

## The Other Central Figure at Theranos



REVIEW

# THE WALL STREET JOURNAL. WSJ



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## What's News

### World-Wide

A gunman killed 10 people and wounded 10 others at a high school in southeast Texas. The suspect, a 17-year-old student, was in custody. A1, A4

◆ The House defeated a farm bill after GOP leaders failed to win over a conservative bloc demanding a separate vote on immigration, in a major rebuke to Ryan. A1, A5

◆ The U.S. and China wrapped up a second day of talks with Beijing agreeing to buy more U.S. goods and services but resisting specific trade-deficit demands. A2

◆ Health centers that provide abortions could lose family-planning funding under a Trump administration proposal. A3

◆ A passenger jet with over 100 people on board crashed after takeoff in Cuba, leaving only three survivors. A8

◆ Trump said he plans to nominate acting Veterans Affairs Secretary Wilkie to lead the department. A3

◆ The WHO raised the public-health risk from the latest Ebola outbreak in Congo to "very high." A6

### Business & Finance

◆ Mortgage rates jumped to their highest level since 2011, a shift that could slow home price appreciation and squeeze first-time buyers. A1

◆ Campbell's CEO resigned and the company said it might sell some brands, after a bet on fresher foods failed to revive sales. B1

◆ Coinbase and another cryptocurrency firm talked to U.S. regulators about the possibility of obtaining banking licenses. B1

◆ Stocks stalled Friday, posting weekly losses amid investor uncertainty over trade and interest rates. B11, B12

◆ Deere said it would raise equipment prices to protect profits as costs rise. B2

◆ Cambridge Analytica filed for bankruptcy protection in New York. B3

◆ Mattel rejected a recent offer by MGA's Larian, the mogul behind Bratz dolls, to merge the two firms. B5

◆ Baidu's president said he would relinquish his operational roles. B4

◆ Hilton said Blackstone is exiting its investment in the hotel operator. B10

### Far & Away

A new travel magazine for print subscribers, included with today's paper

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Santa Fe High School student Dakota Shrader was embraced by her mother after a gunman killed 10 people at the Texas school on Friday.

## Ten Killed at Texas School

Attack comes months after Parkland, Fla., shooting sparked a national gun debate

Dimitrios Pagourtzis. The former high-school football player had no criminal record and hadn't previously displayed signs of instability, but authorities found journals on his computer and cellphone saying he wanted to carry out the shooting and commit suicide afterward, Texas Gov. Greg Abbott said.

The shooting is the deadliest school shooting since a gunman killed 17 people in February in Parkland, Fla., and is the country's ninth fatal shooting in 2018 on school

such attacks in the future.  
By Christopher M. Matthews,  
Rebecca Elliott  
and Jon Kamp

grounds, including college campuses and excluding suicides, according to Everytown for Gun Safety, a group that advocates stricter gun laws.

Mr. Abbott said he would convene discussions with lawmakers, educators, students, parents and Second Amendment advocates, starting next week, to take action to prevent

"We need to do more than just pray for the victims and the families," the Republican governor said. His response Friday was a marked shift from his declaration of a day of prayer after the killing of 26 people at a Baptist church in Texas in November.

Mr. Abbott said Friday he was interested in speeding background checks; strategies

Please see TEXAS page A4

◆ Shooting suspect showed few red flags..... A4

## Era of Ultracheap Mortgages Ends as Rates Hit 7-Year High

### On the Rise

30-year fixed-rate mortgage, weekly



Source: Freddie Mac

THE WALL STREET JOURNAL.

BY LAURA KUSISTO  
AND CHRISTINA REXRODE

Mortgage rates this week jumped to their highest level since 2011, signaling a shift from a period of ultracheap loans to a higher-rate environment that could slow home price appreciation and squeeze first-time buyers.

The average rate for a 30-year fixed-rate mortgage rose to 4.61% this week from 4.55% last week, according to data released Thursday by mortgage-finance giant Freddie Mac.

The jump this year reflects an abrupt departure from a long period of declining rates that began during the financial crisis. Rates bottomed out in late 2012 at 3.31% and clocked in at

3.99% as recently as January.

The increase this year has been faster than many economists predicted as a surging economy, the prospect of wage gains and a steep rise in prices for commodities such as lumber and gasoline stoke inflation worries.

"There's been a regime shift in the way the market is thinking about rates," said Sam Khater, chief economist at Freddie Mac. "We've been waiting for the period [of higher rates] for a while and now it's finally happening."

The concern among economists is that higher rates will prompt homeowners to keep their low-rate mortgages rather than trade up for better

Please see HOMES page A4

## Campbell Cans Its Fresh-Food Drive

CEO Denise Morrison resigned Friday and the company said it might sell some brands after a failed push into healthier foods. B1

Campbell Soup quarterly comparable sales, change from previous year\*



\*Excludes currency changes, acquisitions and divestments

Source: the company

THE WALL STREET JOURNAL.

## Behind Every Metal Band Screecher Is a Patient Voice Coach

Among tips to avoid vocal injury: 'We do lip trills, then we get into screaming'

BY JAMES R. HAGERTY

Singing for a death-metal band is an often overlooked art form.

Some liken the shrieks and growls to the sound of vomiting. Others compare it with the gravelly singing style of Cookie Monster from "Sesame Street." Elizabeth Schall, lead singer for Dreaming Dead, describes her voice as "kind of like a pterodactyl."

Just about everyone involved agrees that it isn't easy to sound terrible.

"You have to have basic technique. You can't just go

out there and start screaming," said Melissa Cross, 61 years old, who runs a vocal studio in Port Washington, N.Y. In addition to coaching, Ms. Cross, a former rock singer, sells her "Zen of Screaming" instructional DVDs. Many customers are singers of death metal, grindcore and other offshoots of heavy metal rock.

Notable bands in these genres include Extreme Noise Terror, Pestilence and Pungent Stench; song titles span "Regurgitated Guts" to "Slowly We Rot" to "Masked in Leeches."

Please see METAL page A2

## If Talks Fail, North Korea Can Turn to Its Secret Army

Mr. Ri's exploits show how goods and money flow despite sanctions

BY ALASTAIR GALE  
AND TOM WRIGHT

KUALA LUMPUR—Ri Jong Chol, a slight man in his mid-40s, led what appeared the routine life of a businessman. He lived in an apartment complex with a pool and gym, a family man who took his wife and two children bowling.

Mr. Ri's computers and phones, seized last year by Malaysia authorities, reveal much more. He was a North Korean operative, one of hundreds living abroad who U.S. and United Nations investigators say help the regime skirt sanctions by generating cash and sourcing goods.

## B-52 Bombers Drill Scrapped

Seoul opted out of an exercise involving U.S. B-52s and South Korean jets fearing it could disrupt the summit with Pyongyang. A10

to procure 50,000 bottles of Italian wine, valued at \$250,000, despite U.N. curbs on luxury goods bound for North Korea's elite. And he is suspected of providing the getaway car for a high-profile killing.

North Korea has for decades built trade

Please see REGIME page A10

## U.S. NEWS

## China, U.S. Move to Ease Trade Friction

Beijing agrees to buy more American goods but resists specific demands on deficit

The U.S. and China wrapped up a second day of talks with Beijing agreeing to buy more U.S. goods and services but resisting demands that it slash

By Lingling Wei  
in Beijing and  
Bob Davis  
in Washington

by more than half the vast trade deficit, according to people briefed on the talks.

The Chinese were wary of committing to specific purchases, said the people, but were looking for a way to ease trade tensions between the two nations, which have rattled markets globally. Earlier on Friday, White House National Economic Council Director Lawrence Kudlow said China would buy more farm products, energy and financial services.

The Chinese agreement to increase imports of U.S. products came after two days of intense and combative negotiations involving trade, technology and agricultural issues.

Beijing ended an antidumping probe into imported U.S. sorghum, used for livestock feed and brewing alcohol, which had all but shut down U.S. sales to China. China's Commerce Ministry said ear-

## Steel Tariffs Draw Threat From Tokyo

TOKYO—Japan formally threatened retaliation against the U.S. over the Trump administration's steel tariffs, dropping the more conciliatory approach it had taken with its closest ally.

In a filing Friday at the World Trade Organization, Japan said it was reserving the right under WTO rules to impose retaliatory tariffs of more than \$400 million. It said it hadn't decided whether it would do so.

In March, the Trump administration applied a 25% tariff on imported steel and 10% on imported aluminum. In contrast with many other U.S. allies, it declined to give Japan a temporary or permanent exemp-

tion. Japan's steel exports to the U.S. total some \$2 billion a year, while its aluminum exports are small.

The dispute over steel has put Prime Minister Shinzo Abe in a difficult spot because Japan relies on the U.S. for defense and Mr. Abe has worked closely with President Donald Trump in addressing North Korea's nuclear weapons.

The Trump administration says imported steel threatens U.S. national security because it could leave the U.S. dependent on imports for the materials needed to build weapons.

Japan says that argument doesn't apply to it because it is a close U.S. ally and most of the steel it exports is used in civilian businesses. It says tariffs could threaten jobs at U.S. businesses such as oil drillers.

—Megumi Fujikawa

lier that punitive measures on purchases of the crop would "affect the cost of living for consumers" in China.

But the decision has wider implications: The two sides have been negotiating a deal for the U.S. to ease crippling sanctions on China's ZTE Corp. In exchange, China would end recent restrictions and tariffs on U.S. agricultural products.

Currently, the Commerce Department forbids U.S. companies from supplying parts to ZTE. Mr. Kudlow said the U.S. was considering easing the pun-

ishments. Alternative sanctions could include changing senior management and board members, Mr. Kudlow told Fox Business Network. Such changes "would be very harsh," he said.

Beijing negotiators had come to Washington ready to make additional purchases of U.S. goods as a way to settle the broader trade fight, which involves allegations by the U.S. that China pressures U.S. firms to transfer advanced technology and steals intellectual property. The U.S. has threatened tariffs on as much as



China imported about \$1 billion in American sorghum last year, according to Chinese customs data.

\$150 billion in Chinese goods in that dispute, and Beijing has said it would respond in kind.

One of Washington's central demands is that China reduce its merchandise trade surplus with the U.S. of \$375 billion by at least \$200 billion by the end of 2020, even though economists in both nations say the trade deficit is affected by investment and savings patterns in both nations—not trade policy.

Beijing has rejected U.S. demands in the past and has continued to hold firm, said the people briefed

on the talks.

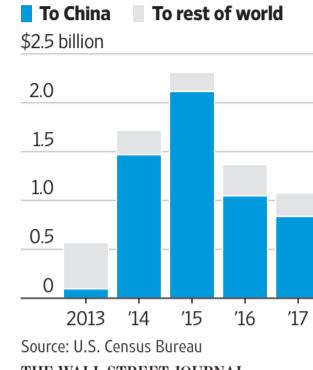
Instead, the two sides have interpreted the demand to mean that China would sharply increase its purchases of U.S. goods and services.

The U.S. Agriculture Department recently asked agriculture companies to come up with a list of products whose production could be ramped up rapidly for export to China, said a person following the talks. At the same time, China put together a list of high-tech products that are barred by U.S. export controls for sale to

## Farm Gain

China is eliminating restrictions on sorghum imports from the U.S. as part of a potential deal to ease sanctions on ZTE Corp.

## U.S. grain sorghum exports



China but are allowed by other nations. Beijing argues that if the U.S. would ease the export controls on these items, it would purchase more from the U.S., the person briefed on the matter said. Even so, some U.S. officials believe, the additional Chinese purchases would only total \$50 billion to \$60 billion in the next year or two, far short of the U.S. goal.

Settling the trade fight is taking on a degree of urgency as the tensions start hurting businesses in both countries.

## Notice to Readers

The Numbers column will return next week.

## U.S. WATCH

## ATHLETICS

## USA Gymnastics Official Departs

Hawaii residents covered their faces with masks after a volcano menacing the Big Island for weeks exploded, sending a mixture of pulverized rock, glass and crystal into the air in its strongest eruption in days.

The Kilauea volcano exploded following two weeks of volcanic activity that sent lava flows into neighborhoods and destroyed at least 26 homes. Scientists said the eruption was the most powerful in recent days.

Authorities handed out about 2,000 masks for protection for people living near the volcano. Geologists have warned that the volcano could become even more violent, with increasing ash production and the potential that future blasts could hurl boulders the size of cows from the summit.

The National Weather Service issued an ash advisory, and county officials distributed ash masks to area residents. Several schools closed because of the risk of elevated levels of sulfur dioxide, a volcanic gas. Kilauea has also been sending lava into neighborhoods 25 miles to the east of the summit crater since May 3.

—Associated Press

## CORRECTIONS &amp; AMPLIFICATIONS

**North Korean official** Ri Son Gwon's name was misspelled as Ri Son Gown in some editions Friday in a Page One article about prospects for a summit meeting between President Donald Trump and North Korean leader Kim Jong Un.

**Shohei Ohtani's** average sprint speed is 28.1 feet per second. A Sports graphic Friday illustrating the baseball player's skills contained an incorrect label of miles per

hour in one instance.

**States are working** to reduce ozone-causing emissions from power plants and other sources. A U.S. News article May 10 about Maryland's efforts to monitor pollutants incorrectly referred in one instance to ozone emissions.

Also, a federal ozone standard of 75 parts per billion was incorrectly identified in an accompanying chart as being 75 parts per billion or more.

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

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## METAL

Continued from Page One

"I'm just trying to sound as brutal as possible," said Mark Kloepfel, vocalist for Misery Index, after a recent show in Pittsburgh.

Such performances can require pointers for singers trying to weather lengthy tours, say vocal coaches, who charge as much as \$300 an hour.

David Benites, 25, who runs the Extreme Vocal Institute in Boston, said the trouble is that singers in the genre have "been kind of making it up as they go along."

One of his students is Jake Jones, 20, of Fathoms Below, a so-called post-hardcore band. Mr. Jones sought help, he said, because "I wasn't liking the way I sounded as a singer and a screamer."

Mr. Jones has since learned to warm up for 30 to 45 minutes before shows. "We do hums, we do lip trills, and then we get into screaming," he said. "My friends do like to make fun of me when they see me warming up."

Christopher Mars, a vocal coach in Denver, compares extreme-metal vocals with martial arts. "There's not a safe way to do it," he said, "but there are smart and safer ways to do it."

One risk is sudden stardom and the accompanying back-to-back gigs, Mr. Mars said: "If their dreams come true, they're completely screwed."

On a recent Sunday, Alissa White-Gluz, lead singer for the Swedish extreme-metal band Arch Enemy, worked with Ms. Cross over Skype.

On stage, Ms. White-Gluz, dressed in studded-leather jackets and blue-streaked hair, howls such band anthems as "First Day in Hell." In vocal



class, she is docile. After chitchat about the singer's kitchen remodel, Ms. Cross led her through guttural groans that sounded like the film sound track from "Texas Chain Saw Massacre." Ms. White-Gluz said she sometimes finds herself doing vocal drills in the grocery store.

The lesson centered on ways to avoid pushing vocal cords too hard.

Until a few months ago, Ms. White-Gluz, 32, never felt the need for a vocal coach. But Arch Enemy's touring schedule, as many as 300 shows a year on five continents, finally did a number on her vocal cords. Desperate to heal, she stopped talking between shows, instead scribbling notes to bandmates.

"I felt worthless," Ms. White-Gluz said. "If I can't sing, what am I good for?"

Ms. Cross wants to keep the singer's throat muscles from tensing up when going from, say, a growl to a shriek.

Metal vocalists say they are wary of letting their sound get too refined. "If someone starts

Gluz to keep the vibration of her vocal cords constant, while changing the shape of her lips, tongue and throat to modulate the sound.

Extreme heavy metal music, a niche that has been around for decades, is thriving—in sales of both music and T-shirts—according to record company executives. Such old-timers as Morbid Angel and Obituary continue to tour, joined by younger aspirants like Hate Storm Annihilation.

"It's a lifestyle," said Bob Lugowe, marketing director at Relapse Records in Brooklyn.

Not all metal vocalists seek vocal coaching. "At this point, I've sort of got the hang of it," said Mr. Kloepfel of Misery Index, who at age 36 has been singing in bands nearly half his life. He avoids talking much while on tour, drinks hot tea with lemon and honey and uses throat lozenges, he said, to "keep things lubed up."

Metal vocalists say they are wary of letting their sound get too refined. "If someone starts

singing very nicely, it wouldn't be the same thing," said Jeff Walker of the English band Carcass, whose songs include "Cadaveric Incubator of Endoparasites."

Fans can be sticklers for tradition, especially deep, growling vocals nearly impossible to understand. There is a schism among metal singers over whether to enunciate well enough to make lyrics comprehensible.

Dutch Pearce, lead singer of the band Taphos Nomos, spends hours on his lyrics, many of which express rage over environmental damage.

He has a degree in creative writing from the University of Pittsburgh and sometimes checks with a professor to ensure any Latin phrases he throws in are correct.

Even so, Mr. Pearce said, he doesn't care if his growling vocal style prevents the casual listener from having a clue about what he's singing.

"I'm all about the inaccessibility," he said.

## U.S. NEWS

# Trump Proposal Aimed at Abortions

BY STEPHANIE ARMOUR

Health centers and programs that provide on-site abortions, or refer women for the procedure, could lose millions of dollars in federal family-planning funds under a new plan advanced by the Trump administration on Friday.

The proposal targets grants given out under a program known as Title X. The agency would require a separation—both financial and physical—between the grants and any facility or program where abortions are performed, supported or referred as a method of family planning.

Centers and programs that receive Title X funding would no longer be required to counsel women about abortion as an option and could no longer refer patients for the procedure. The proposal hasn't been finalized, and it isn't clear when it would take effect.

The action further solidifies the Trump administration's ties to religious conservatives as the midterm elections approach, while providing potential campaign grist for Democrats who say the White House is threatening women's reproductive rights. The administration has also sought to prioritize grant funding for abstinence-based sex education programs and has moved to roll back contraception coverage requirements.

Among the groups most affected by the rule would be Planned Parenthood Federation of America, a longtime target and foe of social conservatives.

Changes to the Title X program have long been anticipated, touching off opposition from Democrats and women's advocacy groups who call the regulation a domestic gag rule that will imperil access to contraception and abortion.

"President [Donald] Trump

**Planned Parenthood would be among the groups most affected by the rule.**

and Vice President [Mike] Pence's opinions have no place in a woman's conversations with her doctor about her health care," Sen. Patty Murray (D., Wash.) said Friday.

Republicans and antiabortion groups, which have urged the restrictions for years, call the new proposal the "Protect Life Rule." They stress that it doesn't prohibit providers from discussing abortion, and they say groups such as Planned Parenthood can preserve funding by separating on-site abortion services from family planning.

"The Protect Life Rule is about choice. Planned Parenthood can stop performing abortions or stop receiving family-planning funding," said a statement from Reps. Chris Smith (R., N.J.), Ron Estes (R., Kan.), Diane Black (R., Tenn.) and Vicky Hartzler (R., Mo.).

The new policy resembles one issued under the Reagan administration, which imposed a gag rule on groups that received Title X funding from counseling women about abortion, and which spurred a lengthy legal tussle.

Battle lines over the proposed changes have already been drawn, with women's rights and medical groups saying they expect lawsuits to be filed to try to halt any final rules from going into effect.

Removing the requirement that patients have to be counseled on all options including abortion, antiabortion activists said, means patients would be deprived of crucial information. Federal law already prohibits Title X funding from paying for abortions, and roughly 10% of Planned Parenthood's public funding comes from the program.

Antiabortion groups said the rule would direct funds away from organizations that provide abortions without hurting women.

The Title X program, enacted in 1970, provided federal grants totaling about \$286 million in fiscal 2017 for family planning, contraception and related preventive health services.



A Tempest Tours group, above, gawks at the cloud formations in western Oklahoma. They are led by storm chasers Bill Reid, below at left, and Chris Gulikson.

## Storm-Chasing Tours Catch On

As the twister season begins, more paying passengers flock to nation's tornado alley

BY JIM CARLTON

HAMMON, Okla.—When residents of this remote rural area were warned to take cover from an approaching severe storm, tour director Bill Reid aimed his vanload of six giddy passengers into its path.

"It's going to get crazy," said Mr. Reid of Tempest Tours, which takes visitors on excursions into some of the wildest weather on the continent, amid reports of torrential rain, baseball-size hail and possible tornadic activity.

As the U.S.'s tornado season kicks into high gear, so does the booming-but-risky business of taking paying passengers on storm-chasing tours in the nation's tornado alley.

The 1996 movie "Twister" and the 2007-11 Discovery Channel reality TV series "Storm Chasers" have helped to fuel the growing popularity of the tours—in a trend that worries some safety experts.

Although the storm-tour companies offer no guarantees, spotting—and taking photos of—twisters is the Holy Grail for storm chasers and tourists alike. With only about half of the normal number of twisters so far this year, the



tornado season has gotten off to its slowest start in years.

But that hasn't stopped Tempest Tours, among others, from selling out its tours, which can last from a day to 11 days and run \$300 to \$3,850. The company started in 2000 with 20 tourists and now hosts about 200 passengers a season who come from around the world, according to founder Martin Lisius.

In the past two decades, at least a dozen other companies have sprung up around Texas and the Midwest, including Silver Lining Tours, Extreme Tornado Tours and Extreme Chase Tours, which hauls about 80 passengers a season in its vans, compared

with five when it started in 1999, said owner Lanny Dean.

Storm-chasing companies say they don't know of any tourists who have died or been seriously injured, but recognize trips can be dangerous.

Some passengers complain the tour operators are overly cautious. "Bill is like a nervous mother cat," said Chris Alba, a 62-year-old retired geologist from Houston, referring to Tempest Tours' Mr. Reid.

"Today could be a day of large violent tornadoes on the ground for quite a while," Mr. Reid told his passengers, who included a three-person documentary crew from Japan. "I like the way this looks."

"For me, it's 50% storm and

50% an anthropological exploration in America," said Kathy Newton, 60, a retired police officer from Australia. This was Ms. Newton's fourth straight tour, and she had yet to see a twister.

After traveling hundreds of miles, Mr. Reid's group finally got word of a tornado touching down on a nearby Oklahoma farm. The van turned south to chase it.

But that twister disappeared before they could catch it, and the group was overtaken by a good, old-fashioned thunderstorm. For Ms. Newton, that was enough.

"I had never driven through a lightning storm until today," she said. "I like it."

### Police Worry Vans Pose Most Danger

Three storm chasers died last year, when their vehicles collided while chasing a twister in Texas. And in 2013, three chasers were killed when a tornado they had been following turned on them in El Reno, Okla.

In both cases, the storm chasers weren't leading groups on tours.

Law-enforcement authorities worry that adding more storm chasers and tourist groups on the road adds to the dangers. "The truth is it is becoming dangerous [for the chasers], with the traffic congestion and unsafe speeds," said Sheriff Darren Atha of Roger Mills County, Okla. "And I have great concerns about their passengers."

Even some storm chasers think the tours are a bit much. "It puts more cars on the road," said Greg Robbin, a 42-year-old storm chaser from Mountain View, Calif.

Tour operators say they emphasize safety, such as avoiding unpaved roads where a vehicle might get stuck. They also make sure to have an escape route. The biggest risk, they say, is from getting hit by one of the hordes of storm-chasing vehicles that clog back roads.

## Trump to Nominate Wilkie To Lead Veterans Affairs

BY PETER NICHOLAS AND REBECCA BALLHAUS



Robert Wilkie

who had led the House Veterans' Affairs Committee and backed Mr. Trump during the 2016 campaign.

Mr. Wilkie previously served as undersecretary of defense for personnel and readiness at the Defense Department. If confirmed, he would confront a difficult set of policy challenges and ideological pressures that have bedeviled past secretaries.

Some of Dr. Shulkin's conservative critics complained that he didn't move quickly enough to offer veterans a more expansive menu of private health-care options.

Should Mr. Wilkie move more aggressively to privatize VA health-care services, though, he would risk a backlash from Democrats who fear that the Trump administration is poised to transfer departmental services to the private sector. In his nomination hearing, Mr. Wilkie is likely to face questions from senators about his views on privatizing more VA care.

Mr. Wilkie would also take on leadership of an agency facing recurring problems involving timely care. In 2014, during the Obama administration, the VA was rocked by a scandal involving efforts to cover up long wait times for patients.

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## U.S. NEWS

# Shooting Suspect Showed Few Red Flags

By JIM CARLTON  
AND REBECCA ELLIOTT

SANTA FE, Texas—Dimitrios Pagourtzis, like many teenage boys in Texas, gained attention for his skill as a high-school football player.

After playing on the freshman and junior varsity teams at Santa Fe High School, Mr. Pagourtzis went out for varsity last fall—but left before the season began, a teammate said.

"He just quit," the teammate Aiden Gomez said through his mother, Melissa Gomez.

Mr. Pagourtzis, a 17-year-old junior, was identified as the suspect in a shooting at

his high school Friday, killing 10 people and injuring 10 more. The teen from nearby Alvin, Texas, in the suburbs south of Houston, was arrested at the scene and remains in custody on capital murder charges.

Authorities found journals on the suspect's computer and cellphone saying he wanted to carry out the shooting and commit suicide afterward, Texas Gov. Greg Abbott said.

Mr. Pagourtzis's social-media accounts were taken down Friday. His Facebook page, which was taken down, included a photo of a black T-shirt with the message "Born To Kill" on it, Mr. Abbott said.

was linked to a Facebook page, since taken down, which displayed a black T-shirt that said "Born to Kill."

"He gave himself up and admitted at the time that he didn't have the courage" to take his own life, Mr. Abbott said, after being confronted by two officers stationed at Sante Fe High School.

Authorities found explosive devices at a home and in a vehicle associated with the suspect, and were interviewing two other people of interest, Mr. Abbott said. Authorities also were searching two residences linked to the suspect, he said.

In Alvin, Texas, state troopers blocked off a stretch of State Highway 6 while multiple law-enforcement officials searched a home on the road connected to the suspect's family.

Those killed were mostly students, and the wounded included a police officer. He was in critical condition after blood loss from a gunshot wound in his elbow, according to a doctor at University of Texas Medical Branch in Galveston.

Among the victims was an exchange student from Pakistan, Sabika Sheikh, who was at the high school as part of a U.S. government-funded educational program. Ms. Sheikh was an honor roll student, according to an April school announcement.

Friday's shooting took place early in the morning at Santa Fe High School, where there are about 1,500 students. Authorities said the suspected gunman

An Instagram account under his name, which was also taken down, had followed a number of sites with names like "sickguns" and "gunspictures."

There were, though, few warning signs, and the suspect doesn't have a criminal history, Mr. Abbott said. "Here the red flag warnings were either nonexistent or very imperceptible."

Classmates described Mr. Pagourtzis as generally quiet.

According to her son, Ms. Gomez said, Mr. Pagourtzis "was just a quiet kid who stayed in the back and really doesn't talk to anybody." She said her son doesn't know why Mr. Pagourtzis left the

football team, other than it appeared to be his decision.

He often wore a trench coat and combat boots to school—which he was wearing Friday during the shooting on a 88 degree May day, witnesses said.

Students said they were shocked that Mr. Pagourtzis was identified as a suspect. Santa Fe is a small town and most people know one another, they said.

"You don't want to believe it," said senior Tyler Fountain, 18.

"It feels surreal," added Billy Parker, 17, a junior who played football with the suspect. "I never thought someone I know would actually do

something like this."

Four of Mr. Parker's friends were injured in the incident, he said. "This really doesn't seem real at all," he said.

Mr. Pagourtzis was one of three defensive tackles for the junior varsity Indians who "played a huge role" in stopping the running game of the rival Ball High Tornadoes in an Oct. 6, 2016, game Santa Fe High won 14-0, according to a write-up on the school's website.

He didn't appear to be one of the team's standout players: Mr. Pagourtzis's name doesn't appear on MaxPreps, a website that tracks accomplishments of many high-school football players.



Dimitrios Pagourtzis, in a photo provided by the Galveston County Sheriff's Office.

## TEXAS

*Continued from Page One*

to keep guns away from people who pose an immediate danger; hardening schools to make them more secure; and resources to address mental-health issues.

Santa Fe is a lush rural city of 13,000 between Houston and Galveston that is dotted by ranch homes and where some residents keep horses or cattle on their property.

John Robinson, 16, a sophomore at the school, said six friends were in the classroom where the shooting took place, and he felt "shook" while he awaited information about their condition.

"Why my town? Small-town Santa Fe. Not a lot happens here," he said.

The February shooting at Florida's Marjory Stoneman Douglas High School sparked a national debate over gun-control laws, with calls for legislative efforts in many states, including imposing age limits on gun purchases, bans on assault rifles and so-called red flag laws that give courts the authority to temporarily disarm people deemed dangerous.

The two guns used by the Texas suspect belonged to his father, the governor said. It is common in school shootings for the weapons to come from the home.

Mr. Abbott said the suspect

wore a long coat that helped disguise the shotgun.

Hannah Hershey, an eighth-grader at Santa Fe Junior High, spent much of Friday praying for two friends she heard had been shot.

"It's hard to know something like that could happen so close by," Ms. Hershey said, adding that she had seen her friends Thursday at pole-vaulting practice. "It's so weird seeing them one minute and then hearing they've been shot and they're at the hospital now."

Santa Fe High School had practiced shooter lockdown drills. In February, the school was placed on lockdown after "a report of popping sounds thought to be gunshots heard outside the school and in the area," according to a letter the superintendent wrote parents. After determining there was no threat, lockdown was lifted after a little over an hour, the letter said.

President Donald Trump said his administration "is determined to do everything in our power to protect our students, secure our schools and to keep weapons out of the hands of those who pose a threat to themselves and to others."

Mike Rawlings, the Democratic mayor of Dallas, called for "substantive action" from the Republican-controlled Congress and from Mr. Trump.

"History will not look kindly upon those elected officials who failed to act in the face of repeated mass murders of our children. Spare us your thoughts and prayers and do your job," Mr. Rawlings said in a statement.

—Jim Oberman, Miguel Bustillo, Dan Frosch, Scott Calvert and Nour Malas contributed to this article.

### A 'Miracle': Student Shot in Head Lives

SANTA FE, Texas—if the bullet that passed through the back of Rome Shubert's head had taken a different trajectory or even a millimeter, he would have been paralyzed or killed, the doctors told him.

Mr. Shubert, 16 years old, was shot in the head by the gunman who opened fire at Santa Fe High School—and he lived to talk about it.

"The doctors said it was the perfect shot," Mr. Shubert said from his home here Friday afternoon. "I'm just glad I'm alive."

Mr. Shubert was released

Friday afternoon from Clear

Lake Regional Medical Center

and was walking around his

house just hours after the

shooting as if nothing had

happened, a baseball in his hand.

The only evidence of the

gunshot was a bloodstained

thatch of curly red hair and a

bandage on the left side of his

head where the bullet exited.

"What a miracle," said his

mother, Sheri Shubert.

"How did he spare my son? I just

screamed, 'Thank you, Jesus!'"

Mr. Shubert, a sophomore

at Santa Fe High School,

walked into art class Fri-

day morning at 7:03 a.m., as he usually does, to finish a project before school started. A star pitcher on the baseball team, he had thrown 11 strikeouts in the team's playoff game the night before while giving up no earned runs, but was still agonizing over the team's 4-0 loss.

About 40 minutes later, the gunman walked into the classroom and started shooting.

Mr. Shubert said he heard a loud pop from the hallway but thought nothing of it at first.

After more shots were fired, he jumped to the floor and pushed a table between him and the entrance to the classroom. The art class was the first classroom the shooter entered that morning, officials said.

Mr. Shubert said he saw the gunman's legs, covered by a trench coat, as he walked past him and fired at the ground near him. He was carrying a shotgun and a handgun. Acting on pure adrenaline, he said, he sprinted to a rear exit in the room and bounded over a 7-foot wall.

Several other students who had been shot gathered in the parking lot after escaping the room, and it was only after one of them told Mr. Shubert he was covered in blood did he realize he had been shot.

—Christopher M. Matthews

monthly payment of \$2,387. At 5%, the monthly payment would swell to \$2,684.

Tim and Keri Youse recently made an offer on a home in the Baltimore area for \$250,000. The higher interest rates meant they focused their search on homes priced lower than what they looked at when they first thought about buying in 2016.

Mr. Youse said he expected rates to keep rising, which motivated him to make an offer. "If I thought mortgage rates were going to trend downward, I might hold off a little bit," said Mr. Youse, a 42-year-old graphic designer. "But everything I hear is that rates are going to go up and up, and you might as well get the house now."

The monthly increase in rates can have a big effect on monthly payments. A 4% rate on a \$250,000 loan translates to a monthly payment of \$1,194, according to LendingTree Inc., an online loan information site. At 5%, the monthly payment would go up to \$1,342, excluding taxes and insurance.

The monthly increase is more pronounced on higher-priced homes. According to LendingTree, a 4% rate on a \$500,000 loan would create a

yield on the 10-year Treasury note, which tends to influence the 30-year mortgage rate, has been rising even more steeply recently. It edged above 3.1% this week, its highest close since 2011.

What's more, the Federal Reserve, which raised rates in March, has said it expects to raise short-term rates two to three more times this year and three times next year.

Mortgage-purchase applications fell 2% in the week ended May 11, the fourth straight weekly decrease, according to the Mortgage Bankers Association.

While in a typical market buyers can simply choose to buy a smaller, less expensive home, that is a challenge in to-

day's market because inventories are near record lows.

"The problem in today's market is there aren't many affordable homes on the market. Buyers have less wiggle room," said Nela Richardson, chief economist at Redfin.

Mortgage refinancing activity, meanwhile, is drying up. The pool of homeowners who would qualify for and benefit from a refi has shrunk by roughly 46% so far this year, according to mortgage-data and technology firm Black Knight Inc. At 2.29 million potential borrowers, this group is at its smallest since 2008.

For borrowers who have taken out mortgages in the past five years or so, any rate-related incentive to refinance

is "all but nonexistent," Black Knight said in a recent report.

The Mortgage Bankers Association expects refinancings to decline 26% this year, after plunging 40% last year.

That could prompt lenders to ease credit standards to try to increase the volume of loans to new borrowers. Mr. Khater, the Freddie Mac economist, said standards are still high but lenders should be cautious about easing them so late in the cycle, especially since that could spur more demand in a market already suffering from tight supply.

"If we get additional loosening of underwriting it's just going to gin up price pressures," he said. "This is where you have to be a bit careful."

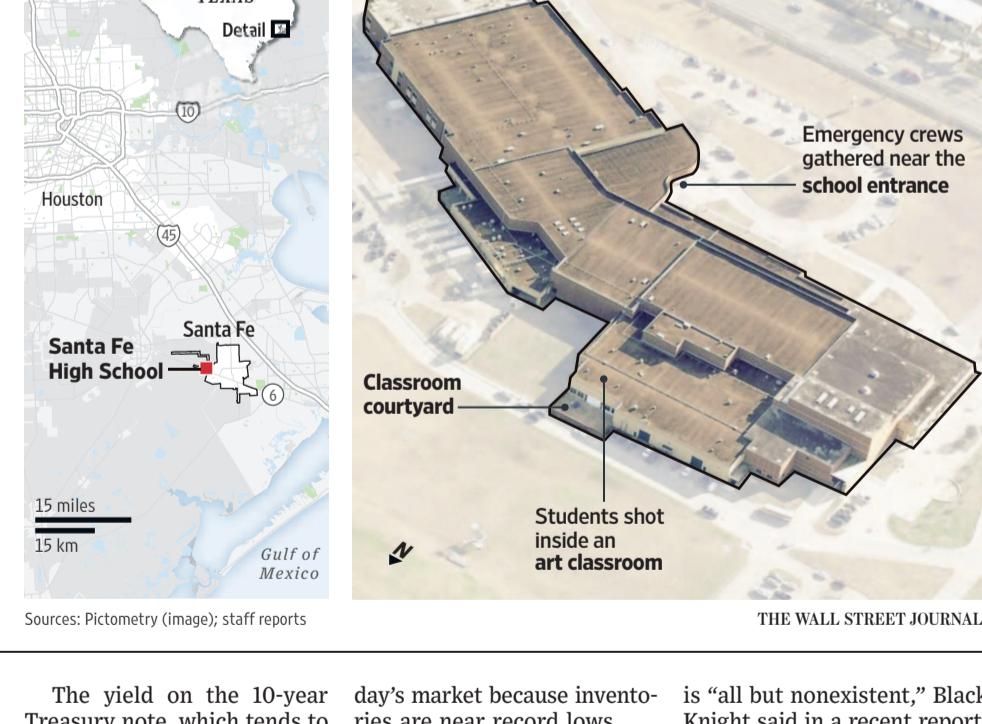


Mourners at a vigil in the wake of the deadly shooting. Below, law enforcement officers responding earlier in the day.



### Scene of the Shooting

A gunman walked into Santa Fe High School Friday just as classes were beginning and started shooting.



Sources: Pictometry (image); staff reports

THE WALL STREET JOURNAL.

## HOMES

*Continued from Page One*

properties.

As rates approach 5%, the risk of the phenomenon known as rate lock grows, economists said.

A 1-percentage-point increase in rates can lead to a reduction in home sales of 7% to 8%, according to Lawrence Yun, chief economist at the National Association of Realtors. The recent increases in home prices and mortgage rates could especially hurt first-time and moderate-income borrowers, economists said.

So far, price gains have shown little sign of slowing.

The S&P CoreLogic Case-Shiller National Home Price Index, which measures typical home prices across the nation, rose 6.3% in February, up from a 6.1% year-over-year increase in January.

What might seem like a small increase in mortgage rates can have a big effect on monthly payments. A 4% rate on a \$250,000 loan translates to a monthly payment of \$1,194, according to LendingTree Inc., an online loan information site.

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## U.S. NEWS

# Rebellion in GOP Ranks Marks Setback for Ryan

BY SIOBHAN HUGHES  
AND JANET HOOK

**W A S H I N G T O N** — The House's defeat of a sweeping farm bill is a major rebuke to House Speaker Paul Ryan that raises questions within his own caucus about his ability to lead it through the midterm elections.

Friday's collapse of the farm bill, which must be renewed every five years, was triggered by defections by members of the House Freedom Caucus, a group of hard-line conservatives who have long been a thorn in Mr. Ryan's side. They had been provoked by an uncharacteristically aggressive move by centrist Republicans, lawmakers typically aligned with leadership, who are trying to force the speaker to bring up immigration legislation that the conservatives oppose.

The showdown culminated

in a rare moment when Mr. Ryan, a lame duck since he announced his retirement last month, faced simultaneous rebellion from both ideological wings of his GOP caucus.

"This was an unruly GOP conference to begin with, but it has become increasingly rudderless," said Ken Spain, former communications director for the House Republicans' campaign committee. "This legislative breakdown is the byproduct of a tough political environment where Republicans already have an 'every man for himself' mentality that has now been compounded by a weakened leadership structure."

The threat from the moderates could intensify in coming days. Leaders are bracing for the centrist Republicans who had refrained from signing on to a "discharge petition" to force a House vote on immigration legislation that the conservatives oppose.

The showdown culminated

"We don't like discharge petitions," Mr. Ryan said this week. "We think it loses control of the floor."

For years, Mr. Ryan has managed to shepherd his caucus by weathering an occasional Freedom Caucus flare-up while rallying his members behind a shared GOP agenda of cutting taxes and undercutting the Affordable Care Act.

The speaker was also helped by his superior fundraising, his team's control over what legislation came to the floor, and a willingness to listen to Republicans from across the political spectrum.

Mr. Ryan lost some of those tools, however, when he announced in April that he wouldn't run for re-election but planned to remain as speaker until the end of his term in January. On Friday, he faced lawmakers who are running for re-election and who may benefit with voters by



House Speaker Paul Ryan leaving the House chamber Friday after the farm bill was defeated.

showing some independence.

Mr. Ryan also must be mindful of the succession battle that is playing out, one in which his chosen candidate, Majority Leader Kevin McCarthy of California, must act on his own political imperatives,

which at times may differ with those of the speaker.

"For any lame duck, it's hard to maintain power," said Rep. Thomas Massie (R., Ky.), who never voted for Mr. Ryan and who played a behind-the-scenes role in ousting Mr.

Ryan's predecessor as speaker, John Boehner. "To maintain power as a lame duck for over six months is going to be really hard."

—Joshua Jamerson  
and Byron Tau  
contributed to this article.

## FARM

Continued from Page One

board because Democrats had already opposed the bill, objecting to new work requirements that would be imposed on food-stamp recipients.

House Republican leaders have for years faced divisions within their conference—a split that led to the resignation of House Speaker John Boehner in 2015. The Freedom Caucus, which has an estimated three dozen members, has often asserted its clout against an establishment leadership it believes is too willing to cut deals with Democrats.

The farm bill, which gets renewed about every five years, funds crop insurance and offers payments to farmers when prices or revenues drop below set levels for major commodities like wheat and corn. It also funds programs to help

low-income people pay for groceries.

The measure's defeat doesn't put farm programs in immediate danger. Current law runs through Sept. 30. At that point, if Congress hasn't passed a new farm bill, lawmakers would need an extension to maintain funding for farm-safety-net programs. Without the new legislation, funding would lapse for dozens of smaller programs, including assistance to new farmers, trade and rural development. On the House floor on Friday, Speaker Paul Ryan made a motion to bring the measure back up for a vote, although timing is uncertain.

The White House in a statement Friday said President Donald Trump was disappointed in the vote and urged the House to resolve the issue.

Rep. Collin Peterson of Minnesota, the top Democrat on the House Agriculture Com-

mittee, said both sides should return to the table and "fix" the bill. Rep. Mike Conaway (R., Texas), chairman of the Agriculture Committee, called the vote a "setback" but that lawmakers would deliver a farm bill on time. "We may be down, but we are not out," he said.

**The measure's defeat doesn't put farm programs in immediate danger.**

The farm bill has historically drawn bipartisan support from a swath of urban and rural lawmakers. But in recent years its passage has been marked by bruising partisan battles over nutrition assistance to low-income Americans.

But the jockeying over the past week was more about immigration than about farm programs. Members of the Freedom Caucus felt compelled to act because a group of centrists had mounted an effort, called a discharge petition, that would force a set of immigration bills to the House floor. Many of the centrists are facing difficult re-election battles in areas with large immigrant populations and want to show their independence.

GOP leaders oppose that process because it could result in passage of a bill that is opposed by the majority of Republicans. The effort would have included vote on a bill sponsored by Rep. Bob Goodlatte (R., Va.) that the Freedom Caucus members wanted that isn't believed to have enough support to pass the House. That bill would add enforcement measures, cut legal immigration and provide legal status to about 690,000 people

now enrolled in the Obama-era Deferred Action for Childhood Arrivals program, or DACA.

The Freedom Caucus wanted the vote on the Goodlatte bill immediately, not as part of the series of other immigration votes in June.

"You are asked to put up a vote now for a promise in the future that is somewhat vague, and unfortunately too many of our members have been left standing at the altar too many times," said Rep. Scott Perry (R., Pa.), who voted against the bill.

The defeat left in the balance the fate of the farm bill, which supporters have portrayed as crucial for farmers, who are navigating a multiyear downturn in the agricultural economy that has pushed some out of business. A string of bumper crops in the U.S. and abroad in recent years drove a global glut of grain, which halved prices of key crops like corn and wheat and

touched off the steepest farm slump in decades.

Champions of the bill have also warned of repercussions for farmers from international trade disputes.

Critics of farm subsidies and proposed cuts to the food-stamp program cheered the bill's defeat, saying the House should revise the legislation to address their concerns.

"The most important thing that happened in the House today was the defeat of this toxic bill," said the National Sustainable Agriculture Coalition, an advocacy group that argues against subsidies going to wealthy farmers.

"Our city's soup kitchens and food pantries already run short of food, and cannot fill in the gap" if food stamps are cut, said Margaret Purvis, president of the Food Bank For New York City.

—Laura Meckler  
and Heather Haddon  
contributed to this article.

**non-commerce**

alone won't ensure they'll prosper in the future.

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## WORLD NEWS

## Dragnet Widens Around Malaysia's Najib

A task force document alleges former prime minister abused his position

By TOM WRIGHT  
AND YANTOULTRA NGUI

KUALA LUMPUR—Malaysia's new government is taking an aggressive stance with its criminal investigation of former Prime Minister Najib Razak and his family, broadening its probes beyond a multi-billion-dollar sovereign-wealth fund scandal to include a 12-year-old murder case and abuse-of-power allegations.

The moves underscore a new commitment to the rule of law in Malaysia, whose voters, angry about corruption, last week threw out Mr. Najib's long-ruling coalition government. Since taking power, the government of Prime Minister Mahathir Mohamad blocked Mr. Najib from flying into exile in Indonesia, put scores of former government officials on no-fly lists and placed others under effective house arrest.

On Friday at 2 a.m., police ended raids of three luxury apartments owned by Mr. Najib's family, taking away 284 boxes of handbags, as well as 72 suitcases containing cash and jewelry, according to police.



Officials during a raid on Kuala Lumpur apartments owned by Najib Razak's family. Right, Mr. Najib.

Mr. Najib couldn't be reached to comment, but people familiar with the thinking in his circle said they believe Mr. Mahathir is ignoring due process. One of the people said Mr. Najib is "being treated in a way unbefitting for a former prime minister."

Mr. Mahathir has said his priority is probing allegations of corruption at a sovereign-wealth fund that was overseen by Mr. Najib. The fund, 1Malaysia Development Bhd., or 1MDB, is at the center of global investigations by the U.S. Justice Department and other foreign agencies into al-

legations that \$4.5 billion was stolen and used to buy mansions in the U.S., a superyacht, and to finance a Hollywood film company.

The government on Thursday named members of a task force—mainly bureaucrats and civilians—that will coordinate the work of Malaysian law-enforcement agencies probing the 1MDB scandal. A document drawn up by the task force, viewed by The Wall Street Journal, alleges Mr. Najib abused his role as prime minister to quash earlier attempts to investigate the scandal in July 2015.

The document alleges Mr. Najib blocked requests by the nation's anticorruption commission and the central bank to cooperate with the U.S. Federal Bureau of Investigation and other foreign agencies. It says Mr. Najib gave false evidence to the attorney general when he said \$681 million that entered his personal accounts—money the U.S. Justice Department has said came from 1MDB—was a donation from Saudi Arabia. The attorney general cleared Mr. Najib of wrongdoing. Mr. Najib and the fund have denied wrongdoing and pledged to cooper-



MOHD RASFAN/AGENCE FRANCE PRESSE/GETTY IMAGES

ate with any lawful investigation.

Another priority for Mr. Mahathir is locating Jho Low, a 36-year-old Malaysian financier and close associate of Mr. Najib, who U.S. prosecutors say is the mastermind of the 1MDB fraud. Mr. Low's whereabouts is unclear. Mr. Mahathir has said he wants Mr. Low to face trial in Malaysia. Mr. Low has denied wrongdoing and couldn't be reached to comment.

Now, there are signs Mr. Mahathir's government wants to go beyond the 1MDB affair by opening other investigations into Mr. Najib. People close to Mr. Mahathir said the government is looking into reopening an investigation into the murder of a Mongolian model, Altantuya Shaariabuu, in late 2006. The model had acted as a translator on a deal

for Malaysia to buy submarines from French state defense company Thales SA when Mr. Najib was defense minister.

A Malaysian court later jailed two members of Mr. Najib's security detail after finding them guilty of carrying out the murder. One of Mr. Najib's aides, who according to court testimony was having an affair with the model, was jailed but later released after a higher court overturned the sentence on appeal. Mr. Najib wasn't named a suspect in the model's murder. One person familiar with the thinking in the Najib camp said there is insufficient evidence to link the former prime minister to her killing.

French prosecutors are investigating allegations that companies connected to Mr. Najib's aide received more than \$100 million in bribes connected to the deal. The aide has said the money was a consulting fee, while Thales has said it respects all rules and was fully cooperating with investigators.

Some Malaysians say Mr. Mahathir will likely walk a fine line between punishment of Mr. Najib and some of the people around him, while ensuring a limit to the investigations.

—James Hookway in Kuala Lumpur, Malaysia, and Wayne Ma in Beijing contributed to this article.

## Saudi Arabia Detains Several Women's Rights Activists

By MARGHERITA STANCATI

Authorities in Saudi Arabia detained several prominent women's rights activists this week, as the kingdom continues to move forcefully against critics.

At least five people have been rounded up so far, according to civil-rights activists who

spoke on the condition of anonymity. Those targeted had one thing in common, the activists said: they had all participated in campaigns to allow women to drive—a right that women in the kingdom will soon have.

The detentions come weeks before Saudi Arabia finally lifts the ban on women driving on June 24. Activists say the

detentions are intended to prevent anyone from stealing credit for the decision from the government.

"They put pressure on the government and the government is still angry—even if it has accepted that women will be allowed to drive," an activist said. "Women will drive soon—and they don't want

anyone who can comment."

Representatives for the Saudi government didn't respond to a request to comment Friday. It isn't clear if the activists have been formally charged.

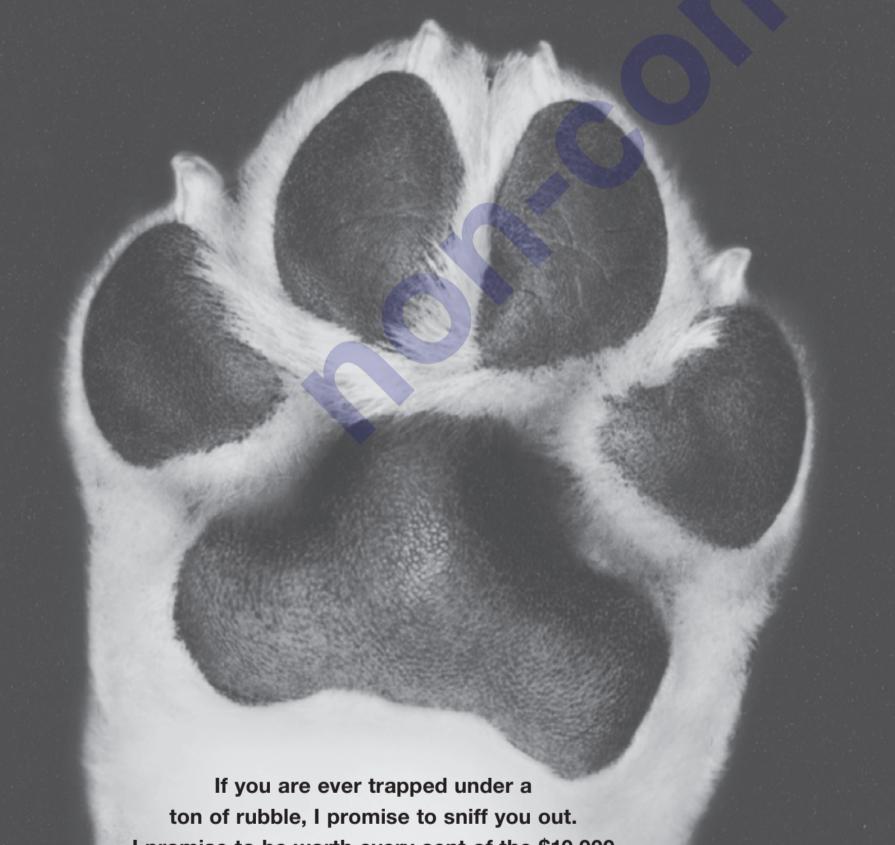
The Saudi government first announced its intention to lift the driving ban in September, removing a rule that had been

come a symbol of female oppression. The decree sent a powerful message that the Saudi monarchy is committed to bringing social change under the watch of Crown Prince Mohammed bin Salman, the son of King Salman and the kingdom's day-to-day ruler.

But the announcement also coincided with ramped-up pressure against those who had long lobbied for that very right.

The latest wave of detentions comes during a broader clampdown taking place in the kingdom under Prince Mohammed as he consolidates power in his bid to reorder the oil-dependent economy and to liberalize Saudi Arabia's conservative society.

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A Red Cross team donned protective gear Monday before looking for possible Ebola victims in Mbandaka.

## Congo at 'Very High' Risk As Ebola Strikes Major City

By NICHOLAS BARIYO  
AND BETSY MCKAY

Aid organizations and the Congolese government rushed supplies and health experts Friday to a major city in Congo, after the World Health Organization raised the public-health risk from the latest Ebola outbreak to "very high." WHO officials stopped short of declaring an international emergency.

Congo's threat from the deadly disease was elevated from high by the WHO, which also upped the risk to neighboring nations to high from moderate. "Very high" is the second-highest risk level available, below serious.

The United Nations health agency has identified four potential cases of Ebola in Mbandaka, a northwestern port city of 1.2 million people. One has been confirmed. Officials believe two of the people, including the one confirmed with Ebola, contracted their disease in the rural region where the outbreak originated. A rapid test on one of the remaining two was negative, but needs to be confirmed, according to officials.

In addition, Congo's public-health ministry has confirmed 11 new cases of the hemorrhagic fever in the northwest-



200 miles  
200 km

THE WALL STREET JOURNAL.

daka's proximity to the Congo River, "which has significant regional traffic across porous borders." It noted that nine neighboring countries, including the Republic of Congo and the Central African Republic, were at high risk.

The committee will reassess the situation if the outbreak worsens, said its chairman, Robert Steffen.

The WHO confirmed the new outbreak of Ebola in Congo last week. The number of suspected, probable and confirmed cases has risen to 45, including 25 deaths, according to Congo's public-health ministry. That is up from 39 cases earlier this week—a sign that officials have failed to stop the virus from spreading.

Congolese officials are planning to start deploying a vaccine developed by Merck & Co.—the first 4,000 doses of which arrived in the capital city of Kinshasa on Wednesday—Sunday or Monday. Another shipment was due to arrive Friday. Health officials aim to vaccinate up to 10,000 people who had contact with Ebola patients, or contact with those who had contact with Ebola patients, said Peter Salama, head of emergency preparedness and response for the WHO.

The WHO committee warned however that the risk of Ebola spreading internationally was elevated, because of Mban-

## WORLD WATCH

ARGENTINA

**U.S. Signals Support For IMF Rescue Plan**

The International Monetary Fund moved to formally begin negotiations on a bailout of Argentina, without any objection from the Trump administration.

IMF Managing Director Christine Lagarde presented the program Friday in Washington to the IMF's executive board, where the U.S. has a powerful voice, and said afterward that "we fully endorse" the goals of a financial rescue program for Argentina. Such measures rarely advance without U.S. support.

Argentina is near the brink of a crisis as the Argentine peso has fallen drastically against the dollar, leaving the nation struggling to manage its dollar-denominated debts. It has also been dogged by persistent budget deficits, high inflation and trade imbalances.

The IMF will now begin negotiations with Argentina on a large credit line. Ms. Lagarde said both sides hope for "a rapid conclusion of these discussions."

—Josh Zumbrun

EGYPT

**Border Crossing With Gaza Strip Is Opened**

Egyptian President Abdel Fattah Al Sisi opened his country's border crossing with the Gaza Strip for a month, in a goodwill gesture toward Palestinians after Israeli forces killed dozens of protesters in the enclave.

In a tweet late Thursday, Mr.

Sisi said he was opening the Rafah crossing point for the entirety of the Muslim holy month of Ramadan, which began this week, to "ease the burdens on the brothers in the Gaza Strip."

The border opening comes after Israeli forces killed more than 50 and wounded more than 1,000 people during a protest march on the Gaza-Israel border on Monday timed to coincide with the relocation of the U.S. Embassy to Jerusalem from Tel Aviv.

If implemented for the full month, Mr. Sisi's order would result in the longest period that the crossing has been open for years.

—Jared Malsin

UNITED KINGDOM

**Former Russian Spy Leaves Hospital**

The former Russian spy who was poisoned on U.K. soil two months ago has been released from the hospital, officials said Friday.

Sergei Skripal and his daughter, Yulia, were found slumped on a park bench in the English city of Salisbury in March after being exposed to the nerve agent. The U.K. has blamed the attack on Moscow and said the agent, which can be lethal with just brief exposure, had been applied to the front door of Mr. Skripal's house.

The hospital in Salisbury said Mr. Skripal, 66 years old, had been discharged but was still recovering.

The two other people who came into contact with the poison—Ms. Skripal and a U.K. police officer—have already been released.

—Jenny Gross

**WORLD NEWS****British Royalty Joins Hollywood in a Modern Love Story**

**A ROYAL CELEBRATION:** Well-wishers gathered in Windsor on the eve of the wedding between Prince Harry and Meghan Markle. Saturday's nuptials between the prince and the American actress are a seismic shift in the once-stodgy reputation of the British monarchy.

**Italy Deal Sets Up Possible EU Fight**

BY GIOVANNI LEGORANO

Two antiestablishment parties poised to take power in Italy finalized a coalition agreement that challenges the constraints of the euro, setting up a possible fight with European leaders who only recently steered the common currency through a crisis.

The upstart 5 Star Movement and the hard-right League sealed an agreement Friday that seeks to reboot one of Europe's most troubled economies with a mix of euroskeptic economic policies and tens of billions in tax cuts and stimulus spending.

Their challenge to the European Union on economic policy shows how the bitter legacy of the debt crisis, especially in Southern Europe, continues to

fuel antiestablishment politics, in combination with voter anxiety about immigration. A potential confrontation between Italy and the European authorities could revive concerns about the future of the eurozone.

The parties now must agree on who to seat as the prime minister. Matteo Salvini, the leader of the League, and Luigi Di Maio, the 31-year-old head of 5 Star, plan to meet with Italian President Sergio Mattarella on Monday to inform him they are ready to form a government. A new government could be in place by the end of next week.

"A new era is about to start," Mr. Di Maio said in a video posted on Facebook.

Friday's agreement left little doubt about the ethos of the two parties. Both have flirted

openly in the past with a call to pull Italy from euro, but moderated that stance ahead of March parliamentary elections.

The agreement calls for a revamp of the economic strictures

*Upstart parties in coalition are seeking revamp of eurozone economic policies.*

"We believe it is necessary to review, together with our European partners, the economic governance infrastructure of Europe," the two parties said.

Many economists have expressed skepticism that such a heavily indebted country can spend its way to longer-term prosperity.

"Implementing all the measures they planned will be completely irresponsible," said Roberto Perotti, an economist at Bocconi University, who estimated the total cost would be around €170 billion (\$200 billion.)

Both parties said they would submit the agreement to the vote of their supporters, where it is expected to pass.

—Valentina Pop contributed to this article.

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## WORLD NEWS

# Venezuela Military's Unease Grows

As Maduro runs for re-election, the armed forces confront food shortages, desertions

BY JOHN OTIS  
AND JUAN FORERO

CARACAS, Venezuela—The coup plot by disgruntled Venezuelan military officers in March was audacious: Seize control of the capital's military bases, arrest President Nicolás Maduro and install a provisional government to replace his authoritarian regime.

To avoid detection for a year, conspiring officers eschewed phone calls, texts and emails, and instead sent messages via couriers, said an Army captain who helped plan the thwarted coup. They plotted during seemingly impromptu soccer matches.

Before they could act, though, Mr. Maduro's intelligence services discovered the plot—described by military analysts as the most serious to date against his government. Authorities quickly arrested nine of the rebel officers, including the head of the largest armored battalion in the capital, and Mr. Maduro's former interior minister.

As Mr. Maduro runs for re-election on Sunday, discontent in the barracks is at a record high, current and former military officers say. Shortages of food, evaporating salaries and desertions have turned the armed forces into a cauldron of conspiracies against Mr. Maduro, these people say.

"The Venezuelan military is a time bomb, a pressure-cooker," said the Army captain, who was interviewed in a foreign country where he fled. "It could explode at any time because everyone is unhappy."

The Information and Defense ministries didn't answer calls or emails seeking comment.

The Maduro government has arrested dozens of officers this year and cashiered others



President Nicolás Maduro at a campaign rally on Thursday. His government has arrested dozens of officers this year and cashiered others.

in a military purge. Official data aren't available. But military analyst Rocio San Miguel said that in just January and February at least 124 service men were imprisoned on rebellion, mutiny, espionage and other charges, far more than in other periods.

"Maduro is conscious that the armed forces are his Achilles' heel," said Ms. San Miguel, president of Citizen Control for Security, Defense and the Armed Forces, a policy analysis group that has contact with military personnel.

The nine arrested would-be conspirators are in prison awaiting trial, said a defense attorney for some of them. Other plotters escaped.

The Venezuelan government uses carrots and sticks to ensure loyalty. Active-duty or retired officers run 10 government ministries and manage vital entities including the

state oil company, the state arms factory and food-distribution networks, giving them lucrative business opportunities. Officers heard to question government policy wind up in "democratic reconditioning" classes in Caracas, said Cliver

ous plots in the planning stages, current and former officers say. In his five years in office, Mr. Maduro has put intelligence officers in each unit, stripped pensions and benefits for families of officers accused of plotting, and thrown some in jail alongside common criminals.

Another factor dissuading would-be conspirators is their doubts on whether Venezuela's divided opposition can be counted on for support.

There are other, more mundane obstacles in a country reeling from shortages, said Jose Arocha, a former army lieutenant colonel. "To launch a coup, you need people, you need time, you need logistics," he said. "You need transportation. There isn't even transport or tires or anything these days."

Impatient for change and increasingly desperate, some

troops are simply going AWOL.

One army veteran estimated that as many as 1,000 soldiers, including cadets and mid-ranking officers, have deserted in the past year and said that many more have requested formal discharges. The government has begun running ads in Caracas newspapers demanding missing troops return to their posts.

One air force lieutenant, who deserted in March after a decade in uniform, said in a telephone interview from Argentina that the collapse of the currency had reduced his monthly paycheck to the equivalent of \$10.

Unable to afford a car or an apartment, he rode a bicycle to the base and moved in with his wife's parents. "What kind of military forces its officers live with their in-laws?" he said.

## U.S. Levies Sanctions On a Top Official

BY IAN TALLEY

WASHINGTON—The U.S. Treasury Department levied sanctions against one of Venezuela's most powerful men, accusing Diosdado Cabello Rondón of state-aided narco-trafficking and corruption, as the administration escalated its pressure campaign against Caracas.

Mr. Cabello joins more than 50 other officials sanctioned by Washington on a host of corruption and other charges since 2015. Calls to Mr. Cabello's attorneys, Miami-based Diaz Reus and Targ LLP, weren't returned. Venezuela's Information Ministry also didn't respond to a request to comment.

The Treasury also imposed sanctions on three other Venezuelans either in government or linked to Mr. Cabello.

Diosdado Cabello, 55 years old, rose through the government ranks under President Nicolás Maduro's predecessor, Hugo Chávez, after he led an attack against the presidential palace in a failed coup attempt in 1992 with the former leader.

"Cabello in turn used that sphere of influence to personally profit from extortion, money laundering and embezzlement," the U.S. Treasury said.

In 2015, The Wall Street Journal reported that U.S. prosecutors and the Drug Enforcement Administration were investigating Mr. Cabello for alleged ties to narcotics trafficking.

Mr. Cabello has vehemently denied the allegations, calling them part of a U.S.-led conspiracy. Mr. Cabello subsequently filed a libel suit against the Journal that was dismissed by a federal judge. Last month, an appellate court affirmed the dismissal. Mr. Cabello has filed a petition for a rehearing.



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Firefighters and rescue workers searched in a farm field for survivors and victims on Friday.

## More Than 100 Are Killed As Airliner Crashes in Cuba

BY SANTIAGO PÉREZ

An old passenger jet with more than 100 people on board crashed shortly after taking off from Havana's José Martí international airport Friday, leaving only three survivors.

The Boeing 737-200 en route to the city of Holguín in eastern Cuba crashed around noon local time near Santiago de las Vegas, a rural village some 12 miles south of Havana's city center, according to state media. The aircraft, built in 1979, was leased to flagship carrier **Cubana de Aviación**, which has an aging fleet and has recently taken many of its planes out of service.

Authorities said 104 passengers were aboard.

State-owned news agency Prensa Latina reported that three passengers were rescued. The three survivors were women who were reported in critical condition at a hospital in Havana.

Footage from the crash showed the charred fuselage of the heavily damaged aircraft lying on a farm field as rescue workers looked for survivors and firefighters sprayed the burned airplane with hoses.

The crash comes after a pe-

riod of record commercial aviation safety worldwide, with 2017 the first year in the age of modern aviation in which there wasn't a single fatal accident involving a regularly scheduled passenger jetliner.

Cuban President Miguel Diaz-Canel and local authorities supervised rescue efforts at the scene of the accident. Photos posted on state news media showed Mr. Diaz-Canel walking with security agents near the smoky fuselage as firefighters and rescue workers looked for survivors. "The news is not very promising, it seems that there is a high number of victims," Mr. Diaz Canel told state television.

Mr. Diaz-Canel said his administration has created a commission to investigate the cause of the crash.

State media said that most of the passengers were Cubans.

The plane was operated by **Aerolíneas Damojh**, a Mexican charter airline, which said the plane was carrying 104 passengers and six Mexican crew members: the pilot and co-pilot, three flight attendants and a maintenance technician.

The airline said it was still seeking information from Cuban authorities. Boeing Co. said it was closely monitoring the

situation.

"A Boeing technical team stands ready to assist as permitted under U.S. law and at the direction of the U.S. National Transportation Safety Board and Cuban authorities," the company said.

Mexico's Communications and Transport Ministry said the Mexican airline, set up in 1990, has a fleet of three planes, two Boeing 737-300s and the 737-200.

A scheduled November inspection showed the airline carried out maintenance in accordance with the manufacturer's program and the program approved by Mexican aeronautical authorities, the ministry said, adding that it had valid permits to lease the plane and crew to Cuban de Aviación.

Mexican investigators are traveling to Cuba to participate in the probe.

Among the first items investigators are likely to look at are whether both engines were operating as expected, and movable panels on the wings were deployed to help the plane climb during and immediately after takeoff.

—Anthony Harrup and Andy Pasztor contributed to this article.

# OBITUARIES

KOERNER ROMBAUER  
1934 – 2018

## Everyone's Mom Loved Vintner's Chardonnay

**W**hen Koerner Rombauer began making wine in the early 1980s, his initial offerings included an austere, European-style Chardonnay of the type that might appeal to wine critics.

Mr. Rombauer, an airline pilot who bought property near St. Helena, Calif., in the Napa Valley to produce his wines, soon switched to an oaky and buttery style that was far more popular. His Rombauer Vineyards became famous for making the kind of wine everybody's mother loved.

The winery also makes Zinfandel, Merlot and other wines, but "the lead dog in the pack as far as sales are concerned has been the Chardonnay," he said in a

2011 video interview. "The real reason for that is that the girls like the Chardonnay, big time."

Mr. Rombauer, who entered the wine business in his mid-40s, relished his second career and took a decidedly populist approach. "A lot of people make excuses for wine and say, well, this will be good in 10 years," he said. "Well, that's bullish—So I decided that, why not make it taste good right off the bat?"

Pleasing palates was a family tradition. His great aunt Irma Rombauer wrote "The Joy of Cooking."

Mr. Rombauer died May 10 of congestive heart failure. He was 83.

—James R. Hagerty

DAVIDA COADY  
1938 – 2018

## Doctor Traveled Globe To Care for Poor

**D**avid Coady, a physician trained at Columbia University and Harvard, spent more than two decades shuttling from "one human disaster to another," as she put it, providing medical training and care in Africa, Asia and Central America.

Then she finally dealt with her own miseries by giving up alcohol and finding happiness in a marriage with another recovered alcoholic.

Dr. Coady treated starving children in Biafra, helped with a smallpox-eradication drive in South Asia and trained nonprofessionals to provide basic medical services in poor countries.

Henry Kissinger mixed her a gin and tonic after she returned

from Biafra in early 1970. Fidel Castro kissed her on the cheek during a reception in Cuba. ("His beard was surprisingly soft," she wrote later.) Mother Teresa held her hand during a chat about Bangladesh.

She worked for the World Health Organization, Concern America and the Peace Corps. In the mid-1990s, she founded Options Recovery Services to treat addiction in the San Francisco Bay Area. She opposed private medical practice and joined peace marches.

Dr. Coady died of ovarian cancer May 3 at a hospice near her home in Berkeley, Calif. She was 80.

—James R. Hagerty

STANLEY FALKOW  
1934 – 2018

## Microbiologist Defended Value of Bugs Within Us

BY JAMES R. HAGERTY

**A**t age 11, Stanley Falkow found his destiny in a public library. A 1926 book called "Microbe Hunters" by Paul de Kruif, with tales of Louis Pasteur and other scientific heroes, led him to a career in microbiology at Stanford University and other institutions. Dr. Falkow became an authority on the intimate relationship between people and the bacteria inhabiting their bodies. He discovered how bits of genetic material could leap from one type of bacteria to another, spreading new traits, including the ability to resist antibiotics.

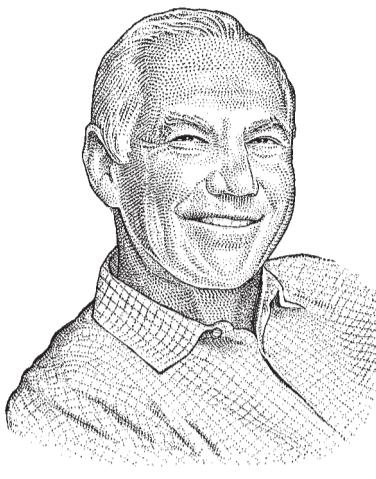
Starting in the 1970s, he warned that the use of antibiotics in animal feeds could spur resistance to medications and damage human health.

While others fretted about the dangers of bacteria, he pointed to their benefits, such as bolstering defenses against disease. Eradicating a microbe might cure one ailment while opening the way for another, he said. He entitled one of his articles: "I never met a microbe I didn't like."

To assume his place in the global academic community, he had to overcome anxieties and panic attacks that made travel difficult and public speaking an ordeal. He became a fixture at conferences, won a National Medal of Science and was elected to Britain's Royal Society, an academy of elite scientists.

Dr. Falkow died May 5 of complications from myelodysplastic syndrome at his home in Portola Valley, Calif. He was 84.

"There's been this tendency to equate microbes with something that's dirty and dangerous," he said in a 2009 interview with USA Today. "It simply isn't true." He saw them as a key to understanding evolution, human health and possible medical treatments. "If you're a bacteriologist like me, you view people as a platform for carrying bacteria around."



ing evolution, human health and possible medical treatments. "If you're a bacteriologist like me, you view people as a platform for carrying bacteria around."

Early in his career, Dr. Falkow's anxieties confined him mostly to his home and lab. He found psychoanalysis unhelpful. Finally, he forced himself to begin traveling when he realized his work required collaboration with faraway colleagues. A 1968 trip to London for a symposium was a breakthrough.

**H**e overcame his fear of public speaking by learning a trick: If he opened with a self-deprecating quip that made the audience laugh, he could relax.

He was born Jan. 24, 1934, in Albany, N.Y. His father, who was born in Kiev, was a shoe salesman, and his mother ran a shop selling corsets. "My first language was Yiddish," he wrote in a memoir.

When he was about 9, the family moved to Newport, R.I. In school, he struggled with math and was only average in chemistry and biology. An English teacher told him, "If you stop being such a wise guy and listen, you just might make

something of yourself."

He earned an undergraduate degree at the University of Maine. During a summer vacation, he worked in a hospital lab, helping a bacteriologist identify infections. After he completed his undergraduate degree, panic attacks forced him to drop out of graduate school at the University of Michigan. The hospital lab hired him again, and he did research and wrote papers on his own. That work landed him a spot at Brown University, where he studied the genetics of bacteria and earned his doctoral degree.

Dr. Falkow taught and researched at Georgetown University and the University of Washington before joining the Stanford faculty in 1981. He spent summers at the Rocky Mountain Laboratories in Hamilton, Mont., where he found a love of fly fishing in the Bitterroot River. Around age 70, he trained as a pilot and bought a Cessna single-engine propeller plane.

He was long considered a candidate for a Nobel Prize, but that honor eluded him—much to his relief, according to his wife, Lucy Tompkins, a professor of medicine and microbiology at Stanford. He didn't want the stress that would come with a Nobel and didn't want to be put on a pedestal, she said.

Along with his wife, his survivors include a sister, two daughters from a previous marriage, a stepson, two grandchildren and two step-grandchildren.

He was also survived by his microbes. "They always have the last laugh," he wrote in a 2008 article. "They are generally the first living things we encounter after birth and, when we die, they are the last living cells on our bodies. Then, they devour us."

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

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## WORLD NEWS

# South Korea Bows Out of Drill With U.S.

By MICHAEL R. GORDON  
AND NANCY A. YOUSSEF

A planned training exercise involving U.S. B-52 bombers and South Korean planes was scrapped earlier this week after the South Korean government expressed concerns that it could generate tensions before the summit meeting between President Donald Trump and North Korean leader Kim Jong Un, according to U.S. officials.

The move follows assertions by the Trump administration that it is keeping up a campaign of maximum economic and military pressure until North Korea gives up its nuclear-weapons programs and that the U.S. has not changed the scope of its exercises.

But the South Koreans asked not to participate in what was intended to be a three-nation air drill involving the U.S., South Korea and Japan, the U.S. officials said. The U.S., which has sought to maintain political solidarity with Seoul during a turbulent

period of diplomacy with North Korea, has not commented publicly on the South Korean decision.

"The B-52s are currently executing their continuous bomber presence mission in the theater, which sometimes includes joint or allied interactions," said an official at the U.S. Pacific Command, without providing further details.

South Korea's government has been of two minds about the deployment of U.S. bombers and submarines near the Korean Peninsula.

After North Korea conducted a series of missile and nuclear tests last year, South Korean Defense Minister Song Young-moo said at a Pentagon press conference in October that he and Defense Secretary Jim Mattis had agreed that U.S. "strategic assets" should be deployed on a rotating basis to South Korea.

But as South Korean President Moon Jae-in has tried to improve ties with North Korea, his government has been concerned about the timing of



AHIN YOUNG-JOON/ASSOCIATED PRESS

**Seoul worried the exercise could stir tensions before the U.S.-North Korea summit. Above, a B-52 over South Korea in January 2016.**

such deployments.

Mr. Moon's administration also has been concerned about the visibility of annual U.S.-South Korea military exercises, and has played down arms purchases from the U.S. Earlier

this year, it requested that the U.S. delay this year's joint spring exercises, known as Foal Eagle and Key Resolve, until after the Winter Olympics. The U.S. agreed to the request, but the exercises went

ahead later.

The initial plan for the three-nation air drill was for two U.S. B-52s to fly from Guam and participate in training with the Japanese and South Korean air forces, the U.S. officials said. Because of lingering tensions between Japan and South Korea, the U.S. bombers were to train separately with each nation's air force before returning to base.

The B-52s are capable of carrying nuclear weapons and the U.S. has occasionally used the bomber as a show of force. After North Korea announced it had tested a hydrogen bomb in January 2016, a B-52, flanked by a U.S. F-16 and a South Korean F-15, conducted a low-level flight over South Korea.

The main purpose this time, however, was training, including enabling the South Korean Air Force to practice intercepting bombers. To avoid a diplomatic provocation with a summit coming up, the B-52s were to have made "minimal entry" into South Korean airspace,

U.S. officials said. The training mission was dubbed Blue Lightning.

But when the South Korean government was consulted, it told the U.S. it did not want to participate in the exercise with the bombers, the officials said. After Mr. Song met earlier this week with Gen. Vincent Brooks, the U.S. commander in Korea, the B-52 training mission was adjusted to avoid South Korean airspace and to involve only the Japanese, these officials said.

North Korea has sent mixed messages on joint U.S. and South Korean training. After a meeting between Mr. Kim and Mr. Moon earlier this year, South Korean officials told the Trump administration that the North Korean leader understood the need for joint U.S. and South Korean exercises.

But in recent days North Korea has complained emphatically that major military exercises have gone ahead.

—Andrew Jeong in Seoul contributed to this article.

## REGIME

*Continued from Page One*  
ties with friendly countries and sent its operatives abroad. These operatives, usually attached to the regime's embassies, are suspected by U.S. and U.N. authorities of illegal alcohol sales in Pakistan, weapons sales in Africa and gold smuggling into Bangladesh. The various schemes yielded hundreds of millions of dollars a year in cash and goods, according to estimates by U.N. investigators.

This is the model North Korea used to try to evade international sanctions. If a June 12 summit with the U.S. succeeds in resolving the future of the regime's nuclear program, and starts to integrate the country into the global economy, these networks will likely recede.

If diplomacy fails, and heated rhetoric from Pyongyang has raised that possibility, then North Korea will have a ready-made system to mitigate international pressure.

"Ri is not an anomaly, North Korea has an army of these people," said Daniel Russell, a former diplomat for Asia at the State Department and now a vice president at the Asia Society Policy Institute in New York City.

Mr. Ri's earnings for North Korea from Malaysia were small, but he had broad ambitions. He corresponded with hackers in China about plans to steal and resell U.S. medical-imaging software. And he shopped for secondhand Japanese construction cranes, the kind North Korea has used in its missile program.

Mr. Ri was allowed to travel and live with family abroad, a special status afforded by the regime. His work in Malaysia ended with the killing last year of Kim Jong Nam, the estranged half brother of Kim Jong Un. Mr. Kim was attacked in a passenger area at Kuala Lumpur International Airport.

Malaysian investigators alleged Mr. Ri may have arranged to buy a car used by suspects in the Feb. 13, 2017, killing. Among the thousands of Mr. Ri's emails, text messages, documents and photographs viewed by the Journal is an image from one of his phones of a Malaysia-brand car—Naza Ria—with the seller's contact information on the dashboard.

The same model, registered to Mr. Ri, ferried North Korean agents away from the airport after the killing, according to Malaysian investigators. He was deported but not charged with any crime and denied any wrongdoing.

Malaysian prosecutors say the masterminds were North Korean agents, who worked through North Korea's Embassy in Malaysia and escaped.

Two women who smeared the lethal agent on Mr. Kim's face are on trial for murder and have pleaded not guilty.

Malaysia expelled several North Korean diplomats and revoked visa-free travel for North Koreans. A foreign ministry spokesman said the country was vigilant in preventing North Korean front companies and businessmen from operating illicit businesses in Malaysia.

Calls to the North Korea Embassy in Malaysia rang un-



REUTERS/RI JONG CHOL/COMPUTER FILES, NORTH KOREA STATE MEDIA

**Ri Jong Chol, above, worked with his teenage daughter, left, on behalf of the regime, including shopping for cranes usable in the missile program.**

One \$25,000 transaction, in August 2016, was a "bit dangerous because (the) amount is quite big," Mr. Gan said.

In November 2016, Mr. Gan asked for a payment, but advised Ms. Ri to say on the wire documents that the money was for the "purchase of souvenir, necklace, pendant," according to their texts.

"I haven't put anything," she said. "But since it's small amount isn't it ok?"

"Shud be ok...only worry the bank will hold the payment and query," he replied. Mr. Gan declined requests for comment.

Mr. Ri's work appeared to earn profits for Pyongyang and support a comfortable life for his family. A ledger in the computer files shows he shipped around \$250,000 worth of commodities to North Korea over the nine months through January 2017.

### Finance help

Mr. Ri, who didn't appear to have a bank account in Malaysia, relied on North Korean controlled entities in Hong Kong and Malaysia to finance transactions, documents show. Sometimes, Mr. Gan helped.

Communications with Mr. Gan were often tense. He complained about Mr. Ri's erratic orders and slow payments. "Sometimes we have money," Ms. Ri wrote him, "sometimes we don't."

Mr. Ri appeared to use an insurance company in the Malaysian offshore financial center of Labuan to pay for goods, according to messages and copies of checks on his phone. The company, Golden Sunrise Finance Broking, was controlled by North Koreans, but owned by a Malaysian shareholder to avoid scrutiny of its financial flows, according to a person familiar with the matter. No one answered at the insurance company's listed phone number.

Invoices on Mr. Ri's computers show two North Korean banks, Kumgang Bank and North East Asia Bank, were also used to funnel payments to buy commodities. The banks were blacklisted under U.S. sanctions in 2016.

As business expanded, so did Mr. Ri's horizons. He and his daughter made plans to import North Korean coal to Malaysia via Russia, which would earn them a broker fee. They also talked about buying warehouses in Port Klang.

With a new Malaysian business contact, they discussed farming rice in the country's northwest. A letter explained how the venture would team with a North Korean company controlled by the regime's agriculture ministry. "This is a big project and also big money. Your profit will be big if our deal is made. pls try best to make a deal ASAP," Ms. Ri wrote in November 2016.

Mr. Ri pursued another venture with a team of ethnic Korean computer programmers in Shenyang, China, to market medical-imaging software used in CT scans.

A business partner of Mr. Ri's in Malaysia lined up potential buyers, even though they had no software to sell. Messages on Mr. Ri's devices suggest the plan was to make pirated versions after hacking firms that made them.

In October 2016, Mr. Ri sent one of the China-based programmers the website of Able Software Corp., a Lexington, Mass., company, according to texts. Ted Wu, Able's founder, said the Federal Bureau of Investigation had previously investigated hackers who stole Able's software and sold it online in the late 2000s.

The Ris also shopped for industrial cranes. In January 2017, Mr. Ri requested a price quote for two used cranes from TL Mobile Crane Services Sdn. Bhd. in Malaysia. The firm said no deal involving North Korea was made.

In May 2017, North Korean state television showed a Kato-brand Japanese crane used in the launch of an intermediate range missile. A photo on Ms. Ri's phone showed a similar Kato crane. The U.N. later expanded a ban on heavy machinery exports to North Korea to include all cranes.

The day Kim Jong Nam was killed at the airport, Ms. Ri met with Mr. Gan to discuss a new soap-importing plan. But there would be no more deals.

Four days later, Mr. Ri was taken into custody. Mr. Gan sent Ms. Ri a message: "Are you affected by the recent news..." He got no reply.

The Ri family was allowed to leave Malaysia, part of a deal giving Malaysians held in North Korea permission to return home. Malaysian police said they lacked evidence to charge Mr. Ri in the killing.

Malaysian police said they found equipment that could be used to make nerve agents in the Ri family's apartment. They didn't test for VX, which killed Kim Jong Nam. Authorities declined to say why.

Around 90 North Koreans remain in Malaysia, say Asian and Western diplomats. Some have set up new front companies to avoid detection, according to a person who has worked with them in past business deals.



in Malaysia, so he turned to his teenage daughter, Yu Gyong. She studied at Help University, a private college that in 2013 awarded Kim Jong Un an honorary doctorate in economics.

In text messages reviewed by the Journal, she chats about amusement park trips and lunch plans with friends—and, on her father's behalf, talks about completing deals with Mr. Ri's Malaysian business partners.

In one text from September

**Mr. Ri, a North Korean operative, seemingly landed in Malaysia by chance.**

2016, Mr. Ri's daughter talks with him about her efforts to arrange a meeting with a business contact, where she would act as a translator. After some back and forth, Mr. Ri wrote: "Take your time and finish your studies. You can call him after your class."

She is listed in Mr. Ri's contacts as "my darling daughter." He mixed business with such fatherly concerns as making sure she didn't get sunburned while waiting for him to pick her up from school.

Mr. Ri started out in Malaysian business buying wholesale palm oil, soap and other

commodities for export to North Korea. By 2015, his main supplier was Octo Plus Resources, registered at the home of owner Gan Chee Lim, near Port Klang, west of Kuala Lumpur, documents show.

With the help of Mr. Gan and a network of ethnic Koreans in China, Mr. Ri and his daughter arranged to ship the goods from Malaysia via Dalian in China to the North Korean port of Nampo, according to invoices, messages and documents viewed by the Journal.

The products weren't prohibited under sanctions, but one company Mr. Ri represented was Singwang Economics & Trading General Corp. The U.S. sanctioned Singwang in March 2016, calling it a subsidiary of the North Korea military. The U.N. also imposed sanctions on the company that year. Ms. Ri told Mr. Gan, the Malaysian supplier, that the soap buyer in North Korea was Singwang, according to a May 2016 phone message exchange.

The U.S. designation made it illegal for funds going to or from Singwang to be cleared through the U.S., as typically happens in dollar transfers. In phone message traffic during July 2016, Mr. Gan told Ms. Ri not to send payments of more than \$10,000 at a time, presumably to avoid bank scrutiny. He also raised concerns that Malaysia's central bank would be monitoring foreign-currency transactions, text messages show.

## OPINION

THE WEEKEND INTERVIEW with Glenn Hubbard | By Tunku Varadarajan

## A Conservative Economics of Dignity

New York

**A**s we enter his office, Glenn Hubbard apologizes for the building that houses it. Built in 1964, Uris Hall is a jarringly structure on a handsome campus. "The architecture faculty protested at the time," he tells me, "describing its design as fascist. They were right."

Mr. Hubbard, 59, is dean of Columbia Business School, having taken its helm in 2004, a year after he resigned as chairman of President Bush's Council of Economic Advisers. In this cerebral cocoon, Washington seems a world away. On a bookshelf near his desk are the sixth editions of two textbooks—"Microeconomics" and "Macroeconomics," both written by Mr. Hubbard with Anthony O'Brien—that are read by college freshman across America. "We wanted to change the way the course is taught," he tells me, "to make it easier for people to talk about the real world."

Mr. Hubbard is more adept than many of his peers at straddling the divide between the Beltway and the academy. Most students come to economics, he says, "wanting to

**The dean of Columbia Business School is a tax cutter and free trader, but he says economists must address 'real economic concerns in the heartland.'**

learn about the world. Should we have a carbon tax? Is free trade good or bad? What's the right level of immigration? What should I think of interest rates?" These are all "real-world questions, and then we hit them with 'A and B' and 'X and Y' and 'guns and butter,' and they struggle."

The gap may be even greater now that the real world has become such a bitterly contentious place. I ask Mr. Hubbard about the state of business education at a time when many of the old economic verities have come under White House criticism, particularly in the areas of trade and immigration. He responds by describing a recent trip he took with 20 M.B.A. students to Youngstown, Ohio. "We always have global trips, and I said to the faculty, if you want to understand economic context, perhaps Hong Kong—or London, or Delhi—isn't the only place," Mr. Hubbard tells me. "Why don't we take them to the heartland of America and try to comprehend what's going on?"

He is driving at an argument that suggests economics might have failed middle America. "I wanted

New York's Gov. Andrew Cuomo led the cheer squad last month when the Interior Department announced it would begin allowing offshore wind turbines to be built in the shallow waters between New Jersey and Long Island. Mr. Cuomo had recently announced a \$6 billion plan to build 2,400 megawatts of offshore wind capacity by 2030, with the costs passed on to bill payers. But though Mr. Cuomo portrays himself as a champion of cutting greenhouse-gas emissions, his simultaneous opposition to a New York City-area nuclear plant exposes his wind plan as a mere play for progressive prestige.

**New York's governor touts turbines while closing a nuclear plant. To fill the gap? Natural gas.**

Mr. Cuomo isn't the only Northeastern governor with windy ambitions. Massachusetts' Charlie Baker signed a bill in 2016 committing his state to develop 1,600 megawatts of offshore wind power by 2027, and New Jersey's Phil Murphy decreed in January that the Garden State would aim for 3,500 megawatts of offshore wind power by 2030.

But Mr. Cuomo is working the hardest of all to maximize his climate-change credentials. Sitting next to former Vice President Al Gore in 2015, he signed a document committing New York to cut its

the students to go to a place that had experienced industrial decline," he says. "And they came back with a clear sense that there's no silver bullet to our problems, but that people there had real points—that a lot of what you read about their lives is true." There are, he continues, "real economic concerns in the heartland, but also concerns about dignity that neither party had addressed."

Mr. Hubbard says he has "pivoted" in his own scholarship to "focus a lot right now on work opportunities for people that have been left behind." Conservatives, the "people with whom I talk the most, are not doing enough," he adds. "Here are men and women in the heartland who played by the rules. They got left behind, and they're angry." Populist politics is one possible answer. "But another might be to go in and actually help them, actually address problems that technological change and globalization have brought right to their front door."

Economists and business leaders, he says, have an opportunity to ask a fresh set of questions: "Why is mobility not what it once was? It used to be that when you lost your job in a city, you packed the kids up in the station wagon and you moved somewhere else. Well, that's not happening. Why isn't it happening? Is policy to blame for that, and what can we do about it?"

Mr. Hubbard uses the word "dignity" with uncommon frequency for an economist, and he attributes this to the influence of Edmund Phelps, a Columbia colleague who won the Nobel Prize in economics in 2006. "If you read 'Mass Flourishing,'" Mr. Phelps's book from 2013—"you'll see that the goal for economics isn't GDP," Mr. Hubbard says. "It's to deliver a kind of mass prosperity, with people feeling like they're all part of the system."

He invokes the Scottish Enlightenment, whose thinkers were "all very inclusive in their definition of what success is. It wasn't just average measures of output. It was broad inclusion and prosperity." The point is that modern economists need to talk in these terms, too. "One reason we lost some of the policy arguments in recent years—arguments that we shouldn't have lost—is because we pointed out that policy X or Y would raise GDP on average by some amount," Mr. Hubbard says. "It wasn't that we were wrong, necessarily, but 'average' isn't terribly useful."

Some Americans did really well, he continues, while others lost ground: "And whether it's Brexit in the U.K. or the debate over trade and immigration in the U.S., people who got left behind could be forgiven if they said, 'Why am I

supporting something that benefits 'on average,' when this just means Columbia M.B.A.s get it all?" Mr. Hubbard thinks economists have been "a little bit facile. It's not that we don't know these things."

Does that make Mr. Hubbard a closet admirer of Thomas Piketty, the French economist whose 2013 book on income inequality captivated the political left? The suggestion amuses Mr. Hubbard. "I think it's more about opportunity than inequality," he says. "I think, tangibly, of things like wage support, of starting where we already are." He repeats a suggestion he's made before in public debate, which is to reform the earned-income tax credit "and make it more generous for childless workers." The U.S., he believes, could also do "much more to investigate apprenticeships."

Mr. Hubbard says he advises Republican politicians to "think about Abraham Lincoln. In the middle of a civil war, he still had land-grant colleges, the Homestead Act, and legislation for the transcontinental railroad." If you look at Lincoln's descriptions of what he was doing, "he felt he was using government as a battering ram to enable opportunity. And that is where economists and conservative policy makers could have a real voice."

**T**he message I'm getting is that Mr. Hubbard believes government can be deployed in the service of prosperity. "I think it can," he confirms, "by things like wage subsidies, direct support for training. For years, I've talked about personal re-employment accounts that would give the long-term unemployed more control over their own destiny." These proposals "would require a government role and, frankly, the taxes to pay for them. I think this is why this debate has been mired." The left wants to expand welfare or unemployment insurance, but on the right, "people

South Fork will annually produce about 4.1 gigawatt-hours. If the same ratio holds for Mr. Cuomo's plan, its 2,400 megawatts of capacity will produce about 9,840 gigawatt-hours of electricity a year. That's only about 60% of the juice New Yorkers get from Indian Point.

This simple arithmetic shows that while Mr. Cuomo and his green allies are touting offshore wind, the premature closure of Indian Point will leave New York with a big gap in its electricity sources. What will fill the hole? The short answer, as was revealed by the New York Independent System Operator last December, is natural gas.

Activists like to urge climate-change skeptics to "do the math" on emissions and temperatures—so let's start by looking at Indian Point's output. The twin-reactor 2,069-megawatt plant, which sits on the banks of the Hudson River a few dozen miles north of Times Square, produces about 16,600 gigawatt-hours of electricity a year. That's about a quarter of New York City's consumption.

Given the troubled history of offshore wind projects like Massachusetts' ill-fated Cape Wind, it is far from certain that Mr. Cuomo will succeed in building the full 2,400 megawatts of offshore wind capacity proposed in his outline. But even if he does, New York's emissions are still likely to rise, because the proposed offshore capacity won't come close to replacing the energy generated by Indian Point.

Comparing Mr. Cuomo's wind proposal with a pending offshore project allows us to estimate the amount of power it will generate. The proposed South Fork wind project is a 90-megawatt facility scheduled to be built near the eastern end of Long Island. That project—which is opposed by local fishermen—is expected to produce 370 gigawatt-hours of electricity a year. In other words, each megawatt of capacity at

If Indian Point closes as scheduled, the NYISO expects its output will be replaced by electricity from three gas-fired plants now under construction, including the 678-megawatt CPV Valley Energy Center in Wawayanda, N.Y., the 1,020-megawatt Cricket Valley Energy Center in Dover, N.Y., and a 120-megawatt addition to the Bayonne Energy Center in New Jersey.

The irony here is colossal. Mr. Cuomo, who banned hydraulic fracturing despite the economic boon it has created in neighboring Pennsylvania, and who has repeatedly blocked construction of pipelines, is making New York even more dependent on natural

good for two reasons," he says. "One is the reason we always talk about, which is consumption possibilities"—cheaper and more varied goods, from Mexican avocados to German luxury cars. The other positive is that trade is a "productivity enhancer. Firms in a country have to become more competitive—or not survive in the marketplace. That is very good for an economy. Trade delivers big benefits on average."

Which takes Mr. Hubbard back to the notion of dignity. "On average" has a political problem, because if some people win a lot and others not at all, the ones not winning at all might be forgiven for their views on trade," he says.

"Openness is good, but don't forget the people who got left behind." That's why there is "political animus about Nafta," the North American Free Trade Agreement: "If a plant closes in my town, I'm concerned. Opportunities are gone. Folks ask, 'Are people not going to worry about me?' And in the past, we've had precious little worry about such folks." If you want broad support for trade, Mr. Hubbard maintains, "then you have to remember the people that got left behind."

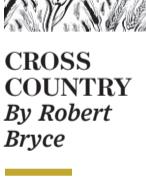
**S**till, he believes the Trump trade critique "has a point in some areas." China, for example, "is not following the rule of law in intellectual-property protection. I don't think there's any question about that." But he says there are ways to "get at that multilaterally, that don't involve this kind of bilateral trade-bashing that the president has done."

And yet, in apparent contradiction, Mr. Trump has just thrown a lifeline to ZTE, the Chinese telecom company flattened by sanctions for violating U.S. law. Mr. Hubbard disapproves of the president's recent conciliation, a tweeted promise to help ZTE, which "rejects a longstanding principle that trade enforcement actions shouldn't be employed as bargaining chips. The law is the law." The prospective deal, which includes relief for ZTE in exchange for a halt to China's threat of agricultural tariffs, "appears to promise a modest near-term benefit" for America while placing the rules-based international trading system in harm's way.

Instead, Mr. Hubbard wishes the White House would promise to clarify the rules for Chinese investment in the U.S., while insisting on better intellectual-property protection in China. "Trying to borrow the Chinese playbook," he says, "is unlikely to be a winning strategy for the United States."

*Mr. Varadarajan is a fellow at Stanford University's Hoover Institution.*

## Andrew Cuomo's Wind Farm Won't Fly Without Fracking



CROSS COUNTRY  
By Robert Bryce

New York's Gov. Andrew Cuomo led the cheer squad last month when the Interior Department announced it would begin allowing offshore wind turbines to be built in the shallow waters between New Jersey and Long Island. Mr.

Cuomo had recently announced a \$6 billion plan to build 2,400 megawatts of offshore wind capacity by 2030, with the costs passed on to bill payers. But though Mr. Cuomo portrays himself as a champion of cutting greenhouse-gas emissions, his simultaneous opposition to a New York City-area nuclear plant exposes his wind plan as a mere play for progressive prestige.

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But Mr. Cuomo is working the hardest of all to maximize his climate-change credentials. Sitting next to former Vice President Al Gore in 2015, he signed a document committing New York to cut its

greenhouse-gas emissions 80% before 2050.

For all his bluster, however, Mr. Cuomo made it clear in January 2017 that his true priority is pleasing environmentalists, not cutting emissions. That was when he gleefully announced that the nuclear-powered Indian Point Energy Center in Buchanan, N.Y., which provides abundant low-cost electricity while producing zero carbon-dioxide emissions, would close by 2021.

Activists like to urge climate-change skeptics to "do the math" on emissions and temperatures—so let's start by looking at Indian Point's output. The twin-reactor 2,069-megawatt plant, which sits on the banks of the Hudson River a few dozen miles north of Times Square, produces about 16,600 gigawatt-hours of electricity a year. That's about a quarter of New York City's consumption.

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The irony here is colossal. Mr. Cuomo, who banned hydraulic fracturing despite the economic boon it has created in neighboring Pennsylvania, and who has repeatedly blocked construction of pipelines, is making New York even more dependent on natural

gas, which will increase its carbon emissions. At the same time, he has mandated offshore wind projects that will force New Yorkers to pay more for their electricity, even though the state already has some of the nation's highest electricity prices.

That's the kind of green record a high-profile Democrat might use to run for the White House—which appears to be Mr. Cuomo's only real priority.

*Mr. Bryce is a senior fellow at the Manhattan Institute and the producer of the forthcoming documentary "Juice: How Electricity Explains the World."*

## Notable &amp; Quotable: Mitch Daniels

*From Purdue University president Mitch Daniels's May 12 commencement address:*

The last few Mays, I've found myself issuing the same caution to each departing class. I've pointed out that, although they don't think of themselves this way and I hope never will, they are now aristocrats. They are members of a privileged elite. It's not the kind we've known through history. It's not based on a family name, or inherited wealth, or a father's position in some ruling totalitarian party. It's the new aristocracy of a knowledge economy, with membership conferred by unusual cognitive skills, augmented by a superior education like Purdue's.

I've noted that the people I'm describing have begun to cluster together—to work with each other, live near each other, socialize with each other, marry each other, have children just like each other's children,

starting the cycle over again. And unintentionally to segregate from their less-blessed, less-well-educated fellow citizens. I've urged each set of graduates to resist this tendency, to make special efforts to connect with those who never made it to Purdue or a place like it. It's a shame to go through life with a narrow range of human interactions, and all one can learn from those who are different.

But over these last few years this new self-segregation has taken on a much more worrisome dimension. It's no longer just a matter of Americans not knowing and understanding each other. We've seen these clusters deepen, and harden, until separation has led to anger, misunderstanding turned into hostility. At the individual level, it's a formula for bitterness and negativity. For a self-governing people, it's poison. The grandest challenge for your leadership years may well be to reverse and surmount this threat.

Over your final year with us, people have begun to use the word "tribalism" to describe this phenomenon. To people who have only known freedom and self-government, it's easy to forget that tribalism was the way of the world for most of history. Anthropologists long ago discovered that our human ancestors formed tribes for survival, and responded violently to the presence of outsiders. As one essayist wrote, "Tribalism . . . is the default human experience. . . . The notion of living alongside people who do not look like us and treating them as our fellows was meaningless for most of human history." . . .

Life in a tribe is easy, in all the wrong ways. You don't have to think. Whatever the tribe thinks is right, whatever the other side thinks is wrong. There's no real responsibility; just follow what the tribe, and whoever speaks for it, says to do. Boiler-makers aren't made for tribes.

The conversation here turns to the tax reform Mr. Trump signed in December. Mr. Hubbard was in the engine room in Washington when the last major Republican tax legislation was enacted, in 2003. He thinks Mr. Trump has "reset expectations. This sounds like marketing, but I mean it really as economics." For years, Mr. Hubbard says, "both businesspeople and households had gotten to a funk of believing that growth opportunities had shifted downwards and they had to adjust to that. Many prominent economists were telling them that, too." Mr. Hubbard insists he never believed that—and Mr. Trump doesn't either: "I think one of the things the president did say, 'This can change. We will improve growth.' "

The cut in corporate tax rates to 21% from 35% has Mr. Hubbard's vigorous approval. "That's a huge positive element," he says. "The U.S. had been uncompetitive for years, and everybody knew it on both sides of the aisle." The country was "losing location decisions, losing employment. A number of economists, including myself, said that it restrained wages as well. So that cut needed to happen."

Mr. Hubbard takes a dig at the president, though, when I mention international trade: "I'm for it—I realize that's a minority view." But he isn't entirely critical. "Trade is

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## OPINION

## REVIEW &amp; OUTLOOK

## A Looming Nafta Debacle

**T**rade officials missed a Thursday deadline to wrap up a renegotiated North American Free Trade Agreement, and the chances are rising that there won't be a deal at all this year. This looming fiasco is the result of the failed negotiating strategy of U.S. trade rep Robert Lighthizer, who works for a deal-making President but can't seem to make a deal.

The missed deadline this week means there may not be enough time left in the Republican Congress to hold a vote, even in a lame-duck session. Good luck getting cooperation from Democratic House Speaker Nancy Pelosi next year. It may also not be possible to get a new Nafta text to the current Mexican Senate in time for a vote in its lame-duck session that ends August 30.

The blame for this mess belongs to Mr. Lighthizer, who has overplayed his hand with excessive demands that have increased political opposition in Mexico, Canada and the U.S. They include a \$16 minimum wage for Mexican factory workers, the end of international panels to protect U.S. investment abroad, and a five-year sunset provision, among others. Mr. Lighthizer persuaded President Trump that he could make a deal on these preposterous terms, but instead he's set up his boss for an embarrassing political and economic failure.

He's also courting more economic trouble if Mexico elects economic nationalist Andrés Manuel López Obrador in its presidential election on July 1. AMLO, as he's known, wants to restore the pre-Nafta corporatist Mexico, which was run by monopoly businesses and labor unions. AMLO is leading in the polls, and his Morena Party and its allies may have a majority in the new Mexican Congress.

Mr. Lighthizer will then have to negotiate with his mirror Mexican image. AMLO has promised to revisit recent energy reforms that opened Mexico to private domestic and foreign investment, and he waxes lyrical about the good old days of protected Mexican agriculture. When Mexico passed the Trans-Pacific Partnership recently, AMLO supporters in Congress voted against it. The opportunity to consolidate energy and telecom reforms using Nafta modernization will have been lost.

The U.S. trade rep is also setting Republicans up for losses in the midterm elections. The threat of retaliation against American farm

**The U.S. trade rep is setting Trump up for a major political failure.**

products is a cause of great concern in farm states that are already struggling with low crop prices. Add the growing threats of retaliation from Japan and Europe over steel tariffs, and Chinese tariffs against U.S. farm goods, and Mr. Lighthizer could cost the GOP control of the House and Senate.

Mr. Lighthizer still has one potential self-rescue option if he's willing to come down from his personal Mount Olympus—a streamlined rewrite known as "skinny Nafta." This would include limited changes to Nafta that wouldn't alter U.S. law, and thus wouldn't require a vote in the U.S. Congress.

Trade officials have largely completed new or revised Nafta chapters on energy, digital trade, telecom, financial services, technical barriers to trade and customs, none of which need congressional approval. Changes to rules-of-origin in autos can also be made without a showdown vote in Congress, and Mexico has long signaled a willingness to compromise.

President Trump, Canadian Prime Minister Justin Trudeau and Mexican President Enrique Peña Nieto could sign skinny Nafta by the end of May. Mexico's Senate would still have to approve it, but Mr. Peña Nieto could call the chamber back before the presidential election and get it passed.

This would be a significant victory for Mr. Trump. He would have locked in Mexico as an energy and telecom market for American companies, secured access to Mexican consumers for American farmers, expanded market access for financial services and laid down firm rules for digital trade. He will also have resolved great uncertainty in automobile production, while putting the Nafta issue behind him so he and his economic team can focus on China.

The alternative is to hold fast to the Lighthizer poison pills that Mexico and Canada refuse to accept and settle in for what could be years of combat with a mercantilist Mexican government. That strategy puts at risk the present economic benefits of continental commerce and tens of billions of dollars of future sales and income gains for Americans.

If Mr. Trump wants to avoid that ugly legacy, he needs to order Mr. Lighthizer to cut a deal now, or get a new trade negotiator whose motto isn't the artlessness of no deal.

## 'I Don't Believe That Anymore'

**I**t is possible to argue that the greatest moral issue in America—and there are many—is the generations-long failure to give an adequate education to children in the country's poorest neighborhoods. Failure begets failure in many urban school systems, and we at least have arrived at a shared admission of what happens. It is called falling behind.

Two wealthy Americans—John Walton of the Walmart fortune and New York investor Ted Forstmann—decided enough was enough. Each contributed \$50 million to create a new idea called the Children's Scholarship Fund. The CSF is currently celebrating its 20th anniversary, and it is indeed an occasion for celebration. The Fund has raised \$741 million and provided scholarships to 166,000 students.

This didn't happen merely because two rich guys wanted to do something nice with their wealth. Both had thought a lot about the seemingly intractable problem of underachieving inner-city kids. On the day they announced the first scholarship awards, Forstmann said: "Some insist that if we would just keep doing more of what we have been doing—spend more money, hire more teachers and reduce class sizes—we will get different results. I don't believe that anymore."

**The Children's Scholarship Fund has helped 166,000 poor kids in 20 years.**

In the 20 years since, many others have come to the same conclusion. No longer willing to wait for the public schools to reform, they have used their individual wealth to underwrite alternatives.

The most well-known is the public charter-school system, though the teachers unions have fought relentlessly to thwart competition from charter schools. Walton and Forstmann chose to pull away altogether from the public model.

The Children's Scholarship Fund subsidizes tuition at private schools or parochial schools run by the Catholic Church. It requires parents to contribute a few thousand dollars to the tuition cost, believing that commitment provides an incentive for active engagement in their children's school life.

Over the years a remarkable network of schools has emerged across the country built around the basic idea of parent-driven performance. Examples include the Cristo Rey network, Partnership Schools in New York City, Milwaukee's Seton Catholic Schools, and Independence Mission Schools in Philadelphia.

Ted Forstmann and John Walton both died too young, but their legacy includes having rescued tens of thousands of children from failing public schools that ruin so many lives year after depressing year.

## More Competition for Pharma

**P**resident Trump last week laid out a plan to reduce the cost of prescription drugs, and the press sniped that he sold out to the pharmaceutical industry. So irony alert: One of the Administration's first actions is to call out drug companies that appear to be trying to evade competition.

On Thursday Food and Drug Administration Commissioner Scott Gottlieb announced that the agency would publish a list of companies that have "potentially" tried to forestall competition from generic alternatives. More competition from generics is essential for lower costs for patients, and with multiple competitors the price can drop to 85% less than the brand name.

But generic companies have to prove to FDA that their product is equivalent, which requires testing with as many as 5,000 samples. Some manufacturers have been exploiting their safety arrangements with the FDA, known as Risk Evaluation and Mitigation Strategies, to withhold the drugs.

These arrangements traditionally exist for products with a risky safety profile but have become more common as a precondition for FDA approval. Commercial contracts with distributors can cause more problems.

Dr. Gottlieb has said for months that drug

**The FDA calls out companies that duck the law on generics.**

companies need to "end the shenanigans," as he has put it. The agency has received more than 150 requests from generics looking for assistance in obtaining samples.

FDA's list includes more than 50 medicines, and companies include Gilead Sciences, Bayer and others. The agency has received 31 inquiries related to Celgene Corporation alone.

The inquiries don't all involve risk mitigation agreements, and FDA hasn't investigated each complaint.

FDA also said it would continue to work with the Federal Trade Commission, whose core mission is to police anti-competitive behavior and should investigate some of these practices. Fixing this problem will be especially important as drug development moves from chemistry compounds to biological treatments, where most of the innovative promise is. Proving similarity to biological compounds is far more fraught than copying an aspirin.

Democrats and their media friends believe that the only way to control drug costs is with price controls that would diminish research on medical innovation like cures for Hepatitis C. Credit to Dr. Gottlieb for continuing to show that government can enforce the rules of fair competition without trying to bankrupt companies that can save lives.

## LETTERS TO THE EDITOR

### McCain: Great Hero, Not Much of an Analyst

I respect John McCain as an American hero and cannot take issue with his opinion of Vladimir Putin's character. But I believe Sen. McCain completely misreads Russia ("Putin Is an Evil Man," Review, May 12).

George Kennan was the author of our Soviet containment policy after World War II, and he definitely wasn't an appeaser of Russia or communism. But when the Iron Curtain finally went down, he was adamant against expanding NATO into the former Warsaw Pact nations. He predicted that it would be the start of a new Cold War with Russia, which is exactly where we are headed.

Does anyone believe that Mikhail Gorbachev would have been as ready to end the Iron Curtain division of Europe, culminating with the fall of the Berlin Wall, if he had known that it would result with NATO not only spreading into Eastern Europe but pushing to the Russian border? How else did Sen. McCain expect Russia to react?

DOMINIC D'AMELIO

Tallahassee, Fla.

Most of us regard John McCain as a man of outstanding integrity and courage, but, unfortunately, these virtues don't necessarily make him a well-re-

spected political analyst. Sen. McCain's article is more passionate than perceptive in his portrayal of Vladimir Putin as the evil, dangerous successor of the "evil empire." No doubt Russia will do anything it can to fracture NATO and impair any opposing military initiative. But Sen. McCain's contention that Russia is out to "defeat" the West rests on the far-fetched assumption that Russia has the capability—economically, militarily or ideologically—to rival the vastly superior military power arrayed against it.

IRWIN SHISHKO  
Delray Beach, Fla.

Reading Sen. McCain's essay was like listening to the purveyors of the Red Scare of the late 1940s and '50s. Mr. McCain says of Mr. Putin, "He means to defeat the West." History has proved that attitudes of this fear-mongering nature are quite dangerous, often with serious unintended consequences. I am reminded of Sen. Joe McCarthy and his minions who wanted us to believe there were communists around every corner. I ask you, Sen. McCain: Do you want us to see evil Russians around every corner as we did 60-plus years ago?

TOM KEYSER  
Flourtown, Pa.

### Browder and Vladimir Putin's Global Reach

Regarding "The Weekend Interview with Bill Browder: From Russia With No Love Lost" by Tunku Varadarajan (May 12): Mr. Browder, a businessman atop Vladimir Putin's enemies list, adds another confusing piece to the puzzle of Special Counsel Robert Mueller's investigation of collusion between the Russians and Trump staff.

Mr. Mueller's search for the truth began because of a now-discredited dossier compiled by British ex-spy Christopher Steele who received funding from Fusion GPS, an opposition research firm contracted by Hillary Clinton's campaign. Mr. Browder alleges that Fusion GPS's founder Glenn Simpson was himself working with a Russian who now is known to be an informant for the Russian government.

We know that several people in the FBI and Justice Department were philosophically aligned with the Trump Resistance and relished an opportunity to delegitimize his presidency. The Trump-Russia collusion investigation began based on bogus information; it was pushed along by many with an ax to grind against Mr. Trump; its scope mushroomed and ap-

pears to have no bounds on timing or focus; it encompasses accusations by a former porn star regarding a consensual relationship with Mr. Trump many years ago; and it has ensnared Mr. Trump's attorney Michael Cohen.

Mr. Mueller's hunt for colluding Trump cronies seems to border on the absurd (a little bit Inspector Javert, a little bit Inspector Clouseau), but it may put more wind at the Democrats' backs in midterm elections, and, if they retake the House, set the stage for impeachment proceedings. Administrative-state resistance to President Trump might then mitigate mistakes made by the FBI and Justice Department in 2016 when the certainty of Hillary Clinton's victory lulled them into complacency and prompted undeserved trust in American voters.

PETER DOUGLAS  
Melbourne, Fla.

Mr. Browder's paternal grandfather, Earl Browder, was the leader of the Communist Party U.S.A. before and during World War II.

S. PAUL POSNER  
New York

### Clocks, Not Muskets, Led 'American System'

I am delighted to read that Eli Whitney has finally been identified in the popular press as the fake he was ("The Perfectionists" by Simon Winchester, reviewed by Dava Sobel, Books, May 5). Knowledgeable historians of technology have long known that Whitney's "interchangeable" flintlock muskets, which he sold to the American army, were never interchangeable.

Decades before the U.S. military and its contractors produced a firearm approaching interchangeability, Connecticut clockmakers had flooded American homes with hundreds of thousands of fully interchangeable wooden-movement clocks. In about 1809 Eli Terry invented gear-sawing technology and the necessary gauging techniques to produce large quantities of interchangeable clock parts. His subsequent invention of the adjustable escapement led to the wooden-movement shelf clock known stylistically as the "pillar and scroll."

This clock was the world's first mass-produced consumer durable good with interchangeable parts. It inspired a wave of American technological innovation that changed how consumer goods were manufactured. By the 1850s the process was known as the American system of manufactures after the British "discovered" it at the London Great Exhibition of 1851.

It was the American Watch Company of Waltham, Mass., that developed the precision-gauging techniques for interchangeable watch manufacturing in the late 1850s. This measuring technology displaced the earlier "go/no go" gauges used in the firearms industry and is still used throughout industry.

DONALD R. HOKE, PH.D.  
Dallas

### On the Convergence of State Socialism and Capitalism

Regarding Paul Kengor's "Marx's Apologists Should Be Red in the Face" (op-ed, May 4): The theory of communism is that the government takes money from the haves to help the have-nots; the reality is the government helps itself. In capitalistic America, four of the five richest counties surround Washington, D.C. If we were communists, it would be five.

STEPHEN BORKOWSKI  
Pittsburg, Texas

### Pepper ... And Salt

THE WALL STREET JOURNAL



"Oh, we have direction here.  
It just zig zags."

### CORRECTION

"The Electric Kool-Aid Acid Test" was published in 1968. This was misstated in the May 16 op-ed "Tom Wolfe Had the Right Stuff."

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## OPINION

# Hats Off to Tom Wolfe

**DECLARATIONS**

By Peggy Noonan

**Y**ou can take off your hats now, gentlemen, and I think perhaps you had better." That was Stephen Vincent Benet in 1941, in the Saturday Review of Literature, on the work of Scott Fitzgerald, who had recently died.

I thought of it on the death of Tom Wolfe. Not that he was ignored or forgotten, but we are coming to terms with his greatness in a purer, less guarded way than in the past.

He picked up American journalism and shook it hard, then he picked up the novel and shook that too. He saw what was happening all around us, and he said that's not "what's happening," that's *history*—the social

**He was a friend, a wit and a literary inspiration. And what a figure he cut—like a crazed, antique peacock.**

and cultural story of the great Hog-stomping Baroque America of the second half of the 20th century, which was begging to be captured and finally was, by him, in a way no one else would or could.

He invented characters that presented us to ourselves. He had two masterpieces, "The Right Stuff" in nonfiction and "The Bonfire of the Vanities" in fiction. He issued one of the great literary manifestos: *Stop your navel gazing, get out your notebook, there's a world exploding out there.*

His words entered the language. He fearlessly, brazenly faced up to

America's blood wars, its ethnic and racial rivalries, its merry bitterness. "Yo, Gober!" "He's another Donkey, same as me."

On top of that he strutted through the world like some crazed, antique peacock—the faded vanilla suits, the high-collar shirts, polka-dot ties, the socks and handkerchief, the spats.

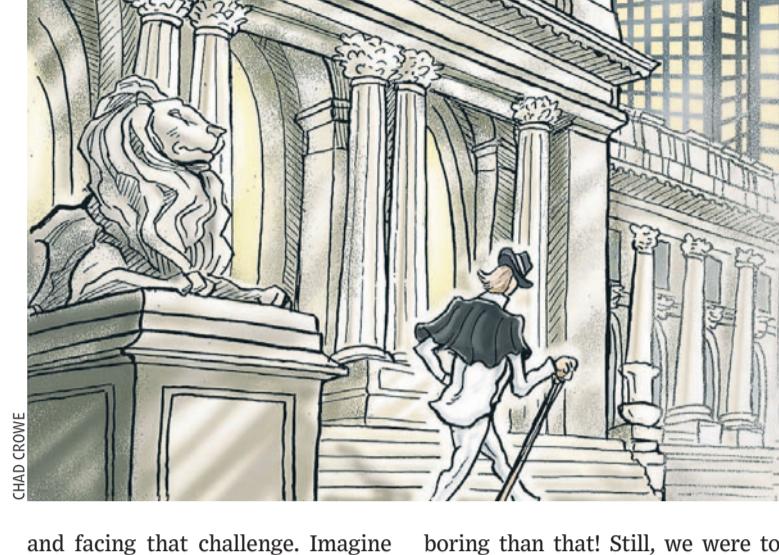
What a figure! When I heard the news I thought of last November, at the New York Public Library's annual gala. When I walked in he and Sheila, his warm, elegant wife, were seated alone as the party raged around them. I kissed them hello, they asked me to sit, and 20 minutes later, after talk of Donald Trump, toward whom he was equal parts fair-minded, amused and amazed, I left to join friends. Halfway through the room I turned back. Tom was gazing, bemused, at the crowd. "That's Dickens," I said to a friend. "That's Zola." There should have been a line waiting to meet him, to say, "I shook Tom Wolfe's hand."

I saw him over many years and thought of him as Paul McHugh, a professor and psychiatrist who was his close friend, did. "He was warm-hearted," he said. Tom Wolfe had killer eyes but was not cold. There was sweetness there, and sympathy. He wrote of social status, and as Dr. McHugh said, "he was especially great at deflating those whose position led them to the bullying of others."

He worked himself hard. Dr. McHugh would call him and say, "I know I'm interrupting you." Tom would reply, "Thank God!"

He suffered and was gallant. He'd had scoliosis when young, and an injury the past decade had left him with a spinal misalignment. He was bent sharply at the waist; his trunk tilted right. He was often in pain. His famous walking stick with the wolf's head wasn't only for fun and show, he needed it to walk.

Imagine caring so much about how you presented yourself to the world



and facing that challenge. Imagine doing it anyway, in part because it gives the world delight.

We met more than 20 years ago when we were thrown together as seatmates at a Manhattan think-tank dinner. The auspices were not good. I'd recently tangled with a close friend of his, and to make it worse I'd been in the wrong and knew it. Beyond that I was awed. I never told him, but my first book was half an homage to him: "Bonfire" and his manifesto, "Stalking the Billion-Footed Beast," filled my soul. His prose had an anarchic, liberating impact. In one chapter I realized my puny self was in the thick of history. I set myself to describing the audio experience of Air Force Two, its curious, soft pulsating sound. GARRRUUUMMM. "The engines weaving in and out; the air conditioned hum; the soft murmurings of power: I'm flying." My editor was alarmed. Cut that: "People will think you're imitating Tom Wolfe!" "I am imitating Tom Wolfe! It's my tribute!" He laughed. We kept it.

At the dinner, uncomfortable and awed, I turned earnest. Nothing's more

boring than that! Still, we were together, and did our best. At one point he started talking about what was happening in neuroscience. He was amused by the new pill that affects sexual mood—I think he said sexual readiness—it's flying off the shelves! I said yes, but the pill that will be more popular, and which they'll eventually make, will be the one that makes you fall back in love, because that will solve everyone's problems. "He's responsible and sweet but it's just not enough!" "I don't love my wife anymore!" That's the pill that will really sell!

We giggled. He gave me a scrutinizing look and said: "You're quite a woman." I answered solemnly, as if considering the proposition obvious and the burden heavy: "Yes, I am." He threw back his head and we were off to the races.

The last time I saw him was almost three months ago, at the wedding of a brilliant young woman and a handsome man. The wedding party was in a fashionable restaurant in downtown New York. We were seated at a red leather banquette, where we had a Writer Moment. I looked out at

the boisterous crowd—laughing, gesturing, talking over the din, big decibels. I said, "Tom, this sound of the voices hitting the ceiling, the laughter—this reminds me of the description in 'Bonfire' of a grand Park Avenue party or reception: 'Their swimming teeth.'"

Tom got a look of immediate interest, a flush of approval. "Did I say that?"

"You did."

He laughed like *Oh, that was good.*

I said I remember reading it and thinking "Oh, I am in a presence." He pressed my hand and held it for a moment.

Once the aged Tolstoy was in his sitting room, a fire in the fireplace. His daughter came in and said "Papa, listen." She read a page of a description of a great battle. He listened and said, "Oh, that's good. Who is that?" She said, "Papa, it's you. 'War and Peace.'"

All writers forget. And the greatest and most prolific forget most.

This was a great man. And I see him now as I did a dozen years ago, again at a New York Public Library dinner. We met as we were leaving, walked through the lobby, parted at the door.

It was something to see that man going down the broad imposing steps, tricked out in the white suit, a flowing black cape, a big, broad brimmed black hat worn at a tilt, the stick, walking carefully but with a certain flair, a certain élan, because he knew he was being watched because he was, let's face it, Tom Wolfe. And I was watching, as he disappeared into the night, into the teeming city, going northward toward home.

Goodbye Tom Wolfe. May you be awed, thrilled and over the moon this day by what you find now, a new and unreported world. "Flights of angels—"

Oh, it was good to have him here, wasn't it?

## Identity Politics Threatens the American Experiment

By Orrin Hatch

**K**anye West, ever the iconoclast, set social media ablaze last month when he donned a red "Make America Great Again" hat in support of President Trump. Whether a genuine expression of political belief or a publicity stunt, Mr. West's selfie sparked a much-needed discussion on the role of identity in politics.

**Increasingly we sort each other into groups, making sweeping assumptions based on binary labels.**

At the heart of Mr. West's message is the idea that all of us—no matter our race, religion or background—have the right to be more than one thing. It's a message that resonates with millions of Americans who refuse to conform to stereotypes—we included.

I grew up in poverty during the Great Depression, the son of blue-collar parents who passionately defended Franklin D. Roosevelt's New Deal. As a young man, I followed my father into the steelworking trade, where I became a card-carrying member of a labor union. When I was elected to the Senate decades later, I became best friends with Teddy Kennedy, the chamber's liberal lion. Today, I am, among other things, an advocate for the legalization of medical marijuana research and a strong proponent of transgender rights in the military.

I am also a Republican.

In fact, I am a lifelong Republican with impeccable conservative credentials, including multiple honors from the Heritage Foundation and an A-plus rating from the National Rifle Association. My record on fiscal policy is so strong that President Reagan dubbed me "Mr. Balanced Budget." I was the architect

of the Religious Freedom Restoration Act, a key player in the Clarence Thomas confirmation hearings, and the principal author of the tax-reform bill that passed Congress in December.

All of which is to say that I can be more than one thing. I can be the son of working-class parents and also a pro-business Republican. I can be a bipartisan deal maker and also a consistent conservative. I can be an ally to the transgender community and also a committed Christian. As much as my critics would like to pigeonhole me—dismissing more than eight decades of accrued wisdom and life experience based solely on the "R" that follows my name—I can't be reduced to a party platform.

I am more than the sum of my parts, and so is every American. Yet increasingly we sort each other into groups, making sweeping assumptions based on binary labels: Democrat or Republican, black or white, male or female. These labels are mere pixels in the picture of an individual's identity; they are not the picture itself. No word—no matter how descriptive—could ever distill all the nuance and complexity that is a single human being.

Our tendency to use labels to box each other in is indicative of a much larger societal problem: the unleashing of identity politics. Identity politics is tribalism by another name. It is the deliberate and often unnatural segregation of people into categories for political gain. Under this cynical program, the identity of the group subsumes the identity of the individual, allowing little room for independence, self-realization or free thought.

Some play down the dangers of this practice, but identity politics is a blight on our democracy. It feeds fear, division, acrimony and anger. Worse, identity politics is inimical to the very idea of what it means to be American.

For more than two centuries, we have been able to weave together the

disparate threads of a diverse society more successfully than any nation on earth. How? Through the unifying power of the American idea that all of us—regardless of color, class or creed—are equal, and that we can work together to build a more perfect union. It's the idea that our dignity comes not from the groups to which we belong but from our inherent worth as individuals—as children of the same God and partakers of the same human condition.

Identity politics turns the American idea on its head. Rather than looking beyond arbitrary differences in color, class and creed, identity politics separates us along these lines. It puts the demands of the collective before the sovereignty of the individual. In doing so, identity politics conditions us to define ourselves and

each other by the groups to which we belong. Soon, we lose sight of the myriad values that unite us. We come to see each other only through the distorted prism of our differences. Where identity politics reigns, so, too, do its regents: polarization, gridlock and groupthink.

Identity politics is cancer on our political culture. If we allow it to metastasize, civility will cease, our national community will crumble, and the U.S. will become a divided country of ideological ghettos.

To save the American experiment, we must reject the tribalism of our time. Both on the left and right, we must renounce identity politics in every form. We must resist the temptation to use labels, and we must allow each other room to be more than one thing.

Ideas—not identity—should be the driving force of our politics. By restoring the primacy of ideas to public discourse, we can foster an environment that will allow democracy to thrive, an environment of free thought and open deliberation unconstrained by the excesses of political correctness.

If we let any identity define us going forward, it should be our common identity as Americans, as men and women steadfastly committed to upholding the virtues of liberty and independence upon which our nation was founded. It's the only way to preserve the American experiment for future generations.

*Mr. Hatch, a Utah Republican, is president pro tempore of the U.S. Senate and chairman of the Finance Committee.*

## Get Ready to Hate Sports



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

New Jersey, one of the most impecunious states in the union, was behind this week's Supreme Court ruling overturning a federal ban on sports gambling. Not sport fans or sport leagues: It was the work of a leading

avatar of the blue-state governance model, in which public-sector unions and politicians join together to ratchet up unsustainable spending and debts.

In the days since New Jersey got the legal go-ahead to bulk up its coffers with sports betting, the urgent job of the major sports leagues has been to simulate pained acceptance of the inevitability of gambling. The NFL is late to the slightly giddy wake, but the NBA, NHL, PGA and Major League Baseball have said they will surrender to regrettable necessity on several conditions, one of which is that betting be made exceedingly convenient by enabling it on smartphones.

New Jersey's lawsuit, notice, was mounted in support of a proposal to allow sports betting at casinos and racetracks. In their anguished acceptance, the leagues insist that if so terrible a thing as sports betting must come to pass, it must be available even when you're in the bathroom.

"We want mobile platforms to be fully enabled," the PGA's David Miller told the Sports Business Journal this week. "Brick and mortar is not realistic to engage fans."

Bingo. Having opposed gambling for so long, the leagues now see it as the solution to their most pressing problem, dwindling TV audiences. "Engagement," after all, is known to be much higher among viewers who have money on the game.

The leagues are already out promoting their wants to state legisla-

tors, couched as ethical requirements. They insist on control of the data used to decide bets and set odds, and they want to get paid for it—1% of the gross, which would amount to a whopping 20% of the cash flow that would typically go to sports bookies given that most gross revenues are paid out as winnings.

The leagues also want control over what kind of bets can be placed. If fans are allowed to bet on whether the next pitch will be a curve or slider, or whether a player

**How the welfare state leads to legalized betting on the national pastime.**

will make or miss a free throw, it would multiply opportunities for the corruption of players, officials and coaches—which would be fine! Every two minutes there could be something new to bet on. A three-hour game (with commercials) would go by like a breeze. And the leagues could clothe themselves in new importance as assurers of "game integrity."

Sports gamblers long have been a highly engaged if somewhat bashful segment of the sports audience. Now they will be front and center. TV coverage will increasingly be geared toward them. Leagues will transform themselves into highly professional guarantors of fun and fair betting for the whole family.

All this may not be so great for sports or sports culture, but remember what's been driving the inexorable march of state-sponsored gambling in all its forms: the funding needs of the welfare state.

Gambling is what economists call an "inferior good"—demand is higher among those at the lower end of the income scale. As economist Sam Papenfuss argued in a 1998 paper, state-sponsored gambling became popular

as a way for high-income taxpayers to recoup some of the money spent on programs for the poor. State-sponsored gambling in the form of lotteries (now in 44 states) arrived on the same antitax wave that gave us property-tax caps and other antitax measures in the 1970s and '80s.

It should not surprise anyone that Democrats, as big supporters of the welfare state, have been the biggest supporters (though by no means exclusively so) of gambling as a way to finance it.

Some states, including Pennsylvania and Connecticut, have made sure legislation is already in place to regulate and tax the now-legalized gambling. Their clairvoyance was based not on reading court tea leaves. They recognized that gambling was one of the few remaining untapped funding sources that voters would allow.

Even if you believe the sports leagues can adequately police cheaters—and with modern data and techniques they probably can—gambling inevitably now becomes the tail that wags the dog. The PGA may swear it won't have viewers betting on every putt. Baseball won't have them betting on whether an error will be committed or a run scored in the next inning. But you just know the wheel will turn steadily and relentlessly in the direction of multiplying the opportunities for bets.

All the leagues, even the NFL, now are reluctantly in favor of gambling, and reluctantly insisting that it not be limited to casinos or other fixed locations inconvenient to maximizing the betting pool. Without getting misty-eyed, down this road lies turning the national pastime into jai alai. Though it won't be presented this way, such is the consequence of the insatiable funding needs of the welfare state rippling through institutions that seemingly have nothing to do with the welfare state.

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## SPORTS



PGA TOUR

## Golf's 'Bomb and Gouge' Era

BY BRIAN COSTA

**A FEW YEARS AGO**, veteran pro golfer Davis Love III took his son to see the renowned sports psychologist Bob Rotella. Dru Love, who was then playing for the University of Alabama, was struggling badly with his driver, so Rotella asked him some questions.

Who were his favorite golfers? "Tiger Woods and Phil Mickelson," the younger Love said.

And how often do they hit the fairway? "Oh, they hit it all over the place," he replied.

"So," Rotella told him, "why are you worried about how straight your drive is?"

This is the point to which golf has evolved in the power era: The solution for an aspiring Tour pro worried about missing the fairway is to stop worrying about missing the fairway. It's not a mind trick. It can be a sound strategy. "Genius," Love III said.

Long and wide off the tee is beating short and straight more often than not, a shift that is upending not just how golf is played but how players think about the game. "Bomb and gouge" has gone from a novel concept—bombing the ball with a driver and gouging it out of the rough—to something approaching religion on the PGA Tour.

Woods and Mickelson are still

doing it—they're in the midst of renaissance seasons while hitting the fairway barely more than half the time, ranking near the bottom of the Tour. But behind them are a generation of players who are doing it even better, partly because they are driving the ball even farther.

There are 143 players on the PGA Tour who have hit the fairway more often than Justin Thomas has this season. He does it only about 58% of the time. Yet with an average drive of nearly 313 yards, only seven players are longer. On Sunday, after tying for 11th place at the Players Championship, Thomas surpassed Dustin Johnson to become the No. 1 player in the world.

"There's definitely been a change in priority from hitting it straight to hitting it long," said 2006 U.S. Open winner Geoff Ogilvy. "When I was a kid, the intent was to hit the ball well, and if it went long, then that was a bonus. Now, it's hit the ball long, and if it goes straight, it's a bonus."

There is a reason for all the thick grass, sand, water and trees that surround fairways, beyond their contributions to the misery of American retirees. It is supposed to be important to hit the ball reason-



For many modern golf pros, including Phil Mickelson, it's all about length instead of fairways hit.

ably straight. Thirty years ago on the PGA Tour, it was.

In 1988, the top 10 players on the money list were collectively straighter than they were long, relative to their peers. The leading money winner was Curtis Strange, who hit 77% of fairways, the third most on Tour, while ranking just 142nd in driving distance, at 258 yards. That length would rank dead last today.

All of the forces that conspired to spark an ongoing surge in distance—club and ball technology and physical fitness among them—have made elite distance a significantly bigger advantage than it used to be. The longest hitters land their tee shots close enough to the green to use wedges on their ap-

proach shots. Those high-lofted clubs can cut through the rough with such ease that it largely nullifies the penalty.

"It's still easier to hit from the fairway than it is to hit out of the rough," said Tony Finau, who is driving the ball 317 yards while hitting just 52% of fairways. "But I would rather hit a pitching wedge out of the rough than a 6-iron from the fairway."

Mark Broadie, a Columbia University business professor who pioneered modern statistical analysis in golf, said it's not as if today's bombers are wild. More power simply makes misses look bigger, he said, and his analysis has proven the added yardage to be more valuable than the accuracy lost.

"Players are intuitively optimizing their score by making good tradeoffs there," Broadie said.

But it's not always a calculated decision. Rory McIlroy, a prototypical bomb-and-gouge player, said he would gladly give up 20 to 25 yards off the tee if it would mean hitting the fairway an extra 15% of the time.

"One hundred percent, I would do that," he said. "But we grow up around this game not knowing how to hit an easy driver. You stand up with a driver and you hit it as hard

as you can and you hope it's going to go in the fairway."

Likewise, in an interview early last year, Thomas said he was trying to hit more fairways, even if it meant sacrificing a few yards. "I don't need distance," he said. He gained it anyway, becoming more than 8 yards longer off the tee in 2017 than he was in 2016. He hit the fairway only marginally more often.

For this failure he had to settle for five wins, including the PGA Championship, a FedEx Cup title and Player of the Year honors.

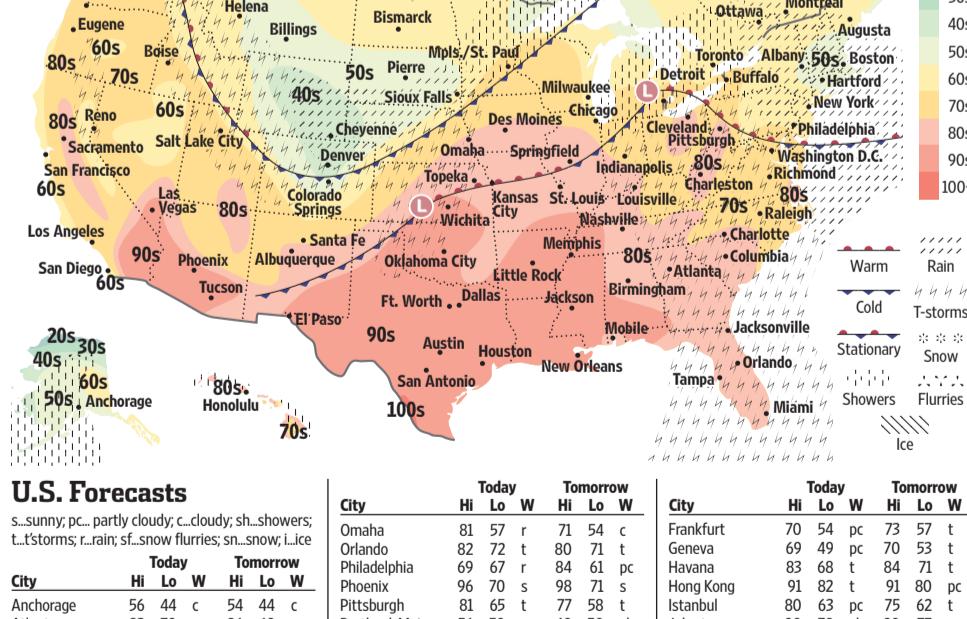
To be sure, the percentage of fairways hit is an imperfect measure of accuracy.

The width of fairways can vary, and the traditional metric makes no distinction between balls that land just off and those that land in, say, a water hazard.

And there are still exceptions. Webb Simpson won the Players Championship while ranking last in driving distance and first in driving accuracy for the tournament. But for the most part, what lies beyond the short grass instills little fear in today's bombers.

"If we played courses where you really couldn't miss the fairway and be the best player in the world, these guys wouldn't miss," said Ogilvy, who is also a course designer. "But because they can get away with it, they do it."

## Weather



## U.S. Forecasts

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	56	44	c	54	44	c
Atlanta	83	70	pc	86	69	pc
Austin	94	71	pc	90	69	t
Baltimore	73	68	r	85	62	pc
Boise	76	54	pc	77	56	c
Boston	55	53	r	75	56	t
Burlington	61	56	r	70	50	r
Charlotte	82	67	t	84	68	c
Chicago	75	50	c	66	53	c
Cleveland	80	58	t	68	55	pc
Dallas	92	71	s	89	71	c
Denver	48	39	t	61	44	pc
Detroit	77	57	r	72	52	pc
Honolulu	85	74	pc	85	73	pc
Houston	92	76	s	91	74	pc
Indianapolis	79	64	t	85	66	t
Kansas City	85	64	t	81	58	pc
Las Vegas	92	71	s	91	71	pc
Little Rock	94	70	s	93	68	pc
Los Angeles	72	59	pc	71	60	pc
Miami	80	72	t	82	73	t
Milwaukee	64	46	c	56	47	c
Minneapolis	73	48	c	67	54	pc
Nashville	87	70	pc	91	69	pc
New Orleans	93	75	pc	92	72	pc
New York City	61	60	r	80	60	t
Oklahoma City	90	63	pc	80	63	pc

## International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	62	48	pc	74	54	c
Athens	84	67	s	83	67	pc
Baghdad	101	72	s	103	78	s
Bangkok	92	80	t	92	79	t
Beijing	81	58	pc	67	56	c
Berlin	70	47	pc	70	52	pc
Brussels	63	40	s	61	45	pc
Dubai	97	81	s	101	83	s
Dublin	65	51	pc	63	49	sh
Edinburgh	68	49	pc	65	48	t

## PREAKNESS STAKES

## JUSTIFY IS BACK ON TRACK

BY JIM CHAIRUSMI

**SHORTLY AFTER** Justify splashed home in the mud to win the Kentucky Derby on May 5, there weren't many trainers anxious to run against the undefeated colt in Saturday's \$1.5 million Preakness Stakes.

Kieran McLaughlin, trainer of 14th place Derby finisher Enticed, called Justify a "freak," while Dale Romans, trainer of 15th place Promises Fulfilled, said the Derby winner was a "super horse."

But the morning after Justify's win, as trainer Bob Baffert led his star colt out of the barn to greet well-wishers, the horse appeared hesitant to put weight on his left hind foot. Baffert told reporters this week that he didn't realize it at the time, but Justify's heel was tender from running on a muddy track. The bruised heel was quickly treated before it became an issue, Baffert said, and Justify has looked sharp during morning gallops at Churchill Downs before arriving in Baltimore on Wednesday.

"It's like having a blister on your feet, if you get on it right away, it's going to be fine," Baffert said.

With the Kentucky Derby champion potentially looking vulnerable, seven challengers are set to enter the starting gate to take on Justify in the Preakness.

Of the Derby runners, second-place finisher Good Magic, Bravazo (6th) and Lone Sailor (8th) will run back, along with new shooters Diamond King, Quip, Sporting Chance and Tenfold.

Hall of Fame trainer D. Wayne Lukas, who saddles two horses in Saturday's race, Bravazo and Sporting Chance, has witnessed how quickly Justify has bounced back, but the 82-year-old trainer, who has won a record 14 Triple

Crown races, said you can't win if you don't take a shot.

"If you're going to bet on the fastest horse and the most powerful, you better bet on [Justify]," Lukas said. "But you can't mail it in. You got to go over there and you got a different track, a different surface, a different trip."

Also providing some hope to the challengers is the fact that most Derby winners have looked invincible heading into the Run for the Black-Eyed Susans, but since 2000, 11 of 18 Derby winners have lost in the Preakness, including the past two years.

Baffert, however, is 4-for-4 when running a Derby winner two weeks later at Pimlico, with Silver Charm (1997), Real Quiet (1998), War Emblem (2002) and American Pharoah (2015) all hitting the winner's circle.

"I think every horse I've taken to Baltimore that won the Derby...they're in the zone, they're just peaking," said Baffert, who can tie Lukas's Triple Crown record with a victory on Saturday.

"To me, the Preakness is a lot of fun," he said. "The only thing you have to watch out for is you don't overdo it on the crab cakes."



Justify gallops at Pimlico on Thursday.

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

20s 30s 40s 50s 60s 70s 80s 90s 100s

Anchorages 50s 60s 70s 80s 90s 100s

Vancouver 60s 70s 80s 90s 100s

Seattle 70s 80s 90s 100s

Eugene 60s 70s 80s 90s 100s

Portland 80s 90s 100s

Calgary 70s 80s 90s 100s

Edmonton 60s 70s 80s 90s 100s

Winnipeg 50s 60s 70s 80s 90s 100s

Bismarck 60s 70s 80s 90s 100s

Billings 70s 80s 90s 100s

Pierre 50s 60s 70s 80s 90s 100s

Minneapolis 40s 50s 60s 70s 80s 90s 100s

St. Paul 50s 60s 70s 80s 90s 100s

Sioux Falls 50s 60s 70s 80s 90s 100s



BETTING TV EYES A JACKPOT B3

# BUSINESS & FINANCE



HOTELS BLACKSTONE CHECKS OUT B10

PATRICK T. FALLON/BLOOMBERG NEWS

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THE WALL STREET JOURNAL.

Saturday/Sunday, May 19 - 20, 2018 | B1

DJIA 24715.09 ▲ 1.11 0.004% NASDAQ 7354.34 ▼ 0.4% STOXX 600 394.67 ▼ 0.3% 10-YR. TREAS. ▲ 12/32, yield 3.067% OIL \$71.28 ▼ \$0.21 GOLD \$1,290.20 ▲ \$2.00 EURO \$1.1771 YEN 110.75

## Sales Woes Force Out Campbell's CEO

Denise Morrison departs as turnaround sputters; some brands may be on the block

BY ANNIE GASPARRO

**Campbell Soup** Co. chief Denise Morrison stepped down on Friday and the company said it might sell some brands, after a bet on fresher foods under her leadership failed to revive sales.

Campbell's U.S. soup sales—its core business—fell in all but one year of Ms. Morrison's seven-year tenure. Efforts to

enter the faster-growing fresh-food business, through the acquisition of Bolthouse Farms juice for instance, hit their own hurdles.

Campbell's shares fell 12% on Friday as the company also reported worse-than-expected earnings. The drop marks its second-largest one-day decline on record, based on available data going back to early 1972.

Like other American packaged-food mainstays, Campbell has been under intense pressure to satisfy customers seeking healthier and more convenient foods.

Decades ago companies like Campbell, Kellogg Co. and Gen-

eral Mills Inc. introduced consistent and in many cases long-lasting products that routinely filled American pantries. Beyond soup, Campbell makes Pepperidge Farm cookies, V8 juices, SpaghettiOs and more. But those traditional suppliers are now squeezed on one end by higher-end, often fresher brands and on the other by cheaper store labels that grocers have added aggressively in recent years.

Campbell said Ms. Morrison, 64 years old, will be replaced for now by board member Keith McLoughlin while the company undertakes a review of its product portfolio, which

could involve selling some brands and distributing resources differently among others.

"We must take a fresh look...with urgency," Mr. McLoughlin said on a conference call to discuss earnings for the company's latest quarter. Ms. Morrison wasn't on the call.

"Everything is on the table," Mr. McLoughlin said. "There are no sacred cows."

Some analysts think Kraft Heinz Co., which was formed in a roughly \$49 billion merger in 2015, could try to acquire Campbell. To succeed, the suitors would have to win over

Campbell's insider shareholders, including the Campbell Trust and Mary Alice Dorrance Malone, a board member and heiress to the company's founders. Together those groups own about 42% of Campbell's shares, according to Factset.

Ms. Morrison is the 15th CEO to leave a major packaged-food or meat company since the start of 2016, said JP Morgan analyst Ken Goldman. Last year, Kellogg, General Mills, Mondelez International Inc. and Hershey Co. all got new chiefs. Shares in the sector are down 16% this year, Please see SOUP page B2

## Crypto Startups Prospect Banking

BY RYAN TRACY

**Coinbase** Inc. and another cryptocurrency firm talked to U.S. regulators about the possibility of obtaining banking licenses, a move that would allow the startups to broaden the types of products they offer.

Coinbase, which operates the largest U.S. cryptocurrency exchange by trading volume, met with officials at the U.S. Office of the Comptroller of the Currency in early 2018, according to a person familiar with the matter. Meanwhile, **Ivy Koin** LLC, a payments startup, in recent weeks sat down with officials at the Federal Deposit Insurance Corp., this person said. Ivy Koin President Gary Fan confirmed the meeting.

The discussions included other topics, such as the firms' business models, this person said. The companies might not seek a bank charter, which would significantly ramp up regulatory scrutiny. Any decision to do so would depend on whether they think the benefits of becoming a bank outweigh the costs.

A federal banking charter would let the firms swap a hodgepodge of state regulators for one primary federal one. The companies would also gain the option of directly offering customers federally insured bank accounts and other services, rather than joining with existing banks.

A Coinbase spokeswoman declined to comment on the meeting. She said the firm is "committed to working closely with state and federal regulators to ensure we are properly licensed for the products and services we offer." An OCC spokesman declined to comment.

Ivy Koin pitches itself as a payments platform for government-issued currencies and cryptocurrencies that uses "know your customer" technology to detect money laundering.

In the near term, Ivy Koin is working with banks rather than trying to become one, but it asked regulators about a banking license to understand what might be necessary if it decided to apply, Mr. Fan said.

Please see BANKS page B2

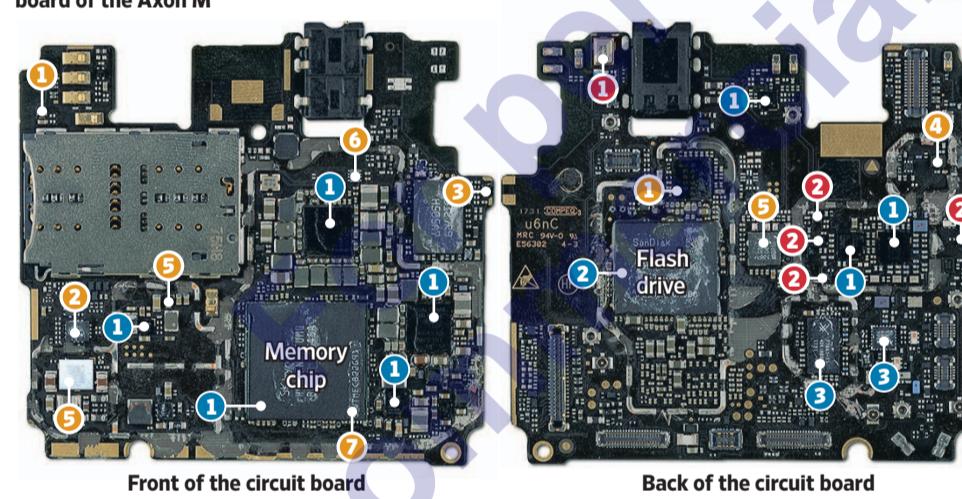
## Chinese Phone Giant Runs on U.S.-Made Parts

BY DAN STRUMPF

### No Longer Conducting

About 60% of the electronics in ZTE's flagship Axon M smartphone come from U.S. suppliers, which are now barred by Washington from shipping components to the Chinese telecom firm.

**A detailed look at the circuit board of the Axon M**



\*In dollar terms; does not equal 100% due to rounding Sources: ABI Research; the company (Axon photo)

familiar with the matter.

The export ban, which also affects ZTE's network-equipment business, has been devastating for the company as it has been forced to shut down its major operations.

The company is now a political pawn in the U.S.-China trade dispute and its fate could depend at least partly on the outcome of negotia-

tions this week between the two sides in Washington. Earlier this week, President Donald Trump tweeted that he would try to get ZTE back in business, and Commerce Secretary Wilbur Ross said he was looking at alternative punishments.

A new roadblock for ZTE emerged in the U.S. Congress on Thursday, when the House

Appropriations Committee, in a bill to fund the Commerce Department, passed an amendment opposing any rescue of ZTE.

"ZTE needs to try everything to reach a settlement with the U.S. government," said Mo Jia, an analyst at Canalys, a mobile-device research firm. "if it fails, it would be extremely hard for

ZTE to carry on its smartphone business."

A ZTE spokeswoman didn't respond to a request for comment. Qualcomm didn't respond to a request for comment.

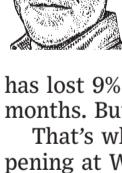
Even if exports to ZTE resume, the damage to its business is likely to endure, as both suppliers and customers

Please see ZTE page B4

Please see BANKS page B2

THE INTELLIGENT INVESTOR | By Jason Zweig

## The Robots Are Here, So Keep an Eye on Them



Not many people would keep adding money to a brand-new investment that has lost 9% in its first four months. But a robot will.

That's what has been happening at Wealthfront Inc., the automated online investment manager, or robo adviser, that manages about \$10.5 billion. In January, the firm launched Wealthfront Risk Parity, a mutual fund that invests across stocks, bonds and commodities around the world. For many clients with at least \$100,000 invested at Wealthfront, the firm has been automatically moving as much as 20% of their assets into the fund, unless they stipulated that they don't want it to.

Wealthfront has amassed \$690 million in the fund and says it expects to hit \$900 million soon. Some \$440

million came in last month, according to Morningstar Inc., even as the fund lost 2.6% while the stock market and comparable risk-parity funds were up slightly.

As Wealthfront's vice president for research, Jakub Jurek, rightly points out, four months is "just noise," far too short a period to draw any conclusions about the success of a long-term investment strategy. And a similar approach has worked reasonably well in the hands of such leading investors as Bridgewater Associates LP, the world's largest hedge-fund manager by assets, and AQR Capital Management LLC, which oversees \$30 billion in such strategies.

Even so, as Wealthfront continues frog-marching investors into the fund despite its poor initial performance, confusion reigns.

Its prospectus says the

Please see INVEST page B6

## So-So Shows Survive in New TV World

BY JOE FLINT AND ALEXANDRA BRUELL

When TV networks decided which shows to put on their fall TV schedules this year, ratings and appeal to advertisers were major considerations, as always.

But other factors are increasingly at play, including whether shows can generate revenue as reruns on streaming services and other digital platforms, or from international sales.

Networks are also favoring shows they own—meaning those produced by their parent companies' in-house studios—because the owner of a show can tap into those nonadvertising revenues.

Those dynamics were on display this week as the big broadcast networks unveiled their lineups for the new TV season. Jockeying for the \$70 billion marketers are expected to spend on TV commercials this year remains hugely important.

But in many cases, the shows that made the cut—or stayed off cancellation—didn't have ratings that would im-

press Madison Avenue.

Take CBS Corp.'s Sherlock Holmes-inspired drama "Elementary." The show has been on for six seasons, and its ratings appear to be in an irreversible decline. It is the least-watched of all the network's

dramas.

But revenue from a deal with Hulu, plus the show's success overseas, has made "Elementary" a very profitable show for CBS, and it will be back next season.

"The factors that go into re-



The comedy 'Brooklyn Nine-Nine' was made by a sister studio of NBC, which picked up the show.

newing a show are much more complicated and numerous than they were just a few years ago," said Kelly Kahl, president of CBS Entertainment.

It is a similar story at Walt Disney Co.'s ABC, which is

Please see TV page B2

JOHN P. FLEMING/ASSOCIATED PRESS

## BUSINESS &amp; FINANCE

# Deere to Raise Prices as Steel Costs Climb

BY BOB TITA AND ALLISON PRANG

**Deere & Co.** is raising equipment prices this year to protect profit as costs rise.

The maker of farm and construction machinery said Friday that profit was up 50% and equipment sales up 34% annually in its latest quarter, though both figures dis-

**Import tariffs are potential threat to equipment maker's strong profit growth.**

pointed analysts. Deere's shares rose 5.8% to close at \$155.25, as investors appeared to focus on Deere's strong outlook for sales growth this year, analysts said.

Rising expenses in recent quarters have weighed on Deere's performance even as machinery demand picks up. Deere said Friday that it was still paying more for freight

and materials.

Chairman and Chief Executive Samuel Allen said the company would cut costs and raise prices to protect profit.

Deere joined a host of U.S. manufacturers reporting rising expenses as a growing U.S. economy drives up prices for materials and shipping. Prices for steel and aluminum have been pushed up by U.S. tariffs on imported metal.

Deere executives said they had to pay more to get their shipments made early this year, pushing up transport costs. They said they would raise prices to reflect that and higher steel expenses as Deere begins taking orders on 2019 models later this year.

"We do expect the pricing we're going to take for 2019 to be more than offsetting the inflation we're seeing," said Josh Jepsen, Deere's director of investor relations.

Deere now expects net income of about \$2.3 billion for the year ending Oct. 31, up from its previous forecast of \$2.1 billion. The company predicts overall sales of farm and



**Deere is the latest manufacturer to report rising expenses as a growing economy drives up the cost of materials and shipping.**

construction equipment will increase by about 30% this year to \$33.7 billion.

Deere forecast a 14% increase this year in sales of its iconic green and yellow farm machinery and landscaping

equipment after several years of tough sales in its home market. Sales of farm and landscaping machinery rose 22% to \$7 billion in the quarter that ended April 29, while profit from the business rose

5% to \$1.1 billion. Deere expects sales for the construction unit to rise by 83% this year, aided by the addition of German road-paving equipment maker Wirtgen Group.

On an adjusted basis, Deere

said it made \$1.03 billion, or \$3.14 a share, in the second quarter. Equipment sales were \$9.7 billion.

◆ Heard on the Street: It's still Deere's season. **B12**

## TV

*Continued from the prior page* bringing back the low-rated Marvel show "Agents of S.H.I.E.L.D." The show never lived up to expectations on ABC, but it does well on Netflix Inc.'s service and has international appeal that justifies keeping it around, a senior ABC executive said. Marvel is also owned by Disney.

Media companies now see "the global content market as a driver of their businesses," RBC Capital analyst Steven Cahall said in a recent report.

Still, ABC didn't want "Agents of S.H.I.E.L.D." to be a drag on its fall schedule anymore: The next and final season is scheduled next year for summer, when television viewership tends to decline.

At NBC, the decision to pick up the comedy "Brooklyn Nine-Nine," which Fox discarded af-

ter five seasons, was also a no-brainer. The show is made by NBC's sister studio, Universal Television, and additional episodes will boost the show's value in the rerun market. NBC is a unit of Comcast Corp.

Conversely, a show that lacks a significant economic interest for a network faces a tougher challenge in sticking around or landing a plum spot on the schedule.

Last spring, ABC surprised viewers and advertisers by canceling the family sitcom "Last Man Standing." The network didn't own the show, and it couldn't come to terms on a new deal with producer Twentieth Century Fox Television. Now, in a twist, Twentieth Century Fox has struck a deal with its sister network Fox to bring the show back this fall.

Both Twentieth Century Fox and Fox are units of 21st Century Fox, which shares common ownership with Wall Street Journal parent News Corp.

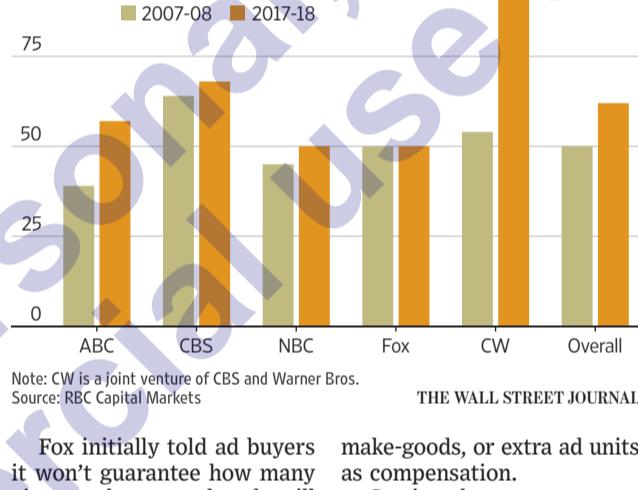
The greater weight given to nontraditional measures of success in deciding whether shows live or die comes as traditional television struggles to maintain its place in the pecking order with advertisers. Marketers increasingly have other options for where to put their money, and their outlays on digital platforms like Alphabet Inc.'s Google and Facebook Inc. have grown steadily.

TV networks are hardly giving up on advertising as a major source of revenue. They are changing up their approach by launching new ad products and reducing the number commercials in episodes, to avoid irritating consumers who are tired of the interruptions.

Fox is introducing a commercial break that will feature only two 30-second messages—so both are adjacent to programming—as well as a "Fox Block," a three- to six-minute ad that is meant to be entertaining.

## Better to Own Than Rent

TV networks are buying a large portion of their shows from in-house studios.



make-goods, or extra ad units, as compensation.

Cutting down on commercials has forced networks to raise ad prices. In cases where ad time is reduced or there are

new ad formats, Comcast's NBCUniversal is charging around 50% more, according to ad buyers.

Turner, Time Warner Inc.'s cable TV unit, in some cases is asking for increases of up to 20% to reflect reduced ad load and revamped programming, according to buyers.

"Consumers want fewer, more relevant commercials and advertisers want to enhance their 'ownable' opportunities with the most powerful marketing vehicle they have: prime time television," said Linda Yaccarino, chairman of advertising and client partnerships at NBCUniversal, in a statement provided by an NBC spokesman.

David Campanelli, an executive vice president at ad media buyer Horizon Media, said that television companies face a challenge. "They've lost revenue by taking out commercials. How do you make that up?"

## SOUP

*Continued from the prior page* while the overall S&P 500 is up 1.6%.

The failure of big food makers to anticipate consumer demand for simpler, recognizable ingredients and fresher foods has left them playing catch-up to newer, smaller rivals.

"Our company has clearly faced challenges," said Mr. McLoughlin, 61, who has been on Campbell's board since 2016. "Some of those are external factors that are impacting the entire industry and others stem from our execution."

Ms. Morrison was acutely aware of what she often called a "seismic shift" in the way people are eating. She was determined to win over millennials and transform Campbell into a broader "health and well-being" company.

Ms. Morrison diversified the business through acquisitions that she hoped would counteract sales declines for its soup, Swanson broth and Prego pasta sauce. In 2012 Campbell bought Bolthouse Farms, which sells baby carrots and refrigerated juices. A year later, kids' food brand Plum Organics was added. Then, Garden Fresh Gourmet salsa, and last year Pacific Foods organic soups.

Campbell in December said it would acquire snack maker **Snyder's-Lance** Inc. for \$6.1 billion, including debt, its biggest deal ever. Ms. Morrison boasted at the time that the deal meant Campbell's product line covered everything "from soup to nuts."

Analysts saw it as a break from her plan to focus on fresher foods.

Ms. Morrison has said it was hard to push a traditional, century-old company to take risks like the Bolthouse Farms purchase. But that deal didn't pay off as she hoped. Fresh foods have proved hard to source and manage when weather affects produce har-

vests.

Campbell, which is based in Camden, N.J., had to recall some beverages from stores due to food-safety issues. The expansion into the fresh business hurt profit margins, while the company's core brands, including U.S. soup, continued to falter.

Over the years, Ms. Morrison introduced organic versions of classic Campbell's soups and a new line of soups called Well Yes that are made with trendy ingredients like quinoa. Lately, she had talked about introducing sippable soups to try to make people think of soup as an on-the-go snack.

Last year, Campbell's soup



Over seven years, Denise Morrison tried to revive sales at Campbell by focusing on fresher foods.



In addition to streamlining how Coinbase is regulated, a federal license could help it acquire deep-pocketed customers such as hedge funds.

## BANKS

*Continued from the prior page*

At the meeting, they "talked about our business model, what we hope to accomplish, next steps for us, key risks and how we can help banks manage that," he said. "Our experience was really positive and [regulators] actually encouraged the discussion."

An FDIC spokeswoman declined to comment on the meeting but said, "We encourage parties to have informational conversations on the application process." The FDIC grants deposit insurance to new banks.

Financial-technology, or fintech, firms operating lending or payments businesses are known to have considered applying for bank charters. The notion is relatively new in the cryptocurrency sector,

which has drawn scrutiny from U.S. officials for allowing rapid growth in transactions outside the regulated financial system.

"Cryptocurrencies are strikingly innovative but also pose challenges associated with speculative dynamics, investor and consumer protections, and money-laundering risks," Federal Reserve governor Lael Brainard, who helps oversee U.S. banks as one of three members of the Fed's governing board, said in a May 15 speech.

Millions of customers have already used Coinbase accounts to buy and sell bitcoin and other cryptocurrencies and exchange them for dollars. Coinbase connects to the payments system through banks and operates under state money-transmission licenses in the U.S., meaning it deals with dozens of regulators.

In addition to streamlining

how Coinbase is regulated, a federal license could help the company acquire deep-pocketed customers such as hedge funds. Coinbase this week announced new products to hold institutional investors' money in custody, through a partnership with a brokerage regulated by the Securities and Exchange Commission.

Coinbase could offer custody services itself with a bank license, such as a limited-purpose charter from the OCC that allows banks to provide custody or payment services even if they don't maintain insured deposits. The firm is also exploring becoming an SEC-regulated brokerage, The Wall Street Journal has reported.

On the other hand, banks

face a raft of rules governing their funding sources and consumer-facing activities, enforced by both state and federal bank regulators. Compliance can mean hiring more

lawyers and buying or revamping internal systems.

Banks offering taxpayer-insured deposits face an even greater degree of scrutiny, including requirements under the 1977 Community Reinvestment Act to serve Americans of all income levels.

"Most fintechs come to us because they have heard of this thing called a national banking charter that gives them pre-emption across state lines," Comptroller of the Currency Joseph Otting told members of the American Bankers Association trade group in April, referring to the fact that federal banking rules override some state laws.

"When they come and they speak to us, and they understand what it really takes to be a bank, they kind of glaze over and often leave skid marks leaving the building."

He didn't mention any firm by name.

business was dealt a major setback when the company couldn't reach an agreement with Walmart Inc. over promotional pricing.

Walmart typically generates about 20% of Campbell's overall sales, so losing shelf space for soup there hurt Campbell's sales for months. In its just-ended fiscal third quarter, Campbell's U.S. soup sales fell 1%.

Campbell finance chief Anthony DiSilvestro said its fresh business has been hit by low crop yields in carrots, lower manufacturing yields and higher costs for transportation and logistics. "The return to profitability has proven certainly more challenging than we anticipated," he said on the company's conference call. "We're going to do a deeper dive in the fourth quarter...and figure out what we're going to do."

— Vanessa Fuhrmans contributed to this article.

## BUSINESS NEWS

# Perry Ellis Founder Picks Four For Board

BY ALLISON PRANG

George Feldenkrais, former chief executive of **Perry Ellis International** Inc. and its biggest shareholder, nominated four people to the apparel maker's board of directors just a few months after he offered to buy the entire company.

Mr. Feldenkrais, who founded the company and continues to serve on its board, nominated his son, Oscar Feldenkrais, who is Perry Ellis' current CEO, and three other external candidates to the seven-member board.

The elder Mr. Feldenkrais owns about 10.8% of the company. He was previously executive chairman of the board, but that role was eliminated in September. He had served as CEO until April 2016.

George Feldenkrais said in a release on Friday that he wanted to agree on a deal by May 18, the deadline Perry Ellis had set for board nominations. He ultimately went ahead with his own board nominees "given the amount of time that has passed since the proposal was submitted to the board and Mr. Feldenkrais' belief that any remaining issues in the definitive agreement could be resolved without the need for an extension," the release said.

George Feldenkrais in February had proposed buying Perry Ellis for \$27.50 a share, or about \$430 million. The Wall Street Journal reported in February that he would work with Fortress Investment Group LLC on the deal and that Oscar Feldenkrais would be asked to contribute.

Perry Ellis said in a statement late Friday morning that it would "review Mr. Feldenkrais' proposed nominees in due course."



Industry observers say a recent Supreme Court ruling could lead to increased ad spending, more engaged TV viewers and even higher values for sports media properties.

BILL BAPTIST/NBAE/GOTTY IMAGES

# Sports Betting Excites Media Firms

BY ALEXANDRA BRUELL AND SHALINI RAMACHANDRAN

Media companies think they may have hit the jackpot with the Supreme Court's ruling on sports betting.

On Monday, the Supreme Court struck down a federal law that prohibited sports gambling, paving the way for states to make their own decisions about allowing legal betting on athletic events.

The ruling has media and advertising executives envisioning a world in which more viewers tune into live televised sporting events and follow more sports coverage in great detail. Those more-engaged fans would then attract more advertising dollars, including those of gambling companies themselves, executives say.

Media companies are already tossing around programming ideas and ways to incorporate more stats and betting options on their digital platforms. The change could even inflate the value of leagues, teams, sports media properties and sports TV rights, executives say.

Turner, the **Time Warner** Inc. division that includes TBS and TNT, could use its Bleacher Report site as a platform to program shows and stats for bettors and potentially partner with third-party online betting platforms, a person familiar with the company's thinking said.

"When disruption and change happens, it's an opportunity," said Turner President David Levy. Getting into the sports betting business "is a

very big opportunity that every media company will have to look at," he said.

At an ESPN presentation for advertisers on Tuesday, executives and on-air talent expressed interest in sports betting as a phenomenon that could drive bigger audiences for sports programming.

SportsCenter host Scott Van Pelt, who has a bettors-focused "Bad Beats" segment on his show, said big TV networks could potentially create leagues, similar to fantasy sports. "The number of revenue streams that come out of this are endless," Mr. Van Pelt said in an interview.

CBS Corp.'s chief advertising revenue officer, Jo Ann Ross, said that if gambling on games is legal it could mean the return of the ad-spending

bonanza from fantasy-sports companies like **FanDuel** Inc. and **DraftKings** Inc. "We're always open for business," said Ms. Ross.

The daily-fantasy sports companies at one point were a huge source of ad revenue for sports networks before they pulled back amid scrutiny over whether they violated gambling laws.

**DraftKings** said it has been preparing since 2017 to launch a sports-betting platform for mobile. Chief Business Officer Ezra Kucharz said he sees opportunities for more marketing spending and has also received more interest from advertisers in DraftKings' platform.

More interest in games would be welcome news for TV networks. While the captive audiences for live sports

are compelling for advertisers, sports programming hasn't been immune to ratings declines as more consumers cut the cord and turn to new streaming services.

It is too early to tell how far-reaching sports betting will be, especially if not every state legalizes the activity, said Brian Wieser, a senior analyst at Pivotal Research Group. Also, there might be regulations preventing certain ads that mention gambling, he said.

The Supreme Court ruling has also sparked new potential bidders for Sports Illustrated, according to Art Slusark, a spokesman for Meredith Corp., which has put Sports Illustrated up for sale.

—Jeffrey A. Trachtenberg and Joe Flint contributed to this article.

# United Technologies to Sell Ice Cream Machine Business

BY AISHA AL-MUSLIM

**United Technologies** is selling the Taylor Co., which produces ice-cream and frozen-drink machines, to **Middleby** Corp. for \$1 billion in cash, as the industrial conglomerate works to sharpen its focus on its core businesses.

United Technologies—which owns jet-engine maker Pratt & Whitney, Otis elevators and Carrier air conditioners—said Taylor had been part of its climate, controls and security unit.

In 2017, Taylor generated

about \$315 million of revenue and \$65 million of adjusted earnings before interest, taxes and depreciation, according to Middleby. United Technologies generated a total of \$59.84 billion in net sales last year.

Elgin, Ill.-based Middleby, a manufacturer of food-service equipment, said the acquisition will bolster its position in the commercial food-service industry. Rockton, Ill.-based Taylor's product line also includes beverage machines and automated double-sided grills. Taylor's products are used in quick serve, casual

dining, retail, convenience stores and institutional food-service establishments.

The deal comes as United Technologies is pushing to close one of the biggest aerospace deals ever and weighs a breakup, a move Bill Ackman's Pershing Square Capital Management LP and Daniel Loeb's Third Point LLC have been pushing the company to pursue.

United Technologies agreed in September to buy Rockwell Collins for \$23 billion. The Farmington, Conn., company has said it would conduct a portfolio review to examine a split, a process it expects to complete by year-end.

In separating, Rockwell would merge with United Technologies's aviation-services division and Pratt & Whitney engines division to form a large aviation company, while both the climate, controls and security division and Otis elevators business would become separate companies.

Middleby plans to finance its purchase of Taylor with an existing credit line. The company said it expects the acquisition to increase its earnings per share within the first year after closing. The Taylor management team is expected to continue to run the business and operate from its existing facilities, Middleby said.

# Data Firm Files for Bankruptcy

BY PEG BRICKLEY

**Cambridge Analytica** LLC, embroiled in controversy following allegations of misuse of Facebook Inc. data during the 2016 presidential campaign, filed for bankruptcy protection in New York.

The data firm's U.K. branch, which was at the center of the controversy, filed for protection from creditors in the U.K. earlier this month. Thursday's chapter 7 filing in the U.S. Bankruptcy Court in New York was made along with the U.S. arm of Cambridge Analytica's

consulting business, SCL Group.

The decision to close down operations comes after Cambridge Analytica said it saw a sharp drop in business following the Facebook revelations earlier this year. The data firm, which worked with President Donald Trump's campaign in 2016, has also been criticized for the tactics it pitched to clients.

The allegations triggered a backlash. Facebook Chief Executive Mark Zuckerberg was summoned to answer questions before Congress about

the social media site's role in the Cambridge Analytica data-collection business. Mr. Zuckerberg is scheduled to meet next week with leaders of the European Parliament, as the EU prepares to introduce tough new rules on data privacy.

In March, Cambridge Analytica suspended its chief executive, Alexander Nix, and said it was launching an independent investigation to determine if it engaged in any wrongdoing in its work on political campaigns.

The firm has denied wrongdoing in the Facebook incident.

MICHAEL NOBLE JR./ASSOCIATED PRESS

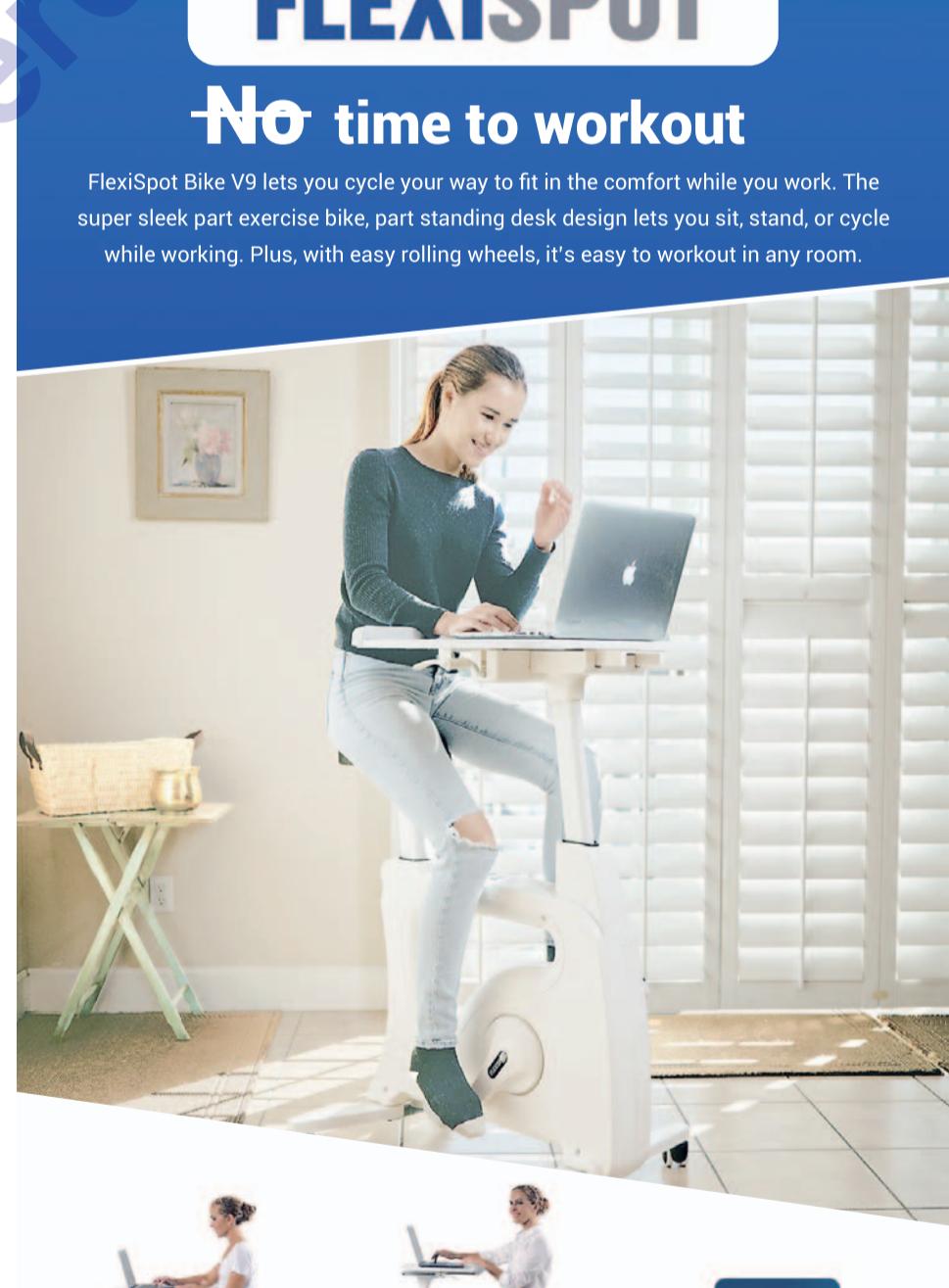


Middleby will buy Taylor from United Technologies for \$1 billion.

# FLEXISPOT

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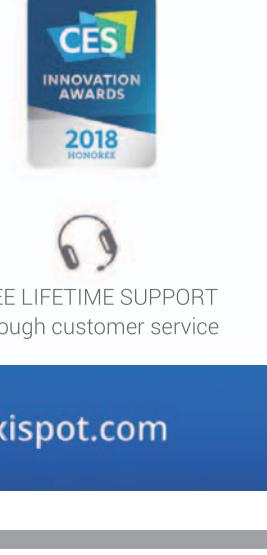
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## TECHNOLOGY

# News Media Fault Facebook's Ad Rules

Trade group worries promotions for stories will be lumped with political propaganda

BY BENJAMIN MULLIN

A trade group representing news organizations raised concerns in a letter to **Facebook Inc.** that the company's rules on political ads are overly broad and could affect their ability to promote stories on the social network.

The News Media Alliance, whose nearly 2,000 members include Wall Street Journal parent Dow Jones & Co., the New York Times, the Washington Post and many small papers, say Facebook's rules would cause advertisements that promote news stories to be lumped in with political messaging.

Facebook's new guidelines, which will go into effect this month, will categorize ad spending on topics such as U.S. poverty, immigration and terrorism as political advertisements. Publishers fear those guidelines would cover ads news organizations pur-

## Google, Publishers To Discuss EU Law

**Alphabet Inc.'s** Google has agreed to meet with a group of publishers next week at four of its global offices to discuss their concerns about its preparations for the European Union's forthcoming General Data Protection Regulation, according to people familiar with the matter.

Some publishers have been critical of Google's stance on the sweeping new data-protection law and worry the tech giant's moves might further consolidate its position as the dominant digital advertising player. Google has told publish-

ers using its advertising-technology tools they will need to obtain user consent on its behalf to gather personal information on European users to target ads at them.

Elsewhere, the company hasn't yet signed up to an industrywide framework many publishers will be using to ask for user permission on behalf of their various ad-tech partners—further complicating an already confusing situation.

And some publishers are concerned that Google's optional alternative to that service, a free consent management platform called Funding Choices, requires that they limit the number of ad-tech vendors they work with.

—Lara O'Reilly

chase to promote articles that touch on those topics, according to the letter.

Political ads will be listed in a Facebook archive that will disclose the amount of money spent on ads and the demographics of the audience reached by each ad.

In its letter, the group said Facebook's approach "danger-

ously blurs the lines between real reporting and propaganda. It is a fundamental mischaracterization of journalism that threatens to undermine its ability to play its critical role in society as the fourth estate."

The letter said forcing publishers to label their promotion of stories as political ads



Facebook's new rules on political ads are a response to alleged Russian election interference.

"will have the effect of elevating less credible news sources on Facebook, the exact opposite of your stated intent."

Facebook's head of news partnerships, Campbell Brown, said that preventing misinformation and interference in elections "is one of our top priorities."

"We recognize that news

stories about politics are different and we are working with publishers to develop the right approach," she added.

Facebook's new guidelines for political advertising come as the social-media giant is reeling from successive revelations related to alleged Russian election interference and

the improper accessing of data on its users.

The letter concludes by calling upon Facebook to "reconsider its treatment of news in its plan" and exempt advertisements promoting news stories from its ad-archiving and labeling process.

—Deepa Seetharaman contributed to this article.

# At China's Baidu, More Turnover in Its Top Ranks

BY YOKO KUBOTA

Chinese search-engine giant **Baidu Inc.** is facing more turmoil in its top ranks, with President Qi Lu planning to relinquish his operational roles after about 18 months on the job.

Baidu had been betting on Mr. Lu to help it move beyond its roots as a search engine into self-driving cars and other businesses driven by artificial intelligence. A former top executive with Microsoft Corp., Mr. Lu was hired with much fanfare in January 2017, taking over day-to-day leadership from Baidu Chairman Robin Li.

In a statement Friday, Baidu said Mr. Lu will no longer serve

as president and chief operating officer come July, though he will retain his post as Baidu's vice chairman.

"Due to personal and family reasons, I am no longer able to work in China on a full-time basis," Mr. Lu said in the statement, adding that he plans to spend "more time with my family in the U.S."

Baidu's American depositary receipts fell as much as 7% in after-hours trading.

Mr. Lu's resignation is the latest in a series of executive changes at Baidu, which has lagged behind rivals Alibaba Group Holding Ltd. and Tencent Holdings Ltd. in launching new mobile initiatives.

Hong Bo, an independent tech analyst, credited Mr. Lu

with helping improve Baidu's reputation.

During Mr. Lu's short tenure, Baidu has made progress with its autonomous-car software called Apollo, opening it up to the auto industry. In November, Baidu was named by the Chinese government as one of the leading companies to advance the country's artificial intelligence strategy.

Baidu didn't make an announcement on Mr. Lu's successor. In its statement, the company said it promoted Haifeng Wang, who currently heads of the company's AI group, to senior vice president.

—Yang Jie contributed to this article.



Former Microsoft executive Qi Lu is leaving the Chinese company.

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# Judge Dismisses Surveillance Suit Filed by Former Fox News Host

BY JOE FLINT

A federal judge on Friday dismissed a lawsuit filed by former Fox News on-air personality Andrea Tantaros that alleged surveillance by the cable news channel after she said its top executive sexually harassed her.

In his ruling, Judge George B. Daniels of the U.S. District Court for the Southern District of New York said Ms. Tantaros's complaint was based "primarily on speculation and conjecture."

She also failed to offer any facts to support her claim that she suffered "severe emotional distress requiring medical treatment and medication," the judge said.

A spokeswoman for Fox News said, "The decision speaks for itself." Ms. Tantaros couldn't immediately be reached for comment.

Ms. Tantaros initially filed a suit in New York State Su-

preme Court in 2016 in which she said she was a victim of Roger Ailes, the Fox News chairman and chief executive who was forced out in a sexual-harassment scandal. Mr. Ailes denied he engaged in any form of harassment. He died in 2017.

The judge in that case ruled the suit should be resolved in arbitration per the language of Ms. Tantaros's contract. The matter is still in arbitration.

Ms. Tantaros then filed the federal suit alleging Fox News executives spied on her and tapped her phones as part of an effort to besmirch her reputation.

Fox News denied the allegations. In a 2016 filing in response to her harassment complaint, Fox News said she is "not a victim, she's an opportunist."

Ms. Tantaros was a co-host on the Fox afternoon show "The Five." Fox News said she was suspended by the net-

work in 2016 before her accusations for writing and publishing a book without first getting approval and submitting the manuscript for review as required by her contract. Ms. Tantaros said she provided Fox News with adequate information about the book.

That, Fox News said, is why she then made her claims against Mr. Ailes and that she had never complained about his conduct before her suspension.

In her lawsuit, Ms. Tantaros alleged that during a meeting with executive William Shine in the spring of 2015, she asked for "relief from Ailes's harassment" and that Mr. Shine responded by describing Mr. Ailes as a "very powerful man" and that Ms. Tantaros "needed to let this one go."

Fox News parent **21st Century Fox** and The Wall Street Journal share common ownership.

## ZTE

*Continued from page B1*  
have been re-evaluating their ties with the company. Telstra Corp., Australia's largest telecom operator, stopped selling ZTE handsets due to concerns about supply, as did MTN Group Ltd., Africa's biggest operator.

Like many global tech firms, ZTE relies on an international web of suppliers to build its devices. U.S. companies like Qualcomm, for example, dominate the market for smartphone chips and other high-end parts. In the first quarter, 84% of the phones shipped by ZTE contained Qualcomm chipsets, according to Canalys.

ZTE phones also use Google's Android operating system. The Commerce Department ban means Google has stopped providing software updates and other services to ZTE, according to a person familiar with the matter. In recent weeks, many users of ZTE phones say their



An Axon M being demonstrated at a trade fair earlier this year.

devices have become glitchy and unreliable.

At the same time, the U.S. market is crucial to ZTE, which badly trails domestic rivals in China. In the U.S., it is the fourth-largest vendor of mobile phones, after Apple, Samsung Electronics Co. and LG

Electronics Inc., Canalys says. Nearly 75% of ZTE's first-quarter smartphone shipments were in the U.S., where it is a big player in the budget and midtier phone segments, Canalys said.

—Joe Parkinson contributed to this article.

## BUSINESS NEWS

# Mattel Rival Proposes Taking Helm in Merger

BY PAUL ZIOBRO

Isaac Larian, the toy mogul behind Bratz dolls, has been at odds with Mattel Inc. for more than a decade. Now, he wants to be put in charge of his struggling rival.

Mr. Larian recently offered to merge his company, **MGA Entertainment Inc.**, with Mattel and put himself at the helm of the combined business, according to correspondence reviewed by The Wall Street Journal and people familiar with the matter.

Mattel rejected the approach, which lacked details or financial terms, according to the documents. The proposal, made by Mr. Larian in a brief letter dated April 25, wasn't previously reported.

On Thursday, Mattel responded that its board and advisers had decided the offer wasn't in the company's best interests, according to a letter to Mr. Larian reviewed by the Journal.

"Mattel is not interested in further discussing the matter with you," wrote Chairman Christopher Sinclair, who retired from Mattel's board after the company's annual shareholder meeting on Thursday.

Mr. Larian's approach in late April came less than a week after Mattel abruptly changed its chief executive, naming former studio executive Ynon Kreiz to replace Margo Georgiadis, who was unable to stem a sales slump.

Mattel shareholders on Thursday elected a revamped board of directors but also rebuked the company by voting against its executive compensation practices. Though the poll was nonbinding, it is rare for companies to lose so-called say-on-pay votes.

In his April 25 letter, Mr. Larian argued he should be the

executive to turn around the maker of Barbie and Hot Wheels. He touted his company's recent success with L.O.L. Surprise, a popular toy. "Ynon is a good guy," Mr. Larian said of Mattel's new CEO. "But he doesn't know toys and will fail like Margo did."

Mr. Larian's offer didn't place a value on closely held MGA nor on Mattel, whose shares have slumped by half since the start of 2017. On Friday, they were trading down 1.2% at \$15.09. He instead proposed the two sides "put a value on MGA and its brands"—which also include the Little Tikes preschool toys—and on its legal claims against Mattel. "Based on this, we will merge," Mr. Larian wrote.

A Mattel spokesman said the company's board "recognizes and takes seriously its duty to consider any credible proposal."

Mr. Larian, who says he also made an offer to merge with Mattel in 2015, on Thursday called the rejection "disappointing and arrogant and irresponsible." In an interview, he said he plans to take his offer directly to shareholders.

The brash toy executive has often been critical of Mattel's leadership.

The legal dispute between Mr. Larian and Mattel dates back to 2004, when Mattel alleged a designer came up with the idea for the doll brand Bratz while the designer was working for Mattel in the 1990s. MGA countersued.

The drawn-out battle appeared to be over with Mattel agreeing in 2012 to pay for copyright fees. But MGA in 2014 resurfaced many of its allegations in a new suit seeking \$1 billion in damages. A court this year granted Mattel's motion to dismiss the case, based on statutes of limitations. MGA is appealing.



The beauty department at Saks Fifth Avenue in New York will relocate to a remodeled second floor. Above, the new area under construction.

## Saks Bumps Beauty Counter Upstairs

BY SUZANNE KAPNER

Saks Fifth Avenue is moving the beauty department at its flagship store off the ground floor, scrapping a nearly century-old blueprint in a bid to compete with Sephora and other beauty chains, and win back shoppers who have migrated online.

Cosmetics, fragrances and face creams will relocate to a remodeled second floor that will include spa services and treatment rooms. Handbags and leather goods will take their place in the store's most valuable real estate.

The new format, which will be unveiled to the public on Tuesday, has sparked a debate within the hidebound world of department stores, where change comes at a glacial pace. The Saks beauty department had resided on the ground floor of the landmark building on Manhattan's Fifth Avenue since it opened in 1924.

Some industry executives

consider the move a heretical decision that will result in lost sales. Others applaud it as a bold gamble to win back shoppers by offering new experiences and services.

"It's a big risk," said Barbara Zinn Moore, who until last year was a senior vice president of

*A remodeled second floor will include spa services and treatment rooms.*

cosmetics and fragrances at Lord & Taylor, which is owned by Saks parent **Hudson's Bay Co.**, and is now a consultant.

"It's going to be harder to get someone to the second floor and there is a chance they will lose some impulse purchases."

Department-store chains are under pressure to reinvent their beauty counters because

of competition from **Sephora USA Inc.**; **Ulta Beauty Inc.**; and online startups.

"We had to do something outside the box to create a place not just to transact for beauty, but to experience it," said Saks President Marc Metrick. Once new escalators that Saks is installing in the middle of the store are operational early next year, "it will only take an extra seven-to-nine seconds" to get to the beauty floor, Mr. Metrick said.

Barneys New York and Neiman Marcus Group years ago moved their beauty departments to the basement from the ground floor at select stores.

Representatives from both companies said beauty sales increased after the moves.

But Neiman Marcus has no plans to extend the new floor plan beyond a store in Beverly Hills, Calif., and at its Bergdorf Goodman location in New York, where the ground floors are relatively small and beauty had to compete for space with

high-grossing handbags, said Jim Gold, its president and chief merchandising officer.

"There has always been this notion that beauty requires high foot traffic, because there are a lot of impulse purchases," Mr. Gold said. But at least at the high end, "it has shifted to be more about luxury treatments."

Saks is aiming to capitalize on that trend with its new second-floor beauty space that will be 40% larger than the area on the ground floor and include 15 spa treatment rooms.

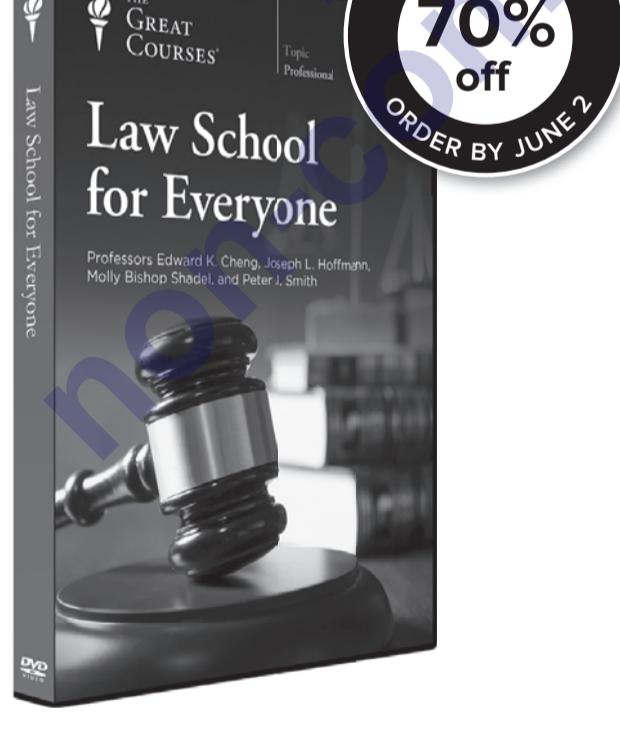
Not all the brands were pleased with the move upstairs. Estée Lauder voiced concerns, according to a person familiar with the conversations.

When you're on the main floor of Fifth Avenue, you're going to react when you're moved off that floor," Mr. Metrick said, adding the conversations weren't contentious.

Chris Good, Estée Lauder Cos.' president of North America, declined to comment on interactions with Saks.

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## WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

# The New AMT Is a Break From the Past



The alternative minimum tax isn't out, but it is way, way down.

The AMT is a complex and controversial levy that raises taxes by limiting the value of certain breaks. Originally enacted in 1969 to ensure that the highest earners paid some tax, it wound up hitting even filers making \$200,000 or less.

Republicans vowed to repeal the AMT as part of last year's overhaul but retained a version of it in the final bill.

The good news for many: This year's AMT is a shadow of its former self. It is expected to raise about \$5 billion for 2018, down from an estimated \$39 billion under prior law, according to the Tax Policy Center.

The new version will likely affect 200,000 filers, a fraction of the five million or so who were expected to owe it for the 2018 tax year if the law hadn't changed. It will also fall less heavily on the affluent, as the number of people earning \$500,000 or less owing AMT will drop to about 120,000 this year from four million last year, according to Joe Rosenberg, a Tax Policy Center economist.

In the overhaul, lawmakers didn't change the AMT's fun-

damental structure. It still requires filers to figure their income tax two ways, using one set of rates for the regular tax and different rates for the AMT. If the AMT is higher, a filer owes the difference. And the AMT still ends or limits a host of tax deductions and other breaks.

Instead of changing the structure, lawmakers expanded an AMT exemption. They also made key changes to tax breaks that often triggered the AMT. Under prior law, the top triggers were deductions for state and local taxes, or SALT; personal exemptions for each household member; and write-offs of certain miscellaneous expenses.

**N**ow, the write-off for SALT has been curtailed to \$10,000 per return, and both personal exemptions and the miscellaneous write-offs subject to AMT have been repealed.

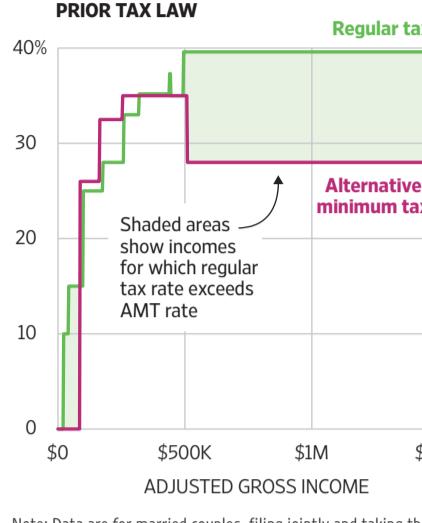
"These changes mean the vast majority of taxpayers will no longer fall in the AMT trap," says Reed Shuldiner, a professor at the University of Pennsylvania's law school.

He notes the original minimum tax targeted mostly high-income taxpayers earning more than \$1.5 million in today's dollars.

Recent research by Mr. Shuldiner shows the effects

## Hollowed Out

The recent overhaul changed the alternative minimum tax so that millions of filers won't owe it for 2018. Under prior law, AMT tax rates were above or close to regular tax rates for a wider range of income.



Note: Data are for married couples, filing jointly and taking the standard deduction. The spike in the regular tax rate for prior law is from the personal exemption phaseout.

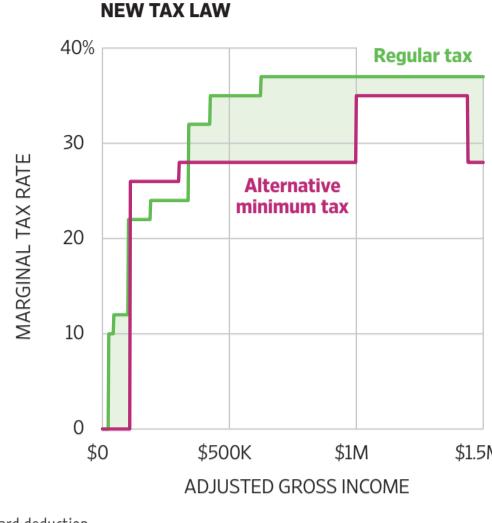
Source: Reed Shuldiner

of the changes. Under the prior AMT rules, the regular tax was very close to the alternative tax over long stretches of income, so fairly small amounts of some breaks could trigger the AMT.

For example, in 2017 a married couple with income between \$270,000 and \$500,000 would have owed AMT if they were deducting even \$20,000 of state and local taxes. Higher SALT deductions would often increase their AMT.

Now, that same couple would need about \$40,000 of tax breaks subject to the AMT to owe it this year. At the same time, they will be deducting no more than \$10,000 of SALT, no personal exemptions, and no miscellaneous expenses that were repealed, the primary triggers under the prior law. So, this couple is far less likely to owe AMT.

Some past payers of AMT will also get a boost from the new law if they have ac-



THE WALL STREET JOURNAL.

cumulated "AMT credits," says Robert Caughey, an attorney with CliftonLarsonAllen who advises high-net-worth clients.

Here is why: The AMT treats tax breaks differently. While it totally disallows some of them, such as for state and local taxes, it defers tax benefits for other breaks.

In this category are the benefits for accelerated depreciation, net-loss carryforwards, and incentive stock

options, among others.

The deferred benefits can become AMT credits, but they can't be used until the taxpayer no longer owes the alternative tax. Now that day is here for many filers who have been accumulating these credits, says Mr. Caughey, and they will often be able to use them to reduce tax bills in 2018 and after.

**W**hat tax breaks are now likeliest to push filers onto the AMT? It is hard to say because the tax is so complex. For a list of most benefits disallowed by the AMT, see Internal Revenue Service Form 6251.

Among them are the standard deduction, certain net operating losses, some accelerated depreciation, and interest on certain tax-exempt bonds.

Tax breaks for incentive stock options will also remain an important AMT trigger.

This type of option, which is often used by startups, has more tax advantages for individuals than nonqualified options.

The changes to the alternative minimum tax that will benefit many filers do have a downside: They aren't permanent. Unless Congress acts, the prior AMT rules will return in 2026.

are taking overall.

Stocks are far riskier than bonds. If you have 60% in stocks, they could account for 90% or more of your portfolio's total riskiness. Under risk parity, you borrow money to buy more bonds, commodities and other assets that reduce the risk of holding stocks and may well make your overall portfolio safer.

Still, that makes sense only for people who are comfortable investing with borrowed money, and a lot of folks would rather take a nap on a bed of nails.

"It may be presumptuous to roll investors automatically into a new product like this without making sure they first have a reasonable understanding of what to expect," says Adam Butler, chief investment officer at Resolve Asset Management Inc., which manages about \$300 million in Toronto.

Clients come to Wealthfront not just for its automation and low cost, but "because of the sophistication we are able to offer them," says spokeswoman Kate Wauck. "So to us, offering risk parity is consistent with our clients' expectations and our ethos as a firm."

Still, she says, "we could have done a better job rolling this out and explaining it to clients."

Mr. Jurek says the new fund squares with Wealthfront's traditional automated approach because the firm will manage the portfolio with a "rules-based strategy" rather than subjective judgment. Looking back at decades of data, Wealthfront tested the hypothetical results and found the strategy would have produced a "very attractive risk-adjusted, long-term rate of return," Mr. Jurek says. That multidecade test, he says, "speaks much more loudly to us than any one month."

In the long run, this fund might turn out to be a decent idea. In the short run, it's a reminder that hiring a robo adviser instead of a human adviser doesn't mean you no longer need to pay attention.

## INVEST

*Continued from page B1*  
new fund should be used only by investors who understand complex securities, are highly risk-tolerant and who "intend to actively monitor and manage their investments in the fund."

The whole point of using an automated online firm like Wealthfront, however, is that you don't intend to actively monitor and manage your investments. You want its computers to do that, using exchange-traded funds that track the markets, minimize your costs and maximize your after-tax returns.

Unlike Bridgewater and AQR, the Wealthfront fund won't own the underlying assets directly, and that could lead to some gaps.

As one of its hedges against inflation, it may own an ETF that holds energy stocks. So far this year, the Energy Select Sector SPDR Fund is up 9.7%, whereas crude oil has surged 18%.

As of its latest available regulatory filing, the Wealthfront fund was paying financing rates between 1.88% and 2.18% for its total-return swaps, the contracts it exchanges with banks to replicate the performance of various assets. Under accounting rules, those costs aren't reported in the fund's expenses, but they do come out of its net return.

That means the fund, which reduced its annual expenses to 0.25% from 0.5% last month, will need to earn better than 2% a year just to break even, a high hurdle.

The prospectus also says the fund may trade rapidly and could produce higher short-term capital gains than other strategies, potentially raising investors' tax bills. Using swaps that mature in 13 months should enable realized profits to be taxed at the lower long-term capital-gains rate, Mr. Jurek says.

At its heart, risk parity is simply a way of diversifying not by how much money you have in each type of asset, but by how much risk you



CHRISTOPHE VOLET



Rwanda's cricket stadium. Coutts launched an investigation into the behavior of its cricket team during a charity trip to the country.

# Hat Prompts Coutts Sexism Probe

BY SIMON CLARK

LONDON—A bank that counts Queen Elizabeth II as a customer has been conducting a fresh investigation into sexist behavior toward women. The inquiry at **Coutts & Co.** follows a separate 2015 probe into inappropriate conduct that led to the resignation of a senior banker this year.

In October, a male employee of Coutts, which touts its royal patronage going back three centuries, was photographed wearing a hat featuring a penis-shaped protrusion in public on a company-sponsored charity trip to Rwanda by the Coutts cricket team, drawing criticism on social media and consternation among employees.

Following the criticism, Coutts executives launched an internal investigation into the behavior of the cricket team, and at least two members received warnings, people familiar with the situation said. The investigation was drawing to a close as of Wednesday, the people said.

"We are aware that a wholly inappropriate and insensitive item was worn by a member of staff on a recent charity visit. This poor judgment does not reflect the values of the bank," a Coutts spokeswoman said.

Separately, a female Coutts employee informed a top executive that she had alleged to her managers in December 2017 that a colleague who is a member of the cricket team

had insulted her with racial and sexual slurs at a work-related event in London last year. She said the bank did nothing, according to one of the people familiar with the situation and an account of the alleged incident that was written for bank executives and reviewed by The Wall Street Journal.

Furthermore, a female former employee has sued the bank alleging sexual harassment and gender discrimination, according to Coutts employees familiar with the case, which is continuing.

The Coutts spokeswoman declined to comment on either complaint.

These developments have exacerbated concern that the bank has been slow to address a workplace culture that is often demeaning to women, according to some Coutts employees.

Coutts is well-known in Britain for its establishment connections. Its chairman, William Waldegrave, is also chairman of the board of governors at Eton College, the school of Prince William and Prince Harry. The bank had 1,766 employees at the end of 2016.

The Coutts spokeswoman said the bank is "committed to ensuring a continued focus on our conduct and culture, and we encourage all employees to speak up."

In March, senior Coutts banker Harry Keogh resigned following a *Journal* article about a 2015 internal investigation into allegations of un-

wanted physical and verbal harassment against women by him and other male colleagues. Coutts said that "decisive disciplinary action" was taken on "a particular team" at the time of that investigation. Mr. Keogh denied allegations of inappropriate behavior, according to a person familiar with the investigation. He declined to comment on the allegations or his resignation.

After the *Journal* article was published, Alison Rose, a top executive at the private bank's parent company, **Royal Bank of Scotland Group PLC**,

employees and seven more former employees have told the *Journal* or alleged in written accounts that they were harassed or bullied on other teams in the bank after the 2015 investigation ended. The former employees said they left the bank without their problems being resolved in a way that was satisfactory to them. One current employee's concerns were addressed. The current and former employees said in interviews and written accounts that they raised these incidents within the bank and many of the alleged harassers still work there.

The Coutts spokeswoman declined to comment on these allegations.

A member of the all-male Coutts cricket team that visited Africa wore a "penis hat" during dinner at a restaurant in Rwanda's capital, Kigali, in October. The team was in the country to celebrate the opening of a new cricket stadium that they helped raise funds for. The stadium project was an effort to help national reconciliation in Rwanda after the 1994 genocide in which hundreds of thousands of people were estimated to have been raped and killed.

Photos of the Coutts employee wearing the hat were posted on Twitter on Oct. 22, 2017, by Jessica McKinney, an American expert in physical therapy and women's health who was dining in the same restaurant. She was visiting Africa to train physical therapists.

visited Coutts's headquarters on March 21 to urge staff to come forward with complaints about abusive behavior, Coutts bankers said.

After her visit, the allegation of harassment by the member of the cricket team was brought to the attention of Ms. Rose's team, according to a person familiar with the situation.

Then in April, Ms. Rose invited female bankers to share their "views on our culture in a small 'closed door' group," according to a memo reviewed by the *Journal*.

Since Ms. Rose visited, three

## MARKETS DIGEST

## Dow Jones Industrial Average

**24715.09**  
▲ 1.11  
or 0.004%  
All-time high  
26616.71, 01/26/18



Bars measure the point change from session's open

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

## S&amp;P 500 Index

**2712.97**  
▼ 7.16  
or 0.26%  
All-time high  
2872.87, 01/26/18



## Nasdaq Composite Index

**7354.34**  
▼ 28.13  
or 0.38%  
All-time high  
7588.32, 03/12/18



## Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Stock Index	Currency, vs U.S. dollar	Commodity, traded in U.S.	ETF
Nymex Rbob Gasoline	2.03	Lean Hogs	14.40%
Nymex ULSD	1.96	Wheat	5.87
S&P 500 Materials	1.60	Corn	3.27
S&P SmallCap 600	1.59	Nymex Natural Gas	1.46
S&P 500 Energy	1.52	CAC-40	1.31
Nymex Natural Gas	1.46	Russell 2000	1.23
CAC-40	1.31	S&P/TSX Comp	1.12
Russell 2000	1.23	WSJ Dollar Index	1.08
S&P/TSX Comp	1.12	Shanghai Composite	0.95
WSJ Dollar Index	1.08	S&P GSCI GFI	0.90
Shanghai Composite	0.95	Nymex Crude	0.82
S&P GSCI GFI	0.90	Nikkei 225	0.76
Nymex Crude	0.82	FTSE 100	0.70
Nikkei 225	0.76	S&P 500 Industrials	0.66
FTSE 100	0.70	DAX	0.59
S&P 500 Industrials	0.66	Stoxx Europe 600	0.58
DAX	0.59	Soybeans	0.38
Stoxx Europe 600	0.58	Swiss Franc	0.27
Soybeans	0.38	S&P MidCap 400	0.22
Swiss Franc	0.27	S&P 500 Health Care	0.17
S&P MidCap 400	0.22	Dow Jones Transportation Average	0.16
S&P 500 Health Care	0.17	Euro Stoxx	0.02
Dow Jones Transportation Average	0.16	iSh 1-3 Treasury	0.01
Euro Stoxx	0.02	-0.04	S&P 500 Consumer Staples
iSh 1-3 Treasury	0.01	-0.07	S&P 500 Consumer Discr
-0.04	S&P 500 Consumer Staples	-0.22	iShNatlMuniBd
-0.07	S&P 500 Consumer Discr	-0.24	Hang Seng
-0.22	iShNatlMuniBd	-0.38	Australian dollar
-0.24	Hang Seng	-0.38	iShBoxx\$HYCp
-0.38	Australian dollar	-0.38	VangdTotIntlBd
-0.38	iShBoxx\$HYCp	-0.47	Dow Jones Industrial Average
-0.38	VangdTotIntlBd	-0.47	S&P/ASX 200
-0.47	Dow Jones Industrial Average	-0.49	VangdTotalBd
-0.47	S&P/ASX 200	-0.54	S&P 500
-0.49	VangdTotalBd	-0.56	UK pound
-0.54	S&P 500	-0.63	iSh TIPS Bond
-0.56	UK pound	-0.65	iSh 7-10 Treasury
-0.63	iSh TIPS Bond	-0.66	Nasdaq Composite
-0.65	iSh 7-10 Treasury	-0.69	Chinese Yuan
-0.66	Nasdaq Composite	-0.69	Kospi Composite
-0.69	Chinese Yuan	-0.69	Canada dollar
-0.69	Kospi Composite	-0.74	Russian Ruble
-0.69	Canada dollar	-0.74	Indian Rupee
-0.74	Russian Ruble	-0.85	iShBoxx\$InvGrdCp
-0.85	Indian Rupee	-1.11	S&P 500 Financials Sector
-1.11	S&P 500 Financials Sector	-1.15	iShPMUSEmgBd
-1.15	iShPMUSEmgBd	-1.23	Japan yen
-1.23	Japan yen	-1.24	Nasdaq 100
-1.24	Nasdaq 100	-1.25	South Korean Won
-1.25	South Korean Won	-1.30	S&P 500 Telecom Svcs
-1.30	S&P 500 Telecom Svcs	-1.34	Indonesian Rupiah
-1.34	Indonesian Rupiah	-1.39	Norwegian Krone
-1.39	Norwegian Krone	-1.42	Comex Copper
-1.42	Comex Copper	-1.43	Euro area euro
-1.43	Euro area euro	-1.54	S&P 500 Information Tech
-1.54	S&P 500 Information Tech	-1.55	IBEX 35
-1.55	IBEX 35	-1.69	iSh 20+ Treasury
-1.69	iSh 20+ Treasury	-1.73	Comex Silver
-1.73	Comex Silver	-1.93	S&P BSE Sensex
-1.93	S&P BSE Sensex	-2.18	Comex Gold
-2.18	Comex Gold	-2.27	IPC All-Share
-2.27	IPC All-Share	-2.51	Sao Paulo Bovespa
-2.51	Sao Paulo Bovespa	-2.66	Mexico peso
-2.66	Mexico peso	-2.85	South African Rand
-2.85	South African Rand	-2.94	FTSE MIB
-2.94	FTSE MIB	-3.17	S&P 500 Utilities
-3.17	S&P 500 Utilities	-3.21	S&P 500 Real Estate
-3.21	S&P 500 Real Estate		

## Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD	% chg	3-yr ann.
<b>Dow Jones</b>											
Industrial Average	24774.97	24664.87	<b>24715.09</b>	1.11	0.004	26616.71	20804.84	18.8	-0.02	10.5	
Transportation Avg	10759.95	10676.11	<b>10730.46</b>	-12.50	-0.12	11373.38	8879.19	20.8	1.1	7.1	
Utility Average	671.97	662.81	<b>667.79</b>	-0.77	-0.12	774.47	647.90	-5.0	-7.7	4.4	
Total Stock Market	28280.05	28179.43	<b>28218.25</b>	-59.66	-0.21	29630.47	24648.95	14.5	2.0	8.2	
Barron's 400	742.39	739.61	<b>740.55</b>	-2.17	-0.29	757.37	629.56	17.5	4.2	8.5	

## Nasdaq Stock Market

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD	% chg	3-yr ann.
<b>Nasdaq Composite</b>	7381.16	7343.97	<b>7354.34</b>	-28.13	-0.38	7588.32	6083.70	20.9	6.5	13.1	
<b>Nasdaq 100</b>	6897.91	6857.58	<b>6866.25</b>	-35.38	-0.51	7131.12	5596.96	21.5	7.3	15.0	

## S&amp;P

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD	% chg	3-yr ann.
<b>500 Index</b>	2719.50	2709.18	<b>2712.97</b>	-7.16	-0.26	2872.87	2381.73	13.9	1.5	8.4	
<b>MidCap 400</b>	1949.71	1943.37	<b>1943.37</b>	-4.91	-0.25	1995.23	1691.67	13.5	2.3	8.0	
<b>SmallCap 600</b>	1004.07	999.73	<b>1002.57</b>	1.55	0.15	1002.57	817.25	21.1	7.1	11.6	

## Other Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	Low	% chg	YTD	% chg	3-yr ann.
<b>Russell 2000</b>	1630.33	1624.23	<b>1626.63</b>	1.34	0.08	1626.63	1356.90	19.0	5.9	9.0	
<b>NYSE Composite</b>	12740.27	12700.53	<b>12717.42</b>	-30.41	-0.24	13637.02	11542.69	10.2	-0.7	4.2	
<b>Value Line</b>	567.60	566.04	<b>566.71</b>	-0.89	-0.16	589.69	503.24	10.2	0.8	3.0	
<b>NYSE Arca Biotech</b>	4713.53	4673.79	<b>4704.62</b>	28.31	0.61	4939.86	3507.64	30.4	11.4	4.6	
<b>NYSE Arca Pharma</b>	533.18	529.60									

# MARKET DATA

## WSJMarkets.com

### Futures Contracts

#### Metal & Petroleum Futures

	Contract						Open interest
	Open	High	Low	Settle	Chg	Interest	
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.	Open	High	Low	Settle	Chg	Interest	
May 3,0500	3,0690	3,0450	3,0510	-0,0260	1,168		
July 3,0835	3,0910	3,0555	3,0635	-0,0255	132,950		
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.							
May 1285,20	1289,60	1285,20	1290,20	2,00	86		
June 1290,00	1293,70	1285,10	1291,30	1,90	227,593		
Aug 1295,90	1299,10	1291,00	1296,90	1,70	192,877		
Oct 1300,50	1305,10	1297,40	1303,10	1,60	10,221		
Dec 1307,50	1311,60	1304,00	1309,50	1,50	65,189		
Feb'19 1315,00	1316,00	1310,00	1315,90	1,50	4,066		
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.							
June 973,60	977,50	955,90	960,20	-17,30	13,406		
Sept 971,70	974,00	953,00	957,30	-17,10	10,237		
Dec 965,30	965,70	965,30	953,00	-17,10	288		
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.							
June 881,80	882,70	881,90	885,00	-6,10	20		
July 891,40	892,50	881,20	886,50	-5,60	75,457		
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.							
May 16,380	16,405	16,380	16,387	-0,026	176		
July 16,440	16,485	16,370	16,455	-0,026	137,090		
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.							
June 71,55	71,75	70,99	71,28	-0,21	84,902		
July 71,66	71,86	71,09	71,37	-0,20	514,279		
Aug 71,43	71,62	70,86	71,11	-0,22	218,692		
Sept 70,93	71,13	70,42	70,62	-0,24	244,793		
Oct 70,50	70,62	69,89	70,08	-0,27	167,284		
Dec 69,46	69,66	68,92	69,11	-0,29	321,890		
<b>NY Harbor UlSD (NYM)</b> -42,000 gal.; \$ per gal.							
June 2,2842	2,2940	2,2629	2,2655	-0,0153	75,081		
July 2,2782	2,2874	2,2564	2,2591	-0,0155	132,218		
<b>Gasoline-NY RBOB (NYM)</b> -42,000 gal.; \$ per gal.							
June 2,2488	2,2624	2,2295	2,2333	-0,0098	83,409		
July 2,2449	2,2585	2,2264	2,2303	-0,0091	152,619		
<b>Natural Gas (NYM)</b> -10,000 MMBtu; \$ per MMBtu.							
June 2,853	2,870	2,832	2,847	-0,012	109,562		
July 2,881	2,901	2,865	2,879	-0,007	271,772		
Sept 2,871	2,893	2,863	2,875	-0,002	149,247		
Oct 2,875	2,898	2,867	2,882	...	143,335		
Jan'19 3,093	3,115	3,086	3,103	,005	106,315		
March 2,940	2,966	2,940	2,956	,006	95,647		

#### Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.							
July 395,25	403,50	395,00	402,50	7,25	812,616		
Dec 413,00	421,00	412,75	420,25	7,25	491,683		
Oats (CBT)-5,000 bu.; cents per bu.							
July 240,75	243,00	240,75	242,00	1,00	4,250		
Dec 256,00	256,75	255,50	256,00	,50	1,023		
Soybeans (CBT)-5,000 bu.; cents per bu.							
July 995,75	1007,75	992,75	998,50	3,50	417,933		
Nov 1005,00	1015,75	1002,75	1008,25	4,00	241,132		
Soybean Meal (CBT)-100 tons; \$ per ton.							
July 375,10	380,70	375,00	376,30	1,20	227,733		
Dec 367,90	372,00	366,60	368,00	,30	103,765		
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
July 30,96	31,41	30,94	30,98	,04	249,443		
Dec 31,72	31,27	31,70	31,75	,03	103,408		
Rough Rice (CBT)-2,000 cwt.; \$ per cwt.							
July 1252,00	1252,00	1225,00	1232,50	-17,50	5,380		
Sept 1196,00	1199,50	1180,00	1184,00	-13,00	2,700		
Wheat (CBT)-5,000 bu.; cents per bu.							
July 497,50	518,75	495,25	518,25	20,75	229,744		
Dec 534,75	555,25	532,75	554,75	20,00	90,765		
Wheat (KC)-5,000 bu.; cents per bu.							
July 519,00	539,50	516,25	538,75	19,75	132,776		
Dec 563,50	583,50	560,75	582,75	19,25	54,640		
Wheat (MPLS)-5,000 bu.; cents per bu.							
July 614,50	630,00	614,00	629,00	14,25	31,986		
Sept 620,50	634,00	620,50	635,25	12,75	11,825		
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
May 133,125	133,550	131,875	132,225	-875	2,882		
Aug 139,200	139,675	137,350	137,625	-1,100	26,652		
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
May 137,40	137,22	137,00	137,40	-2,12	14,000		
Aug 140,200	140,600	139,000	140,200	-1,400	1,400		

#### Currencies

Japanese Yen (CME)-¥12,500,000; \$ per 100%							
June .9041	.9058	.9018	.9025	,0502	161,073		
Sept .9087	.9114	.9080	.9111	,0007	2,675		
Canadian Dollar (CME)-CAD 100,000; \$ per CAD							
June .7815	.7822	.7749	.7769	-0,0048	116,668		
Sept .7829	.7836	.7767	.7785	-0,0048	3,970		
British Pound (CME)-£62,500; \$ per £							
June 1,3533	1,3545	1,3471	1,3499	-0,0025	177,912		
Sept 1,3590	1,35						



## ADVERTISEMENT

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## BUSINESS OPPORTUNITIES

**GOVERNMENT OF MAHARASHTRA  
OFFICE OF THE EXECUTIVE ENGINEER****Public Works Division, SANGAMNER.****NOTICE FOR HYBRID ANNUITY MODE [HAM] (ONLINE) TENDER****E-Tender Notice No.06 for 2018-19 (Third call)****Short Tender Notice****Notice inviting Bid****E-Mail:- sangamner.ee@mahapwd.com****Phone No.: 02425-225335**

**Subject: Hybrid Annuity Mode, Package No. NSK-71:- Upgradation of Roads District border Rajur SH-23 and Rajur Akole Sangamner Road SH-23 and SH-50 Km 205/380 to 233/880 - 28.50 Km and 50/200 to 89/300 - 39.100 Dist. Ahmednagar (Bari to Sangamner) and Randha Bhandara shendi Varanghushi road MDR-19 Km 0/00 to 16/230 Dist. Ahmednagar (Randha fall to Varanghushi) under Public Works Division Sangamner.**

1. The Government of Maharashtra had entrusted to the Authority the development, Maintenance and Management of State Highways and Major District Roads of State of Maharashtra by improvement thereof (the "Project") on "Hybrid Annuity" basis and has decided to carry out the bidding process for selection of (a private entity) as the Bidder to whom the project may be awarded.

Sr. No.	Hybrid Annuity Mode Package No.	Name of work	Length (in Km)	Estimated Project Cost (Rs. in Crores)
1)	NSK-71	Improvement to District border Rajur SH-23 and Rajur Akole Sangamner Road SH-23 and SH-50 Km 205/380 to 233/880 - 28.50 Km and 50/200 to 89/300 - 39.100 Dist. Ahmednagar (Bari to Sangamner)	67.60	Rs. 137.86
		Improvement of Randha Bhandara shendi Varanghushi road MDR-19 Km 0/00 to 16/230 Dist. Ahmednagar (Randha fall to Varanghushi) in the state of Maharashtra under MRIP on Hybrid Annuity mode	16.23	Rs. 30.34
				Rs. 168.20

1. All information of e-tendering is available on the following website / Notice Board.  
i) <http://www.mahapwd.com> (informatory Notice) ii) <http://mahatenders.gov.in>
2. The complete bid document can be viewed / downloaded from e-procurement portal **from 14.05.2018 to 01.06.2018 (upto 17.45 Hrs. IST)** Bid must be submitted online only.

3. The e-procurement portal is given below.  
<http://mahatenders.gov.in>

**4. e-Tender Schedule is as given below.**

Sr. No.	Event Description	Date
1)	Invitation of RFP (NIT) (Download Period of online tender)	14.05.2018 at 10.00 Hrs. to 01.06.2018 at 17.45 Hrs
2)	Last date for receiving queries for Pre-bid	18.05.2018 upto 11.00 Hrs.
3)	Pre-Bid Meeting	18.05.2018 at 12.00 Hrs. in the Office of the Chief Engineer, P. W. Region, Nashik.
4)	Authority response to queries for pre-bid Meeting	24.05.2018
5)	Bid Lock	01.06.2018 at 17.45 Hrs.
6)	Physical submission of Bid Security / POA etc. (as per clause 2.11.2 of RFP)	At any of the following places within 72 Hrs. after Bid Lock at office of the 1) Chief Engineer, P.W. Region, Nashik. 2) Superintending Engineer Public Works Circle, Ahmednagar 3) Executive Engineer, Public Work Division, Sangamner.
7)	Opening of Technical Bids	On Dt. 06.06.2018 at 11.30 Hrs. in the office of the Superintending Engineer, Public Works Circle, Ahmednagar.
8)	Declaration of Eligible / Qualified Bidders	11.06.2018
9)	Opening of Financial Bids	11.06.2018 from 11.30 Hrs. to 17.55 Hrs.

**5. Note:-**

- a) Bid Submitted through any other mode shall not be entertained. However, Bid Security, Proof of online Payment of Cost of Bid document, Power of Attorney and Joint Bidding Agreement etc. as specified in Clause 2.11.2 of the RFP shall be submitted physically by the Bidder on or before **06.06.2018 (at 11.00 am. IST)**. Please note that the public Works Department reserves the right to accept.
- b) Other terms and conditions are detailed in online e-tender form. Right to reject any or all online bid of work, without assigning any reasons thereof, is reserved with department.

**Executive Engineer,  
Public Works Division,  
Sangamner**

**DGIPR/2018-2019/813****NOTICE OF SALE****NOTICE OF PUBLIC SALE • Property to be Sold**

**Public Sale No. 1: Tuesday, May 22, 2018, 1:00 p.m. EDT**  
**Asset Type: Zero Factor - RMBS**

**Lot #** **Cusip** **Issue** **Asset Type** **Original Face (USD)**

1 76116LB7 RESIX 2004-B7 Prime / Alt-A 2,000,000.00

2 881561BD5 TMTS 2003-3SL B2 Second Lien 2,250,000.00

3 00764MCU9 ABST 2004-4 M2 Subprime 7,000,000.00

4 004421VNP ACE 2004-IN1 B Subprime 5,000,000.00

5 126673L94 EMLT 2005-2 B1 Subprime 4,200,000.00

6 031337D24 ARB 2004-M1 M2 Subprime 6,580,000.00

7 03879E955 BS9BS 2004-HM1 M7 Subprime 8,400,000.00

8 073879E955 BS9BS 2005-TC2 M8 Subprime 4,777,000.00

9 126673SEY4 CWL 2004-9 M4 Subprime 3,935,000.00

10 126673T761 CWL 2005-BC4 M8 Subprime 3,000,000.00

11 126681AA4 CWL 2007-0H2 A1 Subprime 310,000.00

12 29445FPA1 FNL 2005-2 B1 Subprime 3,486,000.00

13 35729PCMO FHLT 2004-M3 Subprime 5,000,000.00

14 32113JAQ8 FNLC 2005-1 M14 Subprime 2,610,000.00

15 32113JAR8 FNLC 2005-1 M15 Subprime 3,370,000.00

16 36220PCMO GSMP 2005-1 M1 B Subprime 6,000,000.00

17 3654PRAAS GSMP 2005-1 M1 C Subprime 6,000,000.00

18 3654PRAAS GSMP 2005-1 M5 Subprime 3,800,000.00

19 56743LB72 MABS 2003-NC1 M6 Subprime 3,963,000.00

20 59202URD9 MLM 2005-WMC1 B5 Subprime 2,000,000.00

21 64352VEN7 NCHET 2005-5 B Subprime 3,000,000.00

22 71085PB9X PCHTL 2005-1 B4A Subprime 6,050,000.00

23 73316PESS5 POPLR 2005-B B1 Subprime 1,000,000.00

24 881561D97 MTTS 2006-2HGS A2 Subprime 3,050,000.00

**Public Sale No. 2: Tuesday, May 22, 2018, 1:00 p.m. EDT**  
**Asset Type: Zero Factor - RMBS**

**Lot #** **Cusip** **Issue** **Asset Type** **Original Face (USD)**

1 04541GMU3 ABSHE 2004-HE6 M7 7,000,000.00

2 040104JW2 ARS1 2004-W8 M2 5,970,000.00

3 040104JW2 ARS1 2004-W8 M3 5,970,000.00

4 044421HAA4 ACE 2004-HE2 B2 8,000,000.00

5 004421JA2 ACE 2004-HE3 M11 11,869,000.00

6 004421OAA4 ACE 2005-HE4 B1 4,286,000.00

7 004421VAP8 ACE 2006-ASP1 M11 1,500,000.00

8 004410A02 ACE 2006-CW1 M10 3,000,000.00

9 004410A02 ACE 2006-CW1 M11 5,750,000.00

10 030725XP5 AMSI 2004-R12 M10 10,000,000.00

11 030725XP5 AMSI 2005-R3 M10 10,000,000.00

12 040104JW2 ARS1 2004-W8 M2 3,000,000.00

13 040104JW2 ARS1 2004-W8 M3 2,680,000.00

14 073879E955 BS9BS 2004-HE2 M3 6,025,000.00

15 1248PM3AG8 CBASS 2006-RP2 M3 1,444,000.00

16 1248PMK00 CBASS 2007-MX1 M6 1,000,000.00

17 12668A39Y CWALT 2005-72 M6 5,192,000.00

18 12667NAP3 CWL 2006-BC4 B 2,000,000.00

19 23244LAFA8 CWL 2006-0H2 M3 2,000,000.00

20 12669HAB5 CWL 2007-H01 M4 3,000,000.00

21 23248AQA0 CWL 2007-SEA1 2M6 1,908,000.00

22 29445FPA1 EMLT 2004-1 B1 1,780,000.00

23 29445FPA1 EMLT 2004-1 B2 3,400,000.00

24 320517NRM5 FFLM 2005-FF4 B1 5,000,000.00

25 320517NRM5 FFLM 2006-FF7 M10 5,000,000.00

26 320516EGG6 FHASI 2004-FL1 B4 450,000.00

27 320516EGG6 FHASI 2004-FL1 B5 526,000.00

28 35729PFA3 FHLT 2004-C M8 2,169,000.00

29 35729PFA3 FHLT 2005-C B2 5,425,000.00

30 32113JCA1 FNLC 2005-3 M7 4,418,000.00

31 39538WDU9 GPMF 2005-HE4 B1 8,397,000.00

**32 39538WDV7 GPMF 2005-HE4 B2 3,110,000.00**

33 36234LPB2 GSR 2005-HE1 B2 4,401,000.00

34 40430FAP7 HASC 2007-HE1 M9 5,000,000.00

35 43708ASHO HEAT 2006-1 B3 6,400,000.00

36 43709ASHT HEAT 2006-6 B3 2,250,000.00

37 225413HBM9 HEMT 2004-6 B2 4,725,000.00

## MARKETS

# Scandals Taint Singapore Market

BY JAKE MAXWELL WATTS  
AND SAURABH CHATURVEDI

SINGAPORE—A spate of police investigations and alleged accounting irregularities among companies is denting investors' confidence, forcing the country's stock exchange to address what critics say is a legacy of weak corporate governance and market regulation.

The tightly run city-state has historically presented a clean image to global investors. But problems have arisen in recent years, even among some government-linked companies that were standard-bearers for the domestic market. An old-boy's club of independent directors and weak shareholder activism have failed to check company executives, some investors say.

"Singapore is losing the confidence of investors," said Ravi Murarka, an individual investor who has clashed with several companies over governance issues in the past few

## Falling Out of Favor

Total market capitalization of companies on the Singapore Exchange



Note: \$1 trillion = US\$745 billion

Sources: Singapore Exchange (market cap); KGI Securities (shares)

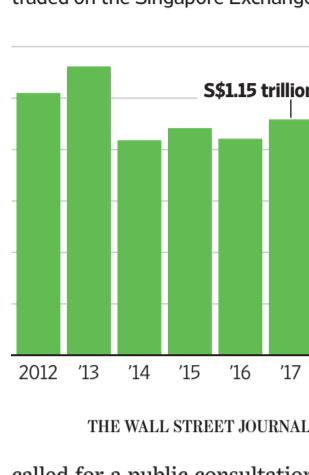
years. The Singapore Exchange says it is stepping up efforts to improve corporate governance at publicly listed companies. The bourse last year split off its regulatory arm from its for-profit business to let the unit focus better on policing the market.

"It may not be surprising

that wrongdoing is being uncovered now when it might otherwise have remained hidden," said Tan Boon Gin, chief executive of Singapore Exchange Regulation. "I think we're doing more. We do look back to see how we can learn lessons from the past."

Regulators in January

Average daily value of shares traded on the Singapore Exchange



THE WALL STREET JOURNAL

\$422 million in fines to settle a probe over alleged bribery at a Brazilian subsidiary, while rival Sembcorp Marine Ltd. is conducting an internal investigation into similar allegations. Keppel said it has improved governance. Sembcorp Marine declined to comment.

Those and other scandals have tainted Singapore's image, deterring some trading and reducing the city's attractiveness for new listings, some investors say.

The total market capitalization of companies on the Singapore Exchange was 1.05 trillion Singapore dollars (US\$782 billion) at the end of April, roughly the same level as three years ago. The number of listed companies has fallen about 3% to 744 over that period, because delistings—mostly due to privatizations—have outnumbered new listings. The average annual daily value of shares traded has plateaued at about \$1.1 billion since 2014, according to brokerage KGI Securities.

# Treasury Yields Give Back Gains

BY DANIEL KRUGER

U.S. government-bond prices rose Friday, sending yields to their biggest one-day decline in six weeks.

The yield on the benchmark 10-year Treasury note fell to 3.067%, from 3.109% Thursday, while still closing out its sixth weekly gain in the past seven weeks. Yields decline as bond prices rise.

Yields fell after two anti-establishment parties poised to take power in Italy finalized a coalition agreement Friday that challenges the constraints of the euro, setting up a possible fight with European leaders.

Yields rose earlier in the week along with investors' inflation expectations. Analysts increasingly expect a pickup in inflation, even though it has been slow to materialize in the economic data.

The yield on the 10-year Treasury note had closed Thursday at its highest level since July 2011. Inflation is a threat to the value of government bonds because it erodes the purchasing power of their future coupon payments.

The gap between shorter- and longer-term yields has widened as investors remain optimistic about the pace of U.S. growth. The difference between two- and 10-year yields increased to about 0.519 percentage point from 0.433 percentage point a week earlier.

Investors often look at the spread between those yields as a barometer of the economy's strength, with a steeper curve suggesting greater vitality.

# Crude Oil Falls in an Up-and-Down Session

BY CHRISTOPHER ALESSI

Oil prices closed lower after wavering between gains and losses in anticipation of renewed U.S. economic sanctions on Iran.

**COMMODITIES** Light, sweet crude for June delivery fell 21 cents, or 0.3%, to settle at \$71.28 a barrel on the New York Mercantile Exchange. Brent, the global benchmark, declined 79 cents, or 1%, to \$78.51 a barrel.

President Donald Trump last week pulled the U.S. out of a 2015 international agreement to curb Iran's nuclear program, setting the stage to reinstate sanctions on the Is-

amic Republic, a member of the Organization of the Petroleum Exporting Countries.

Even though the European Union has decided to stick to the accord, energy companies in the region have already started to pull back from Iran. On Wednesday, French oil company Total SA said it would withdraw from an agreement to help develop a gas field off Iran if it wasn't granted a waiver by the U.S. Total had signed a \$1 billion deal to develop Iran's South Pars field.

The decision was a concrete sign that U.S. sanctions could hinder Iran's oil industry and further reduce global supply. Iran exports about 2.4 million

barrels a day of crude. Analysts estimated that anywhere between 400,000 to one million barrels could be at risk once sanctions are reinstated.

The move by Total "confirmed that European companies with business and banking activities in the U.S. cannot afford to go up against the U.S. Iran sanctions unless they get assurances against possible secondary sanctions for their U.S. activities," said Bjarne Schieldrop, chief commodities analyst at SEB Markets.

Concerns over Iranian supply come amid a tight oil market. The International Energy Agency on Wednesday said that commercial petroleum

stocks in Organization for Economic Cooperation and Development countries fell to the lowest level in three years and below the five-year average for the first time since 2014.

In its monthly oil-market report, the IEA suggested the drawdown in stocks was evidence that OPEC's coordinated efforts to cut output have succeeded in clearing up a global supply glut that had weighed on the market since late 2014.

OPEC and 10 producers outside the group, including Russia, have been holding back crude production by about 1.8 million barrels a day since the start of last year. The agreement, which was extended in November, is set to expire at

the end of 2018.

On Thursday, Saudi Arabia—the de facto head of OPEC and the world's largest crude exporter—said it was in talks with other OPEC members and Russia amid concerns prices are rising too high.

Oil-market observers will also be looking ahead to elections this weekend in Venezuela, where supply outages have already helped bolster prices in recent months. "Incumbent President Nicolás Maduro is a shoo-in to win and this might provoke the wrath of Washington, which is actively mulling over broad oil sanctions on Venezuela," said Stephen Brennock, analyst at brokerage PVM Oil Associates.

# Stocks Drop for the Week Amid Geopolitical Worries

BY RIVA GOLD AND AKANE OTANI

U.S. stocks stalled Friday, posting weekly losses as bubbling uncertainty around global trade policies and interest rates limited investors' appetite for risk.

Stocks struggled for traction as investors grappled with geopolitical tensions spurred

by new government proposals in Italy, doubts about a coming meeting between the U.S. and North Korea, and continuing trade talks with China.

"There are a few fires at the moment that investors need to take on board," said Olivier Marcot, a multiasset portfolio manager at Unigestion. "We still don't think it will be material for now, but it will be a strong headwind to equity markets as long as headline risk remains as strong as that."

The Dow Jones Industrial Average edged up 1.1 points, or less than 0.1%, on Friday to 24715.09. The S&P 500 declined 7.16, or 0.3%, to 2712.97 while the Nasdaq Composite lost 28.13, or 0.4%, to 7354.34.

For the week, the Dow industrials fell 0.5%, while the S&P 500 lost 0.5% and the Nasdaq shed 0.7%—snapping a two-week winning streak.

Bondlike sectors of the stock market took a hit as high crude-oil prices and interest rates stoked fresh investor bets on inflation.

Utilities and real-estate companies in the S&P 500, which are considered bond proxies because of their relatively hefty dividend payouts, both posted weekly losses of more than 3%.

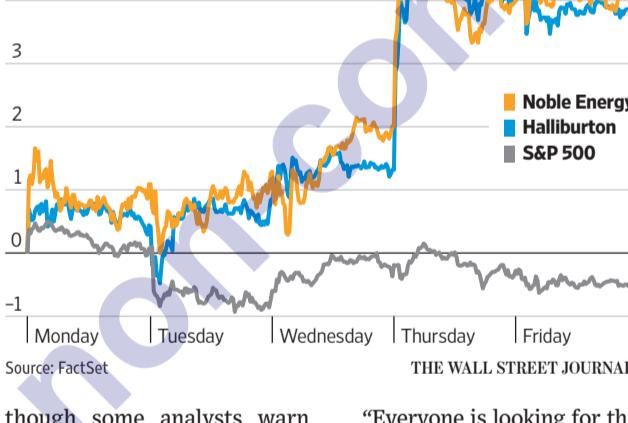
Government bonds came under pressure as well, with the yield on the benchmark 10-year U.S. Treasury note settling at 3.067%, up from 2.971% a week ago. Yields rise as bond prices fall.

U.S. crude for June delivery edged down 0.3% Friday to \$71.28 a barrel, although prices are up 18% for the year.

Rising oil prices helped drive shares of energy companies such as Range Resources and Helmerich & Payne up more than 4% this week, al-

## Energy Shot

Shares of Noble Energy and Halliburton soared with oil prices for the week, although losses in other sectors pushed the S&P 500 lower.



though some analysts warn that a prolonged rally in crude could drive inflation higher and cut into corporations' profits.

For now, though, the risks look muted, said Ed Keon, chief investment strategist at investment firm QMA.

"We think inflation will probably rise modestly, maybe even a little above the [Federal Reserve's] target, but don't think it will be enough to change the Fed's current course or cause a major problem for

"Everyone is looking for the cloud in the sky, but the outlook is still positive," said JJ Kinahan, chief market strategist at TD Ameritrade.

Elsewhere, Italy's benchmark FTSE MIB index fell 1.5% Friday after two antiestablishment parties seeking to form a governing coalition agreed to scrap or dilute pension overhauls that were widely credited with helping keep Italy's finances on a sustainable path.

For markets, "the best case is inertia and the worst case is passing measures that will have a huge impact on Italian debt," said Unigestion's Mr. Marcot, noting uncertainty in Italy is likely to keep the euro under pressure and potentially encourage the European Central Bank to exercise more caution in normalizing monetary policy.

Stocks more broadly across Europe largely advanced, though, with the Stoxx Europe 600 posting a 0.6% weekly gain.

The recent strengthening of the U.S. dollar has helped support shares of global multinationals translating revenue into weaker local currencies.

The WSJ Dollar Index, which tracks the dollar against a basket of 16 others, extended gains Friday after closing at its highest level since December.

Japan's Nikkei Stock Average rose 0.8% for the week, marking its eighth consecutive weekly advance.

—Giovanni Legorano contributed to this article.

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One factor that has helped keep many investors optimistic: Data continue to suggest the U.S. economy is expanding at a slow and steady pace, even as reports have pointed to some loss of momentum in Europe and Japan.

Retail-sales data Tuesday showed consumers picked up spending at the start of the spring, undeterred by rising gasoline prices. The solid economy has helped retailers such as Macy's, whose shares jumped 15% for the week to \$33.96 following a stronger-than-expected earnings report.

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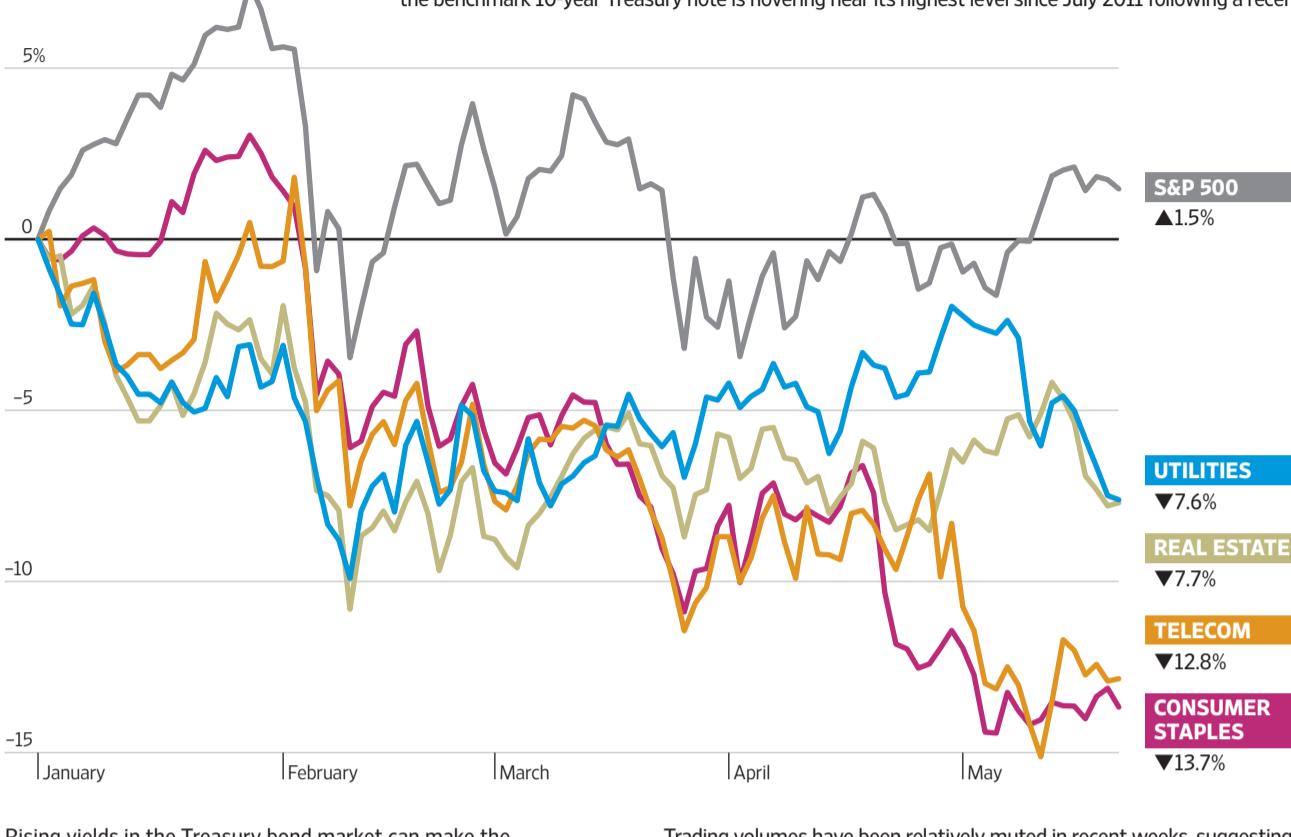
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## MARKETS

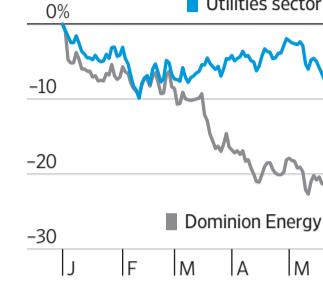
## Stung by Rising Rates

## S&amp;P 500 sector performance, year to date



The S&P 500 suffered its biggest weekly loss in six weeks, as rising government-bond yields punished high-dividend stocks in the utilities and real-estate sectors. Investors for years poured money into those shares, along with telecom and consumer-staples stocks, as they sought investment income that outpaced superlow yields in the bond market. But that trend has reversed in recent months as Treasury yields have climbed. The yield on the benchmark 10-year Treasury note is hovering near its highest level since July 2011 following a recent batch of mixed economic data.

**Utilities** tend to grow slower than other industries and often carry heavy debt loads. They typically fare better in down periods and trail the market during upswings.



**Real-estate** investment trusts are trading at a big discount to the assets they own, according to Green Street Advisors, even as investors are pouring money into private real-estate funds.



**Telecom**'s influence on the broader S&P 500 has waned over the years because of rampant consolidation. The three remaining stocks will join a new communications-services sector later this year.

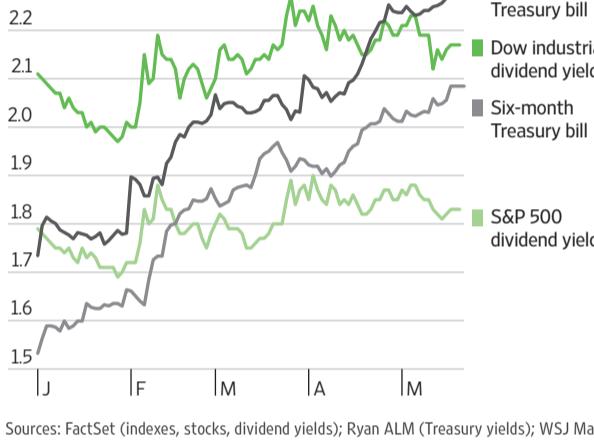


**Consumer-staples** companies face increasing competition from discount retailers and are struggling to raise prices for their marquee products.



Rising yields in the Treasury bond market can make the interest payments of government bonds look more attractive to investors than the dividend yields paid out by stocks.

## Index dividend and Treasury yields



Sources: FactSet (indexes, stocks, dividend yields); Ryan ALM (Treasury yields); WSJ Market Data Group (volume)

## Weekly average composite volume



Peter Santilli/THE WALL STREET JOURNAL.

## HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

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## Campbell Soup's Can of Worms

Campbell Soup announced the abrupt resignation of its chief executive on Friday, alongside a miserable set of quarterly results that showed clearly why she had to go.

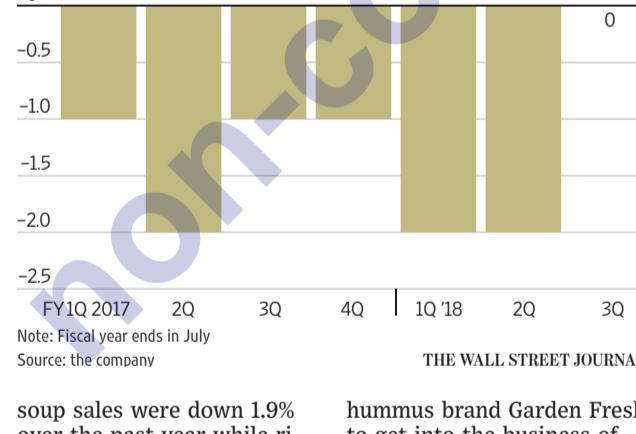
Almost everything went wrong for Campbell. Organic net sales, which strip out acquisitions and currency effects, were flat from a year earlier, dragged down by weak performance of soup. Adjusted gross margins fell by 4 percentage points to 32%. Campbell lowered guidance for operating earnings and earnings per share for the fiscal year ending in July.

In a gloomy conference call, management rattled off a long list of headwinds, including higher costs for food ingredients, shipping and logistics, as well as higher steel and aluminum prices for their soup cans due to import tariffs.

But interim CEO Keith McLoughlin blamed poor execution by the company as well. For one thing, Campbell actively pointed out that its

## Condensed

Campbell Soup organic net sales, change from year earlier



soup sales were down 1.9% over the past year while rival brands were up 3.8%, and private-label soup sales were up 11%.

Campbell also flagged continued problems in its fresh-food segment, perhaps the most troubled part of the legacy left by retired CEO Denise Morrison. During her tenure, the company acquired smoothie and packaged carrots maker Bolt-house Farms and salsa and

hummus brand Garden Fresh to get into the business of selling fresh foods.

But these businesses proved to be far outside Campbell's core expertise.

Campbell wrote down the value of the fresh-foods division by \$619 million, swinging the company to a net loss for the period.

The only thing Campbell sounded positive about was the recent acquisition of snack maker Snyder's-Lance.

At this point, an outright sale of the company should be considered, perhaps to a ruthless cost-cutter like Kraft Heinz. But a high concentration of ownership by the founder's family and a recently increased debt load following the Snyder's deal make that less likely.

Campbell's shares dropped 12% Friday and have fallen 38% over the past year. It's hard to see what could turn that around.

With the transaction having closed two months ago, Campbell Chief Financial Officer Anthony DiSilvestro said he is more confident than ever that they will achieve the intended \$295 million of cost cuts and synergies.

But it will be hard for management or investors to focus on integrating this business when the rest of the company is falling apart. Campbell says it will search for a new CEO and simultaneously launch a comprehensive review of its strategy, operations and portfolio.

That was lower than expected, with the chief culprit being food prices that rose less than expected.

Economists worried about deflation are probably pleased about the eel situation. Eel lovers and British tobacco-nicists had no comment.

—Aaron Back

## OVERHEARD

The hovercraft are not full of eels.

While this might delight Hungarians, and Monty Python fans, it is downright distressing to the Japanese, who consume the slimy creatures with gusto, particularly during a traditional eel eating period in late July. Japan's Yomiuri Shimbun reports that adult eel prices are 50% higher than a year ago, with the catch having been the second lowest on record.

The surge in eel prices stands out at least. Japan's inflation rate has been stubbornly low ever since the country's property and stock bubble burst in 1990, often being negative, and was most recently estimated to be up 0.6% over the previous year in April.

That was lower than expected, with the chief culprit being food prices that rose less than expected.

Economists worried about deflation are probably pleased about the eel situation. Eel lovers and British tobacco-nicists had no comment.

## Deere Plants The Seeds Of Optimism

Deere's fiscal second-quarter results spurred investor relief on Friday.

Net sales of \$10.7 billion were up 29% from a year ago, while adjusted earnings of \$3.14 a share rose 26%. Both numbers fell short of analyst consensus, but the stock charged 5.8% higher.

That is because things could have been worse. A lengthy drought and financial turmoil in Argentina had led to concerns about Deere's performance in Latin America, but stronger-than-expected results in Brazil helped offset the effect on equipment sales. Deere left its full-year forecast for South American equipment sales growth intact.

Deere's outlook gave investors other reasons for optimism. Its forecast for U.S. farm cash receipts, a key indicator for the agricultural equipment industry, continues to improve.

The company also is making good progress integrating Wirtgen, the German maker of road construction equipment that it bought for about \$5 billion last year.

Selling, general and administrative expenses for the equipment division are now forecast to be up just 18% for this fiscal year, 5 percentage points lower than guidance issued three months ago.

The stock is trading right where it was at the start of the year, in line with the broader stock market, which is flat despite surging earnings. But, like the market overall, that probably can be explained by Deere's meteoric rise in the recent past. Shares have doubled since the spring of 2016.

After a run like that, flat stock performance in 2018 doesn't look bad at all.

—Charley Grant

## PayPal Is Shelling Out a Lot to Catch Up With Its Rivals

PayPal Holdings has long been the king of peer-to-peer payments and a big player in online payments, but has had a limited presence in stores.

The company's \$2.2 billion acquisition of a fast-growing Swedish payments company called iZettle is a smart but expensive way to fill that gap. The deal will put it in clear competition with Square, a payments processor that has gained a huge following among small businesses, and big point-of-sale terminal providers such as Worldpay.

PayPal is paying a high price for a small company in a market that is already fairly crowded, but it is the

right move strategically because retailers want to be able to accept payment in any form, online or in-store, quickly and easily.

The deal will make PayPal look more like Worldpay, which provides full-blown checkout terminals at retailers. But iZettle technology uses a small, light card reader that is cheap compared with full-blown checkout terminals.

That gives PayPal a lower-cost option for its own small-business customers and gives it the cool factor to help it compete with Square, the payments company set up by Twitter's Jack Dorsey.

The question will be how quickly it can roll out iZettle's technology. The Swedish group has just 500,000 small-business customers; PayPal has 19 million. Square is also much bigger. Over the past four quarters, it processed gross payment volume of \$69.5 billion. According to PayPal's press release, iZettle is expected to have a gross payment volume of \$6 billion in 2018.

The price looks steep. iZettle said only this month that it aimed to list on Nasdaq in Stockholm with a valuation expected to be about \$1.1 billion.

iZettle hasn't made a

## Might Be Giants

Total payments volume expected to be processed in 2018



Sources: Piper Jaffray; the companies

profit and, according to PayPal, should become profitable in 2020. But it has been expanding rapidly with revenue after fees to banks and card networks up 60% a year

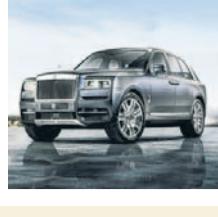
over the past three years to reach an estimated \$130 million for 2018. If that growth rate continues, the \$2.2 billion that PayPal is shelling out would be about 11 times 2019 revenue.

That is much higher than PayPal itself, or Worldpay, which trade at enterprise values of 5.1 and 7.7 times 2019 revenue, respectively. However, it is a 15% discount to Square, according to analysts at Deutsche Bank.

PayPal is late to the innovations that Square helped pioneer and is paying a high price to catch up. But the cost is necessary to plug the gap.

—Paul J. Davies

Jason Gay asks  
makers of new  
luxe family cars:  
‘Are you ready  
for my children?’



C3

# REVIEW



A new book  
aims to tell us  
all we need to  
know about  
the universe

C5

BOOKS | CULTURE | SCIENCE | COMMERCE | HUMOR | POLITICS | LANGUAGE | TECHNOLOGY | ART | IDEAS

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THE WALL STREET JOURNAL.

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# Partners in Blood

Much of the attention to Theranos, the medical diagnostics firm accused of fraud, has focused on CEO Elizabeth Holmes. But behind the scenes, another character played a central role.

BY JOHN CARREYROU

Theranos Inc.’s 15-year quest to revolutionize the blood-testing industry met with the latest in a series of crippling blows in March when the Securities and Exchange Commission charged the Silicon Valley diagnostics firm with conducting an “elaborate, years-long fraud.” The SEC accused the firm of deceiving investors into believing that its portable device could perform a broad range of laboratory tests on drops of blood pricked from a finger, when in fact it was doing most of its tests on commercial analyzers made by others.

Much of the attention has focused on Theranos founder Elizabeth Holmes. But another character played a central role behind the scenes in the alleged fraud: Ms. Holmes’s boyfriend, Ramesh “Sunny” Balwani, according to more than three dozen former Theranos employees who interacted with Mr. Balwani extensively over a number of years. Mr. Balwani, who met Ms. Holmes when she was a teenager, jointly ran the company with her for seven years as president and chief operating officer and enforced a corporate culture of secrecy and fear until his departure in the spring of 2016, the former employees say.

Unlike Ms. Holmes and Theranos, who reached a

settlement with the SEC to resolve the agency’s civil charges in March without admitting or denying wrongdoing, Mr. Balwani has denied separate charges the SEC filed against him in a parallel action and is fighting them in a California federal court. Ms. Holmes didn’t respond to requests for comment. A spokeswoman for Mr. Balwani provided a statement from his lawyer, Jeffrey B. Coopersmith, saying Mr.

## The corporate No. 2, the CEO’s boyfriend, enforced a culture of secrecy and fear, said employees.

Balwani accurately represented Theranos to investors to the best of his ability, worked hard to maximize shareholder value and took on significant risk investing in the company while never benefiting financially from his work.

When Mr. Balwani met Ms. Holmes, he already had made a fortune from his role in a technology startup. Born and raised in India, Mr. Balwani first came to the U.S. in 1986 for his undergraduate studies and later worked as a software engineer for Lotus and Microsoft. In 1999, he joined CommerceOne.com as its presi-

dent and No. 2 executive; it was developing a software program for companies to pit their suppliers against one another for contracts in live online auctions. Business-to-business e-commerce had become hot, and in November 1999, the sector leader—the similarly named Commerce One—acquired the startup for \$232 million in cash and stock, though it had just three clients testing its software.

Mr. Balwani received Commerce One shares that he sold for more than \$40 million, based on a lawsuit he later filed against an adviser over tax-shelter advice. The deal’s timing couldn’t have been better for the startup’s executives. Within five months, the dot-com bubble had popped and the stock market had swooned. Commerce One eventually filed for bankruptcy.

Not long after cashing in, Mr. Balwani crossed paths with Ms. Holmes in Beijing. In the summer of 2002, both were enrolled in Stanford University’s Mandarin program, which featured several weeks of instruction in China. Ms. Holmes, a month away from starting her undergraduate studies at Stanford, struggled to make friends on the trip and got bullied by some of the other students, according to a description a friend of Ms. Holmes’s mother gave in a legal proceeding. Mr.

Please turn to the next page

This essay is adapted from “Bad Blood: Secrets and Lies in a Silicon Valley Startup” to be published by Alfred A. Knopf on May 21.

## INSIDE



**POLITICS**  
Here’s a way to fix what ails Washington: Have Congress actually do something.

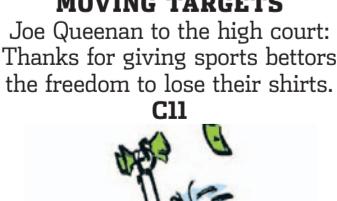
C4

NASA (UNIVERSE)



**MENTAL HEALTH**  
Asylums have long been taboo—but now we need a new set of flexible and varied institutions.

C3



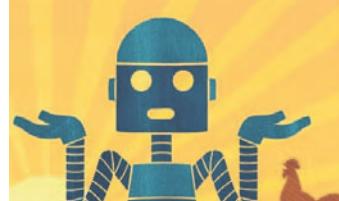
**MOVING TARGETS**  
Joe Queenan to the high court: Thanks for giving sports bettors the freedom to lose their shirts.

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**BOOKS**  
From a Scottish port to Saipan, the sea battles that changed the course of World War II.

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**TECHNOLOGY**  
For artificial intelligence programs, to reason why is a do-or-die necessity.

C12

## REVIEW

# Theranos's No. 2

*Continued from the prior page*

Balwani, the lone adult among a group of college kids, stepped in and came to her aid, according to this account.

In the 37-year-old Mr. Balwani, the 18-year-old Ms. Holmes saw what she wanted to become: a successful and wealthy entrepreneur, according to a friend of Ms. Holmes. He became her mentor, the person who would teach her about business in Silicon Valley. They became romantically involved not long after Ms. Holmes dropped out of Stanford in the fall of 2003, according to the friend and early Theranos employees. When they'd first met in China, Mr. Balwani was married to a Japanese artist and living in San Francisco. By October 2004, he was listed as single on the deed to a condominium he purchased in Palo Alto. Other public records show Ms. Holmes moved into that apartment in July 2005.

When she first incorporated her startup in early 2004, Ms. Holmes wanted to develop a wristband that would simultaneously detect people's ailments by drawing their blood with microneedles and cure them by injecting them with the appropriate drug. But the TheraPatch, as she called it, proved too futuristic, so she pivoted to a different vision: a portable machine that would perform dozens of laboratory tests from a drop of blood pricked from a patient's finger.

In Theranos's early years, Mr. Balwani advised Ms. Holmes but didn't work at the company, according to early employees. They nonetheless felt his presence behind the scenes, saying it wasn't unusual for Ms. Holmes to start sentences with "Sunny says." In September 2009, he joined the company as its second-in-command. Theranos by that time had burned through \$47 million it had raised from investors in its first three funding rounds and was on the cusp of bankruptcy. To keep it afloat, Mr. Balwani agreed to personally guarantee a \$12 million credit line it took out.

With some of his own money now at stake, Mr. Balwani wasted no time asserting himself. He frequently barked orders and dressed people down, former employees say. They remember him cutting a brash figure among the scientists and engineers, wearing white designer shirts with puffy sleeves and the top three buttons open, acid-washed jeans and blue Gucci loafers, along with pungent cologne.

He flashed his wealth through his cars, driving a black Lamborghini Gallardo and a black Porsche 911. Both had vanity license plates: The one on the Porsche read "DAZKPTL" in mock reference to Karl Marx's treatise on capitalism. The Lamborghini's plate was "DIVICI," a play on the phrase "Veni, vidi, vici" ("I came, I saw, I conquered"), which Julius Caesar used to describe his quick victory at the Battle of Zela.

Mr. Balwani took to firing people so often that it gave rise to a new expression at the company: to "disappear" someone. That's how Theranos employees used the normally intransitive verb when someone was dismissed. "Sunny disappeared him," they would say.

By the summer of 2013, the Theranos machine had gone through three iterations. The first, a microfluidic device, had been abandoned in 2007. The second, a converted glue-dispensing robot called the Edison, had been shelved in 2010. The third, which Ms. Holmes had christened the miniLab, was supposed to be the one that finally turned her vision into reality. But while she and Mr. Balwani were telling Theranos's retail partner, Walgreens, that the miniLab could perform the full range of lab tests on tiny finger-stick samples, the truth was that it remained a work in progress, according to the SEC. The list of its problems was lengthy.

The biggest problem of all was the dysfunctional corporate culture in which it was being developed. Ms. Holmes and Mr. Balwani brushed off those who raised concerns or objections as cynics and naysayers. Employees who persisted in doing so were usually marginalized or fired.

While Ms. Holmes was fast to catch on to engineering concepts, Mr. Balwani often appeared out of his depth during those discussions, according to several former Theranos engineers. He had a habit of repeating technical terms he heard others using. During one meeting, he latched onto the term "end effector," which signifies the claw at the end of a robotic arm. Except Mr. Balwani didn't hear "end effector"—he heard "endofactor." For the rest of the meeting, he kept referring to the fictional endofactors. Mr. Balwani's knowledge of chemistry also was spotty: For instance, he mixed up the chemical symbols for potassium (K) and phosphorus (P), a mistake most high-school chemistry students learn to avoid.

Though the miniLab remained a malfunctioning prototype, Ms. Holmes was intent on launching Theranos's fingerstick tests in Walgreens stores by September 2013. So she and Mr. Balwani dusted off the Edison and launched with that, the SEC says. But the Edison could handle just one class of blood tests; to perform the dozens of others they had promised Walgreens their technology could handle, they needed a workaround. The solution was

to secretly modify third-party commercial machines to adapt them to small blood samples.

When Christopher James and Brian Grossman of San Francisco hedge fund Partner Fund Management came to visit Theranos's Palo Alto offices in early 2014, Mr. Balwani told them that Theranos had developed about 300 different blood tests and could perform 98% of them on tiny fingerstick samples—up to 70 from a single sample—according to a lawsuit that Partner Fund later filed against Theranos. (Theranos settled the suit, which alleged fraud, for \$43 million in the spring of 2017 without admitting or denying wrongdoing.) Mr. Balwani mentioned nothing to Messrs. James and Grossman about using commercial analyzers; the implication was that all the tests were handled on special Theranos technology, according to the Partner Fund suit.

Messrs. James and Grossman were impressed by something else Mr. Balwani and Ms. Holmes said—that Theranos's devices were being used in the field by the U.S. military, according to a person they briefed on their meetings with Theranos. If that were true, a contract with the Department of Defense could add another big source of revenues.

A spreadsheet with financial projections that the Partner Fund suit alleges Mr. Balwani sent them supported this notion. It forecast gross profits of \$165 million on revenues of \$261 million in 2014 and gross profits of \$1.08 billion on revenues of \$1.68 billion in 2015.

But the U.S. military wasn't using the Theranos devices in the field. And six weeks later, Theranos's controller, Danise Yam, sent very different revenue and profit projections to a firm that Theranos had hired to price employee stock options, according to a deposition Ms. Yam gave in the Partner Fund litigation. Her figures were about one-fifth the size of Mr. Balwani's for 2014, and less than a 10th of his amounts for 2015.

In July 2015, Ms. Holmes invited Vice President Joe Biden to come visit Theranos's facility in Newark, Calif. It

was an audacious move given that the company's lab had been operating without a real director since the previous December. The lab's morale was low. Two months earlier, Mr.

Balwani had terrorized its members after a scathing critique of Theranos, entitled "A pile of PR lies," appeared on Glassdoor, the website where employees review companies anonymously. Negative Glassdoor reviews about the company weren't unusual; Mr. Balwani made sure they were balanced out by a steady flow of fake positive reviews he ordered members of the HR department to write, according to former employees. But this particular one had sent him into a rage. After getting Glassdoor to remove it, he conducted interrogations of employees he suspected of having written it, but never found the culprit.

More recently, Mr. Balwani had fired Lina Castro, a member of the microbiology team. According to colleagues, Ms. Castro's offense had been to push the company to institute standard environmental health and safety protections in the lab. "I did everything with integrity for the patients and for my team," Ms. Castro said in an interview. "I wanted everyone in the laboratory to work in an environment that was safe."

Ms. Holmes and Mr. Balwani wanted to impress Vice President Biden with a vision of a cutting-edge, automated laboratory. Instead of showing him the actual lab with its commercial analyzers, they created a fake one, according to former employees who worked in Newark. They made the microbiology team vacate a room it occupied, had it repainted, and lined its walls with rows of miniLabs stacked up on metal shelves.

Ms. Holmes took Mr. Biden on a tour of the facility and showed him the fake automated lab. In a discussion with a half-dozen industry executives right afterward, Mr. Biden called what he had just seen "the laboratory of the future." Through a spokeswoman, Mr. Biden declined to comment.

Three months later, on Oct. 15, 2015, The Wall Street Journal published the first of a series of articles raising questions about Theranos's technology and practices. The Journal's reporting triggered the SEC probe as well as a criminal investigation spearheaded by the U.S. attorney's office in San Francisco. The U.S. attorney has declined to comment.

At first, the company strongly denied the Journal's reporting. But Ms. Holmes later conceded problems at Theranos's Newark lab in an interview with Maria Shriver on NBC's "Today" show in April 2016. As CEO, Ms. Holmes said, she ultimately was the one responsible.

Yet it was Mr. Balwani who took the fall three weeks later. While Theranos called his departure a voluntary retirement in a news release, a friend Ms. Holmes confided in shortly afterward says she fired him.

These days, Mr. Balwani and Ms. Holmes are no longer a couple. Their lawyers have instructed them not to communicate with each other, people familiar with the matter said, because of the ongoing criminal probe.



**MR. BALWANI**, rarely seen in photos, and Ms. Holmes speak to the staff in July 2015 at Theranos's then-headquarters in Palo Alto.



**MR. BALWANI**, rarely seen in photos, and Ms. Holmes speak to the staff in July 2015 at Theranos's then-headquarters in Palo Alto.

## REVIEW



AT MASSACHUSETTS' GOULD FARM, residents garden, feed animals, prepare meals, participate in fitness activities, maintain walking trails and run the farm's cafe and bakery.

BY HOWARD HUSOCK  
AND CAROLYN D. GORMAN

**WHEN RICHARD QUINTERO** broke into a Pizza Hut in High Point, N.C., early one morning in late March, he called 911 himself to let the police know. "Yes, this is Jesus Christ and I just broke into the Pizza Hut," he said, according to a recording of the call. He then told the dispatcher that he was schizophrenic and kept getting kicked out of homes. When the police arrived, Mr. Quintero was cooperative but was still arrested on charges of felony breaking and entering and felony larceny. He spent time at a state prison before being found incompetent to stand trial and sent for a short-term stay at a state mental hospital.

Many in his situation, unfortunately, tend to stay behind bars: In the U.S. today, jails and prisons have become our mental asylums. The Bureau of Justice Statistics estimates that some 365,000 American adults with serious mental illness are behind bars and an additional 770,000 are on probation or parole. A 2017 Justice Department study estimates that some 37% of all prison inmates suffer some mental illness and that 26.4% of jail inmates suffer from a psychosis.

They are behind bars because, too often, they have nowhere to go. Two generations of policy have led to the mass closing of state mental hospitals. The extent of the resulting problems—for the seriously mentally ill in general, not just those in jails or prisons—is so widespread that a case is building to bring back the asylum, especially for those who pose a risk to others or themselves. But proponents aren't advocating for a return of the inhumane places of the past. What's needed is a new generation of flexible and varied institutions.

To understand the problem, it helps to look back at the history of asylums. In 1840, Dorothea Dix, the former headmistress of a Boston school for girls, had completed a trip to England meant to help recover her health. Influenced by Quaker reformers there, she was exposed to the cause then known as "lunacy reform"—the idea that government had an obligation to care for the mentally ill.

Back in the U.S., Dix went on to survey and expose what was quickly understood to be a scandal: the confinement of the mentally ill in

# Bring Back The Asylum

A new generation of institutions would help reduce the vast numbers of mentally ill adults in jails and prisons

prisons. Dix successfully convinced states to invest in large-scale asylums, where those suffering from mental illness would be well cared for in impressive and expensive facilities. The construction and staffing of those state hospitals—which, in the early days, were often lofty, light-filled buildings with communal dining halls and sprawling grounds for outdoor exercise—became major state expenses.

By the mid-20th century, the system had grown into a vast network of 322 state and county hospitals holding more than 550,000 beds. But they had grown to encompass much more than housing the mentally ill. In an era before Social Security or long-term nursing care, they served as housing of last resort for those suffering with dementia, sexually transmitted diseases and other ills. "By becoming the

dumping ground for all manner of people who could not care for themselves, the once-grand asylums deteriorated into snake pits and hellholes worthy of exposés," says Jeffrey Geller, medical director of the Worcester Recovery Center and Hospital, one of the last surviving hospitals for the diagnosis and treatment of mental illness in Massachusetts. Overcrowding and less oversight created a much lower quality of care for patients. Work opportunities that taught valuable social skills disappeared under the guise of patient rights.

**37% of all prison inmates suffer some mental illness.**

Today, we face the same problem that Dix found: that treatment for mental illness is fundamentally inconsistent with imprisonment. As Dominic Sisti, Andrea Segal and Ezekiel Emanuel of the University of Pennsylvania argue in a 2015 essay in the *Journal of the American Medical Association*, "It is difficult to imagine how ethically sound treatment of mentally ill prisoners can be delivered." Many such prisoners are so difficult that they are held in solitary confinement. One advantage we have today is that mental illness can often be successfully treated with medication—but that may require supervision to ensure the patient is following the regimen.

As one option on a spectrum of possible settings, state hospitals would not require a huge number of facilities. In his 2013 book

"American Psychosis: How the Federal Government Destroyed the Mental Illness Treatment System," E. Fuller Torrey of the Treatment Advocacy Center, citing data from the National Institute of Mental Health, estimates that only 1% of the approximately 12.3 million people suffering from serious mental illness are a threat to themselves or others. That would mean facilities adequate to house a maximum of 123,000 people.

Nor would they have to be large, isolated institutions filled with beds. Experiments with new models have begun to emerge, including

those modeled after Massachusetts' Gould Farm, a "therapeutic community" operating since 1913 that is based in farming, where its 40-some residents feed animals, prepare meals, participate in fitness activities, maintain walking trails and run the farm's cafe and bakery. "There are many different modalities," says Dr. Sisti, who has promoted the asylum idea as part of a broader continuum of care in a series of panels and papers for the American Psychiatric Association. "Therapeutic communities, farmsteads, recovery campus settings. There should be a range of hospitals, as well, both public and private—but they should be within reach and affordable." Not every patient would need a long-term stay.

Bringing back the asylum would, of course, require public spending. Dr. Geller notes that Medicaid, since its inception in 1965, has barred the use of its funds to support inpatient treatment in larger institutions—originally as a way to force states to continue to bear the expense of treatment. Instead, that policy, along with the deinstitutionalization movement, incentivized states to shift a huge portion of the cost of these hospitals to the federal government by encouraging patients to be served in small, community-based treatment centers, whether these services were sufficient or not. The mass closing of hospitals began, and the few inpatient beds left continue to decrease in number even today.

Dr. Geller proposes that public support for treatment work as a sort of a patient voucher—accompanying a patient in any treatment setting. He envisions patients moving from hospital to involuntary outpatient treatment to their own apartments in "supportive housing," with the same level of funding following them wherever they go. He believes that state hospitals, run well, should not be "wildly more expensive than community treatment"—and can be crucial as treatment options.

Many of the asylums of the previous era still stand, often empty and eerie. We may not want to reopen those actual facilities—but it's time to acknowledge that closing them has left a vacuum that must be filled.

*Mr. Husock is vice president for research and publications and Ms. Gorman is project manager for mental illness policy at the Manhattan Institute.*

## THERE IS NO LUXURY IN A FAMILY CAR RIDE

BY JASON GAY

**SUMPTUOUS** automaker Rolls-Royce is prepping to introduce an SUV, to which I can only say: Finally, Rolls-Royce! My kids are getting bigger, and I've been wanting to upgrade the old family truckster, and here's a perfect opportunity to impress. Called the Cullinan, the Rolls SUV will reportedly retail for \$325,000. That sounds like a lot of money, but it's peanuts in my fancy-pants home of New York City, where \$325,000 will basically buy you a bathroom door. Maybe a toilet seat cover, if you're lucky.

Rolls-Royce is just the latest ultra-luxury car brand to vroom into the SUV/"Crossover" market. Lamborghini's already in, with the \$200,000 Urus, which sounds like a planet you don't want to visit, or a diagnosis you don't want to get, but the Urus is a gorgeous Italian specimen. Of course, there's the groundbreaking Porsche Cayenne, the Bentley Bentayga, and the Maserati Levante, the last of which starts at a brightly reasonable \$75,000—roughly the cost of taking a family of four to an NFL game, without parking.

I'm no expert, but I don't think you can go wrong with any of these



CHEERIOS not included: The Rolls-Royce Cullinan.

fine cars. They're all spectacularly appointed, more powerful than Zeus, and, I believe, come with complimentary seats and windows.

Auto people like the Journal's Dan Neil know that making SUV/"Crossovers" is good, practical business for ultra-lux auto manufacturers, since these cars have what many modern drivers want: comfort, space, height on the road and cupholders. I see an obvious market for celebrities, heads of state and weekenders who need something fierce and rugged to ram-

ble to Panera.

Still, I wonder—are these ultra-lux SUVs ready for a true, honest-to-goodness family car ride? Because let me be clear about a family car ride: It is anything but ultra-lux.

If you've ever piloted a family car, you know exactly what I mean. These excursions are neither relaxing nor luxurious. They are wars, all of them—wars with small people, resistant to negotiation and hellbent on noise, destruction and spilling thousands of Cheerios into the seat crevices.

That's just the start of it. Take my 3-year-old daughter. A lovely child, mostly, but all it takes to get her to upchuck in the car is the mention of the word "car." This, in turn, almost always sets off a regurgitation chain reaction with her 5-year-old brother, who sees his sister's expulsion and begins to dramatically expel himself. You really have to see it to believe it. Within minutes of leaving home, our back seat resembles a shabby diner amid a bacterial outbreak.

Does this sound fun, Rolls-Royce? We are ready to star in a commercial, simply say the word.

Sometimes we get lucky. The kids hang onto their stomachs. Instead, they simply brawl. Pinches, punches, kicks, bites, hair-pulls, eye-gouging—we've refereed it all. We should install chicken wire and padding and hold five-round title matches. Just the fact that the little ones can tangle while belted into child seats is impressive. Our kids, it's clear, have long limbs.

We try to feed them. Usually it starts with some thoughtfully considered, healthy snacks: celery sticks,

apple slices, organic juice boxes. But there's only so much healthy snacking a child will stand. By the end of a long trip, we're just tossing them chocolate chip cookies, like they're a pair of sea lions at the aquarium.

I know what you're thinking: What about giving them iPads? And it's true—devices have removed a lot of torment from the family car trip. It makes me feel guilty, though. I don't want to spend hours overhearing "Finding Dory" and episodes of "Dinosaur Train." I want my kids to join me in marveling at the countryside, hunting

for Alaska license plates and loudly singing Sondheim and Ice Cube.

After all, family car trips were how I saw America as a child. It's where my little brother and I bonded, over stuffed animals, baseball cards and occasional black eyes. It's how my father taught me so many exciting words, yelling at traffic on the interstate.

I don't know if a Rolls-Royce SUV would have made those family car trips any better. But, sure, I am willing to try.

**Can a fancy SUV handle arguing children?**

## REVIEW



**WORD ON  
THE STREET:**  
BEN ZIMMER

## A 'Pork' Term Added to a Diet of Insults

**A TONGUE-IN-CHEEK** political insult has been causing some controversy in Great Britain lately. Britons are applying "gammon," a term for a cured hind leg of pork (what Americans would usually call a "ham"), to a stereotypical image of an older conservative white man, whose complexion and pudginess are seen as resembling the cut of meat.

Colorful epithets often pepper British political discourse, though they don't often come from the dinner table. "Gammon" first emerged as a put-down in 2010, when Caitlin Moran of the Times called Tory prime minister David Cameron "a C-3PO made of ham.... His resemblance to a slightly camp gammon robot is extraordinary."

In 2017, "gammon" exploded on social media when a collage of Brexit-supporting contributors to the BBC show "Question Time" circulated as the "Great Wall of Gammon." The word flared up again this week after Lucy Fisher of the Times suggested that young supporters of Labour Party leader Jeremy Corbyn were using it as a racial slur.

Those on the left, who have often been derided as "snowflakes" for being overly sensitive, say that the response to the "gammon" insult shows that conservatives are the ones being too sensitive. ("Snowflake," by the way, owes its pejorative origin to a line in Chuck Palahniuk's 1996 novel "Fight Club": "You are not special. You're not a beautiful and unique snowflake.")

**The British  
'gammon'** is reminiscent of the American  
'baloney.'



ALEX NABAUM

## A RADICAL IDEA: Congress Acts

If Congress performed more of the tasks assigned to it by the Constitution, it also might solve more problems

BY GERALD F. SEIB

**HERE'S A SIMPLE** yet radical thought on how to fix much of what ails Washington: Have Congress do its job.

When attempting to explain the myriad problems that plague the nation's capital, people talk of partisanship, polarization and a White House in perpetual chaos—and there's certainly plenty of all that to go around. Yet every one of those problems is exacerbated by the way Congress has abdicated or shirked its duties.

Maybe, just maybe, if Congress accepted and performed more of the tasks assigned to it by the Constitution, it also would feel compelled to act more responsibly—to find the compromise, to overcome the partisanship, to reach the durable solution. Like the young adult who leaves home and suddenly has to live with the consequences of his or her own actions, it would have to start doing the mature thing.

Instead, we often are living with the opposite. For years, Congress has punted its Constitutional responsibilities down Pennsylvania Avenue to the president. It's often unable to perform its most basic function, which is to pass spending bills, instead resorting to giant catch-all spending measures that nobody has read and that leave the executive branch to fill in many policy blanks. In a similar illustration of its problems, a House crippled by intramural feuding on Friday failed to pass a farm bill, another piece of core legislation.

On problem after problem, in other words, Congress has said in effect, "We're not responsible"—which only liberates it to act irresponsibly.

This is a downward cycle. It's also one that perpetuates the idea that the president is supposed to determine what the government does rather than the Congress," says Republican Sen. Roy Blunt of Missouri.

In the Trump era, this has put a lot of responsibility on a president with no policy-making experience or clear ideology to guide him. John Feehery, a long-time Republican congressional staffer, says he predicted that, in the era of Trump, the flow of policy-making would reverse, moving from an inexperienced White House to a Congress in Republican control. "I was wrong," he says.

Why is this pattern unfortunate for the nation? Solutions hashed out in Congress, through the process of the give-and-take the Founders envisioned, are more durable than a decision made by a presidential team that is, by definition, more transient.

Consider a few examples. The Deferred Action for Childhood Arrivals program—the plan

to give legal status to "Dreamer" immigrants brought here illegally as children—was created by President Obama because Congress couldn't manage to come up with an immigration plan that would address their plight. Now, DACA may die under President Trump because Congress can't manage to answer his pleas to come up with a legally acceptable alternative.

Leaders of both parties in Congress say a plan to improve America's infrastructure is a top priority, yet in the absence of legislative action it fell to the Trump White House to come up with a plan, which may not even be translated into a bill this year. Without congressional

ing down for a long time. Probably 25 years."

Let's imagine an alternative universe in which Congress bellies up to the bar and actually resolves the tough issues. The compromises American voters always say they want would have to be found. Heck, consensus might even emerge from time to time. There would be far more instances in which both parties have a stake in the outcome of a policy debate, and in making the solution work out. If both parties had a stake in the Obamacare health bill, or in the big tax cut Congress did manage to pass last year, they would have a reason to work out the inevitable kinks that have emerged in both programs as they were rolled out.

It can happen. Republicans did dust off a little-used law, the Congressional Review Act, to undo Obama-era regulations, which is one assertion of power, though that act is being used with the votes of only one party. Sen. Blunt cites another example: When he and a Democratic colleague, Sen. Chris Coons of Delaware, were unhappy with the Obama administration for cutting funding for the Victims of Child Abuse Act, they rallied a bipartisan majority to restore it.

So why isn't this kind of action more frequent? The basic problem is that Congress has slipped into what Norman Ornstein, a congressional analyst at the American Enterprise Institute, calls political "tribalism," in which lawmakers, like Americans more broadly, identify most strongly not with the institution of Congress but with ideological subsets of their parties.

Today, he argues, that trend is exacerbated by a majority Republican party with a "virulently anti-government" sector that finds "no" the most comfortable answer to most legislative questions.

What's the solution? There are procedural fixes. Congressional leaders could let more power devolve to the committees where durable compromises are more likely to be found. If lawmakers stuck to their own budget procedures, passing bills authorizing

government programs in detail followed by individual appropriations bills that governed actual disbursement of funds, Capitol Hill would reclaim some of the control over federal funds. Allowing a return to the practice of "earmarks," in which lawmakers can require funding be directed to specific projects important to their districts, would give lawmakers new incentives to reach compromises on legislation—and give them ammunition to justify compromises to voters back home who can see how they benefit.

An end to gerrymandering, which puts House members in safe districts where they don't need to woo voters from the other party, would create more action in the political center. Mr. Shapiro suggests that the Senate adjust its rules to prevent the use of "fake" filibusters, in which Senators can stop action merely by threatening to mount a filibuster. And he proposes ending the Senate practice of allowing a "hold," in which a single Senator can halt consideration of a bill or nomination.

But much of the answer lies in leadership and political courage. Without that, there is no telling how far downward the system might slip. You now have Democrats seriously discussing the possibility that, if they win back control of the Senate, they will refuse to confirm any new Supreme Court justices if openings occur in the last two years of the Trump term, just as Republicans refused to confirm a Supreme Court nominee in the last year of the Obama term. At that point, the term "paralysis," now thrown around loosely, actually will apply.



FOR YEARS, Congress has punted its Constitutional responsibilities.

direction, the Obama administration's Federal Communications Commission promulgated rules to establish net neutrality. Now, the Trump FCC is reversing those. With the horse already out of the barn, the Senate Wednesday voted to reinstate the Obama-era rules, but the measure faces long odds of passage in the House.

The Constitution gives Congress the power to declare war, but lawmakers have abdicated that responsibility to the president. Sens. Tim Kaine, a Democrat, and Bob Corker, a Republican, are trying to claw back some of that power with a

bill authorizing specific military actions in Syria and elsewhere in the Middle East, but many of their colleagues are happier to duck the question. The Constitution also expressly gives Congress the power to regulate commerce with foreign nations, yet Congress is largely reacting to White House trade initiatives: Lawmakers fearful of a trade war with China are pleading

their case from the sidelines, while those in favor of retaining the North American Free Trade Agreement are plotting ways they might block a Trump administration decision to withdraw.

This limited congressional impact is hardly new. "From my standpoint, the crisis in American democracy didn't begin with Donald Trump," says Ira Shapiro, a former top Democratic staffer on Capitol Hill who has written a book entitled "Broken: Can the Senate Save Itself and the Country?" He adds: "We've been go-

The word "gammon" comes from the Old French word "gammon" for "ham," ultimately from Latin "gamba" for "leg of an animal." In Britain, "gammon" developed another meaning: "flattering talk, nonsense." Charles Dickens used it in "The Pickwick Papers" in 1837: "Some people maintains that an Englishman's house is his castle. That's gammon." And in "Nicholas Nickleby" the following year, Dickens referred to the "gammon" tendency of a burly, superpatriotic member of Parliament named Mr. Gregsbury.

While it's tempting to think that Dickens predicted the "gammon" insult 180 years ago—especially given the political resemblance between Gregsbury and the current targets of the epithet—there is actually no known etymological connection between the old nonsensical kind of "gammon" and the cut of meat. The Oxford English Dictionary surmises that the Dickensian-style "gammon" comes from yet another use of the word for a decisive victory in the game of backgammon, which was likened to winning someone over with hollow flattery.

The double meaning of "gammon" in British parlance is reminiscent of a bit of American slang: "baloney," which started off as a spelling representing the Americanized pronunciation of the word "bologna." As early as 1857, some dialect humor rendered "bologna sausage" as "baloney sausage." Later in the 1920s, "baloney" started getting used as a word for insincere or exaggerated talk, perhaps influenced by the word "blarney."

Is it possible that the secondary meaning of "gammon" to mean "nonsense" is helping to reinforce the current British insult? Probably not, since that meaning has mostly died out since Victorian times. But it's notable that like "baloney" on the other side of the Atlantic, a name for a pork product has also worked well as a term of derision for empty talk.

**Answers**  
to the News Quiz on Page C13  
**1.A, 2.C, 3.C, 4.D, 5.B, 6.A, 7.B,  
8.B**

# BOOKS

THE WALL STREET JOURNAL.

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## The View From Above

They call it 'Big History': an attempt to stitch all of Earth's past into one global narrative

### Origin Story

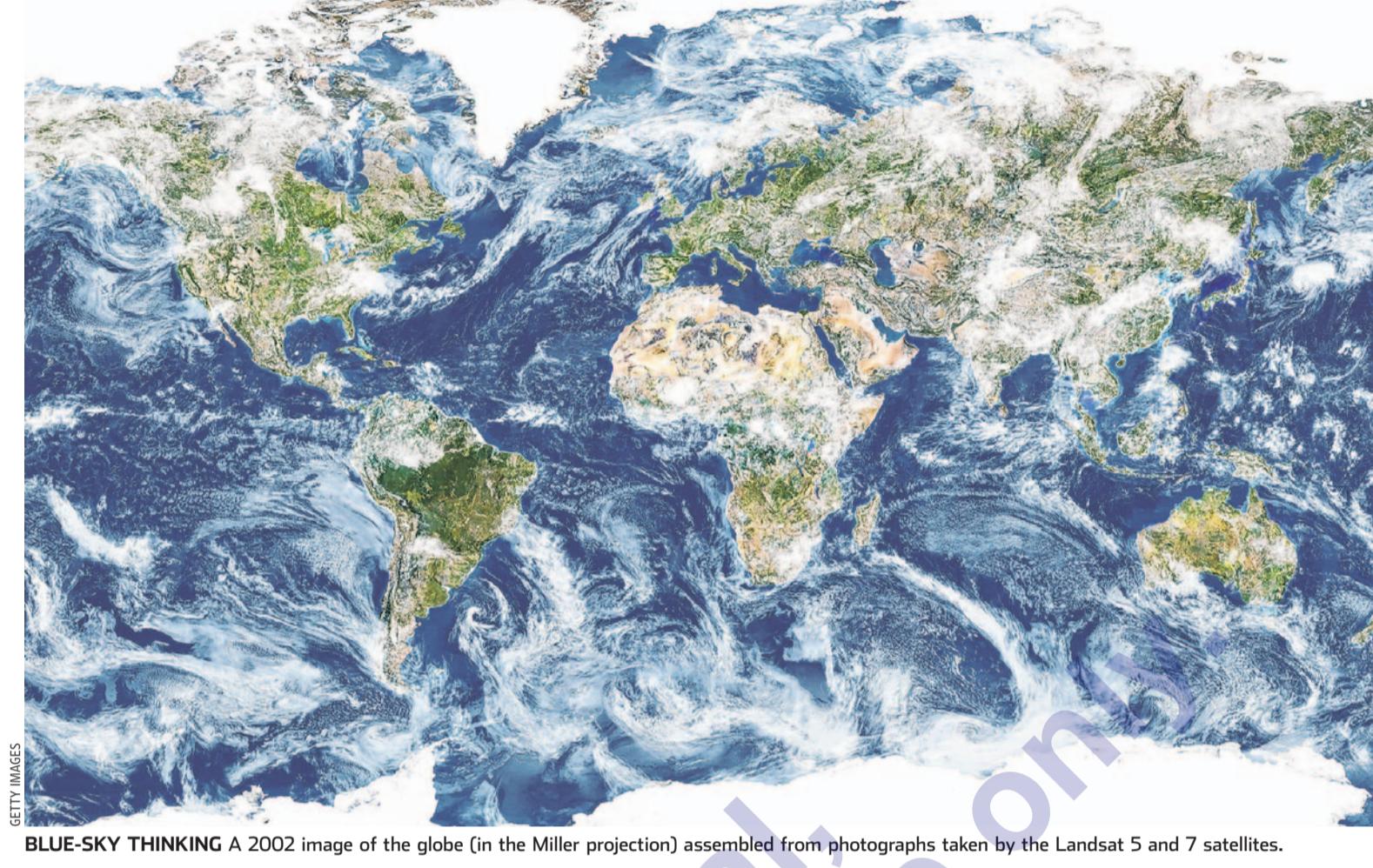
By David Christian  
Little, Brown, 357 pages, \$30

BY DAVID WOOTTON

**TWO MILLENNIA AGO**, Lucretius wrote a vast poem called "On the Nature of Things." His goal was to explain the workings of the universe and the history of human beings. Above all, he wanted to rescue his readers from a superstitious fear of the gods and of the afterlife: We are mortal, he insisted, and our only purpose in life is to enjoy ourselves. We should delight in the extraordinary fecundity of nature, savor simple pleasures and look forward without fear to our inevitable end. "Happy is he who has discovered the causes of things and has cast beneath his feet all fears, unavoidable fate, and the din of the devouring Underworld," wrote Virgil, praising Lucretius by echoing him.

Lucretius was not without his contradictions (his poem begins with a hymn to Venus, although one of his central arguments is that the gods are indifferent to human life), but his great work, after being lost for centuries and rediscovered in the Renaissance, provided inspiration for Machiavelli (who laboriously copied the whole text, line by line), Montaigne and Galileo. Recently, in "The Swerve," Stephen Greenblatt presented the rediscovery of Lucretius' poem in 1417 as the beginning of modernity.

David Christian aims to be another Lucretius—to tell us all we need to know about the universe and our place in it in 300 pages, not much longer than the 7,400 lines of Lucretius' poem. Like Lucretius, he thinks that a good serving of science will change our attitude to life and do us the world of good. Science, he believes, can offer a "new, global origin story that is as full of meaning, awe, and mystery" as traditional creation myths. Even better, it will help us transcend nationalism and the "fragmentation and meaninglessness" endemic to modernity. Mr. Christian, a professor at Macquarie University, in Sydney, has even founded a project with Bill Gates to promote teaching "big history"—the history of the uni-



GETTY IMAGES  
**BLUE-SKY THINKING** A 2002 image of the globe (in the Miller projection) assembled from photographs taken by the Landsat 5 and 7 satellites.

verse and our place within it—in schools.

But his enterprise is more confused than that of Lucretius. Humans crave an "origin story," he insists, a story of how they and their world came to be. But here, it seems to me,

ilocks planet in a Goldilocks universe. Some want to argue that this proves that the universe was designed for us: Voltaire in "Candide" (1759) said all that needs to be said about such arguments when he pointed out that a philosophical rat on a ship transport-

life at all. We got lucky. But we are merely a momentary, passing phenomenon within the vast scheme of things, gone in the blink of an eye. The universe began 13.8 billion years ago; the dinosaurs died out 65 million years ago; Homo sapiens appeared 200,000 years ago, farming 10,000 years ago, cities 5,000 years ago. There are good reasons for thinking that we won't survive another 5,000 years. We are a tiny bubble on the vast sea of time; a pop and we will be gone. There are  $10^{22}$  stars in the universe; our star, our planet, our lives are totally insignificant.

Lucretius understood this perfectly well. He believed that the universe was infinite, that worlds come into existence and are destroyed, that we are the product of chance (the "swerve," as he called it, that saw falling atoms begin to coagulate). He didn't pretend that his origin story would give our lives meaning; all that

mattered, in his view, was pleasure. If our lives have meaning, it is because we make that meaning, not because it was made for us. Thus Lucretius wrote a hymn to Venus even though he knew that Venus was a fiction of our own imagining; he was taking delight in the world by choosing to find it delightful.

Mr. Christian has a second purpose, beyond the origin story itself. Since the Industrial Revolution human beings have been changing the climate by emitting greenhouse gases. It's not the first time that the climate of the earth has changed radically or that biological life has been responsible. But our actions are dangerous because they threaten our own survival; the dinosaurs were wiped out by the chance striking of an asteroid, but we are in danger of being wiped out by our own success in harnessing natural sources of

Please turn to page C6

A Bill Gates-backed academic makes a case for a 'sustainable world order.' But his study of history should make him skeptical of efforts to shape the future.

he makes a basic error. We crave origin stories because we want to know that our existence has meaning. But the story Mr. Christian tells us is one that shows our existence to be without any meaning at all. By some strange chance we live in a universe where the laws of nature have created galaxies and stars, an array of chemical elements and life. Ours is a Gold-

ing grain would have no difficulty in proving that the ship had been built to provide a home for rats.

As far as science is concerned, the fact that our universe and our planet suit us very well is pure chance. In other universes (for physicists now tend to think ours is only one of innumerable other universes), there may well be no stars, no planets, no

stars, no life.

## An Explosive Mix of Trade and Politics

### Imperial Twilight

By Stephen R. Platt  
Knopf, 556 pages, \$35

BY JULIAN GEWIRTZ

**WHEN PRESIDENT** Donald Trump talks about China, he tends to focus on two things: trade imbalances and his high regard for China's leader, Xi Jinping. "President Xi and I will always be friends, no matter what happens with our dispute on trade," Mr. Trump tweeted in April 2018. It's an unusual sight, to say the least: the leader of the world's dominant economic power flattering China's powerful ruler while attacking the foundations of an enormously valuable economic relationship.

Yet this combination of enchantment and punishment is not as unprecedented as it might seem. As Stephen R. Platt describes in his masterly "Imperial Twilight: The Opium War and the End of China's Last Golden Age," Chinese commerce with Western countries has been consistently defined by the dynamics of flattery and scorn, wonder and chagrin, fairness and greed. Mr. Platt, a historian at the University of Massachusetts, Amherst, is careful not to project the concerns of the present back onto the past. But the resonances are inescapable, and his book is important reading not only for those interested in China's history but also for anyone seeking to understand the explosive intersection between trade and politics today.

The first Opium War (1839-42) is perhaps the best-known event in China's imperial history: a violent confrontation between the British Empire, which foisted the addictive

richest, that is, one of the most fertile, best cultivated, most industrialized, and most populous countries in the world."

About the foreigners who traveled to China, Mr. Platt tells an intergenerational story of "two competing worldviews": a clash between those "who respected China's power and prosperity" and those who saw China as imperious, backward or

The central issue that tripped up Macartney was the Qing court's demand that he perform the kowtow, a ritual series of kneeling bows. To Macartney, it seemed a matter of national honor not to do so; to the Chinese, it was inexplicable that a supplicant from afar would refuse to observe the customs of the court. The British delegation was swiftly rebuffed, with one British servant

What caused trade to break down as a source of stability and instead become the reason for war? More than anything else, it was the specific commodity that British traders began to smuggle into China: opium. Addiction to the drug swept through China. The illicit British trade, at first handled primarily by the government-supported East India Co. and then by independent traders like Wil-



BRIDGEMAN IMAGES  
**TRADE MISSION** A 1794 watercolor by a member of George Macartney's delegation to China depicting Chinese boats (right) saluting Macartney's ships as they make their way from the port of Canton.

worse. Many of Mr. Platt's vividly drawn characters swung from one of these extremes to the other, such as the first British emissary to the Qing court, George Macartney. Awe-struck and eager to impress in a mulberry velvet suit and plumed hat, Macartney had an audience with the Qing emperor in 1793 to ask for broader economic openness and a permanent embassy in Beijing but left empty-handed, grumbling: "The empire of China is an old crazy first-rate man of war."

writing: "We entered Beijing like paupers; we remained in it like prisoners; and we quitted it like vagrants." Subsequent emissaries were more willing to kowtow, but none was able to gain significantly greater trading privileges for the foreign powers.

Yet trade continued. Chinese interactions with the British, Americans and others were limited by Qing regulations, but they were extensive and often positive and collaborative. Trade was what Mr. Platt calls a "stabilizing power"—until suddenly it wasn't.

William Jardine and James Matheson, was an astonishing commercial success, with opium exports from India to China increasing more than 30-fold between 1775 and 1839. "Opium is flooding into the interior," the Qing emperor wrote with alarm in 1830. "Each day is worse than the last."

At last, in 1839, the Qing court cracked down. An imperial official named Lin Zexu destroyed millions of pounds' worth of the drug, shut down trade at Canton, and even

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## BOOKS

'A ship in harbor is safe, but that is not what ships are built for.' —John A. Shedd

# A History Written in Water

**World War II at Sea**

By Craig L. Symonds

Oxford, 770 pages, \$34.95

BY JONATHAN W. JORDAN

**NAVAL WARFARE** is one of history's most daunting subjects. Violent clashes at Midway, Trafalgar and Jutland have left us no grassy battlefields to walk, no topographical maps to study, no points of reference except sunken carcasses lying deep below the water's surface. The effect of a maritime win or loss is also measured by the battle's repercussions on land, which are not always obvious. From Herodotus to Samuel Eliot Morison, interpreting war at sea—conveying how sailors and admirals tipped history's arc—has demanded both imagination and an intimate understanding of the world beyond shore.

World War II reportage is especially difficult because the struggle at sea was so vast. From Cape Hatteras to the Coral Sea, the Bering Strait to Trinidad, the oceans swallowed hundreds of thousands who perished from shellbursts, fire, depth charges or drowning. For this reason, modern naval-history masters like Ian Toll or James Hornfischer tend to train their spyglasses on a particular theater or navy. Rarely do they attempt to circumnavigate the globe, much less in a single-volume book.

In "World War II at Sea: A Global History," however, Craig L. Symonds plows through the war's waters, deep and shallow. Tackling the major fronts one by one, he splices the big picture with vignettes of sailors, pilots, merchantmen and submariners battling to tether (or tear apart) the land theaters on which armies fought. Though Mr. Symonds doesn't claim primacy of naval warfare during the great cataclysm, his montage of battles, geography and technology makes the case for naval power as a prerequisite for global power projection in general and the Allied victory in particular.

"World War II at Sea" makes steam from its first chapter, weighing anchor with the daring German U-boat attack on HMS Royal Oak at Scotland's formidable Scapa Flow naval base in the war's opening months. As three torpedoes from the U-47 slammed into the battleship's hull, Mr. Symonds writes, "pieces of the ship flew skyward, and flames in a variety of colors—blue, red, and yellow—shot up into the night. Black smoke roiled up from the spaces below, and the big ship began listing heavily to starboard. Within minutes she was sinking. . . . Those of the crew who had managed to make their way topside jumped into the frigid water. The great battleship rolled majestically over onto its starboard side, with the escaping air producing a noise that, to at least

GETTY IMAGES  
WAR FOOTING Sailors aboard the battleship USS Arkansas in the North Atlantic, 1944.

one witness, sounded exactly like a forlorn sigh."

As he tacks his way through the Battle of the Atlantic, Mr. Symonds follows the German battleships Graf Spee, Bismarck and Tirpitz and rides aboard the U-boat wolf packs that terrorized merchant convoys carrying desperately needed food and ammunition to the British Isles. He navigates the narrow channel between oversimplifying the story and slowing the book's pace by describing every turn of a rudder, making the narrative's 647 pages enjoyable without being rushed.

In the Pacific, Mr. Symonds paints a nuanced portrait of a conflicted Japan lurching into a resource war for oil, steel and rubber. He describes the key roles that the Pacific Rim, the Dutch East Indies and the Bay of Bengal played in Japanese thinking and explains why obscure islands that no one had heard of before the war—Guadalcanal, Rabaul, Saipan—suddenly loomed large in an American strategy driven by air strips and deep-water anchorages.

In capitals from Tokyo to London, war at sea was a numbers game: Construction schedules, losses and ship tonnage determined where and when the belligerents would strike. Mr. Symonds presents these abstract considerations in a clear and uncluttered way. In the Atlantic, he writes, "the home islands of Great Britain produced only about half the food necessary to feed its population. From the start, [German Adm. Karl] Dönitz had argued that Britain could be starved into surrender if his U-

boats could sink Allied ships faster than they could be replaced by new construction. It did not matter if the ships were inbound and filled with vital war materials from the United States, or outbound and carrying mostly ballast. The key was to sink the ships."

**From the North Sea to Pearl Harbor to Saipan, the naval battles that shaped the course of the war.**

Mr. Symonds explains the asymmetric effect of Pacific War attrition with similar clarity. "The Americans had also suffered severe aircraft losses . . . , he writes after the 1942 Battle of the Santa Cruz Islands, "but not only could the Americans replace those planes more easily, they also recovered most of their invaluable aircrews. For the Japanese, the losses in planes and especially pilots were beginning to accumulate, and they were losses the country could not afford."

While Atlantic U-boats and Pacific carrier fleets are staples of World War II chronicles, Mr. Symonds offers side tours of engagements in Norway, the Mediterranean, the Baltic Sea and the Greek coast. The operations of Italy's Regia Marina, the star-crossed French and Dutch navies, and the Soviet Red Banner Fleet provide refreshing palate cleansers for the standard fare

served from the quarterdecks of the British, U.S., Japanese and German fleets.

Little of "World War II at Sea" is truly new, and some existing portraits are merely reinforced rather than redrawn: Adm. Isoroku Yamamoto, commander of the Japanese navy, remains a fatalistic Americophile; U.S. Adm. Ernest King an irascible Anglophobe; and Adm. Dönitz a Nazi George Patton. But Mr. Symonds, a professor at the U.S. Naval War College, also stretches beyond the simplistic postwar narrative to provide a balanced look at a complex war. Hitler acted with surprising restraint in the face of FDR's naval provocations in mid-1941, he argues. The Italian and French fleets played a major role in shaping grand strategy, even if their guns rarely thundered. Pearl Harbor, the raid we remember alongside the Alamo, the Maine and 9/11, was merely a dramatic spoiling attack to cover Tokyo's real goal: the resource-rich lands of Southeast Asia.

In "World War II at Sea," Mr. Symonds does for the naval struggle what Martin Gilbert did for the conflict on land in his "The Second World War." A thoroughly enjoyable read, "World War II at Sea" sweeps its glass across the world's oceans and deftly recounts battles that shaped the course of history's greatest war.

*Mr. Jordan is the author of "American Warlords: How Roosevelt's High Command Led America to Victory in World War II."*

# The Opium War

*Continued from page C5*

threatened to take action against the British subjects who were complicit in the drug smuggling. In response, the British attacked the Chinese coast. The crisis seemed to offer an opportunity not only to secure new trading rights but also to achieve longstanding hopes of humbling China. The English writer Thomas De Quincey, who ironically had himself been addicted to opium, proclaimed: "We must not any longer allow ourselves to be called barbarians" by a country "full of insolence, full of error, needing to be enlightened." In this view, the war was nothing less than a clash of civilizations.

Mr. Platt underscores, however, that many individuals opposed the war and that it was nearly avoided. Future prime minister William Gladstone declared: "A war more unjust in its origin, a war more calculated in its progress to cover this country with permanent disgrace, I do not know, and have not read of." Abolitionists railed against what they saw as a moral transgression equal to slavery. Parliament supported the war by a margin of only nine votes. For a clash of civilizations, it certainly did not seem inevitable.

Nor was China's response predetermined. Mr. Platt gives particular attention to complicating our understanding of Lin Zexu, now revered as a moral hero in Chinese textbooks for standing up to the British. "In the China of his own time," Mr. Platt notes, Lin "was a disgrace to the empire whose high-handed dealings with the British had provoked a destructive and unnecessary coastal war." Even if justice was clearly on Lin's side, Mr. Platt suggests that a more pragmatic approach than shutting down all trade and issuing harsh threats could have produced a better outcome in the dispute over opium. Instead, the war hastened the empire's decline and became what he calls "the shattering start to China's century of victimhood."

Readers of Mr. Platt's book will find themselves marveling at how similar many of the pivot points of debate remain today, despite dramatically changed circumstances. As the risk of U.S.-China conflict intensifies, both sides would do well to study the lessons of how pride, disenchantment, economic aggression and perceived unfairness sent Britain and China lurching toward war in a prior era—and to remember, in our own time, that the future of the U.S.-China relationship is not foreordained.

*Mr. Gewirtz, a fellow in history and public policy at the Harvard Kennedy School, is the author of "Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China."*

# David Christian's 'Big History'

*Continued from page C5*

energy to serve our purposes. The only solution is what Mr. Christian calls a "sustainable world order," which requires some sort of world government.

I fear that this is pious nonsense. We went on shooting buffalo and passenger pigeons until there were no more passenger pigeons left to shoot and hardly any buffalo. If we are to avoid the tragedy of the commons, the overexploitation of finite resources, then we have to have a sense of collective identity that makes us prepared to ration consumption for the greater good. But we are not a village managing a few cows on a meadow. We have limited sense of collective identity and leaders unwilling to look beyond the next election. Some of our leaders seem to have a poor grasp of scientific knowledge and of the need to respect scientific advice.

It seems most unlikely that we are capable of generating a sustainable world order, whatever that might be. The very idea seems to imply that we are capable of planning the future, which is obviously way beyond our capacities. The triumph of capitalism derives from its willingness not to plan but to venture into the unknown, trusting (perhaps unreasonably) that we will solve problems as fast as we generate them.

That doesn't mean we are doomed. New technologies may come on stream quickly enough to make

carbon-based fuels obsolete. Some great philanthropist—a Bill Gates, a Warren Buffett—may fund vast engineering projects designed to capture carbon. (A shame that Jeff Bezos, Elon Musk and Richard Branson find rockets irresistibly sexy when they could be saving the world.) Short of a sustainable world order, we might

Mr. Christian, then, is engaged in a futile enterprise. His origin story doesn't give meaning to our lives; and his environmentalism is based on incorrigible wishful thinking, on the belief that we can come to behave like a close-knit, well-intentioned, rational community—all history suggests that this will never happen. He compla-

Nevertheless, Mr. Christian does tell a wonderful story. Ignore the pieties with which he tops and tails what he has to say and concentrate on the filling in the sandwich. Our understanding of how the universe came into existence, of how life began, of what will become of our star and our universe has been transformed beyond recognition in the course of the past 50 years. Cosmic microwave background radiation, which underpins the big-bang account of the origins of the universe, was discovered in 1964. The first planets around other stars were discovered in 1995. John Tuzo Wilson developed plate tectonics between 1962 and 1968 and thus explained continental drift and the constant reshaping of the earth's surface. The structure of DNA was unraveled in 1953. The asteroid that wiped out the dinosaurs was identified in 1990. And so on, and so on.

Lucretius thought he could explain qualities (color, taste, smell) by hypothesizing atoms of differing sizes and shapes. His science was worthless, although it still made sense to Galileo. We, on the other hand, are the beneficiaries of 300 years of scientific discovery. Of course, in 50 years' time we will know a great deal that we don't know now; but it seems a good bet that our grandchildren will still learn about the big bang, plate tectonics, DNA and the asteroid that killed off the dinosaurs. We really

are beginning to have some understanding of where we came from and where we are going. Mr. Christian tells this story very well, providing, in effect, a short course in modern science. This is a brief history of the universe, and an excellent one.

What it can't tell you is what makes life worth living. It might perhaps persuade you that urgent global action is necessary—if, that is, you think human beings are worth saving from the consequences of their own brilliance and their own folly. Flocks of passenger pigeons once darkened the skies. We may prove to be as successful at killing ourselves off as we were at killing off the passenger pigeon. Will there be anyone left to tell the story of the universe? Surely on another planet, orbiting another star, there will other Lucretiuses, other Wellses, other Christians. Lucretius believed that the random mixing of atoms would ensure that all history repeated itself, that there would be another Lucretius, another "On the Nature of Things." But he also insisted that this meant nothing to him, for he would never live again, and no future person would remember being him. Life is short, and that's that. *Carpe diem.*

*Mr. Wootton is a professor of history at the University of York and the author, most recently, of "The Invention of Science."*

GETTY IMAGES  
REMAINS A shard of the Chicxulub comet, which struck 66 million years ago off the coast of what is now Mexico and is blamed for dinosaurs' extinction.

be able to agree carbon taxes should be spent on re-engineering our planet. But suppose we do kill ourselves off? Would that be such a bad thing? The philosopher David Benatar argues that it is immoral to have children, so pernicious is the human species; by the same arguments one might easily demonstrate that it would be immoral to save our species from extinction.

cently compares himself to H.G. Wells (best known now for "The War of the Worlds"), who wrote a history of humanity. But Wells was a socialist, a pacifist, a eugenicist. He opposed, as he put it, the "narrow, selfish, and conflicting nationalist traditions" that are the very foundation of our modern prosperity. To side with Wells is to take the wrong side in the history of the past century.

## BOOKS

'We ought not to look back, unless it is to derive useful lessons from past errors—and for the purpose of profiting by dear bought experience.' —George Washington

# Rivals and Partners in a New World

**The Indian World of George Washington**

By Colin G. Calloway

Oxford, 621 pages, \$34.95

**Young Washington**

By Peter Stark

Ecco, 514 pages, \$35

BY PETER COZZENS

**ON NOV. 26, 1777,** Gen. Henry Knox wrote his friend and superior officer George Washington, then commander-in-chief of the Continental Army, that "the People of America look up to you as their Father, and into your hands they entrust their all." From Knox's private praise it was a short step to the 1789 newspaper encomiums that praised the newly inaugurated president Washington as "Father of His Country." And so history has enshrined George Washington.

American Indians, however, saw Washington in a different light. They knew him as *Conotocarous*—an Iroquois epithet for "Town Destroyer"—a "Devourer of Villages" who presided over a dizzying dispossession of Indian country in the interest of solidifying the tenuous new American Republic through controlled but relentless western growth. An honest if ultimately feckless benevolence tempered Washington's acquisitive policies sufficiently that some Indians would honor him as the "Great Father." Whether they reviled or honored him, the Indians could not escape his prodigious power to appropriate their land and alter their way of life irrevocably.

Throughout Washington's long career, American Indians played a central part in his public and private life. As a stumbling young colonial alter in the Ohio country, he precipitated the French and Indian War by combining with Iroquois forces in an attack on the French. After the war, he was an aggressive private speculator in Indian lands, who circumvented British law prohibiting land speculation or settlements west of the Appalachians in order to enrich himself. Later, he served as commanding general in a Revolution that shaped the destiny of American Indians no less than it did the Anglo inhabitants of North America, and finally he became president of a Republic bursting with a rowdy and impatient expansionist energy. Washington well understood that the power of American Indians in North America rivaled that of the European powers.

The fateful relationship between George Washington and the Indian tribes that bordered the new Republic is the subject of Colin G. Calloway's brilliantly presented and refreshingly original "The Indian World of George Washington." Mr. Calloway, a professor at Dartmouth College, has written several seminal works on colonial and early-Republic American Indian



MOHAWK LEADER Joseph Brant (Thayendanegea), left, in 1776, when he was



fighting alongside the British against George Washington's revolutionary forces.

history: He's well-qualified to remedy a glaring deficiency in Washington biographies, which is the scant attention paid to Indian affairs. For most historians, Washington's partnerships and rivalries with his fellow founding fathers, other internal disputes, and dealings with European powers have taken center stage. But as Mr. Calloway convincingly argues, "Indian land dominated [Washington's] thinking and his vision for the future. Indian nations challenged the growth of his nation, [and a] thick Indian strand runs through the life of George Washington as surely as it runs through the history of early America."

Besides restoring Indian matters to their proper place in Washington's life, "The Indian World of George Washington" illuminates the Indian leaders of his day, great men whom history has all but forgotten. Mr. Calloway deftly brings to life figures such as the Mohawk war chief and statesman Joseph Brant, the Miami war chief and realist Little Turtle and the bicultural Creek chief and consummate diplomat Alexander McGillivray—all towering figures who exercised the sort of outside influence over the nation's destiny that better known American Indian figures such as Sitting Bull and Geronimo never approached.

An essential new entry in the literature of George Washington and the early Republic, "The Indian World of George Washington" conveys his interactions with Indians

and the role of Indian land in Washington's public and personal life "from cradle to grave." For those interested in Washington's early dealings with the Indians and his adventures on the new frontier, an excellent companion work is "Young Washington: How Wilderness and War Forged America's Founding Father" by historian and adventure writer Peter Stark. His book vividly re-creates the 21-year-old Virginian's western mission in late 1753, as a major of the Virginia militia, to deliver a letter ordering the French to vacate the Ohio Valley. The French ignored Great Britain's demand, and the following year the colonial governor of Virginia dispatched Washington to meet the French threat. Eager, ambitious, but utterly ignorant of Indian ways, Washington returned to the wilderness with militia and Indian allies, guided by the crafty Iroquois chief Tanaghrisson (Half King). On May 28, 1754, in a controversial affair shrouded in uncertainty, Washington ambushed a French detachment in what is now Pennsylvania, a clash that came to be known as the Battle of Jumonville Glen. One month later the French overwhelmed Washington at Fort Necessity, though they later released him and his chastened militiamen.

In the wider war that followed Washington's ill-starred expedition, he served as senior American aide to Edward Braddock on the British general's disastrous 1755 campaign to retake Fort Duquesne (present-day Pittsburgh), and later as commander of the Virginia regiment, tasked with defending the colony's frontier against French and Indian depredations.

Mr. Stark presents these stormy events with rare narrative skill that engages all the reader's senses, as in his rendition of the Battle of Fort Necessity: "Hunkered in the trench,

Washington knew that the importance of American Indians matched that of the European powers.

the British returned the fire, loading and reloading, musket shots booming toward the wooded hill, smoke rolling over the green meadow. Their grazing horses and cows dropped to their knees, then toppled over heavily, target by French and Indian sharpshooters to starve the British troops."

Mr. Stark's work is supremely entertaining: the pacing superb, the descriptions of conflict and wilderness travails rousing. Though it has less analytical depth than Mr. Calloway's book, "Young Washington" is nonetheless a worthy addition to the shelf of Washington biographies.

Messrs. Stark and Calloway also differ profoundly in their assessment

of the young Washington's competence and growth during his formative period on the frontier. Mr. Stark claims Washington underwent a profound transformation: "Traveling between the known, settled world of the Tidewater coast and the unknown world of the Ohio wilderness, with its dark and powerful forces, young Washington . . . faced a series of trials," avers Mr. Stark. "After great difficulty and many mistakes, he returned ultimately, 'the master of two worlds' . . . not only wilderness and civilization, but the disparate parts of his own self."

Colin Calloway, by contrast, offers an unflattering portrayal of Washington on his wilderness odysseys, charging him with repeatedly misreading situations and mishandling Indian allies. Mr. Calloway concludes that, far from mastering the wilderness, Washington was "out of his depth in a complex world of rumors, wampum belts and tribal agendas," and that the bad tactical advice he gave Braddock contributed to the British defeat at the Battle of the Monongahela. Such disparate assessments of Washington's first forays into Indian affairs beckon the reader to venture into the wilderness with both authors and draw their own conclusions. Neither book will disappoint.

*Mr. Cozzens is the author of "The Earth Is Weeping: The Epic Story of the Indian Wars for the American West," among other books.*

## A Butcher Named Belle

**Hell's Princess**

By Harold Schechter

Little A, 316 pages, \$24.95

BY HOWARD SCHNEIDER

**EVERYONE HAS HEARD** of Lizzie Borden, who, according to the ditty, took an ax and smote her parents with four-score-and-one whacks. But few people today know about her contemporary Belle Gunness, who far surpassed Borden's body count and who was also, if these things can be judged, far more brutal. Based on the evidence presented in Harold Schechter's lucid and well-researched "Hell's Princess," Gunness—his ruthless, devious protagonist and, according to the book's subtitle, a "butcher of men"—deserves a prominent place in the annals of America's serial killers.

Gunness was born Brynhild Paulsdatter Storset in Norway in 1859 to a poor sharecropper. "The deprivations of her youth," Mr. Schechter writes, "had left her with a lust for wealth." She immigrated to Chicago in 1881 and three years later married a night watchman, Mads Sorenson. In 1900, Sorenson died under mysterious circumstances—a doctor would later suspect that he was poisoned—leaving his widow as the beneficiary of two insurance policies. The windfall helped her purchase a farmstead outside La Porte, Ind., where she moved with her three young children.

In April 1902 she married Peter Gunness, who worked in a "grocery house." In December of that year, Peter also died. Despite strong rumors of foul play—neighbors believed that his wife, now known as Belle Gunness, killed him with a meat grinder to the head—an official inquest declared the death an accident.

For the next six years the corpses steadily piled up. At least one hired hand on the Gunness property, Mr. Schechter tells us, was murdered in 1904, and another was almost cer-

tainly murdered the next year. In 1905, Belle Gunness placed an ad in several Norwegian-language newspapers seeking a "good and reliable man as a partner" on her farm. "Some little cash is required," it read. The combination of a fine property and Gunness's seductive correspondence skills proved to be irresistible to many men. They came to La Porte with their life savings—and then disappeared.

Andrew Helgeland was one of these men. In early 1908, Mr. Schechter writes, he arrived at the Gunness

farm and soon vanished. His brother, Asle, upon discovering Gunness's correspondence with Andrew, wrote to Gunness and even suggested that he might travel to La Porte to search for his missing brother himself. Days later, fire consumed the Gunness house. Once the flames subsided and



neighbors began sifting through the building's remains, they discovered the seared corpses of three children and a headless woman, which many assumed to be Gunness. Some surmised that she had killed herself and her children in a panic over Asle's impending visit.

A few weeks later, Asle Helgeland arrived to join the search of the Gunness property. Bones were unearthed. By the time the digging stopped, more than a month later, many more bodies, gruesomely dismembered, were discovered. Among them was Andrew Helgeland. At least two were women, one of them Gunness's daughter Jennie. The eventual conclusion—in La Porte and the national press—was that the victims had all been killed by Gunness—the men, at least, for their money.

In the ensuing investigation, authorities charged Gunness's handyman and former lover, Ray Lamphere, with murder and arson. Lamphere was believed to have killed Gunness, acting out of bitterness after she first spurned him for Andrew Helgeland and then refused to pay him for helping to dispose of Helgeland's remains. Mr. Schechter describes the prosecution's case as woefully inadequate. Lamphere also comes across as neither smart enough nor vicious enough to have committed crimes of this enormity. Ultimately, he was convicted only of arson.

But questions still remained: Did Gunness really perish in the fire, and, if so, was it an act of suicide? Lamphere's prosecutors believed she died in the blaze, though not from self-immolation. A compelling case can be made that it was all a ruse, that Gunness turned her house into a ghastly stage and torched it to deceive the police so that she could escape from

La Porte. She was certainly sly enough to do so; it would be more difficult to believe that someone as resourceful as Gunness would resort to suicide. Moreover, if Gunness did kill herself, how did her corpse lose its head? In the years that followed, Belle Gunness sightings would continue intermittently, but none proved conclusive.

The number of people that Gunness killed is also in dispute. There's no way to know for sure, and Mr. Schechter doesn't hazard a guess. The first 12 editions of the Guinness Book of World Records calculated that there were 28 victims. At the very least, 14 people likely died at her hands: her first two husbands, the woman and children found in her house's debris, and the eight corpses eventually discovered on the farm's grounds.

Mr. Schechter, a professor of American literature and popular culture at Queens College in New York who has written many true-crime books, doesn't wallow in the more lurid details of the story. And he admits that he is baffled by many aspects of the case. At the end of "Hell's Princess" he asks: "What kind of woman—what kind of person—could commit the kind of atrocities perpetrated by Belle Gunness?" He doesn't claim to know—quite correctly, because the question is probably unanswerable.

*Mr. Schneider reviews books for newspapers and magazines.*

## BOOKS

'We can't all be happy, we can't all be rich, we can't all be lucky. . . . There must be the dark background to show up the bright colours.' —Jean Rhys

## FICTION CHRONICLE: SAM SACKS

# Under West Indian Eyes

**IN HIS** muckraking memoir "Difficult Women" (1983), David Plante recounts the novelist Jean Rhys's melancholy prediction that "people will try to uncover everything about me after I die to write it all down." She was right, of course, and tell-all biographies have accumulated since her death in 1979, none crueler than Mr. Plante's portrait of the artist in inebriated old age. Yes, Rhys was a thrice-married former showgirl who spent the better part of her 90 years in alcoholic penury, but she was also a crucial figure in émigré Paris's modernist movement. She is best known as the author of "Wide Sargasso Sea" (1966), a richly imagined life of Rochester's insane first wife in "Jane Eyre" that was a forerunner of the now-flourishing genre of novels that spin off from literary classics.

One of her many disciples is Caryl Phillips, whose 2015 novel "The Lost Child" embellishes the boyhood of Heathcliff from "Wuthering Heights." His latest, "A View of the Empire at Sunset" (Farrar, Straus & Giroux, 324 pages, \$27), fictionalizes the life of Rhys herself. Mr. Phillips is, like Rhys, a Caribbean-born writer who moved to England at a young age, and his depiction of her sad circumstances is sympathetic though narrow and often drab.

Rhys was born to a Welsh doctor on the West Indies island of Dominica, and Mr. Phillips attributes her tragedy to an inextinguishable case of homesickness. "Are you English?" a man asks her late in the book. "Well," she replies, "I suppose I've tried to be, but no." She has a Sister Carrie trajectory, arriving in London at 16 and sliding from acting school to a job as a chorus girl and from there to prostitution. The novel follows her education in the elaborate humiliations of being a kept woman through a patchwork of bleary scenes set in boarding houses and cheap hotels, often involving nameless men. When she does at last find someone decent—her second husband, Leslie—she's too traumatized and drink-addled to be happy with him.

Biographical fiction always faces the problem of distinguishing itself from nonfiction accounts, but the biggest obstacle for Mr. Phillips is Rhys's 1934 autobiographical novel "Voyage in the Dark," which captures much the same slice of her life. Rhys shaped her brutally stark vision of urban despair in a pared-back, deceptively artless style reminiscent of



GETTY IMAGES

Hemingway and Dos Passos. ("When it was sad was when you woke up at night and thought about being alone and that everybody says the man's bound to get tired.") Mr. Phillips's more formal prose can seem muffled in comparison.

More frustrating, though, is his decision to skip over Rhys's emergence as a writer. Rhys wrote constantly, if painstakingly, yet this side of her is entirely missing from the story. Indeed, "Jean Rhys" is missing, as that was a pen name invented by Ford Madox Ford. (The novel uses her given name, Gwendolen Rees Williams.) The omission makes her seem distant and featureless, as though viewed through the wrong end of binoculars. It may be that Mr. Phillips's real subject is the British Empire in decline, and Rhys's bleak personal history has given him a mannequin on which to show its moth-eaten decadence, the moral stains on the sleeve of its dinner dress.

When, some 30 years after "Voyage in the Dark," Rhys wrote "Wide Sargasso Sea," she added a wrinkle to the classic Gothic novel, examining Charlotte Brontë's madwoman in the attic through a distinctly postcolonial lens. Two recent novels further testify to the endurance and versatility of the Gothic tradition.

Billy O'Callaghan's "The Dead House" (Arcade, 202 pages, \$24.99) is a solid addition to the treasury of campfire ghost stories. Upon moving to a remote cottage on Ireland's southern coast, a painter named Maggie Turner inadvertently summons the house's malign spirits during

past in "The Dead House" is "thick as tar," as one character puts it, and its evils are content to bide their time, waiting for unwary visitors.

Jess Kidd's "Mr. Flood's Last Resort" (Atria, 340 pages, \$26), about a belligerent widower named Cathal Flood, who lives in his decaying London villa amid heaps of hoarded possessions, shares some of Mr. O'Callaghan's genre trappings: a house with a hidden history, a missing child, a suspected murder, a spirit board and a nosy interloper. But Ms. Kidd's book is lighthearted, using its Gothic backdrop to the same ends as a Nancy Drew mystery.

The novel's amateur detective is Flood's caregiver Maud Drennan, who arrives to clean the mansion and prepare meals and quickly inserts herself in the thick of a lurid, unsolved crime. Her sleuthing prompts a series of amusing twists and unveilings. Drennan's trusted confidante throughout this gallimaufry is the seventh-century St. Dymphna, patron of "family harmony, madness, and runaways," though the saint's advice tends to make matters more confused. The practical lesson of Ms. Kidd's novel is that a person who wants to exorcise a mansion of its secrets would be wise to leave her own ghosts at home.

## SCIENCE FICTION: TOM SHIPPEY

# Private Eyes And Flying Saucers



**COMIC FANTASY IS** Christopher Moore's stock in trade. His clever novel "Noir" (William Morrow, 339 pages, \$27.99)

opens in a sleazy bar in San Francisco, full of thugs, mugs and lugs, when in comes a size-eight blonde wearing a size-six dress and heels high enough to give a stripper vertigo. We're in Raymond Chandler country straight away, but is this sci-fi? Suspicion begins to stir when an Air Force general also turns up, tailed shortly by pairs of men in black suits wearing sunglasses. He's from Roswell, N.M., and it's 1947, just when in real life the flying saucer craze was about to take off, foreshadowed by Ray Palmer, the editor of Amazing Stories magazine. Roswell? "Never heard of it," the bartender says. "No reason you would," replies the general. "Nothing ever happens there."

It wouldn't be Chandler country without a cast of strange characters: Sammy "Two Toes" Tiffin, the bartender; Pookie O'Hara, a strongarm cop; Eddie Moo Shoes from Chinatown; Uncle Ho, a snake-wrangler. Even Chandler, however, didn't see the need to have sections narrated by a black mamba. As for cover-ups, it seems that not only has there been the familiar one about the flying saucer in Roswell, there's been another about goings-on among the rich and powerful of postwar America—though these are as sad as they are predictable.

In the end the sci-fi content of "Noir" is fairly small, but the exuberance of the Chandler pastiche never flags. The Air Force general, Sammy cracks at one point, has "so many campaign medals on his uniform that it looked like someone was losing as game of maj-jongg on his chest." It's not just Chandler either, for there are strong hints of Damon Runyon, author of "Guys and Dolls," and a lot of lovingly rendered 1947 neighborhood detail.

"Noir" is worth reading just for its similes and metaphors. As Mr. Moore would say himself, he has more angles than his heroine has curves. And she spills out of her sundress, so he tells us—sci-fi buffs will appreciate the allusion to Edgar Rice Burroughs—like the twin moons of Barsoom. Not serious, but fun.

# The Write Stuff

BY BEN YAGODA

**ONE OF THE BEST** passages in Tom Wolfe's best book, "The Right Stuff" (1979), starts out:

"Anyone who travels very much on airlines in the United States soon gets to know the voice of the *airline pilot* . . . coming over the intercom . . . with a particular drawl, a particular folksiness, a particular down-home calmness that is so exaggerated it begins to parody itself (nevertheless—it's reassuring) . . . the voice that tells you, as the airliner is caught in thunderheads and goes bolting up and down a thousand feet at a single gulp, to check your seat belts because 'it might get a little choppy' . . . the voice that tells you [ . . . ]: 'Now, folks, uh . . . this is the captain . . . ummm . . . We've got a little ol' red light up here on the control panel that's tryin' to tell us that the landin' gears're not . . . uh . . . lockin' into position when we lower 'em . . . Now . . . I don't believe that little ol' red light knows what it's talkin' about—I believe it's that little ol' red light that iddn' workin' right' . . . faint chuckle, long pause, as if to say, *I'm not even sure all this is really worth going into—still, it may amuse you . . .*"

The rendition of the "drawlin'" and "chucklin'" and "driftin'" and "lollygaggin'" —the style of speech even pilots from Massachusetts or Oregon universally affect, Wolfe says—goes on for another few hundred words, too long to quote here; I commend it to your attention. The voice, Wolfe ultimately tells us, originated from someone who picked it up in the mountains of West Virginia. Starting in the late 1940s, it

drifted "into all phases of American aviation." "It was the drawl," he writes, "of the most righteous of all the possessors of the right stuff: Chuck Yeager."

Like Yeager, Wolfe, who died this week at the age of 88, had an infectious voice. It was marked by the italics, ellipses, exclamation points, historical present tense and capacious sentences ("the right stuff") on display in the above passage, and more generally by a verve and playfulness and wit that rammed a virtual alarm clock in the ear of what he once called the country's "sonnam-

bulistic totem newspapers." His style was pretty much the opposite of Ernest Hemingway's, but the two men—who both were reporters in their youth—were the most influential American stylists of the 20th century. Every journalist with literary ambitions who came of age from the late 1960s through the '80s either imitated Wolfe, imitated his imitators or had to make the deliberate decision to reject the Wolfean approach and find another way.

Take it from me; I was one of them.

Wolfe's long career (his final book, "The Kingdom of Speech," was published in 2016) had five overlapping but distinct stages. He started out on the academic track, entering the doctoral program in American Studies at Yale after graduating from Washington and Lee College in his native Virginia. His dissertation was turned down; one reader's report (preserved in the Tom Wolfe Papers at the New York Public Library) observed that Wolfe had "written a piece of polemical journalism, in which he offers too many assertions that are not supported by evidence." His second try

was accepted but by that time he had already taken the hint and become a reporter, finally fetching up at the New York Herald Tribune in the early '60s. The Trib was known as a writer's paper, and while there Wolfe made forays beyond totemic somnambulism.

But he didn't come into his own till the third phase of his career commenced, with a 1963 article for Esquire magazine about the culture of custom cars. He called it "There Goes (Varoom! Varoom!) That Kandy-Kolored (Thphhhhhh!) Tangerine-Flake Streamline Baby (Rahghhh!) Around the Bend (Brummmmmmmmmmmmmmmmm . . .)" (Onomatopoeia, alliteration and wiggled-out orthography were three more weapons in Wolfe's stylistic arsenal.) At the time there wasn't a name for what he and other innovators, like Gay Talese and Jimmy Breslin, were doing. Wolfe found one in a long-forgotten phrase from 19th-century England: the New Journalism. Like so many of his other coinages—the Me Decade, Radical Chic, Masters of the Universe and, of course, the Right Stuff—it stuck.

Wolfe's fourth act was as a polemical essayist, starting with "The Painted Word" (1975) and "From Bauhaus to Our House" (1981), about modern art and architecture, respectively. They got attention in their time, but today they have a bit of the feel of a cranky uncle's Grand Theory

To me the best Wolfe was Wolfe the reporter, on display in several collections published in the '60s and '70s (the first had the foreshortened title "The Kandy-Kolored Tangerine-Flake Streamline Baby"), in 1968's "The Electric Kool-Aid Acid Test" (the book narrates a cross-country trip of writer Ken Kesey and his band of Merry Pranksters) and in "The Right Stuff." Everything came together: his verbal skills, his satirical sensibility, his eye for what he called "status details," his American Studies set pieces (he was big on applying the theories of Max Weber and Thorstein Veblen to the go-go '60s) and, maybe least recognized, his shoe-leather reporting rigor. Wolfe was able to construct amazing

## APPRECIATION

Tom Wolfe

(1930-2018)



rant. In his fifth act, Wolfe became a novelist, aiming—in the tradition of Balzac, Zola and Dickens—to write narratively propulsive works that peeked into all layers of society.

While "The Bonfire of the Vanities" (1987) was a tour de force—not coincidentally set in New York, his adoptive home town, whose streets he had pounded for so many years—I wasn't able to get through the three novels that followed it. The satire sometimes turned to meanness, and Wolfe's racial perspective was an obstacle. He didn't depict people of color (a term he surely loathed) as villains so much as irredeemably different and *other*. (This was apparent from the start of his career. Describing the Playboy mansion in the introduction to an early collection, he said it had "huge black guards or major-domos inside. *Nubian slaves*, I kept saying to myself. One of the blacks led me up a grand staircase . . .") More generally, without the tennis net of fact, Wolfe had to rely on his imagination, which struck me as less than Dickensian.

The public saw it another way. Wolfe's novels were all best sellers; I wouldn't be surprised to learn that they sold 50 times as many copies, collectively, as his books of journalism. But it's the journalism that will last. I have no doubt that a hundred years from now, someone who has never heard of Chuck Yeager, who only knows about airplanes from books, will read about that "little ol' red light that iddn' workin' right." And give a chuckle of recognition.

Mr. Yagoda is the author of "About Town: The New Yorker and the World It Made" and the co-editor, with Kevin Kerrane, of "The Art of Fact: A Historical Anthology of Literary Journalism."

## BOOKS

'Surrealism is destructive, but it destroys only what it considers to be shackles limiting our vision.' —Salvador Dalí

# Postcards From the Unconscious

**The Lives of the Surrealists**

By Desmond Morris

Thames &amp; Hudson, 272 pages, \$39.95

**Farewell to the Muse**

By Whitney Chadwick

Thames &amp; Hudson, 256 pages, \$35

BY KAREN WILKIN

**ANDRÉ BRETON**—theorist, poet, novelist, editor, and author of the 1924 Surrealist Manifesto—famously defined surrealism as “psychic automatism in its pure state, by which one proposes to express . . . the actual functioning of thought, in the absence of any control exercised by reason, exempt from any aesthetic or moral concern.” Surrealism was originally thought applicable only to literature, since painting, of necessity, involved aesthetic concerns. But painters, photographers and sculptors claimed the movement’s unfettered vision and found ways of bypassing self-censorship in visual terms, translating “psychic automatism” into “artistic automatism”—sophisticated doodling, collage, frottage and assemblage supposedly undirected by consciousness.

Today, “surrealism” conjures up Salvador Dalí’s self-described “hand-painted postcards from the unconscious”; René Magritte’s visual puns; Joan Miró’s ambiguous creatures; or Roberto Matta’s and Yves Tanguy’s nightmare landscapes. Surrealism’s insistence that the source of art was the unconscious and that the artist’s role was to reveal the unseen, not report on the seen, were articles of faith for the Abstract Expressionists and remain vital for many of today’s abstract artists, although these days, surrealist imagery’s influence is often most visible in skateboard art and rock band T-shirts.

For a capsule history of the movement in its prime, there’s now an engaging, informative, occasionally inaccurate, not overly demanding “Lives of the Surrealists by—of all people—the British zoologist Desmond Morris, known in the U.S. as the author of “The Naked Ape” (1967), a best-selling comparison of humans to other species. Mr. Morris, now 90, proves to be a card-carrying, uppercase, official Surrealist painter, albeit a late recruit. He began exhibiting in 1948, and two years later shared a show with Miró in London. Since then, the jacket flap tells us, he has “completed over two and a half thousand Surrealist paintings.”

“The Lives of the Surrealists” is a series of brief, chatty biographies of 32 artists, ranging from superstars such as Breton, Dalí, Magritte and Miró to obscure figures such as Wilhelm Freddie and Conroy Maddox. It’s a conspicuously Eurocentric, even Anglocentric list. Mr. Morris describes his book as “a personal view of the surrealists, focusing on their lives rather than their work.” It’s both witty



**AUTOMATISTS** Max Ernst's 'Rendezvous of Friends' (1922) portrays (seated, from left): René Crevel, Ernst, Dostoevsky, Théodore Fraenkel, Jean Paulhan, Benjamin Péret, J. Baargeld, Robert Desnos. Standing: Philippe Soupault, Jean Arp, Max Morise, Raphael, Paul Eluard, Louis Aragon, André Breton, Giorgio de Chirico, Gala Eluard.

and systematic. The subjects seem chosen to illustrate Mr. Morris’s five types of surrealism, defined as “paradoxical” (Magritte), “atmospheric” (the Belgian painter of equivocal nudes Paul Delvaux), “metamorphic” (Miró), “biomorphic” (Tanguy) and “abstract” (Arshile Gorky). Mr. Morris also lists six kinds of surrealists, including “official” (attended meetings and followed Breton’s rules), “antago-

According to Morris, Wolfgang Paalen was ‘the only surrealist to have been eaten by wild animals.’

nistic” (made surrealist work but disliked Breton) and “expelled” (Breton was known as a homophobic bully inconsistent on adherence to his directives).

Each entry begins with a photograph of the subject as he or she was in “the heyday of the movement” and a chart of vital information, including nationality, parents, spouses and long-term liaisons. The presentation is often amusingly inconsistent. Alberto Giacometti’s father is described as “a post-Impressionist painter,” his mother ignored; Jean Arp’s entry reads “Father German; mother French”; Breton’s is: “Father an atheist policeman; mother a cold,

pious ex-seamstress.” Since Mr. Morris knew many of his subjects, there’s a wealth of gossip and anecdote leavening the facts, although he remains admirably evenhanded. The entry on Francis Bacon is deeply personal, noting his charm, his determinedly awful behavior and the fact that his macabre images were informed by his work removing bodies from bombed buildings during the London Blitz. Mr. Morris calls Dalí “extraordinary” but itemizes his appalling admiration for Hitler and Franco. We learn that Wolfgang Paalen was “the only surrealist to have been eaten by wild animals”—after his suicide in a remote location. Occasionally, there’s reference to a specific work of art, but it’s rarely the one reproduced to accompany the text. It’s art history “lite,” but it’s entertaining and can painlessly fill in gaps about a significant part of 20th-century modernism.

Mr. Morris’s 32 artists include only five women, an accurate reflection of the movement’s misogyny, the trigger for the American art historian Whitney Chadwick’s “Farewell to the Muse: Love, War and the Women of Surrealism.” Ms. Chadwick recounts interviewing, in 1982, the elderly Roland Penrose, the English painter, art historian and witness to the movement, for a book on female surrealists. Penrose advised against the project. “They weren’t artists,” he said. “Of course the women were important, but it was

because they were our muses.” “Farewell to the Muse” is intended to challenge that idea.

Concentrating on the years before, during and after World War II, Ms. Chadwick sets out to address what she calls “the vexed question of what it had meant to be young, ambitious and female in the context of an avant-garde movement defined by celebrated men.” She explores five relationships between women ranging from supportive friendships to brief love affairs to lifetime lesbian couplehood. The women are the poet Valentine Boué Penrose, Roland Penrose’s first wife, and Alice Rahon Paalen, child bride of the poor guy whose corpse was eaten by wild pigs; the British and Italian painters Leonora Carrington and Leonor Fini; Frida Kahlo and Jacqueline Lamba Breton, wife of the high priest of the movement and a painfully conventional surrealist painter; Lamba’s friends, the devoted lesbian pair Claude Cahun and Suzanne Malherbe; and coming full circle, Penrose’s two wives, Valentine again and the photojournalist Lee Miller, who developed a close friendship while Penrose supported them both financially.

Some pairings are rather unbalanced. Valentine Penrose and her devotion to Asian mysticism emerge clearly, through her quoted writings, while Rahon Paalen remains a cipher. The discussion of “the two Leonors” is

vivid but turns unappetizing in its account of Carrington’s hysteria after her lover, Max Ernst, was imprisoned as a German national: Ernst is short of food, living in dreadful conditions and in danger, but it’s *she* who falls apart. The section on Kahlo and Lamba Breton is interesting mainly for its account of André Breton’s discussions with the exiled Leon Trotsky about an ideal society and aesthetics. Who knew Meyer Schapiro brought them together? More of that, and less of the women’s amusing themselves by dressing up for one another while the men ignored them, might have been enlightening. Cahun’s and Malherbe’s idyllic life on the island of Jersey and their ordeal while imprisoned by the island’s Nazi occupiers make absorbing reading, yet the pointlessness of the efforts for which they were arrested—distributing leaflets intended to encourage German soldiers to defect—is difficult to ignore. Miller’s daring as a war photographer is impressive; her decline after the war, now attributed to post-traumatic stress, is tragic.

Most of the women in “Farewell to the Muse” emerge as distinct personalities, perhaps difficult, but interesting to know. The importance of their art, with some exceptions, often remains another question. The answer may require a different book.

*Ms. Wilkin is an independent curator and critic.*

**MYSTERIES: TOM NOLAN****JAPANESE AUTHOR**

Fuminori Nakamura has earned mounting praise in America for his short, stark neo-noir novels of modern crime and existential dread. Mr. Nakamura raises the literary stakes to literally cosmic proportions in “*Cult X*” (*Soho Crime*, 505 pages, \$27.95), a hefty, sometimes lewd, sometimes metaphysical exploration of the meaning of life that is also a thriller about the terrorist conspiracies of a secretive, sex-obsessed religious group.

The book begins simply: A fellow named Toru Narazaki, in search of a missing girlfriend, approaches the mansion of the elderly “amateur intellectual” presiding over a group dedicated to pondering such questions as “Is there a god?” and “Was Buddha really a ‘good guy?’” In addition to learning interesting things about string theory and neuroscience, Narazaki finds out his missing friend no longer belongs to this group and is instead part of a rival sect known to the police only as “Cult X.” “Like the name of some trashy TV show,” thinks Narazaki, who nonetheless brings his quest directly to Cult X headquarters.

There he finds not a humble group pondering the questions of existence but a hierarchical ensemble enmeshed in the pleasures of the flesh. Taken into Cult X like a prodigal son, Narazaki is soon told by its strange and charismatic leader: “I need you.” But for what? In between gripping and

often horrific flashback-narratives from the lives of the leader and some contemporaries—damaged souls, all—emerge the vague outlines of an apocalyptic terror-plot that may prove too audacious and inexorable for even its most motivated opponents to foil.

“*Cult X*,” translated into handsome, unadorned English by Kalau Almony, pushes the boundaries of the thriller genre to an extreme degree. Mr. Nakamura has written a daunting, challenging saga of good and evil on a Dosto-

Young adventurers with nothing to lose, in thrillers set in contemporary Japan, Korea and Turkey.

evskian scale. Those who persevere to its finale may well feel the richer for it.

Jenna Williams, the 30-year-old Korean/African-American woman who’s one of three main protagonists in D.B. John’s multistranded espionage thriller “*Star of the North*” (*Crown*, 402 pages, \$27), is a Georgetown-based global-political analyst on a fast-track academic career. Psychologically, though, her life is a mess: She takes pills to combat the depression caused by recurring nightmares about her twin sister, Soo-min, who disappeared (and, according to authorities, probably drowned) during a visit to South Korea twelve years ago.

Jenna’s worldview improves overnight when she’s recruited by the CIA and acquires a singular purpose: “She was ready to deal implacably with those who’d destroyed her family,” meaning the North Korean forces she believes abducted her twin. “She was ready to put all scruples aside . . .”

Far removed from Jenna’s concerns is a North Korean citizen named Mrs. Moon, a rural woman who forages in the woods to feed herself and her husband. Mrs. Moon also finds new purpose when she starts selling meals alongside other enterprising locals at a nearby train station. But there are guards and officials to bribe and ever-changing regulations designed to filch profits and stifle spirits.

Then there is Col. Cho, a high-ranking North Korean official chosen to represent his country in crucial negotiations with the hated “Yankees” in New York. The affable Cho is riding high—until his government’s secret police belatedly discover he has committed, through his father and grandfather, the crime of “having bad blood.”

How these characters’ lives unpredictably intersect is told with drama and flair by Mr. John, a Londoner whose flexible style is equally at home describing a dictator’s luxury train or the psychic depths of an icy gulag. While CIA agent Jenna, with her seductive allure and her hand-to-hand com-

bat skills, comes close at times to seeming like a female James Bond, “*Star of the North*” is saved from caricature by passages of the grimmest realism and welcome bursts of humanism and hope.

August Thomas’s often witty, action-packed debut novel, “*Liar’s Candle*” (*Scribner*, 310 pages, \$25), features the admirable Penny Kessler, a 21-year-

ored guest.” Meanwhile the internet shame-game is working at full force:

“The Democrats are blaming the Republicans, the Republicans are blaming the Muslims, and the rest of the world is blaming American foreign policy—except for the Brits, who are blaming each other.”

The unexplained disappearance from the blast scene of the young diplomat Zach Robson, with whom Penny was keeping company, raises suspicion in both U.S. and Turkish government quarters. After Penny flees her Turkish captors, a young CIA agent, Connor Beauregard, is sent in successful pursuit of her, warned by his boss that Penny may have “turned” to the dark side. But after surviving several near-fatal events, Penny and her new keeper both begin to reassess supposed friends and alleged foes.

Ms. Thomas, an American who has studied in Turkey, does local color well and danger sequences even better. As Penny and Connor go off the grid and into the terrorist underground in search of Zach, “*Liar’s Candle*” blends the infinity-of-mirrors intrigue of an espionage page-turner with the thrills of an adventure movie. And who could resist the appeal of a determined heroine who, when challenged with “The guards up there have semiautomatics. What have we got?” answers: “Nothing to lose.”



old intern from Michigan working at the U.S. Embassy in Ankara, Turkey. When a terrorist bomb explodes at an embassy party, killing hundreds, survivor Penny hoists a large American flag out of the chaos—and a news photo of her act goes viral, making her an instant international symbol.

Even as her own country’s spinmeisters are attempting to capitalize on this dramatic image, Turkish officials whisk Penny from her hospital bed and install her under armed guard in the presidential palace as an “hon-

'The mystic chords of memory . . . will yet swell the chorus of the Union, when again touched, as surely they will be, by the better angels of our nature.' —Abraham Lincoln

**CHILDREN'S BOOKS: MEGHAN COX GURDON**

# Reaching For It



**GIRL MEETS** horse; girl loses horse; girl and horse ride to triumph: As the arc of an emotionally satisfying read, this favorite is hard to beat. With the thoughtful tweaks and improvements that Terence Blacker introduces to the formula in **"Racing Manhattan"** (**Candlewick, 343 pages, \$17.99**), it's terrific—a winner.

The girl is Jay Barton, 14 when the book begins and living as a kind of second-class citizen with her rich, unscrupulous Uncle Bill, along with his fastidious, social-climbing wife and Bill's pretty blond daughter, Michaela. "I am small, strong, and wear my dark hair cut short," Jay tells us, by way of comparison with her cousin. "I am most at home in the stables. Nothing about me is the slightest bit ladylike."

The horse in this rewarding novel is Manhattan, a troublesome gray mare with a fine pedigree whose odd gait and dangerous temper make her the butt of ridicule in the racing yard where Jay gets a job as a stable "lad." There's talk of Manhattan being jinxed and of her owner, a Saudi prince, eventually having her destroyed. By the time Jay meets Manhattan, we've already seen what she can do as a rider. Touchingly, for a girl who gets on awkwardly with most humans, she has an almost mystical rapport with ponies and horses.

Jay has a little trick of tracing the shape of a heart on an animal's withers right before a race; it's a gesture that soothes her mounts and be-speaks a tenderness that the girl keeps hidden most of the time. As the story of girl and horse unfurls, Mr. Blacker acquaints readers with the ways and language of horse racing, with the roles of trainers, owners, jockeys and stable hands, and, through Uncle Bill, with the less savory aspects of the betting world. Fraught, exciting and cathartic, **"Racing Manhattan"** will have readers ages 12-16 cheering in the stands.

When you're learning to draw from life, one of the first challenges is to see not only the object you want to represent but also the space around it, the negative space. Pris-

cilla Tey invites children ages 4 to 8 to go one step further and observe what's in between one thing and another in her lively, inquisitive picture book **"In-Between Things"** (**Candlewick, 40 pages, \$16.99**). It's not a book about drawing but about noticing: "Pick any two things to look in between. Look left and look right; there's much to be seen!" Wonky, colorful mixed-media illustrations (see above)—in between painting and drawing, you might say—offer ample opportunity for children to identify colors, creatures and concepts in between one thing and another, including, of course, what they see between the front and back covers of **"In-Between Things."**

From a stirring new YA novel to a reissued classic, books that make you stand up and cheer.

There is a slow-kindling magic to Remy Charlip and Jerry Joyner's enigmatic 1975 picture book **"Thirteen"** (**New York Review, 30 pages, \$17.95**), now back in print. At first glance, the pages look almost the same: Each double-page spread depicts 13 tiny watercolors that change with each turn of the page but hold their position relative to one another. Each picture is a miniature adventure: Within a frame shaped like an eight-pointed star, for instance, a desert dweller travels to a pyramid, which turns into—don't ask me how—an hourglass, which turns into sand and then back into a pyramid; watercolor swans dissolve into water, which resolves into stars, which condense into a tree, which becomes a lobster.

This is the sort of picture book that a person might leaf through quickly and dismissively and then, caught by a stray curiosity, begin to study, flipping a page back and forth to see how the images morph and evolve and then turning forward (and back again) with dawning fascination. Mesmerizing and sophisticated, the book is a small visual miracle of small visual miracles.

## BOOKS

**FIVE BEST: A PERSONAL CHOICE**

### Jon Meacham on America's hours of crisis

**The Legacy of the Civil War**  
By Robert Penn Warren (1961)

**1 ON THE CENTENNIAL** of Fort Sumter, poet-novelist-critic Robert Penn Warren wrote this short but penetrating book positing that the war had given the South the "Great Alibi" and the North a "Treasury of Virtue." "Even now," he wrote, "any common lynch becomes a defender of the Southern tradition, and any rabble-rouser becomes a gallant leader of a thin gray line of heroes." Did the Southerner "howling vituperation at a little Negro girl being conducted into a school building . . . ever consider the possibility that whatever degree of dignity and success a Negro achieves actually enriches, in the end, the life of the white man?" To Warren, though, there was also fault among the victors. "It is forgotten that the Republican platform of 1860 pledged protection to the institution of slavery where it existed, and that the Republicans were ready, in 1861, to guarantee slavery in the South, as bait for a return to the Union." After Appomattox, Warren argued, the North fell victim to self-righteousness. "The crusaders themselves, back from the wars, seemed to feel that they had finished the work of virtue."

**A Cool Million**  
By Nathanael West (1934)

**2 NATHANAEL WEST'S** parody of a Horatio Alger success story chronicles the rise of a fascist politician, the former American president Shagpope Whipple, who demagogues his way



**DIVIDED** Little Rock Central High School in 1957.

back to power during the Great Depression. "This is our country and we must fight to keep it so," declares Whipple at a rally. "If America is ever again to be great, it can only be through the triumph of the revolutionary middle class. We must drive the Jewish international bankers out of Wall Street! . . . We must purge our country of all the alien elements and ideas that now infest her!" This was the era of Huey Long and Father Coughlin and only a few short years before Charles Lindbergh and America First. West's fictional portrait still resonates because the rhetoric of populism—of playing to fears and resentments rather than hopes—continues to be all too real.

**Report on the Condition of the South**

By Carl Schurz (1865)

**3 COMPOSED IN** the waning weeks of the most tumultuous of years by a Union general dispatched to the defeated Confederacy, Carl Schurz's account of the Southern view of a post-Appomattox world describes, in clear, unadorned prose, a society that was in no way ready to accept the racial verdict of the war. "The multitude of people," he wrote, are those "whose intellects are weak, but whose prejudices and impulses are strong." Race, as ever, was central. On black freedmen becoming paid workers, "in at least nineteen cases of twenty the reply . . . was uniformly this: 'You cannot make the negro work, without physical compulsion.'" To return the seceded states to full membership in the Union without guaranteeing the hard-won rights of the freed blacks, Schurz wrote, would endanger emancipation—"one of the great results of the war." In this the observant general had detected the tragic truth of Reconstruction and predicted the arrival of Jim Crow.

**McCarthy**

By Roy Cohn (1968)

**4 THE RED-HUNTING** Sen. Joseph R. McCarthy was,

according to his own lawyer,

an opportunist, uncommitted to much beyond his own fame and influence. In a surprisingly candid memoir of his time as McCarthy's chief counsel, Roy Cohn wrote that he could not discern any great ideological conviction in the senator. "Joe McCarthy," Cohn recalled, "bought Communism in much the



**MR. MEACHAM** is the author of **'The Soul of America: The Battle for Our Better Angels.'**

same way as other people purchase a new automobile. . . . It was just as cold as that." Television helped provide McCarthy's ever-expanding reach into the public consciousness. "People aren't going to remember the things we say on the issues here," he told Cohn before the televised Army-McCarthy hearings that would lead to his undoing. "They're only going to remember the impressions." In the end McCarthy overstayed his welcome. "I was fully aware of McCarthy's faults," Cohn recalled. "He was overly aggressive, overly dramatic. . . . He tended to sensationalize." This perpetual presence in the consciousness of the nation would ultimately turn a public once intrigued by its star into a wary and—fatally—uninterested audience.

**The March of Folly: From Troy to Vietnam**

By Barbara W. Tuchman (1984)

**5 'MANKIND, IT SEEMS,** makes a poorer performance of government than of almost any other human activity," Barbara W. Tuchman writes. The "wooden-headedness" of rulers, she argues—whether the Renaissance popes who enabled the Reformation or the British leaders who lost America or the five presidents who pursued an inherently flawed policy in Vietnam—has been an intrinsic element of government. Reason is "more often than not overpowered by non-rational human frailties—ambition, anxiety, status-seeking, face-saving," Tuchman points out. "Rulers," she notes, "will justify a bad or wrong decision on the ground, as one historian and partisan wrote of John F. Kennedy, that 'He had no choice,' but no matter how equal two alternatives may appear, there is always freedom of choice to change. . . . Yet to recognize error, to cut losses, to alter course, is the most repugnant option in government."

## Best-Selling Books | Week Ended May 13

With data from NPD BookScan

**Hardcover Nonfiction**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Magnolia Table</b> Joanna Gaines & Marah Stets/William Morrow & Company	1	1
<b>The Soul of America</b> Jon Meacham/Random House	2	New
<b>A Higher Loyalty</b> James Comey/Flatiron Books	3	2
<b>Barracoon</b> Zora Neale Hurston/Amistad Press	4	New
<b>12 Rules for Life</b> Jordan B. Peterson/Random House Canada	5	4

**Nonfiction E-Books**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>The Soul of America</b> Jon Meacham/Random House Publishing Group	1	New
<b>Barracoon</b> Zora Neale Hurston/HarperCollins Publishers	2	New
<b>Top Secret Recipes Step-by-Step</b> Todd Wilbur/Penguin Publishing Group	3	-
<b>I'll Be Gone in the Dark</b> Michelle McNamara/HarperCollins Publishers	4	1
<b>Traveling with Pomegranates</b> Sue Monk Kidd & Ann Kidd Taylor/Penguin Publishing Group	5	-
<b>Educated</b> Tara Westover/Random House Publishing Group	6	4
<b>The 125 Best Brain Teasers of All Time</b> Marcel Danesi, Ph.D./Marcel Danesi, Ph.D.	7	New
<b>An Intro. to the New Testament</b> D. A. Carson & Douglas J. Moo/Zondervan	8	-
<b>A Higher Loyalty</b> James Comey/Flatiron Books	9	3
<b>The Subtle Art of Not Giving a F*ck</b> Mark Manson/HarperCollins Publishers	10	9

**Nonfiction Combined**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>Magnolia Table</b> Joanna Gaines & Marah Stets/William Morrow & Company	1	1
<b>The Soul of America</b> Jon Meacham/Random House	2	New
<b>A Higher Loyalty</b> James Comey/Flatiron Books	3	2
<b>Barracoon</b> Zora Neale Hurston/Amistad Press	4	New
<b>12 Rules for Life</b> Jordan B. Peterson/Random House Canada	5	4
<b>I'll Be Gone in the Dark</b> Michelle McNamara/Harper	6	3
<b>The Subtle Art of Not Giving a F*ck</b> Mark Manson/HarperOne	7	6
<b>You Are A Badass</b> Jen Sincero/Running Press Adult	8	9
<b>Killers of the Flower Moon</b> David Grann/Vintage	9	7
<b>Educated</b> Tara Westover/Random House	10	8

**Hardcover Fiction**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>I'll Be Gone in the Dark</b> Michelle McNamara/Harper	6	3
<b>The Subtle Art of Not Giving a F*ck</b> Mark Manson/Harper	7	5
<b>A Day in the Life of Marlon Bundo</b> Jill Twiss and Marlon Bundo/Chronicle Books	2	1
<b>The 17th Suspect</b> James Patterson & Maxine Paetro/Little, Brown and Company	3	4
<b>The Fallen</b> David Baldacci/Grand Central Publishing	4	6
<b>The Trials of Apollo Book Three</b> Rick Riordan/Disney-Hyperion	5	2

**Fiction E-Books**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>The Crooked Staircase</b> Dean Koontz/Random House Publishing Group	1	New
<b>The 17th Suspect</b> James Patterson & Maxine Paetro/Little, Brown and Company	2	1
<b>The Fallen</b> David Baldacci/Grand Central Publishing	3	3
<b>The High Tide Club</b> Mary Kay Andrews/St. Martin's Press	4	New
<b>Twisted Prey</b> John Sandford/G.P. Putnam's Sons	5	4

**Fiction Combined**

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
<b>The 17th Suspect</b> James Patterson & Maxine Paetro/Little, Brown and Company	1	2
<b>Oh, the Places You'll Go!</b> Dr. Seuss/Random House Books for Young Readers	2	7
<b>The Fallen</b> David Baldacci/Grand Central Publishing	3	5
<b>The High Tide Club</b> Mary Kay Andrews/St. Martin's Press	4	1
<b>Twisted Prey</b> John Sandford/G.P. Putnam's Sons	5	6

**Methodology**

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about

## REVIEW

 EXHIBIT

## California Dreaming

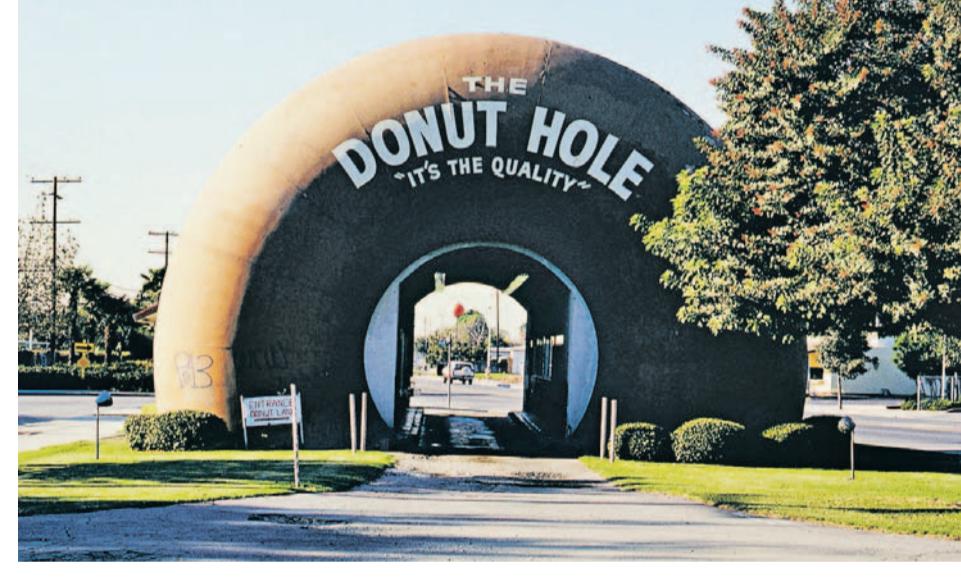


THE BULL STOPS HERE BARBECUE, 1998. While some designs played off the establishment's name, others referred to the product being sold, like a tamale, ice cream cone or flower pot.

"Architecture is the masterly, correct and magnificent play of masses brought together in light," Le Corbusier once said. Then again, sometimes it's making a building that looks like a doughnut. "California Crazy," to be released next month by Taschen (\$60), looks at offbeat structures around Los Angeles from the past century. The city's Hollywood connection and car culture helped give rise to fanciful designs that aimed to catch the attention of passing drivers. The mild climate was a factor, too, allowing buildings to go up quickly and cheaply. The idea later spread, with California offering "a template that emboldened people in other states and countries to thumb their noses at the status quo and build the impossible—or at least the highly improbable," author Jim Heimann writes. —Lisa Kalis



ABOVE: The genre's golden age came around 1924 to 1934, with examples like the famously hat-shaped Brown Derby restaurant and the Toed Inn (1931). Above right, the Big Red Piano store, circa 1977. Right, the Donut Hole, circa 1985.



JIM HEIMANN COLLECTION/COURTESY TASCHEN

## MOVING TARGETS: JOE QUEENAN



## Finally, the Freedom to Lose Our Shirts

**MONDAY'S** Supreme Court ruling, which basically allows any state to permit sports betting, is fabulous news for people who make a habit out of getting things wrong. There used to be restrictions on when and where the man in the street could make the wrong call on the Golden State Warriors, the Boston Red Sox, the Crimson Tide, Manchester United.

Now he can make the wrong call anytime, anywhere. So can the woman on the street.

Gambling is one of the few for-profit enterprises that rely on the chronic inability of its clientele to get things right. The others are Wall Street and the weight-loss industry.

Consider the record. The New England Patriots were the betting favorites in the last Super Bowl, as they always are. They lost. The Chicago Cubs were many people's preseason favorites to win the

World Series last year; the ultimate victors were the Houston Astros. A few weeks ago, the injury-plagued Boston Celtics were widely expected to lose to the Philadelphia 76ers in six games. They won in five.

No one thought the Las Vegas Knights, a new expansion club, would make it to the semifinals of the Stanley Cup championship this year. Yet here they are, battling the Winnipeg Jets to the last gasp. Gamblers who plunked down bets on the defending champ Pittsburgh Penguins got hosed.

All this is great news for the gambling industry, which thrives on the public's almost supernatural inability to make the right call. Other industries do not and cannot use this business model. Shoe manufacturers do not expect people who wear a size 8 to order a size 13E. Travel agents assume that given a choice between a weekend

**Now gamblers can make the wrong call anytime, anywhere.**


in Aruba and a weekend in Fort Wayne, most people will opt for the Caribbean. Doctors rightfully presume that strep throat patients are seeking a prescription for amoxicillin, not calamine lotion.

But for gambling to succeed, a large segment of the betting public has to regularly, indefatigably back the wrong horse. And they do. I have never met a successful gambler. Not one.

Other businesses must look on in amazement. Imagine how poultry farmers could improve their profit margins if they could rely on the public to always select the scrawniest, sickliest chickens? Or how movie studios would fare if they could get the public to give a thumb's down to "Wonder Woman" and "Black Panther" and instead flock to see "King Arthur: Legend of the Sword"? Because that's what most gamblers do: They order the wrong entree and

choose Ask Jeeves over Google, the BlackBerry over the iPhone, the Mets over the Yankees.

Gamblers, honest to a fault, practice something best described as recreational self-immolation.

They are not afraid to tell you that they picked Foreman over Ali, Michigan over Villanova, the French over the Germans. They will regale you with heart-rending stories, explaining that they would not have lost their house and their families and the use of their thumbs had the accursed Scott Norwood only made that 47-yard field goal against the Giants in Super Bowl XXV. And they will tell you this 27 years after the kick sailed wide.

Gamblers don't seem to mind being woefully wrong as long as a lot of other people are woefully wrong with them. This is what the wiseguys refer to as strength in numbers.

NISHANT CHOISI

## REVIEW



## HISTORICALLY SPEAKING: AMANDA FOREMAN

# With Big Prizes Often Comes Controversy

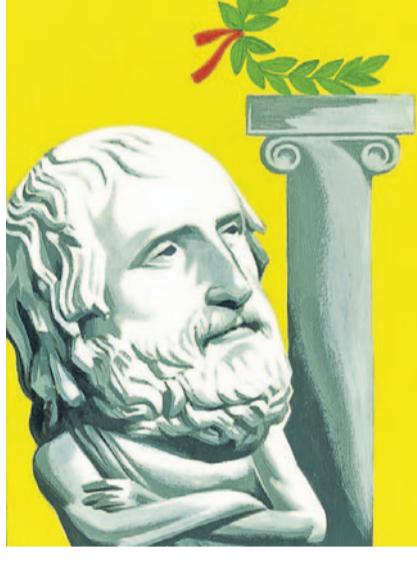


**THIS SPRING,** controversies have engulfed three big prizes. The Swedish Academy isn't awarding the Nobel Prize for Literature this year while it deals with the fallout from a scandal over allegations of sexual assault and financial impropriety.

In the U.S., the author Junot Diaz has stepped down as Pulitzer Prize chairman while the board investigates allegations of sexual misconduct. In a statement through his literary agent earlier this month, Mr. Diaz did not address individual accusations, but said in part, "I take responsibility for my past." Finally, the organizers of the Echo, Germany's version of the Grammys, said they would no longer bestow the awards after one of this year's prizes went to rappers who used anti-Semitic words and images in their lyrics and videos.

Prize-giving controversies—some more serious than others—go back millennia. I know something about prizes, having served as chairwoman of the literary Man Booker Prize jury.

The ancient Greeks gave us the concept of the arts prize. To avoid jury corruption in their drama competitions, during the Festival of Dionysus, the Athenians devised a complicated system of votes and lotteries that is still not entirely understood today. Looking back now, the quality of the judging seems questionable. Euripides, the greatest tragedian of classical Greece, habitually challenged his society's



## At Cannes, directors hung from a curtain.

assumptions in tragedies like "Medea," which sympathetically portrayed female desperation in a society where men ruled absolutely. In a three-way competition, "Medea," which still holds the stage today, placed last.

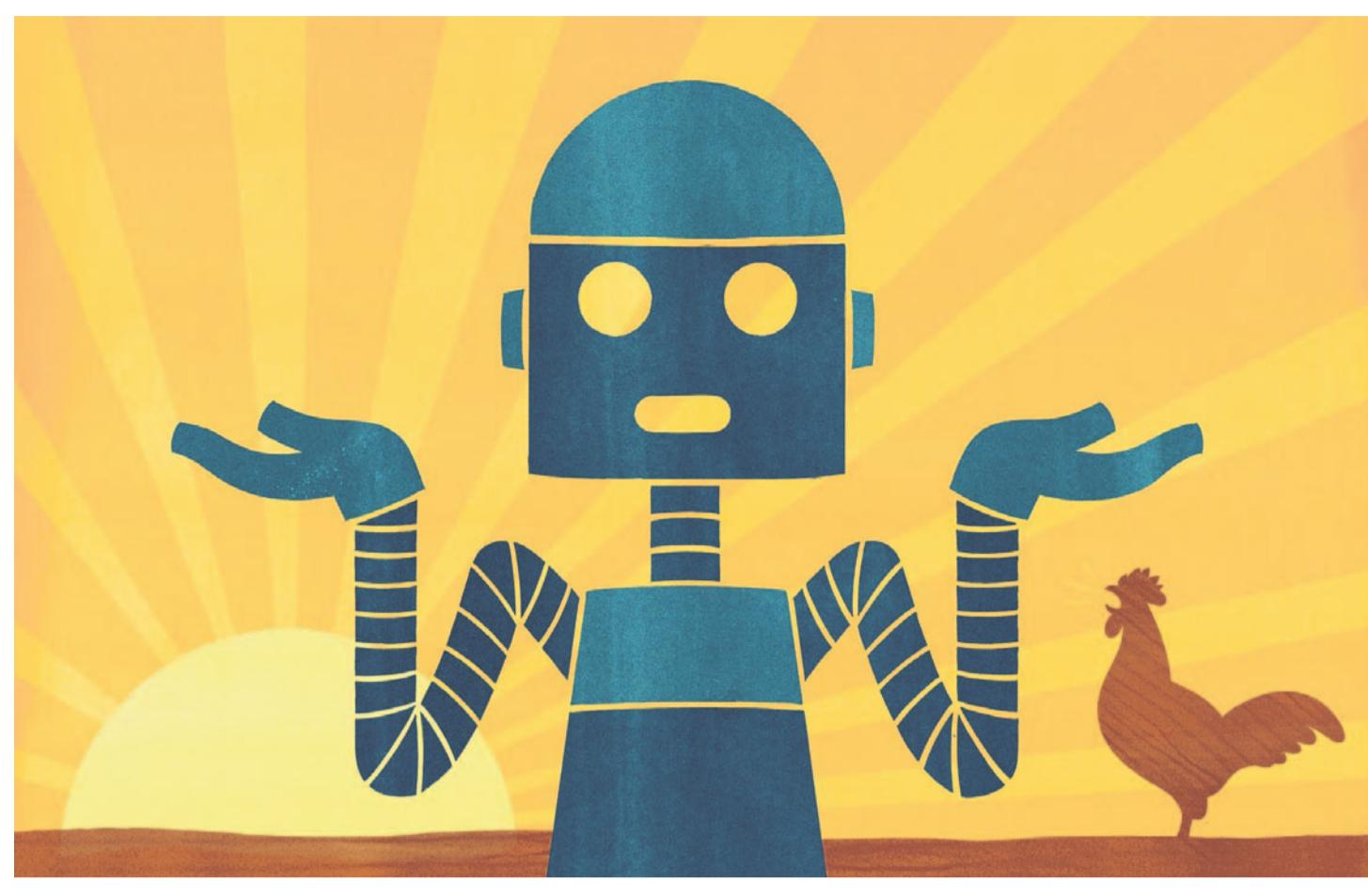
Controversy surrounding a competition can be a revitalizing force—especially when the powers that be support the dissidents. By the 1860s, France's Academy of Fine Arts, the defender of official taste, was growing increasingly out of touch with contemporary art. In 1863, the jury of the prestigious annual Salon exhibition, which the academy controlled, rejected artists such as Paul Cézanne, Camille Pissarro and Édouard Manet.

The furor caused Emperor Napoleon III to order a special exhibition called the Salon "of Rejects" to "let the public judge" who was right. The public was divided, but the artists felt emboldened, and many scholars regard 1863 as the birthdate of modern painting. The Academy ultimately relinquished its control of the Salon in 1881. Its time was over.

At other times, controversies over prizes are more flash than substance. As antigovernment student protests swept Paris and many other places in 1968, a group of filmmakers tried to show solidarity with the protesters by shutting down the venerable Cannes Film Festival. At one point, directors hung from a curtain to prevent a film from starting. The festival was canceled but returned in 1969 without the revolutionary changes some critics were hoping for.

In contrast, a recent dispute at the festival over its refusal to allow in its competition Netflix films that bypass French theaters for streaming was relatively quiet but reflects the serious power struggle between streaming services and theatrical movie distributors.

As the summer approaches and the beleaguered festivals around the world take a breather, here's some advice from a survivor of the prize process: Use this time to reflect and revive.



ALEX NABAUM

# AI Can't Reason Why

The current data-crunching approach to machine learning misses an essential element of human intelligence

BY JUDEA PEARL  
AND DANA MACKENZIE

**COMPUTER PROGRAMS** have reached a bewildering point in their long and unsteady journey toward artificial intelligence. They outperform people at tasks we once felt to be uniquely human, such as playing poker or recognizing faces in a crowd. Meanwhile, self-driving cars using similar technology run into pedestrians and posts and we wonder whether they can ever be trustworthy.

Amid these rapid developments and nagging setbacks, one essential building block of human intelligence has eluded machines for decades: Understanding cause and effect.

Put simply, today's machine-learning programs can't tell whether a crowing rooster makes the sun rise, or the other way around. Whatever volumes of data a machine analyzes, it cannot understand what a human gets intuitively. From the time we are infants, we organize our experiences into causes and effects. The questions "Why did this happen?" and "What if I had acted differently?" are at the core of the cognitive advances that made us human, and so far are missing from machines.

Suppose, for example, that a drugstore decides to entrust its pricing to a machine learning program that we'll call Charlie. The program reviews the store's records and sees that past variations of the price of toothpaste haven't correlated with changes in sales volume. So Charlie recommends raising the price to generate more revenue. A month later, the sales of toothpaste have dropped—along with dental floss, cookies and other items. Where did Charlie go wrong?

Charlie didn't understand that the previous (human) manager varied prices only when the competition did. When Charlie unilaterally raised the price, dentally price-conscious customers took their business elsewhere. The example shows that historical data alone tells us

nothing about causes—and that the direction of causation is crucial.

Machine-learning systems have made astounding progress at analyzing data patterns, but that is the low-hanging fruit of artificial intelligence. To reach the higher fruit, AI needs a ladder, which we call the Ladder of Causation. Its rungs represent three levels of reasoning.

The first rung is Association, the level for current machines and many animals; on that rung, Pavlov's dogs learned to associate a bell with food. The next is Intervention: What will happen if I ring a bell, or raise the price of toothpaste? Intervention is different from observation; raising the price unilaterally is different

from seeing what happened in the past. The top rung is Counterfactual, which means the ability to imagine results, reflect on one's actions and assess other scenarios. This is the rung that machines need to reach to evaluate and communicate about responsibility, credit, blame and self-improvement. Imagine giving a self-driving car this ability. After an accident, its CPU would ask itself questions like: What would have happened if I had not honked at the drunken pedestrian?

To reach the higher rungs, in place of ever-more data, machines need a model of the underlying causal factors—essentially, a mathematics of cause and effect. A simple element might be: Liquor ▶ Impaired Judgment ▶ Erratic Motion. Such diagrams are not just pretty pictures, but form the beginning of an algorithm that enables the car to predict that certain pedes-

**A computer can't tell if a crowing rooster makes the sun rise or vice versa.**

trians will react differently to the honking of its horn. They also give us the possibility of "interrogating" the car to explain its process: Why did you honk your horn?

Current machine learning systems can reach higher rungs only in circumscribed domains where the rules are inviolate, such as playing chess. Outside those domains, they are brittle and mistake-prone. But with causal models, a machine can predict the results of actions that haven't been tried before, reflect on its actions, and transfer its learned skills to new situations.

Causal models grew out of work on AI in the 1980s and have spread through health and social sciences, because they can compute at the higher rungs and often unravel statistical paradoxes. They have now come full circle as machine-learning researchers seek more explainable and responsive systems. For instance, scientists at Google and Facebook are examining causal models to analyze online ads to determine whether they make the difference in a product being bought—a counterfactual question.

This is a beginning. When researchers combine data with causal reasoning, we expect to see a mini-revolution in AI, with systems that can plan actions without having seen such actions before; that apply what they have learned to new situations; and that can explain their actions in the native human language of cause and effect.

*Mr. Pearl is a professor of computer science at UCLA and winner of the 2011 Turing Award for his work on probabilistic and causal reasoning. He and Mr. Mackenzie, a mathematics writer, are co-authors of "The Book of Why: The Science of Cause and Effect," just published by Basic Books.*



A MODULAR DESIGN by Christian de Portzamparc can be combined with one by another architect.

## For Prefab Museums, Add Art

THE FUTURE OF EVERYTHING

construction budget pale in comparison to those of Eli Broad, a private museum—designed by a bona-fide starchitect—may be within reach.

Filipino developer Robbie Antonio, owner of Revolution Precrafted, has developed prefabricated private museum buildings in collaboration with an array of archi-

tects, including Pritzker Prize-winners Jean Nouvel and Christian de Portzamparc. All of the designs in Mr. Antonio's portfolio are modular, allowing aspiring museum owners to combine Mr. de Portzamparc's double-height exhibition spaces and enclosed court-yards (pictured here) with the mirrored, domed galleries of Mr. Nouvel's model.

Mr. Antonio suggests a budget of about \$5 million for a suitable structure. "You can actually buy a museum for the same cost as a 6-foot painting here in New York at the auctions," he says. "Per square foot, it's much cheaper than some of the artwork." He will erect the first prefab museum in 2020 at his Batulao development in the Philippines and says he has fielded inquiries from art advisers and collectors in South Africa, Australia and California.

Museum management for these ready-made institutions is also available for purchase. Crozier, the New York-based art logistics company, recently launched a consulting

business to help collectors establish and operate their own museums, with services that range from humidity regulation to accessible storage.

"You can have a wonderful [building] design," says Crozier President Simon Hornby, "but if you can't get the works in and out to display them, it defeats the whole purpose."

Of course, the curation of these galleries is entirely up the owner. "This is not just for paintings and sculpture," Mr. Antonio says. "Some people may want to collect stamps and showcase them that way."

—Mark Ellwood

accenture

CHRISTIAN DE PORTZAMPARC/REVOLUTION PRECRAFTED



## PLAY

## NEWS QUIZ: Daniel Akst

From this week's  
Wall Street Journal

- 1.** Shari Redstone and Les Moonves are battling over control of CBS Corp., which Ms. Redstone wants to combine with another company her family controls. Which one?

- A.** Viacom  
 **B.** Vitagraph  
 **C.** Comcast  
 **D.** Cablevision

- 2.** The Vatican was recently consulted on a planned union. Of whom?

- A.** Prince Harry and Meghan Markle  
 **B.** The dioceses of Las Vegas and Reno  
 **C.** Catholic Health Initiatives and Dignity Health  
 **D.** Fordham University and Manhattan College

- 3.** GDPR could affect you or your business. What is it?

- A.** Industry slang for Glitz but Difficult Public Relations  
 **B.** Export powerhouse the German Democratic People's Republic  
 **C.** The EU's General Data Protection Regulation  
 **D.** The IRS's Gross Depreciation for Partnerships Rules

- 4.** A South American border region has reportedly become a hub for illicit activity with links to the Lebanese militia Hezbollah. Which borders are involved?

- A.** Peru, Chile and Bolivia  
 **B.** Venezuela, Bolivia and

To see answers, please turn to page C4.

- C.** Columbia, Venezuela and Brazil  
 **D.** Brazil, Argentina and Paraguay

- 5.** "Halfbacks" are boosting tax revenues and sometimes irritating locals. Who or what are they?

- A.** Teams of retired gridiron stars who replay famous games in unused stadiums  
 **B.** Northern retirees who relocate from Florida to Appalachia  
 **C.** Oversize electric cars that pay special license levies  
 **D.** Football-player-size hounds requiring owner fees

- 6.** For now, which state has the nation's largest all-male House of Representatives delegation?

- A.** Pennsylvania  
 **B.** Michigan  
 **C.** Texas  
 **D.** Arizona

- 7.** What's the latest benefit Amazon is offering to Prime subscribers?

- A.** Pickup and delivery for mortuary services  
 **B.** Discounts at Whole Foods  
 **C.** 10% off Lyft rides  
 **D.** 5% off everything at Staples

- 8.** Births in the U.S. last year fell to a 30-year low, or what number?

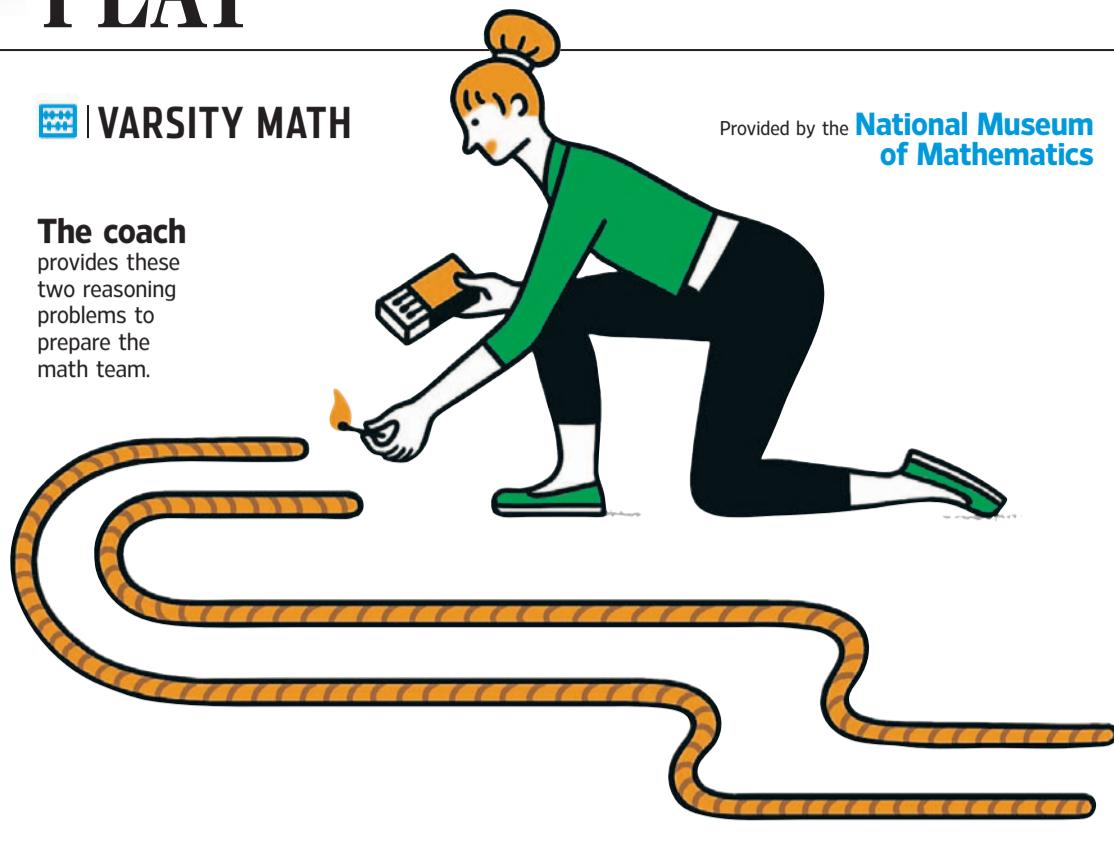
- A.** 5.85 million  
 **B.** 3.85 million  
 **C.** 58.5 million  
 **D.** 12.7 million



Provided by the National Museum of Mathematics

## VARSITY MATH

**The coach**  
provides these two reasoning problems to prepare the math team.



## Burning Ropes

You have two ropes and some matches. The ropes burn irregularly like fuses when lit at either end. The first rope burns in  $e = 2.71828\ldots$  hours and the second rope burns in  $\sqrt{2} = 1.414213\ldots$  hours.

Produce a time interval as close as possible to 1 hour.

## Nick's Birthday

A while back, Nick stated: "Sometime during last year, I was still 21; in two days I'll be in my 25th year."

What day of the year is Nick's birthday and on what day of the year is he speaking?

For previous weeks' puzzles, and to discuss strategies with other solvers, go to [WSJ.com/puzzle](http://WSJ.com/puzzle).

ILLUSTRATION BY LUCI GUTIÉRREZ

+ Learn more about the National Museum of Mathematics (MoMath) at [momath.org](http://momath.org)

## SOLUTIONS TO LAST WEEK'S PUZZLES

## Varsity Math

In **Pondering Productivity**,

the hens in both farms are equally productive. Smith's farm produces 245 eggs in 6 days; Jones's farm produces 6,125 eggs in 24 days. In **Cornfield Planning**, cut out quarter circles on the corners with radius  $= 100/(2 + \sqrt{\pi}) = 26.5079\ldots$  feet. This gives an area-to-perimeter ratio of  $100/(2 + \sqrt{\pi}) = 26.5079\ldots$

## Putting Mother First

R	A	N	T	M	O	I	S	T	B	L	A	B	R	E	S	T	F	O	R	T	H	E	M	E																				
A	L	A	S	R	E	S	A	W	A	R	O	M	A	Q	A	U	A	G	O	R	T	H	E	M	E																			
M	A	R	I	O	B	R	A	V	M	A	L	A	D	Y	L	U	C	O	R	T	H	E	M	E																				
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## REVIEW

## ICONS

# A Prince's Passage to India

Treasures from a British royal's 1875 trip show off the skills of the subcontinent's craftsmen

BY J.S. MARCUS

**IN 1875**, Queen Victoria's heir, Albert Edward, the Prince of Wales, sailed through the recently completed Suez Canal on his way to the jewel in his mother's crown—the vast realms of the Indian subcontinent. In the four-month tour that followed, the prince rode elephants, hobnobbed with maharajahs, visited the Taj Mahal by moonlight—and found plenty of treasures.

Next month, the Queen's Gallery in Buckingham Palace will put some of that collection on view. "A Prince's Tour of India 1875-76" features more than 70 objects, mostly Indian rulers' elaborate gifts presented to the prince. They show off the skills of the subcontinent's craftsmen, who could turn an inkstand into something like a piece of giant jewelry.

The organizers have paired this exhibition with a show that displays the less gaudy treasures of the Royal Collection's South Asian holdings, "Four Centuries of South Asian Paintings and Manuscripts."

**Virtuoso water-colors with extreme detail.**

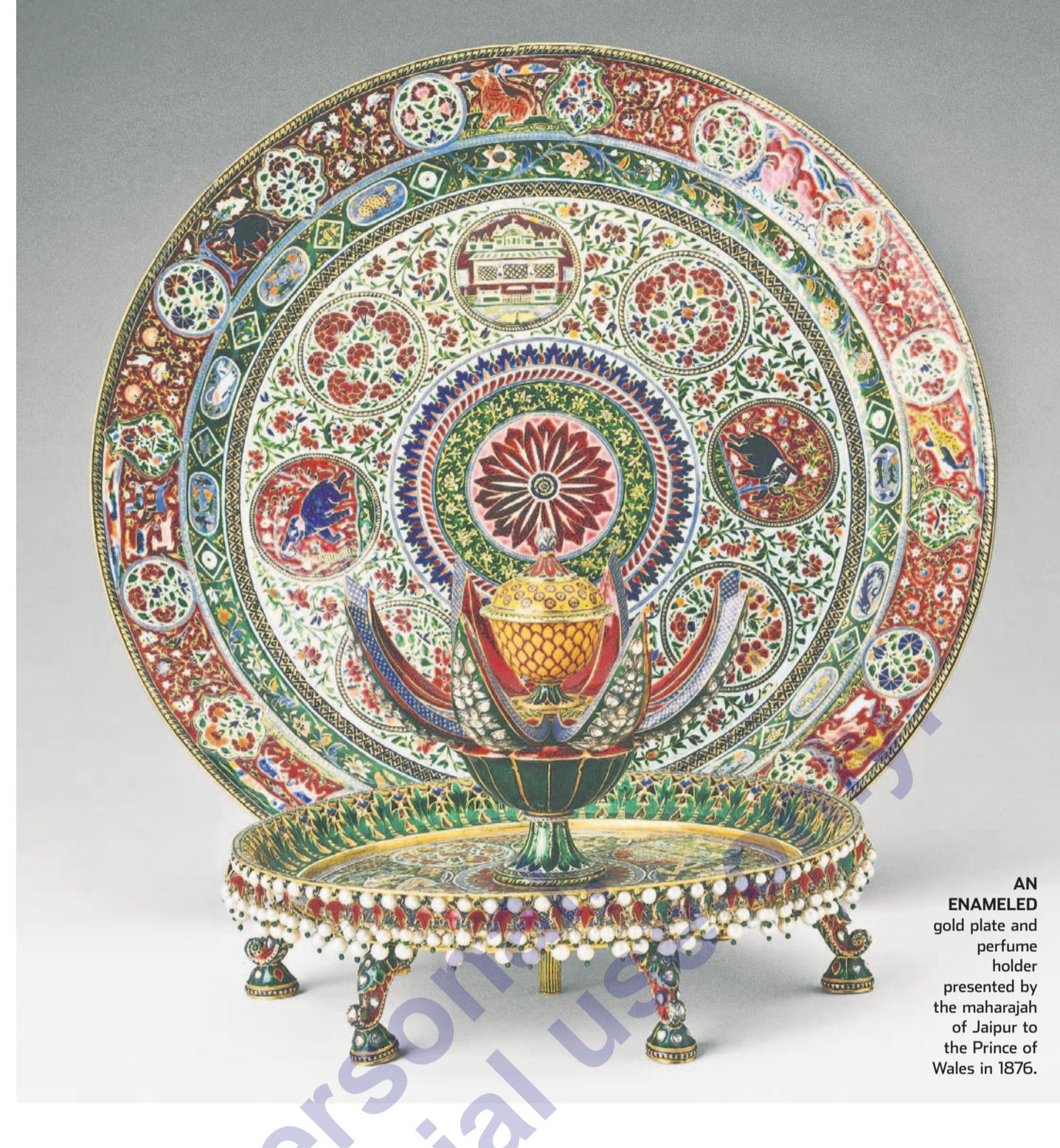
With around 150 works that are generally too fragile for regular viewing, "Four Centuries" features key examples of the art of the Mughal Empire, which enjoyed a few centuries of power and prestige before it entered a long decline in the middle of the 18th century. (Britain's East India Company and then Britain itself filled the power vacuum.)

Both shows, jointly called "Splendors of the Subcontinent," run from June 8 to Oct. 14.

"A Prince's Tour" is the crowd-pleaser. Visitors can see a brooch composed of tiger claws mounted in gold and decorated with a portrait of the Hindu goddess of wealth, Lakshmi. (She's the one seated in a lotus and flanked by elephants.) There is the 3-foot-high, peacock-feather gear for battling flies, inlaid with diamonds and set with bands of gold tinsel, presented to the prince on his official entry into Jaipur. In that city, "Bertie," as the prince was called by his family, was also given a perfume holder, resting on an enameled gold tray—decorated with pearls and diamonds, with feet modeled to resemble elephant heads. It's on view as well.

The rarities in "Four Centuries" are subtler: 10 paintings from the Royal Collection's celebrated illustrated manuscript of the "Padshahnama," or "Book of Emperors," which entered the collection in the late 18th century. Visitors usually need an appointment at the library at Windsor Castle to see the manuscript, with its illuminated front pieces, decorated with gold metallic paint, and its minutely rendered inside paintings. The work was commissioned to glorify the reign of the fifth Mughal emperor, Shah Jahan (1592-1666).

The manuscript is made up of 239 folios.



AN ENAMELED gold plate and perfume holder presented by the maharajah of Jaipur to the Prince of Wales in 1876.

In the exhibition, says the Royal Collection's Emily Hannam, the curator of "Four Centuries," "we will be displaying the text pages of the manuscript alongside its silk brocade cover, so visitors will get a sense of the Padshahnama when it was received by George III." The small, virtuoso watercolors have the scope and complexity of larger oil-on-canvas works. One sheet shows how, in the presence of sumptuously clothed warriors and their decorated horses, an emperor's soldier decapitates a rebellious noble.

Mughal painters would use brushes made of little more than a few squirrel hairs to create these images. "You can't believe the level of detail that could be achieved," says Ms. Hannam, adding that it may only be possible to appreciate the paintings by looking at them under a microscope.

To achieve their effects, the Mughal court artists used pigments composed, among other things, of lapis lazuli, gold, tin and charcoal. In the decapitation scene, the red comes from a resinous insect secretion. Ms. Hannam also invokes the legend about the paint color known as "Indian Yellow," a strikingly vivid hue that may have been made with the urine of cows fed on mangoes.

Besides the Mughal paintings, "Four Centuries" includes Pahari works from the north of India, like late 18th-century miniatures depicting scenes from an ancient religious Hindu text. While the Mughal paintings may include fabulous elephants and frenetic battle scenes, they still "have a sense of realism familiar to Western viewers," says Ms. Hannam. Pahari paintings, in contrast, are known for their richly colored demons and animal-

headed gods.

Bertie never went back to India. But after he died in 1910, his son, King George V, and George's wife, Queen Mary, visited India together in 1911. She is thought to have acquired Pahari paintings and was presented with a 1911 picture by Abanindranath Tagore (1871-1951), a nephew of the Nobel-prize winning writer Rabindranath Tagore.

The picture, "Queen Tissarakshita," uses a fusion of South Asian and Japanese styles to portray the triumph and regret in the face of a young consort of Ashoka, an ancient Buddhist emperor of India. She has just ordered that a rival of the emperor's affections be poisoned. She's a turn-of-the-century figure, whose high-fashioned ambivalence might not be out of place on a Viennese sofa or in an Edwardian boudoir.

ROYAL COLLECTION TRUST/HER MAJESTY QUEEN ELIZABETH II

## MASTERPIECE: 'LITTLE WOMEN' (1868-69), BY LOUISA MAY ALCOTT

### TIMELESS PREOCCUPATIONS AND OLD-SCHOOL VIRTUES

BY BRENDA CRONIN

**LOUISA MAY ALCOTT'S** 150-year-old novel, "Little Women," has remained in print despite a message strongly at odds with contemporary mantras of acquisitiveness, self-indulgence, self-promotion and vulgarity.

The tale of a quartet of sisters in Civil War-era New England has an unfashionable theme: Virtue is always rewarded. Profound tensions—over money, marriage and a woman's role in the world—propel the novel, slingshotting Alcott's work into the pantheon.

Alcott wrote "Little Women," which was published in installments in 1868 and 1869, in a matter of months. The book follows the March sisters—Meg, Jo, Beth and Amy—who live in straitened circumstances and have fallen on even harder times now that their father has gone off to war as a chaplain. That leaves their mother, Marmee, a single parent to the girls. Meg and Jo, 16 and 15 years old when the story begins, already are working—Meg as a governess and Jo as a companion to Aunt March, the family's well-off relative. Beth, a frail and shy 13-year-old, keeps house and plays the piano while Amy, 12, is still in school.

As illness, disappointment and other tribulations pile up on the Marches, Marmee keeps her daughters cheerful and resolute. But life among the little women isn't all bearing up under adversity, even if the March girls lack the guile of Becky Sharp, the peerless schemer in Thackeray's "Vanity Fair." Laurie, the Marches' hand-

**It endures despite a message at odds with contemporary mores.**

some and prosperous neighbor, becomes a family favorite. Jo, an aspiring author, finds success with her writing. And, in the end—spoiler alert—most of the Marches end up happily married.

The author, who remained single until her death at age 55, drew some of the story from life among her own sisters in Concord, Mass. Their teacher and philosopher father's airy approach to practicalities had the family nearly destitute at times, kindling his writer daughter's hunger for fame and fortune. She helped keep the household afloat, producing articles, thrillers, short stories and tales for children. Reluctantly acquiescing to her publisher's request, she turned to drafting "Little Women," dubious about whether the coming-of-age chronicle of four sisters would find an audience.

Alcott's genius is her timeless preoccupations—love and death, jealousy, fear and joy—which, despite changing mores, have kept the March family current for 1½ centuries. The conversational prose often sounds as if the author's pages flew directly from her desk to the printing press. She flouts chronology—"The three years that have passed have brought but few changes to the quiet family"—and sometimes ducks out of the narrative to address the reader directly. The occasionally insipid family scenes are leavened with bracing displays of bad behavior. Alcott details the Marches' humiliations, such as Meg's fashion missteps, Jo's disastrous attempts at cooking and Amy's star-crossed social-climbing. The author wrings a humanity from her characters that magnifies even the smallest events, such as when Beth dares to venture over to the

neighbors' house and is bewitched by the piano.

A shortage of money is a constant—as is the assumption that, after a brief stint of tutoring or sketching, the girls will secure their futures through marriage. Although Marmee counsels her daughters that they should marry for love and not money, Meg finds a different perspective among her rich and worldly acquaintances. At a party, she is aghast to overhear gossip that Marmee is angling to snag well-heeled husbands for her girls:

"Mrs. M. has made her plans, I dare say, and will play her cards well."

Jo, the character who most reflects Alcott's spirit, aims to earn a living with her writing and insists that her independent nature renders her anything but marriage material. Alcott gives Jo the book's opening line, in which she vents over the family's meager holiday plans: "Christmas won't be Christmas without any presents." It's a startling outburst, even if the girls do reconcile themselves to Marmee's heartfelt if austere gifts: copies of John Bunyan's "The Pilgrim's Progress" slipped under each daughter's pillow. "Little Women" often reads as if Alcott had Bunyan's work—something of a roadmap for a soul's trek to heaven—in mind while writing.

While the little women never veer close to



MARGARET O'BRIEN, JANET LEIGH, JUNE ALLYSON, ELIZABETH TAYLOR AND MARY ASTOR IN THE 1949 FILM VERSION.

any real vices, there is no question that virtue triumphs. On that same meager Christmas, Marmee leads her daughters in sharing their food with an impoverished family—a sacrifice that ends in satisfaction and merriment. When the strong-willed Amy and Jo clash, Marmee has the sisters practice forgiveness and self-denial.

"Little Women" has been adapted into numerous series and movies, none outstanding despite considerable star power. Perhaps that is because the portraits seldom match the characters etched into readers' minds. Katharine Hepburn played Jo in a 1933 film; Elizabeth Taylor was Amy in the 1949 version. The 1994 movie featured Susan Sarandon as Marmee, Winona Ryder as Jo and Christian Bale as Laurie. On May 13, a new three-part adaptation from the BBC and PBS began airing on "Masterpiece." Reviews have been mixed, with some critics disappointed yet again by a screen portrait of the March family. But directors haven't given up. A modern retelling of the novel directed by Clare Niederpruem—where Jo rides the subway and writes on a laptop—is expected in cinemas later this year.

Ms. Cronin is a special writer for the Journal's Life and Arts section.

## Potato salad: Reconsidered, reinvented and *really* tasty

**D7**



# OFF DUTY



How tie-dye  
went from  
garish  
to stylish

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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4

#### **SIT A SPELL**



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## **SET A PUSH ALERT**

When it's time to  
mow the lawn,  
consider this low-  
effort take on a



Photo by Steve L. Smith

## **PARTY BY THE POOL**

Rental villas that put a splashier spin on

# STYLE & FASHION

## Get Prep That's Slightly Out of Step

Summery WASP style is undergoing a revival—with some noticeable tweaks

BY STEVE GARBARINO

**R**EMEMBER PREP? That loud style of dressing that took the sportily cavalier look of WASPs to exaggerated, showboating levels? What Holden Caulfield might have, more succinctly, called "phony"?

In the late 1970s and early '80s this overcooked iteration of the real deal kicked off a broader fashion trend, as dissected in the 1980 best-seller "The Official Preppy Handbook." That tongue-in-cheek guide advised would-be preps how to pull off improbably layered oxford shirts, wide-wale corduroys and argyle socks. In prep's heyday, many of its disciples were to the manor bought.

If you lived through the trend's Talking Heads-soundtracked, Bret Easton Ellis-chronicled apex, you may be suffering from Post Traumatic Prep Syndrome—unwilling to consider any clothing involving pink and green or an embroidered whale. But that stance would mean missing out on an intriguing new wave of neo-prep fashion that warps the style into novel pieces. Rather than adhering reverently to prep's outdated, elitist codifiers, brands including Acne Studios and Opening Ceremony are remixing and inverting them for a new generation.

Opening Ceremony's playful take on the classic rugby slices two differently-striped styles in half and conjoins them into one shirt. "We like looking at traditional wardrobe staples we admire and turning the designs on their heads," explained the company's co-founder Humberto Leon. "We found leftover scraps from a factory that produces professional rugby shirts, and experimented with them to create this kind of trippy, asymmetrical version."

The Swedish cool kids at Acne Studios have taken the classic boat shoe and remade it in city-friendly black, embellished with nifty, exaggerated stitching. Their pair wouldn't look entirely out of place on the Vineyard, though it might spark heated conversation over spritzes. The designer Jonathan Anderson's most recent collection for Japanese megabrand Uniqlo also skews nouveau-prep, from tote bags emblazoned with jumbo seagulls to twill \$15 bucket hats that, unlike Gilligan versions, have the rounded, casual top of a ball cap.

Even designers as far-flung as Milan-based Massimo Alba are reworking prep handily; this season, Mr. Alba designed a pair of faded pink shorts that could work in Nantucket with a linen shirt but feel mildly subversive upon closer examination thanks to a fine pinwale corduroy fabrication.

These clever twists on prep demand a second look, but they don't completely stray from the style's original allure, which prioritized comfort and familiarity. The actor Luke Wilson—perhaps best known for playing a natty tennis player in "The Royal Tenenbaums"—remembers fondly how his grandfather wore pressed khakis and Izod short-sleeves while doing yard work: "It wasn't fancy—it was functional and comfortable but still looked neat."



**LOOK, MUFFY, AN ASYMMETRICAL RUGBY SHIRT FOR US** The new prep gear remixes classic codifiers. Clockwise from top left: Loafers, \$480, [acnestudios.com](http://acnestudios.com); Uniqlo & JW Anderson Hat, \$20, [uniqlo.com](http://uniqlo.com); Massimo Alba Corduroy Shorts, \$275, [mrporter.com](http://mrporter.com); Rugby, \$145, [openingceremony.com](http://openingceremony.com)

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Another summer, another chance to engage in that great sartorial debate: Can a grown-up, with a driver's license and a 401(k), wear cargo shorts without looking like a tired reincarnation of his college-aged self? For many, cargoes are too reminiscent of lazy days on the quad playing slightly drunken games of Ultimate Frisbee—not in keeping with one's executive

image. If you find yourself missing those ever-useful pockets, however, a middle-ground has arrived in the form of these Stella McCartney shorts. With deep yet streamlined non-patch pockets along the thighs, further downplayed by a flap of fabric that covers the zippers, they're a clothing miracle: the non-cargo cargo. Shorts, \$370, [Stella McCartney](http://StellaMcCartney.com), 212-255-1556 —Jacob Gallagher

### 3 GO SUDDENLY MADRAS

It takes a certain man—perhaps a man who has seen "Caddyshack" 38 times—to wear a madras blazer. Still, when the aggressively madcap fabric is served up in smaller doses and crafted into a tote bag, like this L.L. Bean example, it offers a welcome break from standard vanilla canvas. This summertime schlepper has more going for it than its checked motif. In featherweight nylon, it makes lugging that cumbersome badminton set out to the lake house a wee bit more manageable. Tote, \$70, [llbean.com](http://llbean.com) —J.G.



## THE SUMMER OFF DUTY 50: STYLE &amp; FASHION

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## Meet Your Match

Plain separates have ruled our wardrobes for so long that Grandma's coordinated-pattern outfits look surprisingly fresh again



BY REBECCA MALINSKY

**E**ACH YEAR post-Memorial Day, the inevitable summer style crisis sets in: What looks fresh when you feel anything but? "I love my Céline blazers," said Malibu-based designer Lisa Marie Fernandez, "but when it gets hot, it gets hot. And you want to feel nice." While neutral linen separates are reliable staples and there's no shortage of underwhelming sundresses, a more surprising summer dressing idea can be found in vintage photos of your grandmother posing in her playsuits on Atlantic City's boardwalk.

Popularized in the 1940s and '50s as a matching shorts-and-top set for the beach, with a wraparound skirt for lunch in town, those charmingly retro printed outfits were matchy-matchy precursors to this summer's explosion of patterned ensembles.

Whether your taste favors spots or stripes or cherries or pansies, you'll have your pick of pleasingly coordinated separates. The pieces that pair up to form these outfits are generally sold individually, but

Ms. Fernandez—who chose polka dots for her linen button-front tops and skirts this season—said her clients almost always buy a full set. Dolce & Gabbana adorned a cotton mini skirt and crop top in one of its recurring Amalfi ceramic prints, complete with matching headband, shoes and bag for those whose appetite for pattern knows no limits. Proenza Schouler is proposing long floral skirts with matching peplum tops for post-sunset parties. And minimalist line Apiece Apart styled a tank and skirt in colorful stripes together as a full set.

For pragmatists, these two-piece outfits are a no-brainer. Wear the elements together for a low-effort statement look, or expend slightly more styling energy and split them up to achieve (at least) two separate outfits. "We are really trying to make it easy," said Starr Hout, co-founder of Apiece Apart. "Our woman is a mother, a businesswoman, a creative, she is doing things, she is busy like we all are." The full set takes the thought out of getting dressed; you know the pieces work together. "It's a one-and-done outfit," Ms. Hout added.

Beyond that ease, these fun total looks are a nod to the pre-Lululemon days when



ANDY RYAN FOR THE WALL STREET JOURNAL, STYLING BY REBECCA MALINSKY, HAIR &amp; MAKEUP BY TARA PAGLIARI; MODEL ALINA KOZYRA; SUPREME MANAGEMENT



**UNMIXED DOUBLES** Above left: Headband, \$275, Top, \$545, Skirt, \$895, and Sandals, \$895, Dolce & Gabbana, 212-897-9653. Above right: Brock Collection Top, \$3,890, and Skirt, \$7,800, A'maree's, 949-642-4423. Left: Top, \$195, Skirt, \$365, Apiece Apart, 646-455-0346; Bag, \$1,495, proenzaschouler.com; Scarf, \$160, hermes.com. Shot at Indochine New York

agreed: "I love dressing up for the warm weather. I don't even care if I see anyone."

When shopping for a playsuit, consider this rule of thumb: If you're prepared to bare your midriff, choose an above-the-navel skirt. Exposing a sliver of skin at the rib cage is a surprisingly flattering way to play peek-a-boo. Ms. Brock pointed out that midriff also creates a natural break in the patterns: "It's soothing on the eye." For modest types, Ms. Fernandez's embroidered polka-dot top and skirt set shows but a centimeter of skin, and less if you get a bigger size in the top.

The most important thing, though, is to choose a print you love and will want to wear again and again. "You have to just be confident," Ms. Brock explained. "And don't take yourself too seriously," her husband chimed in.

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## HAVE A BLOND MOMENT

When, in our hopeful youth, we sprayed (and sprayed and sprayed) our mousy, dank locks with stinky Sun-In, we envisioned gently sun-kissed locks but ended up with an orange, splotchy mop that did not look at all alluring in prom photos. Happily, today's wannabe Giseles (and Brads) can avoid the pitfalls of yesterday's drugstore hair lighteners. We found that the sweet-smelling blend of pineapple and lemon in Ouai's new Ombré Spray subtly lifted our natural highlights without Sun-In's pungent odor, while its hydrating mix of coconut water and dilo oil softened parched hair. Sun of a Beach Ombré Spray, \$24, [theouai.com](http://theouai.com)

—Lauren Ingram



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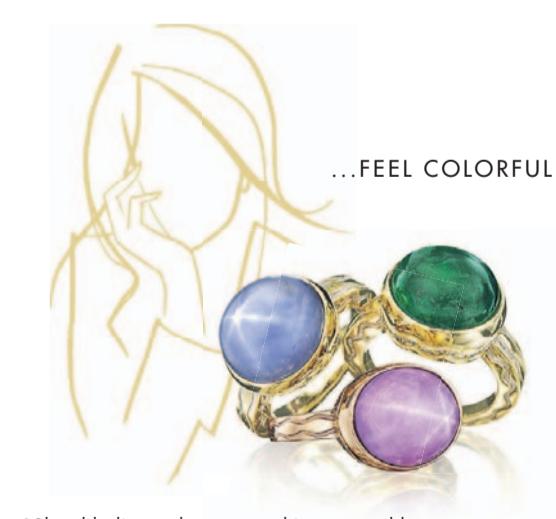
## SWIM WITH THE FISHES

It isn't in a bikini's nature to supply much in the way of substance, but new Los Angeles-based swimwear line Galamaar is more than just a pretty suit. The brand used nylon recycled from fishing nets for its debut collection of retro-inspired suits—a soft yet supportive fabric that's more durable than most nylons, according to Galamaar's founder, Blakely Wickstrom. And speaking of substance, this style's high-waisted bottom harks back to the bikini's more forgiving midcentury heyday. Bikini, \$279, [galamaar.com](http://galamaar.com) —L.I.



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## THE SUMMER OFF DUTY 50: STYLE &amp; FASHION

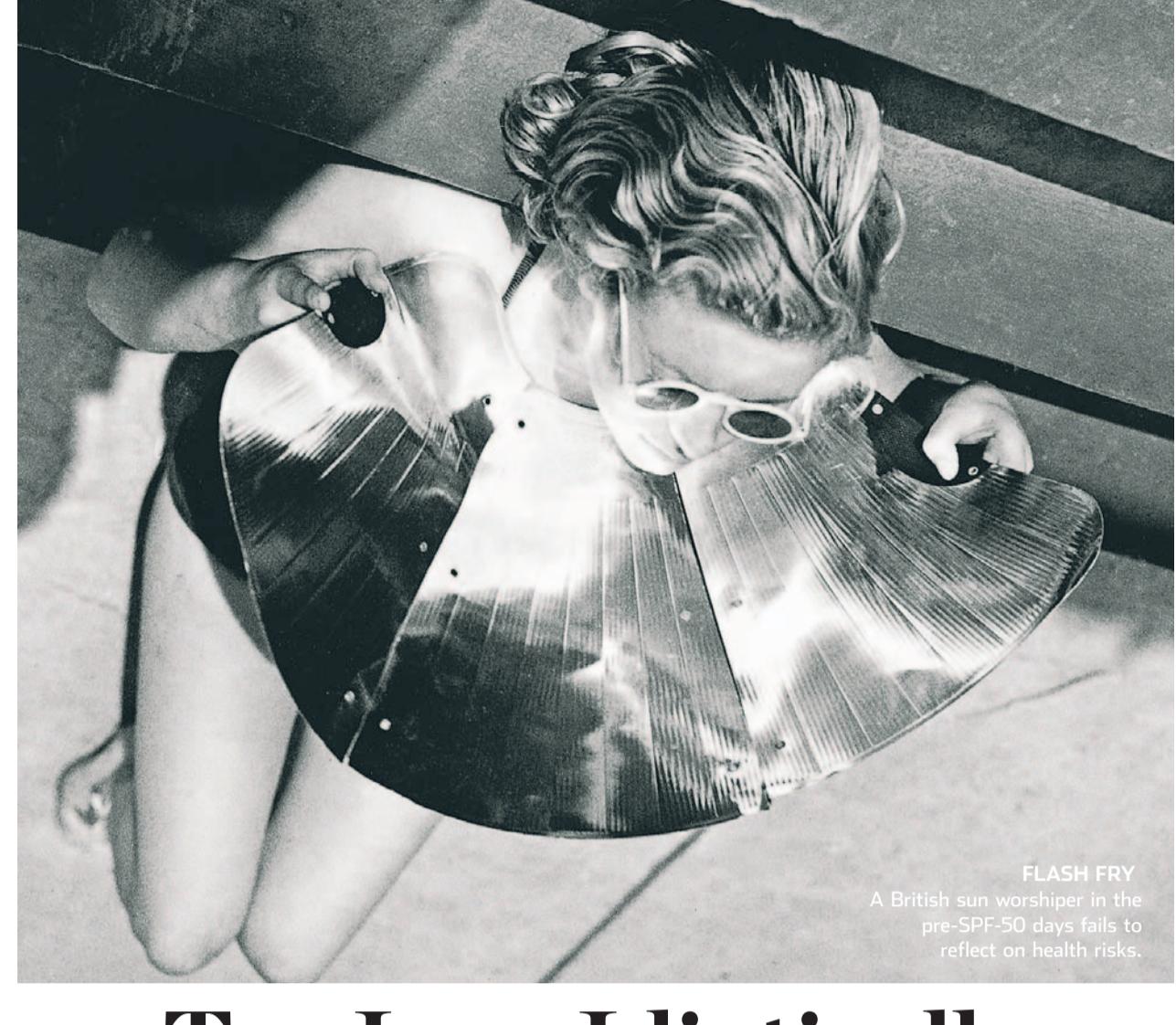


## 7 RAISE A LITTLE SHELL

Crafted from shell fragments found on Hawaiian shores, puka shell necklaces made a splash in the 1960s, didn't relent in the '70s, and may have peaked in the '90s. Today, pukas—traditionally beloved by beach bums and romantic teenagers with a taste for vacation life—can elicit a groan of recognition. For more sophisticated fans of the look, Los Angeles jewelry designer

Irene Neuwirth has re-created the evocative summer staple with opals, transforming it into fine jewelry. "I never take it off," Ms. Neuwirth said. "I shower in it. I just went to a crazy workout in it. I just love that it's a superfine version of something you would wear as a kid." Necklace, \$11,480 each, Irene Neuwirth, 323-285-2000

—Rebecca Malinsky



## FLASH FRY

A British sun worshiper in the pre-SPF-50 days fails to reflect on health risks.

## Tan Less Idiotically

SPF 5 and reflective foil are now as frowned-upon as cigars, but some people won't forego a glow. To the rescue: safer, natural-looking ways to bronze

BY DANA WOOD

**LIKE MANY OTHER** stubborn tanners who find the habit hard to kick, I still revel in a bronze-y glow. As a 50-something, I remember when tanning equaled glamour. Not only did my childhood babysitter spritz herself with a mix of iodine and baby oil before settling down in our backyard with a foil reflector, all of my Barbies were "Malibu." To this day, a mere whiff of Coppertone can send my stress levels plummeting.

Now that I'm older, however, I'm paying for all my carefree outdoor time with brown blotches, white blotches, even wrinkles (aka cleavage wrinkles). For many of us nostalgia-tripping Boomers, graver trouble is looming: According to the Skin Cancer Foundation, one in five Americans will develop skin cancer by age 70.

For insight into why so many rebels persist in tanning when we know how dastardly it is, I called New York-based Amy Wechsler, who is board-certified in both psychiatry and dermatology. Dr. Wechsler rattled off the cockamamie ratio-

nales people make: "I think people, women especially, think they look thinner with a tan," she said. "They think a tan hides cellulite, which may or may not be true. And they also think they look sickly if they're not tan."

As you scroll through Instagram, all those FOMO-inducing holiday snaps from Belize and Bali can trigger the feeling that if you aren't basking on a sugar-sand beach somewhere, you're nobody. And as Dr. Wechsler pointed out, "Celebrities are still tanning."

Or at least they look like they are. Self-tanners and wash-off, no-commitment bronzers have improved so dramatically in recent years that it's getting harder to tell a faux glow from the Real McCoy. Delivering believable color along with natural ingredients and even fresh floral scents, innovative formulas like mousses and waters from brands like James Read, Tan-Luxe and St. Tropez share little with the pungent orange paints of yore.

On a more primal level, the warmth and light generated

by the sun—or tanning beds—contribute to the nasty habit's allure. That's why aesthetician Jessica Arnaudin has recovering tanning-bed-junkie clients slip under the LED light therapy lamps at Beauty Bungalow, a St. Petersburg, Fla., day spa. Bonus: While LED light therapy can't remedy major sun damage, it can effectively treat fine lines and loss of collagen, two byproducts of UV exposure.

Though she used to weld herself to Sheep Meadow in

Central Park as a teenager in the 1980s, baking her skin the color of a walnut, beauty publicist Jennifer Fisherman-Ruff is weaning herself off tanning following UV damage to her skin. Easing her breakup with Mr. Sunshine is her expertise with self-tanning: Ms. Fisherman-Ruff started buying Sun Laboratories Ultra Dark Self-Tanning Micro Mist in bulk and, with the help of a St. Tropez Applicator Mitt, she plants herself in front of a full-length mirror and goes to town. "I always feel better when I have color," she confessed.



**FAKING IT BIG** C+C Vitamin Summer Lotion, \$65, [naturabisse.com](http://naturabisse.com); Hydrating Self-Tan Water, \$52, [tan-luxe.com](http://tan-luxe.com); Self-Tan Classic Bronzing Mousse, \$42, [sttropeztan.com](http://sttropeztan.com); Perfect Legs Skin Protector, \$74, [thisworks.com](http://thisworks.com); Glow Gradual Tanning Moisturizer, \$25, [lunabronzettanning.com](http://lunabronzettanning.com); Sun-Defying Sunscreen Oil, \$12, [supergoop.com](http://supergoop.com)

## 8 Visit the White Blouse

"A white shirt is a perennial must," said Jennifer Alfano, creator of the Flair Index, a website dedicated to chic style and intriguing women. In the warmer season, you want a version with "a little bit of pretty," Ms. Alfano said, "even if you're a minimalist like me." More than a little pretty, this soft white cotton blouse from Nili Lotan features a broderie anglaise Peter Pan collar, the sort found on the Victorian-style blouses that flourished in the 1970s, spurred on by the summery, much-referenced 1975 film "Picnic at Hanging Rock" and vintage devotees like Jane Birkin. (As Ms. Alfano said, "Who doesn't want to channel Jane Birkin, right?") What makes this one modern: its boxy fit. Shirt, \$395, [nililotan.com](http://nililotan.com) —R.M.



10

## DON'T TORTURE YOUR BEGINNER SWIMMERS

When we were kids, nothing could dampen the giddy excitement of a trip to the pool quite like a pair of loathsome puffy plastic water wings. Squeezing

into those orange bands of embarrassment was fraught with frustration and provoked a few tears (how they pinched!). New schools of swimmers can flail

about much more comfortably in these colorful fabric arm floats by Swimplay. Completely covered in a soft polyester-lycra-blend fabric, these swim-

mies safeguard kids from seam scars, and the contrast color blocking is less dorky. Water Wings, \$12 per pair, [swimways.com](http://swimways.com) — Lauren Ingram

## 11 BE A SHINING EXAMPLE

Put some shimmer into your shoe situation with the newest offerings from K. Jacques, the St. Tropez sandal company beloved by celebrities of yesterday (Brigitte Bardot) and today (Michelle Obama). The sandals' careful craftsmanship has its roots in founder Jacques Keklikian's habit of tracing his friends' feet onto cardboard before cutting their custom pairs

in the 1930s. The brand, which celebrates its 85th anniversary this year, is introducing four metallic shades with matching soles in classic styles. These bling-y versions of the originals let unswervingly urbane city-dwellers evoke the breeziness of the French Riviera without losing their downtown edge. Sandals, \$300, [kjacques.fr](http://kjacques.fr) —Lane Florsheim





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12

# Seize The Dye

A '70s summer-camp staple, tie-dye is being reborn in subtler, anti-hippie hues

BY JACOB GALLAGHER

**F**IVE YEARS ago, Ryan Willms shunned tie-dye clothing, lest he give the impression he had gotten lost on his way to a Phish concert. Today, though, you can spot the 33-year-old creative director tooling around Los Angeles in a multicolored, swirl-pattern sweatshirt from Japanese label Needles. "Whenever I wear that hoodie, people of all sorts are like, 'I love your hoodie,' and that is a positive feeling," said Mr. Willms. Until the vibrant sweatshirt won him over, his wardrobe had mostly consisted of cautious neutrals. In a sometimes-too-serious world, he added, tie-dye evokes "something relaxed and chill."

This summer, the whimsical fabric of patchouli-soaked Deadheads and '70s DIY'er kids is joining florals as an alternate pattern for gingham-addicted men. Paris's Acne Studios makes a circular-swirl navy or turquoise swimsuit; California's Elder Statesman offers high-end, cashmere takes on tie-dye sweaters; more affordably, Champion and Mollusk's crew necks are restricted to single-shade splotches. They might have you thinking of the Summer of Love, or just that one great summer you spent pranking counselors at camp.



**SWIRLS JUST WANT TO HAVE FUN** Grateful Dead fans might be even more grateful if you gave them these relatively restrained, but still playful, takes on tie-dye. Clockwise from above: Shirt, \$79, [stussy.com](http://stussy.com); Sweatshirt, \$135, [champion.com](http://champion.com); Shirt, \$310, [aimleondore.com](http://aimleondore.com); Swim Trunks, \$190, [acnestudios.com](http://acnestudios.com)

Still, you'll find this tie-dye more palatable than the crafty pieces of your youth. The contrast has been turned down, quieter colors blend better, the swirls don't appear to writhe. This is tie-dye for the 21st century, toned down and rendered at a less eye-assaulting scale.

"We did it in a more tonal color," said Thom Baker, Champion's global creative director of men's activewear, during a tour of its collection. He pointed to a hoodie with darker blue swirls against a lighter blue base as an example of a subtle, "tonal" piece.

Teddy Santis, the creative director of New York brand Aimé Leon Dore, had a tie-dye change of heart when he received the sample for his brand's rainbow-splashed button-up. Before it came in, he worried that a long-sleeved tie-dye shirt would be too loud. When he opened the box, though, "It was super blended, super muted," said Mr. Santis, who was wearing shorts in the same fabric with a white T-shirt on the day we spoke. He said it was "easy to wear," though if your office is less casual than a New York design studio, save it for poolside.

These new fashionable pieces have real craft behind them (not just Rit powder, rubber bands and a bucket). It took "five or six different processes" at an Italian factory to complete the matte dye effect on Aimé Leon Dore's best-selling seersucker swirled fabric. Champion labored to perfect a hand-done "scrunch dye" process that looks complex even on its sweatshirts.

Oliver Mak, the co-owner of Bo-dega, a Boston boutique that carries Mr. Willms's Needles hoodie, as well as tie-dyed sweaters from Stussy and sneakers from Vans, "I'm at peace with that."

compared this new, muted tie-dye style to shibori, a Japanese process that uses tighter knot wraps for more compact patterning with blue indigo on white fabric.

"There's this nice historical relationship to tie-dye with the Japanese tradition of dyeing like shibori," said Mr. Mak.

Is it cheating to buy a tie-dyed T-shirt instead of making it yourself in your backyard? Perhaps, but you might end up with something you'll actually wear. "I've just never been that DIY I guess," said Mr. Willms.

"I'm at peace with that."

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#### WHAT SCENT EVOKE YOUR CHILDHOOD SUMMERS?

"Cut grass when the sprinkler goes over it has a certain scent. It brings me back to around age 8 or 9—it was the summer I got a Slip 'N Slide and my face was always just covered in wet grass."

—Amanda Chantal Bacon, founder of Moon Juice



#### 13 EYEBALL THE '80S

Most people remember the 1984 Olympics in Los Angeles for track and field star Carl Lewis's quadruple-gold-medal showing, but only true fashion geeks recall that French brand Vuarnet was the games' official sunglasses sponsor. With their smooth silhouette and reflective lenses, Vuarnets typified punchy '80s style. The shades have become something of a

cult item since, likely due to their relative obscurity in the U.S. Thirty-four years later, Vuarnet has collaborated with Noah, the scrubbed-up New York skatewear brand, to reissue and revitalize its retro frames in lively, two-tone designs. Interesting to note: The yellow looks an awful lot like gold. Sunglasses, \$260, [noahny.com](http://noahny.com) —J.G.

#### 14 SLIP INTO A FRANKENSHIRT

In the 1970s, Ash Wall, then a Brooks Brothers vice president, was touring one of the company's factories when he came upon a pile of shirts cobbled together from scraps: a striped pocket here, a pink placket there, a green panel at the side. Legend has it that these mutant garments—trial versions of the classic oxford shirt sewn by trainees—prompted Mr. Wall to comment, "Those are some fun shirts." The name stuck, and for decades Brooks Brothers has sold these mixed-up button-ups as official offerings. This summer, the fun has gotten a bit more personalized. A new program allows you to select from nine different patterns and colors to whip up your own patch-worked creation. Fun Shirt, \$250, [brooksbrothers.com](http://brooksbrothers.com) —J.G.



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# EATING & DRINKING



## Hold the Mayo

No offense, potato salad. But once in a while it's worth opting for something bolder. These recipes from four notable new cookbooks offer striking updates on the summertime standby

### JW Potatoes, Mabel's Style

*These crisp-fried potatoes are tossed with sliced scallions in a punchy Sherry vinaigrette.*

TOTAL TIME: 1½ hours

SERVES: 4

Preheat oven to 400 degrees. Place **3 large russet potatoes** on a baking sheet. Bake until easily pierced with a knife, about 1¼ hours. When potatoes are cool enough to handle, break into rough 1- or 2-inch pieces. // In a small bowl, whisk together **3 tablespoons Dijon mustard** and **¼ cup Sherry vinegar**. Whisking constantly, add **½ cup olive oil** in a steady stream to form an emulsion. // In a large pot, heat about **4 inches peanut oil** over medium-high heat until a thermometer reads 360 degrees. Fry potatoes in batches, turning often, until golden brown and crisp, about 4 minutes. Use a slotted spoon to transfer fried potatoes to a paper towel-lined plate. // In a large bowl, combine potatoes with **½ cup thinly sliced scallions** and enough vinaigrette to lightly coat. Toss to combine. Transfer to a platter and sprinkle with **flaky sea salt**.

—Adapted from "Playing With Fire" by Michael Symon (Clarkson Potter)



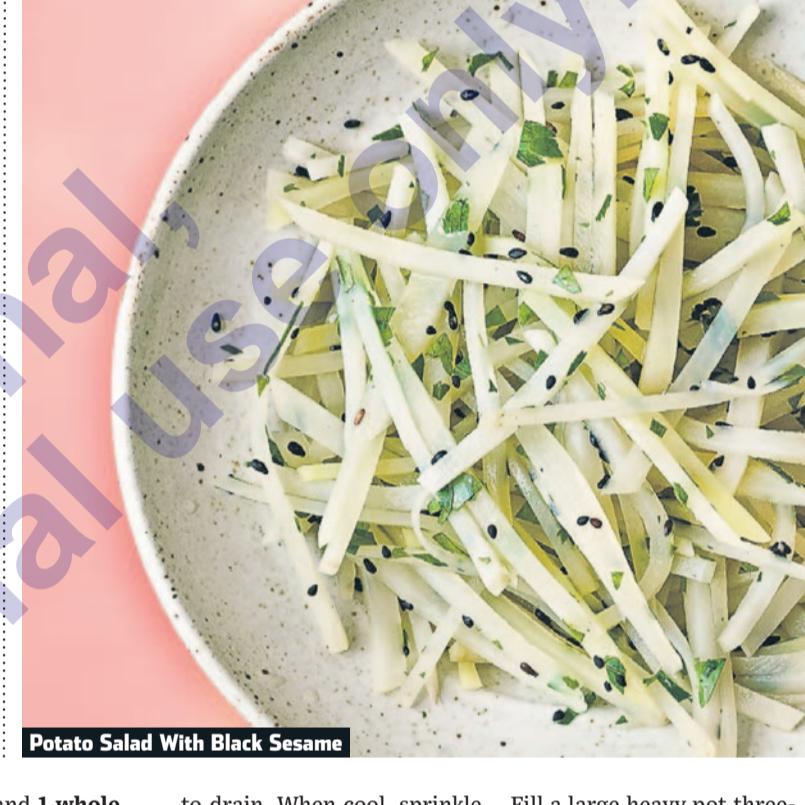
**JW Potatoes, Mabel's Style**



**Baked Salt Cod With Caramelized Onions and Potatoes**



**Sweet Potato Nachos**



**Potato Salad With Black Sesame**

CLOCKWISE FROM TOP LEFT: ED ANDERSON, ANDREW MONTGOMERY, ROBERT STRICKLAND, JENNIFER MAY

bite-size chunks. Arrange an even layer of potatoes on bottom of dish, then a layer of onions, followed by a layer of cod. Repeat, then finish with a layer of potatoes and onions. Cover with foil and bake 25 minutes. Uncover and bake until golden brown and cooked through, about 10 minutes more. // Meanwhile, place **3 eggs** in a pot of cold water. Bring water to a boil over high heat, then remove from heat, cover and set aside 10 minutes. Transfer eggs to an ice bath to halt cooking. Peel eggs and cut into wedges. // To serve, scatter eggs, a handful of black olives sliced into rings and a handful of chopped parsley over potatoes and onions. Finish with a drizzle of extra-virgin olive oil. Serve hot.

—Adapted from "My Lisbon" by Nuno Mendes (Ten Speed Press)

bought Corn Nuts. Either way, delicious.

TOTAL TIME: 1½ hours

SERVES: 6-8

Make nacho spice: In a small bowl, combine **2 tablespoons ground cumin**, **2 tablespoons ground coriander**, **1 tablespoon nutritional yeast** and **2 teaspoons ground bay leaves**. Store in an airtight container. // Make green chile mayo: Heat **1 cup grapeseed oil** in a small sauté pan over medium-low heat. Add **1 poblano, seeded and diced**, and cook 10 minutes. Remove from heat and add **1 teaspoon red chile flakes**. Let cool completely. Pour oil through a strainer set over a small bowl, discarding solids. In a food processor or blender, combine **1 egg yolk**, **1 teaspoon Dijon mustard** and **1 tablespoon distilled white vinegar**. Slowly, drop by drop at first, drizzle in chile oil to form a thick, pale green sauce. Season with **salt**. // Make escabeche: In a dry small skillet, toast **½ bay leaf**, **1 teaspoon coriander seeds**, **½ teaspoon**

cumin seeds and **1 whole dried chipotle** until fragrant. Tie spices in a piece of cheesecloth. In a small skillet over medium heat, combine **½ cup apple cider vinegar**, **¼ cup distilled white vinegar**, **2 tablespoons water**, **2 tablespoons brown sugar** and **spice packet**, and bring to a boil. Add **2 tablespoons grapeseed oil**, **1½ tablespoons salt**, **1 onion, sliced**, and **1 carrot, sliced**, and stir until salt dissolves, about 1 minute. Remove from heat, add **2 sprigs fresh oregano**, and let cool completely. Remove spice packet after cooling. Chill in refrigerator. // Make sweet potato nachos: Preheat oven to 325 degrees. Bake **4 large sweet potatoes** on a foil-lined baking sheet until tender, about 1 hour. Let cool completely. // Use your fingers to peel sweet potatoes, reserving peels. Cut potatoes into 2-inch chunks. // Heat **½ cup vegetable oil** in a small skillet over medium-high heat. Fry peels until crisp and transfer to paper towels

to drain. When cool, sprinkle peels with a **pinch of salt** and **1 teaspoon nacho spice**.

// Heat a large skillet over medium heat. Add **2 tablespoons unsalted butter** and cook until browned slightly. Add sweet potatoes and cook to heat through, about 3 minutes. Season with salt. // Place hot sweet potatoes in a serving dish that holds them snugly and smash partially with a fork. Dot potatoes with green chile mayo, then sprinkle with escabeche, **1 cup Corn Nuts**, fried peels, **¼ cup thinly sliced radishes**, **¼ cup chopped fresh cilantro** and a light sprinkle of nacho spice.

—Adapted from Odd Duck, Austin, Texas, and "The Austin Cookbook" by Paula Forbes (Abrams)

### Potato Salad with Black Sesame

A warm dressing of soy sauce, rice vinegar and mirin punches up this salad of julienned potatoes with chopped greens and black sesame.

TOTAL TIME: 20 minutes

SERVES: 6

Fill a large heavy pot three-quarters of the way with water. Add **1 tablespoon fine sea salt** and bring to a boil over high heat. Peel and julienne **1½ pounds medium potatoes**. Blanch potatoes 30 seconds, then scoop out with a mesh strainer and shake off excess water. Spread out on a clean kitchen towel and roll up loosely to blot dry. Transfer to a medium bowl and add **1 large handful mitsuba** (Japanese parsley), **pepper cress** or **watercress leaves**, finely chopped. Toss to combine. // Heat a dry small skillet over medium heat. Add **1 tablespoon black sesame seeds** and warm through. Set aside. In a small saucepan, whisk together **4 tablespoons rice vinegar**, **2 tablespoons mirin**, **1 teaspoon light soy sauce** and **1 teaspoon flaky sea salt**, and bring to a boil. Pour hot dressing over potatoes, add sesame seeds, and toss to distribute. Serve warm or at room temperature.

—Adapted from "JAPAN: The Cookbook" by Nancy Singleton Hachisu (Phaidon)

In "The Austin Cookbook" by Paula Forbes, this recipe includes instructions for making corn nuts from scratch. We've swapped in store-

### Sweet Potato Nachos

In "The Austin Cookbook" by Paula Forbes, this recipe includes instructions for making corn nuts from scratch.

We've swapped in store-

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## THE SUMMER OFF DUTY 50: EATING &amp; DRINKING

18

# Silence the Grillsplainers

Once the realm of dads and dudes, cooking over fire finds its feminine side, plus a little French flair

BY ADINA STEIMAN

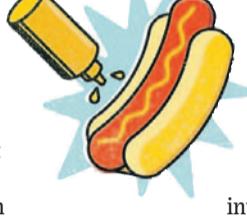
If a woman's place is in the kitchen, a man's place is surely at the grill. Right? The first part of that statement sounds hopelessly outdated, but the second part still seems to be in full effect. If you're a woman and you like to grill, you'll inevitably experience what I call "back-seat grilling"—a fascinating behavior among male bystanders with no particular expertise in outdoor cookery who will nevertheless try to co-opt your coals and determine your doneness. And Susan Hermann Loomis, a veteran cookbook author who lives the expat life in France, has certainly experienced her fair share of the phenomenon.

"I can't count the times we had friends over for dinner, and while I was outside supervising the grill, so were all of the men, hovering, suggesting, practically grabbing the tongs out of my hand," she writes in the introduction to her new book, "French Grilling: 125 Refined & Rustic Recipes" (Countryman Press, June 12). "Oh my, but challenging the established order is a tricky thing."

**'While I was outside supervising the grill, so were all of the men.'**

Ms. Loomis might have ruffled feathers in her small French village by ruling over her grill, and she's disrupting the established order of grilling cookbooks, too. Most of them are written by male grilling gurus—folks like the legendary Steven Raichlen, whose latest, "Project Fire: Cutting-Edge Techniques and Sizzling Recipes From the Caveman Porterhouse to Salt Slab Brownie S'mores" (Workman Publishing Company, May 1), is his 31st book on outdoor cooking. To her credit, Ms. Loomis isn't trying to be just one of the boys. Her take on grilling focuses on the unfussy, refined flavors of outdoor cooking in France—a style that reads as (dare I say it?) "feminine" as easily as it does Gallic.

Her baby back ribs aren't smeared in a robust rub, just enhanced with a touch of garlic, toasted cumin and smoked paprika. Chicken wings aren't drenched in hot sauce; instead, they're mar-



nated in fresh herbes de Provence, lemon juice and olive oil and grilled until golden and fragrant. The short ingredient lists and unfussy prep aren't calibrated to astonish guests with grilling prowess or leave them gasping at wacky flavor combinations. Instead, Ms. Loomis wants you to make delicious grilled food with the elegant ease of a smoky Catherine Deneuve.

In "Project Fire," on the other hand, Mr. Raichlen isn't immune to the allure of BBQ showmanship. A few of the recipes, like beer-can breakfast burgers, bacon-wrapped onion rings and his take on an internet phenomenon

called the "Swine-Apple," are clearly designed to appeal to grillers eager to one-up their neighbors with the newest Weber or next-gen infrared thermometer. He rhapsodizes on the primitive joys of "cavemanning," or grilling foods directly on smoldering charcoal, and reminds readers that "you should never underestimate the importance of looking cool on the grill." But Mr. Raichlen's desire to show off for his crew is matched by his genuine instinct for flavor. Recipes like grilled wedge salad with smoked blue cheese dressing and mile-long Italian sausage sandwich for a crowd all follow the same template: smart, grill-friendly twists on a global range of dishes, with ingredient combinations that instantly click.

Sure, his pork loin "Reuben" might sound a bit gimmicky, with its stuffing of pastrami, sauerkraut, Gruyère and mustard and a topping of Russian dressing, but it also makes rock-solid sense, flavor-wise. What's more, Mr. Raichlen's clear-as-a-bell instructions on butterflying, stuffing and slow-roasting using indirect grilling make it apparent you're in expert hands.

Ms. Loomis's recipes are far simpler than Mr. Raichlen's. Her button mushrooms are seasoned just with salt, pepper, olive oil and chives, and her honey-grilled pork chops are marinated in an elemental combo of lemon juice, honey, garlic and paprika. But they're packed with insights that help them taste far more impressive than you'd expect. Her salmon with tarragon butter, a grilled version of a popular French dish called *saumon à l'unilatérale*, is seared skin-side down on a plancha until the fish is just cooked through. Then Ms. Loomis has you remove the wafer-crisp skin so you can use it as a crunchy garnish to the tarragon-and-butter-



Pork Loin 'Reuben'



Salmon With Tarragon Butter

drenched salmon. Another tip I picked up? Always let freshly cooked fish rest a few minutes before transferring it to a serving plate, so it can release the bland juices that tend to dilute sauces.

Full of savvy, advice-filled sidebar, Ms. Loomis's book is all about helping you use the most basic grilling techniques to deliver the best results. "The French grill simply," she writes. "They rarely have fancy equipment." Mr. Raichlen's book, by contrast, leaves no charcoal unturned, kicking things off with "The Seven Steps to Grilling Nirvana," 40-odd pages of information on everything from how to make a smoker pouch and master salt-slab grilling to nine ways to oil your grill grate.

You'd swear there couldn't be two more different grillers, until you read that Mr. Raichlen went to cooking school in Paris back in the day, and catch Ms. Loomis thanking her "old friend and colleague Steve Raichlen" for his "worldwide grilling wisdom." Fact is, there are plenty of men who'll gravitate to Ms. Loomis's approach to grilling, and women who'll be drawn to Mr. Raichlen's—and luckily, there's no one saying you have to pick just one.

#### Salmon with Tarragon Butter

**TOTAL TIME:** 15 minutes **SERVES:** 4 **Light** all three burners of a gas grill. Place a plancha or large cast-iron skillet on the grill, and let it heat to

blistering. (Temperature of grill should be somewhere between 425 to 450 degrees.) // Rub 2 salmon fillets (8-10 ounces each) all over with about 2 tablespoons olive oil. Place 4 tablespoons unsalted butter in a medium ovenproof saucepan. Set saucepan on grill to melt butter. // When plancha is hot, add salmon fillets, skin-side down. Meanwhile, remove melted butter from grill and keep warm. Close grill and cook salmon fillets until opaque all the way through, about 8 minutes. (If fillets are almost but not quite opaque, remember they will continue to cook off the grill.) Slip a sturdy metal spatula between meat and skin of each fillet to separate, and transfer meat to a cutting board with a trough around it to catch juices, or a large plate or platter. Carefully remove skin from plancha. Skin should be golden and crisp. Set skin aside. Season salmon with fine sea salt and freshly ground black pepper, and let rest a few minutes. // Meanwhile, stir 1 cup tarragon leaves, minced, into melted butter. Stir in 4 teaspoons freshly squeezed lemon juice, or more to taste. // To serve, cut each piece of salmon fillet in half crosswise. Use a slotted spatula to transfer each piece of salmon to the center of a warmed plate. Drizzle butter mixture over salmon. Cut each piece of salmon skin in two, and balance each piece at an angle over a piece of salmon. Serve immediately.

—Adapted from "French Grill: 125 Refined & Rustic Recipes" by Susan Hermann Loomis (Countryman Press, June 12)

► Find Steven Raichlen's recipe for pork loin "Reuben" online at [wsj.com/food](http://wsj.com/food).

## 20 FIND YOUR WHEY

Popsicles, those ephemeral hot-weather treats, are also eternally popular. Still, these ice pops from the White Moustache manage to improve on the frosty formula with a tantalizing twist. Using a traditional Iranian family recipe, owner Homa Dashtaki and her team take leftover whey—the liquid byproduct of straining yogurt that's chock-full of probiotics, B vitamins, calcium and natural sugars—and transform it into tart, refreshing ices that will please your palate and also settle your stomach after an overdose of greasy, spicy barbecue fare.

These pops avoid the usual neon hues and artificial flavorings.

The sour-cherry version contains syrup from White Moustache's signature cherry preserves. The Persian cucumber variety gets its sweet-savory punch from Sekanabin, an Iranian vinegar-mint syrup. Different combinations of the six flavors come in three variety packs—Traditional, Tropical and Melon. Enjoy the popsicles just as they are, or toss them in a blender with the booze of your choice to make tangy, tasty frozen cocktails. \$25 for 3 boxes, [dean-and-deluca.com](http://dean-and-deluca.com) —E.P.



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## Build a Better Instant Brew

Coffee has fueled countless summer adventures, but hunting down an adequate cup in the wild can be tricky. Camping calls for instant-brewed convenience, road trips lead to gas-station swill, and caffeine in an Airbnb or a roadside motel can equal pod-produced sadness. But it doesn't have to be that way. California-based Copper Cow Coffee has created a craveable Vietnamese-style cup you can whip up anywhere with zero gadgetry and just a few moments of focus.

A compostable pour-over filter filled with dark-roast Vietnamese coffee fits snugly over most glasses and mugs. The simple addition of hot water yields a strong, nutty brew, while the packet of sweetened condensed milk vastly outclasses other shelf-stable creamers. Now, going off the grid doesn't have to mean forgoing your morning ritual. \$15, [coppercowcoffee.com](http://coppercowcoffee.com)

—Gabriella Gershenson



## THE SUMMER OFF DUTY 50: EATING &amp; DRINKING

## SERIOUS CERVEZA

These Mexican-style beers are light yet flavorful—ideal for summer sipping.



F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS

## Crack Open an Old One

The latest thing in craft beer? Mexican-style lagers, brewed like they were in the 19th century

BY WILLIAM BOSTWICK

**P**ICTURE PARADISE: an empty beach, a lapping tide, a dewy bottle of Mexican lager, perhaps with a lime stuffed into its neck. Since the 1980s, when Corona and other Mexican imports surged in popularity and came to symbolize summertime fun state-side, disciples of craft brewing in this country have held up these light, easy-drinking brews as the antithesis of all they hold dear about beer. Lately, however, Mexican-style beers have become an unexpected darling of the artisanal set, and craft-brewed takes on this category have started to bubble up all over.

Mexico has its own ancient, indigenous brew, pulque, made by fermenting agave sap, and a home-grown craft scene has blossomed there in recent years. But what most gringos know as the classic Mexican style came to Mexico with emigrants from Austria, Germany and Switzerland in the 19th century. Amber-hued Vienna lager, made with a crisp-tasting yeast, blooms sweet but finishes dry, like a suntanned version of pilsner. Though the latter, lighter style was fast becoming Europe's preferred pour in the mid to late 1800s, darker Vienna-style lagers held on

in Mexico—today, think of Dos Equis and Negra Modelo. But pilsner's pale-gold wave broke on these shores too: When Mexico's largest brewery, Cervecería Cuauhtémoc, launched in the 1890s, it was with a pilsner, and brands such as Bohemia and Pacifico have carried this style into the 21st century.

Today, 70% of beer imports into the U.S. come from south of the border, and sales are growing, up 12% year over year in 2017. So why are craft brewers wading into this overcrowded pool? IPA fatigue, for

It's a deep dive into an underappreciated style's past.

one. "Hoppy beers are so dominant, people appreciate something subtle and nuanced," said Mark Ruedrich, president and co-founder of North Coast Brewing Co. in Fort Bragg, Calif. A craft-world stalwart, brewing since 1988, North Coast released its Mexican lager, Laguna Baja, last year. It's a marked light note in their lineup of craft-scene classics like the stygian Old Rasputin imperial stout. But, Mr. Ruedrich says, this lager is more than a mere refreshing break. It's a deep

dive into an underappreciated style's past.

The mass-produced Mexican imports that made inroads into the U.S. in the '80s were faint echoes of their 19th-century forbears, without the satisfying, grainy chew of the original Vienna lagers. Now, craft brewers are looking to those old-style beers for inspiration. While most brewers tout their hop growers, Mr. Ruedrich hypes his maltster, Great Western Malting, based in Washington state and Idaho, which makes a slightly toasted brewing barley with all the subtle richness of the best Vienna malts. "It's a great malt, with all these nuanced biscuity notes and aromatics, like toasted nuts," he said. Perfect, in other words, for a throwback Mexican lager.

Drinkers weaned on the leaner, lighter versions of the style more common today needn't fear this grainier take. Craft-brewed Mexican lagers have a mellower maltiness than, say, a roasty schwarzbier or a porter—sweeter, more akin to freshly baked bread than to toast. Lagering, the process of fermenting slowly at cool temperatures, keeps the beers dry and free of the fruity undertones of malty ales such as ambers and Belgians.

Light, dry but full of flavor: There's a lot to love, without the boozy baggage. Take Oskar Blues

Brewery's Beerito, for instance. "It's a lot of complexity for a beer this size," said Oskar Blues marketing director Chad Melis. At a mere 4.5% ABV, Beerito was created to refuel tired cyclists at the brewery's cantina-themed bike-shop-slash-brew-pub in Longmont, Colo. It's now one of their best sellers.

Like Mr. Ruedrich, Mr. Melis waxes enthusiastic about the malt, a specially made variety called Blue Ballad from local granary Troubadour Malting. "We wanted that aromatic, pitted-fruit and roasted walnut character," Mr. Melis said. And he's quick to point out that once they found the perfect grain, they didn't doll it up with craft-brewing cleverness. Secret herbs, wild yeasts? No. This is beer done simply. "We're not looking for a way to put a craft spin on something," Mr. Ruedrich agreed. "We're looking to make a great beer."

So, what of the lime in the neck of the bottle? A mellow lot, craft brewers are fine with the practice, though most note it likely emerged as a means of masking skunk beer turned stale by damaging UV rays. "You can totally put a lime in it, dude," said Mr. Melis, "if you want your beer to taste like a lime."

But if you want your beer to taste as it was made to taste, forget the fruit. Mexican beer is at its best naked. Sounds like paradise found.

## MUY REFRESCO //

THIS SUMMER'S TOP 5 MEXICAN-STYLE BEERS

## 1. Anchor Brewing Los

Gigantes 4.5% ABV Like Mexican street corn straight from a vendor's grill, this is sweet, with a lime-y tang and the slightly savory finish of Anchor's trademark yeast.

## 2. North Coast Brewing Co.

Laguna Baja 5% ABV The darkest of this bunch, opening with the toffee sweetness of a good espresso's crema and finishing with its sharp kick.

## 3. Flying Dog Brewery Nu-

mero Uno 4.9% ABV Sweetened with agave nectar and zesty citrus, a tart refreshing take on Margarita set.

## 4. Oskar Blues Brewery Beer-

ito 4.5% ABV The honeyed bloom of roasted hazelnuts builds to a brittle, sugar-crusted finish, like crunchy cinnamon toast.

## 5. Full Sail Brewing Co. Sesión

Negra 5% ABV A weathered orange-brown in hue, this beer is sparkling-light, with the nutty, grainy chew of oat berries.



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## Fill in the Blanket

A must when it comes to outdoor concerts or park outings, picnic blankets are also a pain to lug around. Not so this convertible cotton canvas tote from home goods line Sir/Madam. Use it to convey the fixings for your al fresco feast to the optimal spot, then simply turn it inside out to unfurl a large, sturdy blanket. Choose from a selection of screen-printed designs ranging from a dainty dandelion illustration (shown) to a list of national parks and, perhaps most apropos of all, a rundown of classic food pairings. \$79, [food52.com](http://food52.com) —P.K.



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## SPREAD IT ON THICK



Founded by chef and cookbook author Chitra Agrawal, Brooklyn Delhi specializes in the Indian-style pickle achaar. Now, just in time for grilling season, Ms. Agrawal is introducing her own twists on classic cookout condiments. She mixes tangy, spicy tomato achaar into her Curry Ketchup, and her Curry Mustard is composed of whole brown and yellow mustard seeds, tamarind, brown sugar and a delicious mix of coriander, cumin, paprika, turmeric, garlic, ginger and cinnamon. \$7, [brooklyndelhi.com](http://brooklyndelhi.com) —P.K.

## WHAT SCENT EVOKE YOUR CHILDHOOD SUMMERS?

"Growing up in Georgia, my younger sister and I would sometimes be tasked with picking tomatoes. We'd walk between the mounds, brushing up against the plants. There's something specifically vegetal and verdant about the aroma of tomato leaves released in the heat."

**Virginia Willis**, author of this month's "Secrets of the Southern Table: A Food Lover's Tour of the Global South" (Houghton Mifflin Harcourt)

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## Give Your Jaw a Workout

Jerky has been the quintessential road snack since the era when the family roadster was a covered wagon. But these days, it can be hard to stomach the sodium—and how confident are you, really, that the leathery strips sold at the service plaza are even beef? Some meatless versions provide a healthier, though not necessarily tastier, alternative. Thankfully, Watermelon Road's fruit-based jerkies hit all the right notes—craveable, compulsively chewy, with an ideal balance of sour and sweet. Made of fruit that's lightly dehydrated to maintain nutrients, with no artificial sweeteners, these treats come in flavors such as Pineapple Mojito (made with organic mint), Apple Pie (like supercharged apple chips) and the incredibly refreshing Watermelon Lemonade. Keep them in your glove compartment, or tote them along on your next hike or bike ride. \$18 for a mixed 3-pack, [watermelonroad.com](http://watermelonroad.com) —Priya Krishna

## ADVENTURE &amp; TRAVEL

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## Sneak Away to Sleep-Away Camp

Kids don't have a monopoly on rustic summer retreats. Migis Lodge offers classic lakeside diversions, too, plus a cocktail hour

BY KATE BETTS

**D**OES ANY IMAGE evoke summer more than a canoe drifting across a crystalline lake edged with pines? Just the smell of bristlecone brings back memories of splintery wooden docks, mint cool waters and the endearingly gloopy porridge served at sleep-away camp. At the Migis Lodge on the northwestern banks of Maine's Sebago Lake, the Porta family has been re-creating that footloose feeling for adults and their own children—with make-your-own ice cream sundae socials and Bingo nights—since 1968.

Migis [pronounced M-eye-Gus] is a real Maine "camp"—a cluster of 35 cabins with ornithological names like Blue Heron, Loon and Skylark nestled in a grove of pines and a club house where generations of families gather each summer to toss horseshoes, play shuffleboard or volley ping-pong balls. Days fill up with lobster barbecues and back-gammon challenges, while evening activities often include marshmallow roasts around a fire or twilight picnics on a nearby island. Unlike at a children's camp, cocktail hour begins squarely at 5:30 p.m. From wicker rockers on the lodge's front porch, guests can watch the evening light flicker on the lake and enjoy the silence, until a motorboat impertinently buzzes by. Somewhere, the smell of a wood fire is bound to drift through a screen door.

In addition to an almost unnerving sense of peace, the beauty of Migis is that, like summer camp, the toughest decision might be whether to drop a ski or take a Sunfish for the day. It's the kind of place where a chalkboard announces incoming guests and menu choices include retro specials like oysters Rockefeller or Bananas Foster. The jacket-and-collared shirt dinner dress code is strictly enforced. The food is plentiful, though—sadly, also like summer camp—unremarkable. Reservations? Let's just say you can't book a cabin at tripadvisor.com. You need to email inquiries or call and pay with cash or a check. Until recently, returning guests got priority.

The Goodrich family, who operated a ferry service from Portland, first built the lodge in 1916. Another family bought the property in 1924 and used it to accommodate families visiting children at nearby summer camps. In 1968, Gene and Grace Porta took over. They added more



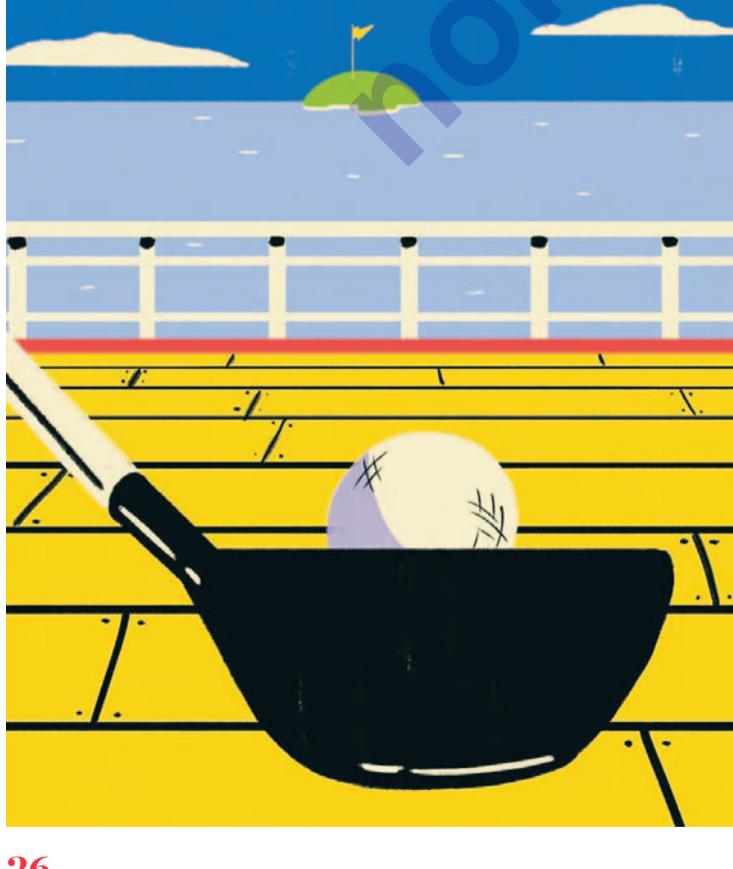
MIGIS LODGE; ILLUSTRATION BY KEVIN WHIPPLE



MAINE OBJECTIVE From top: Summertime at Maine's Migis Lodge revolves around Sebago Lake; White Pine cabin.

cottages in the 1980s. When their grandson Jed Porta took over management from his mother and father in 2009, they advised him to attract more baby boomers who were spending money on multi-generation travel. "These days with soccer practice and college, and work, families don't come together at meals as much anymore," said Mr. Porta. "We aim to pay homage to that family time, that sense of timelessness." As such, digital devices are banned in public areas and the closest kids get to music is the karaoke machine.

Apart from hiking on the 125-acre property's trails, you'll find no reason to stray far. You can sample any number of water sports on the lake front, from wake boarding and jet skiing to sailing and motor boating. The kids camp organizes land-based diversions too, including tie-dye lessons and kickball. In a rare concession to the modern age, the wellness center offers Pilates, Barre and Zumba. That said, there's no pressure to do anything more strenuous than take in the fresh air and listen to the sounds of summer. *From \$334, all-inclusive, per person a day in summer, migis.com*



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## Catch a Wiffle

This year, Wiffle Ball, that charmingly lightweight classic summer game, celebrates its 65th birthday. For kids who demand a grand version, there's no better place to swing a plastic bat than the 70-foot-deep, Astro-Turfed replica of the Philadelphia Phillies field—part of the Yard, a new, 13,000-square-foot amusement area designed for those 14 and under at the city's Citizens Bank Park. Other attractions: a 30-foot-high rock climbing wall and a hot dog launcher, from which kids fire foam franks at wall-mounted targets. Adults, meanwhile, can retire to the Backyard Bar, which features an assortment of local beers. The Yard is free with admission and open on game days from two hours before start time until the seventh inning. [mlb.com/phillies/ballpark/the-yard](http://mlb.com/phillies/ballpark/the-yard)

—Matthew Kronsberg

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## THINK OUTSIDE THE SOAPBOX

Norman Rockwell's 1953 illustration of a father and son working on a soapbox racer helped cement the

"soapbox derby" in the public imagination as an iconic rite of the wholesome American childhood. Add beer, adult-size budgets and a dormant volcano to the mix, and you get a very different picture: the Portland Adult Soapbox Derby. Now in its 21st year, the Portland, Ore., derby draws thousands of people out to cheer on the more than 40 teams that speed down a three-quarter-mile-long course in Mount Tabor Park. While many of the cars are built for speed, the derby also showcases the strange—last year's race featured a graffiti-covered New York-style subway car and a giant mutant Cheeto. Aug. 18, [soapboxracer.com](http://soapboxracer.com) —M.K.



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## Get Real Chummy

"There are no sharks in Lake Travis. There are no sharks in Lake Travis." Rarely does attending a movie under the stars trigger obsessive muttering, but when you're watching one as petrifying as "Jaws" while bobbing in an inner tube (equipped with a cupholder and a headrest), you might want to reassure yourself. At the 14 showings of the 1975 summer classic orchestrated by Alamo Drafthouse's Rolling Roadshow at the Volente Beach Resort near Austin between mid-June and early August, you can ensconce yourself wetly in Lake Travis while the film is projected on a screen on shore. Never has filmgoing been so literally immersive. \$55, [rollingroadshow.com](http://rollingroadshow.com) —M.K.



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## SHORE UP YOUR SWING

She wants to take a cruise; he just wants to play golf. Or vice versa. One Ocean Expeditions resolves that particular marital tension with its innovative new "Fiddles and Sticks" small-ship cruise off Canada's Maritime Provinces. The seven-night voyage on a 96-passenger ship anchors near four of North America's top courses: Cabot Links, Cabot Cliffs and Highland Links on Nova Scotia's Cape Breton Island and Crowbush Cove on Prince Edward Island, over four consecutive days. Nongolfers can spend time off the ship hiking, biking, stand-up paddleboarding and taking excursions to the wild horse and gray seal colonies on Sable Island. Onboard, a hot tub and sauna should help loosen up your swing. June 27-July 4, from \$3,395 per person, including green fees; [oneoceaneexpeditions.com](http://oneoceaneexpeditions.com) —Bob Cooper

F. MARTIN RAMIREZ/THE WALL STREET JOURNAL; (WIFFLE BALL): JASON DE SOMER; (SOAP BOX): ILLUSTRATION BY KEVIN WHIPPLE (GOOF)

## THE SUMMER OFF DUTY 50: ADVENTURE &amp; TRAVEL

**IN THE DRINK** The Kaufmann House in Palm Springs, Calif., depicted in 1970 by photographer Slim Aarons.



SLIM AARONS/HULTON ARCHIVE/GTY IMAGES

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## Make a Bigger Splash

To go beyond the low-brow pleasures of Marco Polo, consider hosting a pool party at one of these fête-friendly villa rentals

BY DONNA BULSECO

**A** POOL PARTY defines hedonism, whether you're 8 years old or well into your twilight years. Growing up in Southern California, I got invited to a lot, each a passport to splash-splashing and lazing about on lounge chairs, sipping Shirley Temples at a house more glamorous than my own. Little snob that I was, I dreamed I was a Hollywood star, and at one party, I encountered a real celebrity: My friend Cheryl's mom had married Michael Landon (Little Joe on "Bonanza"), who waved at us giggly girls as we Marco Polo'd the day away.

No one has pinpointed the origins of this summer ritual, but the Romans had swimming pools in the first century B.C. and I can easily imagine the toga-and-sandals crowd enjoying a dip after a long day at the Forum. In post-World War II America, pools reflected the new middle-class prosperity, a theme which has inspired the current exhibit at Texas' Temple Railroad & Heritage Museum, "Patios, Pools

and the Invention of the American Backyard" (through Aug. 25). Attending a pool party meant you were living the good life, like the bikini-clad jetsetters in a Slim Aarons photo. Nowadays, poolside bashes such as a milestone birthday or a bachelorette blowout are executed as precisely as a synchronized swimming routine—and often far from home. Guests commonly enjoy mini fireworks, sushi boats with sparklers, in-pool tequila tastings and even entertainers on stilts, said Davana Linkon, director of guest relations for Casa Fryzer, a villa in Los Cabos, Mexico, where she recently orchestrated a 70th birthday party. Mara Solomon, co-founder of Homebase Abroad, an Italian villa rental agency, regularly fields requests for homes with a view, a chef and a pool.

"Families are looking for what we call 'a liquid dining table,'" a weird phrase describing how a pool draws people to it to eat, drink and generally be very merry. For vacationers lacking their own liquid tableau—or an invite to Cheryl's mom's house—these six rentals score high in party favors.



## FOR PRIVACY SEEKERS

**Casas Caiadas**

The Alentejo area of Portugal draws those who value secluded soirees, and this refined home just north of Evora ensures that. The wow factor? Plunging into the minimalist half-moon pool for a dip before a dinner with friends set among the ancient stone watermills. A private chef—arranged upon request—can serve black pork stew typical of the region or assemble plates of local cheeses, meats and wild mushrooms. Far from city lights, the night sky provides a twinkly ceiling of stars, all the party décor needed for naturalists. From \$3,440 a week; [boutique-homes.com](http://boutique-homes.com)

## FOR MERLOT AND MAILLOT LOVERS

**Château Mireille**

The pool at this 18th-century bastide in Provence overlooks a formal topiary garden that's as

stately as the manor's four floors filled with antiques and artwork. If your ideal pool party is the aquatic bacchanal in "Caddyshack," look elsewhere. More in keeping with this vibe: an afternoon tea for 10 or brunch with fresh fare plucked from the St.-Rémy-de-Provence markets, a 10-minute walk away. A case of wine from nearby Mas de Gourgonnier vineyard could satisfactorily quench your guests' thirst. From \$23,000 a week; [havnenin.com](http://havnenin.com)



## FOR ZEUS AND FRIENDS

**Villa Syros II**

It's easy to envision the gods smiling down at this estate atop a hill on the Greek island of Syros. Featuring a main villa

and two apartments with a capacity to hold 12 sybarites, the spare Cycladic architecture enhances the infinity pool, an Instagram-ready site for a bash overlooking the Aegean Sea. Lazybones dawdle in bikinis on the roomy terrace while sun worshipers trip off to Kokkina beach, a two-minute drive away; after dark, the candlelit lounge on the roof gives star-gazers the full sweep of the heavens. From \$12,000 a week; [welcomebeyond.com](http://welcomebeyond.com)

## FOR WATER FROLICKERS

**Villa Estero**

By day, the resort-like infinity pool at this multilevel estate in Cabo San Lucas, overlooking the Sea of Cortez, makes getting wet enticing: Encircled by a massive deck, it draws guests to the infinity Jacuzzi within it and the burbling waterfall above it. At nightfall, visitors can admire the sunset from the cozy confines of a stone fire pit big enough to seat a throng in thongs. From \$1,800 a night; [villas.journymexico.com](http://villas.journymexico.com)

## FOR THE INDULGENT

**PATERFAMILIAS****Lomita Estate**

Well suited for large families and Simba fans, this sprawling property in Sonoma, Calif., sleeps 20 (two rooms come with bunk beds) and centers around an enormous pool with a Pride-Rock-like diving platform inspired by "The Lion King." In between dips, swimmers amuse themselves at the on-site bocce court or snag a slice fresh from the outdoor pizza oven. From \$45,000 a month; [beautiful-places.com](http://beautiful-places.com).



offers a sleek pool with a shallow shelf designed with young children in mind. Nestled in olive groves, the adjacent terrace affords a view of the Tibor River Valley. Farm-to-table fans often request a chef to concoct pasta dishes with homegrown ingredients. From \$6,900 a week; [welcomebeyond.com](http://welcomebeyond.com)

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## CATCH A FLICK

Poets have been enthusing about fireflies, or lightning bugs, for about as long as merciless children have been hunting them in backyards. Robert Frost compared the bioluminescent insects to stars in the night sky; in Japanese poems penned several centuries earlier, they symbolize fiery passion.

But in Taiwan, fireflies are more than just the subject of pretty verses—they're the next big tourist attraction. After decades of habitat loss and pollution



brought them to the point of extinction, the Lampyridae winged beetles (which light up to lure mates) are making a comeback thanks to government-led conservation efforts. Travel companies, seeing an opportunity, are catering to visitors with a burning interest. In Taipei, where mating season peaks in May, the luxurious Regent hotel offers private guided tours around the city's green spaces. From \$296 per night, including room and tour, [regent.com](http://regent.com). Outside Taipei, the season can stretch into August in places like Sheding Nature Park, on the island's southernmost point, and Alishan Forest Recreation Park, home to a third of Taiwan's firefly population. Tour operators like Golden Foundation Tours can organize itineraries, private guides and transportation from Taipei. [gftours.com](http://gftours.com) —Jennifer Fernandez

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## BE A GLUTTON IN PATAGONIA

Those who've barbecued an unscorched hamburger or two might consider themselves competent at the grill. But to learn what real live-fire cooking is all about, sign on for five days with top Argentine chef Francis Mallmann at La Isla, his private island retreat in remotest Patagonia. How remote? From the nearest airport, it's a five-hour van ride, then a 45-90 minute boat trip.

Once on the island, you'll receive five lessons in the art of asador with the "Seven Fires" author (right), and get plenty of opportunities to burn off all that gauchito-grade gorging in the surrounding wilderness. From \$44,000 for four people. Contact Maria de Luynes at [info@francis-mallmann.com](mailto:info@francis-mallmann.com) —M.K.



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## Pep Up Post Flight

Known as "time-zone syndrome" back in the day, jet lag has inspired many antidotes. The most sensible advice, doled out since at least the 1960s, is to eat lightly in-flight, nap often and shun booze. These strategies may help with fatigue but not fliers' zombie-like complexions. Enter the new "jet lag mask" from Summer Fridays skin care line, a rinse-free cream loaded with hydrating properties to revive tired-looking skin. "We wanted to bottle up the feeling of excitement of clocking out early," said co-founder Mariana Hewitt of the brand's name. \$48, [sephora.com](http://sephora.com) —Lauren Ingram



## WHAT SCENT EVOKE YOUR CHILDHOOD SUMMERS?

"The smell I most associate with summer was chlorine from the pool at the Raleigh Country Club. How are my sisters and I still alive? It was like swimming in a warm acid bath."

**David Sedaris**, author of "Calypso" (*Little, Brown and Company*, May 29)



## DESIGN &amp; DECORATING

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## Summerize Your Home

Twelve design pros reminisce about the seasonal décor changeover at their folks' houses—and share their current tricks

BY CATHERINE ROMANO

**T**HOUGH MANY interior-design professionals carry on summer décor traditions their progenitors established, many face space constraints: nowhere to store winter rugs, no sunrooms to fill with wicker. So like New York designer **Mikel Welch**, whose grandfather proudly gardened a little plot behind his Detroit garage, they adapt. "I secured Mason jars filled with seeds to a couple of reclaimed wood boards," said Mr. Welch, "then attached those to the wall. They will soon blossom with herbs of my own, just like Grandpa." Here, 11 other decorating pros' fond memories and current summerizing strategies.

**Then** "My grand- and great-grandparents lived in rural Indiana," an area with four full-on seasons, said designer **Amanda Lantz**. "At the first sign of spring, red-brocade lampshades with matching satin pillows in the living room were replaced with white parchment lampshades as well as chintz and natural-cotton toss pillows." Her grandmother also swapped in pink floral dishes for darker, formal ones.

**Now** "I still use more-casual, bright colored dishes in the summer, but melamine makes it easy for me, and for busy families," said Ms. Lantz, now based in Carmel, Ind. It provides a fun solution for outdoor eating and cooking, she said. "Juliska has darling collections."

**Then** "The sure sign of summer was my father's garden," said Dallas interior designer **Cathy Kincaid**. "There wasn't anything we did not grow. He would rush out—still in his shirt and tie—and choose what we would have for dinner. Talk about farm to table."

**Now** Summer for Ms. Kincaid's family revolves around the pool: baskets with fresh striped-cotton sarongs, and bright plastic drink ware. "There are so many new plastic glasses that look like crystal but in neon colors," she said. "And of course the pool floats that look like swans or doughnuts complete with sprinkles, supposedly for the granddaughters, but the grown-ups end up floating the afternoon away too."

**Then** "When I was growing up in Panama, a man from Georgia told my father that it was a tradition to paint your front door red if your house was completely paid off," said Miami-based landscape designer **Fernando Wong**. "My father immediately painted our door red and repainted it every year right before summer started—though the house still isn't paid off."

**Now** "I paint my doors every year," said Mr. Wong. "Since I am not a big red fan I choose a new color each time. This year it is Gingham Blue 27-29 by Pratt & Lambert."

**Then** "When I was younger we spruced up the flower beds and repotted bulbs that had been dug up and stored for the winter," said Philadel-



**COVER OF LIGHTNESS** White slipcovers, fiber rugs and bare windows suit the sticky-weather months in the Charleston, S.C., home of event planner Tara Guérard.

phia interior designer **Gregory Augustine**. **Now** "Being a city dweller, I'm rearranging my terrariums," said Mr. Alexander, who trims plants or moves them to pots and swaps out those that don't flower for colorful options. "I can still spend hours in a greenhouse each spring, but I'm shopping for unique mosses and air plants."

**Then** "When I was a girl growing up in Southern Florida, my mother always had a set of slip covers on hand to freshen things up come spring," said **Amanda Lindroth**.

**Now** "I follow the tradition of putting thin white cotton slip covers on the furniture," said the

Nassau, Bahamas-based designer. "I have them made right from the start, when the chair or sofa is being upholstered in its real 'clothes.' My twist is that I like them utterly unadorned with no piping or zippers; they tie on in a simple and summery way."

**Then** "Recounting summer memories at my grandmother's house brings back visions of lemon and orange trees lining her sunroom," said Raleigh, N.C., interior designer **M.A. Allen**.

**Now** "I find myself drawn to smaller citrus-tree varieties," she said. "A collection of dwarf Meyer lemon trees makes a beautiful potted and low-maintenance centerpiece that screams summer."

**Then** "When it finally came time for summer, I would run outside to see my mother changing the flowers in the house to smell fresh and floral," recalled New York designer **Nicole Fuller**. "Lilac was our favorite. She would also ask me to help her tie back the heavier drapes to reveal the sheers."

**Now** "Every summer my husband and I venture into the Chelsea flower district and make a day of finding my mother's lilacs, which I then display in vases that were hers."

**Then** "The close of the winter season was heralded with bringing decorative birch logs from the basement as a placeholder during summer," said New York designer **Phillip Thomas**.

**Now** "While I love those, I am even more in love with selenite logs for the fireplace," he said. "The white, translucent material gives the feeling of glow and sparkle to an area that can often feel dowdy during the summer."

**Then** "My grandmother always had several pots overflowing with seasonal flowers. They flanked the front door and greeted us every time we visited," recalled **Erin Pitts**, an interior designer in Gibson Island, Md.

**Now** "I change the heavy cashmere throw to a lighter striped one and the accent pillows from a velvet to a linen," said Ms. Pitts of her sofa. For the table, colored acrylic glasses join new-colored place mats, and she places outdoor lanterns "everywhere. I also order tablecloths online in a batik or fun pattern for a splash of color on the table and across the back of outdoor sofas."

**Then** "In Greenwich, Conn., my mother transformed our wood-paneled library in warm weather," said New York designer **Alexandra Pappas**. "The antique carpet was pulled up and sisal was rolled out. The velvet sofa and Fortuny wing chairs were re-dressed in raw silk and linen slip covers, and her Flemish tapestry pillows were replaced with colorful needlepoint pillows."

**Now** "I swap out my barware and antique china to lighten the mood. Instead of amber and dark-green water goblets, I use pale pink and chartreuse stemmed glasses. Navy, aubergine and gold-rimmed antique china goes to the top shelf, and my white Johnson Brothers ironstone and turquoise and white Royal Worcester takes center stage. French linen napkins replace darker-hued staples, and raffia place mats and vintage 1950s table cloths complete the look."

**Then** "Like in most Dutch households, my parents would do this super intense spring cleaning, completely emptying our home into our backyard," said **Manon Zinzell**, creative director of Kikkerland, a New York-based designer of home goods. "This included hosing the bigger plants and wiping the leaves with a solution of milk and water to make them extra shiny."

**Now** "I mainly change winter bed sheets to our lighter sets and repot the plants with fresh soil," said Ms. Zinell. "We also take a look at the art we may want to rotate, as we have more pieces than we can hang all at once."

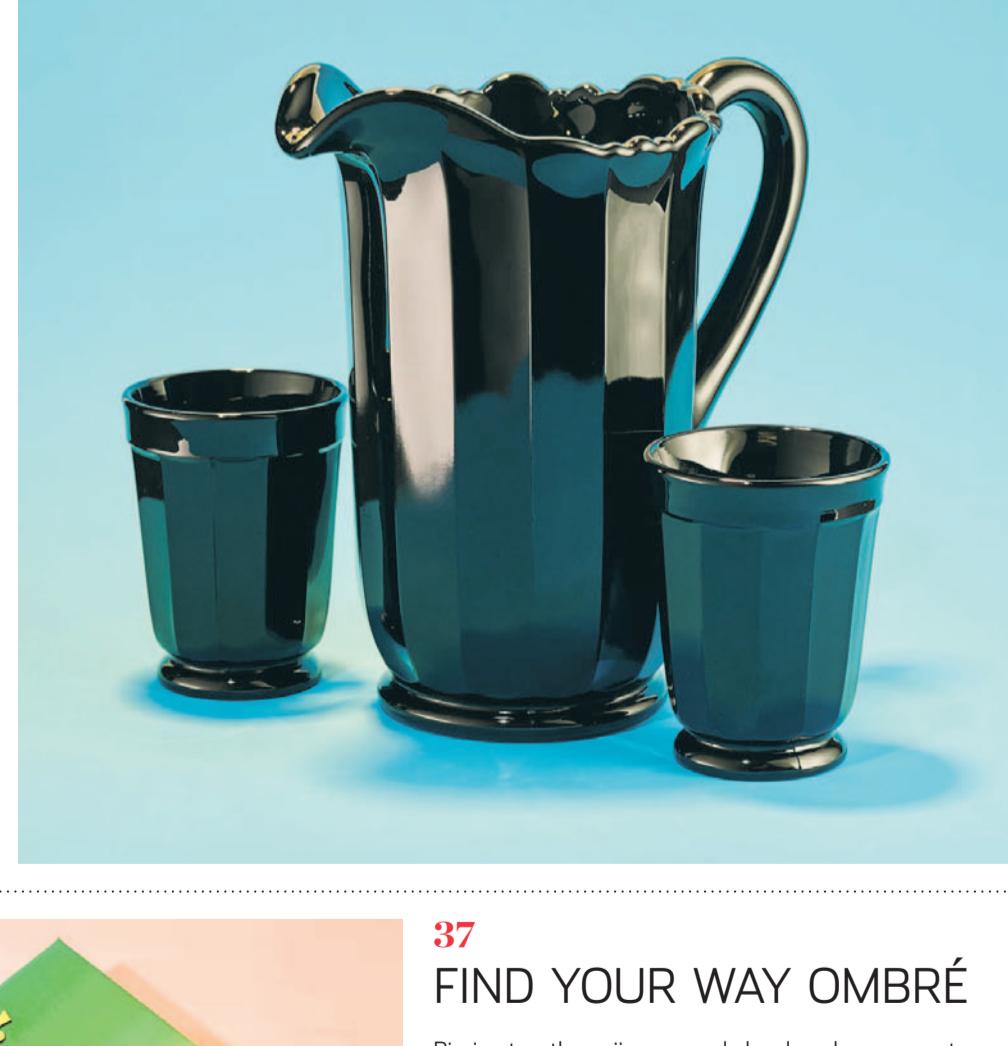


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## Pour a Glass Darkly

What to do when trying to reconcile your goth aesthetic and your penchant for quaffable summertime traditions? The tired Pyrex pitchers with faded lemon patterns probably won't cut it, so reach for this pitcher and its matching tumblers instead when mixing up your next batch of mojitos or sangria. For over half a century, Mosser Glass Company has been blending modern and classic design. These vessels offer a nostalgic shape but their untraditional black hue is sure to tug at the heart strings of emo souls—and aesthetically open-minded sorts of any age. Panel Pitcher and Tumbler, from \$14 for tumbler, Mosser Glass Retail Store 1-866-439-1827

—Eleanore Park



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## FIND YOUR WAY OMBRÉ

Piecing together a jigsaw puzzle has long been a way to cocoon within an air-conditioned cottage (or even a clammy one), whether you're forced inside due to a sudden summer downpour or a general aversion to nature/canoeing/waterskiing. Unlike the quaint scenes of standard jigsaws, the Gradient Puzzle by graphic designer Bryce Wilner for Areaware—which comes in five different colorways and either 100- or 500-piece versions—is soothing in a rather vexing way. Only a tonal shift in the nearly monochrome hue guides you to a piece's proper home, adding an extra grunt of mental challenge to family bonding moments. \$15 for 100 piece puzzle, [areaware.com](http://areaware.com) —E.P.



—Tim Gavin

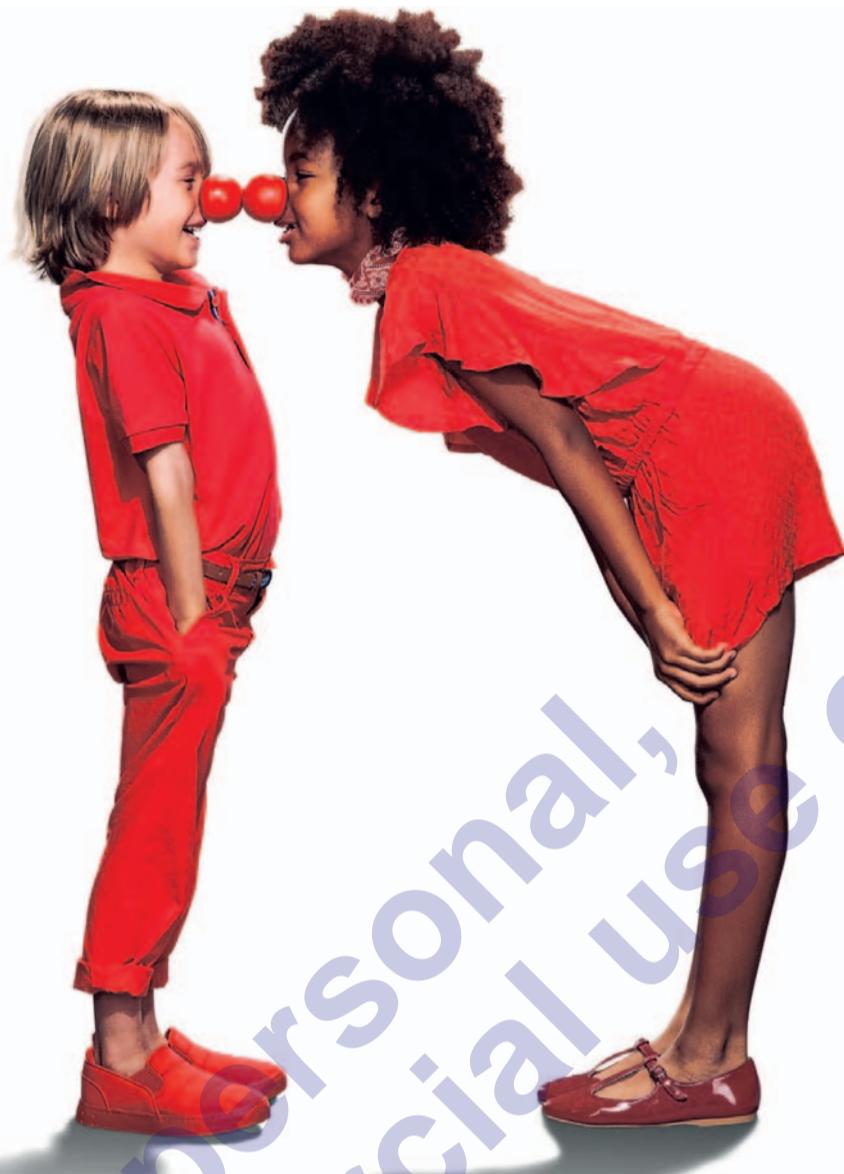
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## MOUTH OFF

Simple red stripes are a summer favorite for fans of vintage bathing suits and people who cling to the life-preserver aesthetic. But pretty much anyone would lick their lips over this audacious cotton beach towel from the designers at Fred Segal, with familiar stripes widening to embrace a poppy pucker. And if it raises eyebrows at the yacht club? Drape it over your shoulders and let them know where they can kiss it. CB2 x Fred Segal: Red Lips Beach Towel, \$40, [CB2.com](http://CB2.com)

# Let's All Go NOSE to NOSE

This year, in our mission to end child poverty, we're asking people across the nation to come together and go **Nose to Nose**. The simple act of touching Red Noses can make a difference. It's a small gesture that can make a big impact.



## Get Involved

### Go and Buy

two Red Noses at  
Walgreens

### Snap and Share

a **NOSE to NOSE** photo  
with a friend, work pal or  
relative using the hashtag

#GoNoseToNose

### Tag and Challenge

two more friends to go  
**Nose to Nose**. And two  
more. And two more...



To help raise money, go to [RedNoseDay.org/Fundraise](http://RedNoseDay.org/Fundraise)  
to discover exciting ways that you can start fundraising today.  
Join us Thursday, May 24 starting at 8/7c for a special night  
of TV celebrating **Red Nose Day** only on  NBC.

#GoNoseToNose • #NosesOn • [RedNoseDay.org](http://RedNoseDay.org)



THURSDAY MAY 24

Let's come together  
to end child poverty,  
one nose at a time.

## THE SUMMER OFF DUTY 50: DESIGN &amp; DECORATING



## Play With Fire

Easily add unusual colors and heady scents to your backyard pyrotechnics

BY KATHRYN O'SHEA-EVANS

**J**UST A FEW decades ago, a backyard bonfire was considered fairly entertaining, especially the fun of transforming marshmallows into what amounted to cane-sugar briquettes. Today, however, in the age of streaming blockbusters and limitless e-commerce, mere flickering can fall short.

"Throwing color on a fire is like glow sticks," said REI Outdoor School Instructor Brenda Lo-Griffin, "always a hit that transcends generations." Ms. Lo-Griffin tosses in a Marie Curie-worthy dose of chemicals to turn the flames green (with Borax), blue (with copper chloride), and pink (with lithium chloride). All can be bought online, though you need to toast your s'mores before combusting a rainbow; these chemicals are not food safe. "It's more riveting than a normal fire, and it's really easy for children to sprinkle [the additives] and feel like they actually made the fire change colors, as opposed to adults' doing everything," said Ms. Lo-Griffin. Another trick: pretreated Meeco's Red Devil ColorGlo Flames pine cones (\$17, [amazon.com](https://amazon.com)), whose sales rose 70% last year, produce Technicolor-esque conflagrations for around 12 minutes.

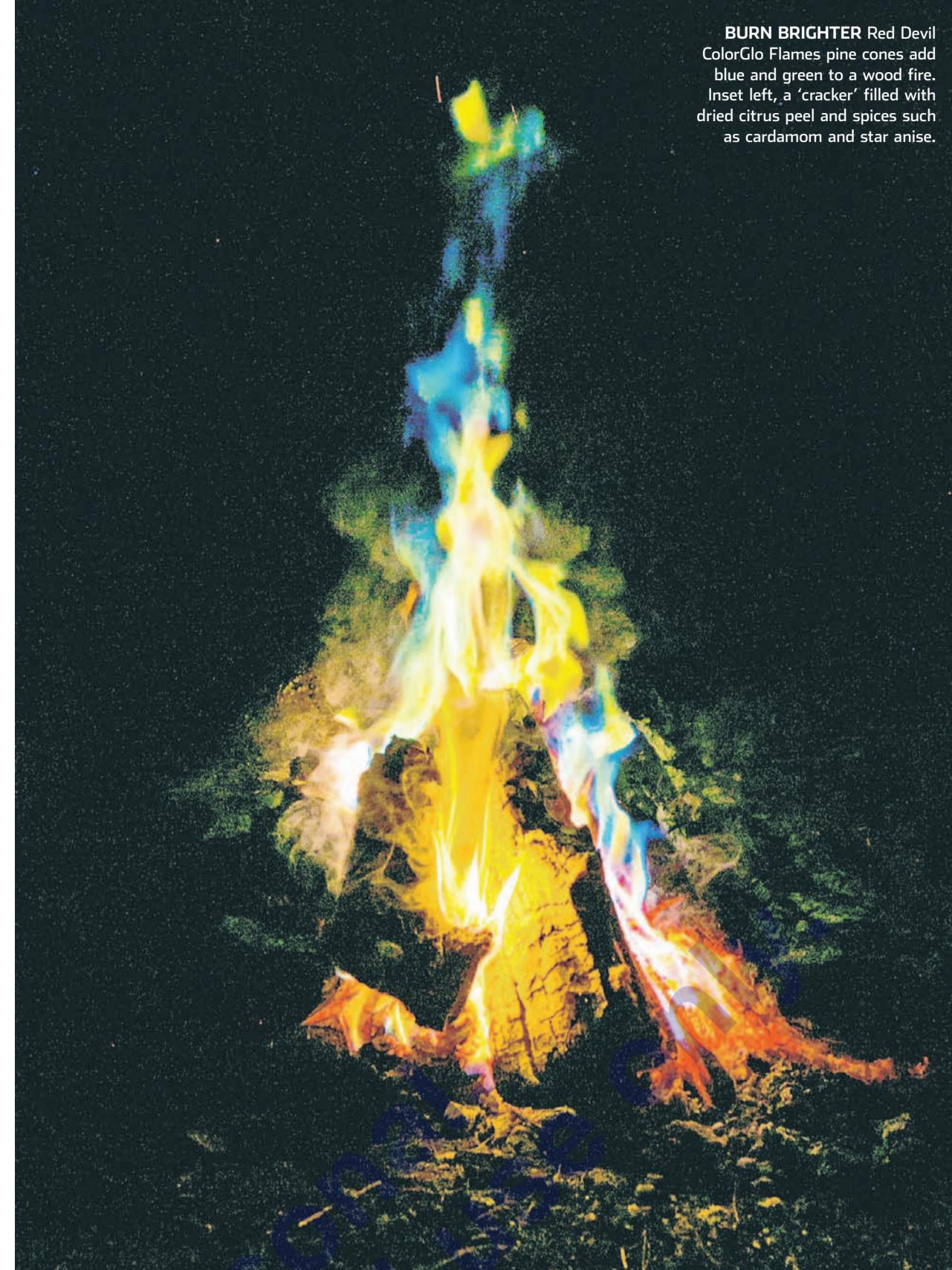
Earthier, less gaudy options add layers of aroma beyond the already heady wood-

smoke scent. Interior designer Florence de Dampierre, author of "French Chic Living" (*Rizzoli*), watched her grandmother in Normandy toss in lemon rinds as well as lavender and mint. "Bugs and mosquitos hate them!" she said.

British author Sally Coulthard, whose "Little Book of Building Fires" (*Chronical Books*) sold out in two weeks in November, chuckles in applewood, mesquite and hickory chips to flavor the smoke, or bundles rosemary, sage, eucalyptus, or lemon verbena—fresh or dried—to throw in. Essential oils dropped on tinder or kindling have a similar effect, as does wrapping a cache of star anise, cardamom, spent coffee grounds, empty vanilla pods and dried citrus peel into a "cracker" shape with black-and-white newspaper.

Ms. Coulthard, who lives on a farm in North Yorkshire, England, finds fire-building meditative—whether the fuel is augmented or not. "I'm terrible at relaxing, and things like yoga and mindfulness have never worked for me," she said, "but I find the predictability and practical challenge of fire-lighting a quick way to get out of my head. In those few minutes, nothing else matters apart from getting that fire to take."

Add even a single ingredient, and flames mesmerize even more. J. Scott Donahue, author of "How to Build a Fire" (*Cider Mill Press*), throws on fresh-picked sage. "It burns hot and fast and it just smells like magic," he said, "like someone is casting a spell."



**PORTABLE PITS // THREE STEEL FIREPLACES YOU CAN STAND AND STOW WHERE YOU PLEASE**



Nida Solid Steel Wood Burning Fire Pit, \$310, [allmodern.com](https://allmodern.com)

Alna Fire Pit, from \$369, [curonian.com](https://curonian.com)

Barrow Fire Pit, \$925, [store.moma.org](https://store.moma.org)

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## Warm the Bench

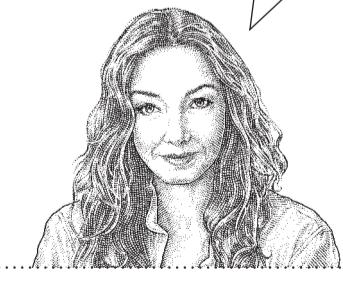
In the hotter months, many Americans fantasize about a sprawling Norman-Rockwellian wraparound porch. While most of us lack the room for one in reality (or even a gazebo), this big-enough-for-two trellised bench by Dutch designer Bertjan Pot allows you to fit a big ol' American dream into a five-by-six-foot space. Made with virtually rot-proof Accoya wood slats, it's a piece of furniture you can even imagine yourself growing old in with a special someone. (Assembly required; special someone not included.) High-Back Patio Bench, \$5,495, [store.moma.org](https://store.moma.org) —T.G.



### WHAT SCENT EVOKE YOUR CHILDHOOD SUMMERS?

"Every Sunday we went to a charming restaurant on a pier in Myrtle Beach, S.C., where I grew up. It had a tongue-and-groove wood-skinned interior and smelled of sandalwood, which is so powerful and calming. Our house on the sand in Malibu is skinned in cedar. At times, the water comes up underneath and all the senses come together. It really feels like home."

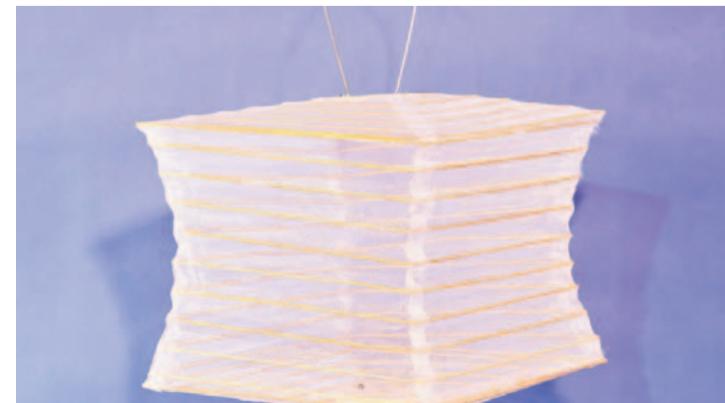
**Kelly Wearstler,**  
Los Angeles interior designer



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## TRY YOUR SUNDAY BEST

This barbecue season, make like it's 1972 and try a little Ping-Pong diplomacy with friends who can't agree to disagree with your politics. You can sweeten the deal with this ice cream sundae-themed update on an old-school table tennis set from Maisonette, complete with an adjustable net and two cherry-on-top balls. Just keep the smack talk to a minimum. Ping Pong Play On Ice Cream, \$36, [maisonette.com](https://maisonette.com) —Tim Gavan



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## LIBERATE LANTERNS

Strings of lights look charming enough in the garden when darkness hides the electrical cords, but during the day they have the tawdry look of a traveling carnival the morning after. Here's an elegant evolution: a backyard lantern that powers LED bulbs with stored solar energy, no cables needed. Gauzy nylon netting wrapped around a collapsible wire frame softens the glow and calls to mind paper Chinese lanterns that no one ever actually wired for illumination. Soji Silk Effects 12" Square Solar Lantern, \$32, [urbanoutfitters.com](https://urbanoutfitters.com). —T.G.

# GEAR & GADGETS

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## Hunt for Hidden Treasures

Geocaching puts a digital gloss on the sort of suspenseful search glorified in 'The Goonies' and other films of summers past

BY MATTHEW KITCHEN

**Y**OU LEARN a lot about yourself while pressed and sliding against the cold cement wall of a Staten Island, N.Y., drain. First, that you should spend more on so-called "waterproof" boots. Second, that you're that thrilled about venturing dark storm drains with nothing but your iPhone's soft blue beam to the way (you should have invested a little in flashlights, too).

as Mark Twain wrote, "There is a time in every rightly constituted boy's life when he has a strong desire to go somewhere and find hidden treasure." It's never too late. With the simple technology behind geocaching, like me who—inspired by movies like "The Goonies"—spent childhood summers hoping for such an adventure can become life Goonies for an afternoon.

Known as "the world's largest treasure hunt," geocaching began soon after the U.S. military gave the public better access to Global Positioning System in June of 2000. That month Dave Ulmer hid a black bucket of treasure in his home in Beavercreek, Ore., and posted its waypoint online. People soon tracked it down using GPS devices and were inspired to create and share their own hunts. You can now discover more than 3 million caches hidden world-wide by following coordinates and clues in the Geocaching app ([geocaching.com](http://geocaching.com)). The easiest ones are magnetically affixed to city light poles you may pass on a morning commute. Others might be clipped to the side of a mountain, floating in a stream or require dozens of destination and puzzles to unearth.

Unfortunately, the first hunt that Mr. Jacobowitz and NYPD detective Jeremy Jackson and I undertake is a bust.

We are ill-equipped, so we carefully create ourselves from the drain

pipe and return to his Jeep to plan our next exploit. Mr. Jacobowitz has found more than 8,000 caches throughout the globe in the last decade (and precariously hidden more than 250 of his own). He knows it's not worth it to waste a day on one.

"Some of the easiest caches I just can't find," he said, "and the hard ones I'll spot right away. That's why I'll go with a couple people so we have more sets of eyes."

We scan the Geocaching app, which is free for all but \$30 a year if you want to unlock more challenging hunts. Each is ranked one to five in difficulty and navigability of terrain. We drive a few miles to one named "End of Main Creek"—ranked 2.5 and 3 respectively. Another storm drain, not as deep and dark, reveals a red box strung to a ladder leading up to a manhole. It does not house the Holy Grail, only some trinkets a child might get for being good at the doctor and a log book we sign to prove we found it. It's about the journey, not the ultimate prize, though seemingly impossible caches might earn you a custom token you can tally in your app profile and show off when grabbing beers with fellow hunters.

"I geocache to see where it brings me," said Mr. Jacobowitz. The boxes he hides often point people toward street art or beautiful views they might otherwise miss.

Throughout the day we find a dozen more caches all over the island, tucked under a bridge, hidden in the fender of a car rusting in the woods, deep in the nook of a tree, among scattered stones. Locating each cache is as thrilling as failing to find others is frustrating. We scoured one beach for nearly half an hour only to come up empty. But a favorite of mine was right out in the open. Upon investigation, what looked like a normal electrical box on the side of a building turned out to be a fake. We slid up a front panel to reveal a key.

Want to know what was inside? You'll have to find it yourself.



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## RIDE DOWN MEMORY LANE

By design, Yuba's Supermarché cargo bike is more sedate than your wheelie-popping childhood bicycle, but it really one-ups your old woven handlebar basket. Back in the day

you could only tote around a few Cokes and a worn VHS of "Gremlins." Now, with the ability to carry up to 300 pounds and an optional electric pedal-assist, this stable

front-loader allows you to ditch your gas-guzzling auto (a.k.a. confined, lumbering transport) on occasion and ride in the open air again. Rolling along makes adult

tasks enjoyable, and you can even strap kids into the cargo box—so long, classic back-seat car fight. From \$2,799, [yubabikes.com](http://yubabikes.com)

—Brigid M.



## DEAL WITH DAMPNESS

Scotch and Solitaire on rainy porch afternoons. Though about half the width of most decks, these cards can be easily and satisfyingly shuffled the way grandpa showed you. When the game is over slip them in your pocket and don't worry about getting pushed into the pool. \$10, [air-deck.com](http://air-deck.com) —J.F. Sargent

The tradition of wafting hot dog-scented smoke signals to friends across the beach is under threat. Not that we mind. This August, BioLite, whose compact Camp Stove brought clean cooking to the great outdoors, is releasing its portable FirePit that circulates airflow and stokes the fire for a faster, nearly smokeless blaze using BlueTooth-connected, battery-powered jets. As the FirePit burns wood or charcoal beneath a 130-square-inch hibachi-style grill, you can control its flames remotely via smartphone. When the food is gone, remove the grate, drop in a few logs and cuddle up to watch the campfire through its metal mesh sides. \$199, [bioliteenergy.com](http://bioliteenergy.com) —Matthew Kronsberg



## Break Your Smoking Habit



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## START PROJECTING

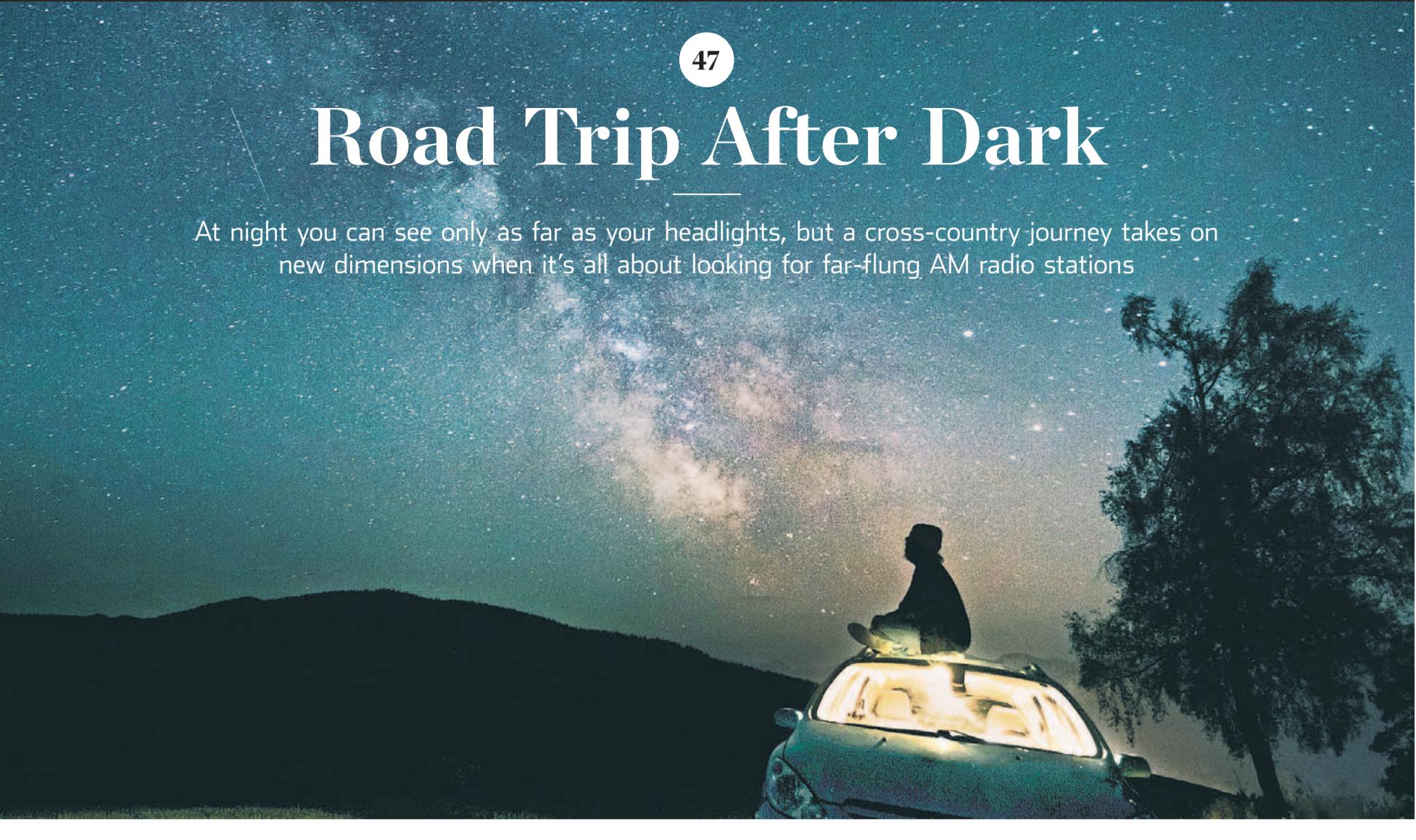
Seeing a movie at a drive-in is rather sublime—the fresh air, warm breeze, the quaintly terrible sound-quality and the shrinking space on a bench between you and your summer crush. Now with the Nebula Capsule, a soda can-sized projector, you can satisfy your nostalgia for outdoor flicks wherever you go. With its 100-inch cinema-grade picture, 360-degree speaker and Wi-Fi capabilities that let you stream films from your smartphone or Apple TV, it can turn any poolside wall, hanging sheet or flap of a tent into your own personal picture show—even if your current crush keeps wandering inside. \$399, [seenebulaprojector.com](http://seenebulaprojector.com) —Rae Witte

## THE SUMMER OFF DUTY 50: GEAR &amp; GADGETS

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## Road Trip After Dark

At night you can see only as far as your headlights, but a cross-country journey takes on new dimensions when it's all about looking for far-flung AM radio stations



GETTY IMAGES

BY DAN NEIL

**T**HE GREAT American road trip is typically a daytime affair, and with good reason. It's hard to see the sights when you can't see. But there is another kind of road trip available to nocturnal travelers that has its own roadside attractions and most particularly its own sounds.

Nighttime is the right time for the AM radio.

Unlike FM radio and TV signals that require a line of sight to be received, AM radio waves travel farther because of what's called groundwave and skywave propagation. AM's long wavelength and low frequency signals (between 530-1700 kilohertz) ricochet off the ionosphere and around the curvature of the Earth, especially at night. Most AM stations have to power down or sign off at night to

avoid overlapping with distant stations assigned the same frequency.

But not all. Implemented in 1941, the North American Regional Broadcasting Agreement set aside dozens of frequencies known as clear channels for the exclusive use of big broadcasters (50,000 watts or more) serving large swathes of the country. These Class A stations didn't have to reduce power at night and still don't. As a result, their signals, rattling between Earth and sky, can travel thousands of miles, if the conditions are right.

Like they were one night in March 2010 on Interstate 40 in Arizona. My family was moving back home to North Carolina from Los Angeles. The kids and wife had flown ahead while I drove the minivan cross-country. Having the car, and especially the car's sound system, all to myself was a treat. I was getting pretty tired of "The Little Mermaid" soundtrack.

Late that first night, somewhere east of Kingman, it must have been, the FM stations faded away. I started sweeping through the AM dial. Out of the crackling ether came the announcers on CBW 990 in Winnipeg, Manitoba, complaining about snow drifts. They were in a studio about 1,700 miles away.

Most legacy clear channels are in major markets including New York, Chicago and Los Angeles (the venerable KNX). But they beam in from more exotic locations too. There is a clear-channel station in Nassau, Bahamas (ZNS-1). There are three in Newfoundland: in St. John's, Grand Falls-Windsor and Corner Brook. Alaska has 16 clear-channel stations, including KOTZ in Kotzebue, a remote village of about 3,200 souls known as the "Gateway to the Arctic."

Broadcasting was once called the Kingdom of the Air but these days it's more like a slum. In the 1970s FM broadcasting, with its

higher quality signal, eclipsed big-time AM, the format that built rock 'n' roll. Most clear-channel stations today have a talk radio/news format featuring the same syndicated shows of the same conservative talking heads. What's left are the commercials, wall-to-wall, often back-to-back: Gold. Hospital beds. Funeral insurance.

So, for me, it's not about the programming but the scientific wonder of it-reaching out into the dark as if with a fishing pole, trying to catch a big one.

Sometimes if I'm in car at night I'll try to pick up WSM-AM 650 in Nashville. Famous as the radio home of the Grand Ole Opry, WSM popularized Appalachian and old-timey country music during the Great Depression, booming out 50,000 watts from its toothpick-shaped antenna mast, which is still in operation off Interstate 65. It's fair to say WSM changed American music history. And it still plays

old-timey, which is nice.

Just to the right on your AM dial, at 700 kHz, lives the famous WLW in Cincinnati. Founded by radio pioneer Powel Crosley Jr., WLW stood for "World's Largest Wireless," and for a while it was. In 1934, WLW threw the switch on an experimental mega-transmitter, a 500,000-watt monster with a signal so intense it was reportedly heard in mattress springs. WLW's supersize signal drowned out stations hundreds of miles away.

Still, the most memorable radio I've found on the road was coming from small community AM stations, 5,000 watts or less, whose signals flicker to life for a few minutes before dying in static. Sometimes, if the farm report is really good, I'll pull off to listen a while and maybe watch the tower lights flash. You can learn a lot about a place that way.

I'm not doing anything, officer. Just sightseeing.

## 48 PUSH YOURSELF TO BE GREAT



Many of us spent summers pushing noxious, noisy mowers across neighbors' lawns, inhaling gas fumes in the sun for a few bucks to blow on movie tickets and Clearasil. These days, those gas-powered monsters are vilified, with the Environmental Protection Agency urging Americans to ditch them due to a pollution output per hour that's equal to a car driving 300 miles. That said, the cleaner alternative—grandpa's rusting push mower—tempts no one. A better option: The Fiskars StaySharp Max is leading a renaissance of eco-friendly "reel" mowers—no gas, no oil, no charging. These nearly silent machines are designed to roll 60% easier and cut more cleanly than grandpa's mower. The blades even sharpen themselves. Just set the trim length and go for a stroll up and down your lawn. Better yet, pay the zitty neighbor kid to do it. \$250, [fiskars.com](http://fiskars.com) —*Jonathan Welsh*



## 49 Let Cooler Beers Prevail

Whether it's a family cookout or the company picnic, nothing ruins a summer get-together like bears ripping apart your cooler and eating every scrap of food. Luckily RovR's new RollR coolers are certified "bear resistant" by the Interagency Grizzly Bear Committee. The airtight construction and deep-freeze bin keep drinks, meat and mom's potato salad chilled up to 10 days. Unlike old-school coolers, a handy bike attachment and heavy-duty tires keep the party portable even if you lack a car. From \$399, [rovrvr.com](http://rovrvr.com)

—Andrew McAlpine

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## THROW A LITTLE DATA AROUND

Ye olde game of catch is taking a turn for the technical. The sensor-laden and Bluetooth-connected Gameball from Play Impossible measures the speed, height, distance and other parameters of a kid's best throws, kicks and catches. Now your youngest can show her big brother who really has the strongest arm on the block—or at least the most tenacity. The battery-powered ball works with an accompanying app that includes games for groups and single players, and connects with iOS and Android smartphones. Periodic updates add to the repertoire of games. A persuasive reason to give YouTube a rest, the Gameball has a "Sports Labs" feature that lets parents download the data to help kids learn the physics of play. \$100, [playimpossible.com](http://playimpossible.com) —J.W.



### WHAT SCENT EVOKES YOUR CHILDHOOD SUMMERS?

"Pocket change. There was a gas station down the block with a dusty arcade cabinet. I would extort a few coins from my parents, enough for a Dr Pepper and a few games. I'll never forget that sharp smell of the last quarter—one more chance to disappear into a galaxy far, far away."

—Jonathan Nolan,  
co-creator of HBO's  
"Westworld"

