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What's News

Business & Finance

Three BOE officials broke with their colleagues and called for an immediate rate increase, citing quickening inflation. **A1**

◆ **F**acebook has expanded its use of artificial intelligence to block terrorist propaganda in response to intense political pressure. **A1**

◆ **N**estlé is considering selling its U.S. confectionery business as it struggles to boost growth and accommodate changing tastes. **B1**

◆ **The U.K. statistics body** will stop giving the government early access to official data in an effort to lower the risk of leaks. **B1**

◆ **G**lobal sales of spirits and mixed drinks rose last year while beer and wine sales fell, underscoring a shift in consumer tastes. **B1**

◆ **P**ension funds and life insurers are lending directly to firms, taking bigger risks in search of higher yields. **B1**

◆ **U.S. prosecutors** are moving to seize \$540 million in assets they allege were bought with stolen money tied to the IMDB scandal. **B5**

◆ **The Fed's rate increase** drew a muted response in Asian markets. The dollar was steady against most major currencies. **B7**

◆ **N**ike is cutting more than 1,000 global jobs, or 2% of its workforce, as the sneaker firm battles slowing sales. **B2**

◆ **U**ber was sued for breach of privacy by a woman who was raped by a driver for the firm in India. **WSJ.com**

World-Wide

◆ **M**ay's government came under mounting pressure over the London high-rise fire that killed at least 17, as authorities brace for many more deaths. **A1**

◆ **C**hinese scientists sent linked light particles from space to Earth, an advance that gives China a leg up in quantum communications. **A1**

◆ **G**reece's creditors agreed to release the next tranche of its \$9.5 billion bailout, but put off a final decision on debt relief until 2018. **A3**

◆ **T**he U.S. Senate passed a bill to expand Russian sanctions and wrest more control of sanctions policy from the Trump administration. **A3**

◆ **S**outhern Syria has become the most volatile flashpoint between the U.S. and Iran as the countries vie for control in the area. **A4**

◆ **T**rump's firing of Comey as FBI chief is now a subject of the probe headed by Mueller, which has expanded to include obstruction. **A5**

◆ **G**OP lawmaker Scalise, who was shot during a congressional baseball practice, remained in critical condition after multiple surgeries. **A5**

◆ **T**he U.S. student jailed in North Korea for over a year has suffered severe neurological injury, doctors treating him said. **A5**

◆ **A**blast outside a kindergarten in China killed seven people, authorities said. **A3**

◆ **A**leaked recording emerged of Australia's leader mocking Trump. **A3**

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A Father Speaks About a Silent Son



PROFOUND INJURY: Otto Warmbier, returned to the U.S. from North Korea this week, has suffered serious brain damage. His father, Fred Warmbier (above), in the jacket his son wore during a confession last year (inset), said he was angry his son was 'so brutally treated.' **A5**

Facebook Targets Terror

New software blocks content and users, without seeking any human moderation

By SAM SCHECHNER

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

more on artificial intelligence.

The social-media firm said Thursday that it has expanded its use of AI in recent months to identify potential terrorist postings and accounts on its platform—and at times to delete or block them without review by a human. In the past, Facebook and other tech giants relied mostly on users and human moderators to identify offen-

sive content. Even when algorithms flagged content for removal, these firms generally turned to humans to make a final call.

Companies have sharply boosted the volume of content they have removed in the past two years, but these efforts haven't proven effective enough to tamp down a groundswell of criticism from governments and advertisers.

They have accused Facebook, Google parent Alphabet Inc. and others of complacency over the proliferation of inappropriate content—in particular, posts or videos deemed as extremist propaganda or communication—on their social networks.

British Prime Minister Theresa May ratcheted up complaints this month in the wake

Please see TERROR page A4

RURAL AMERICA IS STUCK IN THE DIAL-UP AGE

Limited broadband access keeps residents from joining the modern economy

By JENNIFER LEVITZ AND VALERIE BAUERLEIN

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

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

As in many rural communities, broadband here lags behind in both speed and available connections. Federal data show only a fraction of Washington County's 25,000 residents, including Ms. Johnson, have internet service fast enough to stream videos or access the cloud, activities that residents 80

miles away in St. Louis take for granted.

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

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

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

Please see RURAL page A6

London Toll Climbs As Concerns Mount

By JENNY GROSS AND WIKTOR SZARY

LONDON—Prime Minister Theresa May's government came under mounting pressure over the fire that engulfed a high-rise building, killing at least 17 and leaving authorities bracing for far more, as critics pushed for answers about how a disaster of such scale could have happened in the U.K.

The charred building, which looms over a rapidly gentrifying neighborhood not far from central London, continued to smolder Thursday and was at risk of internal collapse with bodies still inside. The death toll was expected to rise, possibly significantly, though au-

thorities said the process of identifying the dead could take weeks.

London police commander Stuart Cundy wouldn't speculate on the total number of people who died, but said he was hopeful it wouldn't reach more than 100.

"It is not inevitable it will reach triple figures," Mr. Cundy said. "From my personal perspective I really hope it is not."

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

Please see FIRE page A4

Chinese Scientists Make Quantum Leap

By JOSH CHIN

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

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

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

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

Using the quantum proper-

Please see CHINA page A2

Cocktails Gain as Consumers Lose Taste for Beer and Wine

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

WORLDWIDE CONSUMPTION IN 2016, CHANGE FROM A YEAR EARLIER



THE WALL STREET JOURNAL.

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

* * *

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

By SPENCER JAKAB

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

Correct grammar? Certainly not.

Plenty of Twitter users, including members of the blue-checkmarked elite, have complained about that oversight.

The 'whom' put up a good fight, but we ultimately opted for a more natural cadence and the 'whos' won out," says Twitter spokeswoman Brielle Villablanca.

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

Mr. Steiner, a German who lives and works in Hamburg, says Twitter's language an-

noys him. "As a non-native speaker, I make a lot of effort to learn the language, and the people who should know better don't," he says.

In his spare time, he wrote a free browser plugin that automatically corrects the "who"

to "whom." He "fixed the internet," gushed one user of the program.

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

Please see WHOM page A4

INSIDE

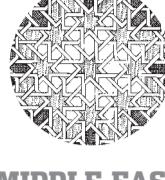


IDEAS FOR THE SUNNIEST SEASON

OFF DUTY, WI

WORLD NEWS

Turkey Sees Itself as a Target in Qatar Squeeze

MIDDLE EAST
CROSSROADS

By Yaroslav Trofimov

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

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

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

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

"Hence the reaction and the overreaction."

Saudi Arabia, the United Arab Emirates, Egypt and Bahrain this month cut dip-

lomatic and trade ties with Qatar. They accused the emir of sponsoring terrorism and demanded it end support for the Muslim Brotherhood, an Islamist group these Arab nations have declared a terrorist organization.

Turkey, by contrast, sees the Brotherhood as a legitimate movement with broad popular appeal. Once imprisoned for his own Islamist politics, Mr. Erdogan has a long-standing affinity with the group and with other Islamist organizations that seemed ascendant throughout the region in the aftermath of the Arab Spring.

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

Mr. Erdogan—who has nurtured a personal bond with Qatari Emir Sheikh Tamim bin Hamad Al-Thani—moved swiftly to offset the Saudi-led effort to isolate Qatar. Alongside Iran, Turkey opened air cor-



Turkish President Recep Tayyip Erdogan addressed parliament in Ankara on Tuesday.

ridors to Qatari flights that have been barred from Saudi airspace. Ankara has also fast-tracked legislation to deploy thousands of troops to Qatar, aiming to prevent regime change in the wealthy emirate.

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

"Turkey does not see this as a bilateral crisis but as a beginning of a regional crisis. Qatar supported the Arab Spring, moderate Sunni Islamic groups such as Muslim Brotherhood, and these are the positions that Turkey shares too," said Galip Dalay, research director at Al Sharq Forum, an Istanbul think tank backed by Qatar. "Turkey feels all of its stances on major regional issues are also being targeted. If Qatar gives in to these pressures, Turkey will lose its closest ally."

Groups supported by Turkey and Qatar also include jihadist militias in Syria and in Libya, some of them uncom-

fortably close to al Qaeda. In Libya, in particular, Qatar and Turkey have backed one side of the civil war against a rival alliance supported by Egypt and the U.A.E.

These connections are one of the reasons why President Donald Trump—overruling Secretary of State Rex Tillerson's attempts to defuse the crisis—has backed the Saudi move on Qatar.

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

Mr. Erdogan's relationship with Mr. Trump is tenuous

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

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

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

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

CHINA

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

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

The Pentagon, in an annual report on China's military delivered to Congress last week, described the quantum satellite launch in August as a "notable advance in cryptography research."

While the U.S. is also pursuing quantum communications, it has concentrated more attention and resources on research into quantum computing. European physicists have developed many of the theories and basic practices underlying quantum encryption, but their Chinese counterparts are better-funded with government resources.

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

"The Snowden revelations undoubtedly played a part in the drive towards quantum technologies, as it revealed the degree of sophisticated threat Chinese counterespionage and cyberdefenses were facing," said John Costello, a fellow specializing in China and cybersecurity at the nonpartisan Washington-based think tank New America.



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

JIN LIANGXIAO/XINHUA/GETTY IMAGES

The experiment exploited a phenomenon of quantum mechanics that allows two particles to be entangled so that whatever happens to one is immediately reflected in the physical state of the other, no matter how far apart they are. Albert Einstein once described this as "spooky action."

By using a satellite, the Chinese scientists avoided the interference at ground level that had limited transmissions of entangled particles.

Previously, scientists had projected entangled photons distances of about 60 miles through the air or using fiber-optic cables on the ground, according to the study.

"The Chinese experiment is quite a remarkable technological achievement," said Artur Ekert, a professor in quantum physics and cryptography at Oxford University.

Anton Zeilinger, a physicist at the University of Vienna who is working with Chinese researchers on a different experiment involving the satellite, said the result had exceeded his expectations.

The Chinese team behind this week's report was led by physicists from University of Science and Technology of China in the eastern city of Hefei. The university also led development of the satellite, named Micius after a fifth-

century B.C. philosopher.

Photons and other subatomic particles can be encoded with cryptographic keys—the kind used to scramble and unscramble messages.

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

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

Deployed correctly, quantum encryption would protect data against conventional snooping

and protect networks against efforts in the U.S. and elsewhere to build quantum computers powerful enough to defeat the math-based encryption currently in use.

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

based, optic-fiber networks.

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

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

Pan Jianwei, a physicist at the University of Science and Technology of China in Hefei and one of the scientists who led the study, said his team was tackling the efficiency problem in the process.

TERROR

Continued from Page One
of a series of deadly terror attacks in the U.K. and sought new international agreements to regulate the internet and force technology companies to filter content pre-emptively.

In response, Facebook disclosed new software that it said it is using to better police its content. One tool, in use for several months now, combs the site, including live videos, for known terrorist imagery, like beheading videos, to stop them from being reposted, executives said Thursday. The tool, however, doesn't identify new violent videos like the Cleveland murderer that was posted on Facebook in April.

Another set of algorithms attempts to identify—and sometimes autonomously block—propagandists from opening new accounts after they have already been kicked

off the platform. Another experimental tool uses AI that has been trained to identify language used by terrorist propagandists.

Facebook declined to say what portion of extremist material it removes is being blocked or removed automatically, and what percentage is reviewed by humans.

The firm's new moves reflect a growing willingness to trust machines to help even in part with thorny tasks like distinguishing inappropriate content from satire or news coverage—something firms resisted after a spate of attacks just two years ago as a potential threat to free speech.

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

While an ISIS-propaganda photo posted without a caption may be an easy removal for an

algorithm, the same image with a caption might for instance require human review, said Monika Bickert, Facebook's head of global policy management. Similarly a beheading video that has previously been removed is easy to block. Short clips of the same

video, or a never-before-seen but similar looking video, might need a reviewer to check if they are part of a news report or other commentary.

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

Another factor in the fresh AI push: a spate of recent terrorist attacks and scandals involving ads being shown before jihadist videos.

Just days before a general election in the U.K., for instance, the campaigns for the country's two main parties pulled political ads from Alphabet's YouTube video-sharing site after being alerted those ads were appearing before extremist content.

Germany earlier this year proposed a bill that could fine firms up to €50 million (\$56 million) for failing to remove fake news or hate speech—including terrorist content.

The U.K. and France published a counterterrorism action plan this week that calls on technology companies to go beyond deleting content that is flagged, and instead identify it beforehand to prevent publication.

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

Facebook has expanded its use of human reviewers to look at what executives said are difficult cases. In May, the company said it would add about 3,000 new moderators to its community operations team that takes down content that violates Facebook policies, expanding the team by two thirds. Across the company, Facebook said it has 150 people focused on counterterrorism as their core job.

—Jack Nicas contributed to this article.

CORRECTIONS & AMPLIFICATIONS

Christine Shropshire's first name was incorrectly given as Christina in a Management article Wednesday about insiders on corporate boards.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com.

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WORLD NEWS

Greece and Creditors Reach Deal

Accord unlocks more bailout funds but puts decision on debt relief off until next year

By NEKTARIA STAMOULI

ATHENS—Greece's creditors agreed on Thursday to release the next tranche of its €86-billion (\$96.5-billion) bailout but put off final decision on relieving the country's crushing debt burden until August of next year.

The agreement, reached in Luxembourg among the finance ministers of the eurozone, unlocks €8.5 billion of the bailout fund. While that brings Greece a small step closer to the end of an eight-year ordeal, the creditors' refusal to address debt relief leaves the depleted country with bleak prospects for the future and at risk of needing yet another bailout down the road.

Greece's travails remain a black mark in a eurozone that has otherwise found fresh confidence this spring, underscoring the bloc's failure to root out the problems that threatened the single currency's integrity five years ago.

The government of Prime Minister Alexis Tsipras enacted unpopular austerity measures whose effects extend well beyond next year's end of the current bailout program with the aim of convincing creditors to go beyond releasing the next payment and restructure Greece's debt.

Athens hoped debt relief would clear the way for the



Greek pensioners taking part in an anti-austerity protest outside the Greek parliament in Athens on Thursday.

European Central Bank to include Greek debt in its massive bond-buying program, thus giving a major boost of confidence to Greek and foreign investors.

Instead, the lenders on Thursday named some limited measures for potential debt relief next year, and postponed further discussion until late 2017 at the earliest, after elections in Germany, where concessions to the Greeks are deeply unpopular. That means

any further clarification would likely come too late for the ECB to include Greece in its bond-buying program.

That delay will make it more challenging for Athens to re-enter capital markets and issue enough debt to meet its financing needs after the current bailout ends, thus likely necessitating another rescue, bankers and economists say.

Meanwhile, without large-scale investment from outside, Greece's depleted economy

may struggle to build up much steam. The OECD expects the Greek economy, which has shrunk 27% since 2008, to expand only 1.1% this year, compared with 3.7% in Ireland, which bounced back strongly from its own 2010 bailout.

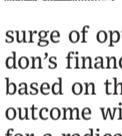
To be sure, business executives and bankers agree Greece's economy has bottomed out and shows signs of healing. Tax collection has improved, the government has begun implementing reforms,

and international investors have shown some appetite for the country this year.

The Greek economy, however, remains critically ill. A quarter of all Greeks live under the poverty line, and 23% are unemployed. More than 400,000 Greeks, many highly qualified, have left the country since the crisis. The number of companies in the country has plunged 27% since 2008. And credit agencies still rank Greek bonds as junk.

BRUSSELS BEAT | By Stephen Fidler

May's Setback Puts Brexit in Limbo



British Prime Minister Theresa May's election debacle has brought a

surge of optimism to London's financial district. It is based on the hope that the outcome will derail her plans for a radical break from the European Union.

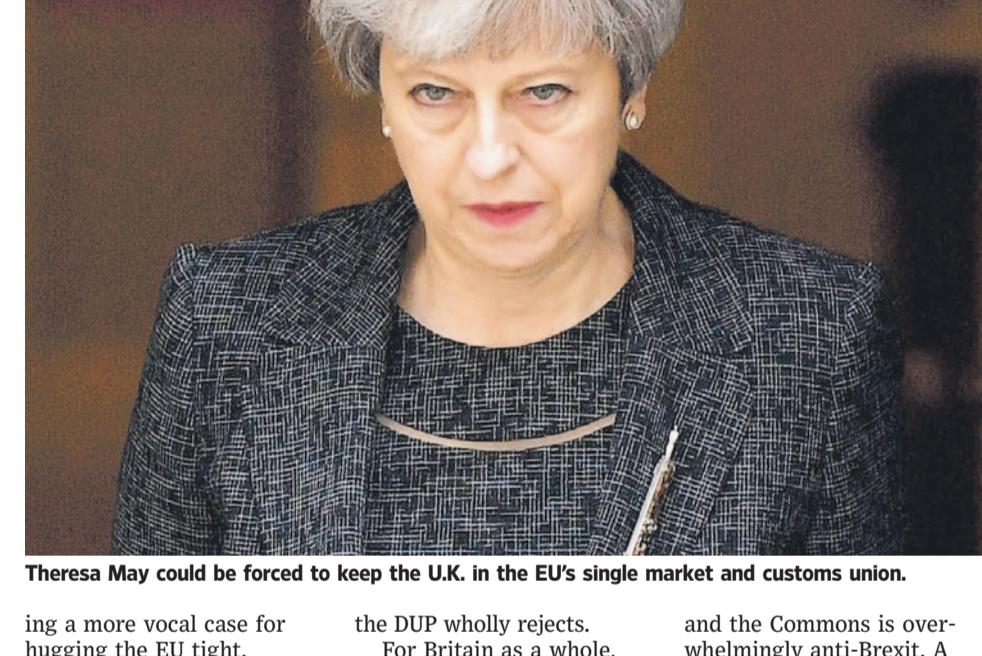
There are real reasons to believe that Mrs. May will have to change tack and jettison her pre-election plans to leave the EU's single market and its customs union.

But there are no guarantees. Her minority Conservative government is precarious and dependent on the support not only of Northern Ireland's Democratic Unionist Party, but also of a minority of members of Parliament from her own party for whom a complete break from the EU is an overwhelming priority. Brexit could still go either way.

There are several important obstacles to Mrs. May's pre-election vision.

Inside her own government, some of her cabinet members are worried about the disruption Brexit would wreak on the economy and want to retain the closest ties possible with the EU.

Mrs. May was previously criticized for running her government with very little input from economists or business. Now, expectations have risen that the Treasury and its chief, Chancellor of the Exchequer Philip Hammond, will influence the government's approach by mak-



CHRIS J RATCLIFFE/GT

Theresa May could be forced to keep the U.K. in the EU's single market and customs union.

ing a more vocal case for hugging the EU tight.

As for the 10 MPs from the mainly Protestant Northern Irish DUP, they will likely agree to support Mrs. May on essential votes and keep her in power. But there will be a price.

The DUP backs the U.K.'s departure from the EU, but it wants a "frictionless" border with the Irish Republic and no "special deal" for Northern Ireland that would increase its separation from the U.K. Without such a special deal for the province, Northern Ireland couldn't join the Republic inside the EU's single market, an outcome some observers have mooted and

the DUP wholly rejects.

For Britain as a whole, one way to minimize friction on trade would be to enter an agreement to form a customs union with the EU. That would preserve tariff-free trade and the EU's common external tariff.

This, however, has a big drawback in the eyes of some of Mrs. May's lawmakers: It severely limits the U.K.'s ability to sign its own preferential trade deals with other countries, leaving the international trade department of pro-Brexit minister Liam Fox without a brief.

Mrs. May's majority in the House of Commons is razor thin even with DUP support,

and the Commons is overwhelmingly anti-Brexit. A Wall Street Journal examination of past declarations shows well over 400 of the 650 lawmakers there to be against Brexit. Most of them want a closer relationship with the EU than that laid out by Mrs. May.

Mrs. May's leadership is tenuous. Her party could unseat her or her government could fall. "You can get by with a weak government if it doesn't have to do anything. But with Brexit, this government has a lot to do," said Gus O'Donnell, formerly Britain's most senior civil servant and now chairman of the Frontier Economics con-

sulting firm.

There will be incentives for Conservatives not to break ranks: Most won't want to bring about the government's fall, given that another election soon could bring a Labour government to power.

But not every loss for the government in the Commons would bring it down and any hard-line government position could be outvoted by a "soft Brexit" majority.

The unelected House of Lords has limited powers to rebuff the will of the elected chamber. But its members are overwhelmingly anti-Brexit and can return legislation to the Commons for reconsideration. Mrs. May's feeble mandate increases the likelihood of this happening with some important Brexit legislation.

But while Mrs. May's ability to railroad any pure version of Brexit through Parliament is thus severely constrained, the fiercely anti-EU wing of her own party will try to keep her true to its members' vision.

They argue that, in one respect at least, the election delivered an unambiguous verdict. Both Conservatives and Labour laid out in their manifestos that Britain should leave the single market. With the two major parties winning more than 82% of the vote, they say this is a mandate to leave the single market.

For an optimistic financial-services industry, this interpretation of the vote isn't good news.

Senate Expands Russia Sanctions

The U.S. Senate overwhelmingly passed a bill Thursday to expand sanctions on Moscow and wrest more control of Russian sanctions policy from the Trump administration.

By Paul Sonne
and Natalie Andrews
in Washington
and Anton Troianovski
in Berlin

bucking criticism of the legislation from European allies, the State Department and the Kremlin.

The bipartisan bill, which passed in the Senate in a 98-2 vote, requires that the administration receive congressional approval to lift existing sanctions on Russia. It also broadens sanctions on Russia's energy sector, mandates punishment of malicious cyber actors and crimps financing available to Russia's banking and energy sectors.

The result is the strongest rebuke yet from U.S. lawmakers to Moscow over Russia's alleged interference in the 2016 U.S. presidential campaign and over other behavior.

If the bill becomes law, it would mark a major escalation by Washington, essentially dashing any hopes in Moscow for sanctions relief and signaling Mr. Trump can't remove the penalties until Russia displays a significant change in behavior.

But the bill could run into trouble at the White House. Secretary of State Rex Tillerson said Russia should be held accountable for interference in the 2016 campaign but argued that Congress shouldn't tie the president's hands when it comes to sanctions.

Congress could theoretically override a presidential veto of the bill with a two-thirds vote in each chamber.

The legislation comes six months after U.S. intelligence agencies issued the declassified version of a report concluding Russia ordered an influence campaign to aid Mr. Trump against former Secretary of State Hillary Clinton during the 2016 election.

Russian President Vladimir Putin criticized the Senate bill before its passage, describing it as the product of domestic political battles in the U.S.

Certain energy provisions of the bill also prompted a rare public rebuke from European allies, which largely have imposed sanctions on Russia in lockstep with Washington since the Ukraine-Russia conflict in 2014.

Germany and Austria issued a statement taking issue with a section of the bill that allows the president to sanction companies providing certain goods, services or investments for the construction of Russian energy export pipelines.

"We cannot accept a threat of extraterritorial sanctions, illegal under international law, against European companies that participate in developing European energy supplies," German Foreign Minister Sigmar Gabriel and Austrian Chancellor Christian Kern said in their statement. "Europe's energy supply is Europe's business, not that of the United States of America."

—Emre Peker in Brussels and Thomas Grove in Moscow contributed to this article.

WORLD WATCH

AUSTRALIA

Prime Minister Mocks Trump

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

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

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

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

"We're winning in the real polls. You know, the online polls. They are so easy to win. I have this Russian guy. Believe me it's true. It is true," Mr. Turnbull said.

The prime minister's speech

was supposed to be strictly off the record and unreported, but video and audio recording was leaked to an Australian television news channel.

—Rob Taylor

CHINA

Several Are Killed in Blast Outside School

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

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

Videos purportedly of the aftermath of the blast were circulated on social media and showed adults and children lying on the ground, some covered in blood.

The authenticity of the videos couldn't be verified by The Wall Street Journal.

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

Two people died at the scene, and five died in a hospital. At least 66 people were injured, nine of them severely, authorities said.

—Eva Dou



GRIM TOLL: Some 31 people were killed when Islamist extremists attacked a restaurant in the Somali capital of Mogadishu, police said.

WORLD NEWS

Terrorist Was ‘Unyielding’ On Islam

Valeria Collina tried in June 2016 to enter the east London fast-food restaurant where her son Youssef Zaghaba worked in the kitchen. He blocked her at the door, saying she couldn't sit there unaccompanied by a male relative.

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

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

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

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

makes it more dangerous and harder to control.”

The problem of Islamic extremism has been less severe in Italy than in other European countries, in part because Muslim immigration has been more limited here than elsewhere in the region. About 2.7% of the country’s population is Muslim, compared with 8.7% in France, according to the World Religion Database.

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

The country has long had some of Europe’s strictest anti-terrorism laws, a legacy of its experience combating the mafia and homegrown political terrorism. Authorities have broad authority to wiretap suspects and to order preventive detention if they feel a subject could repeat an offense or hide potential evidence.

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



Below, Youssef Zaghaba, one of three men whose terrorist rampage in London killed eight. Above, a memorial for their victims.

any crime. Since January 2015, the country has expelled 184 suspected extremists.

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

In 2014 when Ms. Collina and her son still lived in Morocco she noticed that he had an Islamic State flag on his Facebook profile. He told her he wanted to go to Syria.



“He’d say to me, ‘That’s pure Islam, I’m going to go there,’” Ms. Collina said. “But I never thought he wanted to go to Syria to fight and even less that he would do a terrorist attack.”

Once they moved to Italy, she

said, Zaghaba told her he preferred how she dressed in Morocco, where she wore a face covering known as a niqab that left only a narrow opening for her eyes. Another time he scolded her because a small bit of her pants could be seen under her long robes, Ms. Collina said.

In March 2016, Italian police stopped Zaghaba at the Bologna airport with a one-way ticket to Istanbul. They found Islamic State propaganda on his phone and his mother told them her son wanted to reach Syria. Anti-terrorists agents searched her house, taking away a tablet computer, documents, cellphones and phone cards.

But the authorities lacked sufficient evidence to hold Zaghaba and had to release him

after a few hours. They took away his passport and continued to monitor his movements, but couldn’t expel him because he was an Italian citizen. About a month later, a court-appointed attorney helped him get his passport back, and almost immediately he departed for London.

It was there, according to Ms. Collina, that her son underwent the radicalization that would lead to the terrorist attack, specifically at the gym where Zaghaba met Khuram Butt, another of the London Bridge attackers.

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



Prime Minister Theresa May, center, visited the scene of the Grenfell Tower fire in London on Thursday.

FIRE

Continued from Page One

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

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

Mr. Cundy said 17 of 37 people receiving hospital treatment were in critical care.

It wasn’t clear how many may have been trapped inside and weren’t yet counted. But witnesses have described people screaming for help or attempting to signal from their apartments with lights. Others jumped from high floors to escape the flames.

“Our absolute priority for all of us is identifying and locating those that are missing,” Mr. Cundy said. Officials were using teams of dogs to search because it was too dangerous for firefighters to go to the top floors. Victims would be identified using fingerprints, DNA and dental records, he said.

Details began to emerge about some of the victims. David Lammy, a Labour lawmaker, said his friend living on the 20th floor was communicating on Facebook that she was about to faint hours after

the fire started. She is missing, and likely dead, he said.

Another victim was identified as Mohammed AlHajali, a Syrian refugee who arrived in the U.K. in 2014 and was studying civil engineering. He lived on the 14th floor.

“His dream was to be able to go back home one day and rebuild Syria,” said the Syrian Solidarity Campaign, a U.K. network of refugee-rights activists. “Mohammed undertook a dangerous journey to flee war and death in Syria, only to meet it here in the U.K. in his own home.”

He was separated from his older brother, Omar, who managed to get out. He went back to his flat where he talked to a friend on the phone, waiting to be rescued. After two hours, he said goodbye and asked his friend to pass the message on to the fire’s spread.

to his family because the fire had reached him, the group said.

The fire’s swift spread revived concerns about the safety of low-income public housing in one of the world’s wealthiest cities, where housing for the poor can butt up against some of the world’s most expensive real estate. The building, Grenfell Tower, sits amid an otherwise upscale area in the tony district of Kensington and Chelsea.

The public-housing block was built in 1974 and recently went through an £8.6 million (\$11 million) refurbishment that included new exterior cladding and a new heating system.

Fire experts have suggested that the materials used on the outside of the building may have enabled the fire to swiftly spread. Ray Bailey, the managing director at Harley Facades Ltd., which completed the refurbishment work, said that the company was “not aware of any link between the fire and the exterior cladding to the tower.”

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

The Kensington and Chelsea Tenant Management Organization, which manages Grenfell Tower for the local council, didn’t respond to requests to comment on whether sprinklers had been installed. It said on Wednesday that it was too early to speculate on the cause and what contributed to the fire’s spread.

U.S., Iran at Risk Of Clash in Syria

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

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

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

“This is rapidly developing, it’s not settled at all and I don’t even know that there’s a good direction determined yet,” one U.S. official said.

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

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

Elite U.S. special operations forces have stepped up training

and brought in more firepower to a small garrison known as al-Tanf, near a key border crossing with Iraq.

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

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

As the rival military forces jockey for position, Lt. Gen. Stephen Townsend, head of the U.S.-led coalition battling Islamic State, has repeatedly asked the Russian military to constrain its allies in Syria, U.S. officials said.

To help check further threats, the U.S. military has sent High Mobility Artillery Rocket Systems into southern Syria to protect the garrison at al-Tanf.

The expanding U.S. military moves are being countered by Iran. Earlier this week, Qassem Soleimani, head of Iran’s elite Qods Force, was photographed praying in southern Syria with militants backed by Tehran. The photos didn’t escape notice at the Pentagon, where Defense Secretary Jim Mattis is intent on preventing Iran from seizing an advantage in Syria. “Jim Mattis has spent the last 15 years thinking about Iran,” said one U.S. official. “He’s not going to let the Iranians surprise him.”

BOE

Continued from Page One

benchmark federal-funds rate by a quarter percentage point to a range between 1% and 1.25% and penciled in one more increase later this year if the economy performs in line with its forecast.

For three MPC members—Kristin Forbes, Ian McCafferty and Michael Saunders—intensifying inflationary pressures justified an immediate increase in the BOE’s benchmark rate to 0.5%, a move that would reverse the quarter-point cut implemented in August.

The remaining five members of the panel, including Gov. Mark Carney, voted to stay put for now, citing uncertainty over the outlook for growth, the minutes record. One seat on the nine-member

panel is currently vacant following the departure in February of Deputy Governor Mionouche Sharif.

All eight officials agreed, though, that their tolerance for rising inflation is wearing thin. Officials had previously said they were prepared to tolerate a burst of rapid price-growth to keep the economy on an even keel as the U.K. began exit talks with the European Union.

But the minutes record their unease after annual inflation accelerated to 2.9% in May, well in excess of the BOE’s 2% goal and the bank’s own forecasts. They also noted the economy appeared poised to recover somewhat in the second quarter after a soft start to the year and that the labor market remained healthy.

“Overall, the degree of spare capacity in the economy appeared limited, but, at the same time, the inflation over-

shoot relative to the target could be more pronounced than previously thought,” the minutes record.

With inflation accelerating and promising signals on growth, “there were arguments in favor of a moderate tightening in monetary policy,” the MPC said.

The minutes of June’s meeting contained other signals that officials are adopting a more hawkish stance on borrowing costs. A statement included as recently as May that interest rates could be cut as well as raised was dropped. Officials noted that domestic inflationary pressures in the British economy appeared to be intensifying. And they sounded upbeat on the prospects for exports and business investment to power growth while squeezed consumers take a breather.

Joanna Davies, senior econo-

mist at Fathom Consulting in London, said it is possible the MPC may raise the bank’s benchmark rate later this year to reverse August’s cut to 0.25%. But she said she doubted such a move would be followed by others.

“With economic growth set to soften, we would not view any such move as a step on the road to policy normalization, despite the more hawkish tone of this month’s MPC meeting,” she said.

The minutes made no reference to last week’s election in the U.K., which cost Prime Minister Theresa May her parliamentary majority.

Mr. Carney had been due to speak Thursday alongside the U.K.’s Treasury chief, Philip Hammond, at an annual gathering of bankers in London’s financial district. But the event was canceled following the fire in London.



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

U.S. NEWS

Mueller Probe Delves Into Obstruction

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

By Del Quentin Wilber,
Shane Harris
and Paul Sonne

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

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

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

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

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

On Thursday, Mr. Trump signaled his unhappiness over

the new turn in Mr. Mueller's inquiry, writing that he is the target of "the single greatest WITCH HUNT in American political history."

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

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

Mr. Trump's allies have put forward a similar argument in the month since the Justice Department appointed Mr. Mueller to investigate Russia's alleged interference in the election. They have maintained that Mr. Mueller isn't an impartial figure and can't carry out an independent inquiry.

Newt Gingrich, a former Republican House speaker and a campaign supporter of Mr. Trump, tweeted Monday that "Republicans are delusional if they think the special counsel is going to be fair. Look who he is hiring....Time to rethink."

The White House staff on Thursday continued to refer all questions about the issue to Mr. Trump's personal legal



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

team, but acknowledged that the president himself was willing to discuss it himself.

"I think there were some developments yesterday and he was responding to those," said Sarah Huckabee Sanders, principal deputy press secretary, referring to the president's morning tweets. Asked why he could respond and she couldn't, Ms. Sanders said with a smile: "because I'm not the president."

She said that she wasn't aware that anyone at the White House had received a request for documents relating to the investigation, and that Mr. Trump didn't intend to dismiss Mr. Mueller. "He has no intention to make any

changes," she said.

Mr. Mueller's team is planning to interview Director of National Intelligence Dan Coats and National Security Agency Director Mike Rogers, the person familiar with the matter said. The special counsel also plans to interview Rick Ledgett, who recently retired as the deputy director of the NSA, the person added.

While Mr. Ledgett was still in office, he wrote a memo documenting a phone call that Mr. Rogers had with Mr. Trump, according to people familiar with the matter. During the call, the president questioned the veracity of the intelligence community's judgment that Russia had

interfered with the election and tried to persuade Mr. Rogers to say there was no evidence of collusion between his campaign and Russian officials, they said.

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

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

his own conduct.

His tweets are also out of step with the views of some congressional Republican leaders, who have said Mr. Mueller should be given the space to do his job. Should Mr. Mueller wind up clearing Mr. Trump of any wrongdoing, that would vindicate the president and allow him to put the Russia controversy behind him, they have said.

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

—Carol E. Lee
and Peter Nicholas
contributed to this article.

Prognosis Darkens for Wounded GOP Lawmaker

BY LOUISE RADNOFSKY
AND PETER NICHOLAS

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

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

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

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



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

dergo more, and had received "multiple" units of blood transfusion.

"It's been much more difficult than people even thought at the time," Mr. Trump said at a White House event Thursday.

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

against the Democratic team.

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

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

The Federal Bureau of Investigation and other law enforcement agencies said in a joint statement Thursday that they had recovered weapons at the scene including a 9 mm handgun and a 7.62 caliber rifle.

Federal investigators traced the weapons and determined they were purchased from licensed firearms dealers, and found "no evidence to suggest that the purchases were not lawful," the statement said.

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

White House physician Ronny Jackson, who had also cared for Mr. Trump's predecessor, Barack Obama, earlier

visited the hospital to learn about Mr. Scalise's condition, the White House said.

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

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

Officer Griner, who was shot in the ankle in the attack, is also recovering at MedStar Washington Hospital Center, the White House said Wednesday night.

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

WHOM

Continued from page A1
Mr. Harding runs a lightly visited Facebook group, the Whom Appreciation Society.

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

Ben Yagoda cares about such matters as the author of several books on language and a professor of English and journalism at the University of Delaware. Still, he doesn't insist on 100% whom-compliance either. For Twitter, he says, "It would be worse to say 'whom to follow.' It's so stilted. I mean, here you are on social media with all these exclamations and whatever."

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

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

You Love?"

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

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

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

according to the cover of a book about him, as he travels through time righting grammatical and other wrongs.

"I'm a grammar pedant in a lighthearted way," says Mr. Roberts. "There's a difference between being a grammar Nazi and a Nazi." Mr. Roberts continues to use "whom" when it is proper and encourages others to do so too, because "there's just something elegant about it."

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

"This changes everything!" wrote the University of Pennsylvania's normally buttoned-down Language Log. "It's not just about the inflectional marking of relative and interrogative pronouns any more, people; it's about getting more sex!"

Carelessly throwing around "whom," though, can raise the risk of the embarrassing misstep known as a hypercorrection: using what the speaker thinks is correct grammar, but isn't.

Mr. Yagoda sees this with his students. They might write, "I will talk to whomever knows the answer."

The correct word there, of course, is "whoever." Reason: The object of the preposition "to" isn't the word that comes right after it but the whole clause that follows, and "whoever" is that clause's subject.

"Whom" has hung on somewhat better with the written than the spoken word, but it is losing ground there, too. A scan through Google Books shows one use of "whom" for every five of "who" in the year 1800. By the start of the 20th century it was one to every six, and by the beginning of the 21st century it was one to 11.

Mr. Harding sees reason to lament the way his generation has largely stopped using "whom." "It's a shame in a way, because they're missing out on a way to correct people and be annoying."



A scene from 'Ghostbusters II,' above. The franchise's signature phrase may not have worked had it been 'Whom ya gonna call?'

Detainee's Neurological Injury Called Profound

BY JON KAMP

Otto Warmbier, the U.S. student jailed in North Korea for more than a year before his release this week, has suffered extensive loss of brain tissue and is in a state of "unresponsive wakefulness," doctors treating him said Thursday.

The doctors in Cincinnati have limited medical data from North Korea, and the reasons for Mr. Warmbier's injury remain shrouded in mystery. Doctors said the damage to his brain is consistent with lack of oxygen caused by cardiopulmonary arrest, which in someone his age—22 years old—could be caused by intoxication or trauma.

The physicians didn't offer a prognosis, citing the wishes of Mr. Warmbier's family, but indicated he has suffered a profound injury.

"He shows no signs of understanding language, responding to verbal commands or awareness of his surroundings," Daniel Kanter, medical director in the Neuroscience Intensive Care Unit at the University of Cincinnati Medical Center. Physicians there have treated Mr. Warmbier since



Otto Warmbier in February 2016

his arrival Tuesday night. The North Koreans told U.S. officials during a secret meeting last week that Mr. Warmbier lost consciousness after contracting botulism and taking a sleeping pill. Mr. Warmbier's father, Fred Warmbier, speaking earlier Thursday, said he doubted this account.

In a one-sentence statement Thursday, the state-run Korean Central News Agency said the U.S. student was sent home "on humanitarian grounds."

—Jonathan Cheng contributed to this article.

IN DEPTH

RURAL

Continued from Page One

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

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

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

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

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

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

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

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

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



Jeanne Johnson, right, trims wool from a sheep with help from Virginia Lachance at Ms. Johnson's property in Caledonia, Mo.

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

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

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

But with limited internet service, Virginia LaChance said, "We're not in competition with them. That's the problem."

Costly connections

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

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

Census figures.

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

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

Smartphone service is available but has coverage gaps and isn't always reliable in rural communities such as Washington County. Even when it works, cell service can't match the speed or capacity of broadband. "You just can't compete," said Brian Whitacre, an agricultural economics professor at Oklahoma State University. "Running a business with a smartphone is not going to happen."

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

The 25-bed Washington County Memorial Hospital, which has service of 10 Mbps,

loses internet connections often enough that ambulance drivers are told to divert critical patients, whose CT scans are transmitted to specialists, to a hospital 40 minutes away, said Michele Meyer, the county's interim chief executive.

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

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

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

In 1935, when just 10% of rural America had electricity, President Franklin D. Roosevelt pledged to get service to almost every far-flung farm. Two decades later, electrification had reached more than 90% of rural areas, said Richard Hirsh, a history professor at Virginia Tech.

By the end of 1954, a federal program had lent \$2.9 billion, typically to farmers who formed cooperatives to build and operate electricity systems, said Christopher McLean, of the Agriculture Department: "It's one of the most amazing American success stories ever."

Some lawmakers are pressing the Trump administration to include rural broadband in an anticipated \$1 trillion infrastructure package. The White House hasn't said how any such projects might be funded.

"Rural broadband, we need

that quite honestly more than we need roads and bridges in many of the counties I represent," Rep. Austin Scott (R., Ga.) said at a House committee hearing on the rural economy.

Secretary of Agriculture Sonny Perdue said broadband connectivity should be seen as the "roads, sewers and water" of the modern age. "The good news is, this is square on the radar scope of the president," he said at the hearing.

Mr. Pai, President Donald Trump's FCC chairman, said rural broadband should be included in the expected infrastructure package. He would like to boost subsidies, rewrite regulations to cut red tape and accelerate the FCC's own processes, he said, which have slowed access to rural broadband.

The Obama administration earmarked \$7 billion from the 2009 stimulus package for expanding rural broadband service. Half the money went to a program that the administration estimated would reach 840,000 households and businesses, according to a 2014 review by the Government Ac-

countability Office. There still isn't a tally of how many were connected and at what speeds, government officials said.

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

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

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

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

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

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

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

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

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

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

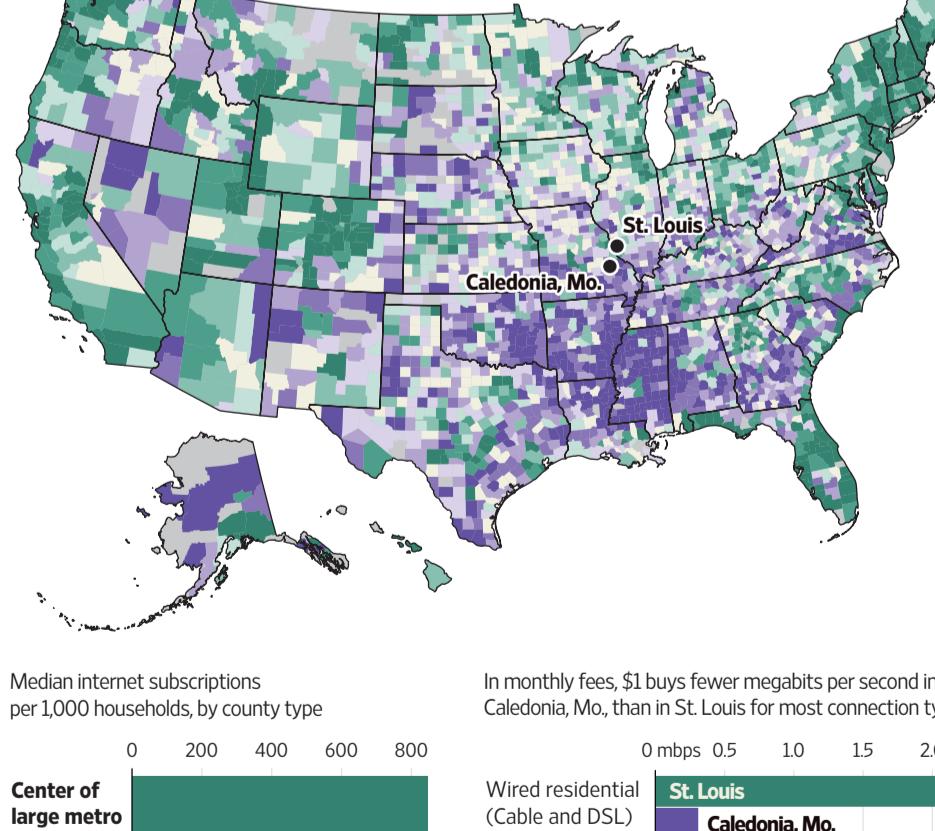
Earlier this year, Dr. Terpstra said he got a quote for fiber-optic service that ranged from \$563 a month for 20 Mbps to \$1,190 a month for 200 Mbps.

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

Rural America Stuck in Time Lag

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

Internet subscriptions per 1,000 households



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

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

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

Andrew Van Dam and Kathryn Tam/THE WALL STREET JOURNAL

About 39% of rural Americans lack access to broadband internet service.

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

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BOOKS

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



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

Endgame in the Pacific

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

Implacable Foes

By Waldo Heinrichs
And Marc Gallicchio
Oxford, 711 pages, £27.22

BY JAMES D. HORNFISCHER

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

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

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

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

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

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

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

From day one, Iwo Jima was a meat grinder. In late 1944 the volcanic isle had been so lightly defended that it could have been taken by a regiment. But by D-Day, Feb. 19, 1945, it had become a hive of stone. The Marines suffered more than 25,000 casualties in taking it. Though MacArthur used his well-cultivated relationships in the press to lobby otherwise, his own campaigns were equally costly.

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

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

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

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

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

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

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

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

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

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

"By early August, the Army's

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOOKS

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

A Checkered History

It's All a Game

By Tristan Donovan

Thomas Dunne, 292 pages, \$26.99

BY WAYNE CURTIS

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fumbling With Pandora's Box

Atomic Adventures

By James Mahaffey

Pegasus, 363 pages, £23.33

BY GRAHAM FARMELO

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

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

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

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

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

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

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

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

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

Optimism about nuclear fusion soared in 1959 after a press conference by the chemists Martin Fleischmann and Stanley Pons at the University of Utah. They announced that they had engineered the process, not at the ultra-high temperatures assumed to be essential but in a simple laboratory experiment at room temperature. Mr. Mahaffey's reaction was similar to that of most other scientists: Fleischmann (who died in 2012) and Mr. Pons either "had a lock on the Nobel Prize for physics or they were crazy." Mr. Mahaffey was one of the many investigators who plunged into cold-fusion research, but he and his colleagues, in common with many other experimenters, could not reproduce Fleischmann and Mr. Pons's observations. The cold-fusion dream was soon over. Elsewhere, international collaborations have con-

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

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

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

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



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

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BOOKS

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

Revolutions in the Street

The Unruly City

By Mike Rapport
Basic, 364 pages, \$32

BY DAVID POLANSKY

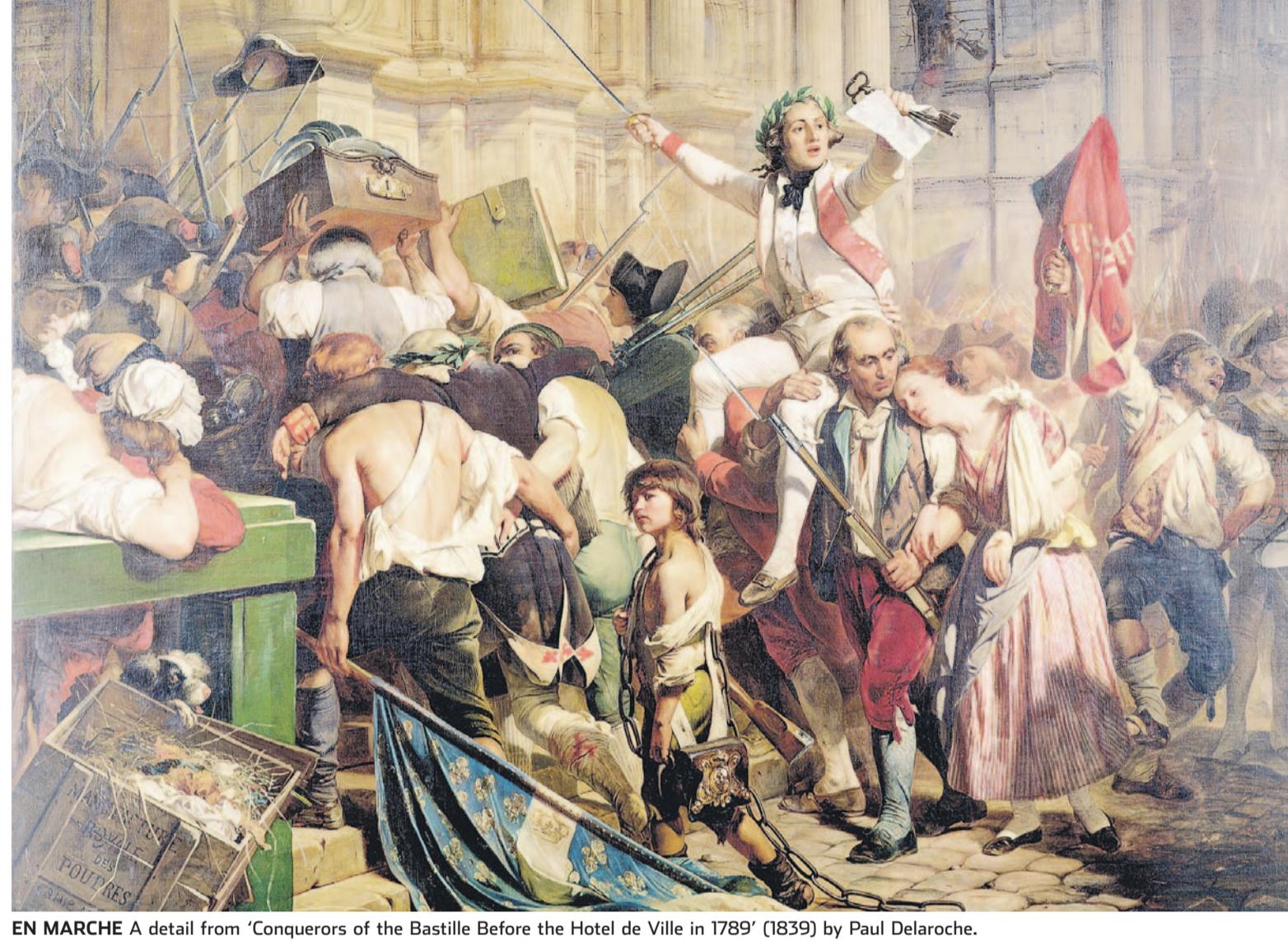
IT WAS THE BEST of times, it was the worst of times, and it was something in between. Mike Rapport's "The Unruly City"—his account of the experiences of Paris, New York and London during the Revolutionary Era of the late 18th century—runs the gamut. Throughout this highly readable book, the author interweaves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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

The Captive and the Free

Milosz: A Biography

By Andrzej Franaszek
Harvard, 526 pages, £30

BY MICAH MATTIX

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

At a press conference with the university's chancellor shortly after the Swedish Academy's announcement, Milosz read "A Magic Mountain," a recent poem about the isolation and apparent impotence of a political exile living in the strange eternal spring of San Francisco Bay and continuing to write in his native tongue. Why bother to write when "I won't have power, won't save the world?" the poet asks. "Did I then train myself, myself the Unique, / To compose stanzas for gulls and sea haze?" The answer is typical Milosz:

"One murky island with its barking seals / Or a parched desert is enough / To make us say: yes, oui, si. / . . . Endurance comes only from enduring. / With a flick of the wrist I fashioned an invisible rope, / And climbed it and it held me."

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

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

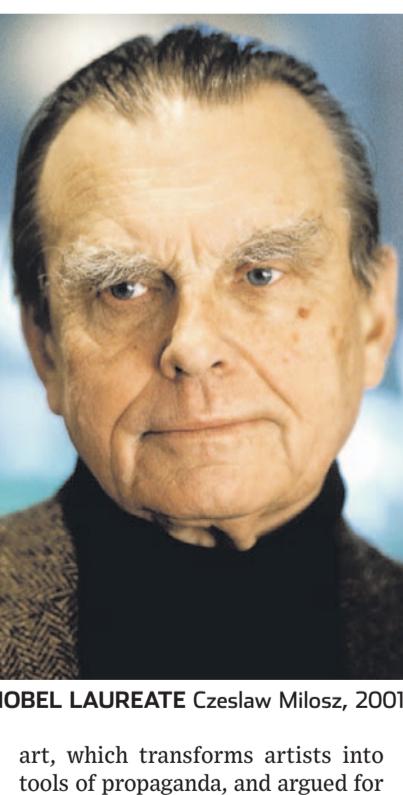
Long chapters, each covering anywhere from five to 20-odd years, give Mr. Franaszek the flexibility to handle tumultuous periods of Milosz's life in detail and depth. Aside from a childhood idyll on his maternal grandparents' estate in Lithuania, the poet's life was marked by displacement from the beginning.

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

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

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

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



NOBEL LAUREATE Czeslaw Milosz, 2001.

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

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

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

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

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

Soon after he defected, he wrote openly, eloquently and damningly about the effects of totalitarianism

on the individual psyche in his major prose work, "The Captive Mind" (1953). Unlike most other defectors, however, he refused to write for the American-funded Radio Free Europe and cast a jaundiced eye on Western consumerism.

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

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

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

OPINION

REVIEW & OUTLOOK

Congress Steps Up on Russia

Whatever you think about Donald Trump's relationship with Russia, the controversy has achieved one positive result. On Wednesday the Senate voted 97-2 to strengthen sanctions on Vladimir Putin's regime, a rare moment of bipartisan agreement these days.

The amendment to an Iran sanctions bill would require congressional approval before President Trump lifts current sanctions on Russian entities. It broadens the field of potential sanctions targets to include those involved in human-rights abuses or doing business with Russian intelligence and defense industries, among others. It also expands the range of Russian industries that could be subject to sanctions.

The Administration objected to the proposal, but what did Mr. Trump expect? Ordinarily we'd agree with Secretary of State Rex Tillerson, who warned a House committee this week not to limit the President's "flexibility to adjust sanctions to meet the needs of what is always an evolving diplomatic situation." The Constitution intends for the executive to have broad discretion on foreign policy.

But it's hard to fault Congress for being skeptical. Though there's no evidence of campaign "collusion" with Russia, Mr. Trump has been oddly solicitous of Mr. Putin. Congress is sending a useful message that Mr. Trump has little running room to negotiate unless the Russian changes his behavior.

Mr. Putin is giving American leaders plenty of reasons to act. Russians have spread misinformation and used computer hacks to disrupt elections in France, Germany and the U.S. Rus-

sia still occupies Ukrainian territory in Crimea; frequently violates the Minsk cease-fire agreements the Obama Administration helped negotiate for eastern Ukraine; and is propping up Bashar Assad in Syria.

U.S. sanctions are also a message of support for the thousands of Russians protesting against corruption this week in the streets of major cities. The protests were inspired by opposition leader Alexei Navalny, who was sentenced this week to 30 days in jail for organizing a rally in Moscow. In a sign of how worried the Kremlin is, up to 1,700 protesters may have been arrested and courts already are sentencing some to weeks in prison.

One question is why Democrats on Capitol Hill took so long to notice. Their new enthusiasm for Russia sanctions follows eight years during which most—although not all—Congressional Democrats endorsed President Obama's and Hillary Clinton's "reset" with Mr. Putin, supported Mr. Obama's refusal to offer lethal defensive weapons to Ukraine, and granted him ample loopholes in sanctions legislation on both Russia and Iran. Their conversion now looks more political than principled.

That doesn't make them less right, and we hope the House picks up the Senate sanctions legislation. Mr. Trump would then have to decide whether to veto, but an override wouldn't improve his standing on the world stage. The better choice would be to sign the bill, enforce the sanctions vigorously, and work with Congress to forge a bipartisan approach to Russia. That would help the President rebut fears that he can't be trusted on Russia, while telling Mr. Putin that rogue behavior won't be rewarded.

The Fed Moves Up

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

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

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

Monetary conditions have even eased since

The central bank is taking its bond selloff very slowly.

the Fed's last move as long-bond rates have fallen. Investors bid up bond yields after they anticipated pro-growth tax policies from the new Republican Congress and President, and they have bid them back down as they grow more doubtful of that result. The Open Market Committee's estimates for future interest-rate levels suggested one more increase through the end of 2017, but the committee can adjust that pace if the economy slows.

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

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

ObamaCare's 'Secret' History

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

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

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

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

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

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

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

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

The irony is that the GOP negotiations are so time-consuming because Senators are trying to improve the product as they build a consensus that can get 50 votes. They're trying to answer the House bill's critics on the left and right, not that they'll get any credit.

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

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

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

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

Liberalism: Believers Need Not Apply



BORDER LANDS
By *Sohrab Ahmari*

Does liberalism have any room left for Christians and other believers? The question has been posed countless times, and each time liberals answer more decisively than the previous: No.

On Thursday Britain's Liberal Democrats delivered that message to their leader, Tim Farron, forcing him to resign over his mildly conservative views on homosexuality and abortion. The Lib Dems supposedly carry the torch of 19th-century classical liberalism, though more recently it's been difficult to distinguish them from any progressive party, anywhere.

Not least when it comes to gender-and-sexuality orthodoxy. The media and many in his own party have hounded Mr. Farron for years because he deviated—gently, almost imperceptibly—from that orthodoxy. A working-class evangelical Christian, Mr. Farron imagined that his liberal opinions on other big issues like climate change and the European Union would protect him. He was wrong.

Soon after he took the party reins in 2015, Mr. Farron was asked whether, as a Christian, he considers homosexuality a sin. The Lib Dem leader gave the quintessential Christian reply: "We're all sinners." But it wasn't enough. The question would resurface amid the election campaign this spring.

During a TV interview on April 18, he was pressed four times, and four times he demurred. Quiescence wasn't enough.

Pressure mounted, and the next day Mr. Farron relented. No, he clarified in remarks at the House of Commons, homosexuality isn't a sin. That still wasn't enough. The latter-day Gletskins and Ivanovs needed to be sure that Mr. Farron believed this in his heart of hearts, not merely as a matter of public confession. If he didn't think homosexuality a sin, asked a BBC interviewer a few days later, why had it taken him so long to say so? Mr. Farron was reduced to spouting gibberish.

Then the *Guardian* newspaper unearthed a 2007 interview, in which he had suggested that "abortion is wrong" but also cautioned Christian activists that an immediate outright ban would be impracticable. Confronted with his own words on the campaign trail, Mr. Farron pleaded that he'd never advocated abortion restrictions. It wasn't enough.

In his resignation statement, Mr. Farron wrote: "To be a political leader, especially of a progressive liberal party in 2017, and to live as a committed Christian, to hold faithfully to the Bible's teaching, has felt impossible." He added: "I seem to have been the subject of suspicion because of what I believe and who my faith is in."

The concept he was grasping for is conscience.

Mr. Farron's politics recall the liberal

ism of Gladstone, Chesterton and Isaiah Berlin, which treated conscience as king. Today's liberalism has triumphed so spectacularly over the claims of faith and tradition that it has nothing left to conquer but the individual conscience. This is why modern liberals are so unanimous in victory.

It isn't enough to emancipate transgender people—you, rabbi, must adhere to strict pronoun guidelines and feel in your soul that Chelsea Manning was always a "she." It isn't enough to legalize abortion—you, Tim Farron, must like it.

Liberals welcome believers insofar as religion can be deployed in service of liberal causes, to be sure. But any expression of theological or moral judgment is met with hostility.

Witness, across the Atlantic, Sen.

Progressives have triumphed over faith. Now they're targeting conscience itself.

Bernie Sanders's tirade against Russell Vought, President Trump's nominee for deputy director of the Office of Management and Budget. During a Senate confirmation hearing last week, the Vermont socialist grilled Mr. Vought about his contention, in a blog post published last year, that Muslims "do not know God, because they have rejected Jesus Christ his Son, and they stand condemned."

Mr. Vought's was a particularly stark summary of the basic Christian teaching that faith in the God-Man is essential to salvation. Plenty of Americans might disagree with the substance, phrasing or both. But Mr. Sanders went further, arguing that Mr. Vought's views were "Islamophobic" and "hateful" and therefore disqualifying.

Set aside the senator's riding roughshod over the Constitution, which prohibits religious tests for office. What was most depressing about his outburst was the bleak vision of civic life behind it.

To wit, Mr. Sanders implied that a devout Christian can't hold fast to his faith's most demanding claims and at the same time exercise public authority with decency and honor. If you disagree with someone's theology, in other words, it must mean you hate him. Yet at its best the West has stood for the opposite principle: that people can build and share a democratic public square across and even through such differences.

That principle is decaying across much of the West, and authoritarian adversaries like Vladimir Putin are no doubt trying to accelerate its demise. But it wasn't Mr. Putin who made Western politics so inhospitable to large segments of society—and to conscience.

Mr. Ahmari is a Journal editorial writer in London.

LETTERS TO THE EDITOR

Equal Treatment for Mosques and Churches

Religious liberty is for every American, including Muslims, according to your editorial "A Mosque for New Jersey" (June 6). However, that isn't the point. The Islamic Society of Basking Ridge, N.J., was determined to build a mosque on a small lot in the historic area of Basking Ridge that didn't even have enough room for parking. Undeterred, the society began filing lawsuits and garnering the support of the radical Council on American-Islamic Relations and other Muslim groups. A Protestant or Catholic congregation would get no sympathy, but it looks to me like the Muslims got politically correct special treatment in this case. Unfortunately, groups of Americans believe in an intellectual appeasement reminiscent of pre-World War II Europe before those countries found themselves about to be overrun.

The town of Basking Ridge had the right to say no to the construction of a nonconforming building in a historic district. Its other residents had rights as well. This was a construction and zoning issue, not a religious-free-dom issue, especially since the Islamic Society was offered alternative locations. This backlash didn't occur when a McDonald's restaurant was refused a location in the same town.

EILEEN WEBB
Allen, Texas

In case you have forgotten, showing more respect for minority religions in parts of the Middle East means not immediately beheading infidels. In New Jersey it means not enforcing existing parking regulations.

HARRY O. MCKINNEY
Southfield, Mich.

Should U.S. Take Air-Traffic Control Private?

Regarding your editorial "Americans Cleared for a Faster Landing" (June 9): As with any organization, the performance of the air-traffic control system (ATC) can doubtless be improved. Nevertheless, the safety record of U.S. air travel is among the best. Privatizing the ATC doesn't mean market competition will enhance its performance. There will be no market competition, and as a nonprofit where is the incentive for improved performance? Finally, using cost as a justification makes as much sense as awarding parachute contracts to the lowest bidder. The real issue apparently is management.

Perhaps President Trump should exercise some of his executive authority and replace a few ATC staff with new and more talented people.

CHANNING WAGG
Boxborough, Mass.

Most commercial aircraft already have GPS. What GPS can't do is show more planes into the arrival corridors when you get close to your destination airport. Yes, the system

still uses radar. It is a valuable tool to aid in aircraft separation and weather planning.

User fees will harm small business and private aviation the same way they devastated Europe's private fliers years ago. When you tax something, you get less of it.

Proponents of the new and improved system always cite U.S. use of paper electronic flight strips. Even with expensive new hardware and software, pushed by lobbyists for the big-tech companies, the paper system will still have to be kept for the inevitable computer meltdown.

Vested interests are always able to create a solution in search of a problem.

HENRY GONZALEZ
Tallahassee, Fla.

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LIFE & ARTS

FILM REVIEW | By Joe Morgenstern

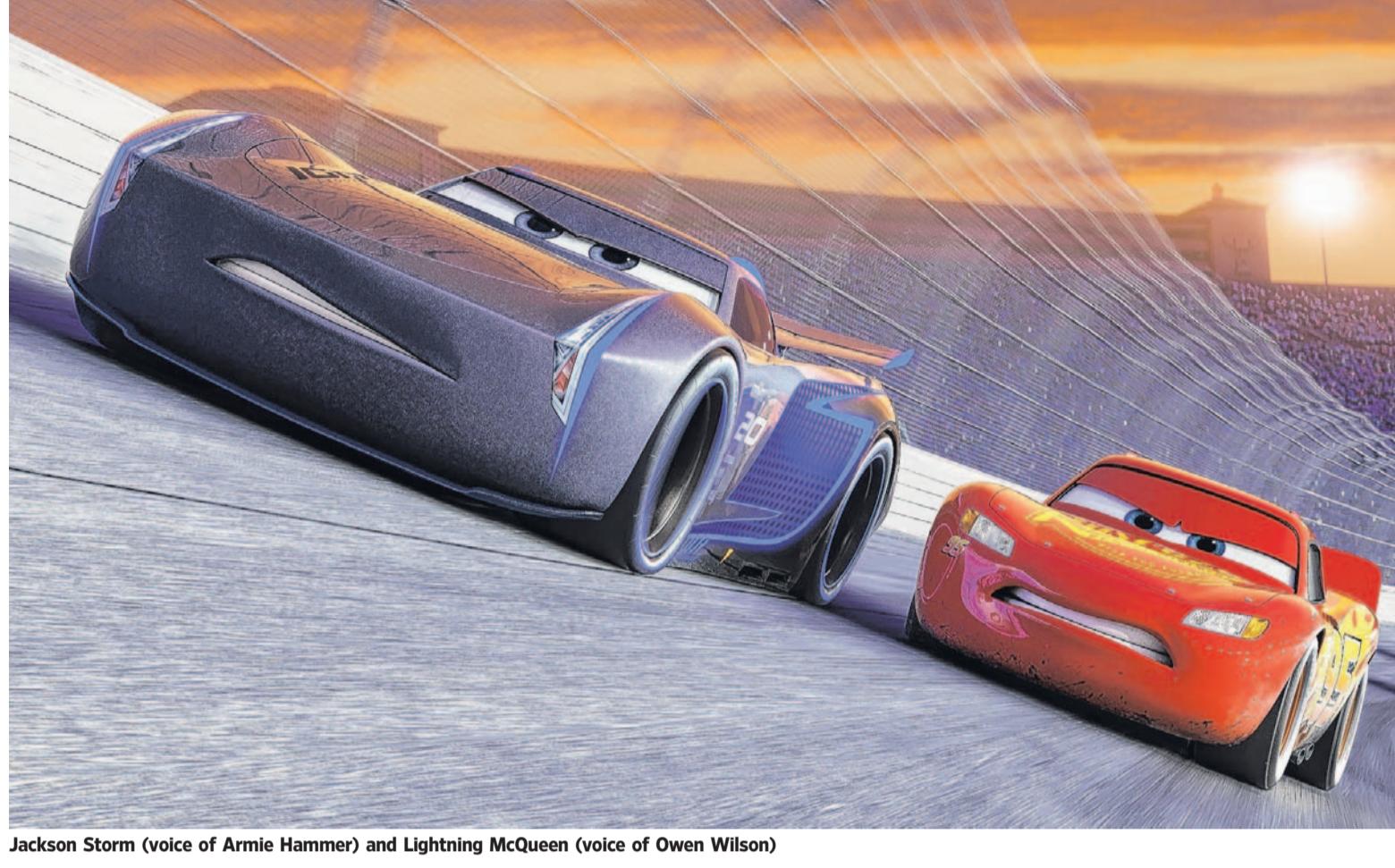
'Cars 3': Once Too Often Around the Track

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

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

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

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



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

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

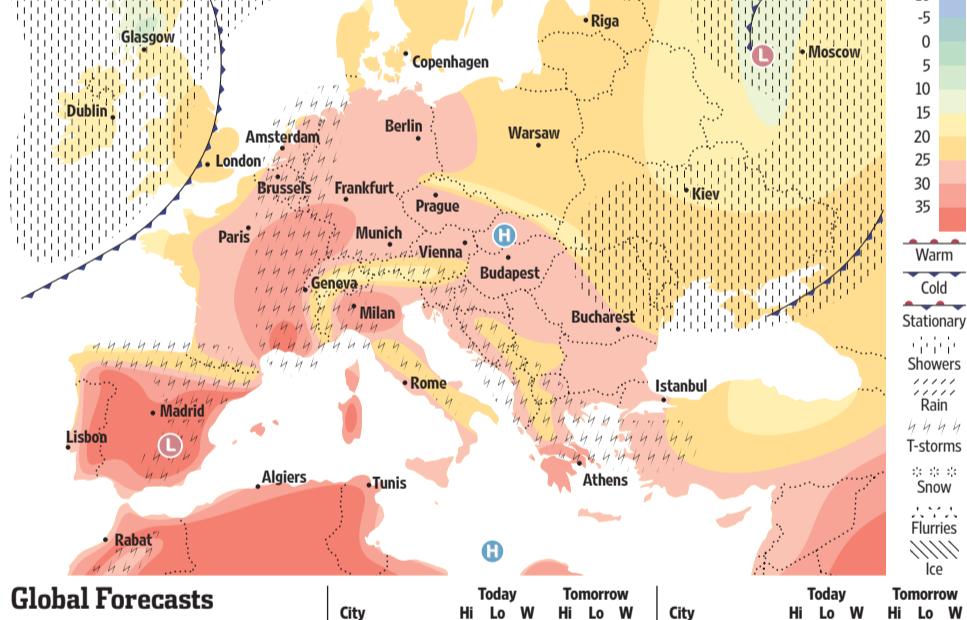
ties you never knew were there. And, paradoxically, the story slows most noticeably when the emphasis is on speed at a cutting-edge training center. That's where Cruz helps her aging student sharpen his rusty skills in a program that differs little from countless other training sequences, and where we're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

tion, with the head-spinning challenges of a virtual-reality simulator. That reference to the narrative should be taken loosely; it's more like a succession of pit stops in a film that meanders all over the landscape to rural race tracks, and to one extremely muddy demolition derby. The script declines to explore Jackson Storm's technology. In an era where race cars—and even passenger cars—are prodigies of complexity, Lightning's ultramodern rival is seen entirely from the outside, with no sense of the soul in the elegant machine.

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

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

Weather

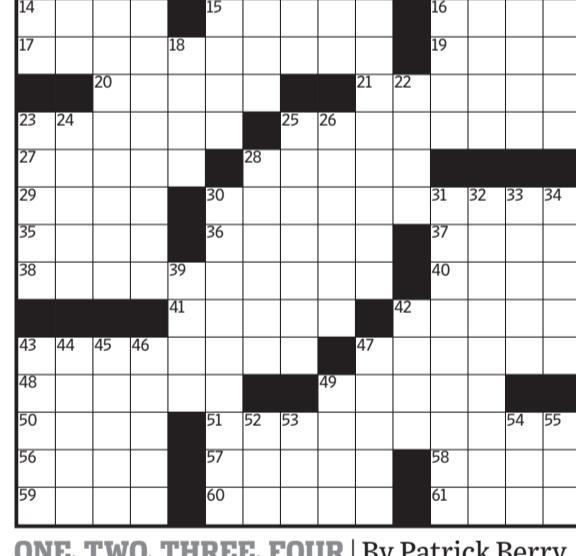


Global Forecasts

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	25	15	t	18	15	c
Anchorage	16	9	pc	18	10	s
Athens	31	22	s	29	20	t
Atlanta	32	22	t	31	22	t
Bahrain	40	24	s	41	25	s
Baltimore	28	18	pc	27	19	c
Bangkok	36	25	pc	35	26	pc
Beijing	39	19	c	37	22	pc
Berlin	26	16	pc	20	12	sh
Bogota	19	9	pc	19	9	c
Boise	26	15	c	22	11	c
Boston	22	14	s	20	16	c
Brussels	27	13	t	20	14	pc
Buenos Aires	19	17	c	24	19	c
Cairo	35	23	s	36	23	s
Calgary	20	9	pc	19	8	c
Caracas	31	26	pc	31	26	sh
Charlotte	33	21	t	31	21	t
Chicago	33	20	pc	32	20	t
Dallas	35	26	s	36	26	s
Denver	31	14	pc	32	15	pc
Detroit	29	18	t	31	21	t
Dubai	45	31	s	41	32	s
Dublin	18	11	sh	21	13	pc
Edinburgh	18	11	sh	18	14	sh
Frankfurt	30	14	pc	23	11	c

AccuWeather.com

The WSJ Daily Crossword | Edited by Mike Shenk



ONE, TWO, THREE, FOUR | By Patrick Berry

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

Across

- 1 Macintosh's predecessor
- 5 Jewish deli buy
- 10 Polyethylene sheet
- 14 At an end
- 15 Petrova of tennis
- 16 Mental flash
- 17 Song sung by Marilyn Monroe in "Gentlemen Prefer Blondes"
- 27 Store window posting
- 28 Beam
- 29 Acronymic band name
- 30 Spice-yielding evergreen of Peru [1]
- 35 Attack with missiles
- 36 Harder to find
- 37 Get hooked?
- 38 Like halter tops

[4, 2, 1]

19 Hurdle for Hannibal

[2]

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, June 18. A solver selected at random will win a WSJ mug. Last week's winner: John Cordes, Tucson, AZ.

Complete contest rules at WSJ.com/Puzzles. (No purchase necessary.)

Void where prohibited. U.S. residents 18 and over only.)

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

56 Pasta frequently served in soup

57 Cultural foundation

58 "The Fair Penitent" playwright

Nicholas

59 Perceptive

60 Marine abysses

61 Winter coat

63 Distressed

64 Ugarte's

porter in "Casablanca"

45 Blow away

46 Fruit in a sweetheart cake

47 Answer offered hesitantly

49 Intersection injunction

52 Absorbed, as cost

53 Mare or doe

54 Smallest prime protection?

55 Make duds

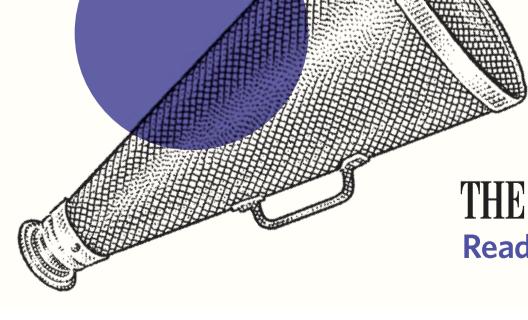
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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Friday - Sunday, June 16 - 18, 2017 | B1

Euro vs. Dollar 1.1144 ▼ 0.67%

FTSE 100 7419.36 ▼ 0.74%

Gold 1252.20 ▼ 1.62%

WTI crude 44.46 ▼ 0.60%

German Bund yield 0.285%

10-Year Treasury yield 2.160%

Nestlé Looks to Slim Down in U.S.

Sale of confectionery business under study as company contends with sluggish growth

BY BRIAN BLACKSTONE

ZURICH—Nestlé SA said it is considering selling its U.S. confectionery business, including such products as Butterfinger and Baby Ruth candy bars, as packaged-food giants struggle with sluggish growth and changing consumer tastes.

The Swiss-based consumer giant said Thursday that the confections business generated about 900 million Swiss francs, or roughly \$927 million, in sales last year, or 3% of Nestlé's U.S. total. The strategic review now under way doesn't include Toll House baking products.

It wasn't immediately clear what price Nestlé would



Nestlé, whose brands include Butterfinger and Baby Ruth candy bars, had \$927 million in U.S. confectionery sales last year.

seek or who might be a buyer. Nestlé, the world's No. 3 confectioner by market share, competes with global sales leader Mars Inc. and second-ranked Mondelez International Inc.

Italy's Ferrero SpA, which ranks fourth globally, has expanded aggressively through deals. The privately held maker of Nutella and Tic Tac pushed

into the U.S. by snapping up Chicago-based Fannie May Confections Brands earlier this year.

Sales of chocolate produced by large packaged-food companies have stalled globally as consumers flock to healthier offerings. That has prompted consolidation across the industry. Last year, Mondelez launched an unsuccessful bid to buy Hershey Co., in a deal that likely would have topped \$25 billion.

The possible U.S. sale by Nestlé doesn't include its much larger global chocolate business, which includes Kit Kat and chocolate drink Nesquik.

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

Nestlé, the world's largest packaged-food company, has struggled for years to boost sales growth in competition

with a host of smaller players around the world offering healthier options, like organic and locally sourced foods. It has suffered especially in North America, where for the first quarter it posted sluggish sales from its confectionery business and pet-food brands.

It has fallen to Nestlé's new chief executive, Ulf Mark Schneider, a health-care veteran, to execute a long-held ambition by the company to push into healthier foods and make its best-selling staple products, like its Nesquik chocolate mix, more appealing to health-conscious consumers.

Nestlé's review follows similar steps by competitors. Unilever PLC said earlier this year it would consider selling its margarine and spreads business. That followed an unsuccessful \$143 billion bid by Kraft Heinz Co. for Unilever. Reckitt Benckiser PLC, meanwhile, is shopping its food unit.

U.K. to End Its Private Previews Of Stats

BY MIKE BIRD

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

The U.K.'s Statistics Authority, which is tasked with promoting and safeguarding official data, said that early government access was outweighed by the detriment to public trust in those numbers.

The government had repeatedly battled off attempts by senior lawmakers and statisticians to curb access to sensitive data ahead of release, according to people familiar with the matter. Even as some tried to reform the system, the number of people receiving such sensitive data quietly expanded, public documents show.

Thursday's move came on the heels of reports by The Wall Street Journal that showed that some investors could be trading with knowledge of U.K. economic statistics before they are published.

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



AGATON STROM FOR THE WALL STREET JOURNAL

Results for 2016 show a shift in consumer tastes away from beer and wine and toward drinks with a higher percentage of alcohol.

Rising Cocktail Culture Lifts Spirits

BY SAABIRA CHAUDHURI AND JENNIFER MALONEY

The world's drinkers are turning to the hard stuff.

Liquor makers sold more spirits and mixed drinks around the world in 2016 than in the year before—a bright spot in an industry where volumes of almost every other kind of alcoholic drink are in decline.

Overall, last year was a tough one for beer and wine. Global alcohol volumes across all types fell 1.3%, a steeper decline than the average 0.3% drop over the past five years, according to industry tracker

IWSR. Beer volumes fell 1.8% around the world in 2016, while wine sales slipped 0.08%. Yet sales of hard alcohol such as gin, tequila and whiskey eked out an increase of 0.04%, and mixed drinks, including premixed cocktails and some flavored alcoholic beverages, grew 1.6%.

The numbers underscore a shift in consumer tastes away from beer and wine and toward drinks that typically pack a higher percentage of alcohol, though intended to be consumed in less volume.

Spirits are growing faster in the U.S. They were up 2.6% last year by volume, in line

with the five-year average and more than double wine sales' 2016 growth. Overall alcohol sales in the U.S. edged up 0.1% by volume.

The growth has been helped by liquor makers' efforts in recent years to attract new drinkers. Makers of scotch and other types of whiskey have been courting women and younger drinkers while internationally, spirits companies are pushing into Africa, China and other developing markets where beer has typically been king.

"Scotch is coming out of the stuffy club room into the cocktail bars and restaurants,"

said Bacardi International Ltd. Chief Executive Michael Dolan. Spirits makers, he said, are benefiting from the revival in cocktail culture.

Liquor ads, after years of restrictions, have crept back onto U.S. television screens in recent years.

Spirits have also benefited from what executives describe as more-fickle consumption habits by millennial drinkers, who tend to sip on a range of different beverages.

Spirits tend to retail at higher prices than wine and beer, providing a bit of a cushion for the alcohol industry as

Please see DRINKS page B2

Investors Take On the Risky Role of Lender to Firms

BY JON SINDREU

Desperate to increase returns, some of the world's most conservative investors are taking bigger risks by aping banks and lending directly to companies.

In recent years, there has been a surge in investments from pension funds and life insurers into specialist asset managers that lend to midsize firms who can't get financing from banks, which became more risk-averse following the financial crisis. But now the flood of cash is pushing down returns, leading these funds to design riskier and more complex products, while increasing their leverage.

Because ultralow interest rates and other monetary stimulus have pushed down yields across markets, pension funds and life insurers have struggled to match their long-

dated liabilities. That has encouraged them to chase riskier assets, such as real estate, private equity and now direct lending to companies.

That risk taking could backfire on investors for whom stable returns are particularly important. It could also be problematic for the companies and wider market, if defaults start rising and these investors suddenly pull out.

"It is concerning," said Niels Bodenham, private-markets director at consultancy bfinance. "A pension fund is not always aware of the difference" between safer direct-lending investments and riskier ones, he said.

Last year, asset managers raised \$25 billion from global investors for direct lending, according to data provider Preqin. A decade ago, that was \$2 billion. Some analysts ex-

pect the growth to increase at a faster pace.

There is so much cash pouring in that the asset managers can't always invest it. In May, there was \$62 billion idling in these funds, according to Preqin, when a decade ago it was \$12 billion.

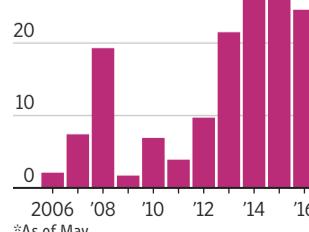
A recent survey by bfinance found that managers of unlevered senior private debt funds expect a return of more than 8%, but are getting between 5% and 6%. While figures for previous years aren't directly comparable, there is a noticeable spread compression since 2012," the report said.

Lending directly to companies will always bring more risks than pension and insurance funds' typical staple of bonds, which can usually be traded on public markets and so are easier to sell on.

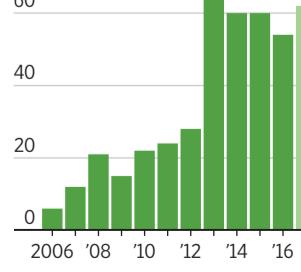
And the risks may be rising.

Hunting for Yield

Funds are doing more direct lending to companies...



...and investors are giving them more money than they can deploy.



THE WALL STREET JOURNAL

To increase their yield, funds are building up leverage and adding complexity to investments labeled as safe. Senior debt, which gets paid first in case of insolvency, is in-

creasingly being packaged together in a single tranche with more-junior slices of debt, according to research and investors' accounts. Investors say

Please see DEBT page B2

The new rule will cover both economic statistics and politically sensitive data, such as migration and crime.

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

John Pullinger, the head of the U.K. Statistics Authority, said in a letter explaining Thursday's decision to the body's chairman that a round of recent changes to prerelease access aimed at addressing risks hadn't been adequate.

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

Please see STATS page B2

BUSINESS NEWS



The downbeat outlook from Kroger, the largest traditional grocery chain in the U.S., triggered a selloff across the food-retail sector.

Kroger Feeds Grocery Fears

Shares decline nearly 19% as company posts lower sales and cuts its earnings outlook

By ANNIE GASPARRO

Traditional U.S. grocers came under fresh pressure on Thursday after the biggest one, Kroger Co., said intensifying competition would further cut into earnings this year.

Kroger's shares fell nearly 19% Thursday, marking their steepest one-day drop in more than 17 years, as the company reported lower sales at long-standing stores for the second-straight quarter and cut its earnings outlook. Shares in other big food retailers also fell on the news.

It was the latest blow to big grocers battling volatile food prices on one front and stiffer competition on another.

"The change right now in

what the customer wants has never been faster," Kroger Chief Executive Rodney McMullen said in an interview.

Consumers are shopping for more of their groceries outside of traditional supermarkets. Online merchants, discounters and meal-kit delivery services are all cutting into grocers' market share. At the same time, a global commodity glut has pulled down prices for many staple foods over the past 18 months, putting pressure on many retailers to lower prices.

Sales have continued to slacken. Food and beverage sales at brick-and-mortar stores in the U.S. were down nearly \$3 billion, or 2.5%, in the first quarter from a year earlier, market-research firm Nielsen said. Grocery-store visits ticked up just 0.5% over the past year.

Meanwhile, more people are shopping at discounters and

online retailers. Trips to deep-discount chains are up 2.9% over the past year, Nielsen said, and online grocery orders have risen 6.8%.

Some grocers may need to merge to keep up, said Mr. McMullen. "We would expect there would be consolidation in the industry."

Kroger will continue to cut prices to retain customers, he said, and strive to improve customer service in part by paying higher wages. That will add to pressure on Kroger's bottom line.

The downbeat outlook from Kroger, the largest traditional grocery chain in the U.S., triggered a selloff on Thursday across the food-retail sector. Shares in Whole Foods fell 6.7%, while Target's shares were off by 4.2%.

Kroger's stock had already dropped 12% this year through Wednesday after sales declined in the first quarter, breaking a 13-year streak of

quarterly sales growth. Thursday's tumble sapped an additional \$5 billion from Kroger's market value.

The Cincinnati-based company, which operates Ralphs, Fred Meyer and other chains in addition to its flagship Kroger stores, said that same-store sales excluding fuel declined 0.2% in Kroger's first quarter, compared with a 2.4% rise in the same quarter a year earlier.

Same-store sales will still grow as much as 1% this year, Kroger forecast. Executives said that same-store sales were positive in the last nine weeks of the first quarter and in the second quarter so far.

Kroger expects annual adjusted earnings of between \$2 to \$2.05 a diluted share in 2017, compared with its previous estimate of \$2.21 to \$2.25. In all, Kroger reported a first-quarter profit of \$303 million and revenue of \$36.29 billion.

Takata Approaches Bankruptcy Filing

By MIKE SPECTOR

Takata Corp., the Japanese automotive supplier of rupture-prone air bags linked to numerous deaths and injuries, is in the final stages of preparing to file for bankruptcy protection to address mounting liabilities stemming from an unprecedented recall, said a person familiar with the matter.

Takata could seek bankruptcy protection as soon as next week, the person said. The company is nearing a takeover deal with rival Key Safety Systems Inc. that would be consummated as part of the bankruptcy proceedings, this person said, though an agreement hasn't yet been reached.

Takata is planning to file for protection from creditors in both the U.S. and Japan, the person said.

The company has been on the verge of a bankruptcy restructuring for some time, only for plans to be delayed.

For Takata, the long-awaited bankruptcy filing would cap a long-running crisis at the Japanese automotive supplier stemming from tens of millions of air bags that risk exploding and spraying shrapnel in vehicle cabins, a defect linked to at least 16 deaths and more than 180 injuries globally.

Takata earlier this year pleaded guilty to criminal wire fraud and agreed to pay \$1 billion in penalties for providing misleading testing reports to auto makers on the air bags. The plea deal settled a long-standing U.S. Justice Department criminal probe and requires Takata to pay restitution to auto makers shouldering recall costs and consumers harmed or yet to be affected by the air bags.

In the U.S. alone, nearly all auto makers are in the process of recalling 42 million vehicles with up to nearly 70 million Takata air bags, the largest

automotive safety campaign in American history.

The unprecedented safety crisis sparked U.S. congressional hearings, widespread litigation and hammered Takata's finances, forcing it to weigh a bankruptcy filing and seek a financial backer. In May, Takata reported a roughly \$718 million loss for the full year ended in March. The company declined to declare a year-end dividend for shareholders.

Takata is weighing options for completing a takeover deal with Key Safety that include pursuing what is known in restructuring circles as a "363 sale" for the relevant section of the U.S. bankruptcy code governing it, the person familiar with the matter said. Such sales allow companies to sell assets free and clear of certain liabilities to a buyer.

The air-bag maker is weighing options for completing a takeover deal with Key Safety.

Takata's U.S. plea deal outlines financial obligations to auto makers and consumers, and sets deadlines for paying claims, making the supplier's liabilities clearer as it prepares to seek bankruptcy protection. Takata, for instance, has until early 2018 to pay \$850 million to auto makers, or five days from when it completes a takeover deal, according to the plea deal. Prospective bidders were wary of Takata's recall and litigation liabilities as discussions began on a possible restructuring deal for the supplier.

Some other liabilities could still be in the offing, as litigation stemming from Takata's air bags continues to proceed in a Miami federal court.

Uber's Mideast Rival Gets Traction

By NICOLAS PARASIE AND WILLIAM BOSTON

DUBAI—Daimler AG has bought a stake in the main rival to **Uber Technologies** Inc. in the Middle East, the latest of a series of investments by the world's largest car makers in the rapidly expanding ride-hailing sector.

The maker of Mercedes-Benz vehicles took part in the second round of a \$500 million fundraising alongside Saudi billionaire Prince al-Waleed bin Talal's investment vehicle **Kingdom Holding Co.**, Careem said on Thursday. The firm didn't disclose details, but the transaction values the Dubai-based ride-hailing service at about \$1 billion.

Careem, which launched in 2012, is now active in more than 80 cities in the broader Middle East and boasts more than 10 million users. "The op-

portunity for further expansion in this region is huge," said Careem co-founder and chief executive Mudassir Sheikha.

With the rise of Uber and car-sharing services such as **Zipcar**, young drivers increasingly are using shared-vehicle services rather than buying and owning cars in emerging economies, in addition to developed markets.

There are now about eight million subscribers for shared-vehicle services world-wide. Subscribers could grow to 37 million by 2025, according to consultancy Frost & Sullivan.

Auto makers such as Daimler have poured money into new mobility services to capture revenue they would lose if car sales fall dramatically.

General Motors Co. invested \$500 million to buy a stake in Uber rival Lyft Inc. last year. Volkswagen AG, the world's biggest car maker by sales,

paid \$300 million for a stake in **Gett**, an Israeli ride-hailing service with ambitions to challenge Uber.

Daimler's stake in Careem is one of several investments it has made in the sector. Daimler's Car2Go car-sharing service, launched in 2008, has more than two million subscribers, making it the largest car-sharing service in the world, according to Frost & Sullivan.

"With our investment in Careem, we are now taking the strategic step to becoming the world's leading provider of mobility services," said Klaus Entenmann, CEO of Daimler Financial Services AG. The company didn't disclose details of its investment in Careem.

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

BUSINESS WATCH

SPOTIFY

Paid Users Surged in 2016; Loss Doubled

Spotify AB saw explosive paid user growth last year but also doubled the size of its net loss, according to filings released Thursday.

The music-streaming provider added it would be required to pay a minimum of €2 billion (\$2.23 billion) in royalty payments to music labels and publishers over the next two years due to a recent agreement.

Revenue in 2016 rose 52% to €2.93 billion as Spotify posted a net loss of €539.2 million, compared with a loss of €231.4 million a year earlier. Spotify said its total number of subscribers grew 38% to 126 million.

—Austen Hufford

India Deep Water Plans Move Forward

BP PLC said Thursday it is pushing ahead with long-delayed efforts to develop natural gas

offshore India, joining with **Reliance Industries** to plow \$6 billion more into the first big investment it made following the Deepwater Horizon disaster.

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

—Sarah Kent

FIAT CHRYSLER

Nearly 300,000 Minivans Recalled

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

The auto maker said wiring in certain 2011-2012 model year Dodge Grand Caravan minivans could short circuit, causing inadvertent deployment of the driver-side front air bag. The recall affects 209,135 vehicles sold in the U.S. and another 87,703 in Canada.

—Chester Dawson



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

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For Snap, Tricky Path to Growth Awaits

Social-media company lures ads with promise of human touch, but now tests algorithms

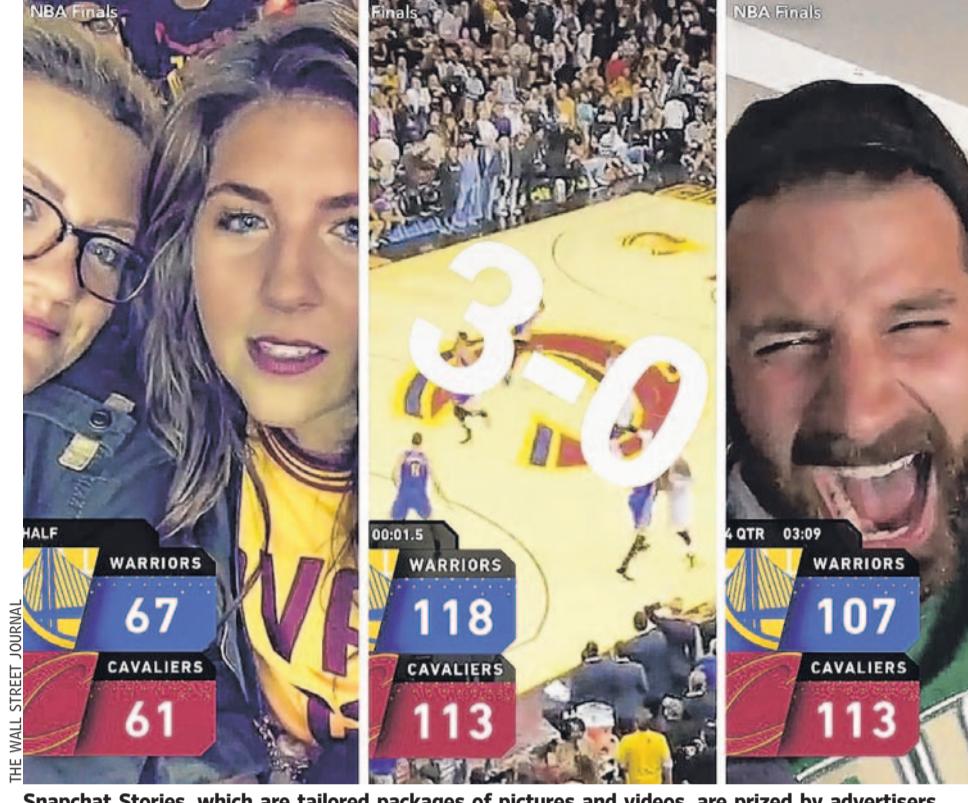
BY GEORGIA WELLS

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

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

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

The Venice, Calif.-based company gets ad revenue from several areas, including publisher content and sponsorships. While Stories is a smaller share—it could amount to more than one-quarter of ad revenue this



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

year, Barclays PLC estimates—it is the lever Snap has the greatest control over.

Snap created Stories four years ago to take advantage of the steady stream of pictures and videos people send in private, disappearing messages called Snaps. By allowing users to stitch Snaps together

into a narrative arc that could be shared publicly for 24 hours, Stories showed how Snapchat could be more than just a messaging app.

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

algorithms. And it doesn't show traditional ads with most of the three billion Snaps.

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

million in ad revenue and 328 million monthly users in the first quarter.

With its stock falling more than 25% since its first earnings report and briefly touching its IPO price of \$17 on Thursday, Snap is under pressure from investors to prove its new form of advertising will grow. "Snap might be able to scale with human editors, but it will be labor intensive and won't make much money," said Pedro Domingos, a professor of computer science and engineering at the University of Washington who wrote a book on machine learning.

In the first quarter, Snap editors created more than 450 Stories, called Our Stories, chief strategist Imran Khan said on an earnings call. While Snapchat's 166 million daily users also can create Stories that carry ads, those don't have the ability to go viral. Users see Stories from editors and people they follow, and Snapchat has no equivalent to a "share" or "retweet."

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

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

Last year, Snap tested tools that help create Stories using algorithms. The company isn't planning on including ads in algorithm-created content, said a spokeswoman.

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

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

In March, Snap pushed the experiment further forward, creating a Stories search tool that uses machine learning to scrape information in posts to show users relevant content. The algorithms group related content around themes. At times they failed to flag foul language. "The hard part for machine learning," Prof. Domingos said, "is understanding what makes a good story."

AMD, Five Others to Get U.S. Supercomputer Funds

BY RACHAEL KING

The U.S. government is trying to stave off China and other countries challenging the U.S. for dominance in the next generation of the world's fastest computers.

The U.S. Department of Energy said Thursday that it would award \$258 million over three years to be shared by six technology companies, as part of a plan to develop new supercomputers that can

crunch data at least 50 times faster than the nation's most powerful systems today.

The companies are **Advanced Micro Devices Inc.**, **Cray Inc.**, **Hewlett Packard Enterprise Co.**, **International Business Machines Corp.**, **Intel Corp.** and **Nvidia Corp.**

U.S. government leaders warned in a September 2016 technical meeting convened by the National Security Agency and the DOE that the country was in danger of losing its

leadership in supercomputers to China. Governments have long used these systems to crack codes and develop nuclear weapons, and the supercomputers have business purposes such as oil exploration and auto design.

The U.S. is in a race with China, the European Union and Japan as they attempt to outdo one another in processing power, said Steve Conway, senior vice president of research at Hyperion Research.

The fastest U.S. computer, the Cray-built Titan, can handle 17,590 trillion calculations per second—the equivalent of 11.6 million iPad Pros running at the same time. It is about the size of a basketball court.

By 2021, the U.S. plans to deliver at least one "exascale" system that performs one quintillion—a billion billion—calculations per second. That would be one year later than when China has said it plans to deploy its first system. Both

countries are expected to deliver systems that can solve problems at exascale speeds by as soon as 2023, according to Hyperion Research.

In June 2016, China took the top spot in a twice-yearly ranking of the 500 fastest scientific computers. China's machine, called the Sunway TaihuLight, marked the first time China had taken the top speed ranking without using U.S. semiconductor technology. China also, for the first

time, placed more machines than the U.S. on the so-called Top 500 list, by 167 to 165.

The DOE funding will be used by the tech companies to further the research and development into exascale computers. Hewlett Packard Enterprise, for example, last month demonstrated a prototype of a new memory-driven computer called The Machine, which it will further develop with the additional funds from the government.



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FINANCE & MARKETS

U.S. Adds To Claims In 1MDB Scandal

U.S. prosecutors are moving to seize another \$540 million in assets they allege were bought with stolen money tied to a sweeping Malaysian financial scandal.

*By Justin Baer,
Aruna Viswanatha
and Bradley Hope*

The suit, filed Thursday, is the latest seeking to claim assets linked to alleged fraud at a Malaysian state fund called **1Malaysia Development** Bhd.

The government already has filed suits to seize artworks and luxury real estate. This suit includes a megayacht known as the Equanimity, owned by Jho Low, a financier the Justice Department alleged was involved in misappropriating money from the fund.

It also includes a stake in a hedge-fund firm and the rights to the comedy "Dumb and Dumber To."

Last summer, the Justice Department filed civil asset-forfeiture suits against more than \$1 billion of assets allegedly purchased with money stolen from the fund by several people including Mr. Low. Mr. Low and his attorney didn't immediately respond to requests for comment.

The Justice Department filed three new cases last week targeting about \$100 million of high-end real estate controlled by Mr. Low in London, including a penthouse apartment with views of Buckingham Palace.

The latest suit also aims to seize a lithograph poster of the 1927 film "Metropolis," Picasso and Basquiat artwork and a cache of jewelry, the government said.

Mr. Low has told news organizations he was the victim of political infighting in Malaysia and was only an informal adviser to 1MDB. Lawyers for Mr. Low's family have said they would contest the U.S. asset-seizure lawsuits.

Officials at 1MDB have denied wrongdoing and promised to cooperate with investigators.

The case is the Justice Department's largest-ever anti-kleptocracy case. The alleged 1MDB frauds are under investigation in several other countries, including the United Arab Emirates, Singapore and Luxembourg. Malaysia closed all but one of its probes without finding wrongdoing.

Equanimity was last sighted Thursday off the coast of the Cambodian island of Koh Rong, according to the ship tracking site MarineTraffic.

Greece Is a Case Study in Capital Controls

BY NEKTARIA STAMOULI

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

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

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

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

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



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

abroad. For instance, Chen Bo, head of corporate communication for private Chinese conglomerate **Fosun**, says his company has put hundreds of millions of euros into Greek tourism and retail over the past few years. The measures haven't deterred Fosun from planning more investments in the medium and long term.

Capital controls have chalked up one major accomplishment: putting the squeeze on Greece's notorious tax-evasion problem. Withdrawal limits have forced Greeks to use more plastic, which is free from restrictions. The number of noncash transactions has tripled since 2014. About 1 million debit cards were issued in the summer of 2015, five times the rate before the bank restrictions.

The result has been an extra €1 billion in tax revenue a year, according to Greek officials—a major explanation behind the eightfold increase in the country's primary surplus last year.

But fears over the fragility of Greece's banks, a big motivation for the capital controls in the first place, continue.

Late last year, Greek bankers were working on a plan to ease the restrictions, but talks founders when tensions over fresh austerity measures drove Greeks to pull more money from banks. Deposits have fallen €2.4 billion since December and are now at their lowest levels since November 2001. The Greek banking system has lost about €120 billion in deposits, or about half the total, compared with peak levels in 2008.

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

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

With ample warning about

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

"Over the first half of 2015, the domestic banking system experienced a slow-motion bank run," says Eurobank Group chief economist Platon Monokroussos. "Most of this excess liquidity remained within the country, but under the mattress." The weekly limit on cash withdrawals is €420,

and the average Greek salary is €700 a month.

Greek companies have had little trouble securing permission to move money overseas, with the special committees charged with approving such transfers typically dispatching them in days, according to officials, economists and businessmen. "I don't like having to fill in all these forms and submit them," says Kalypso Kannelli, a wood importer. "But it hasn't created much trouble."

And rules allowing foreign investors to take out money they have brought into the country haven't crimped the flow of money coming from

Billionaire in Hot Water for His Remark at Uber

BY MATT JARZEMSKY

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

The co-founder of private-equity firm **TPG** resigned from Uber's board after the remark that disparaged women. It was made at a meeting Tuesday to discuss problems with the ride-hailing company's culture, including allegations of sexual harassment. In a statement later Tuesday, Mr. Bonderman called his words "careless, inappropriate, and inex-

usable."

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

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

Mr. Bonderman discussed his remarks and apologized to TPG employees on a company-wide call Wednesday and invited them to speak with him personally to voice any concerns, people familiar with the matter said. He responded

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

Millard Fillmore—and that's probably an insult to Millard Fillmore."

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

He founded TPG in 1992 at age 50 after following an unusual path for a Wall Street mogul. The Los Angeles native attended the University of

Washington and Harvard Law School, then taught at the Tulane University Law School and worked in the Civil Rights Division at the Justice Department.

During a stint at corporate law firm **Arnold & Porter** LLP, Mr. Bonderman worked on a number of historic-preservation cases. He teamed up with Texas billionaire Robert Bass on an effort to stop the widening of a Fort Worth freeway that threatened a park and historic properties. Later, he went to work for the private investing firm of Mr. Bass, an oil heir known for audacious corporate takeovers and real-estate deals. There he met Jim Coulter, with whom he would found TPG in 1992.

TPG gained attention shortly thereafter with an investment in then-bankrupt **Continental Airlines** Inc. The firm and its co-investors made 10 times their money on the investment after selling their stake in the late 1990s, according to a Wall Street Journal report.



David Bonderman, chairman of private-equity firm TPG.

As Baidu Moves Into Fintech, Credit Raters Give It a Wary Look

BY ALYSSA ABKOWITZ

BEIJING—Baidu Inc. is among China's tech giants looking to get a leg up in the competitive financial-services market. Credit-rating companies aren't so sure it is a good idea.

Fitch recently placed Baidu on negative watch, citing "significantly higher" business risks as it moves into making unsecured consumer loans and selling uninsured investments known as wealth-management products, which Fitch said are "part of the shadow banking system in China."

Moody's decided last month to place Baidu's bond ratings on review for a downgrade, citing concerns over the firm's short history in the financial-services business.

Baidu's financial services, which also include its mobile payment platform, now account for about 12% of its assets, or 25 billion yuan (\$3.7 billion)—representing rapid growth for a firm that formed its financial-services group only about a year ago. That has significantly changed Baidu's credit profile, said Moody's vice president and senior credit officer Lina Choi.

"The execution risk is high," Ms. Choi said of wealth-management products, which are targeted at consumers looking to earn more than they could in bank deposits or bonds. "If these investments do not yield expected returns



Baidu recently placed Baidu on negative watch, citing 'significantly higher' business risks.

or generate losses for retail investors, that may result in reputational risks to Baidu."

A Baidu spokeswoman declined to comment on the actions by Moody's and Fitch. On Baidu's most recent earnings conference call, however, then-Chief Financial Officer Jennifer Li said the firm's financial services were "progressing very well."

The credit-rating firms' reports haven't troubled Baidu's share price, which is up about 8% this year on Nasdaq through Wednesday. Analysts said the bigger issue reflected in its stock performance, is

that of those two rivals, which are more profitable and have stronger cash-generation abilities.

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

Tencent recently joined with China Rapid Finance, a consumer-lending marketplace, to offer more investment products.

Tencent also runs a distribution channel that lends users sums ranging from 500 to 300,000 yuan (roughly \$75 to \$44,000) through its online banking affiliate, with interest rates ranging from 7.3% to 18.25%. The average loan size distributed is around 8,200 yuan.

Alibaba Group's financial affiliate, Ant Financial, offers

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

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

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

Baidu's finance group has focused particularly on the education-loan market, where it says it has a market share of roughly 75%.

—Lilian Lin contributed to this article.

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FINANCE & MARKETS

Emerging Markets: No Fear

Fed's rate rise fails to spook investors in developing economies as optimism remains

BY STEVEN RUSOLILLO
AND SAUMYA VAISHAMPAYAN

Who's afraid of the Federal Reserve? Not, it seems, investors in emerging markets.

The Fed's overnight interest-rate increase, the second this year, drew a muted response Thursday. In Asia, Hong Kong's benchmark Hang Seng Index dropped 1.2% and South Korea's Kospi index slipped 0.5%, but both remain up by double-digit percentages for the year. The U.S. dollar was broadly steady against most major global currencies in afternoon trading.

At the start of the year, there were concerns that as U.S. interest rates rise, money would flow out of emerging markets. But the Fed's tightening has been gradual and well telegraphed, and central banks in Europe and Japan have continued their loose-money policies. Combine that with investors' unceasing pursuit of high-yield assets, and the result has been a boon for emerging-markets stocks and bonds. The iShares MSCI Emerging Markets ETF, one of the biggest funds that invests in emerging-market stocks, has gained 19% this year.

And even though the Fed is now detailing plans to start shrinking its \$4.5 trillion balance sheet this year—which could push up long-term U.S. Treasury yields—many investors remain emerging-market optimists.

The Fed's current approach to shrinking its balance sheet "is like trying to empty a bathtub with a thimble," said Ashley Perrott, head of pan-Asian fixed income at UBS Asset Management in Singapore.

"If the economic data stays decent and the economic trajectory is as they expect it to be, then I don't think the run-



Wednesday's rate increase by the U.S. Fed, led by Janet Yellen, drew a muted response abroad.

down in the balance sheet is likely to upset other markets too much," he said.

Foreigners bought an estimated net \$20.5 billion of emerging-market stocks and bonds in May, the sixth consecutive month of net inflows, according to the Institute of International Finance.

It isn't just the search for yield that is boosting the allure. Also helping is resilient trade and economic growth for many emerging markets, including China, where first-quarter growth was rosier than expected.

The concern, however, is that the wave of money into emerging markets could just as easily recede, as during the "taper tantrum" of 2013, when investors stampeded out of emerging-market assets after the Fed indicated it could begin winding down its bond purchases.

This year's contrasting calm can be credited to better communication between central bankers and investors.

"Emerging markets four or five years ago were so worried about the Fed slowing asset purchases and entering a rate-

Rally Emerges

The iShares MSCI Emerging Markets exchange-traded fund is up 19% this year.



Source: FactSet

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hiking cycle," said Arthur Kwong, head of Asia Pacific Equities at BNP Paribas Asset Management. "But now that's not the case. There has been so much time and communication from the Fed that there are very few surprises anymore."

Some large money managers are trimming their holdings. Goldman Sachs Asset Management said last week it has cut its exposure to emerging-market currencies.

Data from the U.S. Commodity Futures Trading Commission last week showed that fast-moving investors such as hedge funds did little to change their bullish positioning on emerging-market currencies, according to analysts at Australia and New Zealand Banking Group.

"Hot money is always a cause for concern," said Dwyfor Evans, head of macrostrategy for Asia Pacific at State Street Global Markets. "We know that just looking at history of markets over the past 20 years, hot money is hot money by definition and doesn't stay in emerging markets when there are compelling reasons for it to move elsewhere."

But he added that low volatility is typically a beneficial factor for emerging markets and the gains in risky assets for much of the year are still supported by the broader macroeconomic environment.

"I think it's only natural at this stage for investors to start thinking about how to protect themselves in emerging markets and risk markets broadly," Mr. Evans said.

U.S. Stocks Decline As Tech, Energy Fall

BY GEORGI KANTCHEV
AND AKANE OTANI

Sliding technology stocks and commodity-linked shares dragged down major U.S. indexes Thursday.

The Dow Jones Industrial Average fell 14.66 points, or 0.1%, to 21359.90. The S&P 500 fell 0.2% and the Nasdaq Composite lost

THURSDAY'S MARKETS 0.5%, for its fourth decline in five sessions.

The Stoxx Europe 600 lost 0.4% to 386.05, led by declines in the technology and basic-resources sectors.

U.S. stocks have hit a string of records this year, thanks in part to stronger-than-expected corporate earnings. But many investors say they remain cautious, pointing to risks including the lack of clarity about the Trump administration's agenda, elevated stock valuations and a recent patch of soft economic data.

A U.S. consumer-inflation reading released Wednesday came in weaker than expected and raised fresh questions about the pace of price increases.

"The U.S. economy looks quite dull at the moment," said Neil Dwane, global strategist at Allianz Global Investors. Despite falling unemployment, inflation is still low and the economy is struggling to grow in the "uninspiring" 1% to 2% range, he said.

Technology stocks, which have outperformed the S&P 500 this year as investors bet on fast-growing companies, resumed a recent spurt of weakness.

The S&P 500 technology sector was down 0.5% by late afternoon, but trimmed some of its losses from earlier in the session. Shares of the firms Apple, Facebook and Google parent Alphabet declined from 0.3% to 0.9%. Microsoft was down 0.5%.

Energy stocks fell as oil prices declined. Shares of energy companies in the S&P 500 lost 1% by late afternoon, while U.S. crude for July delivery lost 0.6% to \$44.46 a barrel, its lowest settlement since November.

Meanwhile, the U.S. dollar mostly climbed as investors boosted assets that tend to benefit from higher interest rates. The Federal Reserve decided on Wednesday to raise benchmark interest rates—signaling that it would stick to its plans to gradually tighten monetary policy despite signs of cooling inflation.

Government bonds fell, with the yield on the 10-year U.S. Treasury note rising to 2.160%, from 2.138% on Wednesday. Yields rise as bond prices fall.

In Europe, the Bank of England held interest rates steady and left the pace of its asset purchases unchanged, in a move that investors said was widely expected.



Microsoft shares have slipped back after big gains this year.

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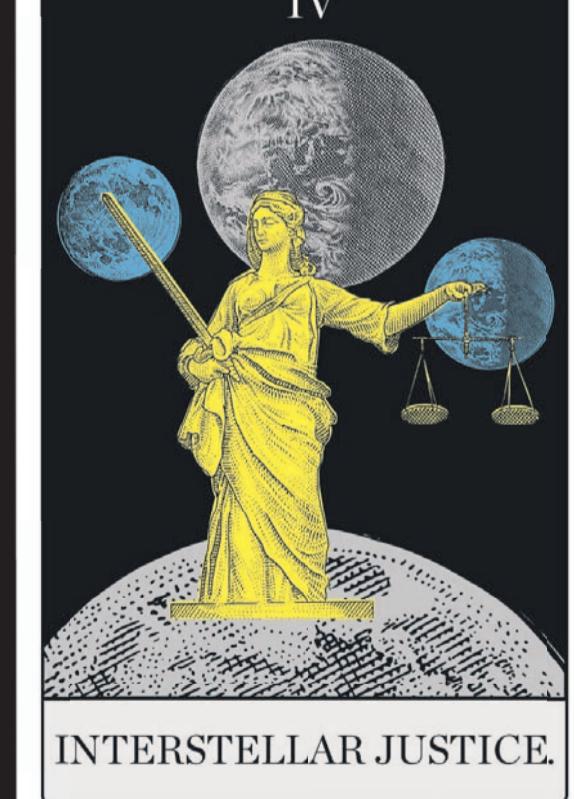
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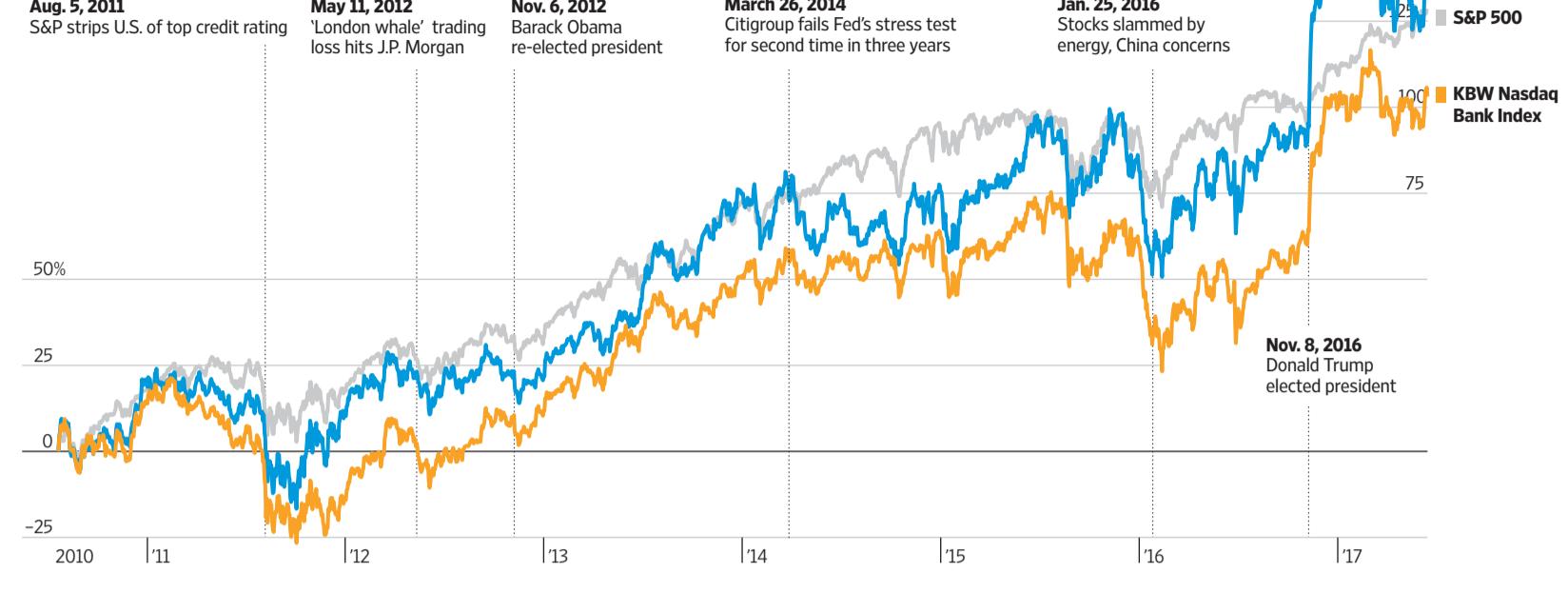
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MARKETS

Banking in the Age of Dodd-Frank

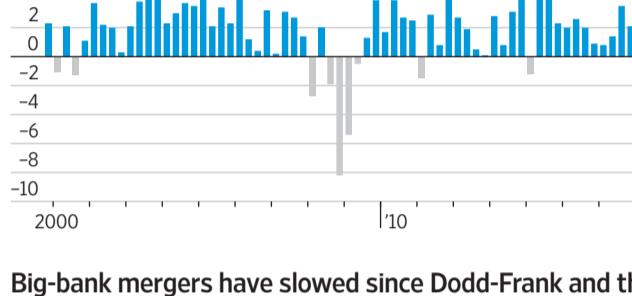
Banks may soon enter a new regulatory era, reflected by Treasury Department proposals this week to roll back parts of the Dodd-Frank Act. Since the 2010 law, banks' stocks have posted gains but haven't yet fully recovered from the financial crisis.

Price performance since the signing of the Dodd-Frank Act*



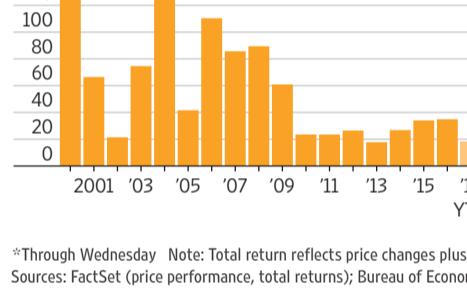
Banks have been hampered by a subpar U.S. economic recovery and continued tepid growth in recent years.

Real gross domestic product, change from previous quarter, at a seasonally adjusted annual rate

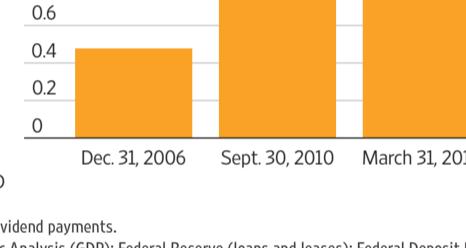


Big-bank mergers have slowed since Dodd-Frank and the crisis, while common equity has grown because of regulatory requirements.

Total U.S. deal value of bank mergers

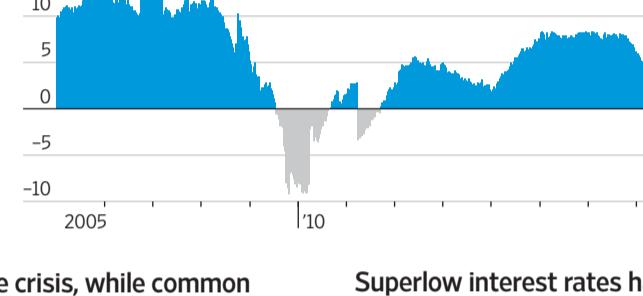


Total common equity at the six largest U.S. banks



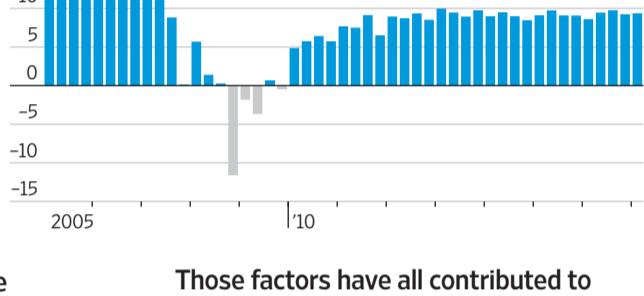
Lending has bounced back from the depths of the crisis, but growth still lags behind the precrisis era.

Loans and leases at U.S. commercial lenders, weekly, change from a year earlier



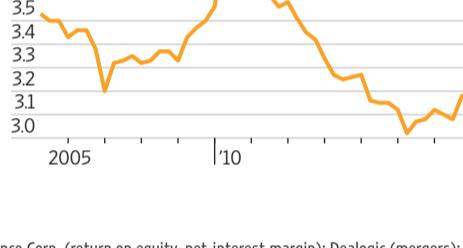
Return on equity has also lagged behind, due in part to the need to hold more capital.

Average return on equity for U.S. banks, quarterly



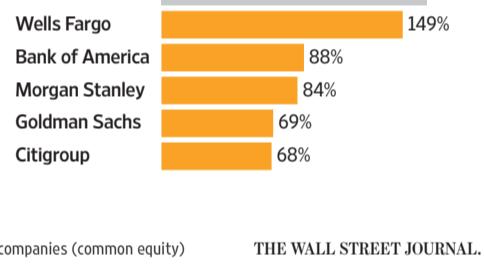
Superlow interest rates have squeezed profits.

Average net-interest margin for U.S. banks, quarterly



Those factors have all contributed to some big banks' stocks underperforming.

Total returns since Dodd-Frank passage*



*Through Wednesday Note: Total return reflects price changes plus dividend payments.

Sources: FactSet (price performance, total returns); Bureau of Economic Analysis (GDP); Federal Reserve (loans and leases); Federal Deposit Insurance Corp. (return on equity, net-interest margin); Dealogic (mergers); the companies (common equity)

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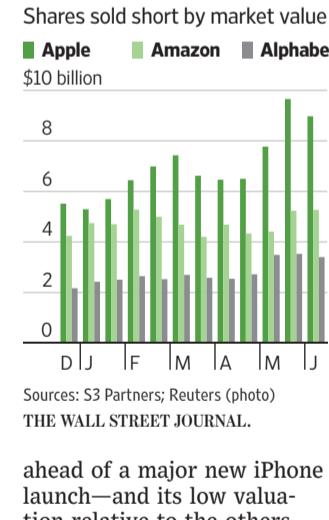
Short Sellers Hunger for Apple

More investors are betting against big tech stocks these days. The biggest one of all is drawing an especially bold gamble.

Short sellers have been targeting Apple Inc., Amazon.com and Google parent Alphabet Inc. over the past six weeks. The value of shares sold short on those three has jumped 38%, 25% and 22%, respectively, according to financial analytics firm S3 Partners.

Those bets were coming in before a sell-off on big tech stocks began in earnest last week. Apple, Amazon and Alphabet, along with Microsoft and Facebook, are the five largest stocks in the S&P 500 by market capitalization. They also accounted for 41% of the index's gain before the recent sell-off. With fresh selling on Thursday, those five are now down more than 5%, on average, from last Thursday's close.

But not all short bets are created equal. Apple in particular is unusual given both the timing—a few months



Apple's developer conference in San Jose, California

ahead of a major new iPhone launch—and its low valuation relative to the others. Apple trades at just over 14 times forward earnings, while Alphabet and Microsoft are at 26 times and 21 times, respectively.

The company's huge size also limits short sellers' sway; short interest represents just over 1% of Apple's public float, according to FactSet.

But short sellers are still

taking a special interest. The world's most valuable company is now the world's third-largest short position by market value behind Alibaba and Tesla, S3 analyst Ihor Dusaniwsky noted.

The reasons why make sense. Unlike its big tech peers, Apple is highly dependent on a single product—the iPhone—for the bulk of its revenue and earnings.

That product has become

highly cyclical. Sales of the iPhone fell in Apple's latest fiscal year and are expected to be relatively flat in the current one as the past two versions have offered only incremental changes and smartphone users hold on to their devices longer.

A big upgrade cycle is expected for the next device coming out this fall, but that rightfully raises worries about what happens to Apple's stock following that launch.

The shares have seen two big sell-offs over the last five years following big iPhone launches.

Apple ended up losing more than one-third of its market value after the stock hit a peak in early 2015, driven by the highly successful iPhone 6 launch.

Shorting Apple now still seems premature given that the stock is likely to continue to net gains leading up to the next launch. But for those familiar with the company's cyclical nature, it may be more a question of when than if.

—Dan Gallagher

OVERHEARD

Patent expirations strike fear into the hearts of pharmaceutical executives everywhere, but there has been at least one very long and profitable ride into the sunset.

It was a century ago that aspirin, a blockbuster for Germany's Bayer, was stripped of patent protection in major markets during World War I. Sales continued, but newer painkillers made it a bad business.

The drug then was reborn as a heart attack therapy, though.

Bayer bought back the U.S. rights to Bayer Aspirin in 1994.

It has most of the market and had U.S. sales of \$520 million in 2015 despite plenty of competition.

Compare that with Prozac, Eli Lilly's huge blockbuster and cultural touchstone that went generic in 2001.

Just four years later, sales of the generic version of the drug had slumped to \$249 million.

The company doesn't even break the figure out today.

BOE Vote Is A Warning To Investors

Surprises from central banks have become a rare thing in recent times. So when one comes along, as it has at the Bank of England, it is worth paying attention—both inside and outside the U.K.

The shock at the BOE lies in the split on the Monetary Policy Committee; policy was left unchanged, with rates at 0.25%. But three policy makers voted for an increase by 0.25 percentage point, versus only one in May. That was unexpected, given the political and economic uncertainties the U.K. is facing because of Brexit. Sterling and gilt yields jumped.

Inflation, which at 2.9% in May is well above the BOE's 2% target, is provoking discomfort. The central bank has previously managed to keep policy loose in the face of higher inflation, most notably 2011's climb to above 5%. But things are different now. The recovery has run a long way, and unemployment is much lower. That is making the BOE less tolerant of above-target inflation, the

minutes of the meeting show, although that sits uneasily with the idea that rising prices are due to the sharp fall in sterling, something the BOE can't easily offset.

In terms of U.K. assets, the pound has found a friend. While politics are still a source of volatility, investors can no longer just blithely believe that the BOE is on permanent hold. The wider message is that the BOE, like other central banks, is buying into the idea that the global economy has picked up speed. That is another signal the period of peak support for markets from central banks now lies in the past.

—Richard Barley

Glencore Can Snatch Rio Tinto's Coal but Might Regret It

Knowing when to go in with cannons blazing and when to hold your fire is essential for all businesses, but especially for big miners.

That makes Glencore's gambit to poach Rio Tinto's Australian coal assets from rival Chinese suitor Yancoal for \$2.55 billion an interesting case.

Glencore's bid is typical of its opportunistic approach to asset-buying. The Switzerland-based company already owns most of the coal assets surrounding Rio's mines.

Blending Rio's high-quality coal with its own lower-quality coal would improve the price it gets in Asian

markets.

Glencore should enjoy significant operational synergies with its existing mines, especially if it also buys out the adjacent mines owned by Mitsubishi, as planned.

UBS puts its potential cost savings at \$300 million or more. And Glencore is offering only \$100 million more than Yancoal.

But it is still a hefty premium: RBC Capital Markets estimated Rio's coal assets were worth only \$2.2 billion at January spot prices, a few dollars higher than today's.

For its billions, Glencore would get the risk of increased exposure to coal—

Big Dipper

Change from a year earlier



Sources: Thomson Reuters, International Monetary Fund

THE WALL STREET JOURNAL.

outlook for coal itself. Thermal coal, used to generate electricity, has the dubious distinction of being one of the most volatile commodities in recent years.

Botched mine closures ordered by Chinese regulators sent prices in Asia up 90% from June to October 2016; over the next three months, they fell 20%.

Misjudging the coal market has already helped sink Glencore's old rival Noble Group—one reason the bid by Yancoal, which is 13% owned by Noble, is under threat.

And while China's efforts to cut coal dependence have borne mixed fruit to date, the political rationale for

appeasing citizens unhappy with terrible air pollution—and potentially importing a lot more clean-burning U.S. natural gas—is clear.

Such trends make thermal coal a risky bet.

Glencore shareholders might be better served if the company further diversified into agricultural commodities: Its recent overture toward agricultural heavyweight Bunge shows it is already interested.

If Glencore does go ahead with its bid, Rio would be wise to accept.

For Glencore, however, the deal looks like a mixed bag.

—Nathaniel Taplin

—Richard Barley

How a
caftan can
make holiday
dressing
effortless
W3



OFF DUTY



In many ways,
the future of
self-driving cars
is already here.
Dan Neil
reports **W8**

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE OFF DUTY SUMMER SPECIAL

Lazy Does It

In the sunniest season, no one really wants to lift a finger.
Here are 50 looks, recipes, gadgets, shortcuts and travel tricks to help
you overachieve when it comes to underachievement



OFF DUTY

Loosen Up, On the Sly

The latest style of shorts for men is comfort incarnate—but no one has to be the wiser

BY JACOB GALLAGHER

AT SAVE KHAKI UNITED, a New York menswear store that sells its own line of casual, cotton basics, the most popular shorts go by the name "Easy." Yet, easy to spot on the street, they are not. If you wear them with a T-shirt draping over the waistband, they fly under the radar, just another cotton twill pair, out for a stroll. What's obscured—a guilty-pleasure drawstring waist—is the secret to the shorts' success. "It's just about being comfortable," explained Save Khaki's designer David Mullen.

But it's not just the drawstring that's easy. The shorts' straight-cut legs are slightly fuller than the norm, though not sloppy. These are shorts in which to truly—yet still rakishly—kick back. Go fishing. Fall asleep during the day with a book on your face. Eat apricot-glazed chicken wings to excess and simply retie. You can have it all.

Labels like Gucci, Ami and Brunello Cucinelli have also discovered that by widening the leg and adding a tie-it-as-you-like-it waist, they can transform stodgy Bermuda shorts into something much freer. (Though none christened theirs with a winky title like "Easy.")

When Save Khaki introduced the shorts three years ago, it was ahead of the comfort curve. Back then, the reigning style of summer shorts could have passed for Lance Armstrong's competition gear. In J. Crew catalogs and GQ spreads, men found taut, abbreviated shorts that girdled their midsections and gave the world a high-resolution glimpse of their gluteus maximus. "People were wearing things tight, even shorts," said Todd Barket, the owner of Unionmade, a mini-chain of West Coast menswear stores. Over time, those sealed-like-a-sau-



From top: Mt Shorts, \$252, skmanorhill.com; Save Khaki United Shorts, \$85, savekhaki.com; Emmett Shorts, \$185, [Freemans Sporting Club](http://freemanssportingclub.com), 212-673-3209

sage shorts became overcooked. "People were so attached to skinny, it got pedestrian-looking," said Mr. Barket, who felt compelled to offer relief this season by stocking elastic- and drawstring-waisted shorts from labels like Barena and Older Brother.

The look "comes from an athletic



FRESH CATCH Reel in summer's newest shorts by their drawstrings. Shirt, \$188, noahny.com; T-shirt, \$135, amiparis.com; Shorts, \$50, jcrew.com; Adidas Originals Sneakers, \$120, adidas.com; Sunglasses, \$340, garrettlight.com; Watch, \$6,600, omegawatches.com; Sidney Garber Bracelet, \$4,000, barneys.com

leisure background," said Dominic Sondag, designer of New York menswear brand S.K. Manor Hill, whose twill drawstring pull-ons were inspired by a pair of vintage military training shorts. Another antecedent: roomy mesh basketball shorts. To balance sporty connotations, Mr. Sondag crucially decided

to upgrade the fabric, making his in a refined cotton twill. The result? Shorts more appropriate for a cocktail bar than a bench press.

Though stealthily stylish, these shorts are likely too relaxed to pair with an oxford shirt. For a bit of polish, try a fitted, but not tight, pique polo shirt. Unionmade's Mr.

Barket also recommended looser tees and open-collared camp shirts to keep the overall silhouette relaxed. If you go that mellow route, said Save Khaki's Mr. Mullen, a tonal color scheme—blue-on-blue or grey-on-grey—can keep things modishly sophisticated: "It's less preppy and looks a little cleaner."

MY SUMMERTIME GUILTY PLEASURE

"Sundays are really my one day to lazily indulge. I throw some swim trunks on, lotion up and walk 20 steps from the back door to my pool. I make sure the radio is tuned to FIP (a French Jazz station), which is super relaxing because I don't speak any French, so I don't have to worry about what they're saying. I'll do half of the crossword puzzle, then I'll nod off until I'm burning, wake up, jump in the pool and do it all over again."

Sid Mashburn
Chief executive officer and designer, Sid Mashburn



When you're in a robe, no one misunderstands your intentions. You're off the clock, ready for inaction, dressed for maximum do-nothing-ness. But you shouldn't throw your style standards out with the chore list. There is life beyond that tacky terry robe. Upgrade your lay-about look with Sleepy Jones's more considered madras tie-on. It's no less carefree than terry, but the rakishly cool plaid cotton makes you look vaguely Bond-like even if the only thing you're saving is your strength. Robe, \$298, sleepyjones.com



Enrich Your Robe

When you're in a robe, no one misunderstands your intentions. You're off the clock, ready for inaction, dressed for maximum do-nothing-ness. But you shouldn't throw your style standards out with the chore list. There is life beyond that tacky terry robe. Upgrade your lay-about look with Sleepy Jones's more considered madras tie-on. It's no less carefree than terry, but the rakishly cool plaid cotton makes you look vaguely Bond-like even if the only thing you're saving is your strength. Robe, \$298, sleepyjones.com



Get the Hang of It

It's a summer day, gorgeous yet insistently sunny, when you look down, check your pockets and discover your beloved sunglasses are gone. Now, you either have to retrace your steps (Did you leave them in the Uber? Will you have to tip the driver \$50 to return them?) or accept that they're forever lost in the Land of Misplaced Shades. No more. Just slide Reggie Holder's waterproof sunglass straps onto your aviators' temples and let your specs hang free when you're not wearing them. You avoid the bother of finding a safe place to stash them—and the tedium and expense of buying replacement pairs. Sunglasses, \$340, garrettlight.com; Reggie Holder Strap, \$32, mohawkgeneralstore.com



Discover the Thrill of Not Hunting Trawling massive flea markets, like Brimfield Antiques Market in Brimfield, Mass., is a summer tradition. But lazy strategists can score vintage brass anchors, signal flags and patinaed wicker baskets without spending days pawing through endless stalls. Mate Gallery cuts through the clutter with its natty nautical finds. Shop online at mategallery.com, at its seasonal store in Montauk, N.Y. or its new Manhattan pop-up shop in designer Todd Snyder's 26th Street flagship (pictured).



Stay Above the Fold "Loafer." The very word connotes determined leisure. Yet standard loafers don't rate when it comes to true sloth. Ermenegildo Zegna's espadrille-inspired slip-on, meanwhile, is engineered with a fold-down back to transform it from a proper shoe to something resembling a pool slide. On lethargic mornings when sleep is heavy on your lids, just slip your foot right over the back. No taxing heel-wriggling required. Espadrilles, \$495, zegna.com

OFF DUTY

Be Covered for Everything

A versatile caftan makes vacation-dressing—from deck chair to dinner time—a no-brainer



GREEN LIGHT Outfit planning with caftans is a walk in the park. *On model:* Pippa Holt Caftan, \$725, Bergdorf Goodman, 212-753-7300; Sunglasses, \$340, garrettlight.com; Elizabeth Locke Chain, \$5,125, and Pendant, \$3,850, Neiman Marcus, 800-937-9146; Yellow and Turquoise Chain Necklaces, \$650, Nephrite Jade Charm, \$450, Pink Opal Charm, \$695, daviyurman.com; Serpenti Spiga Watch, \$6,700, bulgari.com; Sandals, \$210, ancient-greek-sandals.com. Still-lives from top: Chloé Caftan, \$2,395, net-a-porter.com; Caftan, \$375, lemlem.com; Caftan, \$595, lisamariefernandez.com; Le Sireneuse Positano Caftan, \$355, emporiosirenese.com; Caftan, \$480, suparis.com

BY CHRISTINE WHITNEY

Rather ironically, relaxing takes work. Even a do-nothing vacation of cozying up to your Kindle on an uneventful island requires figuring out what to wear for your days in the sun. One garment, however, can help curtail the indecision.

Consider the caftan. "Caftans can be worn on the beach or poolside and then later, perhaps over that same bikini, while you're having a cocktail at a restaurant," said Winnie Beattie, owner of Manhattan resort-wear boutique Warm, which offers a variety of loose, wanderlust styles.

The flowy garments were popularized during the *dolce vita* 1960s (think: bohemian socialite Talitha Getty on a Marrakesh rooftop), and though they weathered a bleak period in the 1970s as the go-to garment of the *dolce-less* Mrs. Roper in the sitcom "Three's Company," they're enjoying a renewed vogue.

Last year, Carla Sersale, of the family-run Hotel Le Sireneuse in Positano, Italy, began to offer her line of block-printed cotton caftans, called Le Sireneuse Positano, at retailers beyond the hotel's shop, such as Bergdorf Goodman. A caftan "can dress you from morning to night," she said, noting that guests tend to waft from the pool to the terrace restaurant and oyster bar wearing similarly breezy styles. "It's a very easy garment."

The process of transitioning from deck chair to dinner, Ms. Sersale and Ms. Beattie agreed, is relatively hassle-free. Just swap flip-flops for strappy heels and throw on some jewelry, whether a pair of dangly earrings, a few layered necklaces or a chunky cuff. The

right accoutrements can range from a simple array to the haute bohemian extremes captured in a photo of socialite and style icon Deeda Blair—a caftan inspiration for gallerist Sarah Gavlak. In the photo, Ms. Blair is wearing a scarf-print number "with this incredible long scorpion necklace, and great big sunglasses, and has her gorgeous poodle next to her while she's sipping a cocktail," said Ms. Gavlak. As someone who splits her time between Los Angeles and Palm Springs, Ms. Gavlak prefers to wear caftans by the pool, but said she'd go beyond the sun deck: "I would definitely wear one as a hostess outfit. It's casual, but you're in a gown, in a way."

Before accessorizing, however, it's important to choose the right one. Caftans can easily go awry: swallowing a small frame, bulking up a larger one, or reading more tent than Talitha. "Some women feel better if they have a bit of ankle showing," said Warm's Ms. Beattie. Petite women, she added, might consider a sleeveless caftan or one with a lower neckline. Ms. Sersale recommended a style with side-slits to show off a bit of leg. "It breaks up the shape and makes it more graceful," she said.

Chic prints or stripes are enough to make an impact; heavy beading can overdo it for day. "I think embellished caftans are fabulous, but sometimes they're overpowering," said Vogue editor-turned-designer Pippa Holt, who enlists Mexican artisans to hand-weave her new cotton caftan collection. Find the caftan that best suits you, and you've cracked the vacation-dressing code—with a healthy side of glamour. "It's a dream statement," said Ms. Sersale. "You feel empowered to be Sophia Loren."

**Do Try It at Home**

Few tasks trigger dread like shopping for a bathing suit in public. Direct-to-consumer brands let you flee the fitting room for the sales-associate-free zone of your bedroom. Our favorite: Andie, which ships you the three one-piece styles in its debut swim collection to try on. Co-founders Tess de Paula and Melanie Travis designed the collection after surveying hundreds of women on the best fits and fabrics. Only keep what works and send back the rest. Swim suits, \$105-\$125, andieswim.com —Lauren Ingram

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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 shirtdress 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, \$198, trademark.com; Mercedes Salazar Hat, \$176, revolve.com; Taya Hat, \$460, gigiburriss.com



OFF DUTY

Go Easy On The Noodles

Pasta salad lightens up nicely with a reduced carbs-to-crunch ratio. And there's no more obliging dish to devise on a moment's notice

BY GAIL MONAGHAN

AFORGIVING DISH, pasta salad. Chances are, you have the makings of a respectable one in the fridge right now, ready to be thrown together without undue contrivance.

Forgiving is not the word I'd apply to the Italian approach to pasta. Years ago, while watching me prepare a seafood risotto, a Milanese friend was appalled at the abundance of shrimp, clams and calamari I enthusiastically included. She insisted that, when made correctly, her country's rice and pasta dishes were all about the starch; any other ingredient was there merely to provide nomenclature and a bit of variety. Duly shamed, I followed her directive for years afterward.

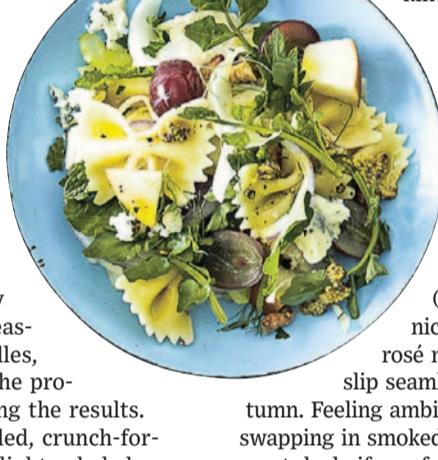
Time has passed, I've gained confidence as a cook, and anyway, I live in New York, not Florence. Lately I've been flipping the ratio on my pasta salads—easier on the noodles, prodigal with the produce—and loving the results.

My newfangled, crunch-forward, summer-light salads have just enough pasta—a fourth of what I previously used—to provide a bit of heft and here-and-there chewiness. I include only about a quarter of a box (four ounces) of pasta to make six generous main-course servings. As for the rest,

I've always seen a pasta salad as the ideal repository for extraneous bits and pieces. If you're even marginally imaginative, most any combination of leftover meat, poultry, fish, seafood, sausage, legumes and vegetables—can尼ly tossed with olive oil and seasonings, or with a first-class vinaigrette—will be a winner. For even lighter salads and additional servings, add shredded lettuces or cabbage and extra vegetables.

For those who prefer following a recipe, I've included, at right, my two current favorites. The first—with fusilli (whole-wheat, if you like), cucumbers, tomatoes, feta, scallions, arugula, fresh herbs and pine nuts—is my go-to lunch when temperatures soar. A shady porch, this salad (pictured, right) and an ice-cold Chablis is my kind of healthy.

The somewhat richer other recipe, a combo of roast chicken, Roquefort cheese, grapes, pears and walnuts (left), will pair nicely with a dry rosé now and also slip seamlessly into autumn. Feeling ambitious? Try swapping in smoked chicken or roast duck, if you fancy. Or go vegetarian and omit the poultry entirely. Play around. Replace the Roquefort and walnuts with chèvre and pistachios, or the pears with Granny Smith apples. It's effectively impossible to go wrong here, whatever my friend in Milan says.



at least 1 hour to allow flavors to marry. Taste and adjust the seasoning as needed. // In

a large pot of boiling water, cook **6 ounces penne, rotelle or farfalle** according to package directions until just al dente. // Drain cooked pasta and toss in a large salad bowl with **8 cups roast chicken cut into bite-size pieces, 1 bunch watercress, tough stems removed, coarsely chopped, 3 large Belgian endives sliced crosswise into 1/2-inch pieces, 1 bulb fennel, trimmed and cut into bite-size pieces, 3/4 cup seedless red grapes, halved vertically, 1 cup crumbled Roquefort or other blue cheese, 1 cup thinly sliced celery, 1/2 cup toasted and coarsely chopped walnuts, 1/4 cup coarsely chopped mint, 1/4 cup coarsely chopped Italian parsley, 1 medium red onion, halved and sliced into paper-thin half rings. Core 2 Bosc pears and slice into 1/4-inch-thick wedges. Add pears to salad. // Toss with just enough vinaigrette to moisten and flavor. Adjust seasonings as needed.**

Veggie-Forward Pasta Salad

SERVES: 8 as a main course, 12-14 as a first course or side

In a large pot of boiling water, cook **6 ounces fusilli** according to package directions until just al dente. // Meanwhile, make vinaigrette: In a small bowl, whisk together $\frac{1}{4}$ cup **fresh lemon juice**, $\frac{1}{2}$ teaspoon **fine salt** and $\frac{1}{2}$ teaspoon **freshly ground black pepper**. Slowly add $\frac{3}{4}$ 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, $\frac{1}{4}$ 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 $\frac{1}{2}$ -inch**

pieces, 1 large red onion, cut into paper thin half rings

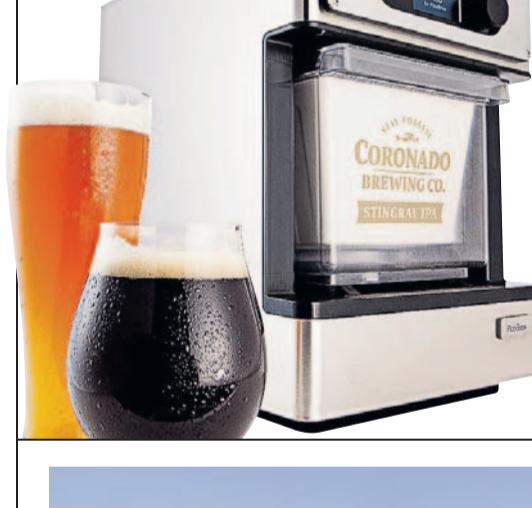
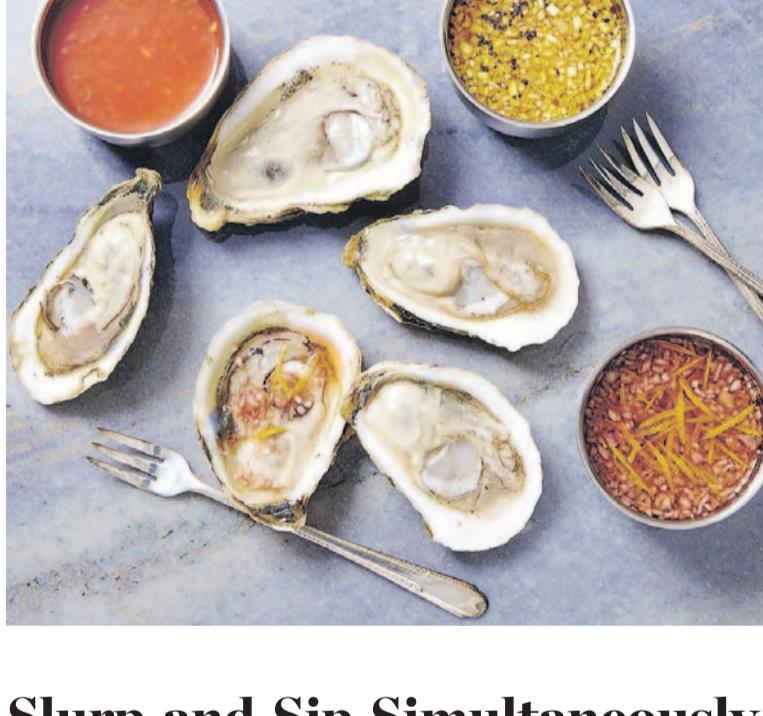
If you like, add or swap in fresh fennel, cooked potatoes, cooked green beans or cooked fava beans. // Add enough vinaigrette to moisten and flavor. Adjust salt and pepper to taste.

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 $\frac{1}{2}$ cup **walnut oil**, 2 tablespoons **Sherry vinegar**, 1 tablespoon **grainy mustard**, $\frac{1}{4}$ teaspoon **fine sea salt**, $\frac{1}{2}$ teaspoon **freshly ground black pepper** and **1 large clove garlic, finely minced**. Secure lid and shake vigorously until well combined. Let sit

at least 1 hour to allow flavors to marry. Taste and adjust the seasoning as needed. // In a large pot of boiling water, cook **6 ounces penne, rotelle or farfalle** according to package directions until just al dente. // Drain cooked pasta and toss in a large salad bowl with **8 cups roast chicken cut into bite-size pieces, 1 bunch watercress, tough stems removed, coarsely chopped, 3 large Belgian endives sliced crosswise into $\frac{1}{2}$ -inch pieces, 1 bulb fennel, trimmed and cut into bite-size pieces, $\frac{3}{4}$ cup seedless red grapes, halved vertically, 1 cup crumbled Roquefort or other blue cheese, 1 cup thinly sliced celery, $\frac{1}{2}$ cup toasted and coarsely chopped walnuts, $\frac{1}{4}$ cup coarsely chopped mint, $\frac{1}{4}$ cup coarsely chopped Italian parsley, 1 medium red onion, halved and sliced into paper-thin half rings. Core 2 Bosc pears and slice into $\frac{1}{4}$ -inch-thick wedges. Add pears to salad. // Toss with just enough vinaigrette to moisten and flavor. Adjust seasonings as needed.**



Brew Without Brouhaha

Many beer hobbyists have long banished their infuriatingly complex homebrew setups to basements and garages, where the cumbersome tubes and kettles are just collecting dust. Seattle-based company PicoBrew has brought homebrewing into the light—indeed, right onto the kitchen counter—with the fully automatic Pico Pro appliance. Use the dozens of brewery-sanctioned recipe kits, or design your own if you're the tinkering type. Pico Pro produces handmade, super-fresh suds with the push-button ease of a Mr. Coffee. It looks way cooler than your KitchenAid and can brew kombucha and cook sous-vide, too. Still unconvinced? A new, even more streamlined and affordable iteration, the Pico Model C, hits shelves this fall. \$800 for Pico Pro, \$550 for Pico Model C (available for pre-order), picobrew.com —William Bostwick

Throw a Do-Nothing Dinner Party

Haven't you always wanted to be that host who makes it all look effortless? Lucky for you, some popular cook-at-home meal-delivery services are sending out party-ready kits built to feed a crowd. Ingredients arrive already portioned, and most recipes are doable in under an hour. Atlanta-based PeachDish collaborates with Southern chefs on the meals it delivers nationwide. Try Kevin Clark's Comfy Chicken (\$150 for up to 12 people, peachdish.com), a bounty of fried chicken, buttermilk biscuits and sausage gravy. Currently delivering in New York City (with plans to expand), Feasting focuses on seasonal meals with an international bent. To make the Korean-inspired Bulgogi Sliders (shown at right, \$210 for up to 7 people, feastive.com), simply sizzle the marinated beef for six minutes, set out potato buns, cucumber-chili pickles, sliced scallions, cabbage kimchi and spicy mayo, and let guests do the rest. —K.M.G.



Grill Sloppily

Between Alexa and self-driving cars, it seems the robots are taking over—a boon for the indolent. Add the Grillbot to the list and rest assured, cleanup after your next barbecue will be taken care of. This adorable automatic grill cleaner tattles around the greasy grate, scouring away with its wire brushes, propelled by three high-power electric motors and guided by a clever CPU chip that controls direction and speed. The brushes pop right out and into the dishwasher for easy cleaning; the lithium ion battery is rechargeable; and the LCD alarm and timer allow you to program different cleaning times depending on the state of the grate. Think of it as your barbecue butler. \$130, grillbot.com

MY SUMMERTIME GUILTY PLEASURE

"To be honest, it's my busiest season so I don't get to be that lazy. But when I can, I love to just lie down in the park—any park—on the grass, ideally with friends, music, food and mezcal."

Fany Gerson, maker of frozen confections and author of "Mexican Ice Cream" (Ten Speed Press, June 13)

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, $\frac{1}{2}$ cup vermouth vinegar, 2 tablespoons Campari, 2 tablespoons gin, $\frac{1}{4}$ cup Prosecco, julienned zest of $\frac{1}{2}$ orange and sea salt and cracked black pepper to taste**. Let sit in refrigerator 30 minutes to allow flavors to blend. Drizzle over oysters.

Find recipes for Ms. Whims's beet mignonette and cocktail sauce at wsj.com/food.



Rustle Up Some Grub—From a Can

Ah, the romance of the open range. The truth is, driving cattle was hard work, so cowboys kept things simple at chow time. Old-school cream-can cooking called for sealing ingredients in a metal container with a good dousing of beer or other liquid for steaming over a fire. The CanCooker Jr., updated in anodized aluminum with a non-stick interior, accommodates eight servings of vegetables, sausages, seafood or whatever you hanker for at a camp-out or beach bonfire. \$60, cancooker.com



OFF DUTY



Stroll, Swim, Sup, Repeat

Visitors won't find much to do in Piran, a Slovenian seaside town, but its relentless pleasantness is addictive

BY TARA ISABELLA BURTON

IT TOOK Rok Vogric seven days to propose marriage to me. Red-faced, gold-bearded and exuberant, Rok—one of the waiters at Pirat restaurant in Piran, a pastel-colored Baroque town of 4,000 on Slovenia's Adriatic coast—had gotten used to my daily lunchtime order: a warm seafood stew of net-fresh mussels and clams, thick with garlic and wine, known as *buzara*; and sautéed *bietola* (chard). If I agreed to marry him, he insisted, he would grow *bietola* fields in my honor. He knew I was a city girl, he said, unused to village life. "But here in Piran, we are a city in a village." Over time, this border-town has been Venetian, Austro-Hungarian, Yugoslavian, Slovene and, briefly, Napoleonic French.

Some Friday nights, the piazza transformed into an open-air cocktail party.

My tongue-in-cheek courtship may have been whirlwind. But time moves differently in Piran. Most visitors—often staying in the adjacent, somewhat gaudy casino-resort town of Portorož—come for a day or two, at most. They wander the marbled Tartini Square, its Venetian-style palazzos, complete with winged lions, a testament to the onetime presence of those doges in this city. They climb the hill for a glimpse of the 14th-century Franciscan Piran Minorite Monastery. They dine at one of the waterside restau-

rants that line both sides of the sardine-shaped peninsula at the town's edge, drinking elderflower-scented Hugo cocktails and Aperol spritzes imported from Italy, a 40-minute drive away. They may indulge in a few of Piran's Balkan specialties, like flaky, borek pastries stuffed with cheese, or visit the kitschy Sarajevo '84 restaurant *forcevapicici* (grilled sausages without casings) and Bosnian coffee, or walk along the seaside Via Lenin (a jarring reminder that this isn't your typical Adriatic beach town). The more culturally inclined may visit the nearby Sečovlje salt pans, the exportation and trade of which gave Piran its wealth and funded its splendor. But, ultimately, they move on.

Not me.

On the hunt for an inexpensive, quiet place to write up a meandering doctoral thesis, I'd chosen to return for a month to Piran, where I'd previously just spent weekends:

paying \$800 to rent a stonewalled studio through Airbnb for 30 days in high season. For my first two days in town, I strolled along the harbor; lingered over a cappuccino on the peninsula's less-developed, northern side; and walked a mile beside the cliffs to Fiesa, a hamlet with pebble beaches, plastic chairs and red-umbrella cafes. I relished the kind of peacefulness that derives from the absence of anything formal to do whatsoever (aside from my thesis, that is). Then I began to worry that Piran's relentless pleasantness might turn, after a week or more, to stultification: death by 30 identical dishes of *buzara*, 30 identical dips in the sea.

But spending a month in a day-trip town, I came to discover, meant discovering its rhythm: the ebbs and flows of energy that rendered



THE INSIDE SLACK From top: The harbor of Piran, on Slovenia's Adriatic coast, is a three-hour ferry ride from Venice; Piran's medieval walls.

Piran's apparent pink-hued uniformity increasingly complex. I started to notice the differences between the two- and three-story houses clustered along the harborfront: the pistachio-green one with its Venetian-style roofs, the ones whose grand wooden doors were overlooked by art nouveau-style statues. Passing along Župančič Street for the fourth or fifth or 10th time, I noticed a tiled alcove shrine to the Virgin Mary nestled beneath an archway, candles lit.

Outside the cavernous, dome-ceilinged Café Galerija, a 19th-century-style space with paintings of Charlie Chaplin on most of the walls, artists and lavender sellers spread their wares on stone tables. But some Friday nights, the piazza transformed into an open-air cocktail party—the tables supporting free buffets of cheeses, sweets, wines. One Saturday, I passed by at 1 a.m. to find an Irish folk band

leading a raucous, foot-stamping singalong. Another night I came to the statue-flanked cistern in Piran's First of May Square to find speakers arranged for a dance party: an elderly man with shoulder-length gray hair served as DJ as a dozen children invented gleefully un-self-conscious dance moves to Robin Thicke's "Blurred Lines."

As the days ran into one another, and sunset followed sunset on the swimming promenade between Piran and Portorož, I came to tell the passing of time by the number of children scampering around the rocks outside the Hotel Piran—where ladders from the concrete pier dropped straight into the sea; by the number of half-beleaguered parents holding ice creams (a weekend phenomenon); and by whether or not my local morning-and-late-night workspace, the Café Teater, in a reclaimed art nouveau performance space right on the water,

was playing live jazz or tango or simply screening a football game.

But Piran's greatest pleasure, I found, was its regularity. I learned from "Mitch" (Mitja) Pilih, the Café Teater's night-shift waiter and my postwork confidante, that I was one of two writers to occupy the prime table next to one of the few power outlets; a Japanese journalist took the "afternoon shift." The morning-shift waiter memorized my breakfast-order, preemptively sending me away to the bakery if he'd run out of croissants; Mitch in turn, knew my customary evening order (an optimistic espresso, followed by a resigned prosecco or three). I came to know the other regulars, too: an eccentric Viennese composer in his 50s, whom I knew only as Berghardt, convinced me to take a midnight swim with him off the pier (Mitch, long-suffering, watched my laptop).

But my favorite home in Piran, inevitably, was at Pirat, with Rok and his fellow waiters. Along with the fantastically fresh *buzara*, Rok served up daily meditations (on Dave Matthews Band, opera and James Joyce). Later in my stay, Rok urged me to try more experimental morsels. "Everything is the same in Piran," he said, "I try to mix it up." Out of the kitchen came stockfish purée, a piquant squid salad, cold octopus. He brought me far more than I had asked for—putting the excess (clams in prosecco, shots of Malvasia-wine liquor, a sorbet) on the house. Soon, he told me, the *bietola* fields would be ready. Perhaps by next summer. "Then you'll return," he said. "All summer long."

I promised him I would.

► For details on where to stay and eat in Piran, see wsj.com/travel

Score a Front-Seat Seat

For those weary of endless cineplex escalators, drive-in movie theaters can feel indulgent, particularly at the new Blue Starlite, just outside Austin, Texas. With space for just 30 to 50 cars, it bills itself as a "mini" drive-in. The lineup favors throwbacks, like "Jaws" and "The Goonies," and beyond the windshields, you'll find fire pits, s'mores

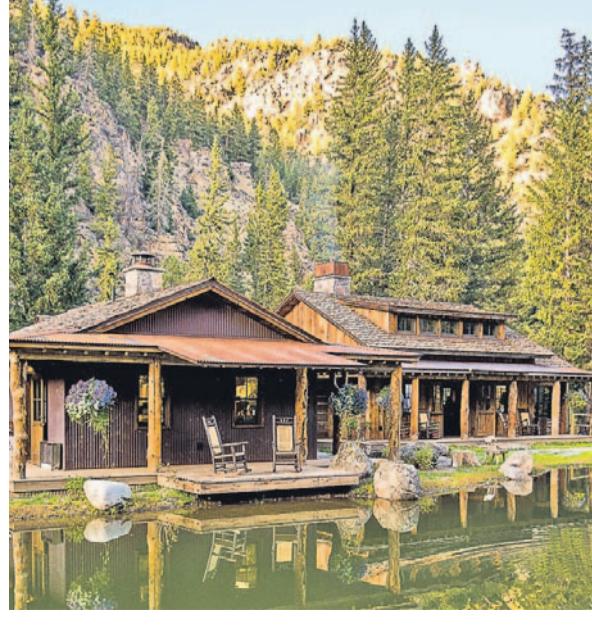
kits and local ales at the Cinema Saloon. If you'd rather dine in, so to speak, pre-order giant pickles and a brisket sandwich from the app and skip the snack-bar line. Other Blue Starlites are planned; for now, the only other location is a summer-only pop-up in Colorado's Vail Valley. bluestarlitedrivein.com —Kathryn O'Shea-Evans



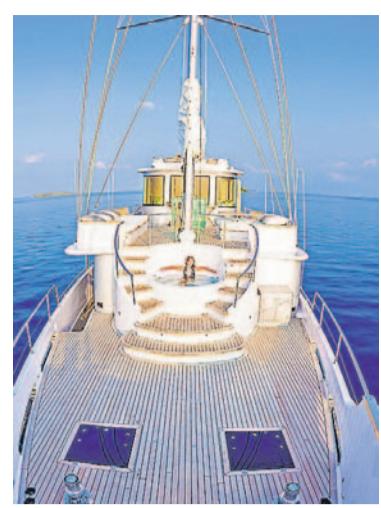
Cast Off All Responsibility

The guides at Taylor River Lodge—a secluded, coddling six-cabin wilderness retreat just outside of Crested Butte, Colo.—are more like fly-fishing butlers, standing by to outfit guests in top-of-the-line Simms waders and equip them with locally made fly rods. As novices warm up on a trout-stocked pond and experienced anglers cast on a semi-private stretch of the

Taylor River, guides are available to recommend the precise flies to lure the fish. Say the word and they'll do the heavy lifting—bait, cast, untangle lines, reel in your trophy rainbow. They will supply you with a cooler stocked with coconut water and local session IPAs from Irwin Brewing Company, or pack your poison of choice. Later, while you're busily occupied with riverside picnics and post-fishing massages, they'll put away the tackle and hang your fishing kit outside your cabin door (\$860 per person a night, including meals, elevenexperience.com). —Jen Murphy



OFF DUTY



Catch a Five-Star Wave

What beats a fly-and-flop resort? A fly-and-flop resort that moves. These top hotel brands float their own boats

► **Soneva, Maldives**

Soneva operates two lavish resorts in the Maldives. Serious divers or novice snorkelers who aren't content to loll about their bungalows can opt for a one- to three-day cruise through the sealife-rich Baa Atoll aboard the hotels' 63-foot-long yacht, **Soneva in Aqua** (pictured). The crew includes a chef and yoga/tai chi instructor. soneva.com

► **The Strand, Myanmar**

Yangon's fabled hotel, the Strand, a lacquer and teakwood remnant from Myanmar's colonial era, now boasts its own 28-cabin river boat. **The Strand Cruise**, inaugurated in 2016, sails the Irrawaddy between Mandalay and Bagan, docking near temples, pagodas and monasteries. hotelthestrand.com

► **Aman Resorts, Indonesia**

Aman Resorts' five-cabin **Amandira** explores Komodo National Park and the Raja Ampat Islands on five- and seven-night cruises. Built by Konjo craftsmen to Aman's fastidious specs, the two-masted vessel sets sail from Moyo Island, a seaside jungle encampment with luxury tents and an open-air spa. aman.com —*Sara Tucker*

Bask in Terminal Bliss

Can you bypass airport chaos without buying a premium-class ticket? Here's the insider way

BY BARBARA PETERSON

SOME YEARS AGO, after an overnight flight, I arrived at Moscow's dreary Sheremetyevo Airport to face the usual scrum at passport control. Through my jet-lagged fog, I spotted an airport attendant effusively greeting a well-dressed man just behind me, and pulling him off the lengthy queue. I assumed the man was a visiting dignitary—until I learned that any schlub could buy himself the same high-status welcome.

Many airports offer similar VIP services, but some are fairly pricey. For upward of \$3,000 you and two guests can gain entry to London Heathrow's private lounge with its own security screening. More modestly priced, the new VIP terminal at LAX is attracting celebrities and other nabobs who pay \$1,500 for access for up to three people. Other such venues are reserved for the most-frequent fliers or first-class habitués. But even infrequent fliers whose tickets read coach can enlist their very own valet to whisk them from curbside to boarding gate, making short work of security checkpoints.

These so-called meet-and-greet

services, provided by self-styled "airport concierges" can also facilitate swift connections and easy-breezy arrivals. Think of them as a nanny service for grown-ups. Major international players include Gateway VIP Services, Royal Airport Concierge and the biggest of these, Global Airport Concierge—which operates in 450 locations, from Uzbekistan to Uruguay—though some airports and airlines also offer their own services for lazy, impatient and stressed-out travelers. Prices vary widely, depending on the airport and how much TLC you require, ranging from \$30 per person for a basic meet-and-greet in Dubai to \$2,000 for a near-royal welcome or send-off in Paris.

"It is a great service if you're arriving in an unfamiliar place, numbed out and not at the top of your game," said Kate Doty, a managing director at tour operator GeoEx, who uses these hand-holders to get clients out of sticky situations, like visa snafus and tight connections. Gary Leff, an airline expert who pens the travel blog View from the Wing, adds that these programs are especially well-priced and useful in Asia, Latin America or Africa, when braving crowds without knowing the local language can be intimidating.

Here, a sampling:

AIRPORT SERVICES
At **London's Heathrow**, fliers booked in any class can take advantage of the airport concierge service. Attendants usher you through security and immigration with your sanity intact, escort you to your gate through the hub's labyrinthine concourses, and help run errands such as picking up yet-another-forgotten phone charger. Traveling with heaps of luggage? Opt for the separate porter service. *From about \$127 for up to two people, heathrow.com*

San Francisco International Airport, in conjunction with concierge service Airport Butler, offers perks from check-in assistance to personal shopping. *From \$250 for solo travelers, \$300 for two, airportbutler.com*

Toronto Pearson, Canada's largest international hub, has its own concierges, who help departing, connecting or arriving passengers. They'll also do your shopping or get you into that members-only lounge. *From \$110 per person, torontopearson.com*

At Israel's main airport, Tel Aviv's **Ben-Gurion**, famous for its tight and time-consuming security, Israel Welcome offers a personal escort through the terminal, skipping right past those snaking lines. *From \$119 for up to four travelers, israelwelcome.com*

Bangkok Flight Services at **Suvarnabhumi Airport** in the Thai capital will meet you at the plane or curb and speed you through formalities. It can also shuttle you from one end of this sprawling airport to the other in a souped-up golf cart. *From about \$50, www.bangkokflightservices.com*

AIRLINE PROGRAMS
Air France deploys concierge services at Paris's Charles de Gaulle Airport and Paris Orly, as well as in Bordeaux and Nice. They'll meet you at the curb or the gate and take care of everything in between. *From about \$168 per person, airfrance.us*

Emirates' affiliate Marhaba Services offers meet-and-greet services not only at Dubai, the air carrier's hub, but at other airports in Cairo, Johannesburg, Kuala Lumpur and Singapore. For an extra fee, you can also arrange for welcome gifts and limo transfers. *From about \$30 per person in Dubai, marhabaservices.com*

Last year, **United Airlines** rolled out its own meet-and-greet valet service at five U.S. airports: Chicago O'Hare, Houston, Los Angeles, Newark and San Francisco, plus five in Europe. *From \$250 for solo travelers, \$475 for four, united.globalairportconcierge.com*

Charge While You Lug



Mayur Bhatnagar, co-founder of the year-old luggage company Arlo Skye, hopes to get away this summer to Panarea, a tiny island north of Sicily with only 300 residents. "That place is the antidote to 'too much,'" said the Louis Vuitton alum. When designing their own carry-on, Mr. Bhatnagar's team also steered away from excess, crafting a just-big-enough suitcase with a super-light aluminum-alloy shell that clamps shut—no need to wrestle with a zipper. Best of all, the Arlo Skye comes equipped with its own (removable) phone and tablet charger so you can fritter away the airport hours without crawling around in desperate search for an outlet. The Carry-On, \$550, arloskye.com —*Liz Logan*



Camp Like a Champ

Thanks to the National Park Service's centennial celebration, 2016 was a record year for park visitors—and nabbing a spot at a popular lodge or campground likely won't be any easier this summer. A workaround: your own private campsite, assembled soup-to-nuts by bespoke travel company EXP Journeys, which specializes in glamping excursions in and around the U.S. national parks. Arrive to find roomy tents with queen-size beds, a hot shower, an actual toilet plus a chef and a guide. Not cushy enough? EXP airlifted one set of friends to the top of 1,800-foot Tower Butte at Lake Powell (pictured), where the staff had assembled an elaborate juice bar. Another group, prepared to work slightly harder, joined paleontologists on a dig near Utah's Escalante to unearth Tyrannosaurus rex fossils. *From \$650 per person per night, expjourneys.com* —*Kelly Michèle Guerotto*



MY SUMMERTIME GUILTY PLEASURE

"At 4 o'clock, when the cicadas are creating their summer buzz, instead of a cup of motivational coffee and more work, I sit down to peruse a large stack of mail-order catalogs—Boden, Guideboat, J. Peterman, Sundance, Garnet Hill—with a glass of chilled Vermentino."

Samantha Brown, host of PBS's 'Samantha Brown's Places to Love,' coming in early 2018.

Fly Blind

Who among us hasn't spent nearly as much time *planning* a weekend getaway as actually being on it? Travel agency Pack Up + Go aims to reform obsessive-compulsive vacationers, not just by making all arrangements for three-day trips in the U.S., but by choosing the destination itself. You complete a short survey, specifying travel dates, a budget level, and interests (such as hole-in-the-wall restaurants, galleries, fitness), then Pack Up + Go books hotels, flights or trains, and suggests a detailed itinerary—but doesn't share the info until your departure day. (A week beforehand they'll email a weather forecast and recommend traveler's pack, say, hiking boots or a swimsuit.) The only thing left to decide is what to read on the plane. packupandgo.com

OFF DUTY

Rock—and Hold the Rye

Six attractively unambitious ways to wile away a day, paired with recipes for cool drinks that won't leave your head spinning

GRANDMA KNEW THAT when the mercury climbs, no activity (and we use the word loosely) relieves like swaying in a rocking chair with your hand cupping a cool ice tea. With contemporary chair designers offering new takes on the classic form, this old-fashioned summer pleasure needn't be fusty, however—neither in terms of the seat nor the restorative, booze-free drink in your paw. Here are six fresh rockers we'd love to laze about in, plus a thirst quencher to match each model's style.

1 Boston Reboot

Made in Vermont, with a sturdy solid-ash frame and hand-turned spindles, this collaboration between O&G Studio and Rejuvenation gives the all-American Boston rocker a sleek, urban edge. \$999, rejuvenation.com

Goes-down-easy drink Try a switchel, the newly popular tonic that Yankee farmers have been drinking for health and hydration since the 1700s. In a glass, muddle 1 slice fresh ginger, 1 tablespoon maple syrup and 1 tablespoon apple cider vinegar. Fill glass with ice, top with seltzer and stir.

**2 Simple Pleasure**

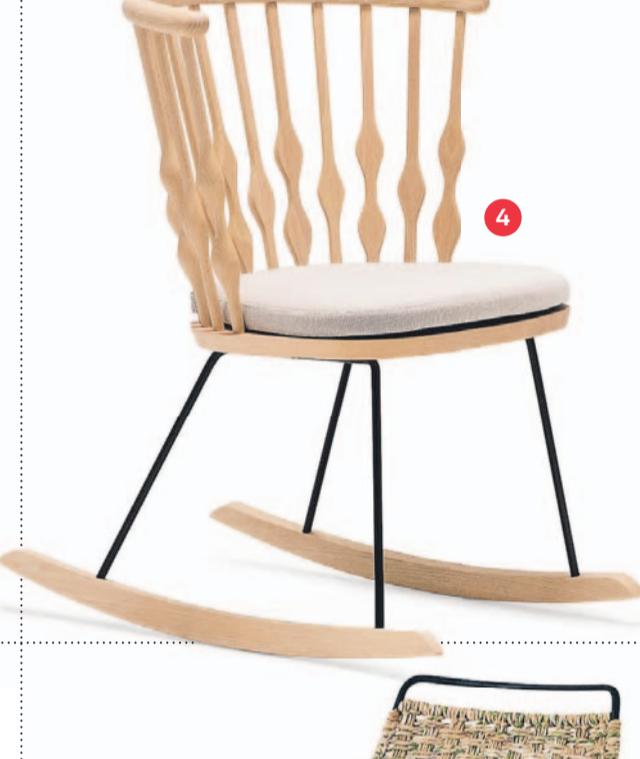
Safavieh's Vernon Rocking Chair offers stealth luxury, with deep weather-resistant cushions and a generous eucalyptus-wood build, but its silhouette reads clean and contemporary with a pop of citrusy yellow. \$185, safaviehhome.com

Goes-down-easy drink Fresh herb lemonade imbues a simple, lemony favorite with sophistication. For one pitcher, bring 5 cups water and 3/4 cup honey to a simmer. Stir, remove from heat, add large sprigs of mint and basil. Steep until cool. Stir in 1 cup lemon juice. Serve in ice-filled glasses garnished with more herbs.

**3 Latin Twist**

This "tropicalized" interpretation of the Windsor chair—a collaboration between Mexican designers Mexa and Spain's Mermelada Estudio—imbues an Anglo design with fresh global energy. 1730 Rocking Chair, from \$284, cushion, \$60, [Moxo Design](http://mexodesign.com), 956-857-3203

Goes-down-easy drink Experiment with a booze-free spin on that British classic (and Spanish obsession)—the gin and tonic. Fill a tall glass with ice, add a few dashes of rosemary bitters and 1 tablespoon of lime juice. Top with tonic water and stir.

**4 Modern Mashup**

Like a nursery rocker out of "The Jetsons," designer Patricia Urquiola's beech and steel Nub chair combines a Scandi all-natural sensibility with an atomic-age silhouette. From \$1,485, andreeworld.com

Goes-down-easy drink Indulge your midcentury nostalgia with a grown-up riff on that soda-shop stalwart, the cherry lime rickey. Spoon 2 tablespoons maraschino cherry juice (preferably Luxardo) and 1 tablespoon Rose's lime juice into a tall ice-filled glass. Top with lime seltzer, stir and garnish with a maraschino cherry.

**5 Chai Chair**

Inspired by the caned seats Swiss architect Jean Jeanneret created when invited to plan the Indian city of Chandigarh in the 1950s, the Unam rocker by Sebastian Herkner for Very Wood fuses ambitious design with elements like a webbed leather back and a water-repellent seat. From \$1,725, haute-living.com

Goes-down-easy drink Add subcontinental spice to a frosty favorite by making a masala cola float. Drop a large scoop of vanilla ice cream into a tall glass. Top with 1 teaspoon chaat masala spice blend. Add cola and stir gently.

6 Palmy Perch

A nod to the rustic rockers that populate the sidewalks of Monterrey, Mexico, the Norestense chair—a partnership between designer Christian Vivanco and the collective Los Patrones—pairs traditional handwoven Tule palm with a trim, contemporary metal frame.

\$545, theworkshopco-op.com

Goes-down-easy drink Mix up a batch of sweet-tart hibiscus agua fresca (vended on the streets south-of-the-border and showing up at U.S. taqueria bars). Combine 6 cups boiling water, 6 bags hibiscus tea, 1 cinnamon stick and 1 cup sugar. Steep 10 minutes, discard tea bags and chill until cold. Serve in ice-filled glasses garnished with lime. —Sarah Karnasiewicz



Flicker Quicker

Romantic though it might seem, toting an oil lamp on a summer outing—with its stinky fuel, finicky wick and risk of setting your gingham spread aflame—is no picnic. Inspired by the diffuse glow of Japanese rice-paper lanterns, Danish design company MENU worked with Copenhagen's Norm Architects on the Carrie Lamp, lit by LEDs. With a detachable steel handle, opal-glass globe and five-hour, USB-rechargeable batteries, it provides brainless (and dimmable) outdoor ambience at its most modern. Designer Jonas Bjerre-Poulsen invokes the Scandinavian art of coziness that defined his own upbringing. "A big part of hygge is lighting, especially outdoors in the summer, sitting on a blanket on the beach or by a bonfire," he said. "We thought it would fulfill the same need, and be much easier to use, if it was digital." \$150, store.menedesignshop.com —Sarah Storms

Make a Messy Bed

Linen isn't supposed to look fastidiously neat. The fabric evokes the insouciance of a rumpled character from a Graham Greene novel. That imperfection makes these Always Piper linen blankets handy as coverlets in summer, when making a bed with military precision appeals as much as wearing long johns. Maine designer Caitlin Mushial and her team stitch imported European linen into puckered one- or two-layer blankets that look purposefully wrinkled, provide comfort without smothering and ripple like the sea when you toss them on a bed. Double Sided Linen Blanket in Blue (left) and Linen Blanket in Natural, from \$235, kcolette.com —Daisy Prince

**Spin for Your Supper**

How could a special issue devoted to lassitude not include a Lazy Susan? With a tricked-out version of their solid-ash Memos table, Italian firm Giorgetti elevates the midcentury suburban turntable, which has long delighted children and saved diners the bother of asking for plates beyond their reach. The nearly 6-foot-wide piece, designed by Roberto Lazzeroni, features not only a bronze-colored rotating glass, but a diamond-shaped inset of gold calacatta marble that stabilizes the legs and adds a layer of style. \$20,714, DDC, 212-685-0800, x124

Grow Self-Reliant Edibles

The effort of maintaining even a small garden has been compared with that of husbanding a pet. Slack off on your green-thumb duties, and your plants will shrivel in reproach. Those who want to avoid such horticultural indignity can keep fresh ingredients at arm's length sans effort or guilt with the Smart Garden 3. Choose from 37 varieties of flowering plants, herbs and edibles, like wild strawberry (right), slot the seeded soil capsules, set it and you can (mostly) forget it. A built-in timer ensures the overhead LED lamp—which supplements natural rays—provides 16 hours of light each day. The 40-ounce water reservoir hydrates your greenery, alerting you when it's time to refill (about once a month). \$100, clickandgrow.com —Kelly Michèle Guerotto



OFF DUTY

Let Your Car Do (Most of) the Driving

Your car can't automatically chauffeur you around town...yet. But today's self-driving tech can de-stress your summer ride

BY DAN NEIL

AMERICANS AREN'T lazy behind the wheel. Actually, we're quite industrious. We text, we eat, we read, we yak on the phone and put on makeup, but let's leave me out of it.

That is why autonomy—the emerging science of self-piloting automobiles—will be good for everybody: good for these heedless 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 Autosteer, that keep the car in the center of the lane even if the road twists and turns. The Tesla also uses dynamic, all-speed cruise control that can manage stop-and-go traffic, as well as emergency braking, lane-changing and side-collision warning/prevention. Together these features comprise a rudimentary highway auto-piloting function. Tesla still requires drivers to hold on to the



wheel and pay attention. The company has had a couple of cars crash while in Autopilot mode.

Never one to hedge a deadline, Tesla CEO Elon Musk has said his company would have fully autonomous cars on the road by the end of the decade. And here it's good to note how much Tesla's human-factors engineering pioneered other kinds of bum laziness. With the key fob in the pocket of your favorite frayed cargo pants, you merely walk up to your Tesla and the door latch pops up as you reach for it. By the time you sit down, the car is already started; just put your foot on the

brake, select your direction, D or R, and go.

The Tesla experience changed automobiles, particularly the operative definition of "easy." In your typical well-heeled sedan, be it Audi or BMW, Cadillac or Infiniti, the headlights come on automatically and dim so as not to blind an oncoming car. Mercedes uses face-feature algorithms and temperature sensors to detect fatigue. The car will find a hotel for you before you realize you need a good lay down.

Of course, we all know the human burden that is parking. The good news is that most auto makers now

offer parking-assistance systems that will identify available parking places—in the case of Manhattan, they are all in Queens—and then take over like a harbor pilot, gently easing the car into the spot, nose-in, nose-out, parallel or, in the case of Tesla, perpendicular.

Mercedes-Benz is the first major auto maker to hard-wire their cars for vehicle-to-infrastructure (V2X) communications that would enable a real-time, cloud-computed model of city streets and available parking in the area. When you put the two technologies together—autonomous driving and self-parking—the mix-

ture practically explodes with possibilities that could transform civil architecture and city planning.

Imagine automobiles that drop their passengers off at the door of their workplace, the doctor's office, a shopping mall, and then retreat to park themselves, returning when summoned to pick up. Tesla has had summoning for a while, but it was intended for people's driveways. The recent Enhanced Autopilot update will allow the car to negotiate more complex, low-speed environments.

That's right: No more crossing the burning asphalt to get to Nordstrom. Easy.

Launder Languidly

Repeated trips to the dry cleaner are a drag anytime, but especially so when your highest ambition is to lie motionless under a tree. Besides, subjecting a linen dress—which you wore for only a few hours—to an elaborate chemical rigmarole is overkill. To refresh gently worn clothes with only a modicum of effort, try hanging them in the LG Styler (shown closed and open below). Designed to sit in a walk-in closet (no plumbing required), this appliance uses a combination of steam and a touch of heat to eliminate odors and relax subtle wrinkles. A bar for hanging up garments like shirts and dresses will give clothes a gentle shake while the Styler works its magic. A special spot on the door for pants aims to help them maintain their crisp crease. \$1,999, [lg.com](#)



Get Walloped by a Lounge Chair



Why wait for a visit to a nail salon or airport terminal to submit to the ministrations of a massage chair? This compact model—handsome enough to grace your living room—does more than jiggle. Using mechanically manipulated balls and rollers embedded in its back, the seat will gamely knead, tap and dig into trigger points along your neck, shoulders and upper and lower back. The footrest flips out to reveal two compartments; slide in your feet and calves, and the contraption will squeeze your lower legs in a wavelike pattern while rollers invigorate the soles of your feet. All you do is sit there and discreetly moan. uDiva Classic Massage Sofa, \$2,499, [us.osim.com](#)

Nap Commandingly

Anyone who is serious about napping knows that all white noise is not created equal. At one end of the spectrum is the tinny *shhh* that smartphone white-noise apps emit. At the other end, the rich, soporific *whooooooshhh* 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](#)



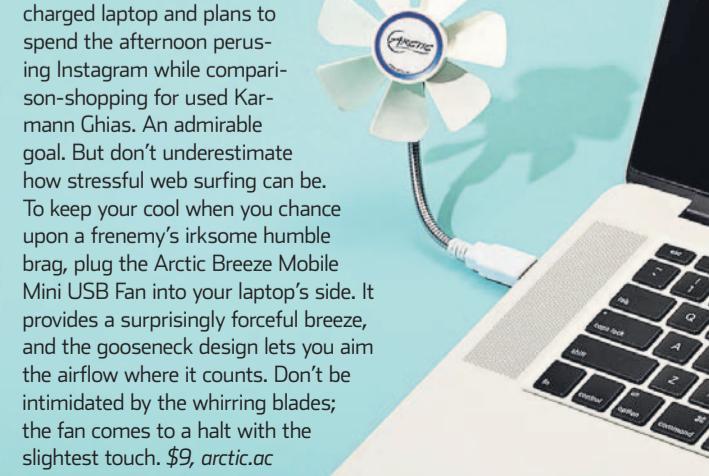
MY SUMMERTIME GUILTY PLEASURE

"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."



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](#)



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THE WALL STREET JOURNAL.

What shelter to grow ripe is ours?
What leisure to grow wise?
—Matthew Arnold

Friday - Sunday, June 16 - 18, 2017 | W9



Escape From The Hamptons

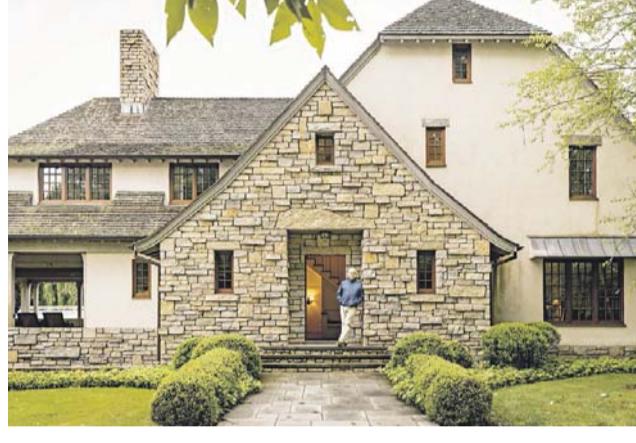
A five-minute ferry ride away, Shelter Island offers scant traffic and gentler prices.

BY AMY GAMERMAN

MANHATTAN INTERIOR DESIGNER Kevin Roberts owns a beach house in the Hamptons with his partner and husband, Timothy Haynes. But when he wants to get away from it all, Mr. Roberts jumps on the ferry for a five-minute ride from the South Fork to Shelter Island, N.Y., where he owns not one, but two antique homes on Gardiners Creek.

"My house in the Hamptons is kept by 20 minions running around," said Mr. Roberts, who often meets clients there. On Shelter Island, he reads, gardens and kayaks between his Dutch gambrel cottage and his 19th century farmhouse, on facing sides of the creek. "I like to mow the lawn myself," he said. "It's so private and old-fashioned, and it feels so authentic in every way."

Please turn to page W10



GET AWAY Shelter Island offers good sailing, top; clockwise from top right: Patrick Parcells is selling this 5,000-square-foot home for \$5.675 million; the pool and greenhouse at Mr. Parcells's property; local shops; Sunset Beach; the dining room of Stephen Harvey and Perry Sayles; the exterior of the home, which they bought for \$765,000 in 2014; they spent another \$410,000 on improvements.

HOUSE CALL | JAMES PATTERSON

ALONG CAME A WRITER

The prolific author grew up along the Hudson River in upstate New York; today he has an ocean view in Palm Beach.

James Patterson, 70, has written more than 150 novels, including "Pottymouth and Stoopid" (*Jimmy*), for middle-schoolers, and "Murder Games" (*Little, Brown*). He spoke with Marc Myers.

When I was 11, I watched my best friend ride his sled down an icy hill and fly into a busy street. His sled

passed under a moving car and shot out the other side safely, but the car's underside sheared his scalp. He needed 100 stitches. That's when I realized life can be taken away in the blink of an eye.

I grew up in Newburgh, N.Y., in the 1950s and early '60s. My grandparents had

Please turn to page W11



HOUSE OF THE DAY
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Ibiza, Spain
A minimalist home on the Spanish island



New York
A Manhattan townhouse for \$10 million



Malibu, Calif.
A modern beach house with a view



OPEN BOOK James Patterson, right, at publisher Hachette Book Group offices in Manhattan. His home in Palm Beach, Fla., above.

FROM LEFT: JESSICA KLEWICK GLYNN FOR THE WALL STREET JOURNAL; CHRIS SORENSEN FOR THE WALL STREET JOURNAL; TOM GRIMES

DOROTHY HONG FOR THE WALL STREET JOURNAL (7)

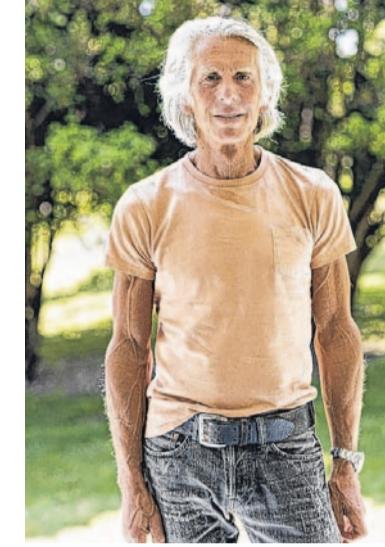
IBIZA SOTHEBY'S INTERNATIONAL REALTY

TOM GRIMES

SCOTT EVERTS/SAE PHOTOGRAPHY

MANSION

ESCAPE FROM THE HAMPTONS



Continued from page W9

Shelter Island—an 8,000-acre island wedged between Long Island's North and South Forks that can only be reached by ferry or private plane—draws a moneyed crowd in search of a more laid-back vibe, along with a rich history, good sailing, scant traffic and more attractively priced vacation homes than can be found in the nearby Hamptons.

"Last year, we sold \$60 million in real estate on Shelter Island—that was a banner year," said Penelope Moore, a real-estate agent with Saunders & Associates. "What we are hearing from buyers is that the Hamptons are great, but they are getting too congested—the people that come over here want to be in a quieter place."

Shelter Island, whose core population of about 2,400 burgeons to 10,000 in season, has been a vacation destination since the 1870s, when a group of clergymen created a summer retreat of gingerbread cottages for Methodist camp meetings. A large hotel was built soon after: Sections of the golf course at the private Gardiner's Bay Country Club date to 1896.

Many Shelter Islanders have deep roots there—some can trace their family history on the island back to the Colonial period—and are wary of overdevelopment. Concerned by the prospect of a free-wheeling Airbnb-style tourist culture, the island's town board recently passed a measure to regulate short-term rentals, which prevents property owners from renting out their homes more than once in a two-week period.

"You never want to say no, but we also want Shelter Island to stay quiet," said Craig Wood, Shelter Island town assessor.

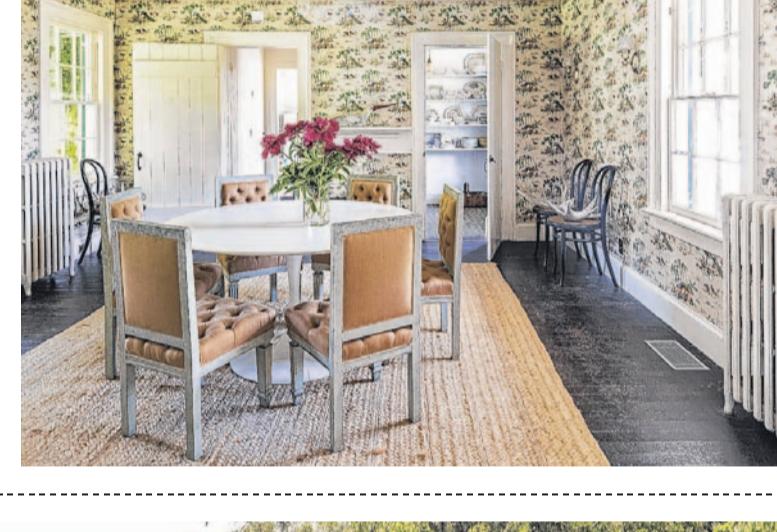
The market for vacation homes has tightened, with sales prices that are now surpassing pre-recession levels in some categories. "Under \$1 million, I have very little to show," said Catherine Debackere, an agent with Daniel Gale Sotheby's International Realty. On the high end, she is showing a 5,400-square-foot home priced at \$4.7 million; "If that house were in the Hamptons, it would be \$6 million at least," she said.

"It's not precious, and people sort of want to keep it that way—thank God that ferry keeps people away," said Mr. Roberts, who bought his first home—Creek Cottage, a Dutch gambrel built for the island's first chaplain in the 1730s—for \$1.25 million in 2014, according to public records. The cottage is set within the gates of Sylvester Manor, a 243-acre nonprofit educational farm with a 1737 Georgian manor house that has remained in the same family for 11 generations—and which had long fascinated Mr. Roberts.

Shortly after he bought the cottage, Mr. Roberts learned a picturesque 19th-century yellow farmhouse opposite the creek was for sale. "When it looked like someone was going to buy it and rip it down, I threw all caution to the winds and bought it."

Mr. Roberts paid \$1.6 million last year for the house, called the Homestead, records show. He has stabilized an original circa-1750 portion, put on a wood shake roof, and is in the process of installing a heating and cooling system—part of a continuing restoration. He said the cost far exceeds any reasonable return on his investment. "It has nothing to do with real-estate values—but a love for the island and an interest in preserving

IT TAKES TWO Manhattan interior designer Kevin Roberts, above right, first purchased Creek Cottage, above and top right. Later, he bought a 19th-century farmhouse, below, which faces his cottage across the creek. Mr. Roberts owns a house in the Hamptons but says he uses these two homes to get away from it all.



COME SAIL AWAY The waterfront home of Bill Persky, an Emmy-award winning producer, director and writer, and his wife, Joanna Patton, below. The contours of the couple's main house evoke a billowing sail.



DOROTHY HONG FOR THE WALL STREET JOURNAL (9); MAP BY JASON LEE



two historic properties," said Mr. Roberts, who intends to bequeath both homes to Shelter Island when he dies.

Some rooms are being left in their faded glory—like the dining room with peacock wallpaper dating to 1907 and a centuries-old sideboard, which Mr. Roberts bought from Glorian Dorsey, the 83-year-old matriarch of the family who had owned the house since prerevolutionary times. "That wallpaper was given to Glorian Dorsey's grandmother on her wedding day. It's peeling off and I'll never touch it," said Mr. Roberts.

"I love what he's doing—he's made wonderful changes," said Ms. Dorsey, who has become a close friend, staying in her old pink bedroom on visits from her home in Maryland.

Ms. Dorsey doesn't approve of other changes to the island—notably, Sunset Beach, the celebrity-friendly hotel and restaurant that André Balazs opened in 1997. "Shelter Island was not a fancy place, not until André Balazs ruined it," Ms. Dorsey said. "The secret got out. There are a lot of people with too much money and not enough taste." Mr. Balazs

couldn't be reached for comment.

Bill Persky, an Emmy-award winning producer, director and writer whose credits include "The Dick Van Dyke Show," "That Girl" and "Katherine & Allie," built a waterfront home on West Neck Bay 20 years ago after spotting the site from his boat.

Mr. Persky, 85, and his wife, Joanna Patton, spent close to \$2 million to create their compound: a 2-acre property shaded by Norwegian spruce trees, with a 2,500-square-foot main house whose contours evoke a billowing sail, as well as a guesthouse and a pool.

"It's not like the Hamptons where there are a thousand places to go—there's one coffee shop and you see everybody there," said Mr. Persky, who is more likely to be found at the annual firehouse barbecue than a bash at Sunset Beach. "There's never any traffic—I don't think we have a traffic light." (Shelter Island has no traffic lights. "And in the winter they re-

move some of the 'Stop' signs," Ms. Moore said.)

Stephen Harvey, an Egyptologist, and his partner, Perry Sayles, a designer, bought a 1778 Colonial farmhouse for \$765,000 in 2014 after selling their home in Sagaponack. "It was 'On Goldman Pond,'" said Mr. Harvey, 51, of his former Hamptons neighborhood and its investment-banker denizens.

The couple spent another \$410,000 on improvements. While digging a pool trench, they discovered a trove of artifacts: bits of shell-edged pearlware, a Native American grinding stone, a pitchfork and a broken champagne flute dating from about 1810.

"There's this layering, and the feeling of all these families who have come and gone," Mr. Harvey said.

Other vestiges of Shelter Island's past are disappearing. All but a few of the tiny fisherman's shacks that once dotted Little Ram Island, a narrow peninsula, have been replaced by sprawling multi-

million-dollar homes.

Nor is the island immune to Hamptons-style spats between neighbors. In Dering Harbor—a tiny village with a year-round population of 11, according to a 2016 U.S. Census Bureau estimate—village authorities have taken residents to court for planting hedges without permits.

Patrick Parcells, who is selling his 5,000-square-foot home in Dering Harbor Village for \$5.675 million, ran an unsuccessful 2014 campaign for mayor of Dering Harbor against the incumbent Tim Hogue—currently serving his 13th two-year term. More recently, he has challenged the eligibility of some voters in village elections—notably, out-of-state adult offspring of vacation-home owners.

"I love the village and I'm going to continue to live in it, but the people who run the village have been running it for 30 years," said Mr. Parcells, a 66-year-old retired banker. "The mayor in particular is very litigious."

Mr. Hogue defended his role in hedge-gate. "You need to apply for a permit for a hedge, which is considered a fence," he said.

Mr. Parcells said his six-bedroom house is too big for his family now that his son is in college. The home and its 7.6 acres are part of a 19-acre property that Mr. Parcells purchased for \$2 million in 2001; once an arboretum, it features an allee of weeping beech trees, a 19th-century barn and a restored glass conservatory.

Mr. Parcells, who is reserving 3 acres for a smaller home, said his political opponents are still good neighbors. "We play golf," he said. "We don't agree about everything, but we're able to get along."



Apitchfork and a broken champagne flute dating from about 1810. "There's this layering, and the feeling of all these families who have come and gone," Mr. Harvey said.

Other vestiges of Shelter Island's past are disappearing. All but a few of the tiny fisherman's shacks that once dotted Little Ram Island, a narrow peninsula, have been replaced by sprawling multi-

MANSION

PATTERSON

Continued from page W9

built a small restaurant and, behind it, a house and two cottages. My family first lived in one of the cottages—two parents and three kids in two small bedrooms.

I loved walking in the woods and making up adventure stories about Indians—no cowboys. We lived there until I was 6. Then we moved into another tiny two-bedroom house—the kind you wouldn't notice driving by.

My father, Charles, had grown up in Newburgh's poorhouse. His mother was a charwoman, and for cleaning bathrooms there, she and my father were given a single room. He was naturally smart and went on to attend Hamilton College on a scholarship.

My father never knew his dad, so he wasn't fully aware of his role as a parent. The guy tended to be emotionally cautious and withholding. The only time I remember him giving me a hug was on his deathbed.

My maternal grandparents assumed a parental role. "You won't play in the NBA," my grandmother told me, "but you can achieve other things you want to do."

My grandfather was similarly encouraging. Before he built his restaurant, he drove a delivery truck. Once a week in the summer, I'd accompany him.

As we drove over Storm King Mountain on our way to West Point, he'd sing in his horrendous voice. He said, "Whatever you do in life, make sure you're singing when you go over the mountain to work in the morning." I still do.

My Newburgh neighborhood was a combination of African-American children, farm kids and the offspring of military families stationed at nearby Stewart Air Force Base. That was a sad thing for me. I lost many close friends when they moved away to other Air Force bases.

When I was 11, my father gave up driving a bread truck to sell insurance. We moved into a two-story house on North Street that was built in the 1930s and over-

looked the Hudson River. I loved the view.

My mother, Isabelle, taught in the local Catholic school that I attended, and I served Mass each day. Because I was a teacher's kid, an altar boy and first in my class, I tended to be bullied. One kid slapped me around two or three times a week.

I asked my father to teach me to box, but he said, "Just stand up for yourself." So the next time I was roughed up, I threw as many slaps and punches as I could. Many landed, and the kid didn't bother me again.

During my senior year in high school, my father received a promotion at the insurance company to run its office in Belmont, Mass. He wanted me to finish high school in Newburgh first and to go on to college.

Right after my senior year, I tried selling encyclopedias but quit after a day. I learned the tricks to get people to buy them, but I couldn't knock on doors and shame strangers into spending money they didn't have.

Instead, I landed a job as an aide at a psychiatric hospital in Belmont. I worked the overnight shift and began reading everything that I could find. I was especially taken with Jerzy Kosinski and Evan S. Connell Jr. Both were concise storytellers.

After I graduated from Manhattan College in 1969, I got a full scholarship to Vanderbilt University's English graduate program. I dropped out after a year. This was near the end of the Vietnam War, and to keep my high draft lottery number, I had to leave school.

I put together an ad book and went to see the creative director of J. Walter Thompson in New York. He was a friend of a friend. I also brought along two short stories. He read one of them during our meeting and hired me as a junior copywriter.

I first lived in New York's Washington Jefferson hotel on West 51st Street, which had a bright red cross outside my window that



CLOCKWISE FROM TOP: JESSICA KLEWICKI GLYNN FOR THE WALL STREET JOURNAL



blinked all night. The wallpaper had little pendants. Someone had drawn an "X" in every one of them. I had to get out of there.

Within a few years, when I was 34, I became the agency's creative director. One of the lines I came up with was "I'm a Toys 'R' Us Kid." Then in 1984, I became CEO of the agency's U.S. operations.

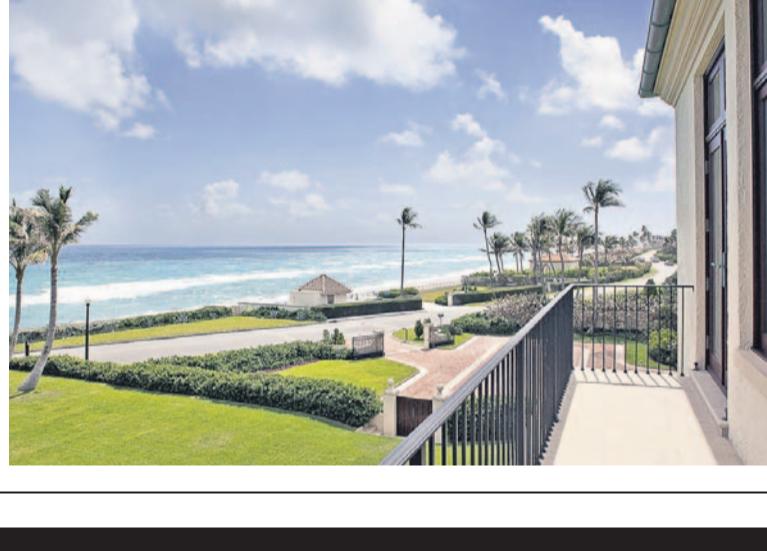
While working there in 1976, I sold my first book, "The Thomas Berryman Number," to Little, Brown. I left Thompson in 1996 to write full time.

The big turning point in my writing career was the Alex Cross character I created for "Along Came a Spider." It convinced Larry Kirshbaum, the head of Time Warner Books, the owner of Little, Brown, to make me a two-book deal. Then I was off to the races.

Today, my wife, Sue, and I live in Palm Beach, Fla. Our house is larger than we need, but we wanted to live on the ocean.

The person we bought it from had started a major renovation of the house but ran out of either patience or money. We told the town that we'd take it over only if they'd let us put in large windows. Most of the other beachfront houses had small traditional windows. Reluctantly, they let us do it.

I'm happiest when I'm in my office writing in longhand and looking up occasionally at the water. Each time I do, the ocean is a different color and texture. It's like owning a great painting that changes shapes and colors all day long.



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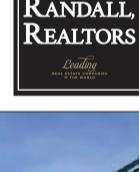


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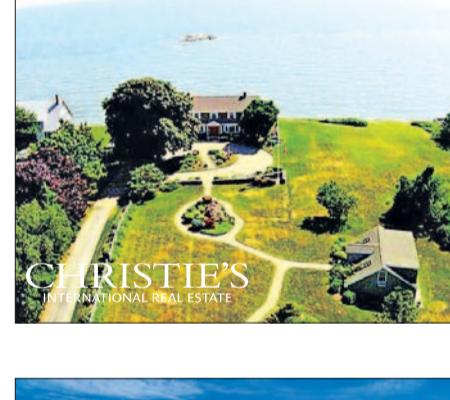
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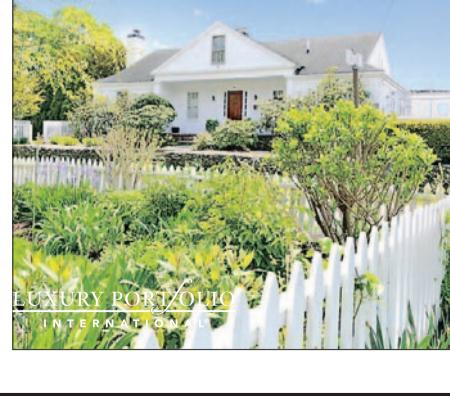


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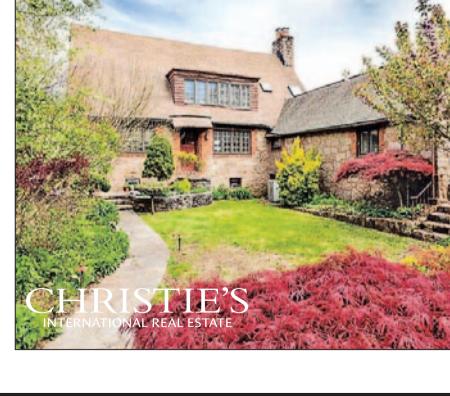


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MANSION

LIVING HISTORY

Gilded Grandeur. Bad Timing.

A London mansion hits the market at nearly \$46 million amid political uncertainty

BY RUTH BLOOMFIELD

WHOEVER GAVE Mansion House its name went straight to the point: This five-story behemoth in London measures 11,075-square-feet and was built to impress, with towering columns and an elaborate classical pediment.

However the name is misleading in one respect. Although the property is 112 years old, it has never actually been a house—until now. After serving as a company headquarters and political command post, it has been converted into a seven-bedroom house, listed for almost \$46 million. The price tag includes all its furniture and fittings, down to the artwork (a bronze nude by Rodin stands in the main living room).

Mansion House's new identity was given to it by London-based luxury developer Saigol DDC. In 2013, when London's prime property market was skyrocketing, it bought the building in Westminster, home of the British government.

The building, designed by architect Horace Field and built in 1905, was originally the London office of the North Eastern Railway Company at a time when the railways were the locomotive of Britain's expanding industrial power.

In 1982, the centrist Social Democratic Party (since renamed the Liberal Democrats) took over the building. The party had been founded the year before and Mansion House—then known simply as 4 Cowley Street—was conveniently close to parliament. The Liberal Democrats remained there until 2011, when the run-down building was listed for \$14 million.

Saigol's renovation concentrated on restoring the property's original features—the dark wood paneling in the main reception rooms and the central staircase. A lavish cupola lights the stairs, a glass dome decorated with gold leaf and a confection of plaster scrolls and flowers.

With Calacatta Oro marble and



parquet flooring, chandeliers hanging and a gray/white/taupe color palette, Mansion House is an exercise in grandeur. In addition to seven bedrooms and seven bathrooms, the house includes a dining room, formal and informal living rooms, a media room, wine room and staff quarters.

Outside is a walled backyard and a roof terrace with views of the Houses of Parliament and the peak of Big Ben. The basement features a pool tiled in gold, green and bronze mosaic tiles, as well as a hot tub and sauna.

When Saigol bought the property, offices across London were being converted into luxury homes to satisfy raging demand from international buyers. But since 2014, a combination of tax increases and the fallout from Brexit has seen prices fall substantially.

The stamp duty bill for anyone who pays \$46 million for a prime residence in the U.K. would be about \$5.4 million. For a second home, that bill would increase to about \$6.8 million.



Mansion House officially went on the market in May but has been offered "off market" since the start of the year—an arrangement where key clients are invited to see a property in advance of its official launch. Charles Lloyd, a director at Savills and one of Mansion House's two selling agents, said it attracted global interest,

but no buyer, and its original asking price of \$54.77 million was rapidly adjusted.

Tax and politics aside, Mansion House's location may be a disadvantage. Westminster lacks the boutiques, bars and restaurants of the prime heartland areas. But Alastair Nicholson, a director of Knight Frank and the other selling



LIVING LARGE Mansion House, top, measures 11,075 square feet and has lavish classical details. The home has seven bedrooms and seven bathrooms, as well as two living rooms, above left, and a chef's kitchen, left. Above, a glass dome decorated with gold leaf and intricate plasterwork.

agent, believes this won't be an obstacle. "It is quiet, but you are close to the River Thames and you can be anywhere in 10 minutes," he said.

And the fact that this month's general election has left the British government in disarray might be a silver lining for Mansion House.

The pound, already weak against the dollar and euro, has tumbled still further, making the giant house a—relative—bargain to overseas buyers.

PRIVATE PROPERTIES | CANDACE TAYLOR

Steve Case Asks \$49.5 Million for Estate



PASTA HEIR LISTS SWISS ESTATE

A Swiss estate owned for decades by a branch of the Barilla family, founders of the pasta company, is asking 70 million Swiss francs, or roughly \$72 million.

Known as Domaine Pré Saint Jean, the roughly 10-acre estate located just outside Geneva in the wealthy suburb of Vandoeuvres is among the most expensive homes for sale in Switzerland right now, according to listing agent Alexander Kraft of Sotheby's International Realty France—Monaco.

Owner Riccardo Barilla said his branch of the family sold their stake of the family business in the 1970s, after which his parents moved from Italy to Switzerland; the company is now owned by his cousins.

Mr. Barilla, a banker, said he first moved into Domaine Pré Saint Jean as a teenager in the 1970s, when his parents bought the house. He inherited the estate a few years ago and renovated it.

The main house measures about 9,470 square feet with four bedrooms, Mr. Kraft said. A renovated barn serves as a guest house; a former stable now includes three apartments. Mr. Barilla obtained permits for two more houses to be built.

Mr. Barilla said he and his wife initially planned to live in the house once the renovation was completed, but they now want to relocate to Italy.

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THE WALL STREET JOURNAL
EUROPE

America Online co-founder Steve Case is selling Merrywood, a childhood home of Jacqueline Kennedy Onassis, for \$49.5 million.

Located in the affluent Washington, D.C., suburb of McLean, Va., the property is the most expensive on the market in the area and would set a record if it sells anywhere near its asking price, according to Mark C. Lowham of TTR Sotheby's International Realty, who has the listing with Julianne E. May of JLL. Mr. Lowham said the property also set a record the last time it sold, which was to Mr. Case in 2005 for \$24.5 million.

Located on the banks of the Potomac River, the 7-acre estate is about 8 miles from downtown Washington. Its Georgian-style house measures about 23,000 square feet with nine bedrooms. Merrywood was renovated but a number of

original details remain, such as elaborate plaster moldings. On the second floor, the master suite includes his-and-hers dressing rooms, a study and a gym.

The gated estate has rolling lawns and formal gardens, including a series of "garden rooms" for gatherings. The grounds also include a swimming pool, a tennis court and a pavilion containing an indoor lap pool, kitchen, gym and changing rooms. A carriage house provides parking for four cars, a security office and staff quarters.

Merrywood became the primary home of the young Jacqueline Bouvier in the 1940s, when her mother married the property's owner, Standard Oil

heir Hugh D. Auchincloss, according to the book "Jacqueline Bouvier Kennedy Onassis: A Life."

Mr. Lowham said the Cases are selling because they are empty-nesters and are traveling more. They also plan to spend more time at their farm in Warrenton, and they recently acquired an apartment in Washington.

Mr. Lowham said. They also own a winery, Early Mountain Vineyards, in Madison County. Mr. Case, who resigned his post as chairman of AOL Time Warner in 2003, is currently chief executive of investment firm Revolution. His wife Jean is Chairman of the National Geographic Society. The Cases couldn't be reached for comment.



The main house measures about 9,470 square feet with four bedrooms, Mr. Kraft said. A renovated barn serves as a guest house; a former stable now includes three apartments. Mr. Barilla obtained permits for two more houses to be built.

Mr. Barilla said he and his wife initially planned to live in the house once the renovation was completed, but they now want to relocate to Italy.

THE WALL STREET JOURNAL

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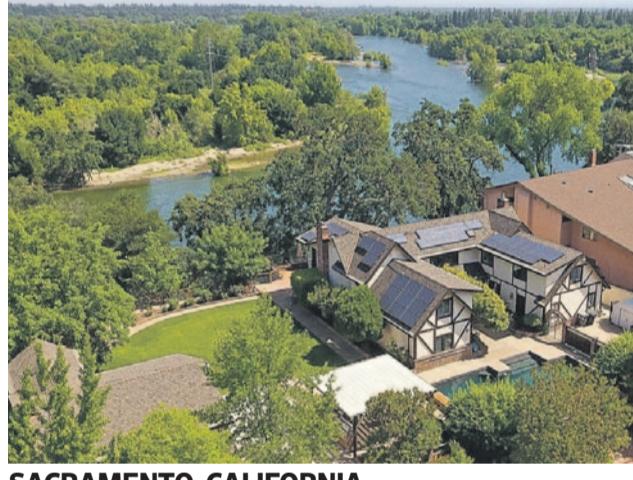
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