections to uproot themselves after Hitler’s rise to power. Ultimately, every member of the Kahan family—more than 30 people—found their way to safety. Many went to Palestine; others decamped for France before being forced to seek refuge yet again, in time landing in America. Their journey was fraught. But they lived.

By contrast, the vast majority of Mr. Ripp’s father’s family, including 10 others besides Alexandre, were rounded

up, shipped off in cattle cars and exterminated. Rather than being commemorated in a museum exhibit as the Kahans were, they don’t even have graves.

For Mr. Ripp, this stark disparity stung—and generated ruminations about the nature of remembrance, the role of public memorials and, ultimately, an itinerary that would take him to 35 different Holocaust memorials in Germany, France, Poland, Belarus, Austria and Hungary. At least some of these, he hoped, “would also spark to life the story about the different destinies of the Kahans and the Ripsps.”

**A man who fled the Nazis as a boy takes a somber tour of Europe’s Holocaust memorials.**

In “Hell’s Traces: One Murder, Two Families, Thirty-Five Holocaust Memorials” Mr. Ripp intersperses his journeys to these memorials with the stories and fates of the two sides of his family. He also does a good deal of reporting, talking to architects, designers, Jewish community leaders, local guides and European friends about the way these memorials honor—or in some cases, deny—the Holocaust.

The author finds that the most effective memorials are not necessarily the most celebrated ones. For instance, he has reservations about Germany’s *Stolpersteine*, or stumbling stones. These cobblestone-sized memorials are embedded in the pavement outside the last known residences of Hitler’s victims and inscribed with their names

and dates of birth and death. But Mr. Ripp doesn’t like the notion of stumping over a life: “I like memorials to be set off by fences or announced by signs or otherwise conspicuously marked,” he writes.

One of the most stirring memorials Mr. Ripp visits is situated in the Berlin neighborhood that was once called Jewish Switzerland because of the preponderance of Jews who lived there, including Albert Einstein and

in an insidiously logical way to the destruction of the Jewish inhabitants.” Thus the succession of plaques ends with a pictogram of a char-blackened face, redolent of the death camps and their crematoriums. To some this may sound tasteless, but the impact was striking. “When we first put up the signs, some people took them to be new government rules,” Ms. Stih recounted. “Apparently these people believed that it was perfectly reasonable

says. There is no reference to the Holocaust, the more than 44,000 Grodno Jews who were thrown into extermination camps, or the cemetery. To Mr. Ripp, the vague wording “seemed . . . only to repeat the willed ignorance it should have been apologizing for.”

Such moments are chilling, but as the book goes on, Mr. Ripp’s mission begins to seem tedious, perhaps even to himself. For instance, despite being annoyed by the prevalence of stumble stones, he also complains when not enough visitors are present or pay attention at particular memorials. “If no one notices a Holocaust memorial, does it still have significance?” An excellent question, to be sure, but Mr. Ripp seems unhappy either way.

Eventually he finds the resonance he has sought all along, in a memorial set in a Parisian playground in the neighborhood where Alexandre once lived. A glass tablet features an etching of two hands reaching for each other with the inscription, in Mr. Ripp’s translation: “Numbered among those who lived in Paris in the Sixteenth Arrondissement, there were fifteen so young that they had not reached an age when they would have attended school. As you pass by, read their names, your memory is their only grave.” Among those names is Alexandre’s. Here, at last, Mr. Ripp can finally glimpse the boy Alexandre was—and conjure the grown man he never had the chance to become. With this act of memory and imagination, Mr. Ripp transforms his cousin from a ghostly memory to a vivid presence whose loss he—and his readers—can more fully grasp.

*Ms. Cole is the author of the memoir “After Great Pain: A New Life Emerges.”*



WALL OF NAMES A Holocaust memorial in Paris’s Marais neighborhood.

Erich Fromm. Mounted on 80 lamp posts over several blocks are two-sided plaques that tell the step-by-step story of the laws passed to marginalize, persecute and, ultimately, annihilate the Jews. One side of each plaque shows a pictogram (swim trunks, for instance), with the other side displaying the text of the Nazi-era law banning Jews from yet another ordinary activity (in this case, the dictate that Jews could no longer use Berlin pools). As the memorial’s designers Renata Stih and Frieder Schnock explain to the author, the point was to “make visible the conditions which led

for Nazi policies to be put back into practice. Finally we had to attach a small disk to each sign to tell people that they were looking at art.”

In Grodno, the birthplace of the author’s father and Alexandre’s father, Mr. Ripp finds what he calls an “anti-Holocaust memorial”: a sports stadium built, in 1950, on the grounds of Grodno’s old Jewish cemetery. It wasn’t until 2003, when human remains were uprooted during stadium repairs, that an easy-to-miss plaque went up, reading: “In memory of those Jews who from the XIV century lived on the land of Grodno.” That’s all it

took to make a memorial that resonates.

## BOOKS

'Baseball fans are junkies, and their heroin is the statistic.' —Robert S. Weider

# The Game You Knew Is Gone

### Smart Baseball

By Keith Law

Morrow, 291 pages, \$27.99

BY GEORGE F. WILL

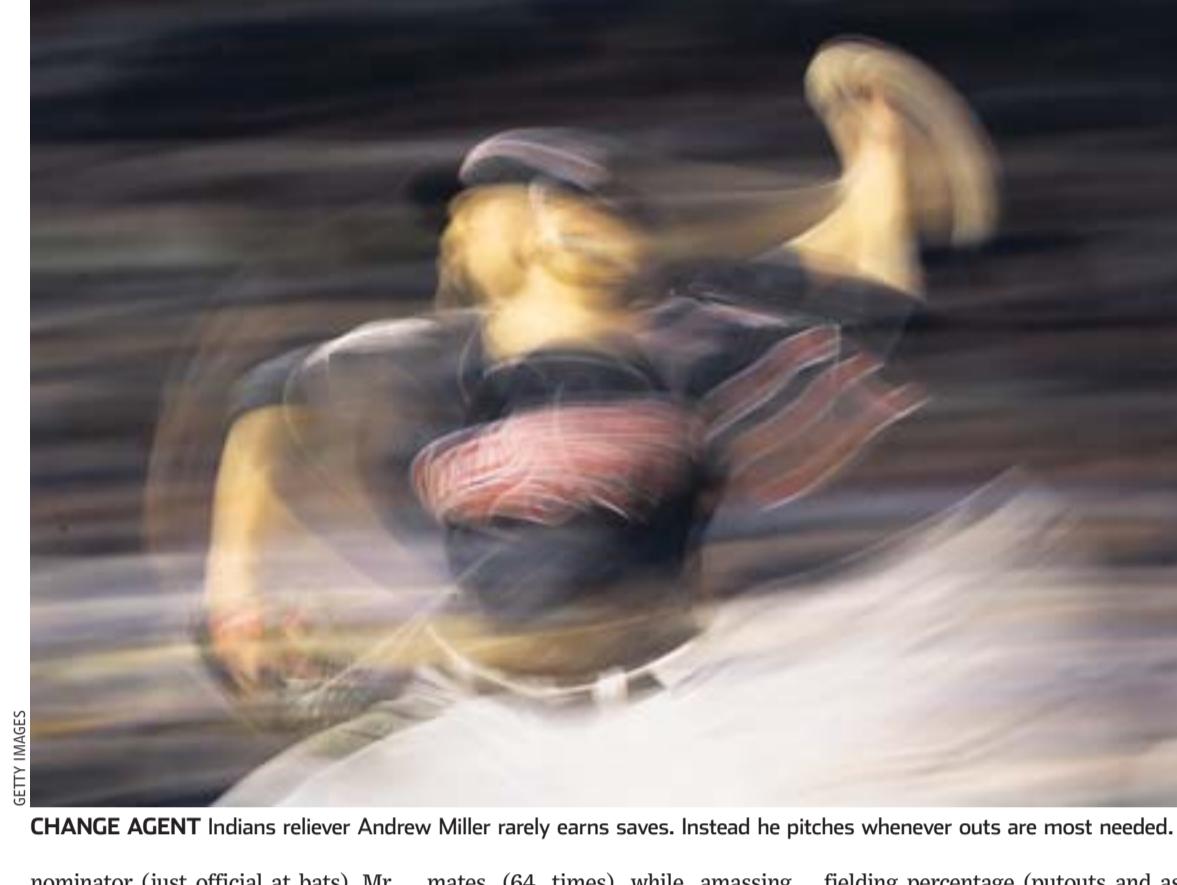
**'PHILOSOPHY,' WROTE** Ludwig Wittgenstein, "is a battle against the bewitchment of our intelligence by means of language." Baseball has found its Wittgenstein.

Or, more precisely, another Wittgenstein. Keith Law, a senior baseball writer and analyst for ESPN, is a member of the growing cohort of exasperated baseball analysts who persuasively argue against what they consider the bewitchment of the sport's intelligence by outdated or ill-considered metrics.

The title, and especially the subtitle, of Mr. Law's book—"Smart Baseball: The Story Behind the Old Stats That Are Ruining the Game, the New Ones That Are Running It, and the Right Way to Think About Baseball"—indicates he did not get the memo recommending intellectual tentativeness. In today's garden of baseball journalism, the flora includes many practitioners who are not shrinking violets, and Mr. Law himself is a human cactus with a prickly impatience regarding those he considers slow learners.

Baseball is the sport with the longest season: 162 games before 10 teams play on into October, with two often finishing in early November. As a game of distinct episodes—pitch by pitch, out by out, inning by inning—it generates an ever-richer sediment of data as new technologies yield ever-more refined measurements: spin rates of pitches, "tilts" (angles of break) of sliders, launch angles of swings, exit velocities of balls coming off bats, and so on. These measurements are massaged by a new generation of mostly young and well-educated front-office "quants." All 30 teams have analytics departments; the Astros have a "director of decision sciences." Many of these savants' baseball-playing careers peaked in Little League. They work, not always harmoniously, with their teams' managers, who are expected to use the data when putting together lineups and making in-game decisions.

Mr. Law's demolition derby begins by disparaging the hitting and pitching metrics we grew up reading beneath the bubblegum residue on the backs of baseball cards—batting averages, runs batted in, wins, saves, fielding percentage. For example, Tony Gwynn's Cooperstown plaque says that he won "eight batting titles." Mr. Law says: Yes, Gwynn eight times had the National League's highest batting average, but so what? In the dead-ball era, when batters rarely walked or hit for power, hits divided by at bats was a satisfactory measure of performance. But batting average leaves walks out of the numerator (just hits) and the de-



**CHANGE AGENT** Indians reliever Andrew Miller rarely earns saves. Instead he pitches whenever outs are most needed.

nominator (just official at bats). Mr. Law dismisses as Baseball Populism the idea that a hitter's job is to hit. Actually, he says, the essential offensive skill is to not make outs—to get on base one way or another—and to maximize the number of bases attained from plate appearances. Batting average treats singles and home runs alike, which might be democratic but makes about as much sense as treating \$1 and \$5 bills as equally valuable.

New data has made old baseball arguments more reconvene, but also more illuminating and fun.

The RBI, an example of what Mr. Law calls baseball's "Enronian accounting," is responsible for many unjustified postseason awards: If you lead your league in RBI on a team that makes the playoffs, you are a favorite to be named Most Valuable Player. In 2006, the Phillies' Ryan Howard (149 RBI) won the MVP award even though, Mr. Law says, he "wasn't even the most valuable player on the right side of the Phillies' infield." (He implies Chase Utley was.)

RBI is "context-dependent": It ascribes to an individual an achievement that usually depends on team performance (other players have hit safely or walked ahead of the batter who gets credited with an RBI). In 2001, when Barry Bonds hit 73 home runs, he became the only hitter ever to drive himself in more than he drove in team-

mates (64 times) while amassing enough at bats to qualify for the batting average title. And in 2004, because he was intentionally walked a record 120 times, some mediocre hitters batting behind him had inflated RBI totals. In 1985, the Yankees' Rickey Henderson, the best player in the league, reached base 274 times, enabling teammate Don Mattingly to drive him in 56 times en route to winning an MVP award that should have gone to Mr. Henderson.

Sports statistics can, Mr. Law says, describe or interpret what happened, but pitcher "wins" and "losses" do neither. Judging a pitcher's performance by the number of wins ascribed to him again simply celebrates him for myriad benefits he got from teammates. You can pitch poorly and still be awarded a win—at least 34 times in baseball history, pitchers have "won" while giving up 10 or more runs. And you can pitch at a historic level and not get a win, as Warren Spahn did in 1963 when he pitched 15 innings in a 1-0 loss. The reason it took Bert Blyleven unreasonably long to be elected to the Hall of Fame is that voters were mesmerized by wins and losses and so did not properly weigh these facts: He pitched 75 complete games he ended up losing; he made 40 starts in which he lasted at least seven innings and gave up two earned runs or fewer but got the loss; in 35 losses his team lost by one run; in 41 losses his team was shut out.

Fielding percentage is, Mr. Law says, "one of the most useless stats baseball has ever seen" because it "doesn't impart any useful information whatsoever." Ozzie Smith ranks only 15th among all-time shortstops in

fielding percentage (putouts and assists divided by total chances) but is much the most accomplished at creating changes—getting to balls beyond others' reach and turning them into outs. And how do you measure plays prevented—base runners who did not try to steal on the Cardinals' catcher Yadier Molina or did not try to go from first to third by challenging Bryce Harper's arm in right field?

RBI, batting average, pitchers' wins and fielding percentage merely produce unjust acclaim and undue awards. The pitcher's "save," says Mr. Law, is "perhaps the most ridiculous of all of the traditional stats because it has actually changed the way the game is played—unequivocally for the worse." It has beguiled managers into "managing to a stat," one that didn't exist during baseball's first century.

Basically, a pitcher gets a save if he enters the game with his team leading by no more than three runs, if he is the final pitcher, and if his team wins. So a relief pitcher who faces nine batters and records nine outs in the sixth, seventh and eighth innings gets nothing for protecting a three-run lead; if the next pitcher surrenders two runs and loads the bases before getting a third out, he is rewarded with a "save." Good grief.

As Mr. Law says, the save statistic tells more about when someone pitches than how he pitches. Seven times relievers have "earned" 30 or more saves while recording dreadful ERAs (earned-run averages) over 5. But the save stat has a cash value in contract negotiations. Worse, managers treat their best relievers as "closers" (the name is an homage to the

save stat) and ask them to get a game's last outs rather than what might be the most crucial outs—in, say, a bases-loaded situation in an earlier inning.

With bigger and bigger pitchers throwing harder than ever to hitters who are stronger than ever, making contact is more difficult, and strikeouts are more frequent. But, then, the game has always been changing: In the 10-9 game seven of the 1960 Pirates-Yankees World Series, the number of strikeouts was: zero. Today data drive the accelerating pace of change as more and more is known about probabilities in situations that can be anticipated or created. The data also measure different expectations in hitter-friendly Coors Field in mile-high Denver or in San Diego's pitcher-friendly Petco Park.

Mr. Law tries to make mincemeat of the idea that there are "clutch hitters" (readers can judge his success for themselves). He has a resounding success demonstrating that in 1941 Ted Williams, with his gaudy .553 on-base percentage to go with his .406 batting average, deserved the MVP award that was given to the more congenial Joe DiMaggio by voters who were mesmerized by DiMaggio's 56-game hitting streak that year. And the author argues that based on the newly popular measure WAR (wins above replacement value, which Mr. Law explains "isn't a stat, but a way of putting other stats together") former Detroit Tigers second baseman Lou Whitaker is the best position player not in the Hall of Fame.

On page after page, Mr. Law, a Vesuvius of opinions, vindicates Bruce Catton's opinion. Catton, the Civil War historian who died in 1978, said that baseball is the greatest conversation topic America has produced. "Conversation" is, however, too bland a word. Baseball fans are combative. They will argue about anything, including about who is the best left-handed middle reliever from northeastern South Dakota. Today, however, thanks to the Niagara of data inundating the game, the arguments have become more reconvene, illuminating and fun.

Mr. Law's book will increase any fan's enjoyment of the sport, not least because he refutes something else Catton said. Catton believed that if someone from President William McKinley's era were brought back and seated in one of today's ballparks, "he would see nothing that was not completely familiar." Not anymore, not if the time traveler were to view the game through the educated eyes of Mr. Law and others like him. They teach us to witness not just familiar actions but innovative decisions that are quite unlike those that baseball people used to make not so very long ago.

*Mr. Will, a columnist for the Washington Post, is the author of "Men at Work: The Craft of Baseball" and "A Nice Little Place on the North Side: Wrigley Field at One Hundred."*

# Rosencrantz and Guildenstern on the Road

### Hamlet Globe to Globe

By Dominic Dromgoole

Grove, 390 pages, \$27

BY J.M. LEDGARD

**'HAMLET' HAS BEEN** knocking around the globe for a long time. It was performed to African chiefs in 1608 off the coast of Sierra Leone by the crew of an East India Company vessel. English players performed it in Poland at about the same time. The first German translation came out in 1620, but the first Chinese edition only in 1916. So "Hamlet" is Western. But the idea that it traveled only as an opportunistic parasite on Her Majesty's merchant and naval ships deserves to be challenged. It traveled because its themes were universal.

For evidence, one need only read "Hamlet Globe to Globe," by Dominic Dromgoole. Mr. Dromgoole was director of the Globe Theatre in London when he hit upon the idea of taking "Hamlet" on the road to celebrate the 450th anniversary of Shakespeare's birth. Not a weekend in Edinburgh, or a season in Chicago: What Mr. Dromgoole had in mind was the entire globe. The theater's company visited nearly 200 countries and several refugee camps in two years, staging a performance in each place. They were a band of 16 players and stage hands. Their show was bare-bones, with two actors alternating as Hamlet, but they managed to preserve the signature jig danced at the end of all Globe perfor-

mances. At the conclusion of each event, everyone in the company helped in the packing up and moving on.

It is testament to how entwined our world has become that an undertaking Jules Verne would have considered overplayed barely raises a shrug among the public. On so many different stages, on so many different evenings, the company gave performance after performance, each unique; they were exhausted, exhilarated, puking with food poisoning, and only once, in Peru, came close to perfecting the piece. Miraculously, the company com-

In Saudi Arabia, the Globe troupe was among the first to perform with men and women on the same stage.

pleted the tour intact, as one, playing at last to Queen Margrethe II of Denmark at Hamlet's castle, then to President Barack Obama at the Globe, which stands on the Thames, a reconstruction of the original theatre built in 1599.

Mr. Dromgoole's view is that Shakespeare's plays are not intellectual, but fluid, shaped by the moment. The tour furnished several examples. At a new science university in Saudi Arabia, the company are among the first in the country's history to perform with men and women on the same stage. Mr. Dromgoole is invigorated to be among students developing new ideas: Hamlet is himself a student, at Wittenberg,

challenging norms at the start of the age of reason. "I'll speak to it though Hell itself should gape and bid me hold my peace," says Hamlet of his father's ghost, who comes with warnings of villainy and corruption. That goes for Mr. Dromgoole, too: In Moscow, he cuts off and insults a Kremlin prince who embodies all that he despises.

"The cat will mew and dog will have

possible to be garrulous and to conceal," Mr. Dromgoole says of Hamlet. It could be his own mantra.

It is worth pausing to applaud and consider the curious solidity of the Globe's eccentric and modern achievement. The solidity in large part comes from Shakespeare himself. The substantial will dissolve, Mr. Dromgoole argues, but the froth of words will last.



its day," says Hamlet. Well, maybe. This is a dog's dinner of a book, poorly written, often banal, a hundred pages too long, and marked by a peculiar, regrettable absence of the actors and stage hands. They are referenced, lauded, but voiceless. Many are apparently writing their own books; glossed and reworked, their ups and downs, romances, and epiphanies would amount to a Netflix series. Yet this is nevertheless a winning book. "It is perfectly

possible to be garrulous and to conceal," Mr. Dromgoole says of Hamlet. It could be his own mantra.

Mr. Dromgoole is unequivocal. There are better Shakespeare plays, and few would wish Hamlet as a companion. But there are layers and layers of meaning and technical challenges in "Hamlet." It is both gleaming and futuristic, Mr. Dromgoole thinks, with a speed of thought never seen before in the English language.

Hamlet fits in everywhere because

he is the icon of restlessness. "Hamlet" alights upon the timeless themes of power, love, madness, and war. To Mr. Dromgoole's modern eyes, war is vain and stupid, just as the Captain depicts it to Hamlet: "Truly to speak, and with no addition, / We go to gain a little patch of ground / That hath in it no profit but the name." This is simple, but not so far from the truth. There is surely a case for Bashar al-Assad as Hamlet—the mad, cruel, done-in scion going to gain patches of ground. "Hamlet," like the world, has plenty of action and killing. Except for the languorous South Pacific, audiences got it.

Shakespeare was a product of a Tudor grammar school. His father was probably illiterate. He wrote plays disposably; sonnets mattered more. Yet even for those who have never seen the play, "Hamlet" stands as among the most significant attempts made by humans to comprehend mortality, what it is to be alive and aware of your certain death. Near the play's end, Hamlet takes the skull of the jester Yorick, whom he remembers fondly from childhood, and begins a meditation on the body's corruption: "To what base uses we may return, Horatio! Why may / not imagination trace the noble dust of Alexander, / till he find it stopping a bung-hole?" During this scene in an imagined Danish graveyard, Mr. Dromgoole says, camel herders of Somaliland, ravers of Taiwan, refugees in Jordan—all of them leaned in.

*Mr. Ledgard's novel "Submergence" has been adapted as a film by Wim Wenders. It will be released this fall.*

## BOOKS

'The quintessential Japanese balance . . . : to surrender all of yourself to an illusion, and yet . . . to know all the while that it is an illusion.' —Pico Iyer

FICTION CHRONICLE: SAM SACKS

# Young Urban Japanese Singles

**L** IN TOMOYUKI Hoshino's novel "ME" (Akashic, 239 pages, \$15.95), a disenchanted electronics megastore clerk named Hitoshi swipes a stranger's cell phone at a McDonald's and then tricks the man's mother into wiring money into his bank account. But the joke is on him. Soon after, the old woman turns up at Hitoshi's apartment calling him Daiki, refusing to believe that he isn't her son and pestering him about getting married. A sobering thought for other would-be scammers: What if the fake identity you made up was the one you got stuck with?

Stranger still, when Hitoshi goes to his own childhood home he's nearly chased off the property. There he finds a young man who strongly resembles him living in his room and going by his name. When the two meet—again at a McDonald's—Hitoshi comes to a realization: Their experiences match so closely that they might as well be the same person. He is a ME. And there are countless others like him.

Part existential fable, part "Night of the Living Dead," Mr. Hoshino's inventive novel, accessibly translated by Charles De Wolf, paints a nightmare vision of Japan's rootless millennials, who work grinding dead-end jobs that leave them little time for family or individual passions. "The image of a sardine floated across my mind," Hitoshi thinks as he considers his doppelgängers. "Though I seemed to be swimming freely in the sea, I was merely moving my body in relation to the other fish around me. There was no sardine leader deciding in which direction we would swim. We merely conformed to the fluctuations of the school, expanding or shrinking, drifting off to the side or surging ahead into the distance."

At first Hitoshi and his fellow MEs are happy to band together against an uncaring world. But the camaraderie doesn't last, since every time one reveals a character flaw the others take it as an indictment of themselves. As the MEs' failures and weaknesses become intolerably magnified onto the "living but useless rabble" they're gripped by a suicidal impulse that unleashes a crazed murder spree. The frenetic, knife-wielding finale reaches its climax in—a McDonald's, of course. None of them can think of any place else to eat.

Japan's laureate of youthful disaffection is Haruki Murakami, who rose to fame in the 1980s, particularly with the novel "Norwegian Wood" (1987), by depicting a postwar protest generation that looked for definition in serial



love affairs and Western popular culture. Mr. Murakami's 1980 story "A Slow Boat to China," about the childhood memories of a lonely and provincial Tokyo man, provides the inspiration for Hideo Furukawa's novella "Slow Boat" (Pushkin, 124 pages, \$13.95). Mr. Furukawa updates the tale to Christmas Eve 2002, when a nameless narrator wanders Tokyo accessing his own fragmented memories.

These center on a sequence of heartbreaks. The narrator recalls his first short-lived relationship in summer camp, the girlfriend he lost as a university student because his train stalled on the way to meet her at the airport and the beautiful chef who worked in his café until a catastrophe drove him out of business. A mood of gloomy, wisecracking rebellion against the "idiotic world" pervades the writing. The narrator can't stand Tokyo but never manages to leave. Like Mr. Murakami's outcasts, he thinks "the Japanese language is nothing but lies" and invents private forms of communication. He and his summer camp crush converse exclusively in movie dialogue.

Translator David Boyd brings the slight and endearing story into riffing, confessional English. "If this was a kabuki play," the narrator says when things with his second girlfriend start to heat up, "this would be the place where the wooden clappers get faster and faster." Most of the time, though,

he's at a standstill. "Hope . . . I still have hope. That I'm getting out of here. But I have no idea where I am—no idea where I'm going—and isn't that the same as having no way out?"

But Japanese fiction isn't all alienation and haunted laughter. Hiromi Kawakami's "The Nakano Thrift Shop" (Europa, 229 pages, \$16)

Three novels about millennials disconnected from society, from one another and from hope.

takes up the genre of "slice-of-life" storytelling that has found popularity in manga graphic novels. These books follow their characters across quotidian days in school or the workplace, charting their friendships and love affairs and generally arriving at some affirmative lesson about the richness of human connections. Ms. Kawakami's gentle, humorous novel, in an unassuming translation by Allison Markin Powell, provides the same consolations.

It takes place in a Tokyo antique store run by the keen-eyed Mr. Nakano, who excels at turning a profit by buying and selling trinkets. As his earnest young shopkeeper Hitomi deals with his idiosyncratic customers

(the most colorful is a gentlemanly Yakuza gangster), she falls for her coworker Takeo, a painfully introverted young man with an artistic nature. At times Takeo seems to want nothing more than companionship; at other times he's blunderingly intimate. Early on he has to make amends after sketching a portrait of Hitomi in the same pose and state of undress as Goya's Naked Maja. The book's setting, with its rare, delicate objects and back-and-forth bartering, provides a fitting background to their halting courtship.

There's a feline quality to their relationship that readers of forthright temperament may find maddening. Remarkably little happens. The two conduct much of their relationship through text messages and awkward eye contact during work hours. When Takeo punishes Hitomi with a silent treatment after some minor lapse, Mr. Nakano's sister, the young woman's mentor, explains, "What has happened, my dear Hitomi, is that you have stepped on his tail." Tails are routinely bruised. There's a lot of sulking.

But gradually Ms. Kawakami transforms the relationship from childlike curiosity and sexual desire to deeper forms of love and appreciation. The eccentricities of the side characters add to the quiet charm of the couple's maturation. And there's not a McDonald's in sight.

MYSTERIES: TOM NOLAN

## The Nerve Of That Girl

**L**'THE PRETTIEST lass you ever saw" is how one of Natalie Taylor's ex-admirers describes the fetching English woman who provokes all the turmoil in Deborah Moggach's tense and splendid book "Final Demand" (Overlook, 224 pages, \$26.95). The 33-year-old Natalie, a frustrated resident of the dull-seeming city of Leeds, takes her beauty for granted: "If she put her mind to it, she could get almost any man. This face, this body was her means of escape; . . . she was destined for better things. . . . All she needed was nerve." Lots of nerve is necessary for the scheme she concocts to steal thousands of pounds from her phone-company employers. The morally oblivious Natalie gets a thrill from "the buzz of crime, the kick of it": "She felt like an actress . . . That her co-stars were ignorant of the roles prepared for them made her already feel tenderly towards them."

From Leeds to London she goes, assuming fake identities, taking up with helpful men (whom she "loves," in her fashion), then dropping them when need be ("I want to spare you the aggro.") And for a while it works. "Nothing could touch Natalie," she tells herself, "for she

A callous young beauty addicted to the buzz of crime puts her unwitting accomplices in peril.

had a charmed life." Yet her "victimless" crimes have consequences in the world beyond her self-involved bubble. A glitch in her system causes three people's mobiles to be disconnected. One of those three, a young woman on the brink of adulthood, is killed walking alone at night after not being able to telephone home. When this victim's father discovers Natalie's link to his daughter's death, his crippling grief turns to cold rage: "He had a strong desire to kill her."

Ms. Moggach, a versatile writer whose other credits include the novel "The Best Exotic Marigold Hotel," has all the empathetic and stylistic gifts needed to put a reader inside the lives of a dozen disparate characters and make one care about their fates—even that of a callous protagonist who may (or may not) experience a last-minute redemptive epiphany.

# Putrefaction of the Spirit

where there is corruption, bodies sold or condemned to slaughter.

Readers of Claudio Magris's "Danube," a marvelous travel book and meditation on the culture and history of Central and Southeast Europe, know that he is a discursive, demanding but richly enjoyable writer. The same qualities are evident in "Blameless," ably translated from the Italian by Anne Milano Appel. "Blameless" is a novel, but in no way a conventional one, for there is no plot as such, no coherent narrative, and innumerable digressions. Characters flit in and out, and only the main ones are fictional. It's set mostly in Trieste, Mr. Magris's home city.

A maze-like novel about lives marred by the metaphysical and moral horrors of war.

Trieste was once part of the Republic of Venice, then of the Habsburg Empire of Austria-Hungary, then (from 1866) of the new Kingdom of Italy, and in 1945 was disputed between Italy and Yugoslavia before finally (perhaps) becoming Italian again. The seed for the novel was planted in Mr. Magris's mind by a Triestine professor who devoted his life to collecting weapons and all sorts of military material in order to build a War Museum, in the hope that exhibiting these "instruments of death" could lead the way to peace. The unnamed principal character of "Blameless" has the same idea, but he is a half-crazy and disreputable

collector of just about everything, scribbling notes and instructions on stray pieces of paper.

Only toward the end of his life does he become more than an eccentric magpie. The transformation is the result of his investigation of the "Risiera," a disused rice factory where the Nazi Occupiers in the last years of the war imprisoned Jews

fin in the hangar where he stored his finds and was killed when a fire consumed it—but much of the novel comes to us in his words, relating his memories and rambling thoughts.

The other main character is a young woman, Luisa, charged with the organization of the Museum and faced with the onerous, near-impossible task of ordering and displaying



AT LAST Trieste residents crowd around an Allied tank, 1945.

(and other undesirables), torturing and murdering some, dispatching others north to death camps in what is now Poland. The collector searches for names written on the prison walls: not the names of the victims, for these were documented by the mad bureaucracy, but of those who had betrayed or informed on the doomed prisoners. In the early pages of the book we learn of this collector's death—he was sleeping in a cof-

the collector's "documents, the disconnected notes, the letters or fragments of letters." Luisa, daughter of a Triestine Jewish mother and a Black American sergeant who served in the post-war Allied Military Government of the disputed city, is aware of her own family's history of persecution and of slavery. Long passages of the novel track the confused and disturbing story of her father's ancestors and her equally distressing

uncertainty about just what her mother had known or suspected—about what her own mother had done, or might have done—in the last terrible year. Had she perhaps been a "despicable informer" too?

If the theme of the novel is the horror of war, a horror which is metaphysical as well as fleshly—the horror of reeking flesh and desperate lust—it's also the case that even the collector senses that his museum will alter nothing, no matter with what skill and devotion Luisa sets it in order. Who's right, who's wrong, in Trieste in 1945—well, later there will be a time for forgetting. "The Resistance is a complex business and those who resisted multiply all the more as the years go by." That's how it is in war, and in post-war. Truth is slippery as mercury.

"Blameless," as the title suggests, is slippery too, slippery because it searches for truth, and the truth depends first on the angle from which you approach it and won't in any case stay still. It's hard to get a grip on this complex novel, and this is how it must be, because understanding depends on perspective, and perspective is as hard to keep steady as the waves that break on the harbor wall. The prose gallops but demands that you read it slowly and thoughtfully, the author's intelligence being resistant to summary. Reading "Blameless" is worth the effort, but it would be foolish to pretend that the effort demanded is not considerable, or that the reader won't sometimes feel trapped in a maze, where the center can't be reached and the way out is choked.

Mr. Massie's most recent book is the novel "End Games in Bordeaux."

## BOOKS

'The impulse to draw derives from the human need to search, to plot points, to place things and to place oneself.' —John Berger

# The Art of Adventure

### Explorers' Sketchbooks

By Huw Lewis-Jones & Kari Herbert  
*Chronicle*, 320 pages, \$40

BY ROBERT MCCRACKEN PECK

'EXPEDITION,' "exploration" and "discovery" are terms more often associated with hardship and tragedy than beauty, pleasure or insightful reflection. When we think of explorers, figures like Sir John Franklin and his naval crew come to mind, disappearing in their fruitless search for the Northwest Passage, their final exit tarnished by desperate acts of cannibalism on the ice. We remember Robert Falcon Scott and his fellow travelers starving just 11 miles from a food depot on their arduous return from the South Pole in 1912. James Cook ended his third expedition badly, stabbed to death in Hawaii in 1779, while Christa McAuliffe and her fellow Challenger astronauts slipped "the surly bonds of earth" to "touch the face of God" on a disastrous space launch better remembered for Ronald Reagan's eulogy than the original purpose of their mission.

In "Explorers' Sketchbooks," a selection of field notes and illustrations made by 70 different adventuresome travelers, Huw Lewis-Jones and Kari Herbert introduce us to the more peaceful and positive sides of exploration. The documents they offer capture the sense of wonder and awe that travel has evoked in many souls brave and lucky enough to have visited the world's remotest places.

"All about us nature puts on the most thrilling adventure stories ever created," wrote William Beebe, an American naturalist who divided his career between deep ocean research and tropical exploration in the first half of the 20th century. "To some men the jungle is a tangled place of heat and danger. But, to the man who can see, its vines and plants form a beautiful and carefully ordered tapestry." Beebe was not an artist, but he worked closely with Else Bostelmann, who was. Mr. Lewis-Jones and Ms. Herbert reproduce five of her lively illustrations of the strange fish that Beebe observed swimming thousands of feet below the ocean's surface.

"All artists are explorers," suggests Tony Foster, a British painter who has spent three decades documenting his own travels from the tropics to the Arctic. The reverse also seems to be true for most of the explorers included here, a diverse and intriguing group of



OMEN Mt. Erebus, a volcano in Antarctica, as sketched by Edward Wilson, a member of Robert F. Scott's ill-fated 1910-13 expedition to the South Pole.

men and women. Some have familiar names, but many are little-known. In each entry, a short but informative one-page biography precedes several pages of the striking images made during their expeditions. Almost everything shown makes us want to see more, and to learn more about the people who made them. To help with this, a full bibliography is provided.

Several of the people included in the book are not artists (including Chris Bonington, Bruce Chatwin, Vivian Fuchs, Edmund Hillary, Robert Scott, Geoff Somers and Colin Thubron), but their notebooks, often accompanied by photographs of cultural artifacts or scientific specimens collected on their trips, are just as compelling as the sketchbooks of those who are. Sir Ghillean Prance, a botanist who has made more than 40 extended expeditions in search of plants, is one of five contemporary travelers who contributed essays to the book. In his "Glorious Forest" entry, he explains the importance of written and visual records in the discovery process. "Notebooks are an essential part of my exploring kit," he writes. "Other things of course are important in a practical sense . . . and each might mean the difference between life and death in the jungle. But, in terms of making a genuine

contribution to knowledge, the careful marks that you make in a journal will be the things that outlive you."

Mr. Prance and the book's other essayists—Mr. Foster, Alan Bean, David Ainley and Wade Davis—come at the subject from different perspectives

**David Livingstone**  
documented a massacre  
in a Congolese town on a  
scrap of newsprint with  
berry juice for ink.

(botany, art, space travel, biological investigation and anthropology), but all agree that the time spent recording and illustrating first impressions and life in the field is key to any explorer's experience and central to the spirit of exploration. The book is ample proof of their claims and an inspiring argument for the value of traveling with a purpose larger than oneself.

When Meriwether Lewis set off on his journey across North America, Thomas Jefferson advised him that "knowledge unrecorded is knowledge lost." Embracing this idea, Lewis returned with detailed diaries, many of

them embellished with drawings of what he had seen. David Ainley, an ecologist who studies penguins, has taken this documentary approach on his own expeditions to Antarctica, creating notebooks that are an invaluable catalog of the observations he has made there. In his essay, "Indispensable Friends," he makes the case for careful record keeping and describes his own diaries as "my most prized possessions."

Wade Davis, who has journeyed widely among isolated cultures, takes a more philosophical approach to travel. He characterizes each of his trips as a "pilgrimage" toward a goal "which was not a place but a state of mind, not a destination but a path of illumination."

The book's author-editors have done a terrific job in selecting spectacular images and documents to reproduce. These range from Henry Walter Bates's watercolors of beetles from the Amazon to Sven Hedin's meticulous and evocative landscape drawings of Tibet; from sketches of icebergs drawn by the anthropologist Franz Boas while studying Inuit settlements in northern Canada in the 1880s to David Livingstone's 1871 eyewitness account of a slave traders' massacre in a Congolese town, handwritten in berry juice on a scrap of salvaged newspaper.

Especially notable, given the male bias of much exploration literature, are the dozen independent, talented and intrepid women featured in the book. Sailing to Suriname in the 17th century, the German illustrator Maria Sibylla Merian portrayed the lizards, snakes, plants, butterflies and caterpillars she saw there in riotous, accurate colors. Gertrude Bell sketched pottery shards while traveling in Samarra, Iraq. Marianne North, a friend of Charles Darwin, circled the globe twice in the 1800s in what the authors call "her mission to paint as many different species of plants as she could find." Included in her six-page entry are some of her stunning oil paintings from India and Japan.

Anyone with an interest in travel will find "Explorers' Sketchbooks" a source of inspiration. Even those well versed in exploration history will discover new information here. "If this book can inspire someone to sit a while, to watch and listen, and to draw or jot some thoughts down," say its authors, "then the effort in making it has its reward."

*Mr. Peck serves as chronicler, photographer and historian of research expeditions for the Academy of Natural Sciences of Drexel University.*

# The Myths and Books of Timbuktu

### The Storied City

By Charlie English  
*Riverhead*, 400 pages, \$28

BY ANTHONY SATTIN

**FIVE YEARS AGO**, the city of Timbuktu, Mali, was captured by a force of local and foreign jihadists who outgunned the poorly equipped and disastrously led Malian army and took control of the country's vast northern region. In a sequence of events familiar from places such as Raqqa in Syria and Mosul in Iraq, the local government was removed, an independent state announced, and a new order imposed based on a miserable mix of Shariah and thug law. The situation in Timbuktu was made more complicated by the fact that several different groups were fighting the Malian government and, at times, one another.

A lack of state funding for the more tribal expanses of Mali's vast Saharan hinterland was one reason for local discontent with the government in the capital, Bamako, far away along the Niger River. Life has long been hard for the majority of Timbuktu's inhabitants. But the order imposed by the jihadists was a new low, with music—a key ingredient of local culture—banned and draconian punishments introduced, including hand-severing for theft and death by stoning for adultery.

In "The Storied City," Charlie English, a former editor at the *Guardian*, unsnaps two parallel narratives about Timbuktu. One is the story of the attempt to preserve the city's heritage from jihadists; the other is the story of the century-long European search for the fabled city, supposedly so rich that its houses were covered in gold.

Though Timbuktu has long been a

byword in the Western imagination for the mythical and wonderful, to people in the region it stands for other things. The city is renowned as a place of learning and the reputed resting place of 333 holy men. These holy men were scholars, and, because of them and others, Timbuktu is also known for its collections of manuscripts, some of which date to the 13th century.

Under the jihadists, it was forbidden to show any reverence toward the tombs of the holy men. When foreign governments and agencies expressed their concern at the threat to

For jihadist destroyers of Timbuktu's heritage, the height of a tomb must not exceed that of the ankle.

Timbuktu's built heritage, the new rulers brought out the sledgehammers. Some feared that the manuscripts would be next.

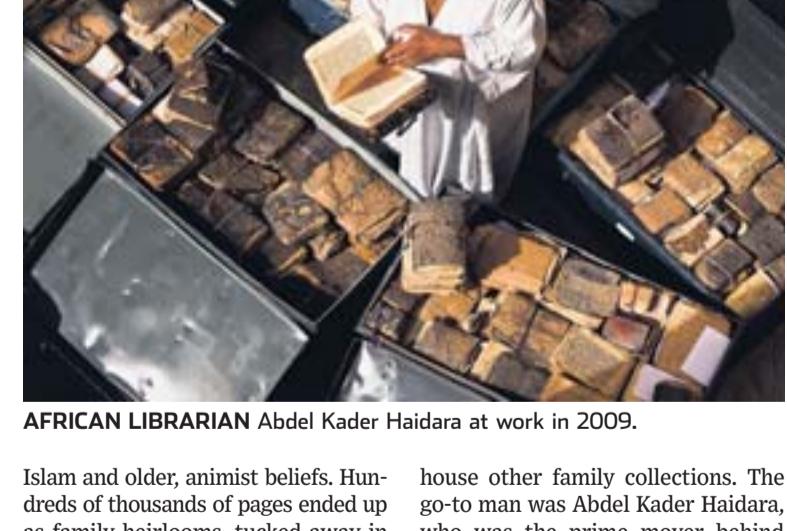
The story of the threat to the Timbuktu tombs is easily told. Mr. English quotes the dictum of one jihadist known as Redbeard: "The height of a tomb must not exceed the level of the ankle." If one did, "you must knock it down." The occupiers also believed that the people of Timbuktu were being led into sin by regarding these shrines as sacred. The international community's reverence for this built heritage added to the jihadists' motives for destroying it, an act that was soon accomplished since most tombs were simple mudbrick structures. Following a United Nations-sanctioned French military mission to restore government rule in the northern region, one of the jihadists was arrested and tried in the International Criminal Court, where he became the

first person to be found guilty of the war crime of cultural destruction.

The story of the manuscripts is more complicated. In the 14th century, Timbuktu was renowned for its wealth. The wealth attracted scholars, and they in turn produced manuscripts. Some of these were interpretations of Islamic law, some were prosaic business documents, and some were more esoteric and drew on both

Trevor-Roper's comment that "there is only the history of Europeans in Africa. The rest is darkness." South African President Thabo Mbeki, who also recognized the significance of the discovery, called for the construction of a new center for the library.

For the first 10 years of this century, Mr. English recounts, funds and expertise poured into the city, and new libraries were established to



GETTY IMAGES

AFRICAN LIBRARIAN Abdel Kader Haidara at work in 2009.

Islam and older, animist beliefs. Hundreds of thousands of pages ended up as family heirlooms, tucked away in trunks or buried in the ground. In 1973, with backing from the U.N., the Malian government created a library in Timbuktu, named after the 16th-century scholar Ahmad Baba. But it took another 25 years for the significance of the manuscripts to become clear. The impetus was a visit by the Harvard scholar Henry Louis Gates Jr., who reportedly burst into tears when he saw the library because he knew that it would disprove the accepted belief that there was no written history in Africa, a canard encapsulated in Oxford historian Hugh

house other family collections. The go-to man was Abdel Kader Haidara, who was the prime mover behind building up the Ahmad Baba library as well as establishing his family's Mamma Haidara Memorial Library. When jihadists began to show interest in the manuscripts, Mr. Haidara was the obvious contact person. By this time, he had created his own NGO, Savama—"an institution," as Mr. English puts it, "with which the international donor community could do business." With significant financial backing and the goodwill of the world, Mr. Haidara saved the Timbuktu manuscripts by smuggling them away from the jihadists and

shipping them to the safety of the capital. Or did he?

Mr. Haidara has done so much to promote Timbuktu's cultural heritage and has been so highly praised that it is hard to single him out for blame. But one of the strengths of Mr. English's thoroughly researched book is his skeptical scrutiny of the manuscripts' heroic rescue. He catalogs inconsistencies suggesting that, amid the influx of donations, Mr. Haidara exaggerated the number of manuscripts, the threats they faced and the difficulty in shipping them. (Mr. Haidara denies any exaggeration, telling Mr. English: "We did not invent a story.") In the book's climactic scene, Mr. English asks Mr. Haidara to open a number of locked chests supposedly filled with manuscripts, and Mr. Haidara declines, saying, "You have to have trust."

The evacuation of the manuscripts was the subject of Joshua Hammer's "The Bad-Ass Librarians of Timbuktu" (2016), a best seller that now reads like a hagiography of Mr. Haidara. Sales of Mr. English's book may suffer from following Mr. Hammer's, which is unfortunate, for it is both more insightful and much more interesting. Among many other things, it shows that the sort of willful delusion behind much of the 18th- and 19th-century quest for Timbuktu continues to this day, driven by what the author calls "our inability to imagine the city's full complexity." That complexity includes an acceptance of multiple, conflicting truths. As Mr. Haidara says at the end of the book: "If everyone agreed what the story was, then it would certainly not be true."

*Mr. Sattin is the author of "The Gates of Africa: Death, Discovery and the Search for Timbuktu." He has recently been documenting endangered buildings in Mali as a partner in the mCubed Initiative.*

## BOOKS

'When a man is tired of London, he is tired of life; for there is in London all that life can afford.' —Samuel Johnson

### CHILDREN'S BOOKS: MEGHAN COX GURDON



## Myth Meets Reality



WHEN 11-year-old Joplin's grandfather dies, she finds among his belongings a cookie tin containing the broken pieces of a 17th-century Delftware platter. Restored, the dish shows a pond, a windmill and a sweet young girl driving her geese to water—a restful Dutch scene that offers a painful contrast with Joplin's turbulent Manhattan unhappiness.

In "Joplin, Wishing" (Harper, 255 pages, \$16.99), she's the butt of mockery at school; she has lost her best friend to a snooty clique; and she can't get the attention of her sad and preoccupied mother. Gazing at the girl on the platter, Joplin murmurs, "I wish you could be my friend." The next day, to her alarm, the child on the dish has vanished and a flaxen-haired stranger is sitting in the garden behind Joplin's house. The blue-and-white platter is more than just a pretty bit of pottery, it seems.

In short order, Joplin and a boy from school, along with a composed, unusual girl named Sofie, are searching for a way to undo a malicious act of magic that took place 400 years earlier in Holland. The children aren't alone in their pursuit, however. A creepy antiques dealer is determined to gain possession of the platter and has no scruples about roughing up children to get what he wants.

It's a great story for 9- to 12-year-olds, with sharp plot twists that satisfy, but the book left me a wish of my own: that author Diane Stanley had taken more care with her prose. Whether through sloppiness or pandering, she has cranked open the adverb spigot (really, totally, seriously, truly, actually, definitely) and failed to guard against the ungrammatical use of "like" when she means "as if" and of "this" in place of the articles "a" or "an."

A sample sentence from "Joplin, Wishing" commits all three crimes: "They were looking around in this totally dopey way, like they weren't sure what a library was for." A kid in elementary school would get marked down for handing in such a soggy

word-pudding. Aren't children entitled to enjoy good writing as much as great stories? They are—really, totally, seriously.

For sharper, more vigorous writing, let's revert to 1934, when the pseudonymous author Erick Berry won a Newbery Honor for her ingenious reimaging of the myths of Theseus and Icarus with a bold, clever girl in the starring role. Brimming with adventure and historical detail, "*The Winged Girl of Knossos*" (Paul Dry, 220 pages, \$11.95)

In ancient Crete, a clever girl dives with sponge fishers, vaults over bulls, banters with her elders.

returns to today's stale landscape of adverbs like a gust of fresh salt air.

Inas is that girl, adolescent daughter of Daedalus, "the greatest genius of his age and people," whose inventions make the Bronze Age kingdom of Minos, on the island of Crete, the envy of the Aegean. The intrepid Inas dives with sponge fishers for fun, vaults over bulls in the famous Cretan sport and banters in a saucy way with her elders. She and her father also experiment with winged gliders, but in secret, lest they face accusations of witchcraft, for who would "forgive a man who dared defy the laws of the gods and become a bird?"

Vivid in its descriptions of sparkling seas, rugged terrain and the great city of Knossos, with its fountains, painted walls and labyrinth; lively with romance, palace intrigues and acts of personal daring, this wonderful, wisely plotted story by the writer behind the pen name, Allena Champlin (1892-1974), features chapter decorations drawn by the author herself from archaeological excavations in Crete (see above). One, taken from a palace fresco, shows a graceful athlete somersaulting along a bull's back while another controls its horns; one of them might be Inas.



MS. SIMPSON is the author, most recently, of 'Cockfosters,' a collection of stories.

ding ring he files the old one off her finger and uses the proceeds from selling the gold to buy a cheaper band. Her wedding present to Henry, the expense of which horrifies him, is to hire someone to vacuum-clean his grimy shop. When the cleaners assure him they will take away the dirt, he asks, "Do you sell it? Do you get anything for it?" Freud would have had a field day!

Henry's "extraordinary soft obstinacy" triumphs horribly in the end but the sympathetic subtlety of his portrait fascinates rather than repels. The overcrowded squares of Clerkenwell, the filth of trams and horse-drawn vans—all are detailed with careful particularity, down to the "muffled uproar" of the new underground railway.

### A Far Cry From Kensington

By Muriel Spark (1988)

**5** FROM THE FIRST sentences buoyantly assuring you that insomnia is not bad in itself but can be used for reverie, this novel's surface is deceptive. The narrator, 28-year-old war widow Mrs. Hawkins, lives with fellow lodgers in a tall thin house in Kensington Church Street. It is 1954, and she works for a publishing firm, informally dispensing advice on how to write a novel ("Write privately, not publicly; without fear or timidity"), how to find a job, how to say no. When she realizes that people view her as "a matronly goddess of wisdom" because she is fat, she loses weight. She also conducts a bitter feud with would-be writer Hector Bartlett, a character based on Derek Stanford, Spark's own friend and literary partner in the 1950s, who later, much to her rage, sold her letters and published a memoir. This novel wrestles with malice and secrecy and paranoia; there are anonymous letters, a fall into insanity, a suicide. Despite its seeming sunniness, this is in fact a revenge comedy.

### Riceyman Steps

By Arnold Bennett (1923)

**4** HENRY EARL FORWARD, owner of a second-hand bookshop in "that dingy and sordid neighbourhood" of Clerkenwell, is one of literature's great misers. When he marries widowed Violet, rather than buy a new wed-

### FIVE BEST: A PERSONAL CHOICE

## Helen Simpson

on novels set in London

### The Heat of the Day

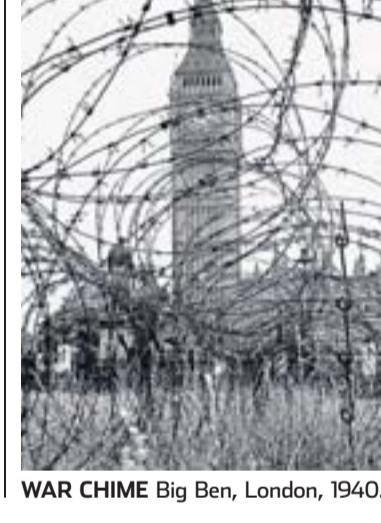
By Elizabeth Bowen (1948)

**1** THIS WARTIME London novel of espionage and blackmail is as immersive as a fever dream. Shot through with lies and secrets, it is animated by a powerful sense of dread. Much of it is set near Regent's Park, where Bowen lived. The ominous blackouts, "the ice-like tinkling of broken glass being swept up among crisping leaves" and the unexpected effects that this climate of danger had on people are superbly portrayed: "Wartime, with its makeshifts, shelves, deferring, could not have been kinder to romantic love." Stella and Robert are the lovers here. A British agent named Harrison blackmails Stella, telling her that he knows Robert is selling information to the enemy: He will keep the secret if she becomes his mistress. The suspense is largely psychological as we watch the characters twitch and crack. Some of the novel's power lies in its nervy-mannered prose style. The dialogue often sounds coded, concentrated on pregnant but enigmatic moments. Shuffled syntax combines with self-canceling double negatives to unsettle the reader, as here, about the previous night's air-raid victims: "Not knowing who the dead were you could not know which might be the staircase somebody for the first time was not mounting this morning."

### Youth

By J.M. Coetzee (2002)

**2** 'STONY, LABYRINTHINE and cold,' London is a baleful presence in this super-



GETTY IMAGES

WAR CHIME Big Ben, London, 1940.

### Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
I Can't Make This Up: Life Lessons Kevin Hart/Atria Books	1	New
Al Franken, Giant of the Senate Al Franken/Twelve	2	2
Astrophysics for People in a Hurry Neil deGrasse Tyson/W.W. Norton & Company	3	3
Make Your Bed William H. McRaven/Grand Central Publishing	4	5
She Persisted Chelsea Clinton/Philomel Books	5	1

### Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Al Franken, Giant of the Senate Al Franken/Grand Central Publishing	1	1
My Lucky Life in and Out of Show Business Dick Van Dyke/Crown/Archetype	2	-
I Can't Make This Up: Life Lessons Kevin Hart/Atria/37 INK	3	New
Hillbilly Elegy J.D. Vance/HarperCollins Publishers	4	5
The Sisters Mary S. Lovell/W.W. Norton & Company	5	-
Astrophysics for People in a Hurry Neil deGrasse Tyson/W.W. Norton & Company	6	4
The Parables of Jesus James Montgomery Boice/Moody Publishers	7	-
The Subtle Art of Not Giving a F*ck Mark Manson/HarperCollins Publishers	8	-
Peaceful Parent, Happy Kids Laura Markham/TarcherPerigee	9	-
Theft by Finding David Sedaris/Little, Brown and Company	10	3

### Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Camino Island John Grisham/Doubleday Books	1	New
Oh, the Places You'll Go! Dr. Seuss/Random House Children's Books	2	2
Come Sundown Nora Roberts/St. Martin's Press	3	1
Into the Water Paula Hawkins/Riverhead Books	4	3
Love Story Karen Kingsbury/Howard Books	5	New

### Nonfiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Al Franken, Giant of the Senate Al Franken/Twelve	1	1
I Can't Make This Up: Life Lessons Kevin Hart/Atria Books	2	New
Astrophysics for People in a Hurry Neil deGrasse Tyson/W.W. Norton & Company	3	4
Make Your Bed William H. McRaven/Grand Central Publishing	4	5
Hillbilly Elegy J.D. Vance/HarperCollins Publishers	5	-
The Sisters Mary S. Lovell/W.W. Norton & Company	6	-
Astrophysics for People in a Hurry Neil deGrasse Tyson/W.W. Norton & Company	7	-
The Parables of Jesus James Montgomery Boice/Moody Publishers	8	-
The Subtle Art of Not Giving a F*ck Mark Manson/HarperCollins Publishers	9	-
Peaceful Parent, Happy Kids Laura Markham/TarcherPerigee	10	3

### Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Camino Island John Grisham/Doubleday Publishing Group	1	New
A Merciful Truth Kendra Elliot/Montlake Romance	2	New
X Sue Grafton/Penguin Publishing Group	3	-
Come Sundown Nora Roberts/St. Martin's Press	4	1
The Letter Kathryn Hughes/Headline Book Publishing, LTD	5	5
Indecent Exposure Stuart Woods/Penguin Publishing Group	6	New
One Thousand White Women Jim Fergus/St. Martin's Press	7	-
Bones Never Lie Kathy Reichs/Random House Publishing Group	8	-
Executed RR Haywood/47North	9	New
On Tyranny Timothy Snyder/Tim Duggan Books	10	7

### Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Camino Island John Grisham/Doubleday Books	1	New
Oh, the Places You'll Go! Dr. Seuss/Random House Children's Books	2	4
Come Sundown Nora Roberts/St. Martin's Press	3	1
Into the Water Paula Hawkins/Riverhead Books	4	5
Love Story Karen Kingsbury/Howard Books	5	New
Indecent Exposure Stuart Woods/G.P. Putnam's Sons	6	New
The Woman in Cabin 10 Ruth Ware/Gallery/Scout Press	7	-
A Merciful Truth Kendra Elliot/Montlake Romance	8	New
See Me Nicholas Sparks/Vision	9	New
The Handmaid's Tale Margaret Atwood/Anchor Books	10	10

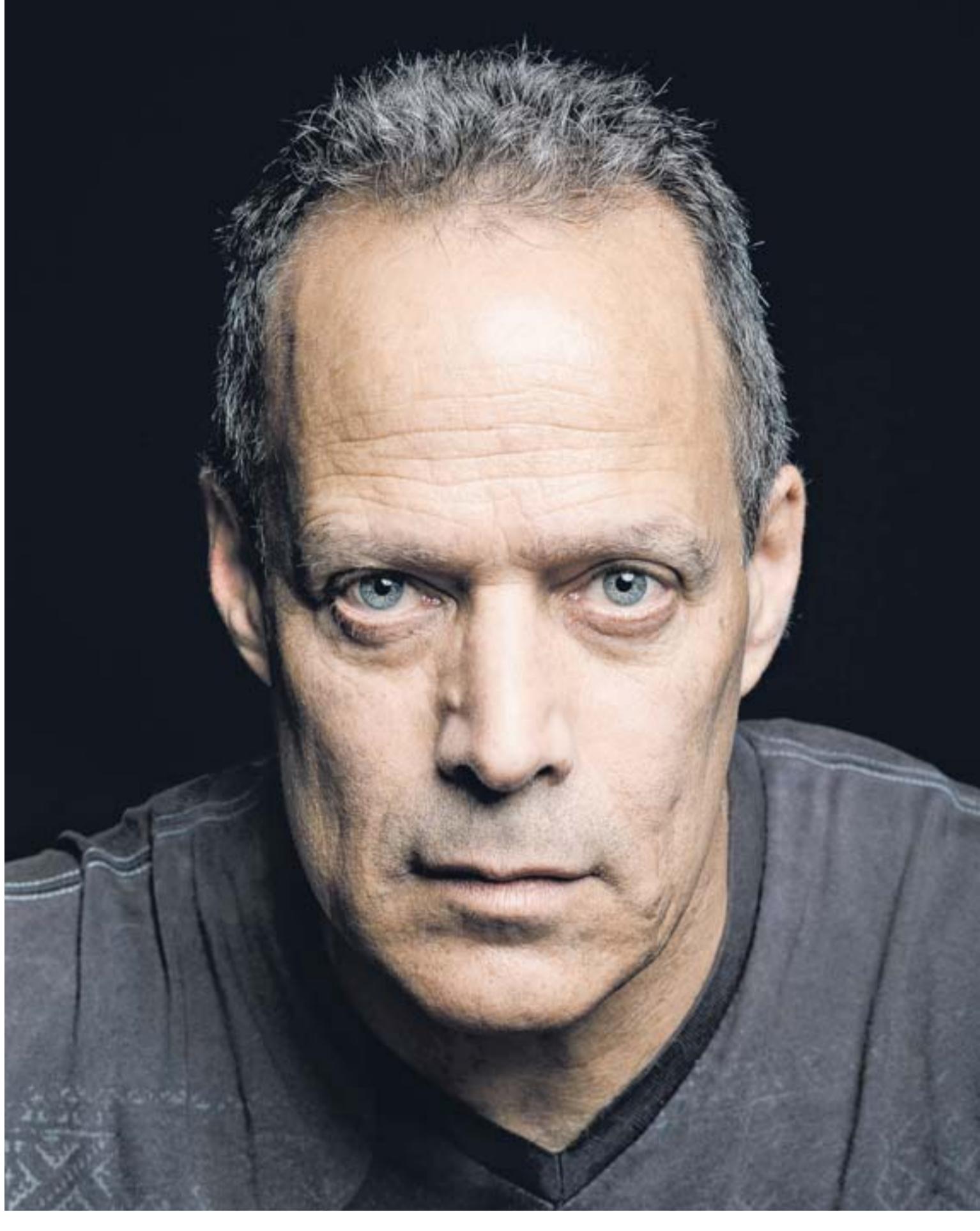
### Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Wal-Mart) and Web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Peter.Saenger@wsj.com.

### Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK
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## REVIEW



AXEL DUPEUX FOR THE WALL STREET JOURNAL

**WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE**

# Sebastian Junger

The author and filmmaker turns a lens on Syria

**ONE OF THE** most poignant scenes in Sebastian Junger's new documentary, "Hell on Earth," shows a Syrian family in the back of a smuggler's utility truck, a large vehicle with high metal walls surrounding the cargo bed. Huddled under a tarp, they are trying to escape from their home in Manbij, at the time in an Islamic State-controlled area, and reach Turkey.

Three children, who look to be under the age of 6, give a small smile as another member of the family records video of their 15-minute border crossing on a smartphone. In the film, the father says, "During those 15 minutes, I felt like I died 100,000 times."

The film, which premiered at the Tribeca Film Festival in April and is now being shown on the National Geographic Channel, connects Syria's descent into civil war with the rise of Islamic State, mixing footage of the battles in the country with expert interviews, Islamic State recruitment videos and personal stories of Syrians trying to escape. The crew gave smartphones to a handful of civilians so they could document their experiences.

Mr. Junger, 55, who co-directed the film, wanted to highlight the human hardships and costs of the war, without taking a conservative or liberal perspective. "I think most documentary filmmakers are

actually activists, not journalists," he says. "Journalists shouldn't set out to deliberately make people think a certain way, but it is good to lay out the facts in a way that allows for some emotion."

"Hell on Earth" builds on Mr. Junger's 25 years as a war reporter. Along with writing nonfiction books such as "The Perfect Storm" (1997), "War" (2010) and "Tribe" (2016), he has directed and produced several documentary films. His 2010 film "Restrepo," which was nominated for an Academy Award, followed a platoon of soldiers with whom Mr. Junger had embedded in Afghanistan. "The Last Patrol" (2014) follows him, photojournalist Guillermo

Cervera and two combat veterans as they talk about the challenges of re-entering normal life during a long hike from Washington, D.C., to Pennsylvania.

Mr. Junger grew up in Belmont, Mass., the son of a mother who is a painter and a Jewish physicist father who fled to the U.S. from Europe at the beginning of World War II. He found the wealthy suburb cold and sterile. "It just felt like a bubble," he says.

After graduating from Wesleyan University in 1984, he moved around and eventually landed in Gloucester, Mass. While working as a freelance writer, he found a side job as a climber for a tree company

**'I think we're doomed to a mild unhappiness.'**

until a chain saw tore into his left leg, leaving him severely injured.

During his recovery, an intense, three-day Nor'easter hit the East Coast and sank a local boat, the Andrea Gail, killing its six-man crew. After doing some research, Mr. Junger thought that the storm, along with the dangers deep-sea fishermen face in their work, would make a compelling topic for a book.

He wrote a proposal and found an agent to shop it around to publishing houses but assumed it wouldn't sell. So he went to Bosnia to become a freelance war reporter. "When your plan B is to become a war reporter, you're facing the wrong direction," he says with a laugh. While he was there, his agent faxed him to let him know that the book had sold. "The Perfect Storm" quickly became a best-seller and was the basis of the blockbuster film of the same name.

Still, Mr. Junger continued working as a war reporter; he went to Kosovo as soon as he finished his book tour for "The Perfect Storm." He decided to stop reporting from the front lines after his friend Tim Hetherington, a war photographer who had co-directed "Restrepo," died of a mortar wound while covering the civil war in Libya in 2011. "It's too dangerous," he says. "I do miss it, but I don't want to go back to it."

He did not go to Syria for "Hell on Earth." His co-director, Nick Quested, went to border areas and made contacts in Syria from there. Mr. Junger thought it was important to document Islamic State's rise. "It seemed like a gnarly, tragic topic we should try to cover," he says.

In his latest book, "Tribe," he looks at the human need for community. He came up with the idea for the book after wondering why he got depressed when he left Sarajevo for short breaks in the 1990s. He found that soldiers felt the same way when they left the battlefield, as did people who left cancer wards as survivors. They missed the community they had left. "All of a sudden, I got it," he says. "There's a theme here." What people instinctively want, he says, is to belong to small groups with a clear purpose.

Too many of us are missing that sense of community and purpose in our increasingly isolated modern lives, he says. Technology and modern comforts give people too much time to think and wallow, he adds.

"When you have the free space to indulge in anxious rumination, your state of mind deteriorates," he says.

To avoid distractions and try to be present in his daily life, Mr. Junger carries a flip phone so that he isn't tempted to check his email all day. He lives in a low-income, mostly Spanish-speaking neighborhood in New York City. "It's the exact opposite of the wealthy and desolate suburb I grew up in," he says. "There's something about that feels real and human."

He also likes the sense of community in his neighborhood. How can others find something similar? It isn't easy, he says: "I think we're doomed to a mild unhappiness."

**MOVING TARGETS:** JOE QUEENAN

## Discount Degas? Older Art Needs a Sales Plan

**IN 1990,** "Bathsheba," a painting of a voluptuous biblical-era nude, sold for \$2.2 million at a Sotheby's auction in New York. Though some snooty critics have long dismissed the artist, Jean-Léon Gérôme, and his exquisite, intensely erotic late 19th-century canvas, the sale set a record price for the painter. A few weeks ago, the same canvas fetched around \$630,000 in London, less than one-third the price it brought a quarter-century ago.

What happened? The sad truth is that much of vintage Old School art has had it. If your paintings have names like "Excursion of the Harem" or "Turkish Butcher Boy in Jerusalem," it's time to take a seat on the bench. But it's not just Victorian show-boats that are sinking. At a recent London auction, an 1851 landscape by Jean-Baptiste-Camille Corot, with an estimated low, low, low sale price of one-third what it fetched in 2006, went unsold. This

despite the fact that the universally admired Corot never painted gaudy visions of Turkish butcher boys or voluptuous nudes. Mostly he stuck to ponds, marshes and cows.

Prices for contemporary artists, by contrast, have been going through the roof. A painting by the late Jean-Michel Basquiat recently sold for a jaw-dropping \$110.5 million. New is in, old got old, and dealers are starting to panic.

After several days and nights of frenzied phone calls, emails and texts to art dealers around the world, I can report a situation so dire that galleries specializing in "Legacy Masterpieces" are running Founder's Day Sales. The Madrid gallery Goyas 'n' Co-sas recently had a shocking "Buy One Velázquez, Get 50% Off a Zurbarán" sale. When that failed to bring in the buyers, the gallery broke down and ran a "Buy One Small Velázquez, Get Two Medium-Sized El Grecos Free" sale.

**Touch-ups are available, as are punch cards for frequent buyers.**



"It was absolutely humiliating," says gallery owner Ricardo del Montalbano. "We didn't start moving the merchandise until we threw in free one-day shipping."

But this is nothing compared to the distress of collectors who paid top dollar for Rembrandts, van Gogh's and Tintoretto's in the benighted days of yesteryear, only to find that such works are now hopelessly passé. What to do when you're stuck with such second-rate material?

Look for one of the many savvy modern art emporiums now running ads such as this:

**"DITCH YOUR CLUNKERS!"**

"We'll Take Even the Ugliest Bellini or Courbet and Let You Pick Out the Jeff Koons or Damien Hirst of Your Dreams! Low-Interest Financing Available!"

An even more startling development is the Try 'n' Buy policy at More Monet for Your Money on Beverly Hills' famed Rodeo

Drive. Here customers can take home a dealer-certified, pre-owned impressionist painting for 30 days, giving the artwork a test drive. The gallery has only one condition: Spill red wine or avocado dip on the painting, and it's yours.

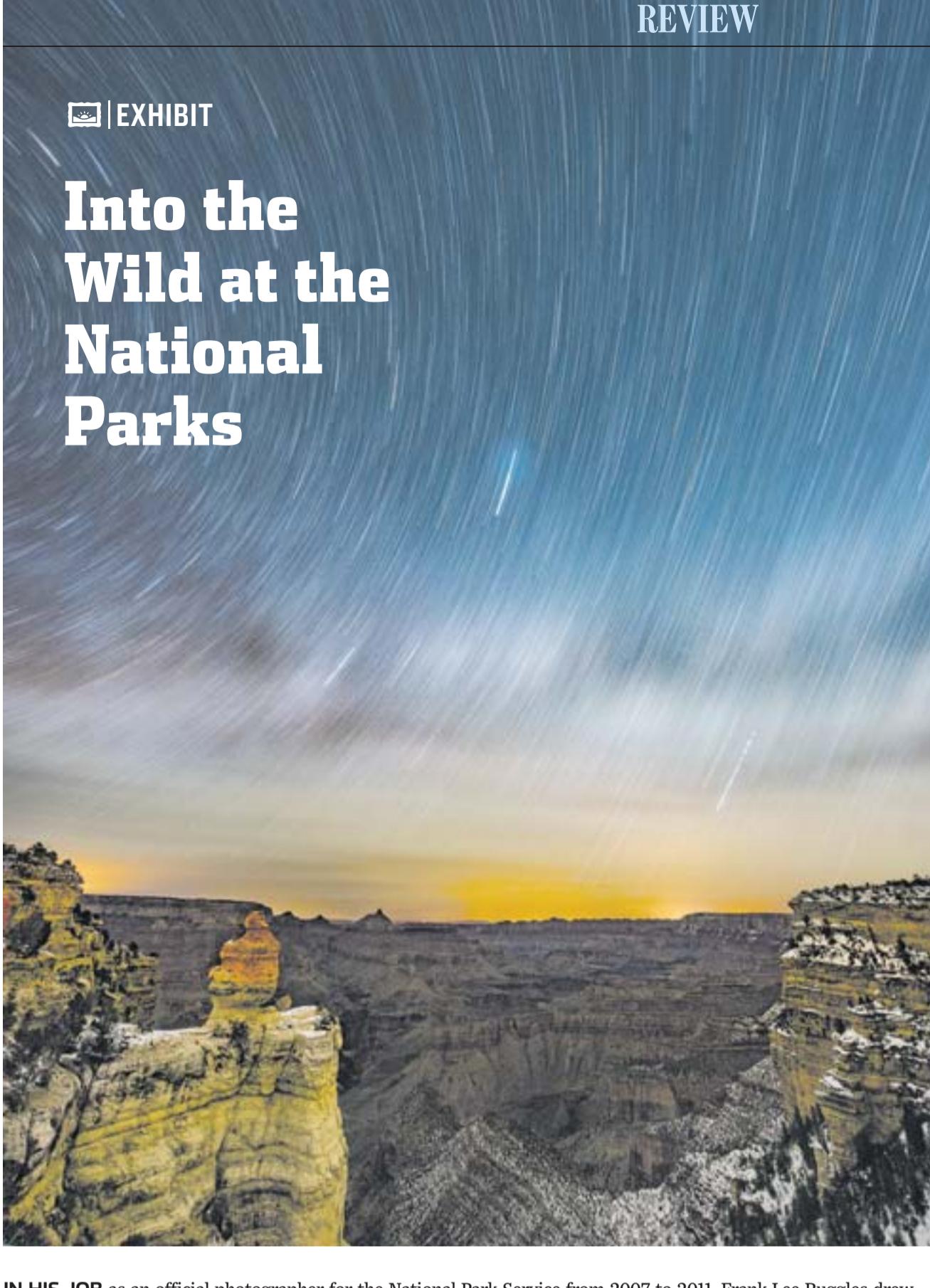
Older art is now so abundant and out of fashion that auction houses are offering free alterations on selected works. "You want the Delacroix odalisques more sultry, more enigmatic, more enticing?" says pre-impressionist wholesaler Vic Potemkin. "No problemo. You want seraphim that look more seraphic, cherubs that look more cherubic? Piece of cake; we'll touch up the Rubens and deliver it by Friday."

Another exciting marketing trend: frequent-buyer promotions with punch cards. "Buy a top-of-the-line Veronese every week for a month, and we'll throw in an Edward Hopper," says one dealer. "Buy a Veronese every week for a year, and we'll send over a Michelangelo."

## REVIEW

### EXHIBIT

# Into the Wild at the National Parks



**IN HIS JOB** as an official photographer for the National Park Service from 2007 to 2011, Frank Lee Ruggles drew on the endurance skills that he had learned in the U.S. Army to reach remote locations. He hiked thousands of miles through all sorts of weather over the course of those years, carrying 42 pounds of camera gear on his back in search of striking scenes of wilderness and nature. In a new book, "Chasing Light" (Four Winds Trading, \$49.99), Mr. Ruggles showcases some of his personal photography from parks around the U.S. Getting a better angle sometimes meant scaling the side of a cliff to find just the right perch. "Once I get it in my head that I want to see the scene in a different way, I will do almost anything to experience it," he says. —Alexandra Wolfe

**Left:** Grand Canyon, Ariz. Mr. Ruggles used a long exposure to capture the arc of the stars above the canyon. "You see the Earth flying through space," he says. **Top:** Glen Canyon National Recreation Area, Utah. To get to this vantage point for a sunrise, Mr. Ruggles rented a jeep and drove over a dry river bed at night. **Above:** Canyon de Chelly National Monument, Ariz. Mr. Ruggles came across this scene on his way back to base camp one day. "The rest of the canyon rim was bone dry, yet here was a perfectly placed, clear puddle of water," he says. "I feel like Mother Nature sometimes rewards me for my efforts."

PHOTOS BY FRANK LEE RUGGLES

### PLAYLIST: LISA SCOTTOLINE

#### Dorm-Window Wisdom

A novelist drinks in Joni Mitchell's 'A Case of You' and finds the courage to face boyfriend troubles

Lisa Scottoline, 61, known for her legal thrillers, is the author of "One Perfect Lie" and co-author with Francesca Serritella of "I Need a Lifeguard Everywhere but the Pool" (both St. Martin's Press). She spoke with Marc Myers.

In the early 1970s, I didn't quite get Joni Mitchell. I was in high school, and her songs weren't resonating with my life. That was before I heard "A CASE OF YOU" coming through a dorm window at college.

In the spring of 1975, I was a sophomore at the University of Pennsylvania. By then I was dating a guy I thought I loved.

The relationship wasn't going well. Deep down I wanted a real boyfriend, a guy who would say something true, not what he thought I wanted to hear.

One day, while walking in the Quad past Speakman dorm, I heard Joni's voice on an album finishing a song. Inwardly, I rolled my eyes. But when the next song on the album began, I stopped to listen.

As Joni played and sang, I heard the truth: "Just before our love got lost you said / I am as constant as a northern star" / And

#### Cool to a singer—until a song changes it all.

I said, 'Constantly in the darkness, / where's that at? / If you want me, I'll be in the bar.'

Joni was calling out a guy who was trying to B.S. her. I had goosebumps. I knew that feeling.

Joni continued: "Oh I could drink a case of you darling / Still I'd be on my feet." Yes, Joni, exactly! I was crazy about my guy, but I was getting only empty romantic words and promises from him.

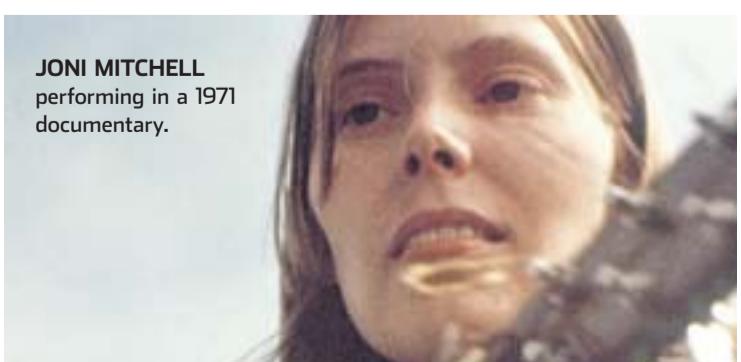
The more I listened to the song, the more I realized Joni was giving me love advice. I physically shook. I went into the dorm and followed the music.

On the third floor, a door was open, and the record's last song was playing. A girl returning from a shower told me the album was Joni's "Blue," from 1971, and that the song I liked was "A Case of You."

I bought "Blue" that day. I didn't have a stereo, so the girl next door in my dorm played the song for me over and over. That night, I broke up with my boyfriend.

I told him I wasn't happy, but I didn't leave him room to sweet-talk me or fix it. I just backed out and left. It felt awesome. That's the day I became a woman.

JONI MITCHELL  
performing in a 1971 documentary.



TWENTIETH CENTURY FOX/PHOTOFEST

### HISTORICALLY SPEAKING: AMANDA FOREMAN

#### On the Trail of Art Looters

**SINCE 2014**, Islamic State has been doing its best to destroy all traces of pre-Islamic culture in Iraq and Syria. Hammers and explosives aren't its only tools. The antiquities trade is worth billions, and the self-styled caliphate is funding itself in part by looting and selling ancient treasures.

In late May, the Journal reported that U.S. and European Union authorities were scrutinizing a pair of art dealers as part of a wider investigation into who has been facilitating the market for ancient coins, statues and relics stolen by Islamic State. The dealers say they have done nothing wrong.



A RELIEF from Rome's Arch of Titus showing the spoils of Jerusalem.

It became fashionable, for a while, for emperors to pay lip service to the idea of protecting cultural heritage. But the emperors of the Roman East, ruling from Constantinople, had no qualms about embellishing their city with looted art. In 1204, they received a taste of their own medicine during the Venetian sacking of the city. Constantinople's pride and joy, its four gilt-copper horse statues, ended up on top of St. Mark's Basilica in Venice's main square.

Centuries later, as the Enlightenment awakened an interest in universal rights, European jurists began to argue that art, religious objects and educational property belonged to a special category that was off-limits to invaders. Lord Elgin, the British ambassador to the Ottoman Empire, may have believed that he was rescuing the Parthenon sculptures from Turkish mistreatment when he transferred the marbles to England in 1805. But many people, including Lord Byron, denounced his action as cultural theft.

In another example of Europe's change in attitude, following Napoleon's defeat at the Battle of Waterloo in 1815, the victorious Duke of Wellington insisted that the final peace treaty contain a restitution clause. Napoleon had ransacked Europe of its treasures; now, much was returned to its rightful owners. Among the objects France had to return were Venice's St.

Mark's horses. Napoleon had taken them to Paris to decorate his Arc de Triomphe. Truly, what goes around comes around.

Several decades later, a German-American lawyer named Francis Lieber played a crucial part in establishing modern safeguards against looting. As a young man, Lieber had fought in the Napoleonic War and witnessed the emperor's plundering firsthand. Later, during the U.S. Civil War, he endured the heartbreak of seeing his sons fight on opposite sides.

Although he knew it was useless to try to stop the tides of war, Lieber felt that he could make a difference in the way it was fought. In 1863 he worked with the White House to develop a military code of conduct for the Union armies. Lieber's code made it clear that cultural property such as museums, libraries and churches were to be protected and looting prohibited. The code laid the groundwork for subsequent international efforts, including the Allied role in rescuing artistic treasures stolen by the Nazis in World War II.

But restitution remains no easy matter. Earlier this year, Poland's National Museum in Kraków celebrated the return of three Nazi-appropriated artworks. It had taken 78 years to get them back.



# PLAY

## NEWS QUIZ: Daniel Akst

From this week's  
Wall Street Journal

1. A gunman opened fire on House Republicans during baseball practice, injuring Rep. Steve Scalise and others. What is Mr. Scalise's role in Congress?

- A. Speaker of the House
- B. House majority leader
- C. House majority whip
- D. Republican Conference chairman

2. The Golden State Warriors won the NBA championship. Who was the most valuable player in the finals?

- A. Stephen Curry
- B. Zaza Pachulia
- C. Kevin Durant
- D. Nate Thurmond

3. Sheri McCoy was expected to step down—as CEO of what firm?

- A. Avon Products
- B. Estée Lauder
- C. L'Oréal
- D. Aqua Velva

4. Special counsel Robert Mueller has expanded his probe into Russian meddling in the 2016 elections—to include what?

- A. Whether Hillary Clinton was a Russian agent
- B. Whether fired FBI chief James Comey leaked documents
- C. Whether Secretary of State Rex Tillerson misled

To see answers, please turn to page C4.



Congress on his Russian ties  
 D. Whether President Donald Trump obstructed justice

5. Google's parent company is trying something different to address an acute housing shortage for employees. What is it?

- A. Moving its headquarters to Davenport, Iowa
- B. Paying staff to take in colleagues as boarders
- C. Building apartments atop Google offices
- D. Purchasing prefab apartment units

6. Former Panamanian President Ricardo Martinelli, wanted for extradition to Panama, was detained in Florida. How did he make his fortune?

- A. Sparkling apple juice
- B. Supermarkets
- C. Canal services
- D. Banking

7. Daimler bought a stake in Uber's main rival in the Middle East. What's it called?

- A. Careen
- B. Careem
- C. Kareem
- D. Karim

8. Thanks in part to the rising popularity of cocktails, world-wide sales of hard alcohol rose 0.04% last year. Which of these, in contrast, lost ground?

- A. Wine
- B. Beer
- C. Both
- D. Neither

ISTOCK (2)

## VARSITY MATH

Provided by the **National Museum of Mathematics**

With summer upon them, the team members find time to play with some toys with mathematical connections.

### Sort of Hanoi-ing

Cameron has a Tower of Hanoi set with five disks of different sizes that can slide onto any one of three different posts. In the usual game, the disks start in a stack in size order (with the largest on the bottom) on one post, and the player must move the disks one by one so the stack ends up on another post in the same order. Any disk can be moved from the top of the pile on any post to any other post, so long as it is smaller than the top disk on the destination post. After playing with it for a bit, the team comes up with a new variant: The disks all start on one post but in an arbitrary order, and the goal is

to get them into the usual sorted order (on any post). The usual starting position is already sorted and so takes zero moves to solve; and if the disks start in the opposite order it only takes five moves to solve (piling the disks one at a time onto another post).

What initial stacking order of the five disks takes the most moves to solve?



ILLUSTRATION BY LUCI GUTIÉRREZ

### Amphibian Marathon

Drew has a "Toads and Frogs" set which consists of three playing pieces shaped like toads, three shaped like frogs, and a playing board that consists of nine spaces arranged in a line. The three toads start on the leftmost three spaces and the three frogs start on the rightmost three spaces. Toads can either move one space to the right (if the adjacent space is empty) or jump over a single adjacent frog to the right to land on the next

space (if that space is empty). Similarly, frogs can either move one space to the left or jump over one toad to the left. Toads and frogs move alternately, with toads going first. The game is won if the frogs and toads manage to exactly swap the positions they occupied at the beginning of the game.

How many moves occur in a winning game of Frogs and Toads?

For previous weeks' puzzles, and to discuss strategies with other solvers, go to [WSJ.com/puzzle](http://WSJ.com/puzzle).

+ Learn more about the National Museum of Mathematics (MoMath) at [momath.org](http://momath.org)

### SOLUTIONS TO LAST WEEK'S PUZZLES

#### Varsity Math

There is an "easy" arrangement for stars up to but not including 19 states in last week's Hard States, and to make a Great Star you need at least eight stars.

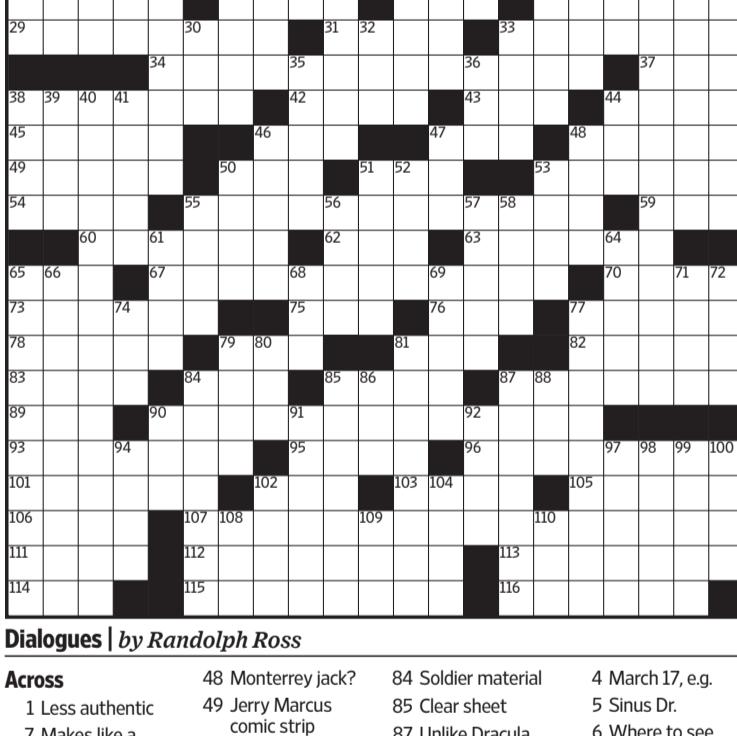
#### T for Two

CITIES	ARUG	DENT	MOLAR
EMOJI	DOSE	ODIE	AROMA
DATA	TRADE	TEST	TEAMS
EXIGE	TRAIL	ACTOR	Flop
IST	TOOT	TIME	ENAMEL
NERVOUS	NOTICE	GATE	
DREAMT	LOSSSES	TEARSAT	
IMAGS	RAMA	CHALETS	
ROTS	RETINA	HARRIET	
ANT	NEWTIES	SITAMENT	RAP
ROOMIES	PAYEEES	MARE	
SUNTANS	BELLS	PENCE	
MINUEND	CHALKS	PULSAR	
ARKS	HAZE	SARDINE	
PESETA	SEAT	TURTLE	TIED
SUBLE	LEASE	RAILED	
ALLA	FLINT	CASTLE	ASKS
BARTENDER	BUST	TICKET	
EMCEE	GERE	ALOE	RHINO
TASED	ORSO	BAND	KAPOW

#### Trail Mix

SANDWICH	ENIN	ROME
DIZZILY	GOLIATH	
REGRET	FART	THEST
UBOATS	SKIMMOBILE	
CORDEN	ANALYSIS	
DISTILLED	EDCLONE	
EVERSINK	CERENE	
DEMOTAP	PETRENCH	
AGITATED	SENNECA	
GETSET	FLANDERS	
ATARIAN	CHORAGE	
INSTALLED	DELLS	
ANGORAGENE	POOL	
TROUGHSTER	RACE	

## THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk



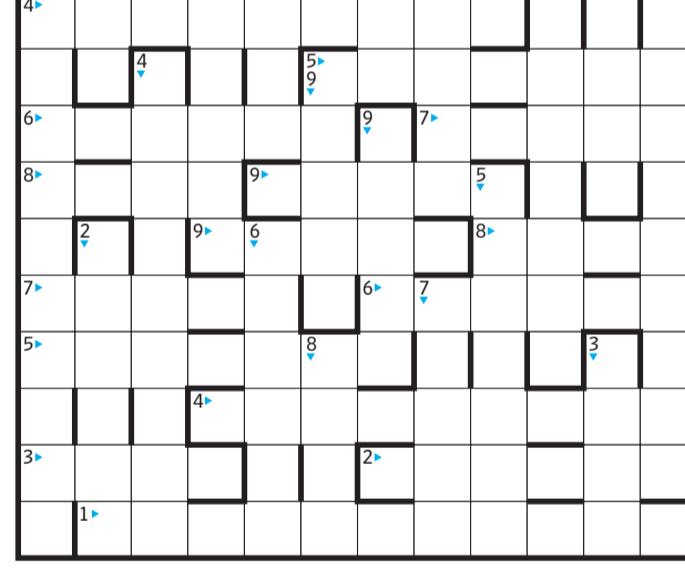
### Dialogues | by Randolph Ross

#### Across

- 1 Less authentic
- 2 Makes like a bulldog
- 3 Trench (Pacific chasm)
- 4 High-water mark
- 5 Caterers' containers
- 6 Dialogue between mountain climbers?
- 7 Smart enemy
- 8 Not ready for prime time
- 9 dixit (unproven assertion)
- 10 "illmatic" rapper
- 11 Mexican minder
- 12 Whom Moonves succeeded
- 13 It'll open many doors for you
- 14 Dialogue between cows?
- 15 Reason for a shift of hrs.
- 16 Cape Verde coins
- 17 In addition
- 18 Chart template
- 19 Snippet of sound
- 20 Mrs. Shrek
- 21 EU surcharge
- 22 Eastern state?
- 23 Monterey Jack?
- 24 Jerry Marcus comic strip
- 25 Author Deighton
- 26 Scalpel's kin
- 27 Wave producer
- 28 Dialogue between arson investigators?
- 29 Letters before Carl Vinson or Abraham Lincoln
- 30 Judges and juries
- 31 "recall..."
- 32 Court break
- 33 Once upon a midnight dreary writer
- 34 Dialogue between heterosexuals?
- 35 Out-and-out answer
- 36 Took cover
- 37 Daughter of "The Greatest"
- 38 Do a spit take, e.g.
- 39 Paper Mate rival
- 40 End for some Internet addresses
- 41 Garlicky condiment
- 42 Target of some workouts

- 41 Ready for surgery, perhaps
- 42 Carson in the cabinet
- 43 Literally, "turned"
- 44 Capital of Zanzibar
- 45 Cracker topper
- 46 NYC-to-Jamaica travel choice
- 47 Suspicious
- 48 Prepare for print
- 49 Deficiency
- 50 "Star Wars" bounty hunter Boba
- 51 Brosnan's successor
- 52 Maintained
- 53 Ain't right
- 54 Way up
- 55 Shipping choice
- 56 Snack in a stack
- 57 Firm finish
- 58 Weak heart?
- 59 Slant
- 60 Turn up
- 61 Turned up
- 62 Buoyant ring
- 63 Sandcastle shaper
- 64 Participate in a high school fundraiser
- 65 Old-style substance for old styles
- 66 Flag on a jacket, e.g.
- 67 Start of a plea
- 68 Signed off on
- 69 Dialogue between scuba divers?
- 70 Deadly heptad
- 71 Played a bass?
- 72 Nods
- 73 Lunar calendar celebration
- 74 Bad headaches
- 75 Subway systems
- 76 Requiem composer
- 77 Packing, so to speak
- 78 Bartender's supply

- 79 Ticks up
- 80 Buoyant
- 81 King's minister daughter
- 82 Union in D.C. and others
- 83 Turns up
- 84 Buoyant
- 85 Poetic paean
- 86 Sandcastle shaper
- 87 Ticks up
- 88 Buoyant
- 89 Turned up
- 90 Buoyant
- 91 King's minister daughter
- 92 Buoyant
- 93 Buoyant
- 94 Buoyant
- 95 Buoyant
- 96 Buoyant
- 97 Buoyant
- 98 Buoyant
- 99 Buoyant
- 100 Buoyant



### Three Out of Four | a cryptic puzzle by Emily Cox & Henry Rathvon

- Clues are listed in sets of four whose answers share the same number in the grid. (In squares with two numbers, the top number is for an Across and the bottom number is for a Down.) Clues for each set are not in order, so you'll have to use logic to figure out exactly where their answers belong. At first it may appear that only three out of four clues are given in any set—but each clue contains one superfluous word, and in every set those three words, taken in order, provide the clue for that set's fourth answer. Hey, three out of four ain't bad. (Thanks to Bob Stigler for this puzzle idea.)
- 1 ► Mixologist's skill in love spree (9)  
► Commercial prie-dieu restyled for a dramatic Greek (9)  
► A sort of interpreter translated "Pale Rider" speech (3,6)  
► \_\_\_\_\_ (9)
- 5 ► ID Sting's "Dance with Me" (3,4)  
► Guard bears in travels from Belgrade (7)  
► Reversed movie sign French nobleman read aloud (7)  
► \_\_\_\_\_ (4,3)
- 6 ► Rider Santa pronounced boring (6)  
► Rocky field is rare for a saw-toothed ridge (6)  
► Study feeble New Testament elegy (6)  
► \_\_\_\_\_ (6)
- 7 ► Goddess of peace checks some dire necessities (5)  
► Ships' attack captures passing fleet (5)  
► Pioneer in games bows, whirling riata (5)  
► \_\_\_\_\_ (5)
- 8 ► Second head of military operations cleans up (4)  
► Dad's crazy idea contributes (4)  
► Something on a car flag changed (4)  
► \_\_\_\_\_ (4)
- 9 ► Offer light beer, taking in soldier (5)  
► The King is free from tunnel vision (5)  
► Periodical, or good verse article (5)  
► \_\_\_\_\_ (5)
- Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

#### Clues

- 1 ► Pick Rhode Island hub with secret form of power (11)
- Nuclear device upset a Mass. family mother (4,7)
- Change fate and run frigates at sea (11)
- \_\_\_\_\_ (11)
- 2 ► Fix mistakes misplaced at rear (6)
- Monetary gain for warped fortuneteller, according to hearsay (6)
- New rapier gear up in a Bohemian city (6)
- \_\_\_\_\_ (6)
- 3 ► Draw theater's last row number (4)
- Small band's spoken piece of patriotism (4)
- Fight scheduled for fifty (4)
- \_\_\_\_\_ (4)
- 4 ► Mixologist's skill in love spree (9)
- Commercial prie-dieu restyled for a dramatic Greek (9)
- A sort of interpreter translated "Pale Rider" speech (3,6)
- \_\_\_\_\_ (9)
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- The King is free from tunnel vision (5)
- Periodical, or good verse article (5)
- \_\_\_\_\_ (5)

ICONS

# Gauguin's Multimedia Adventure

The frequent traveler experimented with other art forms that informed his painting

BY SUSAN DELSON

**PROPELLED** by what he called his "terrible itch for the unknown," Paul Gauguin frequently traveled far from the art world of Paris: to France's Breton coast, Panama, the Caribbean island of Martinique, Tahiti and beyond. He also liked to cross creative boundaries, experimenting with woodcarving, ceramics and other media commonly thought of as mere "crafts."

The new show "Gauguin: Artist as Alchemist" explores this less familiar side of the great painter's story, showing how his work in more mundane art forms influenced his most important breakthroughs on canvas.

Opening June 25 at the Art Institute of Chicago, the 240-work exhibition takes a loosely chronological approach, grouping the art by theme and location. Focusing on the moments when the onetime stockbroker was working most furiously in multiple media, the show deliberately bypasses points when Gauguin (1848-1903) worked exclusively on painting—leaving out, for instance, the tumultuous few weeks in 1888 that he spent with Vincent van Gogh in the south of France.

Instead, the exhibition delves deeply into Gauguin's prints, ceramics, furniture, wood sculptures and bas-reliefs, as both personal expression and creative fuel. By the time he made his first trip to Tahiti in 1891, "his toolbox is set," artistically speaking, said Gloria Groom, co-curator of the show and chairwoman of the museum's European painting and sculpture department. "He knows what he's doing and how to do it." How Gauguin acquired that sure-handed grasp of his own art is the focus of the show's first half.

One early grouping of works draws a strong connection between Gauguin's late-1880s explorations in ceramics and his 1888 "Vision of the Sermon (Jacob Wrestling with the Angel)," the painting that established him as an avant-garde master. Gauguin had started out as an impressionist, falling in with a circle that included Camille Pissarro and Edgar Degas. But his ceramic experiments of the late 1880s—marked by deeply incised lines and solid blocks of color—pointed in another direction.

Depicting a crowd of Breton women in their traditional headdresses, "Vision of the Sermon" features blocks of color like those on his

ceramics, boldly outlined in dark blue. "There are these almost interlocking zones of color," said Ms. Groom.

Made around the same time, "Vase in the Form of Leda and the Swan" (1887-88) displays a similar color-block-and-outline style. The vase, said Ms. Groom, may be seen as "literally a painting in the round." Gauguin soon did a watercolor depicting the vase from different angles and a year or so later made a print on the same theme, created as a design for a ceramic plate.

The desolate girl, head in hands, depicted in the 1888 painting "The Wine Harvest (Human Misery)" appears in a watercolor-and-pastel, a drawing and a print all made the following year. A decade later, she's the centerpiece of "Human Miseries, From the Suite of Late Wood-Block Prints," made in Tahiti in 1898-99. All of these works are in the exhibition.

Drawn to non-European cultures—and implausibly claiming Peruvian Indian heritage through his French-Peruvian mother's aristocratic forebears—Gauguin positioned himself as both civilized and savage, sophisticated and crude. His search for an uncorrupted paradise led him to Panama and Martinique in the late 1880s and to Tahiti in 1891, where he spent two years before returning to France in 1893.

In Paris, Gauguin worked on "Noa Noa," his memoir of Tahiti for which he made a suite of woodblock prints. Experimenting with inks, wax, resin and solvents on different colors and types of paper, he repeatedly printed the 10 "Noa Noa" woodblocks as he continued carving them, producing different effects each time. Figures from his 1894 painting "Mahana no atua (Day of the God)"—one of his best-known works—appear and reappear in the prints.

Despite his intense and innovative output, Gauguin did not experience great success in



GAUGUIN'S 'Vase in the Form of Leda and the Swan' (1887-88) will be on view in Chicago.

Paris. Barely two years after he left Tahiti, he went back in 1895, determined "to see no one but savages, to live their life." In Tahiti—and in the more remote Marquesas Islands, where he moved in 1901—Gauguin's art took on a decorative aspect, in which he conceived individual works as related elements in an immersive art environment.

The artist died in the Marquesas in 1903 of

causes variously suggested as syphilis, a heart attack and an overdose of laudanum. The exhibition closes with five wood bas-relief panels carved for the entrance to his home there, which he dubbed the House of Pleasure. "Be Mysterious," one panel instructs. "Be in Love and You Will Be Happy," reads another. In media both grand and modest, Gauguin tried to be all of these things.

PRIVATE COLLECTION

## MASTERPIECE: 'LITTLE GIRL IN A BLUE ARMCHAIR' (1878), BY MARY CASSATT

### WHEN TWO HANDS WERE BETTER THAN ONE

BY JOHN WILMERDING

**MARY CASSATT** and her art embody several paradoxes: Rare in her day, she was the only woman artist accepted as a peer by her male counterparts in the Impressionist movement. Despite spending most of her career in France, she always thought of herself as American, and though never married or a mother, she produced supremely sensitive images of maternity and childhood. "Little Girl in a Blue Armchair" is one of the finest examples of that.

The painting is one of the most appealing works in the monumental collection of Paul and Bunny Mellon, now at the National Gallery of Art in Washington. In a further paradox, it presents a seemingly simple and charming situation but turns out to be a rather daring and complicated composition. While primarily her own work, it included the collaborative hand of her French colleague Edgar Degas.

Cassatt was born in western Pennsylvania in 1844, the same year as the Philadelphian Thomas Eakins. Both enrolled in the art program at the Pennsylvania Academy of the Fine Arts during the Civil War years and left concurrently for study in Paris in 1866. There, however, the Ecole des Beaux Arts was not yet open to women, so Cassatt had to take private art instruction. She became aware of the new realism of Gustave Courbet and the unconventional pictorial formats of Edouard Manet and Gustave Caillebotte. She returned home during the Franco-Prussian War, but in the early 1870s was back in Europe and traveled to Spain and Italy, where she admired respectively the art of Velazquez and Rubens.

Degas became an acquaintance and, impressed, invited her to join the Impressionist group in 1877. The two shared ideas and compared pictures; they experimented with materials, technique and design. With "Little Girl" under way by 1878, Degas offered advice, and



NATIONAL GALLERY OF ART / COLLECTION OF MR. AND MRS. PAUL MELLON

DEGAS'S CHANGES to the room introduce a greater visual dynamism to the painting.

as Cassatt wrote years later, "he even worked on the background." Pleased with the result and his involvement, she was surprised and angered to have the painting rejected for the Universal Exposition later that year. But it was accepted into the Impressionists' independent exhibition in 1879, and she continued to show with them regularly until 1886.

The young girl in the picture was the daughter of friends of Degas. She slouches on the stuffed armchair, almost sliding forward off the cushion. The pose was similar to one used by a contemporary, Alfred Cluysenaar, in his "Portrait of the Artist's Son, Andre," but his was less original in spatial design. Cassatt shows the girl's legs splayed, revealing the lacy undergarment, in a hint of sexuality to come.

While floral blues dominate the composition, the child's white pinafore stands out, in turn contrasted with the darker stripes of her tartan bandanna, scarf, socks and sash. This last serves almost as a wide seat belt holding her in place. The painter balances it with the similar dark shape of her dog sleeping on the adjacent chair at the left. Cassatt had tried placing the dog on the floor before the sofa but realized the figure brought

more life to the foreground. The thoughtful glance and expensive dress reveal a young girl caught between childhood and maturity.

Critics have long believed that the principal intervention by Degas in the picture was painting the empty floor surface in the center. This spatial vacuum was typical of his depictions of

both street scenes and interior dance floors. Its neutral flatness exists in tension with the amplitude and color of the furniture compressed around it. In another modern device inspired by Degas, Cassatt cropped all four pieces of furniture in the room by the edges of the frame. Degas had done this in his painting of a song recital from about 1872-73. It creates an informality and almost photographic immediacy typical of the new vision promoted by Manet and Degas at this time.

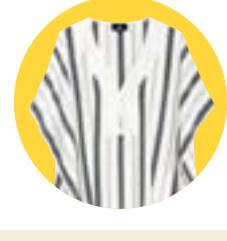
Daylight enters this room by the two large windows. The near one complements the white dress, while the other casts a soft abstract shadow on the far wall. More important, it establishes the back corner of the room, now ascertained to have been the reworking of the space by Degas. In 2014 conservators at the National Gallery undertook infrared imaging of the paint treatment in this area and found different applications of brushwork.

Their studies further revealed that Cassatt's original floor line along the back wall was a horizontal running parallel to the frame. Degas appears to have altered that to create the strong back corner and the sense of the floor surface inclining upward to that point. He subtly helped her adjust the plane of the back wall to more of a diagonal, now coming forward behind the child. All this serves to create a visual dynamism as the eye circles around the blue shapes, and introduces a tension that balances solids and void, foreground and background.

The painting reflects the mutual respect between these two major artists and inaugurated an independent career of original modernity.

*Mr. Wilmerding is the great-grandson of Louise Havemeyer, a friend of Cassatt's, whom the artist advised in amassing the Impressionist collection now at the Metropolitan Museum of Art.*

A single caftan  
can make  
holiday  
dressing  
effortless



D2

# OFF DUTY



Surprise! A trip  
for which you  
don't even have  
to pick the  
destination

D9

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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\* \* \* \*

THE WALL STREET JOURNAL.

Saturday/Sunday, June 17 - 18, 2017 | D1

THE OFF DUTY SUMMER 50

# 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



[ INSIDE ]

**SIT A SPELL**  
6 modern rockers that  
glamorize sloth D11



**BE A STEALTHY SLOB**  
The most stylish new shorts:  
No one will know how  
comfortable they are D4

**COOK CARELESSLY**  
You can throw almost anything  
in a pasta salad (so think way  
beyond noodles) D6



**HIRE A CHAUFFEUR**  
In many ways, the future of  
self-driving cars is already here.  
Dan Neil reports D13

**LIGHTEN YOUR LOAD**  
The summer's chicest tote  
weighs only slightly more  
than air D3



# STYLE & FASHION

1

## Be Covered for Everything

A versatile caftan makes vacation-dressing—from deck chair to dinner time—a no-brainer

BY CHRISTINE WHITNEY

**R**ather 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 dangle 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."



**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, [garrettleight.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, [davidyurman.com](#); Serpent Spiga Watch, \$6,700, [bulgari.com](#); Sandals, \$210, [ancient-greek-sandals.com](#). Still-lifes from top: Chloé Caftan, \$2,395, [net-a-porter.com](#); Caftan, \$375, [lelem.com](#); Caftan, \$595, [lisamariefernandez.com](#); Le Sireneuse Positano Caftan, \$355, [emporiosirenuse.com](#); Caftan, \$480, [suparis.com](#)

2

### 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



3

### 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.

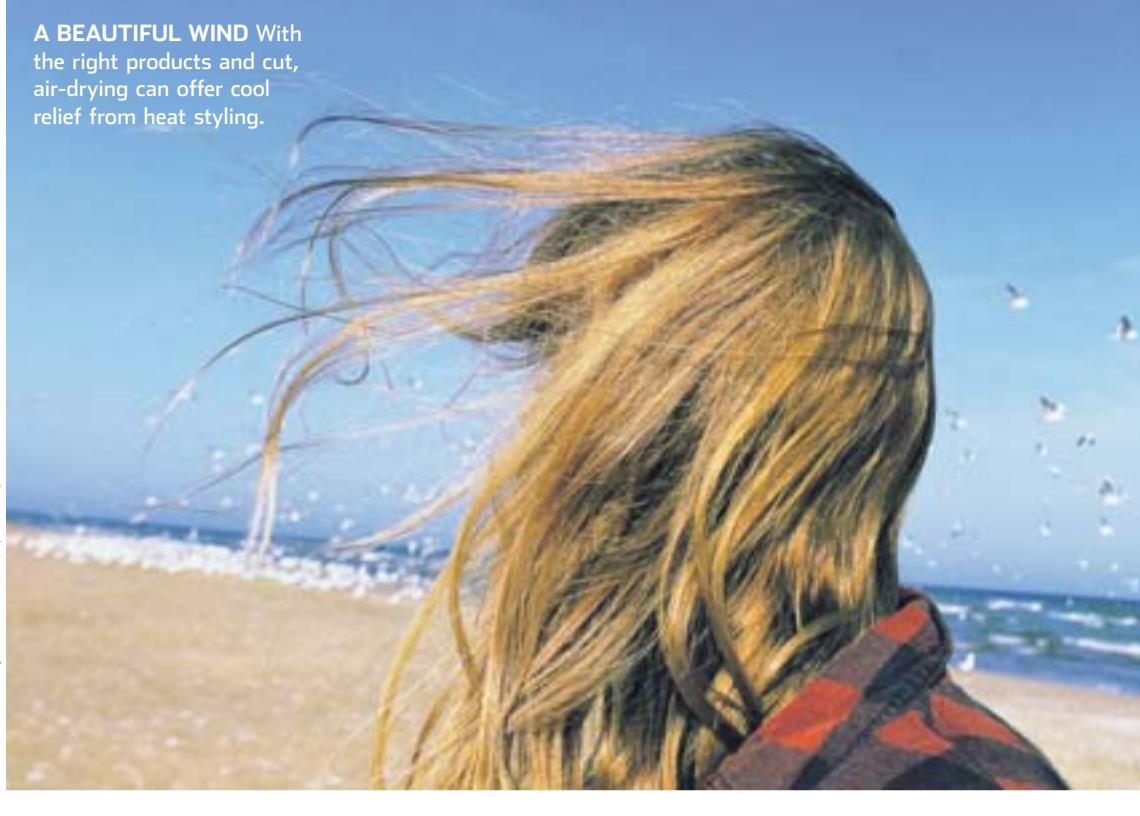
ANDRES OYELA FOR THE WALL STREET JOURNAL, STYLING BY REBECCA MALINSKY, HAIR & MAKEUP BY MARK WILLIAMSON, MODEL: SUMMER THOMPSON/WILHELMINA (MODEL); F. MARTIN RAMIN FOR THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (CLOTHING AND NAIL POLISH)

# Chloé

## THE OFF DUTY SUMMER 50 STYLE & FASHION

A BEAUTIFUL WIND With the right products and cut, air-drying can offer cool relief from heat styling.

MARGARET DUROW/TRUNK ARCHIVE (WOMAN)



4

# Live and Let Dry

Skip the hair-dryer, and leave wet tresses to the breeze...strategically

BY FIORELLA VALDESOLO

In the throes of summer heat, few beauty rituals are more masochistic than blow-drying your hair. And with the humidity index at its highest, trying to achieve smooth, straight locks can be futile. But the alternative, air-drying, comes with its own frustrations and risks. The following strategies—easier than daily blow-drying, we swear—make it less of a gamble.

First, the cut makes a difference. Blunt or all-one-length 'dos usually need an assist from heat to look good. "A layered style will air-dry quicker and more evenly," said

celebrity hairstylist Chuck Amos. "The strands that lay on top...are lighter and shorter so air circulates throughout better." Bonus: Lightweight layers around the face are flattering. Teddi Cranford, a stylist at New York salon White Rose Collective, evocatively calls them "Bardot bits."

A skilled stylist can also remove weight according to your hair's pattern of growth, which helps create a more uniform and manageable air-dry. "When you're air-drying, you're not manipulating the root of the hair so whatever direction it moves toward is where it's going to go," said Wes Sharpton of New York's Hairstory Studio. This technique can cajole it into behaving.

Next, for the best air-dry results, strategize your shower. A moisturizing shampoo and conditioner can reduce frizziness—the bane of many air-driers' existence. Shampooing your hair less frequently will also help. Alternatively, you can try a conditioning wash, which Mr. Sharpton calls the "smartphone of hair-washing"

for its multitasking prowess (delivering all-in-one cleansing, conditioning, detangling and repairing). Mr. Sharpton helped create Hairstory's product "New Wash" designed to do all of the above.

Applying a leave-in conditioner immediately post-shower, said Mr. Amos, also tames frizz, keeping straight or fine hair light and airy, and leaving curly or wavy hair with curls intact. Try Verb's Leave-In Mist for fine hair and Living Proof's Curl Leave-In Conditioner for thicker locks.

Another cool tip: Upgrade your towel. To fast-track air-drying—and avoid the frizz that traditional terry towels impart—invest in a microfiber towel like those from Aquis.

The final step is applying a styling product and coaxing hair into a desired shape. Alcohol-free mousse is ideal for wavy or curly tresses, while straight and finer textures need just a dab of styling cream rubbed into the ends. Very processed hair can even handle an oil, alone or mixed with styling cream. To encourage "beachy waves"—as the ne plus ultra of summer styles is reverently known—Mr. Sharpton advises weaving wet hair into a loose braid. For night-owl hair washers, he said, sleeping with a silk scarf wrapped around your head also cuts frizz.

Ultimately, you may need to experiment to find what works for you. It took Los Angeles fashion stylist Djuna Bel some time to settle on her combination of volumizing spray, dry shampoo and twisting her very long, straight blond hair in four high buns as she gets herself ready for the day. A bun quartet is admittedly more work than one, but in the end, she said, it's worth the effort: "I do love a blowout, but it's the last thing I want to do in the summer."



New Wash  
\$40, [hairstory.com](http://hairstory.com)



Leave-in Mist  
\$14, [verbproducts.com](http://verbproducts.com)



Aquis Turban and Towel  
\$30 each, [sephora.com](http://sephora.com)

5

### Buy a Buoyant Bag

Scientists won't agree but we're convinced everything gets heavier in oppressive summer heat. If you're switching from a leather bag to a canvas one to ease your schlepping burden, why not go a step further? This drawstring tote from Los Angeles designer Clare V. is made of a nylon, linen and taffeta blend that's light as a meringue—and sort of resembles one. It has a Poppins-like capacity, but we'd advise you not to overstuff it, thus undermining its essential airiness. Tote Bag, \$325, [clarev.com](http://clarev.com)



6

### Skip Your Gem Routine

The daily drill of donning and doffing jewelry is, admittedly, not much of a chore. Still, it's far better to put on a discreet piece and be able to forget about it for weeks at a time. One (or even two) of these delicate diamond solitaire necklaces could be a fine, if fleeting, pal for June through August. Though the gems are tiny, they offer a flashing glimmer of sparkle, like a shooting star. Best of all, the whole thing is so light, you'll barely know it's there. Necklaces, \$295 each, [vraiandoro.com](http://vraiandoro.com)

## Talk Through Your Hat

At its simplest and purest, summer dressing soothes the soul. The quintessential white T-shirt tucked into cream jeans. A clean, cottony shirt dress that doesn't make a ruckus. If you want to stylishly puncture that austerity, however, the easiest solution is a hat—whether it's trimmed with pom-poms or crafted of straw in a popsicle hue. You get charm, levity and, oh yes, shade in one fell swoop. From left: Madeleine Hat, \$798, [trade-mark.com](http://trade-mark.com); Mercedes Salazar Hat, \$176, [revolve.com](http://revolve.com); Taya Hat, \$460, [gigiburris.com](http://gigiburris.com)



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## THE OFF DUTY SUMMER 50 STYLE & FASHION

8

# 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 wacky 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](http://skmanorhill.com); Save Khaki United Shorts, \$85, [savekhaki.com](http://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](http://noahny.com); T-shirt, \$135, [amiparis.com](http://amiparis.com); Shorts, \$50, [jcrew.com](http://jcrew.com); Adidas Originals Sneakers, \$120, [adidas.com](http://adidas.com); Sunglasses, \$340, [garrettlight.com](http://garrettlight.com); Watch, \$6,600, [omegawatches.com](http://omegawatches.com); Sidney Garber Bracelet, \$4,000, [barneys.com](http://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.

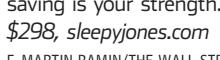
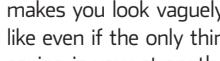
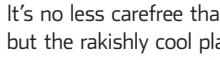
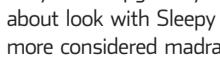
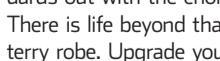
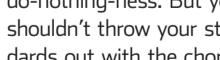
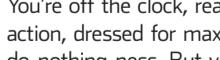
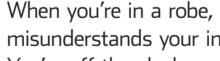
Though stealthily stylish, these shorts are likely too relaxed to pair with an oxford shirt. For a bit of polish, try a fitted, but not tight, pique polo shirt. Unionmade's Mr.

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



## EATING & DRINKING

13

# Stir Up a Quick Quencher

Keep intensely tasty sharbat syrups in the refrigerator all summer long to make cooling drinks on demand

BY LOUISA SHAFIA

**T**HERE'S NO BETTER way to complete a trip to Tehran's nearly 1,500-feet-tall Milad Tower than with a stop at the on-site tea house. The array of brilliantly colored fruit syrups on offer rivals the observatory's 360-degree views of the city and the snow-capped Alborz mountains beyond. Known as *sharbat*, this category of vivid fruit essence, served over ice and topped with chilled water, was created to cool the body in desert heat and takes the edge off a sultry afternoon anywhere.

Exotic as it sounds, *sharbat* is basically simple syrup, made by dissolving sugar in boiling water, brightened with an infusion of fruit, herbs or flowers. The syrup will keep for a couple of weeks in a jar in the refrigerator, ready to pour over a glass of ice and top off with still or sparkling water, or to mix up in a pitcher for entertaining.

Like "sherbet," "sorbet" and "syrup," "sharbat" derives from the Arabic word for drink, *sharab*. As *sharbat* moved west with Crusaders and other early European travelers returning from the Middle East, it gradually evolved into a smooth, icy treat eaten with a spoon. Sharbat made with rose water—*golab* in Farsi—flowered into the julep in the New World, where Kentuckians mixed it up into a combination of bourbon and mint.

Mint also features in the mother of all sharbats, called *sekanjabin*, rendered deliciously tart with a splash of vinegar. Think of it as the original Gatorade, an exhilarating combination of sweet, sour and salt that helps replace lost electrolytes. For a striking summer spritzer, serve ice-cold *sekanjabin* garnished with fresh mint, cucumber and strips of bright-pink watermelon.

Sharbat is all about balance and subtlety, and to that end, whole cardamom pods and fresh turmeric root, included in two of the recipes here, yield a round, mellow flavor without any trace of bitterness. Fresh sour cherries make another delicious sharbat, and if you miss their fleeting season, unsweetened dried cherries make an excellent substitute. Whatever the recipe, you can always whisk in a spoonful of honey for added sweetness.

Other ingredients to experiment with include saffron, dried orange blossoms and bittersweet dried limes. An elegant mocktail in itself, sharbat also mixes well with bourbon, rum, gin or vodka, and makes a heady match with sparkling wine.



### Cantaloupe and Cardamom Sharbat

SERVES: 8

Use a food processor to purée **6 cups coarsely chopped, seeded cantaloupe** (from 1 ripe, 3-lb cantaloupe). Transfer purée to a medium saucepan and bring to a boil. Reduce heat to medium and add **¾ cup sugar**, **½ teaspoon salt** and **10 whole cardamom pods**, crushed with the side of a knife. Let mixture bubble gently for 3 minutes, whisking to dissolve sugar. Reduce heat to low and simmer, stirring occasionally, 30 minutes. Let cool to room temperature, then strain through a fine mesh strainer. Syrup will keep in a clean, sealed glass jar in the refrigerator up to 2 weeks. // To serve, pour **¼ cup syrup** over ice, top with **still or sparkling water**, and stir.



### Mint and Vinegar Sharbat

SERVES: 8

In a medium saucepan over high heat, combine **1½ cups water**, **1 cup sugar** and **½ teaspoon salt**, and bring to a boil. Reduce heat to medium and let mixture bubble gently for 3 minutes, whisking to dissolve sugar. Add **1 cup tightly packed fresh mint leaves** (from 1 small bunch mint), increase heat to high and boil 30 seconds, then turn off the heat. Cool to room temperature, then add **½ cup apple cider vinegar**. Let mixture steep in refrigerator at least 2 hours or as long as 24 hours. Strain. Syrup will keep in a clean, sealed glass jar in refrigerator up to 2 weeks. // To serve, pour **¼ cup syrup** over ice, top with **still or sparkling water** and stir. Garnish with **mint leaves**, **sliced cucumber** and/or **diced watermelon**.



### Sour Cherry Sharbat

SERVES: 8

In a medium saucepan over high heat, combine **2 cups dried, unsweetened sour cherries** (or 4 cups fresh sour cherries with pits intact) with **3½ cups water** (**1½ cups water** if using fresh sour cherries), and bring to a boil. Reduce heat to medium and add **1½ cups sugar** and **½ teaspoon salt**. Let mixture bubble gently for 3 minutes, whisking to dissolve sugar. Reduce heat to low and simmer 20 minutes, stirring occasionally. Cool to room temperature, then strain. (If using fresh cherries, skim off any foam that may have gathered on top.) Syrup will keep in a clean, sealed glass jar in the refrigerator up to 2 weeks. // To serve, pour **¼ cup syrup** over ice, top with **still or sparkling water** and stir. Garnish with **fresh sweet cherries**.



### Rose Water and Turmeric Sharbat

SERVES: 8

In a medium saucepan over high heat, bring **3 cups water** to a boil. Reduce heat to medium and add **1 cup sugar** and **½ teaspoon salt**. Let mixture bubble gently for 3 minutes, whisking to dissolve the sugar. Reduce heat to low and add **2 tablespoons peeled and chopped fresh turmeric** (or **½ teaspoon dried turmeric**) and **1 tablespoon rose water**. Simmer 20 minutes. Cool to room temperature, then strain. (If using dried turmeric, strain through a coffee filter.) Syrup will keep in a clean, sealed glass jar in refrigerator up to 2 weeks. // To serve, pour **¼ cup syrup** over ice, top with **still or sparkling water** and stir. Garnish with **dried or fresh unsprayed rose petals** (available at Middle Eastern markets and online at [shop.laboteny.com](http://shop.laboteny.com)).



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### Savor the Sea From Your Sofa

Nothing tastes more like summer than shellfish cooked clambake-style, in a fire pit dug on the beach, nestled between layers of seaweed. But let's be honest, that's a lot of effort. For less motivated seafood lovers, quality-food emporium Dean & DeLuca has pared down the process. All the trappings of a proper clambake—two hefty lobster tails, two dozen mussels and clams, eight plump Gulf shrimp and plenty of baby potatoes to soak up the briny juices—arrive in a foil tin that can be popped right into the oven or onto the grill. Just turn up the heat and, presto, the true taste of the seashore without all the sand in your shoes. The kit feeds two people generously, but you can extend it to feed four in classic New England style with corn on the cob and a blueberry pie (store-bought, of course). Maine Clambake, \$105 for 2 pounds of seafood and potatoes, [deandeluca.com](http://deandeluca.com) —Kelly Michèle Guerrot

## 14 Eat Their Words

When a hot kitchen is too oppressive to contemplate, reading great food writing from the comfort of a well-shaded hammock can conjure glorious meals. First published in Britain in 1981, Claudia Roden's "Picnic" proceeds from the assertion "Everything tastes better outdoors." Supported by fascinating historical context as well as personal recollections of picnics past from the author's childhood in Egypt, recipes range from a tea served on the lawn to a feast of prawns, kebabs and other dishes in the style of the Anglo-Indian Raj. In "The Complete Book of Outdoor Cookery" (1955)—as much a snapshot of midcentury America's romance with the outdoors as a practical handbook—Helen Evans Brown and James Beard map out wiener roasts, Hawaiian-style luaus, meals made in camps and trailers, and other feats of cookery set free from the confines of the kitchen. Perhaps the most transporting of all, Edna Lewis's "The Taste of Country Cooking" (1976) immortalizes the way of eating and life in the farming community founded by freed slaves in the Virginia Piedmont where she grew up. "I loved walking barefoot behind my father in the newly ploughed furrow," she writes, "carefully putting one foot down before the other and pressing it into the warm, ploughed earth, so comforting to the soles of my feet." And we are right there with her.



F. MARTIN RAVIN/THE WALL STREET JOURNAL FOOD STYLING BY HEATHER MELDRUM (SHARBATS), MAINE CLAMBAKE

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## THE OFF DUTY SUMMER 50 EATING & DRINKING

16

# 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

**A**FORGIVING 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—caninely 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.



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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 1/8 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.

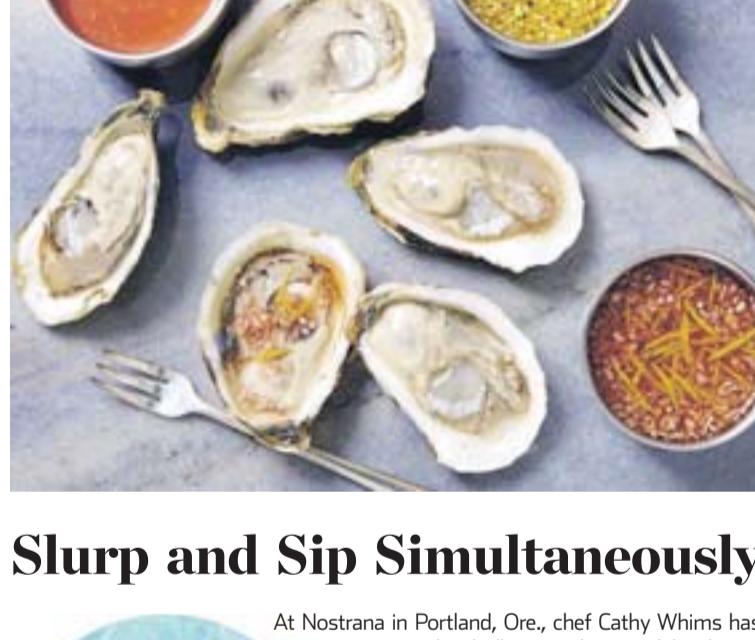
### Pasta Salad With Roast Chicken, Roquefort, Pears, Red Grapes and Walnuts

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

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## 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](http://wsj.com/food).



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### 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](http://cancooker.com)

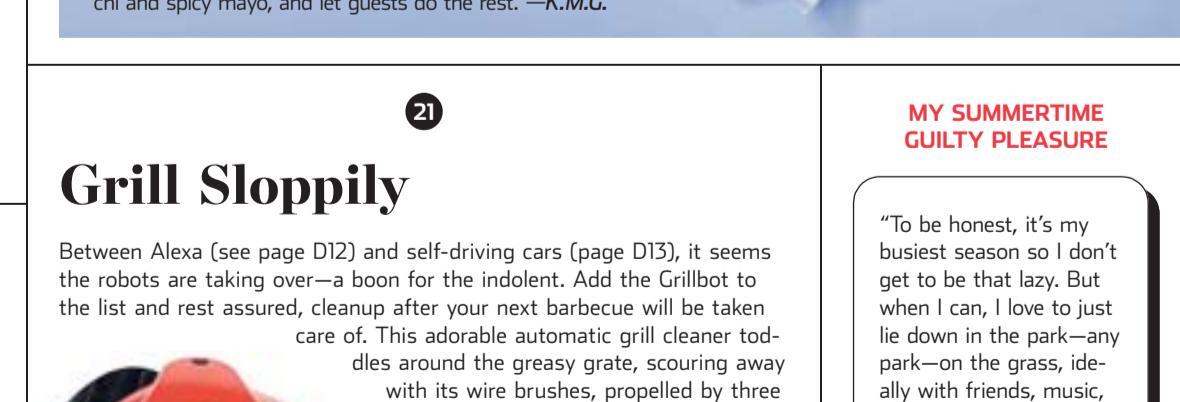


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### Throw a Do-Nothing Dinner Party

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](http://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](http://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.

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### Grill Sloppily

Between Alexa (see page D12) and self-driving cars (page D13), 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 toddles 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](http://grillbot.com)

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## THE OFF DUTY SUMMER 50 EATING & DRINKING

ON WINE LETTIE TEAGUE



# 22 Seize on the Season of the Agreeable Wine

**WHAT'S THE BEST** bottle for a languid summer day? What wine pairs well with picnics and pools and games of beach volleyball? I took the laziest route possible in coming up with answers, putting these questions to seven top wine professionals with impeccable taste. They responded with summery reds, whites and rosés produced in wine regions all over the world. I did not, however, shirk my wine-columnist duties altogether; I bought each one of their recommendations and tasted them with friends. None of the picks are particularly expensive or hard to find, and they are all incredibly, joyfully easy to drink.

### 2015 Broc Cellars Love White, California (\$20)

John Keife, Owner, Keife & Co., New Orleans

Retailer John Keife's directive for summer wine drinking in the Big Easy can be summed up as: light and fresh, lower in alcohol and tannin. His lazy-day wine choice, the 2015 Broc Cellars Love White, is a natural wine from a high elevation vineyard in Madera County, Calif., that Mr. Keife calls "liquid sunshine." A zingy blend of southern Rhône grape varieties, including (mostly) Marsanne and a bit of Roussanne and Viognier, it's a fleshy medium-bodied wine with a decidedly tropical note.

### 2016 Weingut Strehn Blaufränkisch Rosé, Austria (\$13)

Chad L. Walsh, Sommelier, Agern, New York



F. MARTIN RAMIREZ/THE WALL STREET JOURNAL; ILLUSTRATION BY EVA MOS

Though the list that Mr. Walsh put together at Agern is focused exclusively on American wines, he opts for a Blaufränkisch rosé from the Burgenland region of Austria for his own summertime drinking. "It's the perfect balance of fresh and fruity while not seeming too innocuous," he said. Mr. Walsh likes the wine even better when it's upsized to a (two-bottle) magnum size. I had to settle for a regular-size bottle of this pale rosé that was pleasingly light-bodied and compulsively drinkable.

### 2016 Château Pradeaux Rosé Bandol, France (\$28)

Morgan Calcote, General Manager, FIG, Charleston, S.C.

Ms. Calcote admires both of the rosés made by the venerable Château Pradeaux—one a light bodied rather simple Côtes de Provence wine and the other a more complex rosé from the Provence sub-region of Bandol. But the Bandol rosé is her personal and professional choice (she's adding it to the FIG list). This is a savory, full-bodied dry rosé with wonderfully floral aromas and a

long mineral finish—the oxymoronic serious rosé.

### 2015 Hatzidakis Assyrtiko Santorini, Greece (\$22)

Joe Salamone, Wine Buyer, Crush Wines & Spirits, New York

Mr. Salamone told me he doesn't necessarily believe in so-called summer wines, but he does love to drink this Assyrtiko from the arid Greek island of Santorini at this time of year. And rightfully so. This crisp, lively dry white with a decidedly

saline note is a wine that I could drink all summer long and well into the fall.

### 2016 Elio Perrone Bigaro Rosé Piedmont, Italy (\$18)

Erik Liedholm, Wine Director, John Howie Restaurant Group, Seattle, Wash.

Mr. Liedholm calls this rosé "the wine cooler of your youth but more refined." That's a pretty fair description of this low-alcohol (5%) sparkling rosé, a blend of Moscato and Brachetto produced in the Piedmont re-

gion of Italy. Mr. Liedholm suggests pairing the sweet, but not too sweet, fizzy, cherry-red wine with spicy food, although I'd drink it as dessert or perhaps freeze it into popsicles instead.

### 2016 Ameztoi Rubentis Getariako Txakolina Rosé, Spain (\$18)

Tim O'Rourke, Business Development Manager, Zachys DC, Washington, D.C.

Mr. O'Rourke split his bets between red and white with his summer favorite, a slightly spritz and decidedly zippy wine from the Basque region of Spain. Made from equal parts of two native red and white grapes (Hondarrabi Beltza and Hondarrabi Zuri), this lighthearted, light-bodied and refreshing rosé has a pretty note of red-berry fruit and a slightly (and pleasingly) bitter note.

### 2016 Matua Marlborough Sauvignon Blanc, New Zealand (\$12)

June Rodil, Beverage Director, McGuire Moorman Hospitality, Austin, Texas

When Ms. Rodil sits on the porch of her house with friends, this New Zealand Sauvignon Blanc is her wine of choice—easy to drink, easy to find and very reasonably priced. It's dry and lively, with notes of citrus and grapefruit, and especially accessible because of its screw cap.

► Email Lettie at [wine@wsj.com](mailto:wine@wsj.com).

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# ADVENTURE & TRAVEL



FRANCESCO LASTRUCCI FOR THE WALL STREET JOURNAL

BY TARA ISABELLA BURTON

**I**T 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 restaurants 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" (Mitya) 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, pre-emptively 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](http://wsj.com/travel)

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## 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](http://bluestarlitedrivein.com) —Kathryn O'Shea-Evans



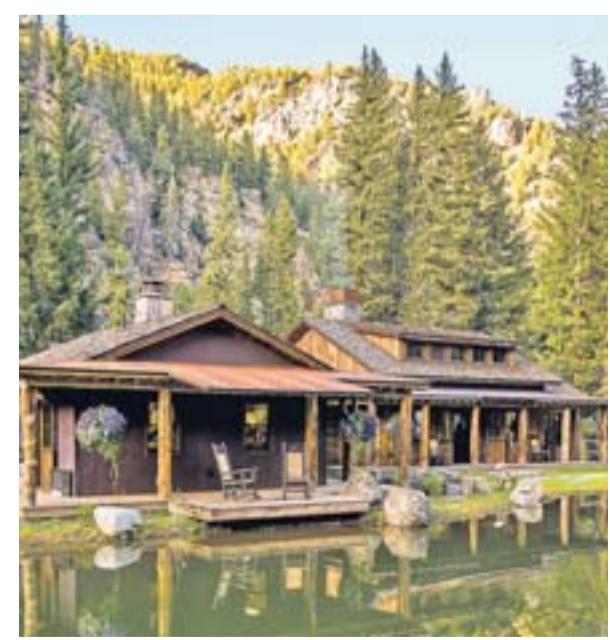
ILLUSTRATION: DAVE URBAN



## 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](http://elevenexperience.com)). —Jen Murphy



## THE OFF DUTY SUMMER 50 ADVENTURE & TRAVEL



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### 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 hotels' 63-foot-long yacht, **Soneva in Aqua** (pictured). The crew includes a chef and yoga/tai chi instructor. [soneva.com](http://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](http://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](http://aman.com) —Sara Tucker

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### 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](http://arloskye.com)

—Liz Logan



#### 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.

#### 30 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 traveler's pack, say, hiking boots or a swimsuit.) The only thing left to decide is what to read on the plane. [packupandgo.com](http://packupandgo.com)



### 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](http://expjourneys.com) —Kelly Michèle Guerotto

# DESIGN & DECORATING

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## Don't Get Hosed by Your Annuals

Eager for color in your garden but loath to commit to regular watering? Try these drought-resistant beauties

BY BART ZIEGLER

**W**HETHER from neglect, lack of rain or water-use restrictions, many plants end their days a sorry mess: brown and brittle in parched patio containers or desiccated in balcony planters.

You could reconcile yourself to low-moisture stalwarts like cactus and succulents. Hens and chicks and their relations do have a certain rubbery, glaucous charm. But what if you truly desire leafy, bloom-covered plants, and doubt you can commit to their water requirements?

The horticultural industry has recognized a need for less-demanding varieties, especially as drought has hit large swaths of the country and people's lives have grown busier. Today's gardeners, many of them novices, "need bulletproof plants," said Kris Carlsson, product-launch manager at Ball FloraPlant, a flower breeder based in West Chicago, Ill. The drought-resistant category also serves weekend gardeners as well as people who forget to make arrangements for the balcony flowers when on vacation. The homeowners "come back and have to buy all new plants," he said.

To find varieties that take abuse, Ball conducts "death trials," leaving plants to bake in the sun in hot climates like Texas's. Mr. Carlsson said he allowed a salvia variety called Black & Bloom, whose rich blue flowers stand out against its near-black stems, to go unwatered for 10 blazing days. "The plant had wilted all the way to the ground," he said. "I watered it, and four hours later it was standing perfectly straight up, looking absolutely beautiful."

Many of these durable plants originally hail from arid climates. Gazania, whose blooms resemble diminutive sunflowers, are native to southern Africa. Scaevola, with its delicate demilunes of petals, can be traced to Australia. Central and South America brought us Angelonia, or Angel Flower, which adorns its upright stems with blossoms of purple, pink, red or white. Lantana,

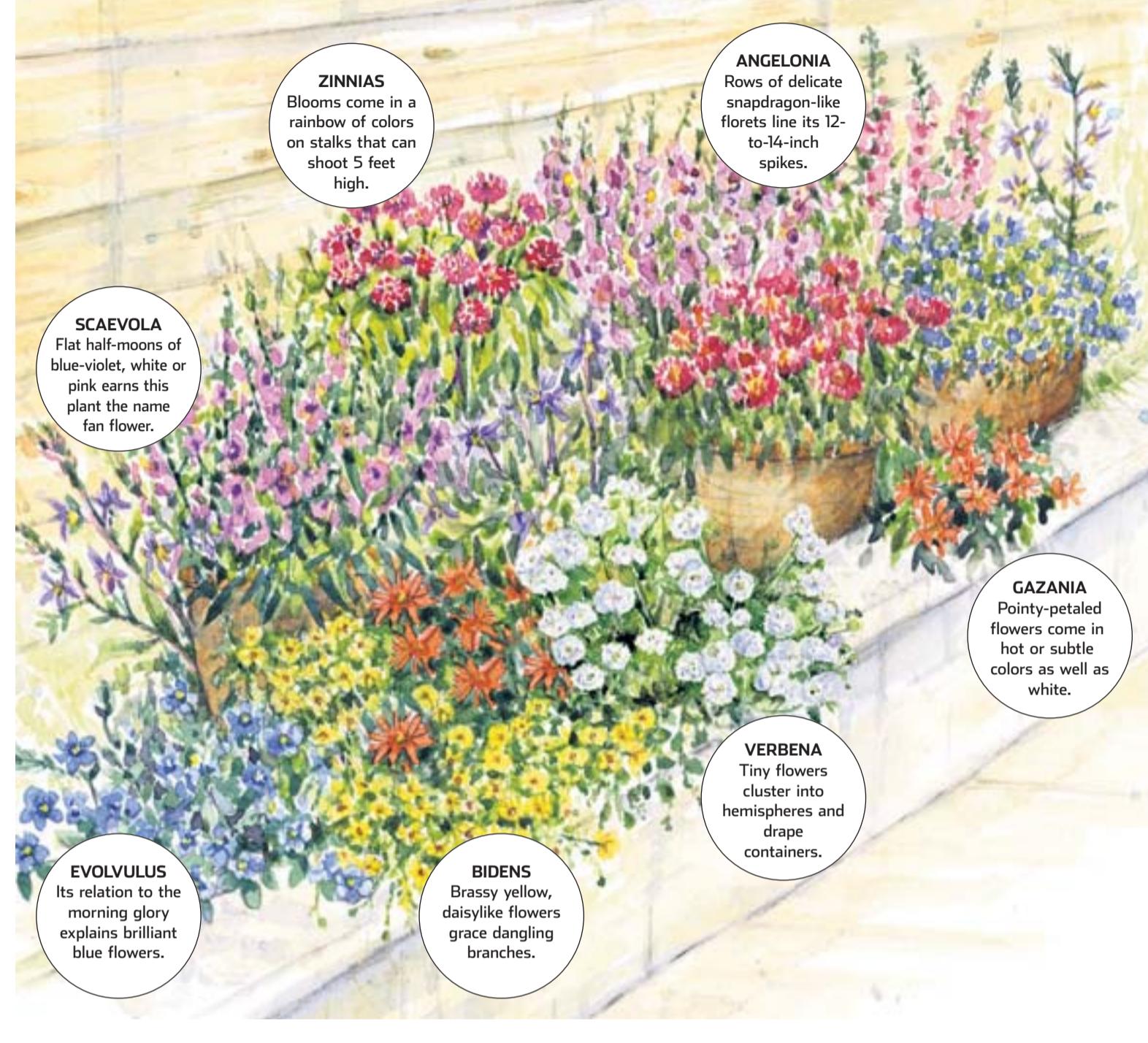


ILLUSTRATION BY KATHRYN COYLE; F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS

whose tiny flowers cluster in puffy, brilliant-hued balls (sometime more than one color per formation) come from the same part of the globe.

Other good long-hot-summer choices are plants our grandparents grew: geraniums, begonias, zinnias, portulaca, tall phlox and cleome, or spider flower. These old-timey flowers have appealed to genera-

tions of lazy folks because they are tough and nearly foolproof, said Rick Schoellhorn, a consultant at Proven Winners, a wholesale plant purveyor based in Campbell, Calif.

Keep in mind, these champions do require water from time to time, especially at first. "You need to slowly pare them back to a low-water regime," Mr. Schoellhorn said.

Beyond selecting the right varieties, you can give plants in containers a leg up. Supplement potting soil with silica-gel granules sold at garden centers. They absorb moisture like a sponge, then release it as the soil dries. Use oversize planters—which hold more soil and therefore more moisture—made of anything but

unglazed terra-cotta, which leaches wetness. Saucers help by catching excess water that roots can later suck back up as needed. And top off the soil with mulch, for slower water evaporation.

With these tricks, warm-weather gardening won't be fool-proof—gardening never is. But it will be less of a nail-biter.



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### Pop Up a Rocket

Invest 15 minutes assembling this recycled-cardboard playhouse, prop it up on the beach or in the yard, and your work for the day is done. "My kids play in it for hours," said Catherine McCallum, who stocks the rocket at her store 2 More Heads, in Edinburgh, Scotland. "It's been used as a rocket, a cafe, an office, a hideout." Designed by Dutch firm Studio Roof, it comes flat-packed in four pieces (no tools required for assembly), stands 4.5 feet high and is recommended for promising astronauts age 3 and up. When the playhouse is indoors, it can morph into a storage bin: Just toss scattered toys through its door. *Casa Cabana Rocket*, about \$55, [2moreheads.co.uk](http://2moreheads.co.uk) —Catherine Dash

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## Return to the Womb, Acceptably

No couch could be more coddling than a hammock—part cradle, part papoose, yet sanctioned for adults. "It's the best place to relax, dream and imagine," said Lula Mena, designer of this particular sling. It hails from Santiago Texacuangos, in her native El Salvador, where artisans weave her visions to life on traditional wooden looms. Sturdy textiles can frequently feel un-cozy, but the locally sourced cotton used here—each thread comprising four strands—accounts for the soft texture of this notably hefty hammock (9 pounds for the 8-foot-long version). Sixty-eight tassels line its sides, bobbing gently as you sway from sunshine into shade without interrupting your reverie. *Cotton Hammock*, from \$300, [lulamena.com](http://lulamena.com) —Jesse Bratter Chait



### Drink Without Forgetting

Ever wonder why after a party of 10 people, 30 glasses need washing? The answer lies in this scenario: A guest sets down a drink to eat a mini onion tart, then realizes he can't tell his glass from the five around it, necessitating another trip to the bar...and a fresh glass. Saving hosts the indignity of offering wineglass charms, 11th-generation crystal scion Maximilian Riedel debuts a summer spin on his stemless "O" series wine tumblers. The glasses' jewel-colored bottoms—in red, orange, turquoise and purple—give imbibers a better shot at identifying their glasses out of a lineup. Happy O Vol. 2, \$69 for four 12-oz. glasses, [riedelusa.net](http://riedelusa.net) —Jackie Cooperman

### MY SUMMERTIME GUILTY PLEASURE

"In the summer I read thrillers like 'Ragdoll,' by Daniel Cole and 'The Girl on the Train,' by Paula Hawkins, but I rarely feel guilty about the pleasure of reading."

## Break Out the Paper

"How would the word 'dreamy' be converted into functional tableware art?" Designer Gloria Wong Tritasavit answered her own question with paper cups, plates and napkins adorned with watercolor-inspired patterns. They're the latest collection for Harlow & Grey, a San Francisco-based party-supplies brand she co-founded with cousin Jeanne Chan in 2016. "Dreamy" applies both to the graphics—painterly pastel strokes detailed with gold-foil—and the piece-of-cake cleanup. Daydream Plates, from \$6 for eight, and Cocktail Napkins, \$7 for 20, [harlowandgrey.com](http://harlowandgrey.com) —C.D.



Piet Oudolf Garden designer and author, with Rick Darke, of 'Gardens of the High Line' (Timber Press)

## THE OFF DUTY SUMMER 50 DESIGN & DECORATING

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# 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

**G**RANDMA 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](http://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](http://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://MoxoDesign.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](http://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](http://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 Monterey, 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](http://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



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## 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.menumdesignshop.com](http://store.menumdesignshop.com) —Sarah Storms



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### 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](http://kcolette.com) —Daisy Prince



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### 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), 212-685-0800, x124



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## 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](http://clickandgrow.com) —Kelly Michèle Guerrotto



## GEAR & GADGETS

41

# Know When To Use a Voice Assistant

Amazon's Alexa can help you swing into action, even when you're just sitting around

BY MICHAEL HSU

**F**OR OVERWHELMED multitaskers glued to their smartphone screens, Amazon's Alexa voice assistant has been a game changer—and it doesn't take much to get hooked. Once you've experienced the convenience of casually asking a computer to do your bidding ("Alexa, play 'This American Life'"), being forced to swipe and tap feels downright primitive.

But there is a hitch. Though voice assistants have become more skillful—capable of summoning taxis, turning on lights and preheating ovens—conveying your wishes isn't always as easy as you might expect.

Alexa-enabled speakers make incredibly handy kitchen assistants. No more grease-streaked smartphone screens.

To save you the tedious effort of trial and error in a brave, new voice-controlled world, we've put together this guide, complete with reality checks, to the current state of play when it comes to introducing Alexa into your life.

### Smart-Home Smarts

**The Promise** You'll never have to flip a light switch or fiddle with a TV remote again.

**In Reality** As you configure more

Alexa-connected devices to work in your home, giving Alexa precise lighting cues can get convoluted. What used to be "Alexa, turn on the lights" quickly becomes "Alexa, turn on the living-room floor lamp" or "Alexa, turn on the living-room overhead lights."

Latency can be a problem, too: There's sometimes a brief but noticeable lag between the moment you utter your command and when the light actually responds. The system leaves you hanging just long enough to make you wonder if everything is working.

**Your Best Bet** Rely on Alexa for channel surfing instead. Alexa makes it especially easy to control Dish Network's set-top boxes; just say "Alexa, tune to HBO" or "Alexa, show me Christopher Nolan movies." (This works on Amazon's Fire TV, too.) There's no need to navigate arcane menus with a button-laden remote control. Expect more smart TVs and video providers to offer similar compatibility soon.

### Culinary Chops

**The Promise** Cooking will be a chore of the past now that you can ask Alexa to order-in everything from a Meat Lovers Pizza to pad thai.

**In Reality** Although a number of eateries and delivery services (Domino's, Pizza Hut, Starbucks, Seamless) offer Alexa integration, you're currently limited to choosing items from your previous online orders or dishes you've designated as favorites.

**Your Best Bet** For culinary variety, have Alexa help you cook more capably. Amazon's Alexa-enabled speakers—Echo and its less expen-



ILLUSTRATION BY ELLEN WEINSTEIN

sive, more compact sibling, the Echo Dot—make incredibly handy kitchen assistants. Use them to start or silence multiple timers (no more grease-streaked smartphone screens). Call on Alexa to convert measurements on the fly ("Alexa, how many ounces is nine tablespoons?") or do quick arithmetic to triple a recipe as you go.

### Now Hear This

**The Promise** You'll be able to integrate Alexa throughout your home, as manufacturers build Alexa microphones into thermo-

stats (ecobee4), smoke detectors (First Alert Onelink) and table lamps (C by GE Sol).

**In Reality** One of the most miraculous aspects of using the Echo or Echo Dot speakers is their ability to understand you over the din of real life. You don't have to shout or over-enunciate; you can talk to Alexa like a real person—even if others are yapping and Bruno Mars is blasting in the same room. What makes this possible? In part, an array of seven microphones that Amazon has incorporated into the speakers.

But the third-party devices

that are available now or that are coming soon use a maximum of two microphones. As a result, they may not have the same super-hearing powers as the Echo or Echo Dot.

**Your Best Bet** At \$40, an Echo Dot is the least expensive gadget you can buy with a seven-mic array. Note that Amazon has recently allowed makers of third-party devices to use four- and seven-microphone arrays; expect these products to be released down the line.

## Roll Merrily Along

We used to think "e-bikes"—with their electric motors that give riders a boost while pedaling—were for weenies. How hard is it to ride a bicycle? But Trek's new Super Commuter+ 85 has helped us see the future. Think of the "e" in the "e-bike" as your little friend: You can pedal the Trek on your own, but any time you need a bit of help, the internal Bosch motor is there for you. The assist comes in four categories: Eco, Tour, Sport and Turbo. Yeah, you'll want to go straight to Turbo. It's a blast, and lets you keep up with weekend warriors going 25 mph. The Super Commuter+ may be a pricey ride, but consider this: An e-bike is a cheap car, with more soul. \$5,000, [trekbikes.com](http://trekbikes.com) —Jason Gay



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### Stargaze Like a Slack

If you don't know much about astronomy, using a telescope to scan the vast night sky for stars or planets can be a frustrating endeavor. For those disinclined to attempt it, this mechanized model makes stargazing much easier. A calibration process is required: Enter your location and the time into a hand-held computer, and center a star (suggested by the telescope) in the field of view. After that, you can command the telescope to point automatically at a multitude of celestial attractions, from planets to constellations to well-known stars. For example, select "Saturn" from a series of menus, and the telescope will swivel and lock in on the ringed planet. The Automatic Star Aligning Telescope, \$350, [hammacher.com](http://hammacher.com)



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### Chill Beer Without Breaking a Sweat

Coolers, quite thoughtfully, let you haul frosty beverages just about anywhere. There's just one problem: You need to keep refilling them with ice. This rugged option goes a long way to eliminating that tedium. With 2-inch-thick refrigerator-grade insulation injected into its walls, the Venture 45 can maintain ice for up to 14 days, according to its manufacturer. Other points in its favor: The cooler has passed bear-resistance certification and can survive being ejected from the back of a pickup truck going 45 mph should your tailgate give way. A sloped base and drain plug allow for easy emptying. Accessories that will endear it to the slothful include a clip-on bottle opener (complimentary) and a cushy seat pad (available soon). \$350, [otterbox.com](http://otterbox.com)

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**Play Catch the Lazy Way** If you're seeking low-effort, fling-and-catch excitement, a boomerang may seem like the obvious choice—but most aren't that simple to master. Not so this beginner-friendly model, designed by boomerang enthusiast Kendall Davis. Made of lightweight cedar, it can be propelled with minimal oomph, and thanks to its relatively short range and bolt-weighted center, it doesn't require you to expend much effort perfecting your technique. With four wings (instead of two or three), this flyer is a relative cinch to catch upon its return. YardStick Boomerang, \$10, [kendalldavis.us](http://kendalldavis.us)



## THE OFF DUTY SUMMER 50 ADVENTURE & TRAVEL

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# 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 overachievers 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 Autosteering, 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.

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## Launder Less

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](http://lg.com)



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## 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](http://us.osim.com)

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## Nap Commandingly

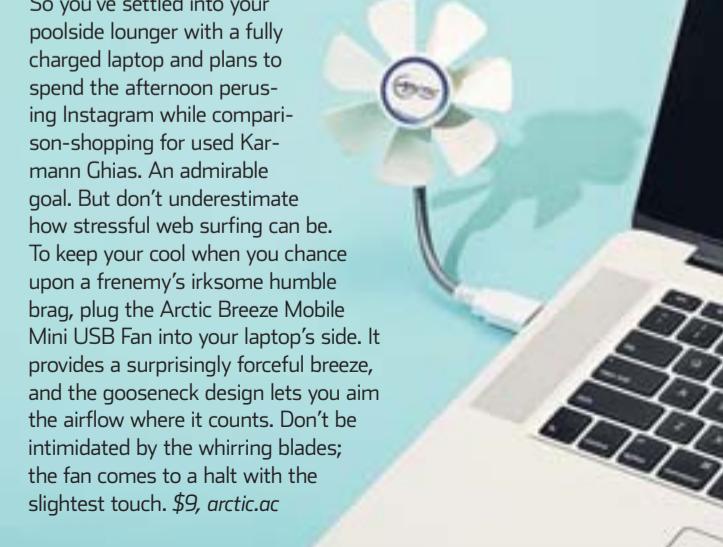
Anyone who is serious about napping knows that all white noise is not created equal. At one end of the spectrum is the tiny *shhh* that smartphone white-noise apps emit. At the other end, the rich, soporific *whoooooshhhh* of the Snooz. A whirring fan inside the gizmo produces full-bodied sound as loud 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](http://getsnooz.com)



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## 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](http://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'



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