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What's News

Business & Finance

Chinese banks are pushing hard on Wall Street in an increasingly hot market: helping the nation's firms sell debt in overseas markets. **B1**

◆ **Bondholders** looking for compensation if Venezuela defaults are crowding around the assets of oil refiner Citgo. **B1**

◆ **Amazon** is making a major push into selling furniture and appliances, building at least four warehouses focused on handling bulky items. **B1**

◆ **Citigroup** named veterans Mickey Bhatia and Carey Lathrop as co-heads of a new group spanning credit trading and securitization. **B9**

◆ Two days before the start of an important Chinese summit, brokerages and funds in Shanghai started getting cautionary messages from securities regulators. **B9**

◆ Six months after restricting oil output in an effort to raise global crude prices, some members of OPEC are pushing for a broader effort to reduce petroleum production. **B10**

◆ The past two months have been tumultuous for Chinese lenders as a new banking czar has uncovered a fraud scandal and issued heavy fines. **B10**

◆ A trade deal giving U.S. card firms more access to China met with a lukewarm response. **B9**

World-Wide

◆ More than 200,000 victims in at least 150 countries were hit by the cyber pandemic that tore through computer systems across the globe. **A1**

◆ China is using a forum to promote infrastructure-building across a swath of the globe in a bid to reshape the geopolitical world order. **A1**

◆ Macron took office as president of France, launching a mission to overhaul the French economy and reinforce the EU. **A3**

◆ An initial trade framework between the U.S. and China shows that Trump is willing to put aside his rhetoric and accept a limited deal with Beijing. **A4**

◆ Tillerson suggested Trump might not move the U.S. Embassy in Israel to Jerusalem if it could hurt efforts to restart Middle East peace talks. **A4**

◆ Finance chiefs from the world's largest industrialized economies sounded a note of cautious optimism on U.S. plans for a tax overhaul. **A3**

◆ Manila is confronting allegations of anticompetitive practices by conglomerates amid evidence that their dominance is locking out competition. **A4**

◆ More Americans disapprove than approve of Trump's decision last week to fire James Comey, a new survey finds. **A7**

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WORLD NEWS

Macron Marches Into Breach of EU Overhaul



EUROPE FILE

By Simon Nixon

The symbolism could hardly be clearer: Emmanuel Macron will spend his first full day as president of France in Berlin visiting German Chancellor Angela Merkel.

The man who campaigned

as an ardent pro-European, who greeted the crowds at his victory rally to the strains of the European Union anthem, and who pledged at his inauguration Sunday to "reform and relaunch the EU" is signaling that this work starts immediately.

Yet Mr. Macron may find the challenge of reforming

the EU even more daunting than reforming France.

His ambitions for the EU extend from defense to border control, to climate change to tackling so-called social dumping—the attempt to gain a competitive advantage through looser fiscal, environmental and labor-market policies. But the most eye-catching aspect of his European agenda is his proposal to create a eurozone budget overseen by a eurozone finance minister.

There is a broad agreement across the eurozone that something must be done to restore public confidence in the single currency following a series of shocks that have left much of the continent suffering from high unemployment and stagnating living standards. Berlin and Brussels also recognize that Mr. Macron's election has created a political imperative to show a willingness to engage with the new president's agenda.

But it won't be easy. The European Commission was tasked by EU leaders two years ago to come up with proposals for deepening economic and monetary union, and the commission is due to publish its proposals at the end of this month.

Two major ideas are under discussion, both broadly in line with ideas floated by Mr. Macron and his allies. The first is to use the eurozone's bailout fund—European Stability Mechanism—to create so-called European Safe Bonds, securitized bonds that would be issued by the ESM and backed by a pool of eurozone government bonds. Initially, governments would remain responsible for their own liabilities, but ultimately ESB's could be guaranteed by the ESM—and therefore jointly guaranteed by Eurozone governments—transforming them into genuine Eurobonds.

The second proposal is to create a common European-wide unemployment insur-

ance fund, which would allow countries hit by an economic shock to reclaim part of the cost of higher unemployment benefits.

Both ideas are problematic. It isn't clear there will be any market for European safe bonds without an ESM guarantee which govern-

Can a eurozone budget overseen by a eurozone finance minister be achieved?

ments are in any case unwilling to allow. And with or without an ESM guarantee, there are growing concerns that the creation of a large pool of ESBs could trigger a collapse in demand for the non-pooled bonds of the eurozone's weaker credits, leaving those countries facing higher rather than lower funding costs.

The problem with the un-

employment insurance idea is that it would require the politically challenging harmonization of the eurozone's highly divergent labor-market rules and welfare systems.

What both proposals show is that it is very hard to find a halfway house between the current eurozone setup, in which there is limited risk-sharing, and a full political union that would allow Brussels far greater oversight of national budgets and labor-market and welfare policies.

This task is made harder by the need to avoid changes to the EU treaties which might trigger referendums in many countries, where public appetite is limited for the transfers of sovereignty needed to underpin deeper fiscal integration. That could limit the scope of reform to little more than German Finance Minister Wolfgang Schäuble's current proposal to turn the ESM into a European Monetary Fund with increased powers to enforce

the eurozone's existing rules.

Would this be so bad? In economic terms, perhaps not. The contrasting fortunes of postcrisis Spain and Ireland with their sluggish recoveries of Italy and Portugal should caution against blaming the eurozone's problems on a lack of fiscal transfers—as opposed to weak domestic policies.

Evidence from the U.S. suggests the importance of fiscal transfers in stabilizing a currency union can be overstated: Private capital flows help smooth around two-thirds of shocks to regional output, compared with 13% by fiscal transfers, according to the European Central Bank. That suggests the eurozone's priority should be strengthening its banking systems and delivering overhauls that would improve cross-border investment flows.

Nonetheless, Mr. Macron's political imperative remains, and the fate of the eurozone may now hinge on his success. No wonder he is beating a path to Berlin.

HACK

Continued from Page One

side and outside China" were targeted by the virus. The team, which works closely with the Chinese government but is technically independent, said the attacks posed "a serious security threat to China's internet structure."

Customers at gas stations run by China National Petroleum Corp. were unable to use bank cards and other third-party payment systems, the state-owned energy company said on its official Twitter-like Weibo account Sunday.

As of Sunday afternoon, nearly 20% of the stations were still out of service, the company said.

The incident was perhaps the most high-profile com-

puter-worm outbreak in nearly a decade, disrupting a wide range of corporations, hospitals and government agencies, from French car manufacturer Renault SA and U.S. delivery company FedEx Corp. to the Russian Interior Ministry.

It took advantage of security vulnerabilities in Microsoft Corp. software that was either too old to be supported by security patches, or hadn't been patched by users. The malware scrambled files of infected computers, then promised to restore the files after ransom payments by bitcoin of as little as \$300 each.

Security experts have been able to track a small amount of bitcoin transfer they say is linked to the attack and likely ransom. But it was impossible to say how many companies were paying.

The U.K. government said it

had advised the National Health Service not to pay any ransom. By Sunday, 43 of the 48 hospitals, clinics and practices affected were operating, but five, including Barts Health in London, the largest NHS trust in the country, remained disrupted, a spokesman for NHS England said.

A spokesman for the National Cyber Security Center, a U.K. government agency, said the NHS's systems were still straining to resume normal operations after government security experts had worked to stop the spread of the virus.

Britain is spending about £50 million, or roughly \$64 million, on improving the NHS's cybersecurity systems, U.K. Defense Secretary Michael Fallon said Sunday.

Renault was trying to resume operations at plants in France, Romania and Slovenia. A company spokesman said the manufacturer was forced to halt production after the firm's information-technology-security team spotted the ransomware worm in its systems.

"We don't know if the problem started in France or if it came through Romania or Slovenia or somewhere else," the spokesman said.

Spain's computer emergency response team said that it has developed a tool available for all companies to use to prevent the ransomware code, called WannaCry, from taking root in their computer systems. The tool unleashes an algorithm on the computer that stops the code from operating but it doesn't clean compromised machines.

In Belgium, the deputy prime minister, Alexander De Croo, told broadcaster VTM Nieuws that the government would raise its investment in cybersecurity in the coming months.

The cyberattack also caused scattered outages at several Chinese universities, as well as

Global Assault

A British researcher tracked 'WannaCry' infections in at least 153 countries and territories.



Note: Between 3:10 p.m. and 8:30 p.m. GMT. **Not shown are countries with fewer than 100 infections.

Source: MalwareTech.com

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some government agencies, according to news reports and official Weibo accounts.

The police bureau in Yancheng, a city about 320 kilometers north of Shanghai, apologized on its official social-media account for being unable to provide certain ser-

vices because of the virus.

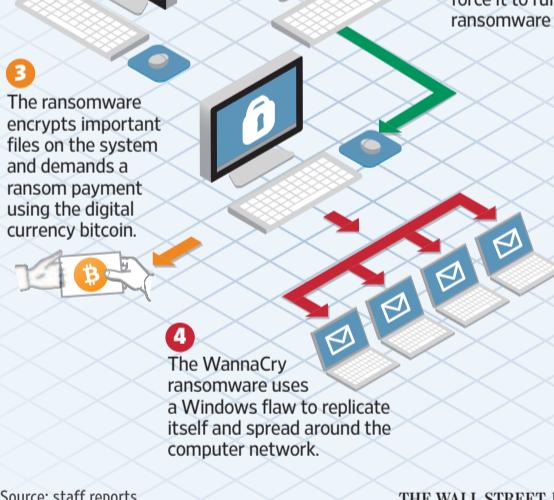
The virus also knocked out ATMs run by Bank of China and computers at China Telecom Corp. offices, according to social-media reports.

Neither state-owned company could be reached to confirm those reports.

—Natalia Drozdiak in Brussels, Andrea Thomas in Berlin, Nicolas Parasie in Dubai, Fanfan Wang in Beijing, Nick Kostov in Paris and Anita Rachman and I Made Sentana in Jakarta contributed to this article.

How Ransomware Works

1 Ransomware starts with an unsolicited email, typically designed to trick the victim into clicking on an attachment or visiting a webpage.



Source: staff reports

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Understanding the Ransomware Hack

Global attack has companies and institutions scrambling

WHAT IS IT?

Attackers, using a tool allegedly stolen from the U.S. National Security Agency, took advantage of flaws in Microsoft Windows systems to spread malware around the world on Friday.

The "ransomware" encrypts files, effectively hijacking computer systems, and demands money, in the form of bitcoin, in exchange for decrypting them. Microsoft Corp. had issued a fix, or patch, for the flaw on March 14.

HOW BIG IS IT?

Kaspersky Lab, an antivirus vendor, said it has tracked 45,000 instances of the attack, dubbed WannaCry, in 74 countries around the world, mostly in Russia. Other hot spots include Ukraine, India and Taiwan. Computer-security experts say, however, that the virus's spread has been contained by the actions of a private security researcher who found a kill switch inside the virus.

WHO HAS BEEN HIT?

Victims include Britain's National Health Service, FedEx Corp., car makers Nissan Motor Co. and Renault SA, Germany's biggest train operator as well as Russian banks. China state media reported early Saturday that some gas stations and universities have been affected.

HAS ANYONE PAID THE RANSOM?

It is impossible to say. Screenshots of affected computers indicate hackers are asking for as little as \$300 in bitcoin from affected users. The chief data officer at Telefónica SA, a Spanish telecom provider hit by the virus, said in a personal blog post that a bitcoin account associated with the attackers shows they haven't "achieved much real impact." That account had received only 25 payments by midafternoon Saturday in Europe. It is very likely, though, that the attackers used many accounts. U.K. Home Secretary Amber Rudd told the British Broadcasting Corp. that the government has advised the NHS not to pay.

—WSJ Staff

NAMES

Continued from Page One

"I'm distressed," says 83-year-old Michael Dukakis, the failed 1988 Democratic presidential contender and former Massachusetts governor, upon learning of Michael's fading popularity.

"I'm looking at some of these names now, and I don't know where these mothers get them," adds football legend Mike Ditka, 77, who shares the name Michael with his father and a son.

The slide marks a victory for Michael Shackleford, 51, who worked as a Social Security Administration actuary in the 1990s and was irritated by his name's ubiquity. "If the teacher called on Michael, you always had to say which one," he says.

When his wife became pregnant with their first child in 1996, Mr. Shackleford used a 1% sample of Social Security card applications to determine which baby names were the most common—and avoid them. (He and his wife chose Aidan; other parents later flocked to the name and its more common spelling, Aidan.) His pet project morphed into today's federal rankings, which tally the 1,000 most-popular names U.S. par-

ents choose each year.

"It was a personal goal of mine to kill it," he says of Michael. "By itself it's a fine name, but if any name becomes too popular, it just ruins it."

Michael rose to prominence after World War II, fueled by its revered status as an archangel. Its transcendent demographic appeal—chosen by whites and blacks, the wealthy and the working class—helped make it the country's most-selected male baby name from 1954 to 1998 (save for a brief dethroning by David in 1960).

Few names rival Michael's historic dominance. The Generation X juggernaut Jennifer held No. 1 from 1970 to 1984,

and sits at No. 273 in the most recent rankings. John topped the boys' list from 1880, the first year of government records, to 1923, but ranks No. 28 on the new list. Mary held No. 1 for 75 of 81 years through 1961, but has since plunged, coming in at No. 127 in 2016.

The rankings Mr. Shackleford spawned have helped the top names turn over faster. They account for a smaller share of the children born in a given year than they did a generation ago.

In 1954, the year Michael first clinched the top spot, 4.3% of American baby boys got the name. By its last year atop the list, in 1998, just 1.8% of males born that year were

named Michael.

In the latest rankings, it accounts for a mere 0.7% of boys born last year. Because the top names have lost their grip on the market, it edged up to No. 8 from No. 9 in 2015 despite about 400 fewer male babies being named Michael this past year.

"Michael was No. 1 for so long that it is both a dad name and a grandpa name, and historically you need to go back four generations for a name to sound cool again," says Pamela Redmond, co-creator of Nameberry, a baby-naming website.

Part of Michael's longevity comes from the string of celebrities who kept the name fresh through the late 20th century, when Michael Jackson dominated pop music charts and Michael Jordan soared on the basketball court. The snappy nickname Mike held its own appeal for many. Mr. Jordan's Gauntlet ad campaign urged consumers to "Be Like Mike."

"He just could not say no to the name Michael," says Michael Tyson, the 26-year-old daughter of former heavyweight boxing champion Mike Tyson. "I do think I might even name my daughter Michael."

Despite Michael's popularity, the U.S. has never had a president named Michael. There hadn't even been a vice president with the name until



Vice President Mike Pence takes the oath of office in January.

this year, when Michael Richard Pence—best known as Mike—took office.

Asked whether Mr. Pence liked having the commonplace moniker, the vice president's press secretary pointed toward a clue: Mr. Pence's son is also named Michael.

CORRECTIONS & AMPLIFICATIONS

Bombardier Inc. expects to deliver between 30 and 35 CSeries commercial jets in 2017, and will account for two of them in the second quarter. A Business News article in the Friday-Sunday edition about the company incorrectly said the chief executive told a conference call that Bombardier expects to deliver two additional CSeries planes in the coming year.

The AmpRidge MightMic S microphone records in mono. An Off Duty article in the Friday-Sunday edition about taking better smartphone videos incorrectly stated that the microphone records in stereo.

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

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WORLD NEWS

U.S. Reassures Allies on Taxes, Not Trade

Group of Seven finance ministers meeting in Italy sidesteps talk of America-first policy

By IAN TALLEY
AND GIOVANNI LEGORANO

BARI, Italy—Finance chiefs from the world's largest industrialized economies sounded a note of cautious optimism this weekend on U.S. plans for a tax overhaul, and agreed to bolster the financial system against increasingly sophisticated cyberattacks.

But the finance ministers and central bankers from the Group of Seven nations avoided tackling one of the biggest worries among global policy makers: whether the Trump administration's America-first trade policies are setting the world's largest economy on a protectionist course.

Leaving controversial talks on trade until a G-7 leaders'

summit scheduled for later this month, officials instead pushed U.S. Treasury Secretary Steven Mnuchin for details on President Donald Trump's tax package, unveiled late last month.

After two days of talks in a 12th-century Norman castle, many delegations expressed a measure of relief.

"The emphasis was initially on a border tax, which is taxation, but also trade policy," said Italian Finance Minister Pier Carlo Padoa in an interview. "Now, the emphasis—and Secretary Mnuchin is very clear about this—is about tax reform."

Another senior official from the delegation said, "Each one of us is following developments in U.S. tax policy very closely. What they are considering now is a lot less worrying."

Many G-7 countries had been particularly concerned about the U.S. rolling out a border tax that could choke

exports to the country.

While the administration says it is still considering some version of a border-adjusted tax, it doesn't plan to use the congressional proposal that spooked America's trade competitors.

There is also some concern that Mr. Trump's tax plan could push the country deeper into debt, raising questions about the administration's argument that cutting corporate tax levels to 15% from their current 35% rate will be financed by revenue generated by a higher pace of economic expansion.

And some officials are uneasy about the tax overhaul fueling a degenerative competition toward lower corporate tax rates around the world.

Still, some officials are hoping the less-trade-focused tax plan is a sign the administration won't move forward with its most-aggressive trade-policy threats.

A slew of recent announce-



U.S. Treasury Secretary Steven Mnuchin waits for a group photo.

economic message on what the Trump economic agenda is, and that's about creating growth in the U.S.," said Mr. Mnuchin.

Yet, he added, "We don't want to be protectionist, but we reserve our rights to be protectionist to the extent that we believe that trade is not free and fair."

Ministers are trying to develop a strategy for "inclusive" economic growth—ensuring policies benefit the poor and middle class, and don't exacerbate growing income inequality—to counter a global political backlash against globalization.

G-7 governments—Canada, France, Germany, Italy, Japan, the U.K. and the U.S.—have struggled to turn their concern for inclusive growth into policy action, however. Economists point to the Trump administration's focus on reducing the U.S. trade deficits with other countries rather than retraining the labor force.

Macron Takes Office, Vows to Spur France, Bolster EU

By MATTHEW DALTON

PARIS—Emmanuel Macron took office as president of France on Sunday, launching the 39-year-old's mission to overhaul the French economy and reinforce the European Union.

At the start of a ceremony at the Élysée Palace, Mr. Macron strode on a red carpet toward François Hollande, the departing president who brought Mr. Macron into government as a personal adviser and then elevated him to economy minister. The two headed inside for a meeting to discuss the most sensitive matters of state.

Mr. Macron then proceeded to a ceremony on the other side of the palace, where the results of last week's election were read out and Mr. Macron officially became president. He is France's youngest head of state in the postwar era.

In his first speech shortly after, Mr. Macron said France under his presidency would act as a bulwark for the international community.

"The world and Europe today more than ever need France," he said. "They need a France strong and sure of its destiny."

Sunday's ceremony caps a remarkable rise for Mr. Macron that is remaking France's political order. A former investment banker who had never run for office, Mr. Macron swept into the presidency by sidestepping France's mainstream political parties.

Instead, Mr. Macron decided to form his own party, République en Marche, 13 months ago. Now he sits atop French politics, controlling a party that is fielding hundreds of candidates in coming legis-



Emmanuel Macron's motorcade passed along the Champs-Élysées in Paris on Sunday. He is scheduled for talks with German Chancellor Angela Merkel on Monday.

lative elections. Half of them are newcomers to politics and owe their political fortunes largely to Mr. Macron.

Mr. Macron a week ago won the presidential election in a landslide against Marine Le Pen, a far-right nationalist who sought to pull France from the EU and close the country's borders.

He ran as a staunch defender of the bloc and a business-friendly centrist who would shake up France's

tightly regulated economy.

Ms. Le Pen's message, however, resonated with large portions of the electorate who are opposed to immigration and discontented with the country's long-running economic slump. She won 34% of the vote, the best showing by a French far-right party in the postwar era.

Mr. Macron on Sunday cast his presidency as a mission to reinvigorate the economy and address the malaise that has

fueled Ms. Le Pen's rise.

"Employment will be unblocked, businesses will be supported, initiative will be encouraged," Mr. Macron said. "French men and women who have been forgotten amid global upheavals must be better protected."

Mr. Macron's first order of business will be tending to France's relationship with Germany, the country's most important ally. Mr. Macron is scheduled to fly to Berlin on

Monday to meet with German Chancellor Angela Merkel.

Mr. Macron has made changing the eurozone's architecture a priority. His ideas include creating a shared budget for the common currency that could help member countries in economic distress. But for that he will need the approval of Ms. Merkel, who has resisted similar overtures from French politicians in the past.

"The Europe that we need will be rebuilt, relaunched, because it protects us and allows us to bring our values to the world," Mr. Macron said.

Mr. Macron's team was due to receive France's nuclear launch codes and briefings on the country's counterterrorism arrangements. France remains in a state of emergency, declared shortly after the terror attacks of November 2015, and Mr. Macron has said it should remain in place unless new information comes to light that would justify lifting it.

Populist Storm Stirs as Italy Prepares for 2018 Election

By GIOVANNI LEGORANO
AND MANUELA MESCO

ROME—Europe's establishment breathed a sigh of relief after the pro-European Union centrist Emmanuel Macron was elected French president this month. But another populist storm is brewing in Italy, where the euroskeptic 5 Star Movement has remained strong.

Fueled by discontent with slow growth, high unemploy-

ment and disillusionment with mainstream politicians, 5 Star has won local elections in Rome, Turin and elsewhere, partly on the strength of its leaders' call for a referendum on Italy's use of the European single currency.

Pollsters say about 30% of voters support the movement founded by comedian Beppe Grillo, a level of popularity that has stood firm despite a series of high-profile stumbles, especially by the mayor in Rome. The self-

described association of free citizens has replaced the center-left Democratic Party at the top of most polls ahead of national elections to be held by May 2018.

Now, the group that has flouted the rules for establishment parties is experiencing growing pains as it prepares for the possibility of taking power.

Mr. Grillo and 5 Star waged a successful campaign to block constitutional changes sought by former Democratic Italian Prime

Minister Matteo Renzi, effectively forcing him from office in December. Since then, a caretaker government has run Italy.

The movement has vowed to toughen anticorruption laws and deliver a minimum guaranteed income for all working-age and retired Italians if it emerges from coming elections as head of a minority government or in a governing coalition with other euroskeptic parties.

The movement's message res-

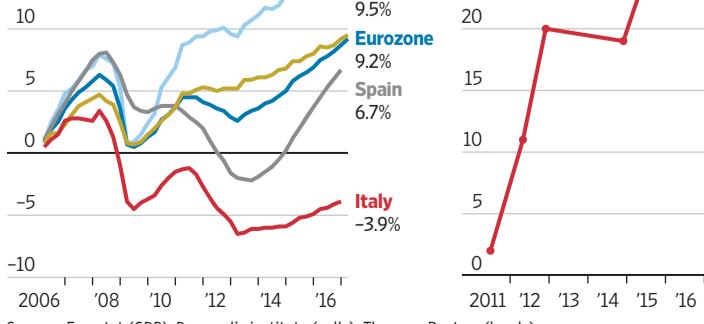
onates in a nation where economic growth was a torpid 0.9% in 2016 and youth unemployment is running at 34%, compared with 24% in France.

It remains unclear whether the movement is a viable national alternative to the traditional parties that Mr. Grillo delights in skewering. A case in point is Rome, which has proven difficult for its 5 Star mayor to manage. Voters in the capital elected Virginia Raggi in a land-

Rising Star

Italy's populist 5 Star Movement has gained ground amid the country's slow recovery from the financial crisis, worrying investors and pushing up bond yields relative to neighboring France.

Cumulative change in GDP since 1Q 2006



Sources: Eurostat (GDP); Demopolis institute (polls); Thomson Reuters (bonds)



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5 Star founder Beppe Grillo with Rome's Mayor Virginia Raggi.

GREGORIO BORGIA/ASSOCIATED PRESS

slide last year, but since then she has lurched from crisis to crisis, tarnishing what could have been a showcase for 5 Star-style rule.

5 Star resembles less a traditional political party than the Occupy protest movement that stormed onto the international scene in 2011. But as it debates how to prepare for national office, it is faced with a dilemma: What makes it popular—its commitment to bottom-up decision making and direct democracy—also makes it unwieldy and often ineffective. Its candidates are chosen by an online vote of the movement's 20,000 card-carrying activists. That has often produced candidates with no experience or qualifications to run government.

Also, its penchant for slogans, many improvised by Mr. Grillo, has led to sweeping promises that are too ambitious to fulfill quickly—or simply otherworldly.

In Rome, Ms. Raggi's pledge to build a cable car from the city's center to relieve congestion has become bogged down in debate among government agencies and neighborhood groups.

It recently unveiled its foreign-policy platform, a mix of pacifist bromides and protectionism echoing the nationalist, anti-EU position of France's Marine Le Pen.

WORLD NEWS

China Trade Plan Marks Key First Step

U.S. pins hopes for more concessions on agreement to improve market access

By WILLIAM MAULDIN

An initial trade framework between the U.S. and China shows that President Donald Trump is willing to put aside his tough rhetoric and accept a limited deal with Beijing in a bid for more substantial agreements down the road.

The pact, announced Thursday, is aimed at allowing U.S. beef exports to China, opening up credit-card-payment systems there and potentially selling American liquefied natural gas to the energy-hungry country. It avoids the more-divisive trade issues in the steel and aluminum industries.

Still, the agreement is significant in that it shows how the Trump administration is ready to emphasize cooperation and open markets, as opposed to imposing the across-the-board tariffs Mr. Trump talked about in his campaign.

While parts of the deal are the result of talks originating in the Obama administration, officials characterized it as a down payment on potentially greater economic accomplishments with Beijing.

"Both sides also identified other issues that will require significant effort to resolve and achieve progress on, still within the 100-day period," Commerce Secretary Wilbur

Ross said, referring to a plan Mr. Trump agreed to in April with Chinese President Xi Jinping for achieving, within 100 days, a set of economic openings between the two countries.

Mr. Trump's softer tone toward China in recent weeks is seen partly as an effort to gain cooperation over North Korea, but also part of an effort to give economic negotiations a chance to bear fruit, current and former officials say.

The kinds of tariffs Mr. Trump pledged in 2016 on the more than \$400 billion in goods China sends the U.S. annually would likely have buoyed some American manufacturers. But the tariffs would have raised the prices consumers pay for everything from cellphones to clothing, and diminished commerce between the two countries, with the possible result of a trade war.

Since he became president, Mr. Trump has avoided threats of broad tariffs, which his aides have described as a strategy to win concessions from China and other countries.

The deal addresses a series of trade irritants, ranging from clearing a backlog in China's slow approval of American genetically modified seeds to giving Beijing a deadline for resuming beef imports from the U.S.

The agreement the Trump administration worked out with Beijing, part of what the administration hopes will be a bigger pattern of opening Chinese markets, appears to be

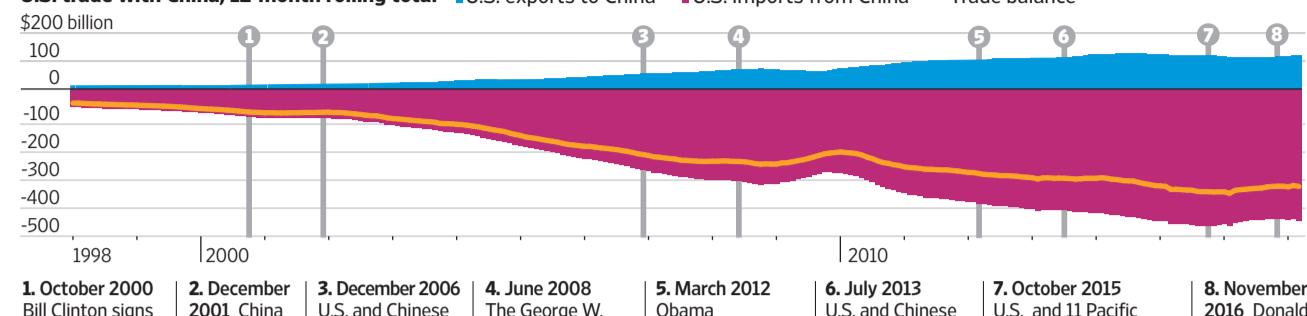
Xi Jinping delivers a toast to open the global forum in Beijing.

should forge partnerships of dialogue with no confrontation and of friendship rather than alliance," said Mr. Xi in speech.

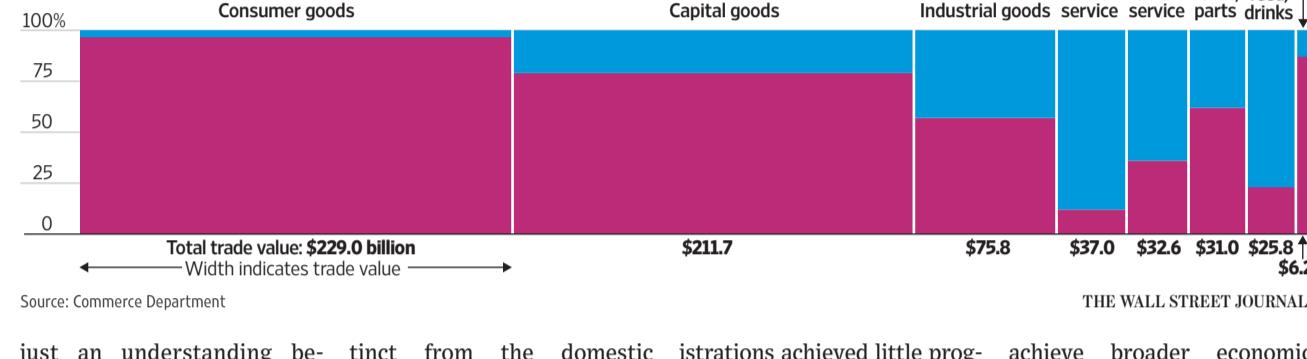
He called for each country to respect each other's sovereignty, "social systems and each other's core interests." Beijing has used those phrases to demand other countries ac-

A Slow Opening

The trade framework the Trump administration announced Thursday with China is the latest in a series of deals that have so far succeeded in boosting trade but not in balancing U.S. imports and exports.



1. October 2000 Bill Clinton signs legislation granting China permanent normal trade relations, paving the way for Beijing to enter the World Trade Organization.
2. December 2001 China joins the WTO, cementing import tariffs often higher than those of developed countries.
3. December 2006 U.S. and Chinese officials meet in the first Strategic Economic Dialogue to discuss important economic and trade issues.
4. June 2008 The George W. Bush administration begins talks with China on a bilateral investment treaty, or BIT, to open up closed Chinese markets to U.S. investment.
5. March 2012 Obama administration files WTO case against China over rare-earth metals, one of more than a dozen the administration brings against Beijing.
6. July 2013 U.S. and Chinese officials agree to restart stalled talks on the investment treaty. China continues to block investment from numerous sectors, preventing a deal.
7. October 2015 U.S. and 11 Pacific countries sign Trans-Pacific Partnership, in part to put pressure on China, not included in the deal. Donald Trump later pulls the U.S. out of the TPP, which was never ratified by Congress.
8. November 2016 Donald Trump is elected after a campaign promising better trade deals and potential tariffs on China.



Source: Commerce Department

just an understanding between the two governments. One country could fail to honor the plan, or a political shift could undermine it—with no spelled-out repercussions.

"None of these are enforceable in the same sense as a WTO type of case," said Chad Bown, a trade expert at the Peterson Institute for International Economics, which backs trade liberalization.

Still, Mr. Trump can now market the progress with China as an economic win and a welcome distraction from political headwinds at home. Mr. Trump touted the agreement Friday on Twitter as "REAL news," dis-

tinct from the domestic firestorm that captured public attention in recent days.

The shift toward potential cooperation with Beijing—and away from confrontation—isn't lost on some of Mr. Trump's hawkish trade advisers during the campaign.

"The best time to judge this administration's China policy is going to be a year or two from now to see what has actually happened," said Peter Navarro, now head of the new White House Office of Trade and Manufacturing Policy.

Mr. Ross portrayed the talks as an effort to win quick concessions after previous admin-

istrations achieved little progress in long-running talks on a more-comprehensive treaty.

At the same time, the administration has launched wide-ranging investigations into steel and aluminum that could be used—with a final decision from Mr. Trump—to pressure Beijing over its exports of low-price steel and aluminum, which American producers blame for hollowing out U.S. metal production.

The focus on opening up individual markets drew cautious support from business groups and U.S. lawmakers, who expressed hope that the Trump administration will work to

achieve broader economic gains. "The real work lies ahead," the U.S. Chamber of Commerce said.

"Most of this is about additional talks," said Sen. Ron Wyden, the top Democrat on the Senate committee that oversees trade. "At this point we need a lot more detail to really answer," he said in an interview, emphasizing that the U.S. trade representative, Robert Lighthizer, should be a big part of future negotiations.

—Chuin-Wei Yap contributed to this article.

◆ Trump's China trade plan is a big deal for natural gas.... B10

BELT

Continued from Page One
while promoting access abroad.

The U.S. sent a National Security Council director—rather than a senior Cabinet-level official—who used brief remarks at the forum to urge China to uphold transparency and norms on international bidding. India, which has seen China ramp up projects in several neighboring countries, stayed away, citing Silk Road infrastructure projects in Pakistan that run through areas Delhi claims as its territory.

In the three-plus years since Mr. Xi first unveiled the Silk Road initiative, he and other Chinese officials have couched the effort as a cooperative one with other countries. They have largely steered clear of adding security dimensions, before Mr. Xi's speech Sunday.

"We should foster a new type of international relations featuring win-win cooperation, we



DAMIR SAGOLZ/REUTERS

Potential changes, marked in a draft reviewed by The Wall Street Journal, included an expression of "support" for the Silk Road initiative, in addition to merely expressing "welcome."

President Donald Trump's talk of protectionist trade tariffs and withdrawal from an Asia-Pacific trade group, plus the European Union's grappling with Britain's exit and other political strains, have created space for Beijing to portray itself as a champion of globalization.

China is filling the vacuum. Its two-year-old Asian Infrastructure Investment Bank induced seven new members this weekend, including Bahrain, Greece and Bolivia, bringing the total to 77.

On the sidelines of the forum, China signed a free-trade protocol with Georgia and a memorandum of understanding on transportation infrastructure with Malaysia.

Former U.S. Treasury Secretary Henry Paulson, at a panel discussion on the forum's side-

lines, praised China for "stepping up" to keep globalization moving forward.

Putting Mr. Xi at the center of a major global initiative, with world leaders around him, was also intended to give him a boost at home. The Communist Party holds a pivotal congress this year to re-apportion leadership positions, and although Mr. Xi is all but certain to receive another five-year term, party insiders say he is looking for leverage to maneuver allies into key posts.

In Sunday's speech, Mr. Xi frequently harked back to the ancient caravan and maritime routes dating back two millennia that he said carried ideas and goods between civilizations.

Some Asian diplomats said by putting the forum in Beijing, rather than in the ancient Silk Road terminus of Xi'an, he invoked an image of China's imperial past, with smaller states "paying tribute to the emperor."

—Josh Chin contributed to this article.

WORLD WATCH

JERUSALEM

Tillerson Cautions on U.S. Embassy Move

Secretary of State Rex Tillerson suggested President Donald Trump might not move the U.S. Embassy in Israel to Jerusalem if it could hurt efforts to restart Middle East peace talks.

In an interview broadcast Sunday on NBC News's "Meet the Press with Chuck Todd," Mr. Tillerson said the president "is being very careful to understand how such a decision would impact the peace process."

Mr. Trump vowed on the campaign trail to move the embassy from Tel Aviv to Jerusalem, a decision that could inflame Middle East tensions.

Israel seized East Jerusalem from Jordan in 1967 and declared the holy city its united capital, but most nations have refused to condone the annexation by moving their embassies to Jerusalem.

Mr. Trump will meet Israeli and Palestinian leaders next week when he heads to the region on his first overseas trip. The president will also visit Saudi Arabia and Rome.

—Dion Nissenbaum

SYRIA

U.S., Rebel Partner At Odds Over Raqa

America's main military ally in Syria let Islamic State fighters escape from a key battle last week without conferring with its U.S. partners, who targeted the extremists as they tried to flee, Pentagon officials said.

The deal and U.S. response exposed a disconnect in the anti-Islamic State coalition on the eve of a pivotal offensive to retake Raqa, the extremist group's biggest Syrian stronghold. It called into question whether the U.S. military will honor battlefield commitments made by its partners, and came as President Donald Trump last week signed off on plans to provide arms to Kurdish fighters leading the military coalition.

The U.S.-backed forces' deal with Islamic State helped end a months-long battle for Tabqa Dam, a strategic site the extremist group has held since late-2013. The Syrian Democratic Forces allowed about 70 Islamic State fighters safe passage if they dismantled hidden bombs and gave up their heavy weapons, said Capt. Jeff Davis, a Pentagon spokesman.

—Ben Kesling

Big Philippine Firms Accused of Amassing Power

By JAKE MAXWELL WATTS

MANILA—Brian Chuahiock lives in a community built and owned by Ayala Corp., one of the Philippines' largest conglomerates. His savings account is managed by an Ayala-owned bank, his phone operates on Ayala's telecommunications network and he studies in a school in an Ayala-owned district.

Like many Filipinos, the 25-year-old is dependent on services provided by one of a handful of powerful and politically connected conglomerates. He admits he is "about as Ayala as you can be."

Manila is now confronting allegations of anticompetitive practices by conglomerates amid evidence that their dominance is locking out competition, concentrating wealth and restraining development. The goal: introduce more competition to help modernize the economy.

The Philippine government isn't alone in its quest. Developing countries in Asia, Africa and Latin America have struggled for decades to dislodge long-entrenched oligopolies. The new South Korean leader, Moon Jae-in, has pledged to curb the power of that country's conglomerates, called chaebols. The Philippine effort

to create a regulator of uncompetitive practices began 24 years ago and finally succeeded in the legislature last year.

In its first major case, the Philippine Competition Commission last year challenged a planned acquisition by the country's two telecommunications companies, Philippine Long Distance Telephone and Globe Telecom, which is 30% owned by Ayala. But the companies won a court injunction to prevent the commission from completing its review and issuing a judgment.

Last month, the case moved to the Philippines' Supreme Court, whose decision—which may take months—will define the commission's scope and influence. The two companies are set to complete their joint acquisition this month in defiance of the commission's demands.

"The progress and eventual outcome of the case is being carefully followed," said John Forbes, senior adviser at Philippine business-advocacy group Arangkada.

Philippine Long Distance Telephone declined to comment, citing the continuing legal dispute. A Globe spokeswoman said "everything we are doing is actually within the interest of consumers."

stretching their mandate."

The two companies generally say they have had to invest large amounts of money into building their own networks because the government failed to do so. That, they say, has increased costs for consumers. They also say that even if another player could raise enough cash to enter the market, the added competition would result in less money to reinvest in infrastructure.

Ayala says the company is good for economic development in the Philippines. "Beyond our products and services, our businesses create

multiplier effects for society and the economy," an Ayala spokeswoman said, adding that the company is open to competition.

The Competition Commission said it "will not back down or be intimidated by companies who have grown accustomed to unregulated business practices that hamper competition and ultimately hurt the consumers."

Consumer advocates say mobile service illustrates a broader problem with many goods and services in the Philippines, where regional monopolies in property or utili-

ties such as electricity and water contribute to high prices.

Mobile and internet service is worse and the cost higher than in other countries, according to data from the International Telecommunication Union. Filipinos spend nearly \$10 on a basket of just 30 calls and 100 text messages, the union says, more than 3.4% of an average person's annual income. In the U.S., consumers spend an average 0.78% of their annual income for the same service.

The Competition Commission came into force under the previous administration, but Philippine President Rodrigo Duterte has supported its goals. Last year Mr. Duterte warned the two telecom companies that "if you cannot do it right, you wait, I'm going to China and I'll open everything for competition," according to local media.

The top 10 listed companies in the Philippines, including billionaire Henry Sy's retail giant SM Investments Corp. and John Gokongwei's beverage-to-airline conglomerate JG Summit Holdings Inc., had revenues worth 11% of Philippine economic output in 2015, according to Wall Street Journal calculations from data supplied by New York-based S&P Global Market Intelligence.



VEEJAY VILLAFRANCA FOR THE WALL STREET JOURNAL

Brian Chuahiock is dependent on a range of Ayala services.



Export Food, Not Jobs

Main points from our Midwest job creation roundtable last week:



- The Midwest is the world's low-cost producer of safe, high-quality meat, dairy and other foods. So the Midwest is perfectly positioned to export these products to the 2.5 billion people entering Asia's booming middle class.
- We support President Trump's great focus on trade and jobs for America because \$1 billion of exports generates 8,000 new American jobs.
- Our goal is to continue the national conversation about doubling America's food production industry to \$1.8 trillion and creating millions of new high-paying American jobs.

Sincerely,

Anthony Pratt
Executive Chairman, Pratt Industries



Pratt Industries, one of the largest corrugated box manufacturers in the United States, proudly supports the American food industry!

www.prattindustries.com

IN DEPTH

THE OUTLOOK | By Bob Davis

Trump's Scorn for TPP May Have Been Hasty



On his first workday in the Oval Office, President Donald Trump killed the Trans-Pacific Partnership. He will probably spend the rest of his term trying to revive parts of it.

The 12-nation trade pact among Pacific Rim countries, negotiated under President Barack Obama, became a punching bag in the presidential election. It was opposed by Mr. Trump, who called it "a horrible deal," and by his opponent, Hillary Clinton.

But the pact plowed new ground favorable to U.S. interests, going well beyond the tariff and subsidy cuts in traditional trade deals. TPP would have given a boost to e-commerce by limiting restrictions on data flows and prohibiting any of the participating countries from requiring computer servers be located domestically. It also would have required state-owned enterprises to operate like commercial companies rather than political tools of the state. Intellectual property protection would have been strengthened and restrictions to competition in services reduced.

These are all longstanding goals of the U.S., which wants to beat back efforts to constrain U.S. cross-border

dominance. As with all trade deals, TPP had critics on the left, who argued labor provisions would be weakly enforced, and on the right, who complained patent protection for pharmaceuticals should have been stronger. Critics across the political spectrum say TPP's investment protections would have encouraged U.S. companies to set up factories overseas at the expense of U.S. jobs.

Still, it would also have helped the new administration accomplish some of its major trade goals. First, because it included Canada and Mexico, it was in effect a backdoor renegotiation of the North American Free Trade Agreement, something the Trump administration is demanding. Second, although it didn't include China, it would have cemented relations with other Asian nations and given the U.S. a stronger hand in dealing with Beijing.

"Why reinvent the wheel when you can take an agreement and try to improve upon it," said Jeffrey Schott, a trade economist at the free-trade Peterson Institute for International Economics.

Some Trump trade officials are starting to come to the same conclusion. "We should learn from and build on earlier negotiated trade agreements," said U.S. Trade

Representative nominee Robert Lighthizer in mid-March confirmation proceedings. "In a renegotiation of Nafta, we should consider incorporating those provisions [in TPP] as well as improving areas where we may be able to go beyond TPP."

Two weeks later, the administration sent to Capitol Hill Nafta negotiating objectives that echoed TPP provisions on intellectual property, digital trade and services trade, state-owned enterprises and labor and environmental standards. The changes proposed were surprisingly mild, compared with Mr. Trump's campaign rhetoric. Congress had already mandated those TPP-style objectives in 2015 when it approved so-called fast-track legislation which the White House would need to pass any new trade deal.

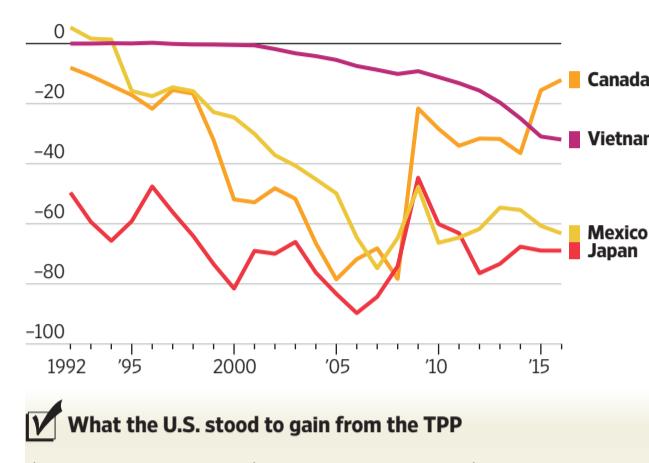
Mexico and Canada already agreed to TPP provisions, said Josh Bolten, president of the Business Roundtable, a lobbying group of CEOs. If negotiations were largely confined to those measures "it may be a pretty fast and successful negotiation."

On China, TPP offered Asian nations an alternative to depending solely on China. U.S. negotiators were pushing TPP provisions on state-owned enterprises and digital commerce, among

To TPP, or Not to TPP

The U.S. trade position is shifting with key Trans-Pacific Partnership nations.

U.S. trade balance



What the U.S. stood to gain from the TPP

- ◆ Opening of service sectors
- ◆ Restrictions on foreign state-owned enterprise subsidies
- ◆ Prohibition on 'data localization,' which pushes technology out of U.S.
- ◆ Protections for trade secrets
- ◆ Higher labor standards in low-wage countries
- ◆ Environmental issues subject to dispute settlement panels

Sources: Commerce Department (balance); Trans-Pacific Partnership: An Assessment; Cathleen Cimino-Issaacs and Jeffrey Schott (checklist)

THE WALL STREET JOURNAL.

others, as global norms Beijing would be expected to eventually adopt.

Mr. Trump says he favors bilateral deals because he believes the U.S. can use its economic power to press smaller nations to make concessions. In multilateral

deals, he argues, U.S. leverage is more diffuse.

But multilateral deals can help countries make concessions. Malaysia feared the domestic political cost of making concessions to the U.S., so it

couldn't conclude a free-trade pact during the Bush administration, say negotiators. But Malaysia was able to sign on to TPP, and agree to lower tariffs on autos and other goods, because it could portray the deal as one involving other Southeast Asian nations.

Japan agreed to reduce its tariffs on beef and leave U.S. vehicle tariffs intact for 25 years, among other concessions, because it was able to add up all the concessions others had made that would help Japanese industry.

Mr. Lighthizer said that the U.S. "intends to maintain its leadership in the region," including by negotiating bilateral agreements. Since then, Mr. Trump has publicly courted Chinese President Xi Jinping and the two countries recently announced a trade deal to end fights over beef, credit cards and natural gas.

But a U.S. International Trade Commission report last year offered a different route. It said multilateral deals that focus on specific industries or issues have had much bigger economic payoff than bilateral deals. In the same way, a multilateral deal on aspects of TPP—intellectual property, state-owned enterprises, data exchange—could recover some of the gains lost when TPP was killed.

orders would discriminate on the basis of religion.

The Arab Christian diaspora in the U.S. has already emerged as powerful in politics and business. Dina Powell, Mr. Trump's influential deputy national security adviser, is of Egyptian Coptic origin.

With the near-depletion of the Christian population in the Middle East and the recent flight of the Kurdish minority Yazidis from Islamic State, followed just a few decades after the flight of its Jews, many fear for the region's future—not only because of the rise of radicalism but the loss of talent needed for sputtering economies.

Killed in the Palm Sunday attack at the church in Tanta was Mina Abdo, an engineer who left Egypt over a decade ago with his family, in part to allow his wife Yvonne to pursue her profession of gynecology.

Christian Egyptians have had a hard time getting work in their field since the 1970s when a fraudulent police report emerged accusing the sect of plotting to outnumber Muslims by performing abortions on unsuspecting Muslim women, or secretly slipping them birth control. The document has been likened to the Protocols of the Elders of Zion, a fabrication used to discriminate against Europe's Jews a century ago.

The family returned to Tanta after celebrating Holy Week for years in their adopted home of Kuwait City. In Egypt, they could sit under a steeple, which their church in Kuwait lacks because official churches are banned there. Mr. Abdo and his son, Kerollo, II, took the front pews in Mar Girgis, which had a good view of the altar, where many of the family had been baptized and married.

When the suicide bomber detonated his vest that morning, the explosion mangled the same front pews, killing Mr. Abdo instantly. His body shielded his son, Kerollo, who survived but suffered shrapnel wounds to his face and right leg.

Two days after the attack, at a nearby hospital, Mrs. Abdo and her 14-year-old daughter, Miriam, tended to Kerollo. Mother and daughter wore the sweaters Mr. Abdo packed for their trip back home. Miriam wore her father's crucifix, his wedding ring and hospital identity tag hanging off the thick gold chain—possessions the hospital put in a plastic zip-lock bag when Mr. Abdo was pronounced dead on arrival. His remains would stay in Egypt.

When asked whether she'd return, Mrs. Abdo hesitated. "I love Egypt. I love my memories here. But I'm scared now," she said. "We will come back for visits, we must. My husband is buried here."

—Dahlia Khalaif in Cairo and Awadh Altaie in Erbil, Iraq, contributed to this article.

EXODUS

Continued from Page One

The exodus leaves the Middle East overwhelmingly dominated by Islam, whose rival sects often clash, raising the prospect that radicalism in the region will deepen. Conflicts between Sunni and Shi'ite Muslims have erupted across the Middle East, squeezing out Christians in places such as Iraq and Syria and forcing them to carve out new lives abroad, in Europe, the U.S. and elsewhere.

"The disappearance of such minorities sets the stage for more radical groups to dominate in society," said Mr. Johnson of the loss of Christians and Jews in the Middle East. "Religious minorities, at the very least, have a moderating effect."

Ahmed Abu Zeid, Egypt's foreign ministry spokesman, denied the government discriminates against Christians. "The presidency has been keen since day one to treat the Egyptian society as one nation, and one fabric," he said, adding that the government is doing all it could to protect the minority and fight terror.

President Donald Trump expressed his confidence in President Abdel Fattah Al Sisi's commitment to protecting his Egyptian population in a call between the leaders last month.

Christian activists in Egypt say Washington's ally in the war on terror has long discriminated against the minority, with recurring bouts of mob violence directed against Christians by their Muslim neighbors often leading to no arrests or charges in the courts. Christians have been barred from some government jobs, such as the state intelligence services, and laws make it virtually impossible to build or restore churches.

The exodus of Christians from the Mideast started about a century ago, with many heading to the U.S. for jobs as America opened its doors to migrants. Later waves stemmed from conflict, such as Lebanon's civil war, and from fresh economic hardship, such as the U.S.-led sanctions in the 1990s that hobbled Iraq.

At the start of the 21st century, as wars waned, the oil business flourished in the Gulf region and a financial crisis hit the West, the Christian outflow ebbed.

Then in 2011, the outlook darkened dramatically. What started as hopeful revolutions across the Mideast largely degenerated into strife, civil war and the rise of extremist groups.

The outbreak of Syria's multisided civil war in 2011 prompted about half of the country's Christian population of 2.5 million to flee the country, according to Christian charities monitoring the flow.



The injured son of an Egyptian engineer who was killed last month in a Palm Sunday attack in Tanta, Egypt, in his hospital room.

Many escaped to neighboring Lebanon, an anomaly in the region with Christians wielding political power and worshiping freely.

In Iraq, the instability that started in 2003, when a U.S. invasion toppled Iraqi leader Saddam Hussein, deepened more than a decade later when Islamic State took over about one-quarter of the country.

Iraqi church officials and the religion's political representatives say only one-fifth of the country's Christians remain of the approximately 1.5 million before 2003, according to estimates based on church attendance and voter rolls that identify religion.

Even though Iraqi forces have gained the upper hand over Islamic State, the country's Christians show no sign of returning to homes they fled.

In northern Iraq, blue and white charter buses crisscross neighborhoods of recently liberated Mosul, returning Muslim families displaced by Islamic State. They drive through Christian areas without stopping. For the first time in nearly two millennia, Iraq's second-largest city, once a melting pot of ancient religions, lacks a Christian population to speak of.

The Al-Aswad family, a clan of masons who built the city's houses, churches and mosques and trace their lineage back to the 19th century, vow never to return. They've opted to live in the rat-infested refugee camps of Erbil in northern Iraq, where they await updates on their asylum application to Australia.

A Christian charity has given them a small apartment until June, at which point they will have to return to the refugee camps to live in a converted

cargo shipping container.

"We call it the cemetery," said Raghd Al-Aswad, describing how the cargo containers are covered with dark blue tarps to protect against the rain. "It looks like dead bodies stacked side by side with a giant hospital sheet on top of them."

Mrs. Aswad fled Mosul with her husband, three children and

tect the Aswad home itself

from the extremist group, which used it to house their fighters. The neighborhood was liberated in January. A recent visit by a reporter showed that the windows were broken, furniture destroyed. Weeds covered a cherished garden and tangerine tree.

Aswads say that won't happen. "We don't have any more trust," said Raghd's husband, Adwer. "This wasn't the first time. The next time we might die."

The Iraqi government says it is working to secure Mosul and other Christian areas so the minority can return.

"Terrorism has affected everyone and for sure the Chris-

tians as well," said Sa'ad Al-Hadihi, a spokesman for the prime minister's office.

"The Iraqi government is working to alleviate all concerns by encouraging Christians to stay in Iraq since they are an indigenous group."

Today, more Arab Christians live outside the Middle East than in the region. Some 20 million live abroad, compared with 15 million Arab Christians who remain in the Mideast, according to a report last year by a trio of Christian charities and the University of East London.

In 1971, Egyptian Coptic Christians had two churches in the U.S. Today there are 252 Coptic churches, according to Samuel Tadros, a senior fellow at the Hudson Institute's Center for Religious Freedom.

Mr. Tadros estimates that some one million Copts have fled Egypt since the 1950s, many to the U.S., Canada, U.K. and Australia.

Mr. Trump has indicated he would welcome more Christian refugees from the Middle East. His initial efforts to overhaul immigration policies have been blocked by the courts amid criticism his executive

in-laws in June 2014 when Islamic State took control of the city by routing Iraqi security forces, many of whom fled instead of fighting. The family was also run out of Mosul by al Qaeda in 2007, returning two years later.

Before the Aswads fled Mosul the last time, they left a bag of family photo albums with their Muslim neighbor, Ahmed Abou Hassan, for safekeeping. It was a risk for Mr. Hassan under Islamic State rules, one he says he gladly took.

Mr. Hassan couldn't pro-

Mr. Abou Hassan yearns to see his old friends again. "When the Christians come back to Mosul, hope will come back," he said.

The Aswads say that won't happen. "We don't have any more trust," said Raghd's husband, Adwer. "This wasn't the first time. The next time we might die."

The Iraqi government says it is working to secure Mosul and other Christian areas so the minority can return.

"Terrorism has affected everyone and for sure the Chris-

Losing Faith

Most Middle Eastern countries are seeing their Christian populations, as a percentage of total population, plummet.

1910: 77.5%

2025: 30.4%

1.5 million

8.2 million

758,000

163,000

160,000

295,000

317,000

165,000

54,800

21.7%

0.2%

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U.S. NEWS

Poll: More Americans Disapprove of Firing

Trump's decision to fire FBI director hasn't reshaped views of president, survey finds

By AARON ZITNER

WASHINGTON — More Americans disapprove than approve of President Donald Trump's decision last week to fire James Comey as director of the FBI, but the tempest in Washington over the dismissal has done little to reshape views of Mr. Trump among the public, a new Wall Street Journal/NBC News survey finds.

Some 38% of people in the survey disapproved of the president's decision to fire Mr. Comey; 29% approved. About a third said they didn't know enough to have an opinion.

Views of Mr. Trump's decision were strongly shaped by party affiliation, with few Republicans disagreeing with the president's action and few Democrats supporting it.

Mr. Comey's dismissal was politically sensitive and dominated the conversation in Washington last week, as the FBI chief had been overseeing

an investigation into Russia's alleged interference in the 2016 election and its possible ties to Trump campaign associates. Russia has denied any wrongdoing, and Mr. Trump has called any suggestions of collusion with the Kremlin a "hoax."

The new Journal/NBC News survey found that more than nine people in 10 had heard about Mr. Trump's decision to fire the FBI chief, but there were few signs that it had changed impressions of the president.

Some 39% of poll respondents said they approved of Mr. Trump's overall job performance, while 54% disapproved—almost identical to the results of a Journal/NBC News survey in April.

Less than 40% said they viewed Mr. Trump in a positive light, while about half said they held a negative opinion of him, a slightly weaker showing for the president than in April.

Asked about Mr. Trump's day-to-day role in leading the nation, regardless of how they viewed his policy stances, some 41% said they had "a great deal" or "quite a bit" of confidence in the president, while 57% said they had not much or



President Donald Trump boarded Air Force One on Saturday in Lynchburg, Va.

no confidence in him. Those marks were slightly weaker than in April, when 45% said they had high confidence in Mr. Trump, while 55% had said they had little or none.

The survey also asked people for their views of why Mr. Comey had been fired.

Asked whether Mr. Trump fired the FBI director to slow down the agency's investigation into Russian meddling in the election, 46% said that was the case, while 36% disagreed.



President Donald Trump boarded Air Force One on Saturday in Lynchburg, Va.

Mr. Trump has cited several reasons for dismissing Mr. Comey, saying that he had been a "showboat" and "was not doing a good job." Mr. Trump also said that when he decided to remove Mr. Comey, "I said to myself, I said, 'You know, this Russia thing with Trump and Russia is a made-up story.'" Earlier, the White House had cited Justice Department criticism of Mr. Comey's handling of the investigation into Mrs. Clinton's

email server during the time she was running for president.

The survey also tested views of a Republican-backed overhaul of the Affordable Care Act that recently won approval in the House and is now in the hands of the Senate. Some 23% said the GOP health-care legislation was a good idea, while 48% said it was a bad idea.

Some 77% of Democrats viewed the legislation negatively, while 52% of Republi-

cans supported it. Among independents, 18% called the bill a good idea and 44% called it a bad one.

The survey, conducted last Thursday through Saturday, found that Mr. Trump is on weak footing among people unaffiliated with a political party, whose views are particularly important given that Republicans are highly supportive of the president and Democrats overwhelmingly opposed.

Some 35% of independents in the new survey approved of Mr. Trump's job performance, while 54% disapproved. Similarly, 36% of independents had a "great deal" or "quite a bit" of confidence in the president as the nation's leader, while 62% had little or no confidence.

The survey found a strong preference among people of all political affiliations for a special prosecutor or independent commission, rather than Congress, to take the lead in investigating Russia's involvement in the 2016 election. More than three-quarters of respondents said they favored an independent commission or prosecutor, while 15% favored an investigation led by Congress.

U.S. WATCH

WASHINGTON

Trump-Russia Probe To Get Treasury Data

A Treasury Department unit that specializes in combating money laundering will share financial records with an expanding Senate probe into possible ties between Russia and President Donald Trump and his associates, according to people familiar with the matter.

The Senate Intelligence Committee requested the records from the Treasury's Financial Crimes Enforcement Network, or FinCEN, late last month, these people said. The people didn't specify the nature of the records. One person said that without them, though, the committee wouldn't be able to reach a conclusion on whether there was collusion between Trump associates and Russia during last year's campaign.

—Shane Harris
and Carol E. Lee

JUSTICE DEPARTMENT

Sessions Seeks Tougher Sentences

In a move expected to swell federal prisons, Attorney General Jeff Sessions is scuttling an Obama administration policy to avoid charges carrying long, mandatory-minimum sentences for less serious, nonviolent drug offenders.

Mr. Sessions's new guidelines revive a more aggressive policy created under President George W. Bush that tasked federal prosecutors with charging "the most serious readily provable offense."

"This policy affirms our responsibility to enforce the law, is moral and just and produces consistency," Mr. Sessions wrote in the memo, distributed to federal prosecutors Thursday. It is the latest and most significant step by the new administration toward dismantling President Barack Obama's criminal-justice legacy.

—Beth Reinhard

WHITE HOUSE

Trump Taped Calls As a Businessman

A tweet from President Donald Trump on Friday suggesting he might have taped phone conversations from the White House made waves, but some former employees and a former associate said it wasn't a surprise to them that he would mention taped conversations.

As a businessman, Mr. Trump sometimes taped phone conversations with associates and others from his Trump Tower office in New York, according to three people who say they have direct knowledge of the recordings.

Mr. Trump had one or more recording devices that he used to tape his calls from his office, said the three people, all former high-level employees. Representatives of the White House and the Trump Organization, Mr. Trump's company, didn't respond to requests seeking comment.

—Alexandra Berzon



BKPM
Indonesia Investment
Coordinating Board

INVESTING IN INDONESIA MADE EASY

In a bid to keep up with a growing interest from global investors and to maintain its double digit investment growth, the Indonesian government is stepping up policy reforms by offering a three-hour business licensing service, faster factory construction and a hassle-free import clearance procedure.



As the primary interface between business and government in Indonesia, the Investment Coordinating Board (BKPM) is spearheading efforts to deregulate the country's economy and make it more favorable to invest.

Having its ministerial status restored in 2009 and reporting directly to the President of the Republic of Indonesia, BKPM is tasked not only to ensure domestic and foreign investment growth, but also to coordinate and harmonize investment policies under different government bodies, making sure they do not overlap.

Since the inauguration of President Joko Widodo in 2014, the government has been increasing Indonesia's business and investment profile through "Nawa Cita" (nine ideals). The Chairman of BKPM, Thomas Trikashih Lembong started to implement a number of key measures as part of Mr. Widodo's economic reforms, which included simplifying investment licensing, as well as assisting existing and potential investors.

Partly a result of BKPM's efforts, Indonesia scored highly as a top reformer in the World Bank's 2017 Ease of Doing Business ranking. Despite the achievement, the investment agency is not being complacent and has set its eyes on creating new milestones by unveiling three major regulatory breakthroughs on big business licensing, factory construction and import clearance.

Companies with a plan to invest at least IDR 100 billion (or its equivalent in USD) or to employ more than 1,000 local workers are now able to enjoy a super-speedy licensing service. In as little as three hours, these companies will be able to obtain nine permit documents, including a principal investment permit, deed of establishment, company registration number and tax identification number.

Set to lure foreign direct investment (FDI), the documents will also include working permits for expatriate staff, approval for expatriate employment plan, importer identification number, customs registration and a certificate on land booking (optional).

BKPM will dedicate one officer as a personal consultant to potential investors during the three-hour licensing service application. Phone consultations can also be carried out directly with the officer.

As the main investment policy coordinator, BKPM is working closely with ministries to make any necessary approvals needed for the license, ensuring that there's no delay. The latest milestone within this effort was achieved in January when the Ministry of Energy and Mineral Resources assisted with eight express permits for companies operating in the oil and gas sector and one permit for an enterprise focusing on electricity generation and investment.

When applying for investment licenses in Indonesia, investors may also consider whether they are eligible to benefit from a range of longstanding incentives such as a free import duty on machineries and capital goods; 30% tax reduction within six years on investment in several sectors; and up to 15 years of tax breaks for pioneer industries with investments that exceed IDR 1 trillion.

For companies investing in industrial areas, they will be allowed to benefit from an incentive of starting building factories and other supporting facilities immediately without having to wait for construction permits (IMB) and an environmental impact analysis (AMDAL) from the relevant authorities.

This scheme, which is abbreviated in Bahasa as KLIK, is available for any project regardless of capital size and number of workers, but can only be accessed in 32 designated industrial parks spread throughout the archipelago. With a total land mass of 13,000 hectares, these industrial parks represent nearly 80% of industrial areas in the country.



BKPM is currently focusing on expanding the scheme to industrial parks outside of Java, particularly in Sumatra, due to a growing interest from foreign investors. Last year, the growth of realized investment outside Java reached 22.2%, double than that in Java.

Another incentive available to investors comes in the form of faster customs clearance of capital goods imports, thanks to a recent agreement signed by BKPM with the Directorate General of Customs and Excise at the Ministry of Finance.

Normally, a new company will be categorized as high risk and placed on a so-called 'red lane', thus requiring physical examinations on all imported goods and document analysis before an approval is issued within three to five days. With a recommendation from BKPM, a company can fast track this process and obtain a 'green lane' status within 30 minutes.

This 'green lane' scheme is available to all companies that are in the process of building factories or supporting facilities in the country. The companies will be required to report the latest investment progress and must sign a legal statement to ensure that any goods traded are related to the industry that was approved as part of the 'green lane' scheme.

The acceleration of import procedures is just one example of how the Indonesian government is working aggressively to streamline the bureaucracy. President Joko Widodo has repeatedly stressed the importance of government bodies working together, overcoming traditional barriers in order to ensure a trajectory of improvement in investment services.

The president has been adamant in his pursuit of reform as Indonesia expects a pick-up in private investment in the near to medium term as commodity prices are expected to further recover.

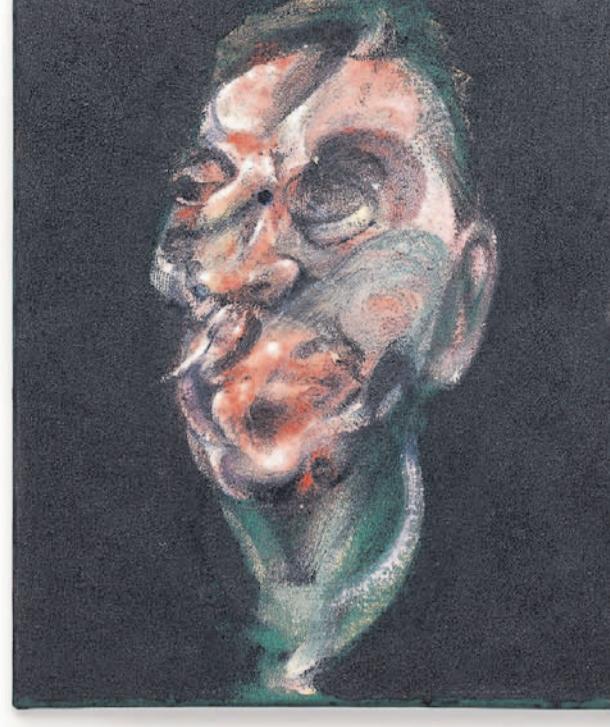
Energy and Mineral Resource Minister Ignatius Jonan said recently that the integration of oil and gas permits into the BKPM's three-hour licensing service should help him to achieve a target of doubling the total value of annual investment in oil and gas to USD 43 billion this year. Separately, Mr. Lembong, the Chairman of BKPM, which only tracks realized investment in non-oil and gas sectors, expects Indonesia to attract IDR 678.8 trillion from foreign and domestic investors this year, up from IDR 612 trillion last year.

Based on the initial responses to the service, the targets appear to be realistic and attainable. BKPM's first quarter data also shows a promising outlook on investment growth. The combined value of foreign and domestic investment reached IDR 165.8 trillion, up by 13.2% year-on-year and already a quarter of the annual target - close to 200,000 people have been employed as a result.

It is clear that investment flows to Indonesia are picking up momentum. At the same time, the above regulatory breakthroughs and incentives are strong indicators that the Indonesian government is not being complacent. It is committed to improving investment services in order to ensure a sustainable trajectory of growth.



LIFE & ARTS



ART AND AUCTIONS

Trophies Go On the Block

A Brancusi, a Bacon and a Basquiat are among works hitting the market as owners sense collector confidence

BY KELLY CROW

GROWING CONFIDENCE in the recovering art market this spring has tempted owners to dust off their trophy works—and put them on the block.

Starting Monday in New York, the world's chief auction houses will roll out five days of sales of impressionist, modern and contemporary art aimed at bringing in a collective \$1.3 billion or more. That's up from their \$1.2 billion from sales during a market slump last May but shy of the \$2.1 billion the houses got two years ago from auctions when the market began to peak.

"The market isn't frothy, but it's strong and sensible," said Phillips' deputy chairman Robert Manley, a mood he said enticed art foundations and artists' estates—the art-world equivalent of institutional investors—to put pieces up for sale and try to ride the latest wave. These sellers include the Roy Lichtenstein Foundation and the Jean-Michel Basquiat estate.

Heavyweight asking prices are also creeping back. Christie's contemporary sale on Wednesday evening contains seven works with pricetags of \$20 million or more; only three works crossed that bar at its similar sale last May. Christie's plans to ask at least \$50 million for Francis Bacon's first portrait of his lover, 1962's "Three Studies for a Portrait of George Dyer," and \$35 million for Cy Twombly's 1962 homage to mythological bestiality, "Leda and the Swan." On Thursday, Phillips will ask at least \$25 million for Peter Doig's "Rosedale," a 1991 painting of a Toronto manor house in the snow. Mr. Doig's current record, set two years ago, is \$25.9 million for a 1990 painting of a white canoe, "Swamped."

Sotheby's plans seek at least \$60 million for Basquiat's untitled 1982 painting of a black skull surrounded by sky-blue patches at its



Thursday sale. Sotheby's said it's so sure that the Basquiat will break the artist's \$57 million auction record—set last May by an untitled image of a devil—that the house promised to give the skull's seller an undisclosed sum worth at least as much as the record if the skull sells for less.

All three houses built in plenty of financial arrangements to offset their risk in putting these behemoths on the market. Sotheby's told sellers of 39 works worth \$208 million combined that their pieces would sell no matter what, either to the house or to 19 outside investors who have pledged to buy works if no one else steps up in the sales. That means that Sotheby's has essentially presold roughly 43% of the value of its spring series ahead of time. Christie's made similar guarantees for \$302 million worth of art, or roughly 45% of the potential value of its sales this week.

"Some sellers wanted a little extra insurance," said Simon Shaw, world-wide co-head of Sotheby's impressionist and modern art department.

Other trends to track:

SELFIE ART

In recent seasons, collectors paid premiums for abstract art with universal wall power, like Mark



Clockwise from top: Among the works that will go up for auction in New York this week are Francis Bacon's 'Three Studies for a Portrait of George Dyer,' Egon Schiele's 'Danaë,' Kazimir Malevich's 'Suprematist Composition with Plane in Projection' and Jean-Michel Basquiat's untitled painting from 1982.

Rothko or Clyfford Still. But this week, figurative art could hold sway. Nude scenes and self-portraits are "all over these sales," said Sara Friedlander, head of Christie's post-war and contemporary art department. Expect feverish bidding for Philip Guston's 1979 "Painter at Night," which Christie's estimates will sell Wednesday for at least \$8 million, and Rudolf Stingel's 15-foot-tall self-portrait from 2006, "Untitled (After Sam)," which Christie's aims to sell for at least \$10 million in the same sale. On Tuesday, Sotheby's will ask \$30 million-plus for an early Egon Schiele nude from 1909, "Danaë."

FRESH TO MARKET

The death of a respected collector can be a lucky break for auctioneers because estate material that's been tucked away for decades in someone's home can become a bidding goldmine. This season, a host of estates head to market, which is why 60% of the pieces in Christie's Monday sale of impressionist and modern art haven't been to auction in at least a decade. Among them, Constantin Brancusi's bronze "Sleeping Head," which is esti-

mated to sell for at least \$25 million. Sotheby's has countered with its own auction first-timers like Kazimir Malevich's 1915 "Suprematist Composition with Plane in Projection," which Mr. Shaw calls "fantastically pure." He estimates it will sell for at least \$12 million Tuesday. There's also Edgar Degas's 1860 "Young Spartan Girls Provoking the Boys," which has been in the seller's family for 98 years. Estimate: \$4 million-plus.

TEST OF TIME

Several artists are also undergoing major tests of their price levels and global appeal this week, including wrinkly abstract painter Simon Hantai and feathery abstract painter Mark Grotjahn. Christie's is also betting on a market boost for Francis Picabia, the French avant-garde painter whose layered scenes were touted during his recent retrospective at the Museum of Modern Art in New York. On Monday, Christie's will ask at least \$700,000 for Picabia's neoclassical collage from 1929, "Xanthe." Two days later, the house will ask \$1.5 million or more for the artist's 1941-42 double portrait, "Adam and Eve."

PLAYLIST | By Paul Theroux

A KENYAN SINGER'S INFLUENCE



Paul Theroux, 76, is a travel writer and the author of 33 books, including "The Lower River" and "The Mosquito Coast." His latest novel is "Mother Land" (Eamon Dolan). He spoke with Marc Myers.

In 1965, I landed a job teaching English at Makerere University in Uganda. For the previous two years I had been in Malawi, in the Peace Corps. Though I spoke the major Malawi language, Swahili was the common language in Uganda, and I was determined to learn it. "Malaika" by Kenyan singer Fadhili William captivated me, for its proper Swahili and its romance.

I first heard the song on a jukebox at City Bar in Kampala,

Uganda. I was there with friends having a beer. The record had been released a few years earlier, and it was hugely popular.

At the time, I was 24 and single. I had a good-paying job and a car. I was out and about all the time at clubs and bars—the things young, heedless guys do. The moment I heard the lyrical recording, I wanted to hear it over and over again.

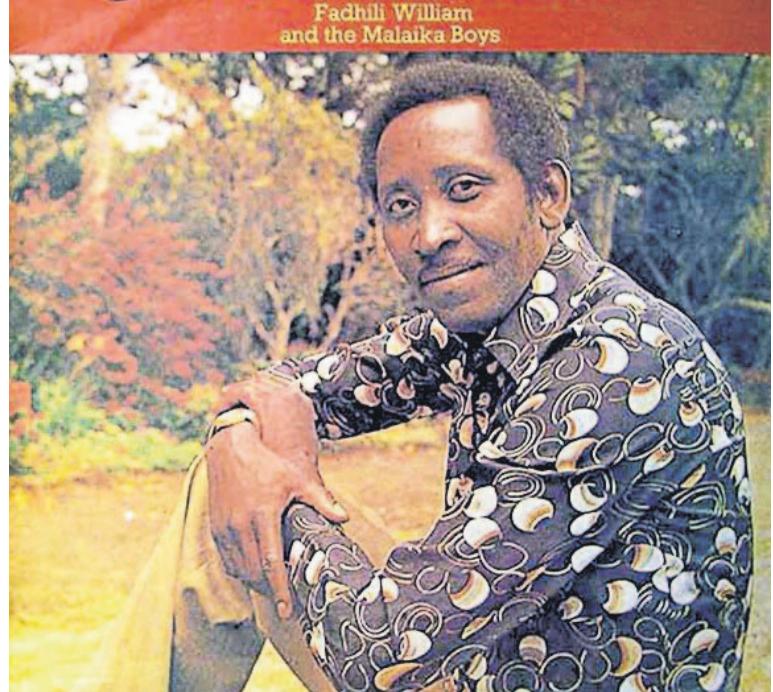
The record opens with an electric guitar playing a simple descending folk melody. Behind the guitar is a rhythm guitar and an electric bass played by William's backup combo. Each instrument creates its own rhythmic line, yet all three work together perfectly. When William begins to sing, his band provides the backup vocals.

The song is about a guy in love

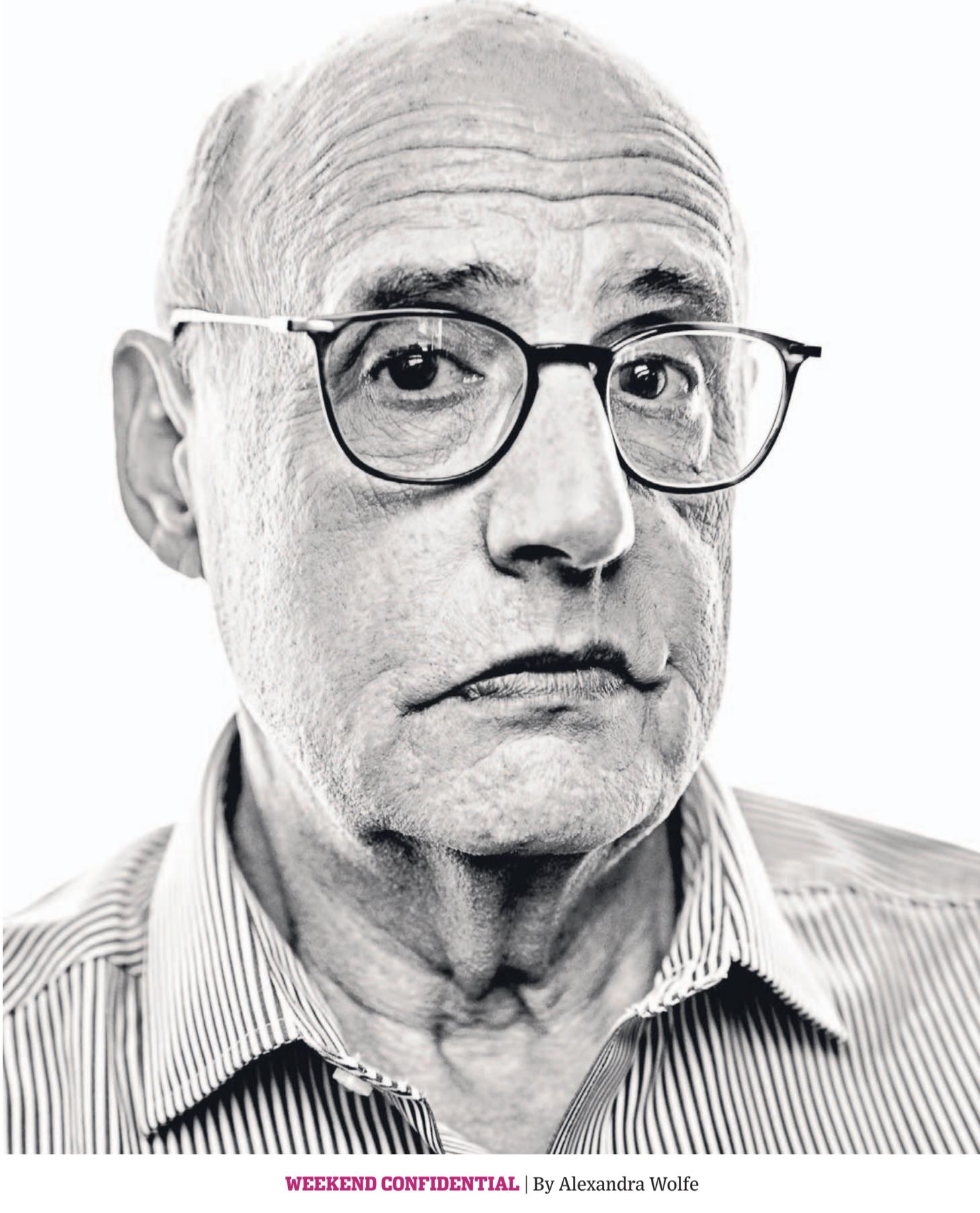
with a girl he wants to marry, but he doesn't have enough money for her dowry. He keeps telling her he loves her and calls her angel and then little bird: "Angel, I love you angel / And I, what should I do, your young friend / I am defeated by the dowry that I don't have."

Little by little, the song helped me acclimate to Swahili's cadence and phrasing. Songs are always useful when learning a language. What I was responding to emotionally was this song's rhythm, the lead guitar and the harmony.

I left Uganda for a job in Singapore in 1968. I never bought a copy of "Malaika." The song played so often on Ugandan radio and on jukeboxes that I never needed one. Besides, I had the song in my head. Just humming "Malaika" inspired me to write.



LIFE & ARTS



SHAYAN ASGHARIA FOR THE WALL STREET JOURNAL

WEEKEND CONFIDENTIAL | By Alexandra Wolfe

Jeffrey Tambor

The late-blooming actor on his latest role as a transgender woman

IN HIS NEW memoir, "Are You Anybody?" the actor Jeffrey Tambor writes that people sometimes mistake him for Dr. Phil and thank him for all the good he's doing. Other times, they think that he's the comedian Larry David and thank him then, too.

Mr. Tambor's career in film and television didn't take off until relatively late in his career, but he's increasingly likely to be recognized as himself these days—especially after his latest, Emmy-winning role, as a trans-

gender woman named Maura Pfefferman in Amazon's "Transparent." Mr. Tambor, 72, got his first big part in the 1990s, on "The Larry Sanders Show," when he was in his 40s; he landed his second in his 50s on "Arrested Development."

Mr. Tambor decided to write the book so that his five children—especially his four younger ones, ages 7 to 12—could understand what he does for a living. He travels to Los Angeles when he's filming, but the

rest of the time, he lives with his family in New York's Westchester County.

Raised in San Francisco in a fairly observant Jewish family, the son of a flooring contractor and a homemaker, Mr. Tambor didn't have an easy childhood. His mother was an alcoholic, and he was overweight and had a lisp. He was enamored with show business even as a child and sometimes pretended to be a talk-show host in his basement. He would simultaneously play the guest and the audience, whose laugh-

ter, he writes in his book, "sounded a lot like a phlegmy cat hissing in its last stages."

In high school, he made a conscious decision to be funny after an episode when he told off a teacher who liked to pick on him. She said something snarky to him in class one day, and he replied, "Oh, teacher made a funny!" The class laughed, the teacher looked disarmed, and he realized that humor could foil bullies.

After graduating from San Francisco State University, he earned a master's degree in theater from Wayne State University in Detroit. He started out in repertory theater in Milwaukee before moving to New York. He spent the next two decades playing parts in theater and on TV shows and movies—including one-time and occasional roles on "Taxi," "Hill Street Blues" and "The Golden Girls"—but he didn't earn widespread attention.

That changed with "The Larry Sanders Show" (1992-98), in which he played the needy sidekick to Garry Shandling's talk-show host. He received four Emmy nominations for the part. His next big role was as the patriarch of the dysfunctional Bluth family on the comedy "Arrested Development," a cult hit that ran from 2003 to 2006 and then had a fourth season on Netflix in 2013. His character, George Bluth Sr., spends time in prison for taking money from his real-estate company, escapes and for a time hides out in the attic of a model home. Even today, Mr. Tambor says, teenagers see him and yell out one of his character's most famous lines, told to his son: "There's always money in the banana stand!"

As soon as he read the script for "Transparent," he knew he wanted to play the part of Maura, formerly Mort, a retired college professor with three grown children who comes out to his family as a woman in the first season. Mr. Tambor is anxious to do justice to the part. "It's the most ants I've ever been," he says.

To understand the trials his character would face, he sometimes goes out to lunch or to the grocery store as Maura. People often stare and whisper, he says. He once went to a diner for lunch dressed as Maura with a transgender woman who is a producer on the show. A man stared at them through the meal, Mr. Tambor recalled, then came up and said, "Have a good day, ladies," as he was leaving.

Mr. Tambor will be starring again in the fourth season of "Transparent," airing this fall. The second season of the show averaged 1.49 million viewers an episode, according to Symphony Advanced Media.

Off screen, he has taught acting classes for more than 40 years, since he was in graduate school, to aspiring thespians as well as to corporate clients and students. He says that one of the best pieces of life advice he got came from the acting teacher Milton Katselas: "Adore everything."

Now that he has finished writing his first book, he is considering taking a literature class or learning to play the piano after watching his children take lessons. Mr. Tambor is also a co-owner of Skylight Books in Los Angeles, which opened in 1996.

He delights in the mundane aspects of life, he says. "If I have coffee with people, I say, 'Tell me what your day is like.' He asks what they have for breakfast and other quotidian details.

Mr. Tambor makes his own coffee at night and leaves it on his nightstand so that he can drink it when he wakes up. He acquired his taste for cold coffee in college, when he would make a pot at night and drink it for hours so that he could stay awake learning his lines for school productions.

He spends mornings at home taking his children to their activities. "If you have four children, you put on a cap that says, 'Daddy Driver,'" he says with a laugh. The routine clears his head. "You can't worry about anything else when you have to get that flute and that daughter to that class at 8:15 a.m.," he says. "Isn't that great?"

TELEVISION

WAUGH'S TIMELY SOCIAL SATIRE COMES TO TV

BY TOBIAS GREY

POST-BREXIT BRITAIN is on the Waugh path. The first television adaptation of Evelyn Waugh's satirical debut novel "Decline and Fall" has been hailed by British critics for how its depiction of a deeply divided country resonates today.

The three-part BBC series begins airing Monday in the U.S. on subscription streaming service Acorn TV. "So much of the book feels bang-up-to-date," says British screenwriter James Wood, who adapted Waugh's 1928 novel. "As far as Waugh was concerned, much of the British establishment was mad and narcissistic and out of control."

When the series ran in the U.K. in March and April, the premiere episode drew 4.49 million viewers. The high drama and humor in "Decline and Fall" distinguish the series from other British shows set in the early 20th century, such as "Downton Abbey" and "Mr. Selfridge."

"Decline and Fall" features Eva Longoria, a star of "Desperate Housewives," in her first role in a British TV period piece. She plays a rich South American socialite with shady business dealings. In his novel, Waugh describes the character as having "two lizard-skin feet, silk legs, chinchilla body...and the high invariable voice that may be heard in any Ritz Hotel from New York to Budapest." "Poirot" star David Suchet takes a rare comic turn, playing the obsequious headmaster of a rundown Welsh boarding school for boys.

The show's naive hero, Paul Pennyfeather, played by rising British comedian Jack Whitehall, ends up teaching at the school after being expelled from Oxford University.

Paul has to leave Oxford after falling victim to a prank by a group of debauched under-

graduates who are members of the Bollinger Club. Waugh allegedly based the society on Oxford's elite Bullingdon Club, an all-male students' dining group that still exists. Former Bullingdon members include conservative politicians such as David Cameron, Boris Johnson and George Osborne.

When Mr. Cameron was Prime Minister he arranged the referendum that led to Brexit. Mr. Johnson, the current Foreign Secretary, was one of the most vocal advocates for Britain to break away from the European Union. The show's Spanish director, Guillermo Morales, told the BBC that "Decline and Fall" "is about a generation ruining the next one." The tale of a young man navigating a society that is "elitist, classist, xenophobic, racist, corrupt and amoral," is relevant today, Mr. Morales said.

TV producers were reluctant to adapt "Decline and Fall" in part because of the racism of many characters in the novel, says Mr. Wood, who created the comic TV series "Rev," about a Church of England priest who leaves his parish in leafy Suffolk to become the vicar of an inner-city London church. While working on "Decline and Fall," Mr. Wood recalls a film-director friend advising him to cut a scene where an African-American jazz musician named Chokey accompanies Ms. Longoria's character to a school sports day and is ridiculed by the attending gentry.

Mr. Wood decided to keep the scene but not some of Waugh's more seaborous dialogue. "So long as it's the characters who are being racist, that's fine, but without doubt there are some aspects of the book which are not right for a piece of prime-time entertainment," he says.

He added a personal touch to the first episode by having a pig's head tossed out a window of Scone College, where the Bol-



linger Club is having a party. The scene is Mr. Wood's nod to the so-called Piggate scandal of 2015, when an unauthorized biography of Mr. Cameron alleged that the former prime minister, while a student, put "a private part of his anatomy" into a dead pig's mouth as part of an initiation ceremony. In response to the allegation, Mr. Cameron told reporters in 2015 that his representatives had issued "a very specific denial," to which he had nothing to add.

Mr. Wood also wrote a scene for the second episode where a journalist disguised as

a sheikh infiltrates a dinner party to eavesdrop on political gossip. This echoes the working methods of real-life undercover journalist Mazher Mahmood, who unearthed numerous scoops for British tabloids over the past 20 years before being sentenced last year to 15 months in prison after being found guilty of conspiring to pervert the course of justice.

"There are a few inside jokes," Mr. Wood says. "But not that many were needed because so much of the book feels like it was written for today."

OPINION

REVIEW & OUTLOOK

Trump's Pretty Good China Deal

Wilbur Ross made some startling claims after Thursday's announcement of a 10-point agreement with China on trade. The U.S. Commerce Secretary boasted that the "herculean accomplishment" was "more than has been done in the whole history of U.S.-China relations on trade," putting the relationship on "a new high."

The hyperbole may be due to the Trump Presidency's bumpy ride and the need for a policy victory. But overstatements tend to backfire, as this one did once trade experts examined the details. That's unfortunate because the Administration deserves credit for setting aside its protectionist threats for the hard work of negotiating a trade-expansion agreement.

The deal is modest but potentially significant. Beijing's two most important pledges are an end to the ban on U.S. beef and to the barriers against payment giants Visa and Mastercard entering the Chinese market. We've heard those promises before. Premier Li Keqiang said in September that beef imports would resume "soon," and China was supposed to end the monopoly of its Unionpay payments network under its 2001 accession to the World Trade Organization. Nevertheless, the July time frame is new and encouragingly close.

In return, the U.S. will allow imports of Chinese cooked chicken and sell natural gas to China. The latter is largely meant as political reassurance to investors in U.S. LNG export terminals. The U.S. also gave reassurance that investment by Chinese entrepreneurs is welcome and recognized the importance of President Xi Jinping's "Belt and Road" initiative to improve trade infrastructure in Asia.

Modest trade benefits for both sides, even if they were overhyped.

The deal is positive for both sides and should dial back tension over trade in the short term. But Mr. Ross may have planted a land mine by claiming that China's market opening will reduce the bilateral trade deficit this year. That seems unlikely. Beef exports are expected to reach a few billion U.S. dollars a year, a modest sum in the overall

relationship. Building facilities to export natural gas will take years, and Mastercard and Visa will need about 18 months at least to expand in China.

The trade deal comes at a moment when consistency in U.S. relations with China is imperative. On Sunday North Korea launched what appears to be a new type of ballistic missile, which some experts said could have flown 2,800 miles on a normal trajectory.

No doubt the urgency of dealing with this threat is one reason Mr. Trump in an interview with the Economist magazine last week praised Mr. Xi as "a great guy." But his seeming willingness last month in Mar-a-Lago to accept the Chinese President's excuses for failing to rein in North Korea no doubt discomfited allies and friends in Asia, already anxious about Beijing's maritime aggression. The U.S. is now asking these nations to unite as it works to shape a policy to deal with Pyongyang.

While it's good that Mr. Trump has pulled back from protectionism, dampening the swings in the way his Administration portrays China relations would bring better results. Mr. Ross's accomplishment would have found a more appreciative reception if he had simply said that hard negotiating gets results from Beijing but much work remains to be done.

A Rare Show of Class

As if we needed another example of civility gone off the rails at America's institutions of higher learning, the treatment given Education Secretary Betsy DeVos last week at Bethune-Cookman University deserves special mention. Edison O. Jackson, the president of Bethune-Cookman, a historically black institution of higher education, invited Mrs. DeVos to be the school's commencement speaker. As the Secretary began, many students screamed at her and turned their backs to the

stage. So it went for nearly the whole speech. President Jackson, let it be noted, defended the Secretary at her side, and the school's faculty stood on stage in solidarity with him.

The irony here is that Mrs. DeVos has dedicated her adult life to improving educational opportunities for inner-city black children, specifically so they can qualify for a higher education and the lifetime of benefits that brings. The U.S. is reaching the limits of political polarization when it turns this self-defeating

A Week in Trump's Washington

The Washington spectacle continues in the aftermath of President Trump's firing of FBI Director James Comey, and unlike the Ringling Bros. it won't be closing soon. As a service to readers, we thought we'd sort the fact from the suspicion, hyperventilation and bluster and sum up what we've learned from the latest tumultuous week in the Trump Presidency.

• *Whatever Mr. Trump's calculations, Mr. Comey's departure is good for the FBI, the Justice Department and the country.* The President and White House first said Tuesday that he had acted based on the recommendation of his top two Justice officials. On Thursday he told NBC News that he was going to fire Mr. Comey anyway, and that he had the FBI's Russia-Trump probe on his mind.

The two aren't mutually exclusive, but with Mr. Trump who knows? He often acts on one impulse then changes his explanation later. The main problem of his Presidency is that he treats his own statements as a form of public entertainment rather than acts of persuasion to build public trust. This is self-destructive, but it means everyone else has to discount what he says and focus even more than with most politicians on the substance of what he does.

Mr. Comey's political calculations—most of them aimed at preserving his personal standing—had damaged the bureau. His dismissal sent a message that the FBI director is politically accountable through the Attorney General and Deputy AG.

• *Rod Rosenstein deserves better treatment—from Democrats and Mr. Trump.* The Deputy AG's memo on Mr. Comey's 2016 behavior is persuasive and a public service. It bears the hallmark of a straight shooter concerned with the accountability that is essential to a credible rule of law.

Democrats are now saying they don't trust him, though a chunk of the memo quoted what Democratic legal veterans had written. They should be pleased to have someone of recognized integrity in such a crucial Justice role. So should Mr. Trump, whose initial public statements appeared to load the responsibility for Mr. Comey's dismissal on Mr. Rosenstein.

The Washington Post report that Mr. Rosenstein threatened to resign has since been contradicted—it doesn't sound like his M.O.—but Mr. Trump should still apologize to him.

• *The various Russia probes will continue with even more vigor.* Acting FBI director Andrew McCabe, a Comey loyalist, told Congress last week that he has seen no attempt to interfere with its investigation. He said the FBI has ample resources for the job and that he wasn't aware of a request by Mr. Comey for more. This contradicted another media report.

If Mr. Trump hoped to cover something up, sacking the FBI director is exactly the wrong way to do it. Every G-man with a mediocre lead will leak if he thinks politicians are trying to sit on evidence. The next FBI director will be watched like

a Russian agent for any hint of political favoritism. The House and Senate intelligence committees have also been given new impetus for thorough investigations.

• *There still is no serious evidence of Trump-Russia collusion during the 2016 campaign.* The worst detail so far is Michael Flynn's denial (he says he forgot) that he had met with the Russian ambassador. The various other names who've flashed as targets of media suspicion are small-timers (Carter Page) or Beltway bandits (Paul Manafort) who look more like mercenaries than conspirators.

Perhaps such evidence will emerge. If it does, Mr. Trump's Presidency isn't likely to survive. If it doesn't, he could emerge politically stronger for having his denials vindicated.

• *Mr. Trump's FBI nominee had better be someone independent and outside the Trump orbit.* Mr. Trump has rebounded from other mistakes with good hires—see H.R. McMaster as national security adviser after Mr. Flynn's flameout. He needs to ace the FBI pick now to neutralize Democratic opposition and reassure bureau agents on the case. We've suggested former Treasury official Stuart Levey, but no political hacks allowed.

• *The Trump White House is a mess, but then we knew that.* The chaos and self-serving leaks after the Comey firing make the Bill Clinton White House look like a model of discipline and decorum. If Trump aides aren't trashing each other, they're trashing the boss, who doesn't seem to mind humiliating them as he has spokesman Sean Spicer. Then there was last week's leak—dumped to reporters favored by the Stephen Bannon team—that Mr. Trump is unhappy with General McMaster, who apparently suffers from being too capable.

The historical analogy isn't Richard Nixon, whose advisers were effective in their abuses until they were finally discovered. This is more like Jimmy Carter—outsiders who arrived to drain the swamp and are swamped by incompetence. The blundering over the Comey decision and aftermath raises serious doubts that this White House has the focus and discipline to manage tax reform.

• *The main source of dysfunction is the man at the top.* The President is his own worst enemy—impulsive, thin-skinned, undisciplined, by now readers know the story. Every time his supporters think he might finally be appreciating the weight of the job, or the gravity of a President's words, he goes on a Twitter rant.

Rather than focus on his agenda, he keeps the Russia pot boiling by railing against critics. Health care—what's that? He faults his communications team for mistakes, but they are usually based on incomplete information or an attempt to clean up the boss's effusions.

Mr. Trump has assembled many able advisers and officials who are trying to serve the country and steer the mercurial President from his own worst instincts. If Mr. Trump won't heed their counsel, he really will turn into Jimmy Carter.

Why James Comey Had to Be Fired



POTOMAC WATCH

By Kimberly A. Strassel

Testifying before the U.S. Senate Judiciary Committee earlier this month, James Comey recalled a moment that should have held more significance for him than it did. At the height of the presidential campaign, President Obama's attorney general, Loretta Lynch, had

his motives, an honor-bound director would have acknowledged that his decision jeopardized his ability to continue effectively leading the agency. He would have chosen in the following days—or at least after the election—to step down. Mr. Comey didn't.

Which leads us to Mr. Comey's most recent and obvious conflict of all—likely a primary reason he was fired: the leaks investigation (or rather, noninvestigation). So far the only crime that has come to light from this Russia probe is the rampant and felonious leaking of classified information to the press. Mr. Trump and the GOP rightly see this as a major risk to national security. While the National Security Agency has been cooperating with the House Intelligence Committee and allowing lawmakers to review documents that might show the source of the leaks, Mr. Comey's FBI has resolutely refused to do the same.

The FBI head's sense of perfect virtue led him to ignore his own enormous conflicts.

Why? The press reports that the FBI obtained a secret court order last summer to monitor Carter Page. It's still unclear exactly under what circumstances the government was listening in on former Trump adviser Mike Flynn and the Russian ambassador, but the FBI was likely involved there, too. Meaning Mr. Comey's agency is a prime possible source of the leaks.

At the Senate hearing earlier this month, Chairman Chuck Grassley pointed out the obvious: The entire top leadership of the FBI is suspect. "So how," Mr. Grassley asked, "can the Justice Department guarantee the integrity of the investigations without designating an agency, other than the FBI, to gather the facts and eliminate senior FBI officials as suspects?" Mr. Comey didn't provide much of an answer.

All this—the Russia probe, the unmasking, the leaks, the fraught question of whether the government was inappropriately monitoring campaigns, the allegations of interference in a presidential campaign—is wrapped together, with Mr. Comey at the center. The White House and House Republicans couldn't have faith that the FBI would be an honest broker of the truth. Mr. Comey should have realized this, recused himself from the probes, and set up a process to restore trust. He didn't. So the White House did it for him.

Colleagues describe Mr. Comey as an honorable man. The problem seems to be that his sense of perfect virtue made him blind to his own conflicts and the mess he had made. New leadership at the FBI is a chance for a fresh start.

Write to kim@wsj.com.

Watergate Lessons For President Trump

By Seth Lipsky

With all the calls for an independent prosecutor for President Trump after his firing of the FBI's James Comey, why not move the investigation to the House Judiciary Committee? It could get right down to whether the president has done anything worthy of impeachment.

It's not that I think the president is guilty. It's just the only properly constitutional way to investigate this, or any, president. No one has adduced any evidence of wrongdoing by Mr. Trump. I'd like to see him cleared. But if he is to be investigated for crimes or misdemeanors, the House, with its impeachment authority, is the venue.

The Democrats are outraged at the thought that Mr. Trump, though he denies it, may have fired the director because the FBI boss was investigating the president. But if Mr. Comey was investigating the president, that would be grounds to take the investigation away from him (or simply to fire him). If the president is the target, the matter belongs to the House.

Like others in my generation, I came to this view through the experience of Watergate, when President Nixon fired special prosecutor Archibald Cox, and Whitewater, when President Clinton was pursued by independent counsel Kenneth Starr.

Cox was brought in after Attorney General Elliot Richardson—ignoring the separation of powers—made a deal with Congress to diminish the president's authority. The deal was that Cox would be dismissed only for cause. Cox subpoenaed Nixon and refused a compromise. The president then ordered the attorney general to fire him. An insubordinate Richardson and his deputy refused. It took Solicitor General Robert Bork to do the constitutional deed.

Eventually, the Judiciary Committee hired staff and went after Nixon, voting out three articles of impeachment (obstruction, abuse of power and contempt of Congress). Before the House could decide whether to press the charges, Nixon quit.

The Ethics in Government Act of 1978 enabled the unleashing of a prosecutor almost completely beyond the reach of the executive branch. It was used to harry the Reagan administration. The Supreme Court, in *Morrison v. Olson* (1988), rejected a constitutional challenge. In a lone dissent, Justice Antonin Scalia warned that an independent prosecutor could affect the "boldness of the president." While issues often come before the court "clad in sheep's clothing," he wrote, "this wolf comes as a wolf."

Democrats finally recognized the wolf in the form of Mr. Starr, who was put up against President Clinton. He sent his findings to the Judiciary Committee, which recommended four counts of impeachment, of which the full House affirmed two (perjury and obstruction). Mr. Clinton was acquitted by a Republican Senate. The GOP would have needed help from the Democrats to reach the constitutionally required supermajority of 67 votes for guilty.

It was a bitter disappointment to those who'd fought for an investigation. The one salve was the almost universal bipartisan conclusion that independent counsels led to abuse. Within months, Congress allowed the independent-counsel law to expire.

The dangers Scalia warned about in 1988 have rarely loomed larger than today, when a new president confronts a global terrorist war. In the middle of this existential struggle, who would benefit were Mr. Trump to be "dragged from pillar to post"?

That's a phrase Thomas Jefferson used when warning against subjecting presidents to the common courts, as Mr. Trump's aides, cabinet officials, family and former business associates will be if the current calls for an "independent" investigation are heeded.

The right adjective for what is needed is "constitutional." Moving the probe to the House Judiciary Committee certainly has risks. But no one could say it lacks the power to put this controversy to bed, one way or another, under the quilt of the Constitution.

Mr. Lipsky is the editor of the New York Sun.

OPINION

On Tax Reform, Paul Ryan Knows Better

By Laurence Kotlikoff

As Republicans push toward a major rewrite of the U.S. tax code, they must evaluate two competing proposals: the House GOP's "Better Way" plan and President Trump's framework, introduced last month. Either would greatly simplify personal and business taxation, but pro-growth reformers should hope that the final package looks more like the House's proposal.

Let's begin the analysis with personal taxes. Both plans eliminate the alternative minimum tax, deductions for state and local taxes, and the estate tax. The

The House proposal beats Trump's plan, which is more regressive and would induce huge tax avoidance.

House plan eliminates exemptions, while Mr. Trump's outline is unclear. Both raise the standard deduction, reduce the number of income-tax brackets, lower the top marginal tax rate and provide a big break to those with pass-through business income.

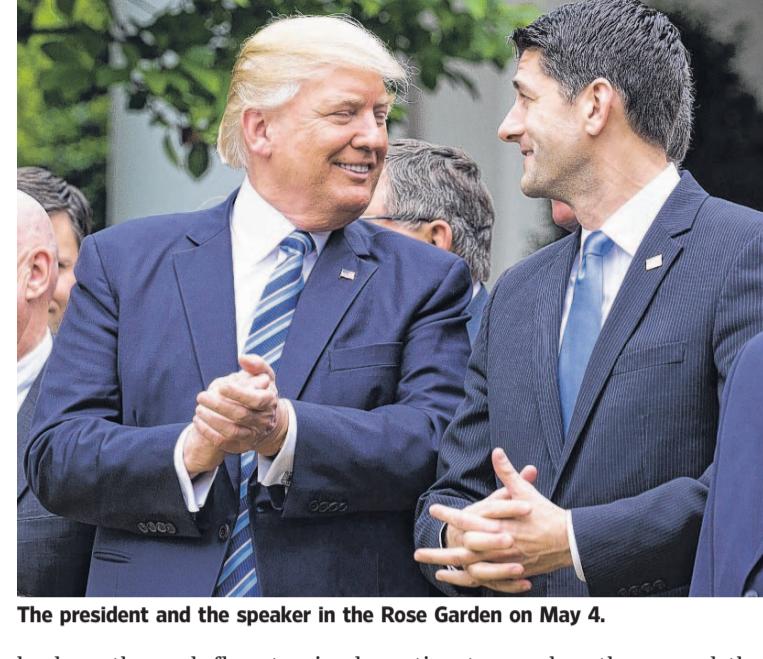
On this last point the Trump plan is particularly generous. It taxes pass-through income at 15%—far below its proposed top rate of 35% for regular income. The large gap between these rates would induce massive tax avoidance by the rich. The Better Way's proposed rates are much closer: 25% and 33%, respectively.

Another criterion to judge tax reform is its effect on the budget. Absent any economic response, the Better Way proposal would lower federal tax revenue by \$212 billion a year, according to a recent study I conducted with Alan Auerbach, an economist at Berkeley. But some economic response is likely. The House plan would cut the U.S. corporate-tax rate from one of the highest among developed countries to one of the lowest. Computer simulations—which will be included in a journal article I am writing with Seth Benzell and Guillermo Lagarda—suggest that increased dynamism could raise U.S. wages and output by up to 8%. Under this optimistic scenario, federal tax revenue would rise by \$38 billion a year.

We are in the process of simulating the Trump plan, and it is too early to say whether it produces less revenue. The plan's potential for tax avoidance, however, is a major red flag.

Which plan is more regressive? Both personal-tax reforms appear to help the rich. But the Better Way's business-tax reform actually appears highly progressive. Despite the popular perception that the corporate-income tax is paid by the rich, my research suggests it represents a hidden levy on workers. This causes American companies and capital to flee the country, reducing demand for U.S. workers, whose wages consequently shrink.

The Better Way plan transforms the corporate-income tax into something different: a business cash-flow tax with a border adjustment. Notwithstanding innumerable mischaracterizations by the press, politicians and business



ZUMA PRESS

The president and the speaker in the Rose Garden on May 4.

leaders, the cash-flow tax implements a standard value-added tax, plus a subsidy to wages. Every developed country has a VAT, which is an indirect way to tax consumption. All of these levies have border adjustments, which ensure that domestic consumption by domestic residents is taxed whether the goods in question are produced at home or imported. Unlike the Better Way, Mr. Trump's plan doesn't include a border adjustment, which means it effectively taxes exports and subsidizes imports. This undermines his goal of reducing the U.S. trade deficit.

Where is the progressive element to the cash-flow tax? It's in the subsidy to wages, which insulates workers from the brunt of the VAT. They will pay VAT consump-

tion taxes when they spend their paychecks, but they also will have higher wages thanks to the subsidy. The folks who truly pay the cash-flow tax are the rich, because they pay the VAT when they spend wealth that was earned years or decades ago.

As my study with Mr. Auerbach shows, this quiet but large wealth tax makes the overall House plan almost as "fair" as the current system. Our analysis—in contrast with studies done by congressional agencies and Washington think tanks—assesses progressivity based on what people of given ages and economic means get to spend over the rest of their lives.

Consider the present value of remaining lifetime spending for 40-year-olds. The richest quintile of

this cohort accounts for 51% of the group's spending, and the poorest quintile for 6.3%. Under the House tax plan, those figures move only modestly, to 51.6% and 6.2%. And the Trump plan? Hard to say, given how easily the rich could transform otherwise high-tax wage income into low-taxed pass-through business income.

The Trump tax plan strikes out on all counts. Whoever knew tax reform could be this complicated? We specialists in public finance did. The bottom line is that the U.S. needs more revenue and less spending to close the long-term fiscal gap. The nation's true debt—the present value of all projected spending, including the cost of servicing the \$20 trillion in official debt, minus the present value of all current taxes—has been estimated by Alan Auerbach and Brookings's William Gale to be as high as \$206 trillion.

The Better Way plan moves in the right direction, but if the economy doesn't respond as hoped, there's a risk of larger deficits. One way to prevent that would be to eliminate the ceiling on earnings subject to the Social Security payroll tax. That could add \$300 billion to the Treasury each year, according to our calculations.

But even without that adjustment, the House plan seems far superior to both the current system and the Trump plan. The press, politicians and business leaders should get things straight, including this important point: The Better Way tax plan is indeed a better way.

Mr. Kotlikoff, an economist at Boston University, is director of the Fiscal Analysis Center.

Where Has All the French Talent Gone?

By Philip Delves Broughton

Over the past two decades, France's best have abandoned home. Once they would have tap-danced their way through careers in and out of the public and private sectors—a job at the Inspection Générale des Finances followed by a stint in banking, then back into government before settling in at the top of some state-sponsored industrial giant.

But some time after the opening of the Channel Tunnel in 1994, during the long drear of the Jacques Chirac years, they began to leave. All those graduates of Paris's famed *lycées*, Henri IV and Stanislas, and the products of its vaunted *grandes écoles* looked at what France had to offer and hoofed it, some for New York, a few for Silicon Valley, and a great thundering herd for London.

They have earned millions as hedge-fund traders and investment bankers, or by setting up businesses free of the mind-bending constraints of French employment

law. London has prospered from their presence. They have bought townhouses in South Kensington and filled the private schools with hordes of little Xaviers and Sylvies. If some enterprising PR company were to set up a cross-Channel croissant-making contest, the winner would be as likely to come from Mayfair as from the Marais.

So if you wonder how a mysterious 39-year-old with only a brief record of public service can find his way to the French presidency, one answer is that his generation's talent pool has been drained by emigration. Emmanuel Macron achieved his ascent while the best of his class were off elsewhere. He won the support of 93% of French voters living outside the country. In that number were many who in an earlier era might have proved stiff opposition on the campaign trail.

It never used to be this way. Past presidents such as Valéry Giscard d'Estaing, François Mitterrand and even Mr. Chirac were epitomes of a certain kind of Frenchman:

Mr. Giscard d'Estaing, all floppy-limbed aristocratic disdain; Mitterrand, a cryptic Socialist with a history as smoky and convoluted as France's own; and Mr. Chirac, a swaggering clan chief of indiscernible political or personal morality.

The young decamped to London, as brain drain helped clear the way for Macron's rise to power.

Their careers had exposed them to all the glories and contradictions of French public life, to reversals and compromises, and to years of sharp-elbowled political fights. They were the winners of a Darwinian struggle among France's finest. When they ventured out into the world, no one doubted they represented the sharp end of French political talent—that unique blend of charm, technocratic bludgeoning and dev-

ilish self-interest. You would back them in any fight, whether it was with the Germans to remake EU rules, a union boss to settle a strike or a West African potentate to ensure the privilege of French oil companies.

This hasn't been the case since. Nicolas Sarkozy spun his wheels, enveloping his presidency in pointless noise and smoke. François Hollande has done very little at all. They are arguably the two worst presidents of the Fifth Republic. The last relic of that bygone era of French leadership is Alain Juppé, Mr. Chirac's prime minister and now the long-serving mayor of Bordeaux, who has been thwarted time and again from making the final leap to the Élysée Palace.

Mr. Macron triumphed as a Frenchman who had decided to stay, when his education and opportunities might easily have led him to leave. He could have joined the quarter of a million French citizens living in London. But he didn't. He stayed and took advantage of an

emptied political field, in which midgets loom like giants.

He is now seeking to repopulate that field, hastily putting together a list of candidates to stand for his new En Marche party in next month's parliamentary elections. The names read like the mythical everyman and everywoman candidates that political parties crave: a farmer, a lawyer, a former head of the police rapid-intervention force, the deputy director of a hospital in Toulouse. They are supposed to represent a new and untainted generation in French politics.

It would be a far greater achievement if he could persuade the hundreds of thousands who have left to come back. To renounce their easy foreign lives and re-create the kind of truly competitive political leadership France once had, and which it so badly needs once again.

Mr. Delves Broughton is an author and former Paris correspondent for the *Daily Telegraph*.

The Russia Circus Will Drag On Without James Comey



BUSINESS WORLD

By Holman W. Jenkins Jr.

Here's how the Russia inquiry would have played out, we believe, before the firing of James Comey. Mike Flynn would have been rung up on lobbying charges, probably related to Turkey, not Russia. The government might have found a tax bill to lay against Paul Manafort related to decade-old payments from a Russian oligarch. And surely Carter Page jaywalked or double-parked or used an expired bus pass on his way to a meeting about some business deal that would have violated sanctions if it had any chance of coming to fruition.

Mr. Comey was an imperfect FBI chief. His political hypervisibility

alone made him a liability to the agency he loved. But as even President Trump seemed to recognize during his NBC interview on Thursday, Mr. Comey was also the president's best bet for bringing the Russia investigation to an expeditious end in a way that would relieve Mr. Trump of the main charge, supported by no evidence, that his campaign colluded with Russia.

This charge, let's remember, first entered the public domain in a big way from the mouth of Clinton campaign chief John Podesta, seeking to distract from his own crass error in letting his email be hacked.

Then Harry Reid tried to spring an October surprise by releasing a letter to the FBI that made reference to claims circulated by retired British agent Christopher Steele, author of a notorious oppo-

sition-research file on Mr. Trump. A word on opposition research: It usually consists of public records, press accounts, documented personal history. When a researcher like Mr. Steele makes clear he wants only the most sensational, undocumented tall tales, it's not surprising that his so-called sources oblige him with tall tales.

As many Americans have come to understand, "wiretapping" nowadays means sifting through already-collected raw communications data stored in an NSA computer. Yet though the Steele file has been in government hands since last summer, no corroboration seems to have been forthcoming.

That Vladimir Putin disliked Hillary Clinton wasn't Mr. Trump's doing. That Russian agents likely played a role in stealing Democratic emails wasn't his doing either. And who benefited electorally is clear only through a generous helping of the hindsight fallacy. Hillary lost, so of course it helped Trump—this is the lazy reasoning. Yet there is simply no way of knowing how many votes the Trump-Putin miasma cost Mr. Trump.

Cowardice and denial now suffice the Clinton camp, and sadly Mrs. Clinton herself. Don't kid yourself about this. An incompetent Democratic campaign, with an unattractive candidate, let the GOP

He was a flawed FBI chief but the best bet for quickly closing out the phony hunt for 'collusion.'

steal back an election that Republicans had practically gifted to Democrats by nominating Mr. Trump. Nobody associated with this failure has a future if they can't rewrite the story as one of Russian collusion.

But the wish is also the father of the thought for conservative Never-Trummers. David Frum starts his piece at *The Atlantic*.com by saying: "Who can sincerely believe that President Trump fired FBI Director James Comey for any reason other than to thwart an investigation of serious crimes?"

Uh huh. Equally consistent with

logic, and a lot more consistent with the evidence, is that Mr. Trump fired Mr. Comey out of frustration with an investigation in which peripheral and incidental connections to Russia were being used to sustain a national conversation about treasonous collusion that never took place.

But then a problem with certain Never Trummers was that, from early on, they were writing less about Trump than about an idealized version of themselves. Even before the campaign was over, they were issuing anticipatory eulogies to themselves as lone, courageous voices on Trump flaws that were apparent to everyone.

Worse than self-referential, this emptied the world of interest. Mr. Trump is surely going to be, like every president, a mixed bag. But you have to throw out your whole understanding of the Trump phenomenon, you have to lose sight of the colossal, meaningful accident that landed him in the presidency, to prefer the story of a Kremlin conspiracy.

Mr. Trump is right if he thinks many root for his failure simply for the benefit of their own reputations. But he should have more confidence in the ability of the public to discount the circus.

His Comey miscalculation (so we believe it was) will be survivable if he wants to survive it. Mr. Trump still exudes a preternatural confidence that he's going to figure it all out eventually. That's not the worst trait in a president.

And give him credit: At least the Comey firing maintained his penchant for bold action. Mr. Trump's job now is to put the FBI's Russia investigation visibly back on track so he can exhibit nonchalance about it and get on with promoting his tax plan.

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From "Academia's Poisonous Call-Out Culture" by Suzanna Dabu

nuta Walters for the Chronicle of Higher Education, May 5:

support of trans rights. She is not [Ann] Coulter or [Charles] Murray or even the predictably contrarian Camille Paglia...

A young philosopher, Rebecca Tuvel, writes an article in which she considers claims to transracial and transgender identities. The result is a firestorm of condemnation.... By any measure, Tuvel is a committed feminist philosopher who repeatedly and clearly states her absolute

Academics should take a long, hard look at ourselves and ask whether we are truly committed to a culture that is generous of spirit, open to debate, and deliberative in its judgments....

Let's focus our animus on the real enemies of feminist, queer,

marginalized lives.

LIFE & ARTS

WHAT'S YOUR WORKOUT? | By Jacqui Devaney

A Do-It-Yourself Skateboarding Routine

ANNA MAY DUTTON started skateboarding to channel her adolescent energy. She's still shredding two decades later.

In 1993, when Ms. Dutton was 12 and living in a Seattle suburb, she got her first skateboard—"access into the rest of the world," she says. "I was a really hyper kid and a risk-taker."

When Ms. Dutton, now a 35-year-old floral designer based in Jackson, Wyo., started skating, she was often the only girl at skate parks. Now, being a female skater is considered normal.

"You go to the skate park, and whether you know anyone or not, by the end of it you've got someone to go get a beer with after," she says.

As she immersed herself in the skate community, Ms. Dutton's style caught the attention of a few major skate brands. In 2014, she became the first female sponsored by SHUT Skateboards, one of New York's first skateboard companies, and has picked up sponsorships with Rockstar Bearings, HUF shoes and Jivaro Wheels.

Skateboarding has come with victories and setbacks for Ms. Dutton. In 2014, she won the House of Vans all-women's competition, though she says she's not interested in competitions. "I just really wanted to skate that bowl...but yeah, I got first place," she says.

She has suffered injuries. When she broke the fifth metacarpal in her hand, a friend fashioned a makeshift splint out of a skateboarding magazine, a shoelace and Ms. Dutton's scarf. She got the injury while she was camping out in Puerto Rico with her friends, and decided to continue instead of seeing a doctor right away.

To those who debate if skateboarding is a sport or an art: "I'd say it's more in the vein of martial arts than a sport," she says. "There's a more personal, and sometimes even spiritual, experience."

The Workout

Ms. Dutton typically skates between two and four hours during



Anna May Dutton gets her exercise at the Jackson Hole Skate Park in Jackson, Wyo., with a skateboard she built herself.

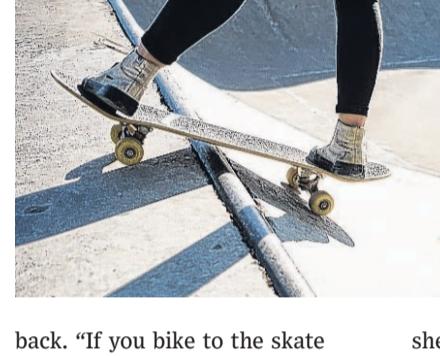
each session. She has also used her skateboard to deliver flowers.

Although skateboarding is an individual activity, it isn't a solitary one for Ms. Dutton. Vert skating, or pool riding, is the style of skating she prefers. Vert style is modeled on the earliest days of skateboarding, which often took place in empty backyard swimming pools.

"I always love super fast carve grinds," she says, explaining the move as popping the board onto a curve on the lip of the bowl and

using momentum to glide across the edge. One of her favorite tricks is the frontside disaster, a move where she rotates 180 degrees with the board and lands on the lip of the bowl, teetering between each set of wheels, and eventually drops back into the bowl. She is always evolving her style by watching other skaters work on new moves.

During the summer, Ms. Dutton skates every day. She prefers to ride her bike to the skate park with her board strapped to her



crispy duck salad at a Jackson restaurant called Local.

The Cost & Gear

Ms. Dutton builds her skateboards herself. She uses a SHUT skateboard deck, typically preferring wider boards, around 8.5 inches across. She outfitts the rest with Rockstar bearings and Jivaro wheels. In all, her board costs around \$150, but with her sponsors she pays around \$30 out of her own pocket.

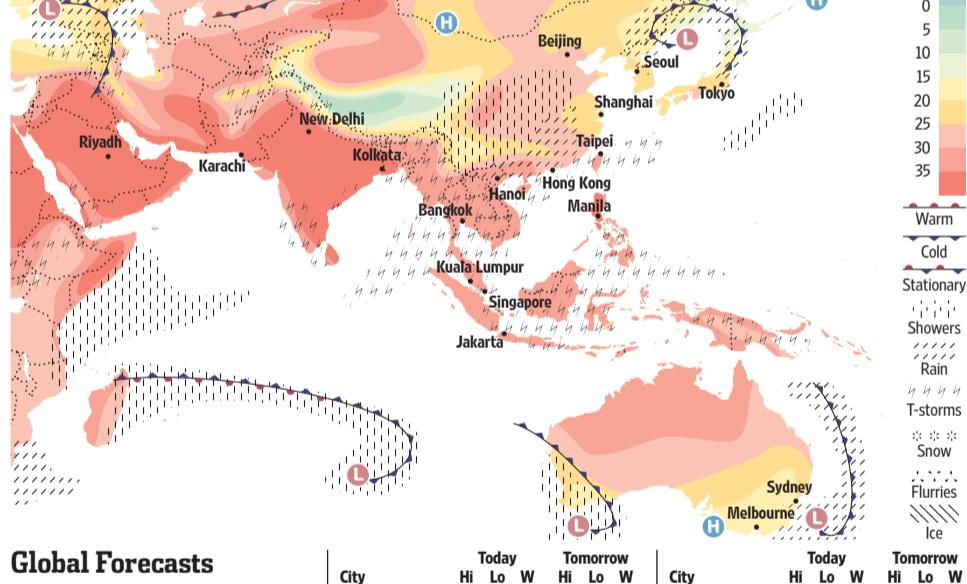
Ms. Dutton wears \$65 high-top HUF sneakers when she's riding. The public skate park she goes to is free.

The Diet

"Nuts, berries and then a burrito!" she says. Ms. Dutton also trades out the burrito for a salad or a pizza, depending on how heavy her skating was that day. One of her favorite meals is the

"On the dance floor, bring me some R&B, but at the skate park metal and punk definitely get you going," says Ms. Dutton, citing bands like Metallica, Slayer and Dead Moon as her must-haves.

Weather

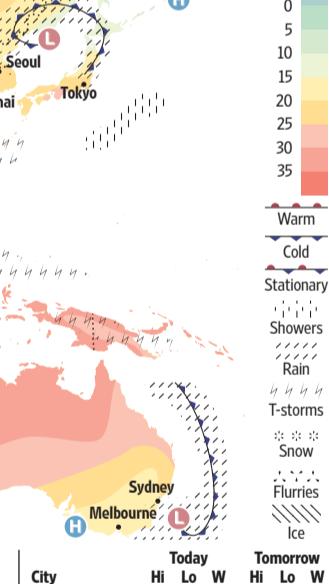


Global Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...storms; r...rain; sf...snow flurries; sn...snow; l...ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	20	15	pc	23	15	c
Anchorage	16	7	s	16	7	c
Athens	28	18	pc	24	18	pc
Atlanta	31	18	s	32	19	s
Bahrain	42	24	s	40	23	s
Baltimore	22	10	s	26	15	r
Bangkok	33	26	t	32	26	t
Beijing	28	11	s	33	18	pc
Berlin	19	8	t	20	12	pc
Bogota	19	11	sh	20	10	c
Boise	18	6	pc	12	3	r
Boston	15	11	r	23	11	s
Brussels	20	14	pc	24	15	c
Buenos Aires	20	6	pc	18	10	pc
Cairo	38	21	s	35	21	s
Calgary	14	2	pc	13	2	sh
Caracas	32	27	pc	31	27	pc
Charlotte	31	16	s	31	18	s
Chicago	27	17	pc	30	21	s
Dallas	32	20	s	31	22	t
Denver	27	9	s	23	6	pc
Detroit	21	11	s	28	19	pc
Dubai	38	28	s	38	27	s
Dublin	18	12	t	17	7	t
Edinburgh	16	13	r	17	8	sh
Frankfurt	21	10	pc	24	13	pc

AccuWeather.com



City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Geneva	22	11	pc	23	12	pc
Hanoi	31	25	t	32	24	pc
Havana	29	21	pc	29	21	sh
Hong Kong	29	23	r	28	24	c
Honolulu	29	23	sh	29	22	sh
Houston	31	21	pc	31	22	pc
Istanbul	21	13	s	21	14	pc
Jakarta	33	25	pc	33	24	sh
Johannesburg	17	6	c	19	5	s
Kansas City	31	20	s	29	18	t
Kuala Lumpur	24	14	s	26	16	s
Kolkata	25	19	c	25	19	c
Kuala Lumpur	18	15	c	21	13	c
Las Vegas	24	14	s	26	16	s
Lima	25	19	c	25	19	c
London	18	15	c	21	13	c
Los Angeles	19	12	pc	20	13	pc
Madrid	28	13	pc	29	14	pc
Manila	36	28	c	36	27	t
Melbourne	16	7	pc	18	10	pc
Mexico City	28	14	pc	28	14	pc
Miami	32	24	pc	31	25	pc
Milan	27	14	pc	27	16	pc
Minneapolis	26	19	t	31	19	t
Montreal	35	21	pc	37	19	pc
Moscow	21	8	sh	21	10	pc
Nashville	33	30	pc	33	29	pc
New Delhi	44	30	pc	43	29	pc
New Orleans	30	19	pc	30	21	pc
New York City	20	13	s	25	15	s
Orlando	31	19	t	32	20	s
Ottawa	18	6	pc	23	12	pc
Paris	21	14	pc	26	15	pc
Philadelphia	22	12	pc	26	14	pc
Phoenix	29	16	s	26	17	s
Pittsburgh	21	7	s	27	17	s
Port-au-Prince	32	24	t	31	24	t
Portland, Ore.	15	9	r	13	9	sh
Rio de Janeiro	40	24	s	41	25	s
Riyadh	25	14	pc	26	14	s
Rome	25	14	pc	26	14	s
Salt Lake City	22	10	s	20	6	sh
San Diego	18	15	sh	19	15	pc
San Francisco	18	11	pc	17	10	c
San Juan	32	26	sh	32	25	sh
Santiago	19	7	pc	17	7	t
Santo Domingo	31	23	t	30	23	t
Sao Paulo	22	14	s	21	14	c
Seattle	12	7	r	12	8	sh
Seoul	19	13	pc	22	15	pc
Shanghai	23	17	sh	24	15	c
Singapore	31	27	c	31	27	c
Stockholm	12	1	sh	13	6	c
Sydney	19	13	sh	20	13	s
Taipei	30	22	r	24	22	r
Tehran	31	19	s	32	18	s
Tel Aviv	29	20	s	28	19	s
Tokyo	22	18	c	21	16	c
Toronto	19	7	s	18	13	s
Vancouver	12	6	r	13	7	r
Washington, D.C.	24	12	s	27	17	s
Zurich	21	9	pc	23	11	pc

The WSJ Daily Crossword | Edited by Mike Shenk



SUPPORT GROUP | By Zhouqin Burnikel

Across	27	Noah's construction	49	*Heirloom timepiece, perhaps

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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Monday, May 15, 2017 | B1

Yen vs. Dollar 113.2960 ▼ 0.50%

Hang Seng 25156.34 ▲ 0.12%

Gold 1226.20 ▲ 0.29%

WTI crude 47.84 ▲ 0.02%

10-Year JGB yield 0.044%

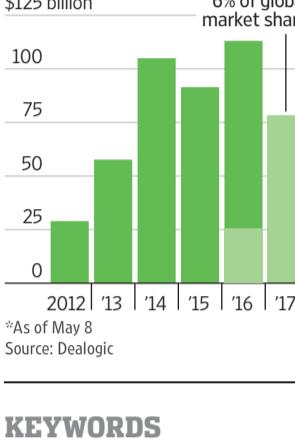
10-Year Treasury yield 2.331%

China Banks Gain Clout in Bonds

Shifting to China

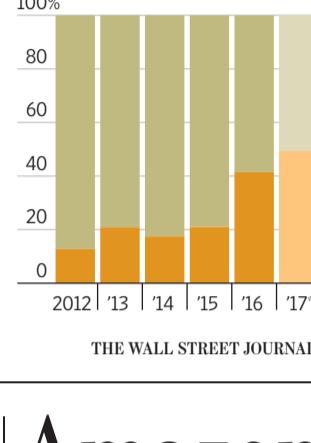
Chinese companies are raising a lot more money overseas...

Chinese dollar-denominated bond issuance



...and Chinese banks are handling a bigger share of those deals.

Chinese banks' share of volume handled by top 10 underwriters



BY RACHEL ROSENTHAL
AND JULIE STEINBERG

China's banks are pressing hard on Wall Street firms in one of the banking world's hottest markets: helping Chinese companies sell bonds overseas.

Dollar-denominated bond issuance from China has exploded in recent years, as the country's globally focused companies raise cash for expansion and investment abroad. Chinese borrowers have been the second-biggest seller of dollar-denominated debt this year and last year, after only those in the U.S.

Chinese investment banks in 2017 took five of the top 10 spots in league-table rankings

for underwriting offshore Chinese debt deals, and they accounted for just under half of sales volume. That is up from one spot and 13% of associated volume in 2012.

Driving the gains is a battle for business by Chinese banks, which are willing to accept smaller profits than Western rivals, bankers say. The banks are bringing with them some nonstandard practices honed in China's famously bumpy home markets, some of which could lead to unruly trading in offshore markets as well, Wall Street bankers say.

After a recent government crackdown on runaway debt in China sent bond yields climbing, Chinese banks have also been pursuing companies

rushing to sell bonds overseas. China's overall debt is now estimated to be almost triple gross domestic product, a level many experts view as dangerous. Bond yields rise as prices fall.

Historically, Western firms with connections and financial heft, including **Morgan Stanley**, **Goldman Sachs Group Inc.** and **HSBC Holdings PLC**, have had an advantage in helping Chinese companies tap global investors and financial markets despite China's regulations curbing foreign participation in onshore investment-banking and trading.

In recent years, though, big Chinese financial firms like **China Construction Bank**

Please see DEBT page B2

Creditors Crowd Around Citgo

BY JULIE WERNAU

Bondholders looking for compensation if Venezuela defaults know that one big pot of money remains: the assets of state-owned oil refiner **Citgo Holdings Inc.**

But there is a problem. Dozens of companies are lining up with claims on those funds.

Venezuela last year pledged all of Citgo's equity as collateral to bondholders and to state-owned Russian oil producer Rosneft in debt deals. In addition, at least 43 companies—including **ConocoPhillips Co.** and Canadian mining firm **Crystallix International Corp.**—are pursuing legal claims against the government, according to the World Bank's International Center for Settlement of Investment Disputes. These companies say they weren't paid when Venezuela's government expropriated their assets there.

Now, with Wall Street judging that a default may only be a matter of time, it is becoming clear there isn't nearly enough of Citgo to go around.

"There are more hands out than there are assets to pay them," said Russ Dallen, a partner at investment bank Caracas Capital Markets, based in the Venezuelan capital.

A default would trigger rights enabling any of the claimants to attempt to seize Citgo, triggering cross-default clauses in Venezuelan sovereign bonds if they remain unpaid once a final court order is issued, according to Credit Suisse. Attorneys say that would send creditors into a frenzied legal battle for assets that could take years to resolve.

Citgo reported in bond-offering documents that its 2015 equity value was \$8.3 billion. But many analysts believe the true figure is at least \$3 billion lower now, and possibly more as rising oil prices and growing stockpiles of fuel squeezed profits for refiners. It also reflects a multibillion-dollar dividend Citgo paid to its parent, **Petróleos de Venezuela SA**, or PdVSA, the state-owned oil company.

Meanwhile, claims on Citgo appear to be ballooning. Venezuela's total potential liabilities related to claims pending before the International Cen-

Claims on state oil firm rise as concern grows over potential default by Venezuela.

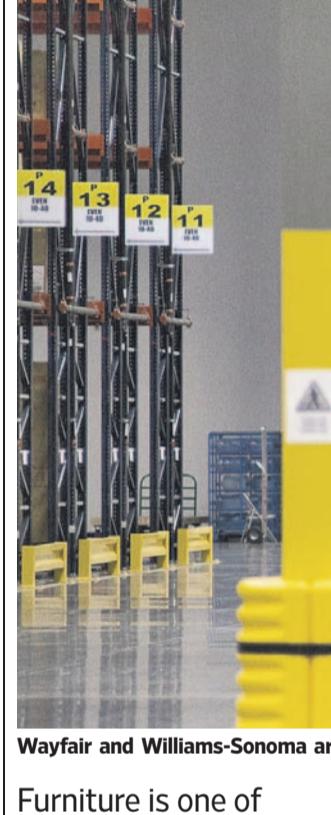
ter for Settlement of Investment Disputes could reach around \$10 billion, Credit Suisse estimated in March. These companies are converging on Citgo because it is Venezuela's most accessible source of dollar-based assets, attorneys say.

Based in Houston, Citgo owns refineries in Lake Charles, La.; Corpus Christi, Texas; and Lemont, Ill. The company also owns valuable networks of pipelines and fuel-distribution terminals in the eastern U.S.

Earlier this month, Sens. Ben Cardin (D, Md.) and Marco Rubio (R, Fla.), along with a number of other senators, proposed legislation calling for President Donald Trump to prevent Russian oil giant Rosneft from seizing the company. Foreign control of Citgo would pose a "significant risk" to U.S. energy and national security, the legislation said. Rosneft is currently under U.S. sanctions, which would prevent a takeover of U.S. assets.

"The prize here is Citgo and we are getting closer to it," Please see CITGO page B2

Amazon Steps Up Furniture Sales



Wayfair and Williams-Sonoma are the leading online sellers of furniture in the U.S. Above, a new Wayfair facility in Perris, Calif.

JOSEPH PHILIPSON FOR THE WALL STREET JOURNAL

Furniture is one of the fastest-growing segments of online retail in the U.S.

BY BRIAN BASKIN
AND LAURA STEVENS

Amazon.com Inc. wants to furnish your home.

The online retail giant is making a major push into furniture and appliances, including building at least four massive warehouses focused on handling bulky items, according to people familiar with Amazon's plans.

With that move, the Seattle-based retailer is taking on two companies that dominate online furniture sales—**Wayfair Inc.** and Pottery Barn owner **Williams-Sonoma Inc.** Furniture is one of the fastest-growing segments of U.S. online retail, growing 18% in 2015, according to IBISWorld.

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The first of 12,000 Apple headquarters employees moved from several drab, stone buildings in Cupertino, Calif., to space across town in the 2.8-million-square-foot circular building that resembles a spaceship. It features a seamless, curved-glass exterior and a theater architects said was designed to look like a MacBook Air. The estimated \$5 billion project commanded years of attention from top Apple executives including Chief Design Officer Jony Ive, according to three of the more than 100 architects working

second only to groceries, according to Barclays. About 15% of the \$70 billion U.S. furniture market has moved online, researcher IBISWorld says.

But even the biggest players in online furniture are struggling to get the market right. Unlike established categories such as books and music or even apparel, retailers are still hammering out basic concepts like how much variety to offer on their sites and the most efficient ways to deliver couches and dining sets to customers' homes.

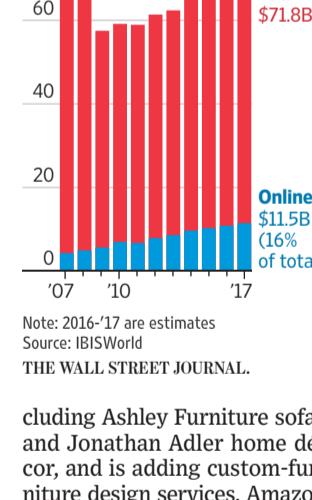
While Amazon has been selling furniture for years, it has lately decided to tackle the sector more forcefully.

"Furniture is one of the fastest-growing retail categories here at Amazon," Veenu Taneja, furniture general manager at Amazon, said in a statement. He said the company is expanding its selection of products, with offerings in-

cluding Ashley Furniture sofas and Jonathan Adler home decor, and is adding custom-furniture design services. Amazon is also speeding up delivery to

Rapid Growth

U.S. furniture sales and share of online sales



Note: 2016-'17 are estimates

Source: IBISWorld

THE WALL STREET JOURNAL

cluding Ashley Furniture sofas and Jonathan Adler home decor, and is adding custom-furniture design services. Amazon is also speeding up delivery to

Shoppers are still generally willing to pay for furniture de-

Please see AMAZON page B2

New Apple Headquarters Signals Tech's Boom

BY TRIPP MICKLE
AND ELIOT BROWN

Apple Inc. employees last month began testing the company's latest innovation: Apple Park, one of history's most expensive corporate campuses and the leading example of the tech industry's newfound love for splashy architecture.

The first of 12,000 Apple headquarters employees moved from several drab, stone buildings in Cupertino, Calif., to space across town in the 2.8-million-square-foot circular building that resembles a spaceship. It features a seamless, curved-glass exterior and a theater architects said was designed to look like a MacBook Air. The estimated \$5 billion project commanded years of attention from top Apple executives including Chief Design Officer Jony Ive, according to three of the more than 100 architects working

on the campus.

Apple Park is the most lavish in a spate of glitzy new architectural projects by tech titans at a time when their businesses are booming and market valuations are soaring to new heights. Facebook Inc.

and Alphabet Inc. have tapped top architects Frank Gehry and Bjarke Ingels for expansions, Amazon is building giant glass globes containing an indoor forest in Seattle, and business-software company Salesforce.com Inc. paid to put its

name on a new, 61-story tower that will be the tallest building in San Francisco.

"This is what rich, wealthy and powerful individuals have done since the Pharaohs built the pyramids—you build a building that projects power to the world," said Louise Mozingo, an urban-design professor at the University of California, Berkeley, who wrote a book on corporate campuses.

The trend marks a departure for the tech industry, which long eschewed the corporate palaces of banks and oil giants in favor of bland, low-slung office buildings like those on Apple's existing campus.

"There's always been this strain of practicality in Silicon Valley," said Randy Howder, principal at the San Francisco-based architecture firm Gensler.

The new buildings are de-

Please see APPLE page B2



An aerial view last month of Apple's new headquarters, Apple Park, in Cupertino, Calif. The project cost an estimated \$5 billion.

Justin Sullivan/Getty Images

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APPLE

Continued from the prior page signed to project companies' identities. Amazon, named after the rainforest, last week started planting trees in the glass spheres at the base of its new Seattle headquarters.

Apple's late CEO, Steve Jobs, helped initiate the boom. In 2009, he enlisted British architect Norman Foster, designer of the Hearst Tower in New York, to help bring a showcase corporate headquarters to Silicon Valley.

Apple, which recently set a record by topping \$800 billion in market capitalization, says the new campus is designed to bring together disparate staff and foster collaboration to create new products.

Since unveiling plans in 2011, Apple's design team has

sought to influence everything from sprinklers to door handles. It commanded so much time of architects that Foster + Partners, which is based in London, eventually opened an office in the Bay Area to better manage requests, two architects said.

Foster + Partners didn't respond to requests for comment. Apple declined to comment.

Some observers see signs of hubris in the architectural bonanza. Ms. Mozingo, of UC Berkeley, believes Silicon Valley's current move to trade flexible, bland workplaces for corporate statements could backfire, tying companies to a place and hindering their ability to relocate or innovate in a dynamic market.

"Once you invest that much cash, you become a different kind of company," Ms. Mozingo said.

Attorneys for Lehman Brothers Holdings Inc. and Certain of Its Affiliates

ADVERTISEMENT

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Maritza Dominguez Braswell (*pro hac vice*)

Attorneys for Lehman Brothers Holdings Inc. and Certain of Its Affiliates

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re
Lehman Brothers Holdings Inc., et al.
Debtors.

Chapter 11 Case No.
08-13555 (SCC)
Jointly Administered

NOTICE OF MOTION OF LEHMAN BROTHERS HOLDINGS INC.
PURSUANT TO FED. R. BANKR. P. 9019 AND 11 U.S.C. § 105(A) FOR ENTRY OF ORDER
(A) APPROVING RMBS SETTLEMENT AGREEMENT, (B) MAKING CERTAIN REQUIRED
FINDINGS REGARDING DECISION OF RMBS TRUSTEES AND LBHI DEBTORS TO ENTER
INTO RMBS SETTLEMENT AGREEMENT, (C) SCHEDULING ESTIMATION PROCEEDING
TO DETERMINE RMBS CLAIMS AND APPROVING RELATED PROCEDURES REGARDING
CONDUCT OF HEARING, AND (D) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that, on April 27, 2017 Lehman Brothers Holdings Inc. (the "Plan Administrator"), as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors, on behalf of itself and the other affiliated debtors in the above-captioned cases (collectively, the "LBHI Debtors") filed the Motion of Lehman Brothers Holdings Inc. Pursuant To Fed. R. Bankr. P. 9019 And 11 U.S.C. § 105(a) For Entry Of Order (A) Approving RMBS Settlement Agreement, (B) Making Certain Required Findings Regarding Decision Of RMBS Trustees And LBHI Debtors To Enter Into RMBS Settlement Agreement, (C) Scheduling Estimation Proceeding To Determine RMBS Claims And Approving Related Procedures Regarding Conduct Of Hearing, And (D) Granting Related Relief ("the "Motion"). Capitalized terms used but not defined herein shall have the meanings given to them in the Motion.

PLEASE TAKE FURTHER NOTICE that a hearing will be held on the Motion before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Courtroom 623, One Bowling Green, New York, New York 10004 (the "Bankruptcy Court") on July 6, 2017 at 10:00 a.m. (prevailing Eastern Time), or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion (including approval of the Trustee Findings and the Debtors' Findings) must be made in writing, state with particularity the grounds therefor, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, be filed electronically in text searchable portable document format (PDF) with the Court in accordance with General Order M-399 (General Order M-399 can be found at www.nysb.uscourts.gov, the official website for the Court), by registered users of the Court's case filing system and by all other parties in interest (with a hard copy delivered directly to the Judge's Chambers), and be served in accordance with General Order M-399, and upon (i) the chambers of the Honorable Shelley C. Chapman, One Bowling Green, New York, New York 10004, Courtroom 23; (ii) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Paul V. Shalhoub, Esq. and Todd G. Cosenza, Esq.); and (iii) Rollin Braswell Fisher LLC, 8350 East Crescent Parkway, Suite 100, Greenwood Village, Colorado 80111 (Attn: Michael A. Rollin, Esq. and Maritza D. Braswell, Esq.), attorneys for LBHI and certain of its affiliates; (iv) Gibbs & Bruns LLP, 1100 Louisiana, Suite 5300, Houston, Texas 77002 (Attn: Kathy Patrick, Esq. and Robert Madden, Esq.), attorneys for the Institutional Investors; (v) Chapman

& Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603 (Attn: Franklin H. Top III, Esq. and Scott A. Lewis, Esq.); Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178 (Attn: Michael S. Kraut, Esq.); Seward & Kissel LLP, 1 Battery Park Plaza, New York, New York 10004 (Attn: M. William Munno, Esq. and Daniel E. Guzman, Esq.); Alston & Bird LLP, 1201 West Peachtree Street, Suite 4900, Atlanta, Georgia 30309 (Attn: John C. Weitnauer, Esq.); Holwell Shuster & Goldberg LLP, 750 Seventh Avenue, 26th Floor, New York, New York 10019 (Attn: Michael S. Shuster, Esq.) and Nixon Peabody LLP, 437 Madison Avenue, New York, New York 10022 (Attn: Dennis Dresky, Esq.), attorneys for the Trustees; and (v) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: William K. Harrington, Esq., Susan D. Golden, Esq. and Andrea B. Schwartz, Esq.) so as to be actually filed and received by no later than June 22, 2017 at 12:00 noon (EDT) (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that the relief requested in the Motion may be granted without a hearing if no objection is timely filed and served as set forth above and in accordance with the order, dated June 17, 2010, implementing certain notice and case management procedures in these cases (Docket No. 9635) (the "Case Management Order").

Dated: April 27, 2017
New York, New York

/s/ Paul V. Shalhoub
Paul V. Shalhoub
Todd G. Cosenza

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BUSINESS & FINANCE



CARLOS GARCIA RAWLINS/REUTERS

This year, Venezuela, Citgo and its parent company PdVSA together owe more than \$10 billion.

CITGO

Continued from the prior page said Robert L. Weigel, a lawyer for Crystallex, which won a \$1.4 billion arbitration award last year against Venezuela following the government's expropriation of a gold mine in

2008.

Crystallex is suing PdVSA to recoup a \$2.2 billion dividend that Citgo transferred to its parent in 2015, according to a 2016 exchange offering circular, using the proceeds of a U.S. bond sale. That was after PdVSA abandoned plans in early 2015 to sell the subsidiary outright. As Venezuela's

most significant asset in the U.S., Citgo is a "natural target" for judgment creditors, Crystallex wrote.

ConocoPhillips is locked in litigation over U.S. oil rigs drilling in Venezuela that then-President Hugo Chávez declared state property in 2007. The company has asked a U.S. court to cancel the lien

Researcher Used 'Kill Switch' to Fight Cyber Virus

By STU WOO

LONDON—On Friday, a 22-year-old U.K.-based threat-intelligence researcher was enjoying the last day of a weeklong vacation by having a leisurely lunch with a friend.

When he got home, Britain's National Health Service's computer systems were under assault. The cyberattack would soon spread around the world. He and dozens of other cybersecurity experts, from multiple government agencies and across the private sector, joined in a frenzied, online detective case that ultimately led to a way to slow the virus.

Many of those experts, including European and British cybercrime authorities, credit the British researcher with stumbling onto a "kill switch" embedded in the code of the virus itself, which helped slow the computer worm's spread.

The researcher himself said the discovery was accidental. The kill switch was hard to identify but easy to activate. It involved registering a website name, which cost \$10.69.

The discovery has slowed the spread of the attack but won't help the tens of thousands of computers that had already been infected. So-called ransomware used in the attack encrypted files on affected computers, asking for money in exchange for decrypting them again. In addition,

to the NHS, victims include auto makers Nissan Motor Co. and Renault SA, FedEx Corp., Germany's biggest train operator and a swath of Russian banks. China state media reported gasoline stations and universities may have been affected.

Cybersecurity experts warn that attackers may be able to use other strains of the ransomware to pick up the attack again. For now, the British researcher, who has so far declined to identify himself, is being hailed as a sort of cyberspace Batman for his role.

He is a well-known expert in the field, having risen in stature among his colleagues last year after he created a program that tracked another worm, known as Mirai, that took over internet-connected cameras and other devices and used them to disable websites.

Cybersecurity experts who know him say he works in the U.K. for a small cybersecurity consulting firm but honored his desire to remain anonymous. He has spoken twice to The Wall Street Journal in audio Skype conversations in the past two years. In Twitter messages Saturday, he confirmed basic life details but declined to give his name.

"Mostly because no good will ever come from giving out my name," he said, adding that he wanted to be known



Friday's attack affected computer systems world-wide, including Britain's National Health Service.

northwest England, alerted the IT department to an attack, according to the trust's chief executive, Andrew Foster.

Several more staff from around the trust, which runs three hospitals, did the same in close succession. The IT department quickly shut down the email system, at 2.02 p.m., preventing the attack from spreading to the all-important patient record system.

By this time, a small circle of government and private-sector cybersleuths were on the case, many working independently but many also teaming up.

The attack code targeted Microsoft Corp. Windows users, though Microsoft said a security patch it released in March fixed the problem. Cybersecurity experts said the infected computers hadn't updated their systems, or used old Windows systems, such as XP, that Microsoft no longer supported. In an unusual move, Microsoft on Saturday released a security patch for older Windows systems it normally wouldn't support.

MalwareTech concluded his blog post with advice: "If you have anything to patch, patch it."

—Robert McMillan
in San Francisco and
Denise Roland in London
contributed to this article.

just by his Twitter and online persona, MalwareTech.

The researcher operates the website MalwareTech.com, where on Saturday he posted an account of his Friday escapades. He said he helped solve the computer virus with the help of Proofpoint, a Silicon Valley cybersecurity firm that tries to detect hacking worldwide by putting sensors in the networks of major telecom companies and corporations.

Proofpoint had been looking for signs of the tool used

in Friday's attacks, called "Eternal Blue," since April, when a hacking group calling itself "Shadow Brokers" published it.

Shadow Brokers said it had stolen the tool from the National Security Agency, which has declined to comment on the authenticity of the Shadow Brokers' documents.

Besides some people experimenting with Eternal Blue, there were no signs of a widespread attack until about 1 p.m. London time, about 8

a.m. Eastern time, on Friday, said Ryan Kalember, Proofpoint's senior vice president of cybersecurity strategy. Pop-up screens started appearing on infected computers, saying that their files would be encrypted and destroyed unless the computer users paid hackers some \$300 over the internet using bitcoin.

About an hour later, a member of the switchboard staff at Wrightington, Wigan and Leigh NHS Trust, a state-funded hospital operator in

U.S.—in Atlanta—where it can produce goods on demand.

Adidas hasn't said how much its 3-D printed shoes will cost, but it has said they would be priced as a "premium" product. It expects to have shipped about 5,000 pairs by the end of 2017 and more than 100,000 by the end of 2018.

There are myriad barriers to 3-D printing becoming a mainstay of manufacturing, however. While the new technologies offer a markedly lower per-part cost than previous 3-D printing tech-

niques, the cost doesn't remain competitive when quantities exceed 20,000 or so, says John Dulchinos, vice president of global automation at Jabil Circuit Inc.

Meanwhile, I did some unscientific tests of my own, ones that, in my experience, no 3-D printed object would survive. I took the Adidas running shoes on a long, punishing run through city streets, sure that at any moment they'd fall to pieces. They didn't. Then I took a hammer to the steel hinge. I'm no John Henry, but it survived.

MIMS

Continued from page B1

Inc. are leveraging actual ink-jet printer technology. HP's Multi Jet Fusion printers, which start at \$130,000, literally draw with heat-absorbing ink on plastic powder, rapidly building layers one-10th of a millimeter at a time.

Desktop Metal's manufacturing-grade system, which starts at \$360,000, uses ink-jets to shoot a binding agent meant to hold tiny bits of metal together so they can be

fused in what is basically a big oven. These technologies are rapidly distancing themselves from the type of 3-D printing now popular with do-it-yourselfers, which more closely resembles a hot glue gun.

Both HP and Desktop Metal are breaking with tradition in 3-D printing by throwing out the "razor and blades" model, where 3-D printing companies made money by selling specialized printing materials. HP is joining with BASF SE and more than 50 other companies, which will formulate their own powdered plastics

for HP's 3-D printers. Desktop Metal's process uses powdered metals, a commonly available material typically used in a process known as metal injection molding.

You can expect a huge variety of the bits and bobs inside everyday objects to be 3-D printed in the next year, including plastic parts for automobiles, says Matthias Weisskopf, senior vice president of technologies at Oechsler AG. The company is building factories for Adidas and produces parts for German automobile makers.

Another big application will be replacement metal parts for construction equipment, says Don Jones, director of global aftermarket parts strategy at Caterpillar Inc.

For both Caterpillar and Oechsler, moving to 3-D printing is also about bringing manufacturing closer to end consumers. Caterpillar's problem is that servicing equipment means maintaining a costly, spread-out network of parts warehouses. It hopes to supplant these with print-on-demand parts. Adidas is building "Speedfactories" in Germany and the

U.S.—in Atlanta—where it can produce goods on demand.

Adidas hasn't said how much its 3-D printed shoes will cost, but it has said they would be priced as a "premium" product. It expects to have shipped about 5,000 pairs by the end of 2017 and more than 100,000 by the end of 2018.

There are myriad barriers to 3-D printing becoming a mainstay of manufacturing, however. While the new technologies offer a markedly lower per-part cost than previous 3-D printing tech-

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B4 | Monday, May 15, 2017

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A Farm Grows in the City

Startups are leading the way to a future in which more food is grown closer to where people live



BY BETSY MCKAY

BILLIONS OF PEOPLE around the world live far from where their food is grown.

It's one of the biggest disconnects in modern life. And it may be about to change.

The world's population is expected to reach 9.7 billion by 2050, 33% more people than are on the planet today, according to projections from the United Nations. About two-thirds of them are expected to live in cities, continuing a migration that has been under way around the world for years.

That's a lot of mouths to feed, particularly in urban areas. Getting food to people who live far from farms—sometimes hundreds or thousands of miles away—is costly and strains natural resources. And heavy rains, droughts and other extreme weather events can threaten supplies.

Now more startups and city authorities are finding ways to grow food closer to home. High-tech "vertical farms" are sprouting inside warehouses and shipping containers, where lettuce and other greens grow without soil, stacked in horizontal or vertical rows and fed by water and LED lights, which can be customized to control the size, texture or other characteristic of a plant.

Companies are also engineering new ways to grow vegetables in smaller spaces, such as walls, rooftops, balconies, abandoned lots—and kitchens. They're out to take advantage of a city's resources, composting food waste and capturing rainwater as it runs off buildings or parking lots.

"We're currently seeing the biggest movement of humans in the history of the planet,

with rural people moving into cities across the world," says Brendan Condon, co-founder and director of **Biofilta Ltd.**, an Australian environmental-engineering company marketing a "closed-loop" gardening system that aims to use compost and rainwater runoff. "We've got rooftops, car parks, walls, balconies. If we can turn these city spaces into farms, then we're reducing food miles down to food meters."

Moving beyond experiments

Urban farming isn't easy. It can require significant investment, and there are bureaucratic hurdles to overcome. Many companies have yet to turn a profit, experts say. A few companies have already failed, and urban-farming experts say many more will be weeded out in the coming years.

But commercial vertical farms are well beyond experimental. Companies such as AeroFarms, owned by **Dream Holdings Inc.**, and **Urban Produce LLC** have designed and operate commercial vertical farms that aim to deliver supplies of greens on a mass scale more cheaply and reliably to cities, by growing food locally indoors year round.

At its headquarters in Irvine, Calif., Urban Produce grows baby kale, wheatgrass and other organic greens in neat rows on shelves stacked 25 high that rotate constantly, as if on a conveyor belt, around the floor of a windowless warehouse. Computer programs determine how much water and LED light the plants receive. Sixteen acres of food grow on a floor measuring an eighth of an acre.

Its "high-density vertical growing system," which Urban Produce patented, can lower fuel and shipping costs for produce, uses 80% less fertilizer than conventional growing methods, and generates its own filtered water for its produce from humidity in the air, says Edwin Horton Jr., the company's president and chief executive officer.

"Our ultimate goal is to be completely off the grid," Mr. Horton says.

The company sells the greens to grocers, juice makers and food-service companies, and is in talks to license the growing system to groups in cities around the world, he says. "We want to build these in cities, and we want to employ local people," he says.

AeroFarms has built a 70,000-square-foot vertical farm in a former steel plant in Newark, N.J., where it is growing leafy greens like arugula and kale aeroponically—a technique in which plant roots are suspended in the air and nourished by a nutrient mist and oxygen—in trays stacked 36 feet high.

The company, which supplies stores from Delaware to Connecticut, has more than \$50 million in investment from Prudential, Goldman Sachs and other investors, and aims to install its systems in other cities globally, says David Rosenberg, its chief executive officer. "We envision a farm in cities all over the world," he says.

AeroFarms says it is offering project management and other services to urban organizations as a partner in the 100 Resilient Cities network of cities that are working on preparing themselves better for 21st century challenges such as food and water shortages.

The bottom line

Still, these farms can't supply a city's entire food demand. So far, vertical farms grow mostly leafy greens, because the crops can be turned over quickly, generating cash flow easily in a business that requires extensive capital investment, says Henry Gordon-Smith, managing director of Blue Planet Consulting Services LLC, a Brooklyn, N.Y., company that specializes in the design, implementation and operation of urban agricultural projects globally.

The greens can also be marketed as locally grown to consumers who are seeking fresh

At AeroFarms' indoor vertical farm in Newark, N.J., greens grow on shelves 36 feet high (top) and receive light of a specific spectrum (above left); an employee inspects a tray of greens (center); and packaged greens await shipment (above right).

produce.

Other types of vegetables require more space. Growing fruits like avocados under LED light might not make sense economically, says Mr. Gordon-Smith.

"Light costs money, so growing an avocado under LED lights to only get the fruit to sell is a challenge," he says.

And the farms aren't likely to grow wheat, rice or other commodities that provide much of a daily diet, because there is less of a need for them to be fresh, Mr. Gordon-Smith says. They can be stored and shipped efficiently, he says.

The farms are also costly to start and run. AeroFarms has yet to turn a profit, though Mr. Rosenberg says he expects the company to be-

Please turn to page B6

INSIDE & ONLINE

The Farm Crop in Your Reeboks

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Ocean Shipping Changes Worry Farmers

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JOURNAL REPORT | AGRICULTURE

Seat Cushions Made With Soybeans. Sneakers Made With Corn.

A glut of crops has farmers scrambling to find new uses for their products



Corn can be used in this Bioserie phone case and Serviceware cutlery (top), and the Rizieri shoe, helmet by Fashion Helmet and GroVia diaper (bottom). Ford's seat cushion is made with soybeans.

BY BENJAMIN PARKIN

FACING OVERSTUFFED silos and forecasts for another huge harvest this year, U.S. farmers are trying to find new uses for their corn and soybeans.

Robust demand for processed foods, animal feed and biofuels isn't keeping up with a record glut of crops in the U.S. and around the world, after several years of bumper harvests and largely benevolent weather. To sell the surplus, farmers and trade groups are wooing new customers, from car makers to toy companies.

In recent years, corn and soybeans have been added to the recipes for **Ford Motor Co.** seat cushions, IKEA mattresses, **Danone** SA's yogurt

cups and **Procter & Gamble** Co.'s Olay moisturizers. **Adidas** AG's Reebok brand recently unveiled sneakers made with corn. Lego A/S earlier this year said it was toying with using grain-based materials to mold its famous bricks.

Industry groups also are calling for more research into new ways that the crops could replace petroleum as a raw material in industrial and construction applications.

Growing stockpiles

"We're sitting on a pretty good surplus," says Paul Berntsen, vice president of the **National Corn Growers Association**, which recently called for more research to put corn in more products. "We stepped back and said, 'We need to find new uses.'

U.S. corn and soybean stockpiles swelled to a combined 10.35 billion bushels in the first quarter of 2017, a record. Soybean futures have fallen more than 10% at the Chicago Board of Trade since mid-January. Corn prices are also under pressure. Analysts expect big harvests in South America to increase the global glut, and the U.S. Department of Agriculture said in March that U.S. farmers also are expecting record acreage of soybeans this year.

The hunt for alternative uses for grains and oilseeds isn't new. NatureWorks LLC, the world's first and largest maker of a bioplastic called PLA, started in 1989 as a Cargill research project. But the multiyear glut, which has pushed many farmers deeper

into debt and some out of business, is adding urgency to that work.

Argo Genesis Chemical LLC of Illinois recently developed its own highly flexible, soy-made plastics for use in products like road-paving materials, cardboard and diapers adhesives. The company says such compounds can help shield manufacturers from volatile oil prices.

"Long term, we see this being the way the plastics industry moves," says Steve Davies, spokesman for NatureWorks. "There's tremendous potential to grow."

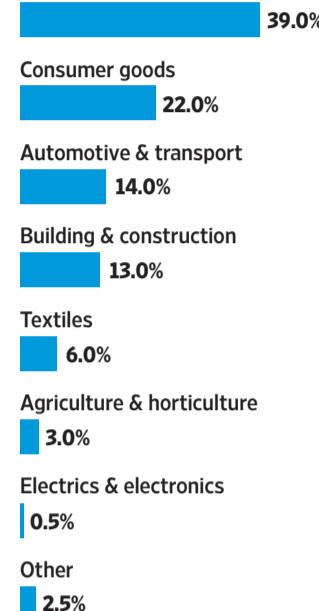
For consumers of these new products, the use of corn and soybeans could be a positive. Many consumers are willing to pay a premium for sustainability. Switching to raw materials that can be grown year after year allows companies to tout their "green" credentials, though researchers are divided over the overall environmental impact.

Still, these new uses account for only a fraction of the output in an industry geared toward cranking out billions of bushels a year for animal feed, alcohol and food. Some 96% of global agricultural land is used to produce food, feed and pastures, according to trade association European Bioplastics. Crops for bioplastics took up just 0.01% in 2014; rubber and cotton plants along with crops for biofuel made up much of the remainder.

"Those fringe uses of corn are so specialized that they're interesting, but really people are looking for uses that develop 5 billion bushels of demand," said Tomm Pfizenmaier, a founding partner at

Where You'd Least Expect It...

Bioplastics uses totaled 4.2 million metric tons in 2016. A breakdown of where they went by market segment:



Note: Bioplastics are bio-based, biodegradable or both.

Source: European Bioplastics, nova-Institute

THE WALL STREET JOURNAL.

came biofuel.

Some food-security groups say redirecting grain and soybeans toward factories takes away land that will be needed to feed a growing global population. Others say the added value from such alternative uses won't trickle down to the farmers themselves, since they aren't the ones processing the grains into these higher-priced products.

Only a fraction

"A lot of these folks are going to continue to be caught in the system where they're getting a tiny fraction of what the final product brings to the processors," says Greg Fogel, policy director at the National Sustainable Agriculture Coalition. "That's not going to solve the problems that currently exist with the rural farm economy."

John Motter, an Ohio farmer and chairman of the United Soybean Board, says that for now U.S. farmers need all the buyers they can find.

"Farmers are businessmen. We all take a longer view," he says, proudly pointing out that the seats in his 2013 Ford F-250 pickup truck are made from oilseed foam.

That's the kind of business opportunity farmers want U.S. companies to see in their fields. "Ford isn't running soy in their seats because they think it's a neat thing to do," says Keith Cockerline, director of industrial uses at the United Soybean Board. "It's because they're making money at it."

Mr. Parkin is a reporter for The Wall Street Journal in Chicago. Email him at benjamin.parkin@wsj.com.

A Farm Grows in the City

Continued from page B4

come profitable in a few months, as its new farm helps it reach a new scale of production. Urban Produce became profitable earlier this year partly by focusing on specialty crops such as microgreens—the first shoots of greens that come up from the seeds—that generally grow indoors in a very condensed space, says Mr. Horton, who started the company in 2014.

One of the first commercial vertical-farming companies in the U.S., **FarmedHere** LLC, closed a 90,000 square-foot farm in a Chicago suburb and merged with another company late last year. "We've learned a lot of lessons," says co-founder Paul Hardej.

Among them: Operating in cities is expensive. The company should have built its first farm in a suburb rather than a Chicago neighborhood, Mr. Hardej says. Real estate would have been cheaper.

"We could have been 10 or 20 miles away and still be a local producer," Mr. Hardej says.

The company also might have been able to work with a smaller local government to get permits and rework zoning and other regulations, because indoor farming was a new type of land use, Mr. Hardej says. While FarmedHere produced some crops profitably, it spent a lot on overhead for lawyers and accountants "to deal with the regulations," he says.

Mr. Hardej is now co-founder and chief executive officer of Civic Farms LLC, a company that develops a "2.0" version of the vertical farm, he says—more efficient operations that take into account the lessons learned. Civic Farms is collaborating with the University of Arizona on a research and development center at Biosphere 2, the Earth science research facility in Oracle, Ariz., where it runs a vertical farm and develops new technologies.

Blossoming tech

New technology will improve the economic viability of vertical farms, says Mr. Gordon-Smith. New cameras, sensors and smartphone apps help monitor plant growth. One company is even developing augmented-reality glasses that can show workers which plants to pick, Mr. Gordon-Smith says.

"That is making the payback look a lot better," he says. "The future is bright for vertical farming, but if you're building a vertical farm today, be ready for a challenge."

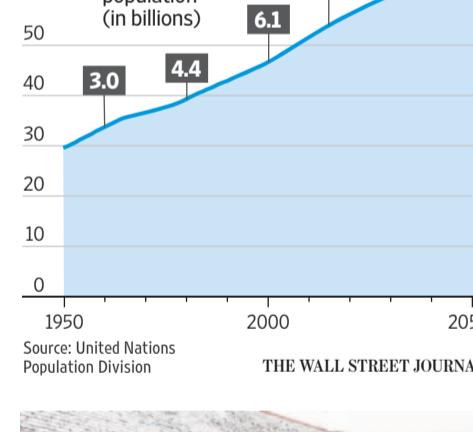
Some cities are trying to propagate more urban farms and ease the regulatory burden of setting them up. Atlanta Mayor Kasim Reed created the post of urban agriculture director in December 2015, with a goal of putting local healthy food within a half-mile of 75% of the city's residents by 2020. The job includes attracting urban-farming projects to Atlanta and helping projects obtain funding and permits, says Mario Cambardella, who holds the director title.

"I want to be ahead of the curve; I don't want to be behind," he says.

Many groups are taking more low-tech or smaller-scale approaches. A program called **BetterLife Growers** Inc. in Atlanta plans to break ground this fall on a series of greenhouses in an underserved area of the city, where it will grow lettuce and herbs in 2,900

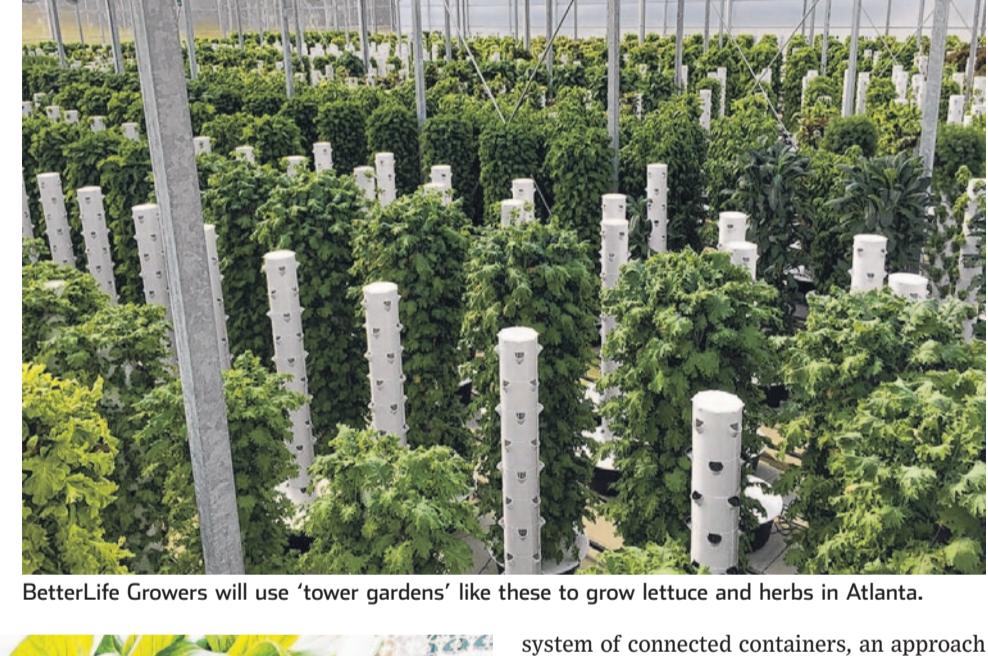
Where the Mouths Are

The percentage of the world's population living in urban areas. The urban share has risen from less than one-third in 1950 to 55% now and is projected to top 66% in 2050.



Source: United Nations Population Division

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BetterLife Growers will use 'tower gardens' like these to grow lettuce and herbs in Atlanta.



Biofilta's Foodwall system of connected containers requires minimal watering.

system of connected containers, an approach that he calls "deliberately low tech" because it doesn't require electricity or computers to operate. The tubs are filled with a soil-based mix and a "wicking garden-bed technology" that stores and sucks water up from the bottom of the tub to nourish the plants without the need for pumps. The plants need to be watered just once a week in summer, or every three to four weeks in the winter, says Chief Executive Marc Noyce. The tubs can be connected vertically or horizontally on rooftops, balconies or backyards. "We've made this gardening for dummies," Mr. Noyce says.

The Foodwall can use composted food waste and harvested rainwater, helping to turn cities into "closed-loop" food-production powerhouses," Mr. Condon says.

He and Mr. Noyce were motivated to design the Foodwall by a projection from local experts that only 18% of the food consumed in their home city of Melbourne, Australia, will be grown locally by 2050, compared with 41% today, Mr. Noyce says.

"We were shocked," says Mr. Noyce. "We're going to be beholden to other states and other countries dictating our pricing for our own food."

"Then we started to look at this trend around the world and found it was exactly the same," he says.

Traditional, rural farming is far from being replaced by all of these new technologies, experts say. The need for food is simply too great. But urban projects can provide a steady supply of fresh produce, helping to improve diets and make a city's food supply more secure, they say.

"While rural farmers will remain essential to feeding cities, cleverly designed urban farming can produce most of the vegetable requirements of a city," Mr. Condon says.

Ms. McKay is a senior writer in The Wall Street Journal's Atlanta bureau. She can be reached at betsy.mckay@wsj.com.

JOURNAL REPORT | AGRICULTURE

Shipping Alliances Stir Fears Among U.S. Farmers

Growers, already hit by a strong dollar, worry that fewer vessels will be available for exports

BY MICHAEL A. POLLOCK

AS A STRONG dollar makes U.S. commodities more expensive globally, American farmers are finding it tougher to compete in export markets.

Now some worry that a recent restructuring of the ocean shipping industry will make it more difficult and costly just to deliver U.S. commodities abroad.

Since last year, 11 large container shipping companies, including Denmark's Maersk Line and Germany's Hapag-Lloyd, have entered three new cooperative operating arrangements, or alliances, affecting 90% of shipments on global trade routes. The pacts aim to cut costs and reduce overcapacity, and commodity producers expect they will result in

The biggest concern for farmers may be coping with logistical and economic mismatches.

fewer and larger vessels calling on a smaller number of U.S. ports.

That is a big concern to farmers who ship certain products—such as hay, cotton, lumber, almonds and frozen beef—in steel containers. U.S. freight rates so far haven't risen much, but they will before long, because of lessened competition, says Robert Sinner, a North Dakota soybean grower and exporter. "The bottom line is, we're going to have fewer choices" in making export shipments, he says.

Container firms say the changes will benefit customers. "In general, our view is that alliances enable container shipping lines to optimize networks and benefit from economies of scale," says Michael Storgaard, a spokesman for A.P. Moeller-Maersk A/S. "This potentially allows the individual partners to market more competitive and attractive services: more ports and direct services, better coverage and higher frequency."

Historically, U.S. law has given ocean carriers broader latitude than many industries, allowing them to cooperate in such things as reducing capacity, altering routes and even discussing freight rates, says Peter Friedmann, executive director of the Agriculture Transportation Coalition, a Washington, D.C., lobbying and trade group for farm interests.

But some in the U.S. government appear now to have a different view. Last November, in a letter to the Federal Maritime Commission, a senior Justice Department official cited concerns about "a significant increase in concentration in the industry" resulting from the new alliances. The department recently subpoenaed senior shipping-company executives, but has declined to comment on the investigation.

Rising capacity

Port calls have been falling since before the new alliances formed, though. Sailings to U.S. ports from Asia recently were running at a weekly rate of 57, down from 65 four years ago, according to Alphaliner, which tracks such activity. However, with larger vessels coming into use, overall capacity has risen 4% to the U.S. West Coast and 22% to the East Coast in that same period, the data show.

"There is no evidence to suggest that there is any shortage of vessel capacity to cater to U.S. agricultural exports," and the drop in the frequency of service hasn't severely limited choices for shippers, says H.J. Tan, a con-

sultant with Alphaliner.

Overall capacity isn't the biggest worry for farmers, as the dollar's strength continues to weigh on export sales of agricultural goods. It is more a matter of coping with logistical and economic mismatches, some say.

Container lines have a disincentive to serve farmers, because freight rates, which are based on cargo value, are typically much higher for imports of manufactured goods than for exported farm products, says Walter Kemmsies, a transportation and ports specialist at commercial real-estate firm Jones Lang LaSalle. Thus, shipping companies prefer to route vessels to ports near major consumer markets. That leaves fewer ships and fewer containers within reach of more sparsely populated areas where commodities are produced.

That disparity may worsen as companies adopt larger and larger ships. Of the 30 biggest U.S. ports, fewer than a third currently have harbor channels deep enough to accommodate the biggest new vessels.

'Cascading effect'

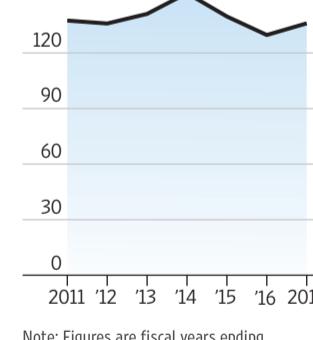
The shift to larger vessels has put a lot of stress on ports, says Emma Griffith, an analyst at Fitch Ratings. "The infrastructure isn't in place for handling one huge ship, and there is a cascading effect from backups in getting the ship unloaded and getting new cargo on board."

At the ports of Seattle and Tacoma, Wash., two terminals are being revamped to accommodate more of the largest vessels. The ports also expect to spend more than \$13 billion to improve rail and truck access.

From Casselton, N.D., Mr. Sinner's family business, Sinner Bros. & Bresnahan, sends food-grade soybeans to 15 countries, where they are pro-

Choppy Ride

U.S. agricultural exports by year. Exports have been buffeted by a strong dollar and weak foreign economies, and could face a new challenge from changes in the ocean-freight business.



Note: Figures are fiscal years ending Sept. 30; 2017 figure is projected.
Source: U.S. Agriculture Department
THE WALL STREET JOURNAL.

cessed into products such as tofu and soy milk. Using containers offers better assurance of food safety and makes it easier to trace shipments, which Mr. Sinner says are important issues to customers in Japan and Southeast Asia.

But getting empty containers can be a hassle, Mr. Sinner says. In the Upper Midwest, many container vessels end up in Chicago. Farmers must arrange, at additional cost, to have containers delivered to locations where they can be loaded.

Mr. Sinner says the advent of the new alliances has caused some disruptions. In April, a scheduled shipment for some 15 containers of soybeans from his farm was abruptly delayed by two weeks. That angered customers in Asia, where high temperatures and humidity make it impractical to store soybeans used in food processing. "Hiccups like this create a lot of anxiety and frustration for everyone," Mr. Sinner says.

Mr. Pollock is a writer in Ridgewood, N.J. Email him at reports@wsj.com.



The port of Oakland, Calif., plans this year to raise the height of cranes and begin construction on more warehouses. It is one of the few U.S. ports able to accommodate large new container vessels being put into service by shipping companies.

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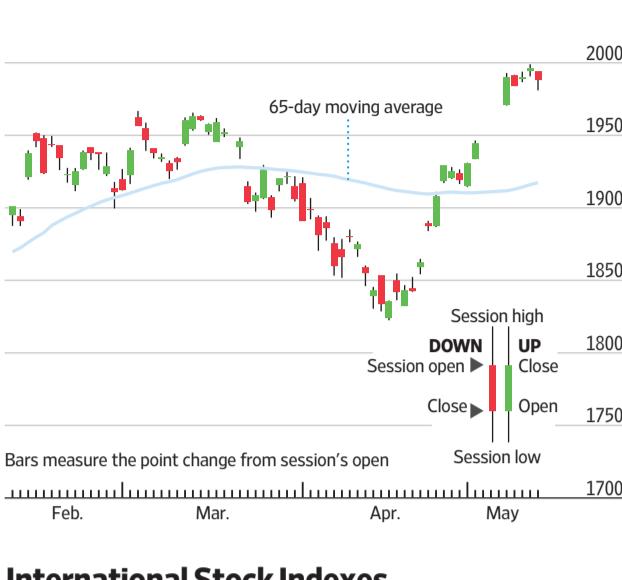
MARKETS DIGEST

Data as of Friday, May 12, 2017

Nikkei 225 Index

19883.90 ▼77.65, or 0.39%

High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

STOXX 600 Index

395.63 ▲1.24, or 0.31%

High, low, open and close for each trading day of the past three months.



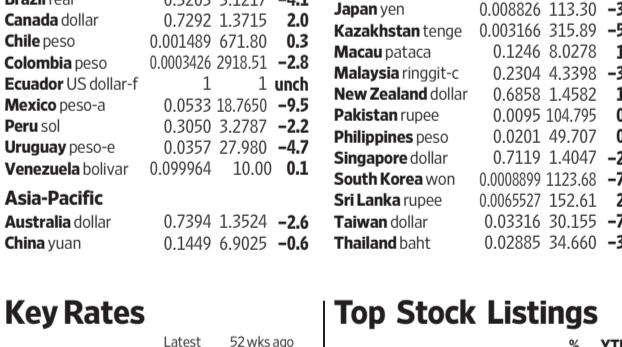
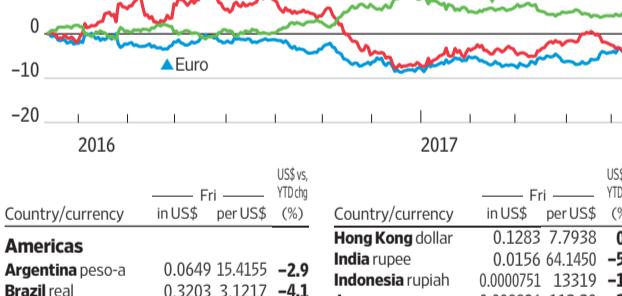
International Stock Indexes

Region/Country	Index	Data as of 4 p.m. New York time					
		Close	NetChg	% chg	52-Week Range	Close	YTD % chg
World	The Global Dow	2745.02	2.91	0.11	2197.91	2754.32	8.4
	MSCI EAFE	1867.96	9.44	0.51	1520.94	1867.96	10.9
	MSCI EM USD	1002.37	2.02	0.20	781.84	1002.37	16.2
Americas	DJ Americas	574.86	-0.82	-0.14	480.83	577.52	6.4
Brazil	Sao Paulo Bovespa	68221.94	684.33	1.01	48471.71	69052.03	13.3
Canada	S&P/TSX Comp	15537.88	-12.67	-0.08	13689.79	15922.37	1.6
Mexico	IPC All-Share	49426.08	-104.45	-0.21	44282.03	49939.47	8.3
Chile	Santiago IPSA	3711.92	20.83	0.56	3054.30	3782.66	15.2
U.S.	DJIA	20896.61	-22.81	-0.11	17140.24	21115.55	5.7
	Nasdaq Composite	6121.23	5.27	0.09	4594.44	6129.14	13.7
	S&P 500	2390.90	-3.54	-0.15	2000.54	2399.63	6.8
	CBOE Volatility	10.40	-0.20	-1.89	9.77	25.76	-25.9
EMEA	Stoxx Europe 600	395.63	1.24	0.31	308.75	396.45	9.5
	Stoxx Europe 50	3270.89	19.74	0.61	2636.71	3270.89	8.6
France	CAC 40	5405.42	22.00	0.41	3984.72	5432.40	11.2
Germany	DAX	12770.41	59.35	0.47	9268.66	12770.41	11.2
Israel	Tel Aviv	1422.53	...	Closed	1378.66	1478.96	-3.3
Italy	FTSE MIB	21575.45	92.93	0.43	15103.58	21575.45	12.2
Netherlands	AEX	534.71	0.47	0.09	411.62	536.26	10.7
Russia	RTS Index	1099.75	-6.08	-0.55	879.55	1195.61	-4.6
Spain	IBEX 35	10897.00	35.60	0.33	7645.50	11135.40	16.5
Switzerland	Swiss Market	9123.41	58.53	0.65	7593.20	9123.41	11.0
South Africa	Johannesburg All Share	54063.34	-50.66	-0.09	48935.90	54474.09	6.7
Turkey	BIST 100	94996.35	-117.71	-0.12	71594.98	96194.20	21.6
U.K.	FTSE 100	7435.39	48.76	0.66	5923.53	7435.39	4.1
Asia-Pacific	DJ Asia-Pacific TSM	1586.09	-1.15	-0.07	1324.15	1587.24	11.5
Australia	S&P/ASX 200	5836.90	-41.40	-0.70	5103.30	5956.50	3.0
China	Shanghai Composite	3083.51	22.01	0.72	2806.91	3288.97	-0.6
Hong Kong	Hang Seng	25156.34	30.79	0.12	19694.33	25156.34	14.3
India	S&P BSE Sensex	30188.15	-62.83	-0.21	25230.36	30250.98	13.4
Indonesia	Jakarta Composite	5675.22	22.21	0.39	4704.22	5726.53	7.1
Japan	Nikkei Stock Avg	19883.90	-77.65	-0.39	14952.02	19961.55	4.0
Malaysia	Kuala Lumpur Composite	1775.87	0.48	0.03	1614.90	1778.47	8.2
New Zealand	S&P/NZX 50	7452.38	-37.33	-0.50	6664.21	7571.11	8.3
Pakistan	KSE 100	51750.91	324.90	0.63	36061.56	51750.91	8.2
Philippines	PSEI	7815.53	-0.87	-0.01	6563.67	8102.30	14.3
Singapore	Straits Times	3255.29	-15.82	-0.48	2729.85	3271.11	13.0
South Korea	Kospi	2286.02	-10.35	-0.45	1925.24	2296.37	12.8
Taiwan	Weighted	9986.82	-14.66	-0.15	8053.69	10001.48	7.9
Thailand	SET	1543.94	-6.33	-0.41	1381.69	1591.00	0.1

Source: SIX Financial Information/WSJ Market Data Group

Currencies

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Source: Tullett Prebon, WSJ Market Data Group

London close on May 12

Country/currency	US\$ vs. YTD chg (%)		
	Fri in US\$	Fri per US\$	YTD chg (%)
Europe			
Bulgaria leva	0.5587	1.7900	-3.7
Croatia kuna	0.1471	6.799	-5.2
Euro zone euro	1.0924	0.9155	-3.7
Czech Rep. koruna-b	0.0411	24.330	-5.3
Denmark krone	0.1468	6.8119	-3.6
Hungary forint	0.003524	283.78	-3.6
Iceland krona	0.009591	104.26	-7.7
Norway krone	0.1167	8.5713	-0.8
Poland zloty	0.2591	3.8595	-7.8
Russia ruble-d	0.01752	57.081	-6.8
Sweden krona	0.1130	8.8487	-2.8
Switzerland franc	0.9983	1.0017	-1.7
Ukraine hryvnia	0.0378	26.4700	-2.3
UK pound	1.2872	0.7769	-4.1
Middle East/Africa			
Bahrain dinar	2.6525	0.3770	-0.05
Egypt pound-a	0.0554	18.0560	-0.4
Israel shekel	0.2774	3.6053	-6.3
Kuwait dinar	3.2813	0.3048	-0.3
Oman rial	2.5974	0.3850	0.01
Qatar rial	0.2746	3.641	0.03
Saudi Arabia riyal	0.2666	3.7505	-0.01
South Africa rand	0.0747	13.9397	-2.2
Asia-Pacific			
Hong Kong dollar	0.1283	7.7938	0.5
India rupee	0.0156	64.1450	-5.6
Indonesia rupiah	0.000751	13319	-1.5
Japan yen	0.008826	113.30	-5.3
Colombia peso	0.0003426	2918.51	-2.8
Ecuador US dollar-f	1	1 unch	
Mexico peso-a	0.0533	18.7650	-9.5
Peru so	0.3050	3.2787	-2.2
Uruguay peso-e	0.0357	27.980	-4.7
Venezuela bolivar	0.09964	10.00	0.1
Australia dollar	0.7394	1.3524	-2.6
China yuan	0.1449	6.9025	-0.6

Country/currency	US\$ vs. YTD chg (%)		
	Fri in US\$	Fri per US\$	YTD chg (%)
Argentina peso-a	0.0649	15.4155	-2.9
Brazil real	0.3203	3.1217	-4.1
Canada dollar	0.7292	1.3715	2.0
Chile peso</td			

FINANCE & MARKETS

China Card News Leaves Doubts

BY ANNAMARIA ANDRIOTIS

Markets reacted coolly to what could be great news for card networks Visa Inc. and Mastercard Inc.: the U.S.-China access agreement announced late Thursday.

While China opening market access to these firms and others could be a victory for the companies, investors have seen similar developments before, only to find many restrictions for the U.S. card networks to expand there.

Analysts caution that the agreement doesn't explain what would happen if China doesn't create an even playing field for the networks and said that in the best-case scenario, it would still take a long time for Visa and Mastercard to gain significant market share there.

Among the obstacles: working through Chinese government red tape and gaining more acceptance from banks and merchants.

"This is one small step forward in a very long journey, and it's been a step that's been going on for a long time," said Chris Donat, a managing director who covers credit-card companies at Sandler O'Neill + Partners LP.

Visa shares added 0.7% Friday and Mastercard rose 0.5%.

China said two years ago that it would open the domestic processing market to outside companies, prompting excitement among shareholders and analysts. But China then implemented a series of infrastructure challenges that made it difficult for Visa and Mastercard to gain share.

At a meeting last year, the People's Bank of China and the country's payments-clearing

association told Chinese banks to stop issuing cards with foreign networks.

Chinese banks have since been issuing single-network cards that work within China, mostly via its dominant domestic network, **China UnionPay**, which is owned by Chinese banks. UnionPay has more than a 90% share of card payments in China, according to the trade newsletter Nilson Report.

Some banks have also been issuing separate cards that run over Mastercard's network that can be used when Chinese consumers travel abroad. But analysts say the need for foreign-network cards has been declining in recent years as UnionPay has gained more acceptance in international markets.

Visa and Mastercard have been preparing applications for domestic licenses in China, and both companies' chief executives have said complications lie ahead.

"If this actually translates to practical changes on the ground where China's requirements become softer and Visa and Mastercard have opportunity to make progress...this could be a material opportunity for the networks," said Darrin Peller, U.S. payments analyst at Barclays PLC.

But a lot of heavy lifting still needs to be done for significant market share to actually materialize.

"There still needs to be an infrastructural build out at the point of sale to have wide enough adoption of Visa and Mastercard brands," Mr. Peller said. "But Visa and Mastercard aren't going to do that until the government makes this an even playing field."



Analysts see a difficult path for Visa and Mastercard in China.

FINANCE WATCH

CITIGROUP

Leaders Selected for New Credit Group

Citigroup Inc. has named veterans Mickey Bhatia and Carey Lathrop as co-heads of a new group spanning credit trading and securitization, key cogs in its fixed-income business.

The moves were announced by the bank in an internal memo Friday that was reviewed by The Wall Street Journal.

Mr. Bhatia, who is currently head of global structured credit products, will, in part, take the role of Mark Tsesarsky, who this month left Citigroup to join the hedge fund Millennium Management LLC.

Alongside Mr. Bhatia will be Mr. Lathrop, currently Citigroup's global head of credit markets. Mr. Lathrop will still focus on credit markets, but will now also lead securitized markets.

The two will work together to further integrate the trading of bonds and other more complex credit products. The idea is to balance out swings in trading activity between the two areas. Bond activity tends to wind down during periods of low volatility, as is the case in today's markets. The opposite is true of structured credit products.

—Telis Demos

REGULATION

White House Seeks To Fill CFTC Slot

The White House on Friday tapped Brian Quintenz, a former House aide and investment manager, to fill a Republican vacancy on the **Commodity Futures Trading Commission**, the second time Mr. Quintenz has been nominated for the position.

Mr. Quintenz, who formerly headed a Washington investment firm, was proposed for the CFTC post about a year ago, and his nomination sailed easily.

Beijing Deters Stock Sales

On Friday, two days before the start of an important Chinese summit, brokerages and funds in Shanghai started getting cautionary messages from securities regulators.

One mutual fund was told not to process large orders to sell stock, according to a copy of a message to the fund's clients that was viewed by The Wall Street Journal. Across town, a brokerage received a similar message from officials, who added that they should pay special attention to "disruptive forces" in the volatile Shenzhen stock market, according to a person at the firm.

It is unclear whether Friday's instructions came from China's two stock exchanges or the country's securities regulator itself.

The so-called window guidance, informal instructions from regulators conducted mostly via phone calls and text messages, came on the last trading day before Chinese President Xi Jinping was to open a 30-country meeting Sunday designed to tout his signature foreign-policy and economic initiative, known as One Belt, One Road.

For China's traders and in-



The media center of the Belt and Road Forum for International Cooperation in Beijing on Friday.

vestors, the guidance was the latest example of the government's attempts to control the markets. Despite a long period of relative stability for Chinese stocks in the past year, Beijing's urge to intervene when markets run too hot or cold remains a nagging concern.

Chinese stocks have tumbled in recent weeks, mainly

on a simultaneous crackdown by regulators on speculative trading by investors using piles of borrowed money. The main Shanghai market has lost 6% since April 12.

The authorities' intervention Friday appeared to have an impact: The Shanghai Composite Index closed up 0.7%, following a volatile Thursday

during which the market first plunged by 1.2% before finishing up 0.3%. The index has lost 0.6% so far this year.

Two people familiar with the matter said the Shanghai and Shenzhen exchanges issued similar but more generalized verbal warnings to brokerages earlier in the week.

—Shen Hong and Yifan Xie

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Why People Won't Buy In the U.S.

What will it take for people to start spending more?

The U.S. Commerce Department reported April retail sales figures on Friday, and the overall impression is that the state of the American consumer isn't so bad as indicated in the first-quarter report on gross domestic product, which showed spending rose at a 0.3% annual rate. But neither is it as good as one might hope with unemployment at 4.4%.

To understand why spending has been so underwhelming, it is helpful to consider its main drivers: wealth, borrowing and income.

As a group, Americans are getting richer. Stocks are near records, and home prices are up sharply. But the homeownership rate is below where it was before the housing bust, and the share of households that hold stocks has fallen as well. That may be part of why people's propensity to spend more when wealth increases seems weaker.

Notwithstanding the pickup in some types of debt, people aren't borrowing like before. U.S. household debt came to 102% of income in 2016, versus 129% in 2007. American's propensity to fuel spending with borrowing is still diminished.

That leaves income. The news here is good; more people are drawing paychecks, and wage growth is creeping higher. But with wealth and debt not contributing, income is the only driver of spending growth, and it can't drive that much.

A tight labor market means wage gains could accelerate. That is the best hope for retailers, assuming people spend the money, rather than stuff it in the bank.

—Justin Lahart

The Risk of a Giant Bite of Apple

Apple has become the first U.S. company to achieve a market value of \$800 billion. In stock markets across the Pacific, it's an 800-pound gorilla.

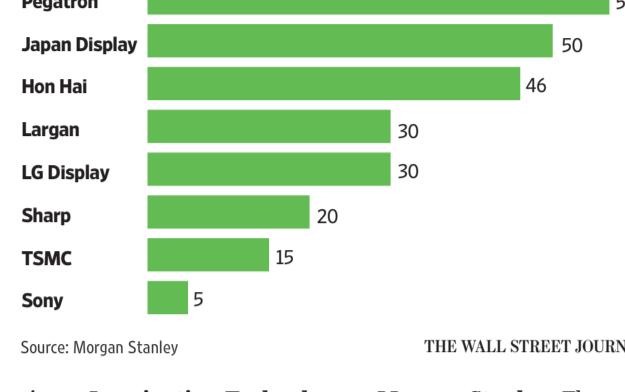
Taiwan offers the most striking example. Its main stock index broke through 10000 last week for the first time since the dot-com boom, mainly thanks to the iPhone "supercycle," which is expected to bring big orders for the island's component makers. The Taiex index has risen 23% over the past year, with half of those gains coming from just three companies, all of which are suppliers to Apple: chipmaker

Taiwan Semiconductor Manufacturing, the biggest constituent in the benchmark; iPhone assembler **Hon Hai Precision Industry**, also known as Foxconn; and **Largan Precision**, which makes lens modules for iPhones.

The problem is that Apple's own needs aren't set in stone. U.K. graphic chip de-

Apple Pie

Apple's estimated contribution to revenue



Source: Morgan Stanley

signer **Imagination Technologies Group** learned that last month. Its shares lost 62% in one day after Apple said it would phase out its use of the company's technology and design its own graphic chips in-house instead.

Some Taiwanese suppliers have a similar problem. Foxconn makes nearly half of its sales from Apple, according

to **Morgan Stanley**.

The company's low-margin assembling business is vulnerable to squeezes from Apple as it doesn't involve cutting-edge technology.

Apple's move to newer, better technology could create losers elsewhere. The company is expected to use a screen technology called organic light-emitting diodes,

or OLED, in at least some versions of its latest iPhone later this year. That is a problem for suppliers that make liquid crystal displays for existing iPhones. Japan Display is one supplier now investing heavily in OLED plants. But it may not be moving fast enough to supply to Apple in the near future, says Amir Anvarzadeh, head of Japanese equity sales at GBC Partners.

Apple mania is buoying several companies and even entire stock markets. Companies with a clear technological edge and diverse customer base should be preferred. **Samsung Electronics**, for example, dominates smartphone OLED production, while Sony and Largan lead the markets for image sensors and lenses, respectively, meaning they should prove resilient even if Apple has a change of heart.

For what Apple giveth, it can soon take away.

—Jacky Wong

OVERHEARD

Biotechnology is a field of limitless innovation. That can extend into novel ways for investors to lose money.

The newest may be a dispute between a biotech company and a stock research firm that published a report saying one of the company's drugs was as good as a blockbuster drug already on the market.

The company, **Akari Therapeutics**, instead of cheering, said the report contained inaccuracies and in a securities filing Thursday said it placed its chief executive on leave while the board investigates the situation.

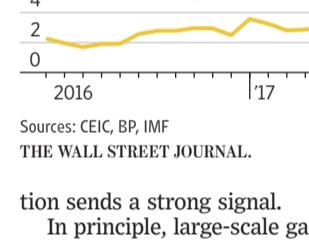
Edison Investment Research withdrew the report, but on Friday said Akari had seen it before publication and had no problems with it. Edison still can't find anything wrong with the report.

Akari's shares tumbled 21% on Friday and are down about 45% since the report came out.

Trump's China Trade Plan Is a Big Deal for Natural Gas

China's Gas Choice

Price per million British thermal units



Sources: CEIC, BP, IMF

U.S. political tensions over trade.

Landmark agreements struck in 2014 for Russia to supply China natural gas are still in the works, so the U.S. is on the market adds a geopolitical component.

China has long wanted to boost the role of cleaner-burning natural gas in its energy mix, but high prices have stymied that goal.

China's gas imports aren't cheap: Piped supplies from Central Asia cost around \$9 per million British thermal units, or mmBtu, once they arrive at the big eastern cities. The cost of liquefied-natural-gas imports averages about a dollar less.

U.S. fracking activity has driven American gas prices down to around \$3 per

mmBtu, a situation expected to persist given enormous reserves. At that price, U.S. gas is probably competitive in Asia. Data from Cheniere Energy, which opened the first U.S. export terminal, indicates its margin at current Chinese import prices is around \$2 to \$3 per mmBtu.

The main obstacle has been the enormous upfront costs of building terminals without

supply locked in, a situation China's deep-pocketed energy giants and their state backers would be well placed to remedy. U.S. concerns on Chinese investment in domestic infrastructure are well known, but investment in export terminals could be a different matter altogether.

China has plenty of options for gas. But its overseas sup-

ply agreements have always had an element of politics as well as economics. Chinese April gas imports clocked in at \$1.5 billion, about 7% of the bilateral trade surplus with the U.S. If even a small portion of that or future growth came from the U.S., it could begin to reduce the trade deficit, along with higher beef and other agricultural exports.

High-cost Australian suppliers, who in some cases require prices at \$10 per mmBtu or higher and are counting on Chinese demand to push prices up, should view this latest development with trepidation. When China and the U.S. see eye to eye on a particular market, the impact is bound to be global.

—Nathaniel Taplin

MARKETS

Chinese Banks Rattled By Guo's Regulatory Blitz

BY CHUIN-WEI YAP



SHUZHANG/REUTERS

Banking czar Guo Shuqing

their offenses."

His directive triggered an inspection last month at **China Minsheng Banking Corp.**, a midsize lender, that uncovered at least 1.65 billion yuan (\$239 million) illegally solicited from investors, allegedly for nonexistent wealth-management products. The discovery refocused attention on high-profile failures of such products, a burgeoning subset of lightly regulated credit under the umbrella of "shadow banking."

Banks like Minsheng are marketing to their customers these products that are typically designed by financial-service firms such as trust companies and securities houses and other brokerages. In many cases, banks describe these transactions as neither assets nor liabilities, so they avoid the need to account for them on their balance sheets, essentially hiding risky loans.

Shadow banking in China has nearly tripled in size to around 65 trillion yuan (\$9.4 trillion) by the end of 2016 from five years earlier, equal to around 87% of gross domestic product, according to Moody's Investors Service.

Minsheng attributed its lapse to wrongdoing by some employees. In response, investors protested outside the bank branch where the problems began, chanting and unfurling a banner that read "Minsheng, return our money!" Minsheng, in coordination with the bank regulator, swiftly guaranteed that investors would get back what they invested.

Mr. Guo, a former head of China's securities regulator who also guided **China Construction Bank Corp.** out of crippling debt, is returning to financial regulation at a time when slow growth and a mountain of debt pose challenges to China's financial health.

He has a reputation for hands-on leadership and directness and has been mentioned as a possible next governor of China's central bank.

OPEC Seeks Broader Output Cuts

BY BOEN FAUCON

LONDON—Six months after restricting their oil output in an effort to raise prices, some members of OPEC are pushing for a broader effort to reduce production, say people familiar with the matter.

Group members in recent weeks have suggested either making deeper production cuts or bringing new participants into the effort to cut oil exports, these people said.

Members of the Organization of the Petroleum Exporting Countries are widely expected to agree later this month to extend the deal they reached late last year to cut production, along with 11 other states including Russia, by a total of 1.8 million barrels a day. Taking that oil off the world market helped to stabilize oil prices, but was offset by rising U.S. production.

On Friday, Brent crude for July delivery, the global

benchmark, rose seven cents, to \$50.84 a barrel on ICE Futures Europe. The price was down 11% since the start of the year.

OPEC is seeking cooperation from less significant producers, including Turkmenistan and Egypt, say people familiar with the matter. The effort includes lobbying by Saudi Arabia, OPEC's biggest producer. Egypt and Turkmenistan pump a combined 700,000 barrels a day.

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FUND NAME GF AT LB DATE CR NAV YTD 2-MO 2-YR %RETURN—

Chartered Asset Management Pte Ltd - Tel No: 65-6835-8866 Fax No: 65-6835-8865, Website: www.cam.com.sg CAM-CFI Limited OT MUS 05/05 USD 30476.22 0.9 4.7 -5.7

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China A-Share Fund Cls A AUD H OT HKG 05/11 AUD 12.71 7.8 16.1 -5.6

China A-Share Fund Cls A CAD H OT HKG 05/11 AUD 11.90 8.9 12.7 -5.0

China A-Share Fund Cls A EUR H OT HKG 05/11 CAD 11.73 7.4 14.6 -6.9

China A-Share Fund Cls A EUR H OT HKG 05/11 EUR 12.28 6.9 13.2 -6.7

China A-Share Fund Cls A GBP H OT HKG 05/11 EUR 12.52 6.2 17.1 NS

China A-Share Fund Cls A GBP H OT HKG 05/11 GBP 12.32 6.9 17.4 -5.6

China A-Share Fund Cls A HKD H OT HKG 05/11 HKD 12.03 6.7 25.4 -6.4

China A-Share Fund Cls A HKD H OT HKG 05/11 HKD 12.22 7.2 24.8 -6.4

China A-Share Fund Cls A NZD H OT HKG 05/11 HKD 12.44 11.6 12.3 -5.2

China A-Share Fund Cls A NZD H OT HKG 05/11 NZD 12.52 7.9 16.6 -5.2

China A-Share Fund Cls A USD H OT HKG 05/11 NZD 11.23 12.8 12.2 -4.6

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China A-Share Fund Cls A USD (OH) OT HKG 05/11 USD 12.36 11.1 13.0 -7.3

China A-Share Fund Cls A USD H OT HKG 05/11 USD 12.48 7.4 15.1 -6.4

China Greenchip-A Units AS EQ CYM 05/11 HKD 59.79 17.5 26.9 -8.2

China Greenchip-A Units AS EQ CYM 05/11 AUD 10.12 17.8 27.8 -8.6

China Greenchip-A Units AS EQ CYM 05/11 CAD 9.82 17.5 26.4 -9.4

China Greenchip-A Units AS EQ CYM 05/11 EUR 10.48 17.9 28.6 -7.8

China Greenchip-A Units AS EQ CYM 05/11 GBP 9.85 17.0 26.4 -9.2

China Greenchip-A Units AS EQ CYM 05/11 HKD 10.84 17.5 26.9 -8.3

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GC HI Yield Inc-Cls A MDLS CAD H OT CYM 05/11 CAD 9.54 7.6 20.7 11.1

GC HI Yield Inc-Cls A MDLS CAD H OT CYM 05/11 GBP 9.80 7.6 21.4 13.4

GC HI Yield Inc-Cls A MDLS CAD H OT CYM 05/11 HKD 15.20 7.8 20.3 11.6

GC HI Yield Inc-Cls A MDLS CAD H OT CYM 05/11 SGD 9.45 7.8 22.0 14.6

GC HI Yield Inc-Cls A MDLS CAD H OT CYM 05/11 USD 10.24 7.1 19.4 11.5

GC HI Yield Inc-Cls A MDLS CAD H OT CYM 05/11 USD 15.25 7.3 19.7 11.3

GC HI Yield Inc-Cls A MDLS CAD H OT CYM