WSJ

THE WALL STREET JOURNAL WEEKEND

DOW JONES | News Corp * * * * * * * * SATURDAY/SUNDAY, OCTOBER 13 - 14, 2018 ~ VOL. CCLXXII NO. 88 WSJ.com ★★★★ $5.00

What's News

World-Wide

The Trump administration is moving deliberately to counter what the White House views as years of unbridled Chinese aggression, signaling a new and potentially much colder era in relations. A1

◆ **The death toll** from Michael rose to at least 13, as people across six states continued to assess damage from one of the most powerful storms ever to hit the U.S. A1

◆ **The pope accepted** the resignation of a U.S. cardinal under fire for his handling of clerical sex abuse but lauded him for his leadership, angering some Catholics. A1

◆ **Turkey freed** an American pastor, a move that could help ease tensions with Washington as it seeks U.S. support to avoid a direct confrontation with Saudi Arabia over a journalist's disappearance. A6, A8

◆ **Washington's new** point man for Afghan peacemaking met Taliban representatives in the Gulf nation of Qatar. A6

◆ **Elections in two** of Germany's most prosperous regions are likely to diminish Merkel's bloc and further destabilize her government. A10

◆ **China put further pressure** on exiled businessman and government critic Guo, with a court slapping an $8.7 billion fine on his company. A9

Business & Finance

◆ **A Friday bounceback** couldn't save U.S. stocks from their worst week since March, as investors reassessed the value of American companies in the face of a rise in interest rates. The Dow rose 287.16 points, or 1.1%, to 25339.99. B1, B13

◆ **JPMorgan, Citigroup** and Wells Fargo posted double-digit profit increases, largely because of a pickup in income from consumer lending and growing fees. B1

◆ **Facebook reduced** its estimate of the number of users affected by its largest-ever security breach to 30 million from 50 million. B1

◆ **Sears is inching closer** to a deal with lenders on a bankruptcy plan that would close at least 150 stores and keep about 300 open. B3, B6-7

◆ **U.S. regulators** may vote on whether to remove Prudential Financial from oversight as soon as next week. A3

◆ **A measure** of economic confidence among households in the U.S. edged down in early October but remained at a high level. A3

◆ **Auto sales in China** dropped for a third straight month in September. B3

◆ **GE delayed** the release of results by a week, saying its new CEO needs more time for his review of the firm. B3

Voices of Reason And Unreason in Kavanaugh Fight

NOONAN, A17

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Stocks Rebound to Cap Wild Week

Despite rally, investors signal a long-awaited rise in rates is spurring a shift in valuations

By Corrie Driebusch And Sam Goldfarb

A Friday bounceback couldn't save U.S. stocks from their worst week since March, as investors reassessed the value of American companies in the face of a long-awaited rise in interest rates.

Broad-based selling on Wednesday and Thursday sent the Dow Jones Industrial Average down more than 1,300 points in two sessions, shattering months of steady rises in major indexes. On Friday, the Dow recovered some territory, rising 287.16 points, or 1.1%, to 25339.99.

Helping to fuel the week's drop was a swift rise in U.S. government bond yields. Those reached seven-year highs in the days before the stock swoon sent investors back to the safety of bonds.

The action upended a market dynamic in place since the financial crisis. Hundreds of billions of dollars have flowed into U.S. stocks as interest rates plumbed all-time lows. Investors, thirsting for higher-yielding assets, found themselves flooding the stock market in search of returns, and rationalizing their embrace of risk by reasoning that inflation and bond yields wouldn't stay near zero forever.

The reversal has been long in the making, but it hit stocks with force this past week. As a campaign of Federal Reserve interest-rate increases and signs of inflation pressure sent long-term interest rates past 3%, 3.1% and then 3.2%, safer, yield-paying investments such as CDs and government bonds came to offer a decent payout.

The shift has significant implications for a stock market whose dependence on low interest rates has been hotly debated for years. At the very least, it complicates an investment-allocation decision that only recently meant stocks were the easiest place to seek out returns. More ominously, it could foretell a steeper decline in markets, though many investors say they don't believe a deep selloff lies ahead.

"It feels like a revaluation is under way," said Michael Farr, president of money-manage-

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◆ Grep Ip: Behind turmoil, there is potentially good news... A10

JOE RAEDLE/GETTY IMAGES

Hurricane Michael erased entire neighborhoods and leveled communities. It destroyed most of Mexico Beach, Fla., above.

'You Just Realize It's All Gone'

By Arian Campo-Flores And Jennifer Levitz

PANAMA CITY, Fla.—Ashlee and B. Cody Shields bought a house in June and were transforming it into the dream home where one day, they hoped, they would raise children. The remodeling was about half complete when Hurricane Michael roared ashore.

They rode out the storm with Mr. Shields's parents, then emerged into the debris-strewn streets and threaded their way through a tangle of fallen trees to reach their property. It had blown apart.

The roof was gone, the windows shattered and insulation lay everywhere. All that remained was a slab of concrete and some brick siding.

Ms. Shields, her husband, her sister and her sister's boyfriend hugged and wept. "We put so much time and effort into it," said Ms. Shields, 31 years old. "I feel traumatized by the whole thing."

Many of their neighbors' homes also were ravaged. There were collapsed roofs and caved-in walls. Trees fell onto houses and cars. Sheds burst apart.

All across Panama City, the destruction was overwhelming. A large church was missing its facade. Warehouses crumpled like tinfoil. Some homes were sliced open, displaying their insides like doll houses. A pet store's roof collapsed. A clothing store lost its windows, leaving sodden racks of merchandise.

"It looks apocalyptic," said Mr. Shields, who was born and raised in Panama City but no longer recognizes much of it.

Hurricane Michael—one of the most

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U.S., China Edge Closer To a New Cold War

WASHINGTON—The Trump administration is moving deliberately to counter what the White House views as years of unbridled Chinese aggression, taking aim at military, political and economic targets in Beijing and signaling a new and potentially much colder era in U.S.-China relations.

By Michael C. Bender, Gordon Lubold, Kate O'Keeffe, and Jeremy Page

In the first 18 months of the administration, ties between the world's two biggest powers were defined by negotiations over how to restrain North Korea and ways to rebalance trade. Those high-profile endeavors masked White House preparations for a more hard-nosed stance with Beijing—a strategy now surfacing as China's help with Pyongyang wanes and trade talks stall.

Interviews with senior White House officials and others in government make clear that recent volleys in what appears a new Cold War aren't the exception to President Trump's China policy. They are exactly what the administration wants—putting the spotlight on a meeting between Mr. Trump and Chinese President Xi Jinping at a multilateral summit planned for November.

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Washington Cardinal Quits Amid Scandal

Pope Francis accepted the resignation of a U.S. cardinal under fire for his handling of clerical sex abuse, but the pope used the occasion to laud him for his leadership, angering some Catholics.

By Francis X. Rocca in Rome, Ian Lovett in Los Angeles and Andrew Duehren in Washington

In a highly unusual step, as the pope accepted the resignation of Cardinal Donald Wuerl, the archbishop of Washington, he also wrote a letter praising Cardinal Wuerl's "nobility" in choosing to step down rather than defend his record.

Though the letter released Friday ended months of speculation about the cardinal's future, it further angered critics of the church's response to sexual abuse, who have said the pontiff fails to appreciate the gravity of the crisis.

Terence McKiernan of BishopAccountability.org, an organization that tracks abuse cases, said the letter "sends a clear

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BULENT KILIC/AGENCE FRANCE-PRESSE/GETTY IMAGES

Turkey Frees American Pastor

Andrew Brunson, who was detained for two years, arrives at the airport in Izmir after being released. The move by the Turkish government could help ease tensions with Washington. Mr. Brunson was expected to reach the U.S. on Saturday. A6

INSIDE

WHY MEN FEAR WEARING COLOR

OFF DUTY, D1

GIULIA MARCHI FOR WSJ

DOT-COM DÉJÀ VU IN CHINA

EXCHANGE, B1

Cut Dihydrogen Monoxide From Your Diet? Good Luck!

* * *

Scientists defend unpopular ingredients consumers can't pronounce

By Annie Gasparro And Heather Haddon

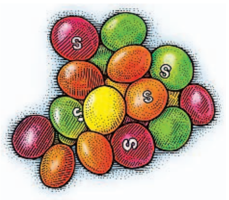
First they came for the trans fat, and pretty much everyone agreed it should be banned, because it can clog arteries.

Then they came for monosodium glutamate. Even though food companies say it is harmless, they eventually pulled it from many products, because that's what the customer demanded.

Now, one in 10 young adults want regulators to ban dihydrogen monoxide from food and beverages, according to a study by research firm InsightsNow.

Um, that would be H2O, also known as water.

The food industry is grappling with just how far to bend to consumer whims about chemicals—even when those whims seem clueless. It is giving America's food scientists indigestion.



Skittles

"There's a level of psychological stress," says John Coupland, a former president of the Institute of Food Technologists, a professional association.

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U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

Game Plan to Avoid Injury: the Right Cleats

Months before the NFL season begins, every style of cleat has been pounded, torqued and tested to see what will happen when a player rushes forward, leaps over a would-be tackler or makes a hard cut.

If he escapes his opponents, he might slip through the scrum with a slick sideways move. Or his cleat could tangle in the turf and cause him to crumple.

The risk is a torn ACL, a fractured or dislocated bone in the foot, a rolled ankle or, worse, a high ankle sprain—all lower limb traumas, which account for 60% of the injuries in the NFL.

"People pay a lot of attention to concussions, as they should, but lower limb injuries are the single largest source of player time lost," said Richard W. Kent, a mechanical engineer who studies how cleats interact with turf at the University of Virginia Center for Applied Biomechanics.

In normal play, an NFL player needs to be able to push sideways on the ground with 2.5 to 3.0 kilonewtons of force, according to Dr. Kent, the equivalent of 560 to 675 pounds, or two to three times the player's body weight.

"They do this all the time, and they're fine," Dr. Kent said.

Cleats help them get the traction they need, but players run into trouble when a foot remains anchored as they try to maneuver.

Dr. Kent, whose research is supported by the NFL, simulates players pushing off to move forward, launching and landing from jumps and pivoting to change direction using a machine called the BioCore Elite Athlete Shoe-Surface Tester.

With the help of "the beast," as he calls it, Dr. Kent has spent nearly a decade assessing how much force an NFL player needs to generate against a field to achieve optimal performance versus how much will cause injury if his cleats get mired in the surface.

Of particular concern is how the shoes interact with artificial turf.

Grass fields don't present the same hazard because the natural surface can tear away before an injury occurs, but artificial turf may grip a cleat without letting go, causing limbs to twist in unexpected and potentially harmful ways.

Only 13 NFL teams play on artificial turf on game days (including the New York Jets and Giants, who share MetLife Stadium), but many of the league's 32 teams have synthetic practice fields.

"Everybody plays on artificial turf to one degree or another," Dr. Kent said. "It's not going away."

To determine how much force will cause a high ankle sprain—an injury that occurs when enough torque is applied to tear the ligament that holds the ankle together—Dr. Kent turned to a gruesome source: cadavers the size of NFL players.

"We held the cadaver's foot and rotated the tibia inward and the foot outwards until it ruptured that ligament," he said.

He concluded that it takes 160 to 175 newton-meters, a measure of torque, to injure an NFL player.

With that parameter defined, he can test whether cleats, whose designs change from year to year, will break free from turf before reaching that threshold.

Based on his findings, a poster listing each year's cleat options in order of performance hangs in every NFL locker room. This year, Under Armour—one of three manufacturers, along with Nike and Adidas, that make most NFL shoes—holds the top two spots.

Equipment managers, like the Miami Dolphins Joe Cimino, rely on the assessments to outfit players. Mr. Cimino, who's been with the Dolphins for 24 years, provides gear for 53 active players and said when it comes to safety, he considers cleats as important as helmets and pads.

"Each player has at least four pairs of shoes packed for each game," he said, including two pairs of regular cleats and two others for different field conditions the team might encounter.

On average, each member of the Dolphins active roster goes through 12 pairs of cleats a year. Altogether, that's more than 600 pairs of shoes, but after the season concludes, some of them get a second life.

"If they are all in good condition, the footwear is given to local South Florida high-school football teams through our Junior Dolphins Donation Program," Mr. Cimino said, adding that several players also donate cleats to their former high school and youth league teams.

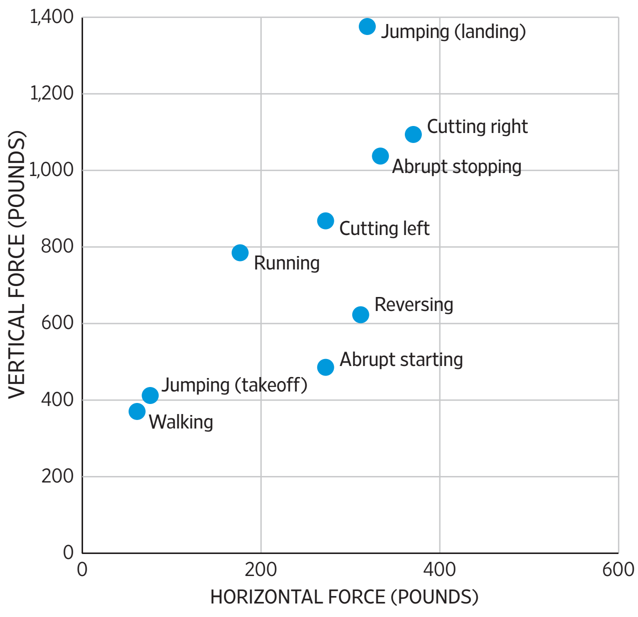
Most high-school kids don't have access to professional cleats, but Dr. Kent's message to young players, especially those who play on artificial turf, is simple: Choose shorter, stubbier cleats.

After all, you don't want your shoes to bring you down.

A Force to Be Reckoned With

The high forces generated by NFL players when they run, cut and jump can lead to lower limb injuries if their cleats get mired in the turf.

Peak force of tasks performed by elite American football players



Source: Sports Biomechanics; Richard W. Kent

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After the Storm, North Carolina Enjoys Fair Weather

TRAVIS LONG/THE NEWS & OBSERVER/ASSOCIATED PRESS

FULL SWING: Riders in Raleigh take to the Flyer on Friday after remnants of Hurricane Michael delayed the state fair opening by a day.

U.S. WATCH

UNITED NATIONS

Ambassador Craft Eyed to Succeed Haley

President Trump is giving serious consideration to Kelly Craft, the U.S. ambassador to Canada, as the nation's next ambassador to the United Nations, according to people familiar with his thinking. Mr. Trump has been complimentary of Ms. Craft in private meetings, the people said.

Ms. Craft, 56 years old, was involved in reworking the North American Free Trade Agreement. Filling the vacancy is a priority for Mr. Trump since Nikki Haley announced her resignation from the post this week.

—Alex Leary

NORTH CAROLINA

University Chancellor Apologizes for Slavery

The chancellor of the University of North Carolina apologized for the school's history of slavery, adding that words alone aren't enough to atone for using enslaved people to build and maintain the campus.

"I offer our university's deepest apology for the profound injustices of slavery," Chancellor Carol Folt said during a celebration of the school's 225th anniversary.

The apology comes as school officials must decide whether to restore the Confederate statue known as Silent Sam to its original location in the campus' main quad after protesters toppled it Aug. 20.

—Associated Press

TRADE

U.S. Probes Claims Of Mattress Dumping

The Commerce Department opened an investigation into whether mattresses imported from China are being sold in the U.S. below fair value.

A group of U.S. mattress manufacturers—including Leggett & Platt Inc., Tempur Sealy International Inc. and Serta Simmons Bedding LLC—filed a petition last month with U.S. trade officials claiming that exporters have gained share by undercutting prices of domestic producers. The companies are pushing for trade officials to implement duties on a range of mattress products.

—Micah Maidenberg

Cardinal Exits After Scandal

Continued from Page One

message that for Pope Francis, Cardinal Wuerl is more important than the children he put in harm's way."

The cardinal has faced protests at his appearances in churches around the archdiocese since August, when a report documenting the sexual abuse of more than 1,000 children in Pennsylvania by Catholic clergy was released. Cardinal Wuerl, who was bishop of Pittsburgh for 18 years before coming to Washington in 2006, isn't accused of sexual misconduct himself, but many Catholics say he didn't do enough to root out abuse.

Cardinal Wuerl asked Pope Francis to accept his resignation on several occasions after the report, but the pope demurred until now, according to a church official with knowledge of the discussions.

In his letter, the pope wrote that Cardinal Wuerl could have plausibly defended himself against charges of coverup and negligence yet chose not to do so.

"Of this, I am proud and thank you. In this way, you make clear the intent to put God's Project first," the pope wrote. "Your resignation is a sign of your availability and docility to the Spirit who continues to act in his Church."

Cardinal Wuerl said in his own statement released Friday that the pope's decision "can allow all of the faithful, clergy, religious and lay, to focus on healing and the future." The cardinal apologized for "any past errors in judgment."

The Vatican didn't immediately name a new Washington archbishop, a role with great influence on the church's relations with U.S. political leaders. The pope asked the cardinal to continue to serve until he appoints a successor.

Outside the Cathedral of St. Matthew the Apostle—the seat of the Washington archdiocese and the site of protests against Cardinal Wuerl this summer—51-year-old Tristram Carlisle applauded the cardinal's resignation.

"I really hope the Catholic Church does a complete internal investigation working with the laity and the clergy and really gets to the bottom of it," said Mr. Carlisle, who said he attends Mass each weekday. "If there are criminal penalties that need to occur, then certainly that would make sense—as tragic as that would be."

Dissatisfaction about how the church hierarchy has responded to priests who sexually abused children has pushed some Catholics away from the institution, including Lisa Reichenbach, 49, who stopped at St. Matthew's to pray on Friday. To her, the resignation of Cardinal Wuerl and the church's response as a whole have been too little, too late.

"It makes me ashamed to admit that I'm Catholic," she said. "My spirituality is not just defined by the Catholic Church and I feel like part of me has to do with what has gone on in the church. It's disgraceful."

For Cynthia Cavnar, who said she attends Mass at the cathedral about three times a week, Cardinal Wuerl's resignation is an opportunity for the church to begin to heal.

"Cardinal Wuerl has made mistakes, but I think essentially he's a good man," she said. "I think his resignation is a good thing. The church needs to move forward in D.C."

As is required of bishops, Cardinal Wuerl, 77, first offered to resign when he turned 75. Popes often allow bishops to stay on for up to five more years beyond the standard retirement age.

According to a spokesman for the Washington archdiocese, the cardinal plans to continue serving on several Vatican bodies, including one that advises the pope on the selection of bishops. Cardinals are ordinarily eligible to sit on such bodies until the age of 80.

Cardinal Wuerl is now the second U.S. cardinal this year to fall from grace over sex abuse. Then-Cardinal Theodore McCarrick resigned from the College of Cardinals in July, following allegations that he sexually abused an altar boy in the early 1970s. Former Cardinal McCarrick has denied the allegation.

In addition to the allegations in the Pennsylvania report, critics inside and outside the church have said Cardinal Wuerl must have known about accusations of sexual abuse against then-Cardinal McCarrick, given the widespread rumors that he had inappropriate relationships with seminarians.

Church officials said leading candidates to succeed Cardinal Wuerl include Cardinal Joseph Tobin, of Newark, N.J.; Bishop Frank J. Caggiano, of Bridgeport, Conn.; and Bishop Robert McElroy, of San Diego.

Both Cardinal Tobin and Bishop McElroy, who are close allies of Pope Francis, are seen as political and theological liberals who have been outspoken in criticizing the Trump administration's stance on immigration.

WIN MCNAMEE/GETTY IMAGES

Cardinal Wuerl apologized for 'any past errors in judgment.'

CORRECTIONS & AMPLIFICATIONS

Leonardo da Vinci's "Salvator Mundi" was sold on June 25, 1958, to a party identified as "Kuntz," according to a catalog from the 1958 auction and Christie's provenance records. A Sept. 20 Life & Arts article about the painting identified the buyer as "Kuntz Private Collection USA," based on the provenance listing in a Sotheby's court document with incorrect punctuation that merged two buyers' identities into one.

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Tech CEOs Spar Over Homeless Measure

By Alejandro Lazo

SAN FRANCISCO—Two technology industry chief executives engaged in a public spat Friday over one of this city's most vexing issues: homelessness.

Salesforce.com Inc. CEO Marc Benioff appeared to challenge **Twitter** CEO Jack Dorsey over his commitment to philanthropy in the city where both companies have their headquarters.

"Exactly [how] much have his companies & [he] personally given back to our city, our homeless programs, public hospitals, & public schools?" Mr. Benioff wrote in reference to Mr. Dorsey on Twitter.

The exchange was over Mr. Benioff's support for a local tax measure on San Francisco's November ballot. The Salesforce chief has come out publicly in support of Proposition C, which would increase an existing gross-receipts tax on the city's businesses. The money would be used for construction of permanent housing, rental subsidies, mental health services, drug and alcohol rehabilitation and other homelessness programs.

San Francisco's newly elected Mayor London Breed, a Democrat, has opposed the measure, citing concerns that it could drive out businesses. On Friday, Mr. Dorsey weighed in.

"I want to help fix the homeless problem in SF and California," Mr. Dorsey wrote on Twitter. "I don't believe this (Prop C) is the best way to do it...Mayor Breed was elected to fix this. I trust her."

"People want action to support the homeless," Mr. Benioff said. "This is an easy way. Unfortunately, a lot of these tech CEOs, they don't give money to the homeless, they don't give money to public schools, they don't give money to public hospitals...They work and live inside their bubbles."

A spokesman for Mr. Dorsey declined to comment.

Consumer Sentiment Index Slips

By Sarah Chaney

A measure of economic confidence among American households edged down in early October but remained at a high level.

The University of Michigan on Friday said its preliminary index of U.S. consumer sentiment dropped to 99.0 in October from 100.1 in September.

David Deull, economist at IHS Markit, said confidence appears to be strong despite the small monthly decline.

"Labor markets that are tight are bringing salary increases to lower-income workers," Mr. Deull said, noting the stock market continued to rise during the survey period.

Sentiment about current economic conditions took a step back in October, while economic expectations also weakened.

Richard Curtin, the survey's chief economist, said sentiment was pulled down by consumers' less optimistic evaluation of their personal finances.

"Unfortunately, the downward revisions in the rate of growth in household incomes were accompanied by upward revisions in the year-ahead expected inflation rate, weakening real income expectations," Mr. Curtin said.

Earlier this week, stock markets across the globe suffered their biggest shakeout since February on concerns about the steep climb in bond yields, higher oil prices and building trade tensions.

While stock-market fluctuations can influence consumer confidence, Mr. Curtin said, the stock market selloff had "virtually no influence" on the preliminary October data, as only one day of market turbulence overlapped with the survey period.

Saying Goodbye to Victims of the Upstate New York Limousine Crash

STEPHANIE KEITH/GETTY IMAGES

DAY OF GRIEF: Mourners attended a service Friday at St. Stanislaus Church for some of the 20 victims in last weekend's fatal accident in Schoharie, N.Y.

Texas Tents House Migrant Teens

By Alicia A. Caldwell

TORNILLO, Texas—The sprawling tent city in the desert about an hour southeast of El Paso was supposed to serve as home for a few hundred unaccompanied immigrant children for about a month.

But since opening in mid-June, its operations have rapidly expanded. It is now home to roughly 1,200 teenage boys and 300 teenage girls. There is room for about 3,800, though 1,400 beds are in case of an emergency such as a hurricane near another shelter.

Officially, the massive complex just north of the Mexican border is a temporary, emergency "influx shelter" overseen by the Department of Health and Human Services' Office of Refugee Resettlement.

But in practical terms, it is home, school and playground for migrant teens who were arrested after illegally crossing the U.S. border. Most are now asking for asylum and will spend an average of two months total in the government's care.

Government officials opened the Tornillo shelter to reporters Friday as part of an effort to combat criticisms of conditions inside the facility.

All of the immigrant minors at Tornillo were initially held in one of the government's more than 100 other shelters in 17 states, Mark Weber, a Health and Human Services spokesman, said the teens are moved to the West Texas tent complex to make room in traditional shelters.

"These kids are close to being released" to a sponsor, usually a parent or close relative, Mr. Weber said. "Close" means an average stay of 29 days living in the tents, he explained.

Mr. Weber said new policies to ensure that sponsors were able to provide safe care to the children were causing delays in releasing them.

"We don't want to make a mistake," the spokesman said, adding that the hasty release of immigrant children in the past resulted in some being placed in dangerous situations.

An influx of unaccompanied children—more than 45,000 were arrested at the border from September through August, an increase of about 19 percent from the same time a year ago—has also caused backlogs, Mr. Weber said. That figure includes more than 2,600 minors separated from their parents during the Trump administration's controversial and short-lived family separation policy.

While at the Tornillo shelter, the staff tries to keep the kids' days filled with activities.

The boys spend their days shuffling between tan colored tents where they sleep in bunk beds, an artificial turf soccer field and a dining hall that also serves as a classroom, arts-and-crafts room and church.

In one dorm, the bed frames were decorated for Halloween with cutouts of pumpkins and fake spider webs. Some boys posted drawings, including flags from home countries like Honduras, on aluminum siding walls.

The girls are housed in a separate section of the tent city. They attend some school classes, do arts and crafts and eat their meals in a large tent that also houses their bunk beds. A second soccer field sits near the girls' tent.

Along the walls between the girls' bunk beds hang colored drawings of Disney princesses and other art projects. On bunk No. 42, occupied by a girl named Katrina, a construction paper poster written in Spanish declared her "100% Guatemalan" and "proud."

Several of the girls' bunks had Bibles or other religious material resting on pillows.

In the first few months the shelter was open, the children didn't attend school lessons. An incident commander with BCFS, the nonprofit disaster-relief company running the tent complex, said because the facility isn't permanent or licensed by the state of Texas, classroom time wasn't mandated. He said he added classes to the daily schedule earlier this fall "of my volition."

The incident commander, who requested anonymity due to privacy and safety concerns, said most of the 13-to-17-year-old kids in Tornillo have reading and math skills equivalent to second to fourth-graders. Some girls moving between activities Friday carried "Big Kindergarten" workbooks.

MIKE BLAKE/REUTERS

A tent facility in Tornillo, Texas, has rapidly expanded since opening in June, and now houses about 1,500 teenage immigrants.

Regulators Mull Dropping Oversight of Prudential

By Ryan Tracy And Leslie Scism

U.S. regulators are preparing to vote on whether to remove **Prudential Financial** Inc. from federal oversight as soon as next week, according to people familiar with the matter, the latest move to undo Obama-era policies that brought tighter scrutiny to large financial firms outside the banking sector.

The Financial Stability Oversight Council of senior regulators is considering whether to remove the Newark, N.J.-based insurer and asset manager's designation as a "systemically important financial institution," or SIFI, these people said. The designation, created by the 2010 Dodd-Frank financial law, was created for firms that could threaten the broader U.S. economy if they got into financial trouble. The government applied the designation to Prudential in 2013, putting the company under Federal Reserve oversight.

The council has been expected to deregulate Prudential since the beginning of the Trump administration. Removing Fed oversight of the firm is a matter of when, not if, one person familiar with the council's discussions said.

The Treasury Department last year described SIFI designations as a "blunt instrument" and recommended that regulators focus on curbing risky activities outside the banking sector, rather than on regulating individual firms.

The council's agenda for Tuesday's gathering includes a closed-door discussion of "an update on the annual re-evaluation of the designation of a nonbank financial company." Prudential is the only such company currently subject to the council's annual re-evaluations. The vote could be delayed until a future meeting of the council, which meets at least once a quarter.

> **The firm has argued it doesn't pose a major risk to U.S. financial stability.**

Nine of the council's 10 voting members are appointees of President Trump, including Treasury Secretary Steven Mnuchin, and the heads of the Fed and Securities and Exchange Commission.

As recently as the spring of 2016, there were four nonbank firms wearing the "SIFI" label. If the council de-designates Prudential, none would remain.

The council de-designated American International Group Inc. in September 2017 and GE Capital, financing arm of General Electric Co., in June 2016, citing significant changes to the companies' risk profiles. MetLife Inc. won a March 2016 court decision removing the label.

Prudential is one of the nation's oldest life insurers with roots tracing to the 1870s. It has transformed itself over the past couple of decades into an investing giant focused heavily on retirement-related products and services.

Its crown jewels include a $1.2 trillion global investment-management unit, known as PGIM, that ranks among the world's biggest and counts big corporate pension plans as clients. Prudential also is the U.S. leader, by sales, of billion-dollar "pension-risk transfer" transactions. Under this business, sponsors of old-fashioned pension plans pay insurers to take responsibility for financial obligations to retirees.

Prudential executives repeatedly have made the argument that the company doesn't deserve the "SIFI" label because it doesn't pose a major risk to U.S. financial stability.

GOP Gains in Senate Races

By Reid J. Epstein

WASHINGTON—With the Senate in recess until after Election Day and Justice Brett Kavanaugh on the Supreme Court, the GOP path to retaining its Senate majority is firmer than it has been in months, officials from both parties now say.

Democratic hopes of flipping the GOP's 51-49 majority have dimmed as recent public polling has shown Republican candidates leading in North Dakota, Tennessee and Texas.

Majority Leader Mitch McConnell (R., Ky.) and Senate Democrats on Thursday agreed to a deal to recess until after Election Day in exchange for the confirmation of 15 federal judges. The arrangement allowed vulnerable Democrats to go home to campaign.

Jennifer Duffy, who analyzes Senate races for the Cook Political Report, said the Democrats' chances of winning a Senate majority are "harder than it was three weeks ago."

Still, she added, flipping the control of the chamber was always "the third most likely result. The first is a status quo election, the second being a tied chamber."

In the event of a tie, Republicans would maintain control because Vice President Mike Pence would become the chamber's tie-breaker.

Democrats, who are defending far more seats than Republicans this cycle, must hold all of their seats and have a net gain of two seats to regain control of the chamber.

The Senate battleground map has shrunk considerably since the spring. Democratic incumbents appear to be in a strong position to win re-election in Michigan, Ohio, Pennsylvania and Wisconsin—all states President Trump won in 2016.

Officials in both parties agree five Senate races are within the margin of error in their internal polling—Arizona and Nevada, which are currently held by Republicans, and Democratic seats in Florida, Indiana and Missouri.

In North Dakota, Democratic Sen. Heidi Heitkamp has fallen behind GOP Rep. Kevin Cramer, while Democratic challengers in Tennessee and Texas are seen as having lost ground in recent weeks.

In a sign of confidence, the National Republican Senatorial Committee last week canceled its TV advertising reservations in North Dakota so it can shift those resources to tighter races, officials said.

Democrats counter that Ms. Heitkamp trailed Republican Rick Berg by 10 points with a week to go before the 2012 contest, which she won by about 3,000 votes.

They are also pointing to other evidence that Democratic candidates still have a shot at some of the toughest races. Beto O'Rourke, who is challenging GOP Texas Sen. Ted Cruz, on Friday announced he had raised $38 million in the fundraising period that ended Sept. 30—$15 million more than any Senate candidate had ever raised in any reporting period.

There is broad agreement the Kavanaugh confirmation battle energized Republican voters, with GOP candidates seeing jumps in public and private polling, strategists in both parties said.

But Republican campaign advisers warned that voter engagement can be ephemeral.

"The post-Kavanaugh-hearing Republican enthusiasm is at least exceeded and at worst is on par with where Democrats have been throughout the entire cycle," said Chris Wilson, a GOP polling expert with clients in a half-dozen states.

BILL CLARK/CONGRESSIONAL QUARTERLY/NEWSCOM/ZUMA PRESS

Rep. Dave Joyce is touting his independence from President Trump.

Republican Has Odd Re-Election Strategy

By Reid J. Epstein

WILLOUGHBY, Ohio—Rep. Dave Joyce ran for re-election two years ago as a conservative who voted to repeal Obamacare 31 times. Now the Ohio Republican, facing his first competitive general election, is touting his opposition to the GOP replacement health bill last year as a symbol of his independence from President Trump.

That makes Mr. Joyce an outlier in a party that is in near-lockstep with the president. He is one of only two House Republicans who have aired TV ads that boast of standing up to Mr. Trump.

Mr. Joyce's strategy illuminates the tricky political terrain for GOP incumbents in competitive suburban districts such as his outside Cleveland. These politicians need to keep Trump supporters in their camp while at the same time appeal to voters who have drifted away from the president and his party.

While Mr. Joyce has taken the most direct aim at the president, Minnesota Rep. Erik Paulsen also has aired a TV ad boasting of defying Mr. Trump, while Rep. Kevin Yoder of Kansas drew attention when he skipped the president's campaign rally Saturday in Topeka, citing a scheduling conflict.

But most of Mr. Joyce's endangered GOP colleagues avoid putting themselves in direct conflict with the president.

"I stood up and I told President Trump, Vice President Pence and our leaders, [House Speaker] Paul Ryan and other leaders in our party that we were not replacing it," Mr. Joyce said of his opposition last year to the GOP replacement health bill, speaking at a League of Women Voters forum last week in Jefferson, Ohio. "We did nothing to bring the cost of health care down, we did nothing to cover preexisting conditions."

Yet even Mr. Joyce has tried to carve out some middle ground to avoid a rebellion from the party's base.

"I reject the premise that I'm standing up to President Trump as though I'm at war with the guy," he said in an interview Tuesday. Indeed, the data website fivethirtyeight.com shows Mr. Joyce has voted with Mr. Trump 97% of the time.

Republicans have represented Mr. Joyce's district since 1995. Mr. Trump carried the district by 11 points in 2016. No super PAC from either party has spent money on his contest with Democratic challenger Betsy Rader, a Yale-educated attorney with a background in health-care policy.

While there is no public polling on the race, the Cook Political Report rates the outcome as "likely Republican."

Mr. Joyce's backers said they appreciate his independent streak. "There are times when you're asked to support your party for one reason or another," said Ann Womer Benjamin, a Republican who is mayor of Aurora, a suburb 20 miles southeast of Cleveland. "I think Congressman Joyce has shown there are times when he does not for good reasons."

Still, Mr. Joyce has puzzled top Republican officials, since his district is considered far from the top tier of potential Democratic pickups. His message is discordant with those coming from Mr. Trump, who has cast the midterms as a test of his first two years in office.

Mr. Joyce's campaign manager, Dino DiSanto, said the campaign's "stood up to President Trump" ad was aimed at women uneasy with the president.

Sarah LaTourette, a Republican Ohio state legislator whose father, Steve LaTourette, held the district for 18 years, said Mr. Trump has turned off many educated women in the district. "You're talking about a lot of suburban women who are more moderate," Ms. LaTourette said.

Mr. Joyce said he would "be honored" to campaign with Mr. Trump if the president's campaign schedule brings him to northeast Ohio. But Mr. Joyce said he is just fine without him. "I don't view myself as needing help from [Ohio GOP Gov.] John Kasich or President Trump or anyone else," he said.

DARRON CUMMINGS/PRESS POOL

Democratic Sen. Joe Donnelly, center, spoke during a debate against Republican Mike Braun, right, and Libertarian Lucy Brenton.

Kavanaugh Still Debated in Indiana

By Joshua Jamerson

WESTVILLE, Ind.—The first question for Sen. Joe Donnelly in his debate this week with GOP challenger Mike Braun was about the Democratic senator's vote against now-Justice Brett Kavanaugh's Supreme Court nomination—after a politically charged confirmation process that complicates the final stretch of this election season for Democrats in states where President Trump is popular.

"Justice Gorsuch met every test. Judge Kavanaugh had concerns about impartiality and judicial temperament," Mr. Donnelly said at the debate, referencing his 2017 vote to confirm Justice Neil Gorsuch.

Mr. Donnelly is betting that his opposition to Justice Kavanaugh and support for Justice Gorsuch gives him bipartisan appeal—a requirement for any Democrat running statewide in Indiana. "I think they'll probably combine them together and look at Joe as being bipartisan," said John Zody, chairman of the Indiana Democratic Party.

Republicans say the Democratic Party and liberal outside groups went too far in attacking Justice Kavanaugh over allegations of sexual misconduct, which he denies.

Pete Seat, executive director at the Indiana Republican Party, said Mr. Donnelly's vote for Justice Gorsuch won't get him a "free pass" for voting against Justice Kavanaugh.

Mr. Braun, a local businessman, sought to tap into that sentiment at the debate. "I think what you should've gotten from the recent spectacle there is that the Democrats, including Joe Donnelly, will do or say anything when it comes to their political interests," Mr. Braun said.

Mr. Donnelly is one of only three Democrats who voted for Justice Gorsuch, all of them up for re-election in states Mr. Trump won in 2016: The others are Sens. Joe Manchin of West Virginia and Heidi Heitkamp of North Dakota. Mr. Manchin was the lone Democrat to back Justice Kavanaugh. Mr. Donnelly joined Ms. Heitkamp in opposition.

According to a person familiar with the internal GOP polling found that Mr. Trump's approval rating in Indiana has increased by double-digit percentage points since the Senate hearing with Justice Kavanaugh and Christine Blasey Ford, the California professor who accused him of sexual assault when they were teenagers.

Mr. Braun has had less fundraising success than his Democratic opponent, Federal Election Commission reports show. Mr. Donnelly's $6.4 million in available cash at the end of June was more than six times what Mr. Braun had on hand.

Mr. Braun's campaign has been largely self-funded through borrowed money, FEC and financial disclosure reports show.

—Julie Bykowicz contributed to this article.

Voter Review Fires Up Georgia Race

By Cameron McWhirter

ATLANTA—A longtime political feud between Georgia's major-party candidates for governor over accusations of voter suppression intensified this week when a group founded by the Democratic candidate sued the GOP candidate, who as secretary of state oversees elections.

The latest conflict stems in part from a review Secretary of State Brian Kemp's office said it is conducting of some 53,000 voter-registration applications, many for minorities. Most of the applications were gathered on paper by canvassers for the New Georgia Project, a voter-registration group focusing on minorities founded by Democratic gubernatorial candidate Stacey Abrams. Beginning in 2014, the applications were submitted to Mr. Kemp's office.

The New Georgia Project and other groups filed a federal lawsuit Thursday against Mr. Kemp and the state government, arguing that a 2017 state law requiring that information on registration forms exactly match information on federal or state databases is unfair and hurts minority voters. The suit comes less than a month before the Nov. 6 election.

"Brian Kemp needs to resign his position, so that Georgia voters can have confidence that their Secretary of State competently and impartially oversee this election," said Abrams spokeswoman Abigail Collazo in a statement on Wednesday.

JOHN AMIS/EPA/SHUTTERSTOCK

Georgia candidate Stacey Abrams, center, stumps with Sen. Elizabeth Warren (D., Mass.) left.

Mr. Kemp's campaign spokesman, Ryan Mahoney, said Mr. Kemp has no reason to resign and that Ms. Abrams's campaign's claims are baseless. He said the applications are being reviewed because they have incomplete information, but that everyone who submitted an application will be allowed to vote in November as long as they are residents of Georgia and have a valid form of identification, like a driver's license. "They literally manufactured this crisis," he said. "These people can vote." He said the applicants who are being notified, have 26 months to fill in or correct any information.

The Rev. Raphael Warnock, senior pastor at Atlanta's Ebenezer Baptist Church and chairman of the New Georgia Project, said late Friday that some of the project's applications were incomplete, but many were in good shape and should be processed. He said Mr. Kemp was "playing a sad and cynical game" with the applications.

Candice Broce, spokeswoman for the secretary of state's office, said voter-registration applications are put on a pending list if they are incomplete or have information that doesn't match either the Social Security Administration's database or information at the Georgia Department of Driver Services. Name, date of birth and either Social Security number or driver's license number are checked, she said.

Most registrations now are processed online or when people go to renew or obtain their driver's licenses, and any problems about mismatched information "is almost exclusively limited to paper forms," she said.

Turkey Frees Pastor as It Seeks U.S. Help

Move eases tensions with Trump, who can now aid Ankara in its knotty rift with Saudis

Turkey released an American pastor it detained for two years and sent him home, a development that could help ease tensions with Washington as Ankara seeks U.S. support to avoid a direct confrontation with Saudi Arabia over a journalist's disappearance.

By David Gauthier-Villars in Istanbul and Summer Said in London

A Turkish court found the pastor, Andrew Brunson, guilty of aiding terror groups on Friday and sentenced him to more than three years in prison, but freed him because of time already served. Mr. Brunson denied the charges.

The ruling removes what had become a major irritant in the relationship between the North Atlantic Treaty Organization allies.

Mr. Brunson's release also represents a political victory for President Trump as the Republican Party tries to retain its control of Congress in midterm elections next month.

Mr. Brunson's fate has been a cause célèbre for evangelical Christians and a priority for Mr. Trump, who had punished Turkey with sanctions when the pastor wasn't released at a previous hearing in the summer.

Mr. Brunson was scheduled to reach the U.S. on Saturday after a layover in Germany and to visit the White House later in the day.

"We're very honored to have him back with us," Mr. Trump said, calling his release "good news." The president said he planned to speak with Saudi King Salman "at some point."

The pastor's release could help Turkey enlist Washington to manage the repercussions from the disappearance of Saudi journalist Jamal Khashoggi in Istanbul last week. Turkish officials, speaking on condition of anonymity, say investigators have concluded that Mr. Khashoggi was killed and his body dismembered with forensic tools inside the kingdom's Istanbul consulate by operatives linked to Saudi Arabia's crown prince.

"There is no word for what happened," one Turkish official said. "It was barbaric."

Saudi officials deny killing Mr. Khashoggi. They say he left the consulate alive and they, too, are concerned for his wellbeing.

Despite Turkish investigators' findings on the alleged assassination, Turkey's President Recep Tayyip Erdogan hasn't blamed Saudi Arabia publicly, but rather indicated that the burden was on the kingdom to back up its claim that it played no role in Mr. Khashoggi's disappearance.

Turkish officials said Ankara pursued a cautious approach to keep its options open, and secure support from the U.S. and other countries before possibly confronting the kingdom.

> Mr. Brunson's release removes a major irritant between the two Nato allies.

"We must ensure that the world is behind us," another Turkish official said.

The comment goes some way in explaining why Turkish officials—after initially saying police had concluded Mr. Khashoggi was killed—added nuance to their assessment, saying they could not entirely rule out that the journalist had been spirited away.

Mr. Trump has indicated he wants to preserve good relations with Saudi Arabia. The U.S. president has said he wouldn't favor a halt in arms sales to the kingdom should a probe implicate Riyadh, although he would be open to other actions.

Speaking to reporters in Ohio on Friday, Mr. Trump called Mr. Khashoggi's disappearance a "terrible situation," adding, "Nobody's been able to put it all together."

Mr. Trump said his administration will make a determination about whether to send Treasury Secretary Steven Mnuchin to the Saudi Future Investment Initiative conference later this month.

Privately, Turkey has informed Saudi Arabia that it had gathered evidence of how events unfolded in the consulate, a person familiar with the matter said.

The person familiar said killing the journalist wasn't Saudi Arabia's initial intent. The assignment of 15 Saudi operatives who flew on Saudi-owned Gulfstream jets from Riyadh to Istanbul was to sedate him and bring him back to the kingdom, but things went awry after Mr. Khashoggi was overdosed, the person said.

A Saudi official declined to comment.

In Washington, U.S. officials welcomed the news on Mr. Brunson's release, saying it was an important step toward improving bilateral relations.

"It allows us to put new life into the relationship," said Sen. Lindsey Graham (R., S.C.), a member of the Armed Services Committee. "This was a real barrier to having a normal relationship with Turkey."

In October 2016, Mr. Brunson was arrested on charges of allegedly supporting terrorist groups. The arrest came as part of a sweeping crackdown in Turkey in the wake of a 2016 coup attempt.

Mr. Erdogan survived the attempted overthrow, but has singled out opposition politicians, civil servants and journalists across the country. They are suspected of being allied with cleric Fethullah Gulen, who the government says was behind the coup and who lives in Pennsylvania.

Mr. Gulen denies involvement in the coup and Turkey has so far unsuccessfully sought his extradition.

Mr. Brunson has said he is innocent of the terrorism and espionage charges and the Trump administration has called the accusations against him baseless.

Meantime, Turkey said it had agreed to Saudi Arabia's proposal to create a joint group to investigate the fate of Mr. Khashoggi. A Saudi delegation arrived in Ankara on Friday and meetings with Turkish counterparts will take place over the weekend, a Turkish official said.

Behind the scene, relations were less cordial, said the person familiar with the matter.

Saudi officials have yet to make good on their pledge to let Turkish investigators search the consulate premises. Turkish daily Sabah said Friday that Saudi Arabia had refused to let them search the consulate with Luminol, a chemical used to detect blood traces at crime scenes.

A Saudi official said the kingdom had not revoked its pledge and the process was "being coordinated with the joint investigation team."

A Turkish official declined to comment on the matter.

◆ Missing Saudi critic was also an insider.................. A8

AGENCE FRANCE-PRESSE/GETTY IMAGES

Pastor Andrew Brunson, left, was escorted to his home in Izmir, Turkey, on Friday after he was released. He later left the country by plane.

U.S. Envoy Meets With Taliban In Push for Afghan Peace Talks

Washington's newly named point man for Afghan peacemaking met Taliban representatives in the Gulf nation of Qatar on Friday, a person familiar with the gathering said, as the Trump administration stepped up efforts to cobble together a road map for talks aimed at ending the 17-year war in Afghanistan.

By Craig Nelson in Kabul and Saeed Shah in Islamabad

It couldn't immediately be determined what the American envoy, Zalmay Khalilzad, discussed with Taliban officials in Qatar's capital Doha. It was the second time in four months that U.S. officials have met face-to-face there with representatives of the insurgency, following a three-day cease-fire in June.

In July, Alice Wells, the State Department's deputy assistant secretary for South and Central Asia, met members of the Taliban's political commission for what were described as "talks about talks."

The Taliban, forced from power by a U.S.-led invasion in 2001, are seeking the withdrawal of U.S. forces from Afghanistan and a government in Kabul that more closely reflects their ultraconservative interpretation of Islam.

Afghan officials in Kabul had no immediate comment on talks. In Washington, the State Department wouldn't confirm that Mr. Khalilzad met with Taliban representatives.

Officials had announced this month that the envoy would lead a U.S. delegation to Afghanistan, Pakistan, the United Arab Emirates, Qatar and Saudi Arabia from Oct. 4 to Oct. 14.

A department spokesman said Mr. Khalilzad had "held a number of meetings with a wide range of stakeholders as part of his trip to explore how best to reach a negotiated settlement to the conflict in Afghanistan."

Mr. Khalilzad was appointed special adviser on Afghanistan early last month by Secretary of State Mike Pompeo. The secretary described the mission of the former American ambassador to Kabul and to Baghdad as developing "opportunities to get the Afghans and the Taliban to come to a reconciliation."

Mr. Khalilzad's appointment has been seen as an attempt to boost the profile of Afghan peace efforts and to inject a sense of urgency into diplomacy aimed at reaching a negotiated settlement of America's longest war. He has told other diplomats he is seeking to make substantive progress in the next six to 12 months, according to a person regularly in contact with his staff.

In recent days, Mr. Khalilzad has visited Kabul and Islamabad for talks with government and military officials. While the Taliban maintains a de facto political office in Doha, the majority of its top leadership is believed by Western intelligence agencies to be based in Pakistan.

Pakistan's powerful military has long seen the Taliban as a proxy for its interests in Afghanistan, particularly to deter the influence of its archenemy India, experts say. At the same time, Pakistani authorities deny supporting the insurgency.

Islamabad views a U.S. and Afghan government military victory as next to impossible and has welcomed the American push for a peace deal. Still, diplomats in Islamabad say Pakistan may wish to see the Taliban get a larger share of power in any future government than American or Afghan leaders will accept.

—Courtney McBride in Washington contributed to this article.

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WORLD NEWS

Missing Saudi Critic Was Also an Insider

The mystery surrounding Jamal Khashoggi, who disappeared after entering the Saudi consulate in Istanbul on Oct. 2, has drawn scrutiny to the Saudi government's efforts to silence critics at home and abroad.

But Mr. Khashoggi's case is more complicated.

*By Margherita **Stancati** in Beirut and **Nancy A. Youssef** in Washington*


JOHNNY GREEN/PA IMAGES/GETTY IMAGES

Turkey suspects Jamal Khashoggi, pictured here in 2004, was murdered by a Saudi hit squad.

While he had become known as a dissident writer in recent years, he was a long-time insider who remained close to some of Saudi Arabia's most powerful princes.

One of the country's best-known journalists, he clashed with the clerical establishment for his socially liberal views. His sympathy for democratic movements drew the ire of the Saudi government, particularly for the Muslim Brotherhood, which the royal family views as a threat to its absolute monarchy.

The rise of Crown Prince Mohammed bin Salman, and the crackdown he oversaw against dissidents ranging from clerics to women's rights activists, pitted Mr. Khashoggi against the establishment that had long tolerated him, and ultimately he decided to leave for the U.S. last year.

Fellow Saudis implored him to return with a mixture of intimidation and flattery he suspected was a trap. Saudi officials told him that his views were valued, and that he could contribute to the monarchy's new vision—maybe even work with the government, according to his friends who recounted these conversations. Pro-Saudi government Twitter users hounded him, branding him a traitor.

"Your end will be painful, Mr. Jamal," one Twitter user told him in March.

Turkish officials now suspect Mr. Khashoggi was murdered by a Saudi intelligence hit squad in the consulate the day he visited. The Saudi government has denied the accusation, and claimed Mr. Khashoggi left the building shortly after he entered it. Representatives for the Saudi government didn't respond to requests to comment for this article.

The journalist, who was 59 when he disappeared, had believed he was safe in Istanbul. "He trusted Turkey even more than the U.S.," said a Saudi friend of Mr. Khashoggi.

Mr. Khashoggi was close to the government of Turkish President Recep Tayyip Erdogan, whose ties with Saudi Arabia had become increasingly strained in recent years. Turkey backed Qatar in its diplomatic spat with Saudi Arabia last year, and like Qatar differs with Saudi Arabia over its view of the Muslim Brotherhood.

Mr. Khashoggi knew President Erdogan personally and was a friend to some of his closest advisers, people who knew him say. During a conference in Turkey in the spring, he met Hatice Cengiz, a Ph.D. student. Over the summer they agreed to marry.

For most of his life, Mr. Khashoggi's views broadly aligned with those of the Saudi establishment. A scion of a prominent Saudi family, he embraced in his youth the wave of Islamist fervor that swept the kingdom and was influenced by Muslim Brotherhood ideology.

> The journalist's support for the Muslim Brotherhood irritated authorities.

He traveled to Afghanistan as a journalist, where he was the first Arab journalist to interview Osama bin Laden in the late 1980s. "A lot of them went to fight. He went to report," said Peter Bergen, an American journalist and academic who knew Mr. Khashoggi.

In the 1990s, he reported from across the Middle East, where he became acquainted with political Islam. He was removed three times as editor of a leading Saudi daily, Al Watan, for crossing red lines, such as criticizing the religious establishment.

Through it all, he maintained close ties to some of Saudi Arabia's most powerful princes. In the early 2000s, he served as an adviser to Prince Turki al-Faisal, a former head of Saudi intelligence. He was a friend of the billionaire Prince al-Waleed bin Talal.

That began to change in 2016. After the election of President Trump, Mr. Khashoggi made comments critical of him. The Saudi government, eager to cultivate better relations with the administration, banned him from speaking publicly, Mr. Khashoggi told The Wall Street Journal over multiple conversations before his death.

Fearing he would be arrested or banned from leaving, he left Saudi Arabia. In the U.S., he became a contributor to the opinion pages of the Washington Post. In his penultimate column, Mr. Khashoggi said democracy in the Middle East couldn't happen without the Muslim Brotherhood.

"The eradication of the Muslim Brotherhood is nothing less than an abolition of democracy and a guarantee that Arabs will continue living under authoritarian and corrupt regimes," Mr. Khashoggi wrote Aug. 28.

His departure had come around the time when Saudi Arabia and its allies broke diplomatic ties with Qatar, citing Doha's support for the Muslim Brotherhood among the reasons. Much to the frustration of the Saudi government, Mr. Khashoggi continued to write favorably about the group.

U.S. officials have pointed to Mr. Khashoggi's views on the Brotherhood as one issue that likely irritated Saudi royalty. "They view them as an inherent threat and evil," said Andrew Miller, deputy director for policy at the Project on Middle East Democracy.

His criticism of the monarchy alienated him from his family back home, and he and his Saudi wife agreed to divorce. He was preparing to start a new life with his Turkish fiancée.

Before he went missing, he noted that even members of the Saudi royal family were now just as afraid as common citizens that Crown Prince Mohammed might order their arrest for speaking out.

"If America cares about Saudi Arabia, they should be worried about Saudi Arabia."

—Warren Strobel, Peter Wonacott and Summer Said contributed to this article.

Khashoggi's Journey

Jamal Khashoggi had a long career as a journalist before disappearing on Oct. 2.

Oct. 13, 1958 Khashoggi is born in Medina to a prominent Saudi family. Years later, receives a bachelor's degree at Indiana State University.

1980s He begins his journalistic career covering the Soviet occupation of Afghanistan for the Saudi Gazette, an English-language daily.

1990-99 He works as a foreign correspondent for the pan-Arab Arabic daily, Al-Hayat.

2003 He becomes chief editor of Saudi Arabia's al Watan newspaper but is fired shortly after for publishing reformist articles and cartoons.

June 2010 Prince al-Waleed bin Talal appoints Khashoggi to lead a new 24-hour Arabic news channel, Al-Arab News.

Mid-2010s Khashoggi publicly criticizes Saudi authorities in interviews on issues including what he said was its "addiction to cheap foreign labor."

Feb. 1, 2015 He launches Al Arab News in Bahrain. A day later, the government orders the channel to cease broadcasting after an interview with an opposition figure.

Summer 2017 Khashoggi leaves Saudi Arabia for self-imposed exile in the U.S.

September 2017 Crown Prince Mohammed bin Salman consolidates power and begins to curb dissent. "This is unlike anything Saudis have experienced before," Khashoggi says.

Sept. 18, 2017 Khashoggi writes his debut column in the Washington Post.

June 5, 2018 He criticizes Prince Mohammed in a Wall Street Journal interview, saying each time he hears "about an arrest or a friend being travel-banned, I am grateful I am here."

Japan Plans to Lure Skilled Foreign Labor

By Peter Landers

TOKYO—Japan said it planned to allow blue-collar immigrant workers with certain skills to work in the country without a time limit, a break with longstanding practice.

It is part of a bill on foreign workers that Prime Minister Shinzo Abe's government said it intended to pass in parliament this year and put into effect April 1, responding to a severe worker shortage in industries such as construction and agriculture.

Chief Cabinet Secretary Yoshihide Suga said Friday that Japan was "aiming to be a country where foreigners will want to work and live."

Mr. Abe had said this year that he wanted to create a new program for foreign workers. But it hadn't been clear how long those workers would be permitted to stay.

The bill disclosed Friday creates a two-track system: one for lesser-skilled workers who can stay for five years and a second track for those who are judged to have "proficient technical skills." The latter could stay in Japan indefinitely and bring family members to join them.

Japan has long resisted large-scale immigration, in part out of perception that the cultural fabric of a nation in which most people are of the same ethnic group could fray. The tone of Mr. Abe and business executives has changed as the native-born population declines and employers struggle to find workers.

Still, the issue is sensitive. Mr. Suga bristled when asked to reconcile the new plan with Mr. Abe's frequent pledge not to adopt an "immigration policy." That has generally been taken to mean that the prime minister doesn't want to let manual laborers stay in Japan permanently.

"Absolutely nothing has changed," Mr. Suga said. He said technically proficient blue-collar workers should be considered akin to those in white-collar occupations such as corporate executives and professors, who have long been allowed to stay in Japan indefinitely if an employer needs their skills.

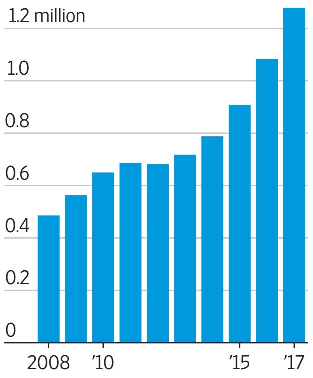
The number of foreign workers nearly doubled over five years to 1.28 million as of October 2017, the most recent data available. Many are students working on the side or blue-collar workers in a program that ostensibly is meant to train people from developing nations but operates in practice as a source of low-wage labor.

Toshihiro Menju, who is managing director of the Japan Center for International Exchange and has studied foreign workers, said he was concerned the new plan might repeat the problems of the training program. Workers in that program have complained of paying thousands of dollars to brokers in their home country to get placed in Japan, only to find abusive employers once they arrived.

Still, Mr. Menju said the new program could help small Japanese manufacturers find long-term immigrants to replace veteran craftspeople nearing retirement. "It is important to have really skilled workers to stay," he said.

Influx

Number of foreign workers in Japan



Note: As of Oct. 31 of each year
Source: Japan's Ministry of Health, Labor and Welfare
THE WALL STREET JOURNAL.

China Presses Exiled Critic

By Eva Dou

BEIJING—China put further pressure on exiled businessman and government critic Guo Wengui, with a court slapping an $8.7 billion fine on his company and punishing several associates who were involved in the takeover of a securities firm.

The Friday court ruling adds details to some of the government's earliest accusations against Mr. Guo, particularly his dealings with Ma Jian, a long-serving vice minister in the secret police. Mr. Ma's detention in 2015 signaled a turn in Mr. Guo's fortunes. Mr. Guo has remained overseas since then, issuing accusations of high-level corruption within China's ruling elite and prompting enmity in return from China's leadership.

The court in the northeastern city of Dalian said Mr. Ma's help was instrumental in enabling Mr. Guo to acquire a controlling stake in China Minzu Securities Co. in 2010. Mr. Ma ordered state security employees to threaten a rival bidder into backing down, while he lobbied government regulators to green light the deal, the court statement said.

Five of Mr. Guo's associates—an investment consultant, three Minzu employees, and an employee at one of his other companies—were found guilty by the court Friday and given fines and suspended prison sentences. The court also issued a 60 billion yuan ($8.7 billion) fine on Beijing Zenith Holdings, the company controlled by Mr. Guo. Beijing Zenith's operations include real estate, investment management and animation design.

The court said Beijing Zenith netted 11.9 billion yuan in illegal profits after taking over the securities company, part of which has been recovered.

Mr. Guo, who currently lives in New York and also goes by the name Miles Kwok, wasn't named as a defendant in the trial, nor was Mr. Ma.

NATALIE KEYSSAR FOR THE WALL STREET JOURNAL

Exiled Chinese businessman Guo Wengui in 2017 at the Sherry-Netherland hotel in Manhattan.

Mr. Guo didn't respond to calls and messages seeking comment. Mr. Ma, who is in detention awaiting trial, couldn't be reached.

A phone operator at Beijing Zenith declined to put through a request seeking comment, and Minzu Securities didn't respond to a request to comment.

The ruling shows how China's leadership is determined to further squeeze Mr. Guo. He gathered a large Chinese following on social media last year with his allegations of corruption among the Communist Party elite, his lavish New York apartment off Central Park.

Though the intensity of Mr. Guo's criticism of Chinese officials has lessened this year, his assets remain frozen in China and Hong Kong.

Government prosecutors and other authorities have accused Mr. Guo of a range of criminal offenses, from bribery to sexual assault. In April 2017, China's Foreign Ministry said Interpol issued an international arrest notice for Mr. Guo. The U.S. has declined China's requests for his return. Mr. Guo has denied China's accusations against him.

Last year a court convicted several executives of one of his companies of fabricating documents to obtain bank loans and transfer money out of the country for Mr. Guo.

News of the interactions between Mr. Guo and Mr. Ma, then state security vice minister, involving Minzu Securities arose last year, two years after Mr. Ma was detained in a corruption investigation by the Communist Party's antigraft agency.

A video posted online in April 2017, whose provenance hasn't been verified, showed Mr. Ma confessing that he wined and dined government regulators to persuade them to approve Mr. Guo's takeover of Minzu Securities.

—Kersten Zhang contributed to this article.

Merkel Faces Electoral Setbacks

By Bojan Pancevski

BERLIN—Elections in two of Germany's most prosperous regions are likely to diminish Chancellor Angela Merkel's conservative bloc and further destabilize her fragile government, potentially even jeopardizing her leadership.

The first vote takes place on Sunday in Bavaria, home to BMW AG, Siemens AG and Adidas AG, where polls show the conservative Christian Social Union winning just 33% of the vote. That would be the party's worst result since 1950 and force it to seek a coalition partner to stay in power.

Ms. Merkel's Christian Democratic Union party also appears likely to take a beating in Hesse, home to Germany's financial capital in Frankfurt, where an Oct. 28 vote will elect a new parliament. Polls show the CDU taking 29%, down from the 38.3% it won in 2013, possibly losing control of the state.

The lessons for Germany's mainstream parties are unclear. Discontent with Ms. Merkel's immigration policies is undoubtedly the key factor. But there is also an intangible factor: fatigue with the parties that have shared power for decades, and with Ms. Merkel's nearly 14 years on top.

A twin-election debacle risks fanning unrest in the party and exposing Ms. Merkel to a challenge when she seeks re-election as party chairwoman in December. That is a possible first step toward replacing her as chancellor, say senior lawmakers in the party, one of whom said "anything can happen" there.

"The big question is whether Ms. Merkel will succeed to unite the party, or whether she will face another leadership candidate at the December conference," said Andreas Rödder, a historian and political scientist.

Germany's political mainstream, dominated by the CDU and the center-left Social Democratic Party, has been on the retreat since Ms. Merkel opened the door to nearly two million refugees in 2015. The controversial move sparked the abrupt rise of the anti-immigration Alternative for Germany, or AfD, which became the largest opposition party in parliament in the general election last year.

Ms. Merkel last year delivered her party's worst result at a general election since 1949, forcing her to extend a fractious coalition with the Social Democrats. The result has eroded her authority as one of Europe's longest-serving leaders.

On Thursday, a national poll by Infratest-Ditmap showed Ms. Merkel's conservative bloc at 26% and the Social Democrats at 15%, both postwar lows. On the left, the immigration-supporting Green Party had 17%, and on the right, the AfD had 16%.

The shift has emboldened conservative critics of Ms. Merkel's centrist policies within the CDU, who want a return to more traditional conservative positions. But a poor showing in Bavaria could raise questions about their strategy and even strengthen the moderates around the chancellor.

Bavaria was on the front line of the crisis when hundreds of thousands of mostly Muslim refugees streamed across the state's border with Austria in the summer of 2015.

At the time, Horst Seehofer, the Christian Social Union chairman and Ms. Merkel's interior minister, and Markus Söder, Bavaria's state premier, reacted by criticizing the chancellor and ordering crucifixes to be displayed in every official building in Bavaria.

Yet those moves, and even a steep fall in immigrant arrivals, have failed to halt the rise of the AfD in the state, and have also bolstered the Green Party.

The strength of the Greens gave ammunition to proponents of Ms. Merkel's course.

"It's interesting that people move to the Greens—this shows that the right course for us is to stay in middle and not lurch to the right," an official close to Ms. Merkel said.

The opposite camp is drawing a different analysis. Norbert Röttgen, a senior lawmaker critical of Ms. Merkel's leadership, said Ms. Merkel's strategy of occupying the center, with policies such as phasing out nuclear energy and abolishing mandatory military service, had alienated conservatives.


CLEMENS BILAN/EPA/SHUTTERSTOCK

Polls show Chancellor Angela Merkel's conservative coalition struggling ahead of two crucial regional elections this month.

WORLD WATCH

CHINA

Export Slowdown Still Isn't Happening

China's exports strengthened unexpectedly in September despite the worsening trade dispute with the U.S., while the two countries' trade gap hit a fresh high.

A rush of shipments driven by fear of heavier tariffs, a softer domestic currency and solid external demand all spurred export growth, economists said.

Total exports were up 14.5% from a year earlier, the General Administration of Customs said, beating August's 9.8%.

—Liyan Qi

GROUP OF 20

Ministers Hopeful on Settling Trade Tiffs

Finance chiefs representing 20 of the world's largest economies are hopeful they can help resolve the trade tensions among their membership, but achieved no breakthrough this week.

The Group of 20 finance ministers met on the sidelines of the annual meetings of the International Monetary Fund and World Bank, to discuss the importance of settling trade disputes, according to Argentina's Treasury minister, Nicolás Dujovne.

"We agree that international trade is an important engine for growth and we need to resolve tensions that can negatively affect market sentiment and market volatility," said Mr. Dujovne.

—Josh Zumbrun

EUROZONE

Industrial Production Picked Up in August

Industrial production in the eurozone rebounded more strongly than expected in August, as surges in Italy and the Netherlands offset weakness in Germany.

The European Union's statistics agency said industrial production was 1% higher in August than in July, and up 0.9% on the year. It was the first rise since May.

—Paul Hannon

Behind Market Turmoil, There Is Potentially Good News

By Greg Ip

ANALYSIS

Bond yields are a barometer of where investors think growth and inflation are going—which, for much of the last decade, has been nowhere fast. In that sense, the run-up in long-term interest rates that rattled the stock market this week is good news.

With both growth and inflation looking much healthier, the Federal Reserve and investors have concluded that interest rates also need to return to more normal levels.

If all goes according to plan, the stock-market selloff will prove to be a temporary bout of indigestion.

After the financial crisis, the economy struggled to grow more than 2%, and inflation repeatedly fell short of the Fed's 2% target. In response, the Fed cut interest rates to close to zero and bought long-term bonds to bring down long-term rates.

By 2017, the recession's restraining effects on risk-taking had faded, the global economy was in a synchronized upswing, and the election of Donald Trump had boosted business confidence. Congress slashed taxes and oil prices climbed, fueling business investment and household spending. Growth has climbed to 3% over the past year, unemployment has fallen to a 49-year low of 3.7%, and inflation has returned to 2%.

Still, interest rates are far below historic definitions of normal. The Fed's short-term target, at 2% to 2.25%, remains "a long way from neutral," a level that sustains growth without fueling inflation, Fed Chairman Jerome Powell said last week.

Bond investors have belatedly reached the same conclusion, pushing yields on 10-year Treasury notes up to 3.1%. That is still lower than where 3% growth and 2% inflation would historically predict.

When bond yields are rising toward normal, stocks tend to sink, but only temporarily, says Roberto Perli, an economist at Cornerstone Macro, an investment advisory, citing precedents in 1994, 2006 and this past February. The real problem is when stocks sell off amid falling bond yields, he said. That tends to precede recession.

Nonetheless, the market drop did contain warning signs for an expansion already looking long in the tooth.

The behavior of stock, bond and commodity markets last week showed investors' main concern that higher oil prices would feed into inflation and interest rates, says Charles Himmelberg, chief markets economist at Goldman Sachs. This week, he saw more evidence from those markets that investors are retreating from risk and worrying about economic growth; for example, bond yields actually dropped Wednesday and Thursday. They edged higher Friday as stocks rebounded.

The current expansion is now the second oldest in U.S. history and within a year will be the longest, reason enough to question its longevity. Many conditions that preceded previous recessions are present: Unemployment is below 5%, a sign the economy has little unused slack; oil prices are rising; the Fed is tightening; and interest-sensitive home sales have softened.

In its semiannual outlook released this week, the International Monetary Fund said the U.S. economy is already operating above its normal capacity, and the fiscal boost coming from lower taxes and increased spending "could lead to an inflation surprise," triggering rapid rate increases, global financial turmoil, and a stronger dollar, all bad for global growth. It says Mr. Trump's higher tariffs, in particular on Chinese imports, and resulting retaliation, could further hurt growth. J.P. Morgan estimates tariffs could temporarily boost inflation 0.2 to 0.3 percentage point next year.

One pessimistic scenario is that the threat of inflation from tight labor markets, higher oil prices and tariffs will spur the Fed to raise interest rates above neutral into restrictive territory, just as the stimulus from tax cuts fades around 2020.

Much depends on how much room the Fed thinks the economy has to run. Optimistic analysts think it has a lot. The expansion since 2009 has been long in part because the post-crisis environment has discouraged the sorts of risk-taking and imbalances that bring on a recession, such as heavy private sector borrowing. The household saving rate hasn't dropped much, despite a surge in wealth, cushioning consumers from a drop in property or stock prices.

Optimistic analysts believe that the economy could have years left to run.

And while anecdotes of labor shortages multiply, some economists see evidence there could be plenty more workers available to keep growth going. Ernie Tedeschi of the investment firm Evercore ISI says employment as a share of the population, which some argue is a more comprehensive gauge of the job market than unemployment—once adjusted for the aging population—is still lower than in 2001 or 2007.

Low unemployment may not have the inflationary impact it once did given labor's weakened bargaining power.

Widespread fears of inflation are at odds with actual inflation behavior. In September, consumer prices rose by less than economists expected for the fourth straight month. Excluding food and energy, they're up at a 1.8% annual rate in the past three months, the Labor Department reported Thursday.

For now, the economy seems to have plenty of room to run.

Stocks Rebound After Rout

Continued from Page One

ment firm Farr, Miller & Washington. "We used to say there is no alternative to stocks, and suddenly there is an alternative, and suddenly it's getting better."

Short-term Treasury yields have been rising steadily since late 2015, when the Fed raised interest rates for the first time after the financial crisis.

In late 2017, the yield on the two-year Treasury note edged higher than the S&P 500 dividend yield for the first time in nearly a decade, meaning holding these government bonds provided more income than holding stocks—and without the risk of share prices depreciating. As the two-year yield climbed to 2.8% this year, its lead over the stock index's dividend yield reached roughly a percentage point, cementing the attractiveness of bonds for some risk-averse investors.

The result has been a sharp reversal for the stock market's biggest winners of the past several years. Technology stocks, beloved for their reliably strong returns, were the best performers among the S&P 500's 11 sectors last year, rising more than 35%, and were up 20% heading into the fourth quarter. Since the start of October, they have fallen more than 6%.

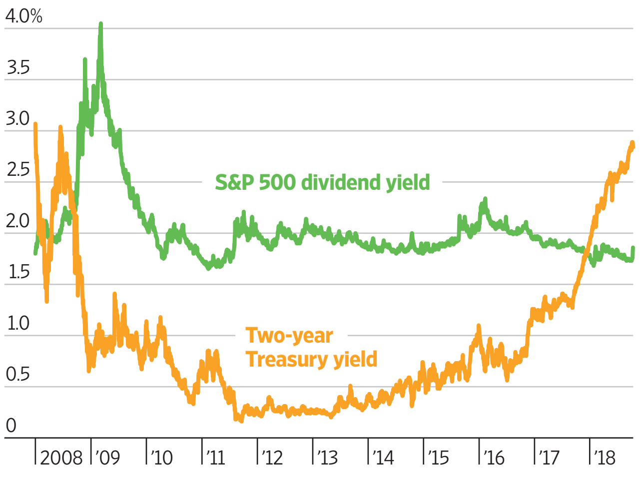
Over the past couple of weeks, investors have confronted the possibility that Treasury yields may again march a sustained, upward path after trading within a narrow range for most of the year.

Before this month, yields, which rise when bond prices fall, had climbed from record lows reached in the summer of 2016 mostly in two short bursts—once at the end of 2016 and again a year later, when Republicans passed tax cuts that promised both to expand the supply of government debt and stimulate the economy.

A similar wave of bond selling now would easily put the 10-year Treasury yield, which settled Friday at 3.14%, in the neighborhood of 3.5%, a level some analysts believe could provide a major threat to stock valuations.

Crossing Paths

The yield on the two-year Treasury note now exceeds the dividend yield on the S&P 500.



Sources: FactSet (S&P 500 dividend yield); Ryan ALM (Treasury yield)
THE WALL STREET JOURNAL.

Years of strong demand for risky assets, propelled in part by a desperate search for returns in a low-interest-rate environment, has had repercussions beyond the stock market.

David Albrycht, chief investment officer at Newfleet Asset Management, said his team has generally shifted money from riskier debt, like speculative-grade corporate bonds, to safer assets, like Treasurys, in their fixed-income portfolios in recent months. That is because the reward for taking risks—in the form of the extra yield—has shrunk so much in recent years.

Earlier this month, the average gap in yield between U.S. speculative-grade corporate bonds and Treasurys had fallen to 3.03 percentage points, according to Bloomberg Barclays data, its lowest level since July 2007. By Thursday, it was 3.48 percentage points but still below its highest level of the year.

"Spreads are so compressed," Mr. Albrycht said. "You're not giving up a lot of yield" to buy more senior debt that offers greater protection in a downside scenario.

Over the coming week, investors say focus will shift from interest rates to corporate earnings, which have this year supported stocks. Corporate profits are expected to have grown in the third quarter, though that growth is anticipated to start slowing from prior quarters.

Kristina Hooper, chief global market strategist for Invesco, said strong quarterly results should boost stocks in the near term, but what matters more to investors is commentary on how tariffs, trade tensions and shifts in other markets will affect the companies..

"Yes, earnings matter. But earnings outlooks matter even more," Ms. Hooper said.

Traders will also look to data on retail sales Monday and industrial production Tuesday. Though not usually major market movers, the reports could get added scrutiny because of the unease among investors that the economy might be heating up to a point where it could force the Fed to accelerate its interest-rate increases, said Larry Milstein, head of government and agency trading at R.W. Pressprich & Co.

Investors are "sensitive to an upside surprise" in economic data because of fears that the Fed might "be behind the eight ball" in controlling inflation, Mr. Milstein said.

Still, actual inflation data have yet to show much cause for concern. Somewhat lost amid the volatility over the past several days was a report on Thursday showing that the consumer-price index rose less than expected in September.

Investors' expectations for interest-rate increases fell following the report. Federal-funds futures, used by investors to place bets on the direction of interest rates, on Friday showed a 34% chance that the Fed will raise rates at least three more times by its June 2019 policy meeting, down from 42% a week earlier, according to CME Group data.

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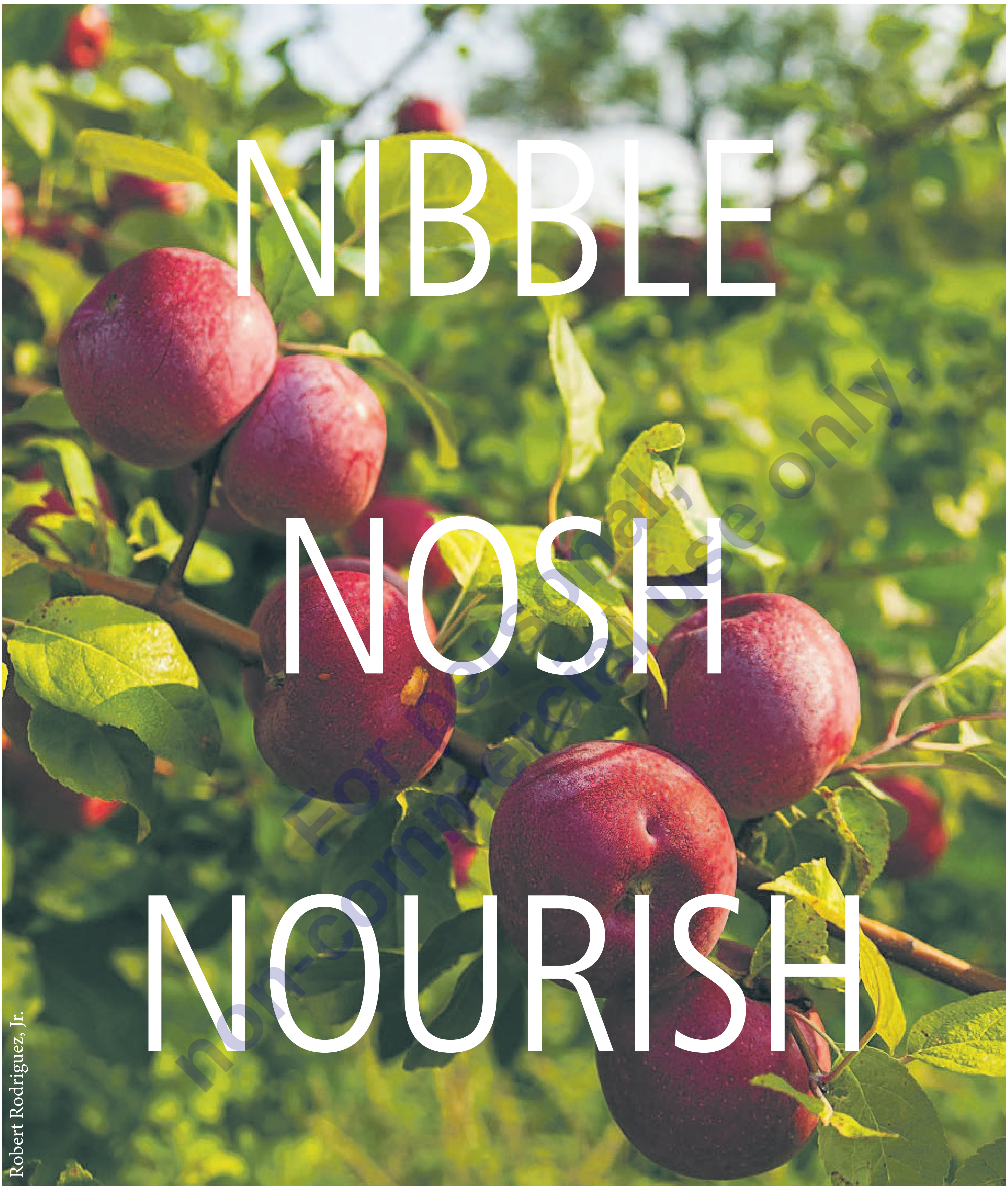

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Michael Crushes Towns

Continued from Page One
powerful storms to ever strike the U.S.—erased entire neighborhoods and leveled communities. It destroyed most of Mexico Beach, a laid-back Gulf Coast town of about 1,000. An official there called it "a death"; another resident said she can't stop crying because "you just realize it's all gone"

People across six states—Florida, Alabama, Georgia, North and South Carolina and Virginia—felt the effects. The storm killed at least 13 people, and the death toll is expected to rise. It also damaged the power grid and, in Florida, closed four hospitals and 11 nursing homes. On Thursday night, almost 2,900 people stayed in as many as 37 Red Cross and community evacuation centers across Florida, Georgia and Alabama. More than one million people were without power.

The simple routines of daily life—placing a phone call, finding gas, buying groceries—have become a struggle.

Michael ranked as the strongest storm to hit the Panhandle since at least 1851, when record-keeping began, according to the National Hurricane Center.

Federal Emergency Management Agency Administrator Brock Long on Friday told many people it was too soon to go home. "It's still not safe to return, particularly to Bay County, Florida," he said. "There is no infrastructure there to support you, and quite honestly it's a dangerous area to go back into."

For people who evacuated Mexico Beach and are in shelters, he said, "it's going to be a long time before they're actually able to go back and return to those places, because it was heavily damaged."

Some residents didn't evacuate because Michael changed so quickly from a tropical

Michael ranked as the strongest storm to hit the Panhandle since at least 1851.

storm on Sunday to a Category 1 hurricane on Monday to a Category 4 on Wednesday. When people woke up that morning, officials were warning Panhandle residents not to travel.

Linda Albrecht, a retired elementary-school principal who serves on the Mexico Beach city council, fled her house there on Tuesday. She and her late husband bought the home in 1999 while the couple still lived in the Chicago area. In 2005, they moved full time to the city that calls itself "Mayberry on the Water."

Before she abandoned her home, Ms. Albrecht grabbed a crystal dolphin her daughter gave her, blankets given to her by her nieces and nephews and two crystal glasses from her wedding 45 years earlier. She waited out the storm with friends in central Florida.

The dispatches she got from Mexico Beach were alarming. One friend after another texted to say his or her home or favorite business was gone. On Thursday night, Ms. Albrecht saw footage of the place where her house stood. "The floor is there, but nothing else," she said Friday, her voice breaking. "It's another death, it really is."

The hotel on one side of the house was heavily damaged, and the restaurant on the other side looks like a pile of matchsticks.

At age 73, she said, she feels as if she is "starting from square one." She is unsure what to do next. She is considering getting a storage unit for the few belongings she had left. Her daughter, who lives in Wisconsin, is traveling down, but it isn't clear when they will be able to return to Mexico Beach—and if Ms. Albrecht will rebuild.

"In my heart, I want to stay there," she said, but she is frightened to go back. "It's not going to be the Mexico Beach that we know."

Joni Thompson, a 39-year-old high-school math teacher in Perry, Ga., said she and her husband fell in love with Mexico Beach when he was stationed near there with the military. Ms. Thompson's family bought a beachfront duplex that became a family gathering spot.

"The only thing left is the pillars that it sat on," she said.

Although Ms. Thompson said she is "not a crier by any means," she has cried often in the last three days about "the decimation of that little community that we love." Ms. Thompson said she is already looking at floor plans for another home in Mexico Beach. "There is nothing you can do about it now, you just go forward and rebuild," she said.

For Mr. and Ms. Shields, the evening of the storm was terrifying. Nine people were packed into the 1,100-square-foot home of his parents, along with four cats, a Labrador and a Weimaraner.

As the storm closed in, Mr. Shields felt a panic attack coming on. He lay on the floor, losing feeling in his hands and feet. "This isn't good," he said.

A red maple in the front yard fell onto the neighbor's car, smashing it. A shed in the backyard burst apart and its flooring was hurled over the house, landing on the other side. The house, though, held up.

On Thursday, everyone began adjusting to life without power or running water. A cooler of water they used to flush the toilet ran dry. They gathered water that had collected in trash-bin lids and other receptacles. To cook, they rigged up a propane tank and a skillet.

No one had cell service, so Cody and Ashlee Shields, along with her sister, set out to check on family, starting with Ms. Shields's parents. Ms. Shields was worried about them. Her father had recently undergone chemotherapy and radiation for throat cancer.

"We wanted to help the stress level of everybody," Mr. Shields said.

Given the chaos, Mr. Shields packed two pistols and a machete.

They ran into a few friends, who drove them much of the way. They navigated thickets of foliage.

Her parents were OK. Their house had survived. Mr. Shields scavenged the pantry for ramen noodles, nuts and other food. They grabbed some clean towels and left.

They hitchhiked to a nursing home where Ms. Shields's grandfather lives. He, too, was fine—and overjoyed to see them.

They walked nearly 4 miles back to Mr. Shields's parents' home.

Mr. Shields used a chain saw to remove a tree that had landed on his Ford F-150 pickup truck and cracked the windshield. Now he could take his grandparents back home.

They got as close as they could in the truck, then picked their way though 200 yards of debris. Fallen trees lay beside the house, but it was intact. His grandfather broke down in tears of joy.

On Friday morning, Mr. Shields and his wife and parents crisscrossed the Panama City area to check on other loved ones and gather supplies.

Their first stop was to see Mr. Shields's aunt and uncle, Ella Russ, 65, and Carl Russ, 82. Chunks of the roof of their home were ripped off. The living room ceiling had fallen to the floor. Furniture, clothing and other belongings were scattered.

They hadn't fared well during the storm. Mr. Russ had wounds on his arm and scalp. Ms. Russ had injured her back. They had sought treatment at a nearby hospital but were already back home.

When Mr. Shields pulled in in his pickup, Mr. Russ was out back hanging soggy clothes in the sun to dry them. His arm was bandaged. Ms. Russ came out to greet them, walking slowly and wincing.

"I brought you some clothes," said Mr. Shields's mother. "What can we do for you?"

"Can you get me a shower?" Ms. Russ replied.

Mr. Shields's mother wondered whether they should start removing documents and valuables from the home, since another rain would drench the inside. "I think you should get your pictures, stuff like that," Mr. Shields said.

Their next stop was Mr. Shields's real-estate office, Think Real Estate, in Panama City Beach. He and his co-owner had just moved into the renovated space a month and a half before.

The building appeared intact. Mr. Shields unlocked the door and found everything dry and safe. He flipped a switch and the office lighted up.

"We have power!" he exclaimed, raising his arms in victory.

The office is in the western part of Panama City Beach, which fared better. Some sections had electricity and open businesses, so people were streaming in to try to get supplies and gas. The Shields drove to a gas station but found it was only pumping diesel. Nearby stations with gas had lines snaking around the block.

They went to a Publix supermarket to get provisions, but left after seeing the long checkout lines. They headed next door to a Home Depot to try to buy a generator. That line was about 50 yards long.

Back in Panama City, they found a 5,500-watt generator and two cases of water at a Tractor Supply store.

On Friday, the Shields family was trying to sort out what to do with some of their more vulnerable relatives.

Ella Russ plans to leave to stay with her daughter and son-in-law, who arrived Friday to pick her up. He brought 90 gallons of fuel and a stock of food.

The Shields family would get some of the fuel, and they aim to get more when the gas-station lines subside. For water to flush the toilet, they plan to draw from a pool nearby. Before sundown Friday, they planned to head to a lake to bathe.

—Ben Kesling and Erin Ailworth contributed to this article.

BRENDAN SMIALOWSKI/AGENCE FRANCE-PRESSE/GETTY IMAGES, MARK WALLHEISER/GETTY IMAGES

A man picked through the remains of an apartment building, above, in Panama City, Fla. Hurricane Michael also left widespread devastation in Mexico Beach, below.

Monster Storms

How Hurricane Michael compares with the costliest U.S. hurricanes

CATEGORY AT LANDFALL: 1 2 3 4 5 Post-tropical storm

STORM	COST, BILLIONS	STRENGTH*	DEATHS
Michael (2018)	**$15–$21**	**155 mph**	**13†**
Katrina (2005)	165.0	125	1,833
Harvey (2017)	127.5	132	89
Maria (2017)	91.8	155	2,981
Sandy (2012)	72.2	89	159
Irma (2017)	51.0	130	97
Andrew (1992)	49.4	164	61
Florence (2018)	38–50	85	51
Ike (2008)	35.7	110	112
Ivan (2004)	27.9	120	57
Wilma (2005)	25.1	117	35

Note: Costs adjusted for inflation *Wind speed recorded at landfall †As of Friday afternoon
Sources: NOAA; Moody's (Florence and Michael costs)

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ARIAN CAMPO-FLORES/THE WALL STREET JOURNAL

At left, Ashlee and Cody Shields stand in front of their house, which was destroyed by the hurricane. Cody Shields and his father, Bill, setting up a new generator at the elder Mr. Shields's home.

OBITUARIES

JAY KISLAK
1922 — 2018

Mortgage 'Peddler' Bought Prized 16th-Century Map

BY JAMES R. HAGERTY

Though he once described himself as "just a little mortgage peddler from Hoboken," Jay Kislak's interests ranged well beyond real-estate finance.

He held his 95th birthday party on an aircraft carrier. He once nearly bought the fossil of a Tyrannosaurus rex at an auction. He later succeeded in negotiating with a German prince to buy a 1516 map of the world. Mr. Kislak then donated the map along with other documents and artifacts to the Library of Congress.

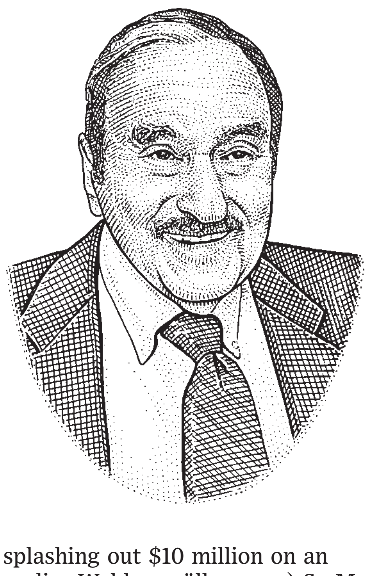
As a collector, he was relentless. Starting with books about Florida history, Mr. Kislak moved on to historical documents, art and other artifacts, many dealing with the indigenous cultures of the Americas before and during European conquests. He acquired a 1493 letter from Christopher Columbus, a Mayan mosaic mask and a Latin dictionary full of doodling by Henri de Toulouse-Lautrec. The collections clogged his home, garage and office in Florida. Many of the artifacts now reside in the Library of Congress and the Freedom Tower in downtown Miami.

"He was always curious," said his son Jonathan, "and there was always one more thing."

Mr. Kislak died Oct. 3 at his home in Miami. He was 96.

When the skeleton of a T. rex known as Sue was up for auction in 1997, Mr. Kislak was eager, though he wasn't sure where he would put it. (A colleague suggested the atrium of his office building.) In the end, he was narrowly outbid by Chicago's Field Museum, which paid $8.4 million.

Several years later, he learned that the Library of Congress had been unable to afford the Carta Marina created in 1516 by Martin Waldseemüller. (The library had run short of money after



splashing out $10 million on an earlier Waldseemüller map.) So Mr. Kislak and his wife, Jean, flew to Germany to visit Prince Johannes Waldburg-Wolfegg, whose family had owned the Carta Marina for centuries. After wining and dining the Kislaks at his castle and asking about their intentions for the map, the prince reached a deal with Mr. Kislak for an undisclosed price.

The map is "basically an encyclopedia of [European] knowledge of the world at that time," said John Hessler, curator of the Kislak collection at the Library of Congress. With words and pictures, it mixes mythology (cannibals feasting in South America) with natural history (a sketch of an opossum, an animal then unknown to Europeans). It shows Portugal's King Manuel astride a sea monster at the southern tip of Africa, denoting his country's control of that sea route, according to Chet Van Duzer, a historian of cartography.

Jay I. Kislak was born June 6, 1922, in Hoboken, N.J. His father, Julius, had arrived in the U.S. from Ukraine in the 1880s. The younger Mr. Kislak began working at his father's real-estate firm as a teenager before earning an economics degree at the University of Pennsylvania's Wharton School and enlisting in the Navy in 1942. During the war, he flew newly built planes from factories to the East and West Coasts.

After the war, he married Beverly Braverman, who had attended Wellesley College. He helped diversify his father's J.I. Kislak real-estate brokerage firm into mortgage lending and insurance. In 1953, he moved to Miami to set up a mortgage business there.

Despite a lack of political experience, Jay Kislak ran as a Democrat to represent a congressional district in the Miami metro area in 1972. Inflation, he said on the campaign trail, was "stealing from each of us every single day." He blamed excessive government spending. Politicians, he said, "don't know good business practices." He was defeated in the primary and later donated to Republican candidates, including members of the Bush family.

He is survived by his wife, the former Jean Ellis Johnson, whom he met in 1983 at a party for Andy Warhol hosted by a gallery owner. His earlier marriage ended in divorce. He is also survived by three children from his first marriage, five grandchildren, six great-grandchildren, and his brother, David Kislak.

Jay Kislak sold his nationwide mortgage business in the mid-1990s, avoiding the housing boom and bust of the next decade. In recent years, his Kislak Organization has focused on real-estate investments, including purchases of tax liens.

Until recently, he still reported to the office regularly. "Young lady," he often told his assistant, "we have a lot of work to do."

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DAVID WOLKOWSKY
1919 — 2018

Revival of Key West Was Renovator's Goal

David Wolkowsky didn't intend to stay long when he returned to his birthplace, Key West, Fla., in 1962. His mission was to deal with property inherited from his parents.

Then he spotted what others had missed: the potential to transform a scruffy village of misfits on a 6-square-mile island into a quirky tourist destination. He began renovating tumbledown buildings into restaurants and boutiques. In the late 1960s, he opened a new motel, the Pier House, boasting of color TV in every room. Jimmy Buffett played some of his early gigs in the Chart Room bar there.

Mr. Wolkowsky restored and shuffled around old buildings to create Pirate's Alley, featuring a fountain, a shop selling sea shells, a bookstore, an ice cream parlor and a cigar factory.

His friends included Tennessee Williams, who celebrated his 59th birthday, along with his mother, at the Pier House. National magazines, encouraged by the media-savvy Mr. Wolkowsky, sent photographers to capture celebrities cavorting around Key West, updating its faded image as a refuge for Ernest Hemingway.

When he needed a break from the action, Mr. Wolkowsky could always repair to his nearby private island, Ballast Key, mentioned in the James Bond movie "Licence to Kill."

He died Sept. 23 in a Key West hospital. He was 99.

—James R. Hagerty

ROBERT PITOFSKY
1929 — 2018

FTC Chairman Took On Joe Camel, Listerine

As a law professor in the late 1960s, Robert Pitofsky helped lead a commission whose report depicted the Federal Trade Commission as a bungling bureaucracy, failing to protect consumers from fraud and anticompetitive behavior.

Some critics wanted to abolish the agency. Mr. Pitofsky favored reinvigorating it with better management and a stronger, leaner staff.

Over the rest of his career, he helped restore the agency's reputation in his roles as head of the FTC's consumer-protection bureau and as an FTC commissioner and later chairman.

He was involved in blocking a merger of Staples Inc. and Office Depot Inc. that he thought would lead to higher prices. He prodded R.J. Reynolds Tobacco Co. to end its Joe Camel ad campaign, deemed too appealing to children. He led efforts to require Warner-Lambert Co. to inform consumers that, contrary to decades of ads, its Listerine mouthwash didn't prevent colds and sore throats.

He favored cracking down on individual abuses rather than churning out rules.

The first person in his family to finish high school, he taught law at New York University and Georgetown University and was dean of Georgetown's law school.

Mr. Pitofsky, who was 88 and had Alzheimer's disease, died on Oct. 6 at his home in Chevy Chase, Md.

—James R. Hagerty

U.S. Looks at a New Cold War

Continued from Page One

Vice President Mike Pence last week gave a blistering speech on U.S.-China relations, saying "the United States has adopted a new approach to China" with the message to China: "This president will not back down."

On Wednesday, the Treasury Department announced new rules targeting China that tighten national security reviews of foreign investment. On the same day, the Justice Department said it had brought a Chinese intelligence operative arrested in Belgium to the U.S. to face charges he conspired to steal trade secrets from GE Aviation and others. It was the first time prosecutors publicly identified someone in custody as a Chinese intelligence officer.

The Energy Department announced Thursday heightened controls on nuclear technology exports to China. The administration also signed off recently on Justice Department directives that force a pair of Chinese state media outlets to register as foreign agents.

The speed of the shift to a more confrontational China strategy has surprised many Chinese officials and sent Beijing scrambling to stabilize the relationship, with Washington the disrupter, analysts said.

"The U.S. is getting tougher and tougher, confronting China on all fronts," said Zhu Feng, an expert on China-U.S. relations at Nanjing University. "Beijing should be very coolheaded because does a new Cold War serve China's interests? No."

The U.S. moves represent an emphatic shift from a "constructive engagement" strategy that dates to the establishment of diplomatic ties in 1979. It was based on hopes China would slowly liberalize economically and politically.

Underpinning the change is the view that China has reversed course since Mr. Xi took over in 2012 and began recentralizing political and economic controls, pledging to build his nation into a great world power.

The more aggressive U.S. approach was forecast last December, in the National Security Strategy that put China on par with North Korea, Iran and jihadist terrorist groups as the biggest U.S. threats. At the time, the strategy contrasted with Mr. Trump's personal diplomacy.

Early in his term, Mr. Trump flattered Mr. Xi, talking up a holiday card he received before taking office and sharing "the most beautiful piece of chocolate cake" at their Mar-a-Lago dinner in the spring of 2017. He scotched a campaign promise to label China a currency manipulator, saying he didn't want to jeopardize a potential ally against the threat from North Korea.

Since then, White House advisers have changed to a more hawkish crew. And Mr. Trump has seen that his personal and controversial gambits—extending a lifeline to China's ZTE Corp., for instance—haven't yielded enough in return. After a dozen phone calls with Mr. Xi, an exchange of letters and several face-to-face meetings, the tepid response from China has irritated the president, one senior administration official described, like death from a thousand cuts.

Beijing was infuriated by the U.S. decision last month to impose sanctions on a Chinese military agency—and its chief—for purchasing Russian SU-35 jet fighters and equipment related to its S-400 antiaircraft missile system, U.S. officials said.

China responded to the sanctions by lodging a formal complaint with the U.S. ambassador, ordering the return of its navy chief from a visit to Washington, and refusing permission for a U.S. Navy ship to port in Hong Kong.

Chinese foreign minister Wang Yi, speaking recently at the Council on Foreign Relations, said growing U.S. fears that China would seek global hegemony was a serious strategic misjudgment.

"Where this ends is a trade deal," a senior administration official said. "Xi is starting to look at this and say, 'Wow, Trump is doing the things he said he's going to do,' and realize that he has to get to work.'"

The November meeting between Messrs. Trump and Xi may help soothe tensions on trade but there appears little prospect the new U.S. stance will soften. There is a souring on China across Washington, even in groups that have long promoted U.S.-China relations.

Hard lessons

Many in the business community, for instance, have favored a "grow-together" policy with China, with the hope it would open the world's second-biggest economy to American companies. That optimism has turned to distrust, largely over China's aggressive focus on acquiring U.S. technology. The U.S. Chamber of Commerce has criticized the theft of intellectual property.

At the Pentagon, military brass have historically sought a relationship with their Chinese counterparts that would survive political mood swings. Even there, senior officials say they have reached their limit.

Efforts to build the U.S.-China military relationship by showing off American capabilities have been exploited by the Chinese. Gen. Joe Dunford, the chairman of the Joint Chiefs of Staff, came away even more clear-eyed about that after a trip to Beijing last year to establish a formal military communication mechanism: An aide's tablet, left in a hotel room, had been tampered with, souring the U.S. military establishment on doing business with China.

This month, a Beijing trip by Defense Secretary Jim Mattis, already stalled over a failure to agree on goals for the meeting, was canceled after a Chinese destroyer nearly clipped a U.S. Navy vessel in the South China Sea.

Presidents Trump and Xi plan to meet at a multilateral summit next month.

Mr. Trump first displayed an antagonistic posture toward China on the presidential campaign trail, referring to it as the enemy.

"I beat the people from China—I win against China," Mr. Trump said at a campaign rally in 2015 in Bluffton, S.C. "You can win against China if you're smart. But our people don't have a clue. We give state dinners to the heads of China. I said, 'Why are you doing state dinners for them? They're ripping us left and right.' Just take them to McDonald's and go back to the negotiating table."

The view caught on with his voters. Among Republicans who identify as Trump supporters, just 4% agreed that China was an ally, while 86% said it was an adversary, according to a Wall Street Journal/NBC News poll in April.

Plans for a tough approach to China were contemplated early in the Trump administration. Then came the diversions: North Korea launched missiles. Trade disputes erupted not just with China, but also with the European Union, Canada and Mexico.

There also were calls for a more conciliatory approach to Beijing in those early days. Then-Iowa Gov. Terry Branstad asked Mr. Trump to tone down heated rhetoric because of significant trade between China and the farmers in his state. Mr. Branstad was selected to be the U.S. ambassador to China.

Jared Kushner, the president's son-in-law and senior adviser, helped set up Mr. Trump's trip to Beijing last year, and emphasized the importance of the relationship between the two countries. Treasury Secretary Steven Mnuchin portrayed himself to the president and the Chinese as someone who could bridge the divide. Gary Cohn, the top national economic adviser, argued against imposing tariffs on China.

'Unleashed'

Mr. Mnuchin's efforts to act as a mediator have since yielded few results, reducing his influence over China policy and showing that negotiations with Beijing would be tougher than anticipated, people familiar with the matter said. Mr. Cohn is now gone, and Mr. Kushner has turned his focus elsewhere.

That has given way to more hawkish aides, including White House chief of staff John Kelly, a military veteran. His view of China, like Gen. Dunford's, was hardened by experience, according to a person familiar with the matter.

During Mr. Trump's visit to Beijing last fall, Mr. Kelly got into a physical altercation with a Chinese official who was seeking access to the nuclear football, the briefcase that includes the president's mobile nuclear-missile command center. Mr. Kelly told colleagues that he refused to accept an apology, and would accept one only if a senior Chinese official came to Washington and offered contrition while standing under a U.S. flag.

Peter Navarro, the president's trade adviser, is a longtime China hawk and compiled a recent report for Mr. Trump that showed how China's economic aggression threatens the U.S. technology sector.

John Bolton, the new national security adviser, has long advocated for a tough approach to China. According to a senior administration official, Mr. Bolton has "unleashed" Matthew Pottinger, chief Asia adviser for the White House, to push for stronger China policies.

The views of Mr. Pottinger, a former U.S. Marine and former reporter for The Wall Street Journal, were reflected in the National Security Strategy that last year put China in the same threat category as North Korea and Iran.

Looking ahead, U.S. officials expect new pressure on China. A plan to punish private companies that help Beijing's expansion in the South China Sea was discussed early in the administration but shelved. It is being reviewed again.

The Commerce Department expects to tighten export controls, aimed at preventing U.S. surveillance technology from being used against China's Muslim Uighur minority.

The White House also expects to release a report on U.S. foreign assistance that will take aim at China and, at least indirectly, its so-called Belt and Road infrastructure development program.

Mr. Pence has criticized related projects in the program, saying they leave nations buried in debt. "We seek a relationship grounded in fairness, reciprocity, and respect for sovereignty," he said in his speech last week. "And we have taken strong and swift action to achieve that goal."

—Vivian Salama contributed to this article.

FROM TOP: ANDY WONG/ASSOCIATED PRESS; ANDREW HARNIK/ASSOCIATED PRESS

President Trump and Chinese President Xi Jinping at a meeting in Beijing last November. Below, Gen. Joe Dunford in Beijing last year.

Scientists Defend Chemicals

Continued from Page One

Food scientists refined the recipes for many common packaged foods over decades to reduce spoilage, contamination and costs. Now some of the same researchers say they are being told to get rid of ingredients just because consumers can't pronounce them.

"The science is crystal clear, but consumer sentiment—it is what it is," says Maria Velissariou, IFT's chief science and technology officer.

InsightsNow Chief Executive Dave Lundahl described food scientists going through the stages of grief, "from bewilderment and loss, to anger and pointing fingers, to acceptance."

Products free from artificial colors, preservatives, high fructose corn syrup and certain other additives make up roughly 30% of food and beverage sales and are the fastest-growing segment, according to Nielsen.

The Food and Drug Administration acknowledges its requirements for describing ingredients can be confusing. Anna Abram, an FDA deputy commissioner, points to vitamin B12, which in line with FDA regulations appears on some food labels as cyanocobalamin.

"That sounds like cyanide," she says. B12, which helps cell and nerve function, occurs naturally in beef and tuna. Breakfast cereals are often fortified with it.

Mars Inc. executives in 2016 pledged to remove artificial additives that create the vibrant colors in M&M's, Skittles and other candy by 2021.

Phil Shepherd, a Mars vice president of research and development, called it "a freak-out moment."

"I don't think people know how complex it is," he said.

Penny Martin, Mars' head of color science, has since spent hundreds of hours experimenting with radishes and red cabbages to make red Skittles without the artificial dye Red 40.

MARS WRIGLEY CONFECTIONERY

A researcher tests natural colors for candy at Mars Inc.'s research and development center for candy and gum in Chicago.

The most promising substitute, purple carrots, left Skittles spotted. Ms. Martin has been tinkering with the carrot juice and other options for over a year. "We are trying everything," she said.

Mars now says it might not retire its original candies after all, and instead sell less-vibrant, clean-label candy along with the original version. General Mills Inc. last year also brought back synthetically colored Trix cereal after loyalists complained about the naturally hued alternative.

Among the strangest-sounding and hardest to replace ingredients are mono- and diglycerides.

"I try to avoid things with 'ides' on the end," said RC Weimann, a 63-year-old organic gardener and part-time religious counselor in Florida. She follows dozens of food blogs and newsletters for tips on what she believes are potentially harmful foods to avoid.

Usually made from soybean oil, mono- and diglycerides prevent salad dressings from separating and make ice cream creamier. They were hailed in the early 2000s as an alternative to trans fat, a type of unsaturated fat found to increase the risk of heart disease. The FDA and the World Health Organization say they are safe to eat, even though they may contain trace amounts of trans fat themselves.

"They do a nice, functional job inside of an Alfredo sauce," said Corey Berends, Conagra Brands Inc.'s senior vice president of research, quality and innovation.

Conagra executives instructed Mr. Berends and his colleagues to find another thickener for its Marie Callender's frozen chicken Alfredo pasta. It took two years.

Without mono- and diglycerides, the sauce was chalky and gray. Mr. Berends found a replacement by blending milk proteins to form small droplets of fat. But the frozen dinners still contains xanthan gum, dextrose, isolated soy protein product and guar gum. "We still have progress to make," Mr. Berends said.

Fear of foreboding-sounding ingredients has struck restaurants too. McDonald's Corp. in September said it had removed sorbic acid, a naturally derived preservative, from the American cheese on some burgers. That fits customer calls for less processed foods, said Mike Haddad, CEO of Schreiber Foods, which supplies cheese to McDonald's.

Starbucks Corp. came under fire in 2014 for having the seaweed-based emulsifier carrageenan in its coconut milk. Earlier this year the chain said it had removed it. Critics haven't been quieted: The milk still contains xanthan gum.

A spokeswoman said Starbucks uses as few and as natural ingredients as possible as long as "our products can still function as they should."

Food distributor US Foods Holding Corp. has banished dozens of ingredients to an "Unpronounceables List" no longer allowed in its most popular items.

Making deli meat without additives such as nitrites was particularly hard. Early tests of certain deli meats made with celery juice powder yielded meat with a spongy texture. Reducing the moisture helped solve the problem, the Illinois-based company said.

SPORTS

ASTROS VS. RED SOX

An Elite Battle of Heavyweights

Boston and Houston rendered moot all the clichés about flukiness in October and kept on playing like the sport's two best teams

BY BRIAN COSTA

Astros pitcher Justin Verlander, left, and Red Sox pitcher Chris Sale are set to square off in Game 1 of the American League Championship Series.

ELISE AMENDOLA/ASSOCIATED PRESS; ERIC CHRISTIAN SMITH/ASSOCIATED PRESS

THE BASEBALL playoffs have become so different from the regular season that it often seems as if, in October, everything that happened in the previous six months is no guide at all. Strategies change, great teams go cold, good teams catch fire and randomness prevails.

But there are still outcomes that show that a 162-game season really does reveal some things about how teams stack up.

The Boston Red Sox and the Houston Astros were the two best teams in the major leagues in 2018. Then came the start of the playoffs and as it turns out—cue the Dennis Green clip—they are who we thought they were.

The Astros swept the Cleveland Indians in the division series. The Red Sox beat the New York Yankees in four games. Now, beginning on Saturday at Fenway Park, they will meet in the ALCS. And for once, there is nothing random about it.

The Astros won the World Series in 2017, won 103 games during the regular season and, after outscoring Cleveland 21-6 over three games, may well be better than they were a year ago.

The Red Sox won 108 games, tying the 12th highest total by any team since 1900. They were better than the Yankees for most of the year, if not by much, and they were better than the Yankees in the ALDS.

The result is the first LCS match-up between two 100-plus-win teams since 1977, when the 100-win Yankees beat the 102-win Kansas City Royals in the ALCS. The series will also pit Red Sox manager Alex Cora against the team for which he served as bench coach a year ago.

"I've been talking about them the whole season, so now we go," Cora said. "Best of seven. They know me. I know them. It should be fun."

The series will be a rematch of last year's ALDS, when Houston beat Boston in four games. But both franchises have evolved since then, from merely very good teams to part of an elite class of heavyweights that stand apart from the rest of the league.

The Astros added to their core championship group another All-Star starting pitcher in Gerrit Cole and a better bullpen, in part through the controversial midseason acquisition of Roberto Osuna. The 23-year-old had been suspended for violating MLB's domestic violence policy.

Coming off a 93-win season in 2017, the Red Sox assembled their winningest team in franchise history largely by doing more of what they had already been doing: spending money and trading prospects for proven, major-league talent. J.D. Martinez, signed for $110 million last winter, homered once and drove in six runs during the ALDS.

Whatever their imperfections—middle relief, David Price in the playoffs—the Red Sox find ways to make up for them.

"They've really shown a resiliency, and they've really shown a preparedness to play on a daily basis," said Red Sox president of baseball operations Dave Dombrowski. "Even when something has happened, somebody else picks up the pieces, somebody else gets hot."

Those are the traits that have carried many teams to division titles. But it is rare for two teams to play so thoroughly well for an entire season and have it translate so seamlessly in October.

The Red Sox and Astros' combined total of 211 regular-season wins ties a record for LCS opponents, previously set by the 2001 ALCS between the Seattle Mariners and the New York Yankees. The 116-win Mariners were largely

> It will be the first LCS match-up between two 100-plus-win teams since 1977.

responsible for that record, though the Yankees won the series, 4-1.

Since the start of the wild-card era in 1994, only twice previously have the teams with the two best regular-season records met in the LCS. The rarity reflects the difficulty even for 100-plus-win teams in getting past the division series in a contest that can render their year-long superiority irrelevant.

The Red Sox and Astros rendered moot all the clichés about small sample sizes and flukiness in October and simply kept on playing like the two best teams in baseball.

"I said this to our team in there: special teams do special things in October," Astros manager A.J. Hinch said in Cleveland on Monday. "There is an extra gear that our guys have, and once we hit the postseason, it looks like, as of right now, that our guys really, really turned it on."

There is a managerial aspect to that gear. Just as Hinch did in 2017, Cora showed a knack for the aggressive and sometimes unconventional bullpen management that the postseason demands. To cover for an uninspiring middle relief corps, Cora used starter Rick Porcello out of the bullpen in Game 1 and ace Chris Sale, who would have been in line to start Game 5, out of the pen in Game 4.

It was a gamble that paid off, albeit narrowly, when Sale threw a scoreless inning and closer Craig Kimbrel survived a ninth-inning scare.

It also demonstrated an urgency that set Cora apart from Yankees manager Aaron Boone, who was slow to get relievers up in the bullpen in both Games 3 and 4.

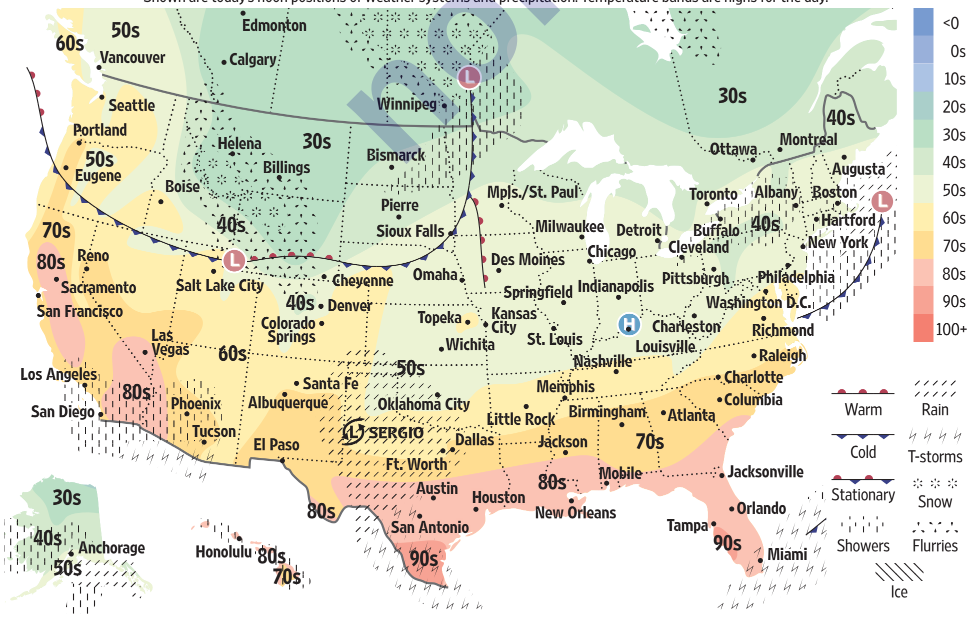
But mostly, Houston and Boston are a byproduct of rosters that can win games in myriad ways and rarely fail to do so for very long. The Astros didn't lose more than five games in a row all year. The Red Sox didn't lose more than three in a row.

The two best teams in baseball have been on a collision course since the spring and, for once, they will actually collide.

Weather

AccuWeather DOWNLOAD THE FREE APP

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	50	40	r	49	38	pc
Atlanta	74	56	s	78	62	pc
Austin	85	75	t	87	52	c
Baltimore	60	42	pc	62	52	pc
Boise	60	31	s	53	30	s
Boston	54	43	r	60	47	s
Burlington	53	36	c	58	42	pc
Charlotte	70	49	s	68	58	pc
Chicago	51	42	s	53	37	r
Cleveland	53	39	c	62	51	c
Dallas	70	62	t	72	43	sh
Denver	59	19	pc	27	11	sn
Detroit	54	38	pc	59	44	c
Honolulu	84	72	sh	86	73	t
Houston	87	76	pc	88	71	pc
Indianapolis	54	41	s	58	48	c
Kansas City	58	43	c	47	28	r
Las Vegas	80	60	pc	74	53	s
Little Rock	60	56	r	70	53	r
Los Angeles	71	59	sh	75	57	s
Miami	89	78	pc	89	78	pc
Milwaukee	53	42	s	53	35	r
Minneapolis	55	32	c	42	28	pc
Nashville	64	51	s	72	64	r
New Orleans	85	72	s	89	73	pc
New York City	57	46	pc	59	53	s
Oklahoma City	55	50	r	52	33	c
Omaha	56	38	pc	42	28	sn
Orlando	88	68	pc	89	73	s
Philadelphia	59	43	pc	60	53	pc
Phoenix	77	64	sh	77	61	pc
Pittsburgh	50	35	pc	58	48	c
Portland, Maine	53	37	c	58	41	s
Portland, Ore.	70	46	s	70	47	s
Sacramento	86	50	s	86	50	s
St. Louis	57	46	pc	57	42	r
Salt Lake City	62	34	pc	49	28	s
San Francisco	71	51	s	74	52	s
Santa Fe	68	41	pc	54	24	r
Seattle	63	43	s	65	44	s
Sioux Falls	54	30	pc	42	25	sn
Wash., D.C.	61	45	pc	63	54	pc

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	77	58	pc	71	52	t
Athens	71	61	c	71	61	pc
Baghdad	102	76	pc	100	75	pc
Bangkok	91	79	sh	92	78	c
Beijing	69	44	pc	72	45	s
Berlin	74	53	s	73	52	s
Brussels	78	61	pc	70	50	t
Buenos Aires	74	50	s	78	57	s
Dubai	98	81	s	98	80	s
Dublin	58	42	r	54	43	pc
Edinburgh	56	47	r	53	41	pc
Frankfurt	77	50	s	74	52	pc
Geneva	73	51	s	70	51	c
Havana	86	72	pc	88	72	pc
Hong Kong	82	75	c	83	76	pc
Istanbul	69	60	c	69	61	pc
Jakarta	92	77	pc	91	77	sh
Jerusalem	73	60	s	75	59	s
Johannesburg	68	53	r	68	55	t
London	74	55	pc	58	46	r
Madrid	80	56	pc	68	52	r
Manila	92	79	pc	91	79	t
Melbourne	74	56	s	77	61	c
Mexico City	73	59	pc	74	57	pc
Milan	74	53	s	72	54	c
Moscow	59	47	pc	60	46	c
Mumbai	96	80	pc	95	81	pc
Paris	80	60	pc	66	50	r
Rio de Janeiro	90	75	pc	80	71	c
Riyadh	97	69	s	95	69	s
Rome	76	57	s	75	58	s
San Juan	85	74	sh	86	77	sh
Seoul	65	43	s	66	47	s
Shanghai	72	59	s	71	62	c
Singapore	84	76	sh	85	78	t
Sydney	69	62	pc	70	64	sh
Taipei City	75	71	sh	78	72	c
Tokyo	65	59	sh	65	60	r
Toronto	50	38	c	58	45	pc
Vancouver	58	43	s	58	42	s
Warsaw	70	45	s	69	44	s
Zurich	70	46	s	70	47	pc

THE COUNT

JONES CAN'T FIND END ZONE

JOHN BAZEMORE/ASSOCIATED PRESS

Longest Yard

Most receiving yards in a 10-game span without a receiving touchdown—since 1960:

PLAYER	SPAN	YARDS
◀ Julio Jones ATL	2017-18	969
K. Johnson TB	2001	905
Lionel Taylor DEN	1961-62	861
Frank Lewis BUF	1979-80	819
V. Jackson TB	2014	797
K. McCardell JAC	1996	759

Source: Stats LLC

Atlanta Falcons receiver Julio Jones is driving fantasy football crazy.

He is clearly one of the NFL's most dominant players and one of the most productive wideouts in league history. He's played in 100 games and has 599 more receiving yards during that span than any other receiver ever, according to Pro-Football-Reference. Through five games this season, he is third in the league in receiving yards with 564. There just seems to be only one thing that can stop Jones: the end zone.

Jones has no touchdowns in 2018, after failing to score in his last five regular-season games of 2017. Right in line with his entire career, he's averaged nearly 100 receiving yards per game (96.9) during this period. This is by far the most receiving yards in any 10-game stretch without a touchdown since at least 1960, topping Keyshawn Johnson's 905 for the 2001 Tampa Bay Buccaneers, according to Stats LLC. Before that, you need to go all the way to Lionel Taylor for the 1961-62 Denver Broncos, with 861 receiving yards of touchdown futility.

There are few wide receivers in football as big and powerful as the 29-year-old Jones, who stands 6 foot 3 and is listed at 220 pounds. But this year only one of Falcons quarterback Matt Ryan's eight passes inside the opponent's 10-yard-line have been targeted for Jones. And in the past 10 games, Jones has been thrown to just four times in 17 attempts near the goal-line.

This recent stretch is an amplification of a career trend with Jones.

While Jones's yardage in his first 100 games is all-time, his 43 touchdowns in these games ranks 59th. Jerry Rice, widely considered the greatest wide receiver in NFL history, finished his first 100 games with 1,000 less receiving yards than Jones, but scored more than twice as many touchdowns (87).

Jones's fantasy football owners just have one question: When will the schneid end? It turns out that Johnson, Taylor and Keenan McCardell (1996 Jaguars) scored in their very next game to snap the streak. On Sunday, Atlanta hosts the Buccaneers, who have allowed a league-worst 3.25 touchdown passes per contest.

—*Michael Salfino*

OPINION

THE WEEKEND INTERVIEW with Heather Mac Donald | By Jillian Kay Melchior

The Scourge of 'Diversity'

New York

Heather Mac Donald may be best known for braving angry collegiate mobs, determined to prevent her from speaking last year in defense of law enforcement. But she finds herself oddly in agreement with her would-be suppressors: "To be honest," she tells me, "*I* would not even invite me to a college campus."

No, she doesn't yearn for a safe space from her own triggering views. "My ideal of the university is a pure ivory tower," she says. "I think that these are four precious years to encounter human creations that you're otherwise—unless you're very diligent and insightful—really never going to encounter again. There is time enough for things of the moment once you graduate."

In her new book, "The Diversity Delusion," Ms. Mac Donald, 61, explores how identity politics has diverted higher education from more elevated subjects. She warns of this ideology's spread to other cultural institutions and industries—Hollywood, Silicon Valley, Wall Street.

Ms. Mac Donald's Manhattan apartment proves that her own focus on current events hasn't distracted her from classical scholarship. Her living room is dominated by a piano, but when asked about it, she gets shy and self-deprecating. So I ask to see her bookshelves, not realizing I'll end up in nearly every room of the apartment. The books, neatly stacked and well-thumbed, span several languages.

A onetime liberal now believes identity politics threatens higher education and civilization itself.

It's no surprise that Ms. Mac Donald once aspired to teach. Working toward a master's in English at Cambridge, she became skeptical of the "deconstructionist" approach to literature espoused by the Yale professors she had revered as an undergraduate. Her love of language and problems of interpretation led her to Stanford Law School. She clerked for the liberal Judge Stephen Reinhardt, volunteered for the Natural Resources Defense Council, and took a job at the Environmental Protection Agency. But she pined for the classroom. "I realized," she says, "things in the humanities had gotten worse and worse, that identity politics had taken over. . . . I couldn't go home again." She set down roots at the Manhattan Institute, a conservative think tank, where she has worked since 1994.

Her views are heterodox. She would seem a natural ally of Jonathan Haidt and Greg Lukianoff, authors of "The Coddling of the American Mind: How Good Intentions and Bad Ideas Are Setting Up a Generation for Failure." They argue that college "snowflakes" are the products of overprotective childrearing, which creates oversensitive young adults.

Ms. Mac Donald doesn't buy it. Minority students disproportionately come from single-parent homes, so "it's not clear to me that those students are being helicopter-parented." To the contrary, "they are not getting, arguably, as much parenting as they need." If anyone is coddled, it's upper-middle-class whites, but "I don't know yet of a movement to create safe spaces for white males."

The snowflake argument, Ms. Mac Donald says, "misses the ideological component of this." The dominant victim narrative teaches students that "to be female, black, Hispanic, trans, gay on a college campus is to be the target of unrelenting bigotry." Students increasingly believe that studying the Western canon puts "their health, mental safety, and security at risk" and can be "a source of—literally—life threat."

She similarly thinks conservatives miss the point when they focus on the due-process infirmities of campus sexual-misconduct tribunals. She doesn't believe there's a campus "rape epidemic," only a lot of messy, regrettable and mutually degrading hookups. "To say the solution to all of this is simply more lawyering up is ridiculous because this is really, fundamentally, about sexual norms."

Society once assumed "no" was women's default response to sexual propositions. "That put power in the hands of females," Ms. Mac Donald says. "You didn't have to bargain every time you didn't want to have sex. The male had to bargain you into yes. But you could say no, and you didn't have to exhaust yourself." Sexual liberationists claimed men and women were alike, and chivalry and feminine modesty were oppressive. "Now, the default for premarital sex is yes," Ms. Mac Donald says. "That gives enormous power to the male libido" at the expense of women.

The #MeToo movement is one reflection of this reality, but so is the growing realization that consensual sex isn't always healthy sex. To get back to the "no" default, students are "inviting adults back into the bedroom to write rules that read like a mortgage contract," Ms. Mac Donald says. Young women, meanwhile, are learning "to redefine their experience as a result of the patriarchy, whereas, in fact, it's a result of sexual liberation."

In her book, Ms. Mac Donald writes that "the only upside to the whole sordid situation" is "taking the fun out of college sex." So does she oppose all premarital sex? "Huh," she says. She pauses to think it over before acknowledging it would be unrealistic. Yet she says there is a societal benefit to sexually frustrating young men: "Channeling the male libido into other pursuits, like writing poetry to girls, is a good thing. Channeling it into studying is also a good thing. To becoming an alpha male when you graduate afterwards so that you can then become an even more attractive marital mate—that's a good thing."

When it comes to race, Ms. Mac Donald's views are more conventionally conservative. She argues that minorities could overcome economic and educational disparities by embracing "bourgeois values." She opposes all forms of affirmative action, and believes admissions and hiring should be based solely on aptitude tests and objective measures of performance. She even opposes the University of California's guaranteed-admissions plan, which admits the top 9% of students from every California high school, regardless of the school's overall performance. The mechanism is a covert way to reintroduce race into admissions, she says, in violation of Proposition 209, which prohibits race and sex preferences in California's public institutions.

But don't students who rise to the top of mediocre or failing schools exhibit exactly the bourgeois values Ms. Mac Donald lauds? "Some of these schools—it doesn't take a whole lot to be an honors student; you basically show up," she replies. Even when disadvantaged students truly have shown exceptional work ethic, unless their test scores pass muster, "I think the mismatch is far too powerful a problem."

That refers to the theory that preferences set up their intended beneficiaries for failure. They're suddenly expected to perform beyond their proven capabilities and to compete with peers who earned admission through merit. This helps explain why universities may feel racially hostile despite the best efforts of admissions officers, faculty and administrators. Minority students may be excluded from study groups or chosen last for class projects because of aptitude, not race. "That's heartbreaking," Ms. Mac Donald says, "but if you come to a university with one or two standard deviations below your peers of academic qualifications, the gap doesn't close."

So without affirmative action, how can kids born into poverty and dysfunction ever escape their circumstances? Ms. Mac Donald questions the premise: "What I also find striking about the defenses of racial preferences is the extraordinary snobbery and elitism on the part of the most selective schools—the assumption is that unless you go to Harvard or UC Berkeley, life is over for you," Ms. Mac Donald says. "To escape poverty, you just need to graduate from high school, hold a job—any job, minimum-wage job, full-time—and wait until you get married to have children. Nearly three-fourths of all people who follow those simple rules are not poor."

To accommodate affirmative-action beneficiaries, Ms. Mac Donald says, universities have lowered standards and established majors focused on identity and oppression: "There's even talk of being able to major in social justice, so there's a blurring, in some cases, of the line between disinterested academic scholarship and activism."

Ms. Mac Donald admits she doesn't know how to reverse this trajectory. She entertains the idea that students themselves should know better: "I don't want to engage in my own victimology and absolve people of responsibility." Then again, she says, independent thinking is "hard to do when you have a critical mass of faculty who are promoting the narrative of ubiquitous discrimination."

What about the idea of actively enforcing viewpoint diversity? "I'm reluctant to have affirmative action for conservatives, just because it always ends up stigmatizing its beneficiaries," Ms. Mac Donald says. Still, she's concerned that as campuses grow increasingly hostile to conservatives, some of the best candidates may decide, as she did, that there's no space left for them.

Some conservatives attempt to match the hyperbole and theatrics of campus progressives. That isn't Ms. Mac Donald's approach. She understands "the thrill of bringing a Milo"—Yiannopoulos, a notorious provocateur—"who is absolutely fearless in using every rhetorical tool of contempt and derision at his fingertips to try and puncture politically correct nostrums. But it does allow the left to say, 'Oh, this is just a problem of these extremists.' " She declines to offer an opinion as to the wisdom of inviting Mr. Yiannopoulos to campus. But "to see *me* as a 'provocateur' is kind of ridiculous," she adds.

Leftist mobs don't make that distinction. As Ms. Mac Donald recalls the night in April 2017 when she needed a police escort and spoke to an empty hall at Claremont McKenna College, she stiffens, crosses her arms, and speaks softly.

The shades were pulled down at a guest suite-turned-safe house, she recalls, and the crowd outside grew louder and louder, chanting and wailing and drumming. "I don't want to sound melodramatic about this, because I was obviously not at huge risk of any physical danger," Ms. Mac Donald says. "But I did feel somewhat of an understanding of what the victims of the French Revolution felt, in waiting for the guillotine. Because you hear a mob that is, in fact, hysterical. And you don't know what's going to happen next."

What worries Ms. Mac Donald more than the mob is the destructive power of its animating ideas. If the university continues its decline, how will knowledge be passed on to the next generation, or new knowledge created? Ms. Mac Donald also warns of a rising white identity politics—"an absolutely logical next step in the metastasizing of identity politics."

"One of the great achievements of Western European civilization was to move beyond tribalism, to nation-states, to concepts of citizenship that transcend tribal identity," Ms. Mac Donald says. "And we've been playing with fire for the last 40 years in thinking we can keep this ethnic warfare thing at a low simmer rather than a hot boil."

Then there's the tragedy of individual students—those who wallow in victimhood yet enjoy an extraordinary privilege. As Ms. Mac Donald says wistfully: "They have at their fingertips what Faust sold his soul for, which is knowledge."

Ms. Melchior is an editorial page writer at the Journal.


TERRY SHOFFNER

Marsha Blackburn's Tennessee Turnaround

CROSS COUNTRY
By Glenn Harlan Reynolds

Knoxville, Tenn.

In a Senate race that should have been easy, Marsha Blackburn has had to work harder than expected. President Trump won Tennessee by 26 points, and many thought the eight-term Republican congresswoman would walk away with the seat being vacated by Sen. Bob Corker. But the Democrats made Mrs. Blackburn's life difficult by picking moderate former Gov. Phil Bredesen to run against her.

Mr. Bredesen is as popular as a Democrat gets in Tennessee. He's spent years crisscrossing the state doing retail politics—appearing at county fairs, VFW posts and chili suppers. He is competent and well-liked, a formidable foe. This week he even picked up the endorsement of music star Taylor Swift.

Even with these headwinds, Mrs. Blackburn's poll numbers are on the rise. Tennesseans didn't like how Senate Democrats handled the allegations against Brett Kavanaugh, and Mrs. Blackburn may be able to ride that wave to victory. But she shouldn't expect a smooth ride these last few weeks. Significant obstacles remain.

Consider Tennessee's unique regionalism. The state has three "grand divisions"—East, Middle and West Tennessee. Mrs. Blackburn is from Middle Tennessee and, recent polls notwithstanding, hasn't clicked as well on the campaign trail with voters outside her region. In particular, she's not well known in East Tennessee, the state's Republican stronghold.

This isn't a writer's trope. The three regions are enshrined in the state constitution. East Tennessee extends from North Carolina to the Cumberland Mountains. Middle Tennessee covers the Nashville Basin from the Cumberlands to the western part of the Tennessee River. West Tennessee goes from there to the Mississippi. These divisions have real consequences: The constitution provides that no more than two of the five justices on the Tennessee Supreme Court can come from the same grand division, and signs at the state line once welcomed visitors to "the 3 states of Tennessee." More important, they also reflect significant cultural and historical differences.

East Tennessee, which never had many slaves, was pro-Union during the Civil War and would have seceded from the Confederacy like West Virginia if it could have. Its population, mostly descended from small farmers and mountain dwellers, has a distinctive political history. Before the U.S. was founded, settlers in East Tennessee operated under their own constitution, the Watauga Compact. Later, East Tennessee was briefly the aspirational state of Franklin.

The Democrats' treatment of Kavanaugh may end up saving Corker's Senate seat for the Republicans.

Middle and West Tennessee are much more traditionally Southern. Until recently East Tennessee, with about 40% of the state's population, was heavily Republican while the other two divisions were Southern Democratic territory. Now the whole state has gone red, apart from its core urban enclaves. Still, differences remain. Historically, most of Tennessee's Republican politicians came from East Tennessee. And they were typically down-home, folksy deal-makers—Sens. Howard Baker Jr., Lamar Alexander and Mr. Corker.

Mrs. Blackburn is in a different mold: Less folksy, more flashy. She's running not as a deal maker but as a disrupter. She stands for building the wall and crushing Mr. Trump's "deep state" opposition. On substance, Tennesseans agree with these things. But on style, her fit in East Tennessee is less than perfect. Mr. Bredesen's down-home commercials and low-key speaking style are a better fit, even if the policies he'd support aren't.

It doesn't help that Mrs. Blackburn hasn't spent as much time in East Tennessee over the past several years as she might have, partly due to the demands of her congressional seat. It's not an accident that when Donald Trump and Mike Pence came to the Volunteer State in recent weeks, they both stopped in East Tennessee to gin up enthusiasm.

Mr. Bredesen has had his share of miscues. He touted a 16-year-old "A" rating from the National Rifle Association only to have the NRA indignantly point out that his current rating is a "D." He indulged in an extended equivocation on the Kavanaugh nomination before ultimately announcing that, were he a senator, he would vote "yes."

The Kavanaugh confirmation may end up saving Mrs. Blackburn's candidacy. Tennesseans have a strong sense of fairness, and—as befits the region's Scots-Irish character—a strong regard for matters of character and reputation. The Kavanaugh circus looked like Washington politics at its worst, and that seems to be helping Mrs. Blackburn, who's running ads tying Mr. Bredesen to Senate Minority Leader Chuck Schumer. In 2018 this may be enough to overcome her other weakness.

If Mrs. Blackburn wins, it will be a case of national issues outweighing local culture. And that will be fine with Mrs. Blackburn, and Mr. Trump.

Mr. Reynolds is a law professor at the University of Tennessee.

OPINION

REVIEW & OUTLOOK

A Royal Saudi Mess

The disappearance of dissident Jamal Khashoggi in the Saudi consulate in Turkey last week is a debacle that could have far-reaching consequences for the Middle East and U.S. interests. President Trump has to seek a full accounting lest he lose control of his foreign-policy agenda in the region.

The disappearance of a journalist could mean a crisis in U.S.-Saudi ties.

Mr. Khashoggi entered the consulate on Oct. 2 and there is no evidence he left alive. The Turks are whispering to everyone that they have audio surveillance tapes of Mr. Khashoggi's interrogation, torture and murder, though they have released nothing to the public. The Saudis deny foul play, but Turkish and U.S. intelligence say Saudi agents entered Turkey by private aircraft on the day that Mr. Khashoggi disappeared. The evidence is building that this was a kidnapping, or murder, ordered by senior officials in Riyadh.

All of this is a crisis for Mohammed bin Salman, aka MBS, the 33-year-old Crown Prince who has been using authoritarian methods to reform Saudi Arabia's economy, politics and culture. The Trump Administration has formed an especially strong alliance with MBS, and that has made sense given his desire to contain Iran, his willingness to cooperate behind the scenes with Israel, and his modernization agenda.

All of this is now at risk if MBS or one of his deputies ordered a hit on Mr. Khashoggi, who was arguably the Crown Prince's most important critic from his perch as a Washington Post columnist well known throughout the Arab world. MBS has developed a reputation for hell-bent decision-making, as in his war with Yemen. But it takes a special kind of reckless arrogance to think you can kidnap or kill a world-famous critic and get away with it inside a Saudi consulate on foreign soil. Vladimir Putin's critics are usually murdered in Russia.

Mr. Khashoggi is a more complicated figure than the liberal democrat he is portrayed to be in the Western press. He is a longtime member of the Muslim Brotherhood and favors Islamic theocracy, as John Bradley explains this week in the British Spectator. He has longtime ties to the Saudi royal family as a journalist and adviser, and some reports suggest MBS recently offered him a significant government post if he returned from exile in Washington, D.C. Some speculate that his refusal to accept that offer may have triggered the Saudi assault in Turkey.

None of this justifies a brazen murder, if that's what happened, which would be a blunder and a crime. The fiasco puts enormous pressure on aging King Salman, who put the Crown Prince in charge. The Saudi royal family can be like feuding Borgias in the best of times, and the rivals of MBS will see a moment to strike at his power and agenda.

The episode is not the fault of Mr. Trump or son-in-law and White House adviser Jared Kushner, despite the predictable claims of the American left. Any sensible U.S. Administration would support a Saudi reformer willing to help restrain Iranian military adventurism. But a murder of this sordid kind would inevitably have bilateral consequences.

Senators of both parties are already warning that the episode, if proven, could lead to Magnitsky Act sanctions on the individuals involved. U.S. military aid and cooperation could be at risk. Republican Senator Lindsey Graham says there would be "hell to pay." While the Saudis could buy arms from the Russians or Chinese if Congress balks, the U.S. can't afford an unstable Kingdom that would be vulnerable to Iranian or Sunni radical subversion.

Some of the most difficult foreign-policy decisions for any President are how to deal with authoritarian governments that offend American values but are important to U.S. interests. MBS seemed like a good bet as he pursued a more modern Saudi Arabia, but that has to be reconsidered if he is the architect of the Khashoggi disappearance.

Mr. Trump needs to show public concern, as he has, while the White House thinks through the consequences of American sanctions or policy change. The only people happy about all this reside in Tehran.

Freedom for an American Hostage

Two years after being unjustly imprisoned in Turkey, the American pastor Andrew Brunson is coming home, thanks in no small part to President Trump. On Friday a Turkish court convicted Mr. Brunson on unsupported terrorism charges, yet sentenced him to time served. This leniency was purportedly for good behavior, but more likely a response to U.S. pressure.

Trump used his leverage to bring pastor Andrew Brunson home.

"This is the day our family has been praying for," Mr. Brunson said. "My entire family thanks the President, the administration, and Congress for their unwavering support."

Mr. Trump had repeatedly raised the evangelical pastor's detention with Turkey's President Recep Tayyip Erdogan. After that failed to produce results, the Treasury Department applied sanctions, under the Global Magnitsky Act, to the country's justice and interior ministers. As the lira went into free fall this summer, Mr. Trump announced he planned to double tariffs on Turkish aluminum and steel.

This was a hard line to take with a NATO ally. But Mr. Brunson never should have been arrested. Swept up in 2016 after a failed Turkish coup, he was essentially Mr. Erdogan's hostage. The strongman suggested he would free the pastor if the U.S. handed over Fethullah Gulen, an imam in Pennsylvania whom Mr. Erdogan accuses, without credible evidence, of plotting the coup.

Credit to the White House for knowing when to ease up. After showing his seriousness, Mr. Trump softened his tone as Friday's court date approached, giving Mr. Erdogan room to back down.

Now the task is patching up relations with Turkey. U.S. officials have said Mr. Erdogan is also unjustly holding NASA scientist Serkan Golge, as well as employees of America's diplomatic mission. Washington and Ankara have common interests in the Middle East, such as pushing Iran out of Syria. Perhaps collaborating on these matters will be easier tomorrow. But today, as Americans reflect on the Brunson family's ordeal, it's enough to welcome a persecuted pastor home.

How Sears Lost Its Mojo

Sears, Roebuck & Co. is one of the most storied names in American retail—once perhaps as dominant as Amazon is today—but now the 125-year-old Sears Holdings stands on the brink of bankruptcy. Herein lies a parable of markets and mismanagement.

No amount of financial wizardry can make up for lost customers.

After amassing $5.5 billion in debt, Sears is facing a cash crunch with a $134 million payment due Monday. CEO Edward Lampert, whose hedge fund ESL is Sears's biggest creditor and shareholder, has been keeping the company afloat with short-term borrowing and financial gymnastics. But other creditors and investors are finally losing patience.

Sears began in the late 19th century as a mail-order catalogue that sold products once accessible only to city dwellers to rural Americans. Its reach into living rooms across America helped the growth of venerable manufacturers like Schwinn, GE and Whirlpool. During the post-World War II boom, Sears superstores catered to middle-class Levittowns. Washing machines, lawn-mowers, TVs, socks—Sears had you covered.

Over the next few decades, Sears diversified by launching its own auto shop business, appliance manufacturer and financial service unit that sold insurance, real estate and credit cards. "Socks and stocks" was the quip when Sears bought broker Dean Witter in 1981. But the synergy never worked, and the new businesses contributed to a defuse corporate organization. Meantime, Walmart, Target, Home Depot and Costco poached customers.

Enter Mr. Lampert, whose hedge fund won a controlling stake of Kmart in bankruptcy in 2003 and two years later merged with Sears. Mr. Lampert boosted profits by raising prices and spending less on advertising and store upgrades. The CEO warned shareholders in 2007 that, "Unless we believe we will receive an adequate return on investment, we will not spend money on capital expenditures to build new stores or upgrade our existing base simply because our competitors do."

Mr. Lampert used share buybacks to lift the stock price. Investors cheered as Sears' stock marched to a high of $133 in April 2007. But higher prices and unkempt stores eventually turned off customers. A lack of investment also hampered its ability to compete with Amazon, Overstock.com and e-commerce retailers.

Over the last seven years Sears has run more than $11 billion in losses as annual sales have fallen by half. To stanch the red ink, Mr. Lampert has sold unprofitable stores and turned to financial engineering. In 2015 ESL created a real-estate trust that acquired 266 Sears properties and leased them back to the retailer. ESL and the company's pension plan also issued short-term loans.

An era of low interest rates that whet investor appetites for higher yield helped sustain Sears' access to credit markets for a time. But vendors are now demanding immediate payment for inventory, and banks see no path to a turnaround outside of bankruptcy.

Sears may have been better off restructuring its debt years ago so it could make investments to better compete in the digital era. Target's online sales have grown 41% over the last year. Walmart is projecting 40% year over year e-commerce growth.

Bankruptcy will allow Sears to reduce its debt burden, though Mr. Lampert's ESL will have to swallow large losses that he no doubt wanted to avoid. Yet Sears will never recover if Mr. Lampert insists on starving the business of investment. Sears' travails are a reminder that short-term management rarely prospers.

LETTERS TO THE EDITOR

Why the Roman Catholic Church Will Endure

In "Catholics Torn as Abuse Wears on Their Faith" (U.S. News, Oct. 8), you wrote that "decisions that were once a given—like whether to attend mass, send their kids to Catholic school or even have their children baptized—have suddenly become agonizing." I think that is true for very few Catholics. The people are the body of the church, not the pope or clergy. It is not the Catholic faith that needs purging; it is the people who are corrupting it.

Anna Howland
St. Johns, Fla.

I am a seminarian for the Archdiocese of St. Louis. Most men rise at 5:30 a.m. and go to the chapel for an hour of silent prayer before we celebrate the Liturgy of the Hours and mass together. Many of these prayers are offered for all those who suffer, especially the victims of abuse. Although the clouds of scandal seem to loom over the entire church, I see clearly the light of grace shining through in the formation I am receiving.

Why would someone enter the Catholic clergy now? It guarantees that one will be dealing with fallout from the sins of an older generation. The answer is simple. We take Christ's words seriously that the Eucharist is his body and blood. We love Jesus Christ, and we love people, so we want to bring Christ into their lives. He alone can heal the wounds inflicted by former clergy, and he needs men to carry out his mission and to bring his healing presence in the Eucharist into people's lives.

Charlie Archer
St. Louis

I stay with the Roman Catholic Church during these tragic revelations of sexual abuse and scandal because I still recognize the great work of the church in my life and my family. It is through that great work that sexual abuse must cease.

Grace Spiewak
Park Ridge, Ill.

I grew up in a Catholic family, attended Catholic schools through high school and was an altar boy through the 12th grade. With what has happened recently, my advice to my son is: "Never let religion get between you and your God. Man created religion, not God."

Park Brady
St. Simons Island, Ga.

Nutmeg 'Moderates' Can Be Pretty Far Left

Regarding Allysia Finley's "Connecticut Voters Wonder Who'll Stop the Rain" (Cross Country, Oct. 6): Most Nutmeggers I knew during a 35-year stint there prayed for liberal policies and more taxes year after year.

Affluent voters in Connecticut enclaves within commuting distance of Manhattan are mostly social liberals who deem themselves to be fiscal conservatives or moderates. In Gallup's 2017 survey of political ideology (conservative, moderate or liberal) by state, Connecticut was one of nine states to rank as net liberal. Given that survey respondents self-identify their ideology, fiscal conservatives and moderates in Connecticut who want deficits reduced by raising taxes on the wealthy don't view "soak-the-rich" as being liberal. Former Gov. Lowell Weicker, a Republican who became an independent, is the poster child for Nutmeg State conservatism. He immediately instituted the state's first income tax. It has been onward and upward for taxes—and deficits—ever since.

Two decades ago Venezuela arguably had South America's most prosperous and educated people as well as the world's largest oil reserves, but 20 years of mismanagement turned the country into a fiscal basket case. Connecticut has been squandering its resources since the days of Lowell Weicker, letting underfunded pension problems fester, raising taxes and still running large deficits. Unlike Venezuela, Connecticut cannot print its own money, so residents aren't forced to use paper currency in lieu of scarce toilet paper. Connecticut's self-identified conservatives and moderates voted for the vicious circle of spend and tax that prompted many tax-revenue generators to flee to Florida.

Ron Penter
Naples, Fla.

Facebook's Orwellian Groupthink Triumphs

Facebook Inc. Chief Executive Mark Zuckerberg expressed frustration to employees that senior executive Joel Kaplan had attended the Supreme Court confirmation hearing of Mr. Kaplan's close friend Brett Kavanaugh ("Zuckerberg Vents On Aide in Hearing," U.S. News, Oct. 6).

Mr. Kaplan didn't speak on behalf of Mr. Kavanaugh at the hearing, didn't publicly defend Mr. Kavanaugh in public forums and didn't raise his Facebook credentials, much less assert them. He quietly sat two rows behind the witness table. That's it. This was hardly an overt political action.

The overt political action came when more than 600 employees at Facebook collectively pitched a temper tantrum. They didn't like the politics of the person who was Mr. Kaplan's friend. I can't imagine a similar scene if another senior Facebook official had been in the room when Christine Blasey Ford was testifying.

And Mr. Zuckerberg and Chief Operating Officer Sheryl Sandberg wonder why Facebook has such a problem with being perceived as leftist and slanted against moderate and conservative viewpoints?

V.C. Holton
Valdosta, Ga.

Predictably, Mr. Zuckerberg and Ms. Sandberg took the opportunity to proselytize at Facebook's employee meeting that it was important that the company "be a place where diverse political and social views aren't only tolerated but supported." If it were such a place, this meeting would never have been called.

Charlie Politi
Peoria, Ariz.

Good Network Management Requires Prioritizing Data

Traffic prioritization is an essential part of network management. California's net "neutrality" law ("California Breaks the Internet," Review & Outlook, Oct. 09) equates Netflix and YouTube (which together make up a staggering 50% of North American internet traffic during peak times (2018 Global Internet Phenomena Report) with 9-1-1 calls, which increasingly use voice-over-internet-protocol (VoIP) networks. That's not to mention government command and control services like fire departments and police.

In the coming years, 5G services like autonomous vehicles will depend on real-time alerts to make safety-related decisions on the road as well. Encourage ISPs to responsibly manage their own networks—which is their entire business—and have the FCC crush them if they fail.

Benjamin Morris
Alexandria, Va.

'Gritty' Is A Poor Choice For Progressive Left to Grab

Regarding Jillian Kay Melchior's "Antifa Appropriates a Creepy Mascot" (op-ed, Oct. 8): As a former player, coach and 60-plus-year fan of ice hockey, I should explain that "gritty" is the description of a player who plays physically, does the dirty work in the corners to get the puck and has the admiration of teammates and opponents for that style of play.

"Gritty" isn't a player who is a thug or a goon which thus disqualifies any would be appropriation by Marxist-influenced groups such as Antifa. And, by the way, the game of ice hockey is built on a merit-based hierarchy—which again disqualifies Antifa appropriation.

John Wheeler
Auburn Township, Ohio

CORRECTION

In "Bullitt," Steve McQueen's character runs under a taxiing Boeing 707. A Tuesday Arts in Review Story, "High-Octane Cool," misidentified the Boeing model.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"Sure, it's all inherited wealth, but if you knew my parents, you'd say I earned every penny."

Voices of Reason—and Unreason

DECLARATIONS
By Peggy Noonan

What did the Kavanaugh controversy tell us about our historical moment? It underscored what we already know, that America is politically and culturally divided and that activists and the two parties don't just disagree with but dislike and distrust each other. We know also the Supreme Court has come to be seen not only as a constitutional (and inevitably political) body but as a cultural body. It follows cultural currents, moods, assumptions. It has frequently brushed past the concept of democratic modesty to make decisions that would most peacefully be left to the people, at the ballot box, after national debate. So citizens will experience the court as having great power over their lives, and nominations to the court will inevitably draw passion. And this was a fifth conservative seat on a nine-person court.

Susan Collins put on a clinic in thoroughness and justice. Democrats need to stand up to the screamers.

But the Kavanaugh hearings had some new elements. There were no boundaries on inquiry, no bowing to the idea of a private self. Accusations were made about the wording of captions under yearbook photos. The Senate showed a decline in public standards of decorum. A significant number of senators no longer even pretend to have class or imitate fairness. The screaming from the first seconds of the first hearings, the coordinated interruptions, the insistent rudeness and accusatory tones—none of it looked like the workings of the ordered democracy that has been the envy of the world.

Two Republican senators this week wrote to me with a sound of mourning. One found it "amazing" and "terrifying" that "seemingly, and without very much thought, nearly half the United States Senate has abandoned the presumption of innocence in this country, all to achieve a political goal." The other cited "a truly disturbing result: One of the great political parties abandoning the Constitutionally-based traditions of due process and presumption of innocence."

At the very least, Senate Democrats overplayed their hand.

My bias in cases of sexual abuse and assault, and it is a bias, is in favor of the woman. I give her words greater weight because I have not in my personal experience seen women lie about such allegations, and I know the reasons they have, in the past, kept silent. If you know your biases and are serious, you will try to be fair—not to overcorrect but to maintain standards. On Sept. 16, the day the charges made by Christine Blasey Ford appeared in the Washington Post, I was certain that more witnesses and information would come forward. We would see where justice lay. The great virtue of the #MeToo movement is that the whole phenomenon was broken open by numbers and patterns—numbers of victims, patterns of behavior, and the deep reporting that uncovered both. In this case great reporters tried to nail down Ms. Ford's story. But they did not succeed. The New Yorker story that followed was dramatic but unpersuasive, a hand grenade whose pin could not be pulled. The final allegation, about rape-train parties and spiked punch, was not in the least credible.

It was Ms. Ford's story that was compelling, but in need of support or corroboration. It did not come.

SENATE TV VIA ASSOCIATED PRESS

Sen. Susan Collins announces her decision to vote for Brett Kavanaugh, Oct. 5.

It was a woman who redeemed the situation, Sen. Susan Collins of Maine. In her remarks announcing her vote, she showed a wholly unusual respect for the American people, and for the Senate itself, by actually explaining her thinking. Under intense pressure, her remarks were not about her emotions. She weighed the evidence, in contrast, say, to Sen. Cory Booker, who attempted to derail the hearings from the start and along the way compared himself to Spartacus. Though Spartacus was a hero, not a malignant buffoon.

Ms. Collins noted that she had voted in favor of justices nominated by George W. Bush, Barack Obama and Donald Trump. She considers qualifications, not party. She reviewed Brett Kavanaugh's 12-year judicial record, including more than 300 opinions, speeches and law-review articles; she met with Judge Kavanaugh for more than two hours, and spoke with him again for an hour by phone with more questions.

She judged him centrist in his views and well within the mainstream of judicial thought. He believes, he told her, the idea of precedent is not only a practice or tradition but a tenet rooted in the Constitution.

As to Ms. Ford's charges, since the confirmation process is not a trial, the rules are more elastic. "But certain fundamentally legal principles about due process, the presumption of innocence, and fairness do bear on my thinking, and I cannot abandon them."

"We must always remember that it is when passions are most inflamed that fairness is most in jeopardy." She called the gang-rape charge an "outlandish allegation" with no credible evidence.

At this point it was understood the Democrats had gone too far.

It is believable, said Ms. Collins, that Ms. Ford is a survivor of sexual assault and that the trauma "has upended her life." But the four witnesses she named could not corroborate her account. None had any recollection of the party; her lifelong friend said under penalty of felony that she neither remembers such an event nor even knows Brett Kavanaugh.

Ms. Collins said she has been "alarmed and disturbed" by those who suggest that unless Judge Kavanaugh's nomination was rejected, the Senate would somehow be condoning sexual assault: "Nothing could be further from the truth."

The atmosphere surrounding the nomination has been "politically charged" and reached "fever pitch" even before the Ford and other charges. It has been challenging to separate fact from fiction. But a decision must be made. Judge Kavanaugh's record has been called one of "an exemplary public servant, judge, teacher, coach, husband, and father." Her hope is he "will work to lessen the divisions in the Supreme Court so that we have far fewer 5-4 decisions and so that public confidence in our judiciary and our highest court is restored."

And so, she said, she would vote to confirm.

It was a master class in what a friend called "old-style thoroughness combined with a feeling for justice."

A word on the destructive theatrics we now see gripping parts of the Democratic Party. The howling and screeching that interrupted the hearings and the voting, the people who clawed on the door of the court, the ones who chased senators through the halls and screamed at them in elevators, who surrounded and harassed one at dinner with his wife, who disrupted and brought an air of chaos, who attempted to thwart democratic processes so that the people could not listen and make their judgments:

Do you know how that sounded to normal people, Republican and Democratic and unaffiliated? It sounded demonic. It didn't sound like "the resistance" or #MeToo. It sounded like the shrieking in the background of an old audiotape of an exorcism.

Democratic leaders should stand up to the screamers. They haven't, because they're afraid of them. But things like this spread and deepen.

Stand up to your base. It's leading you nowhere good. And you know it.

Is 'First, Kill All the Lawyers' the Democrats' New Credo?

By George Melloan

In Shakespeare's "Henry VI," Jack Cade promises a coup that will make him king, after which "all the realm shall be in common" with bounties for all. To which the murderous Dick the Butcher replies, "The first thing we do, let's kill all the lawyers."

This oft-quoted line has become a lawyer's joke, but Shakespeare no doubt also wanted to convey revolutionary zeal. If you destroy lawyers, you also do in the law. That would have suited Dick fine.

Fast forward to last Saturday, after Brett Kavanaugh concluded his own dramatic turn on the world stage by ascending to the Supreme Court. His Democratic tormentors, including California's 85-year-old Sen. Dianne Feinstein, don't want the drama to end. Up went the hue and cry that Justice Kavanaugh would "taint" future Supreme Court decisions. The Atlantic's Adam Serwer didn't leave it at that, screaming that all three branches of government had been befouled by "Trumpist corruption."

Maybe it's time for the Democrats to calm down. They probably aren't aware of it, since reading history has gone out of style, but their hatred of Donald Trump has now boiled over into what sounds like an attack on America's institutions. As the party of the left, they should be more careful about any such suggestion. Modern history records that it is the left, not the right, that has been more culpable in destroying institutions that protected citizens from authoritarian rule.

Mrs. Feinstein should know better. For someone in her position to suggest that Justice Kavanaugh's appointment "undermines the legitimacy of the Supreme Court," as she tweeted Saturday, is not quite equivalent to suggesting that we kill all the lawyers. But it does strike a blow against the sanctity of the judiciary. That is an offense more serious than the senator likely intended. It constitutes an attack on the rule of law—an institution at the heart of the much admired and widely emulated success of the American experiment in self-government.

Other large nations have tried similar experiments, which too often have led to disastrous failures. It is often forgotten that the Russians attempted to make representative government work, electing their first State Duma, or parliament, in 1906 and making some progress over 11 years until the effort was shattered by revolution. Lenin said the Bolsheviks "found power lying in the streets and simply picked it up." We know how that turned out; the Russian people are still living with its legacy.

China also made a feeble attempt at representative government after the overthrow of the Qing dynasty in 1911 but could not build the civil institutions to sustain it. As a result they eventually ended up with Mao, who like Stalin became responsible for the deaths of millions. Both dictators set about to abolish property ownership, and in the process murdered the owners themselves. In both cases, the vital missing institution was the rule of law, which those countries never had and couldn't achieve.

Their cries that the Supreme Court has been 'corrupted' evoke the rhetoric of totalitarians.

The tragedy of Venezuela in modern times is that the people elected a populist president, Hugo Chávez, who immediately began dismantling civil institutions. We see the results today as millions of Venezuelans flee their homeland.

America got lucky. Americans in 1776 did not revolt against the developing parliamentary government in London. They revolted against being excluded by a bumbling King George III from participating in the parliamentary process. So they broke away and set up their own representative government with a constitution that has held the nation together even at times of great strain, as in 1861. Brett Kavanaugh has shown from his appeals-court decisions that he is a constitutionalist.

It is not a good omen when leaders of a major party and its adherents in the press seem to justify lawlessness simply because they don't like the president the country elected. In National Review Online last weekend, Andrew C. McCarthy, a former federal prosecutor, reviews recent warning signs of this turn to lawlessness. One example was the FBI's use in 2016 of a fake dossier manufactured by the Democrats as a reason to spy on the Trump campaign. Under the title "The Left Criminalizes Politics By Weaponizing Investigations," Mr. McCarthy writes of the Kavanaugh hearings:

"The world has changed. People who care nothing about norms can no longer be dismissed as a fringe. For generations, left-wing activists have instructed students and other groups that norms are the building blocks of a rigged system that deprives them of power and denies their 'selfless' desires.

"We don't want to acknowledge what this has wrought. We have norms because they safeguard foundational principles, such as due process, the presumption of innocence, and freedom from unreasonable and unwarranted police prying. But the Left is no longer attached to those principles."

That's a pretty damning indictment with serious implications for the nation's future. Instead of looking for Republican "taint," maybe the Democratic fire-breathers should try a bit of self examination.

Mr. Melloan is a former deputy editor of the Journal editorial page. His book about the costs of bogus science will soon be published by Lyons Press.

When the Fever Passes, Learn From Trump's Taxes

BUSINESS WORLD
By Holman W. Jenkins, Jr.

Last Saturday's column on the New York Times investigation of Trump family tax dodging put aside the question of whether hefty inheritance taxes are good public policy.

Let's take it up now. Those who complained that my nondefense "normalized" Trump-era corruption miss an obvious fact. The events took place 30 years ago. It was already normalized. The Times itself has now run two op-eds making the same point. The appraiser who valued Trump property for tax purposes, according to the paper's investigation, was a "favorite of New York City's big real-estate families." Trump family lawyers and accountants were the same ones used by other real-estate developers. The family's returns were approved and accepted by the New York State Department of Taxation and the Internal Revenue Service.

You might ask: If Times reporters can decide 30 years after the fact the Trumps didn't pay enough taxes, why didn't enforcement agencies decide so at the time? Trump projects were important to the city. The Trumps were big donors. Fred Trump (whose taxes we're mostly talking about) had been tight with Mayor Abe Beame. Trump advisers would have known to a fine degree what they could get away with because they'd been working the angles for many years on behalf of many clients. Beware of the Times's assumptions about the valuations morass. Not everything is required to be valued at market prices.

There's a lesson here. The tax code isn't just the rates but the loopholes and gray areas. An intelligent person wonders why it's so full of features that work at cross-purposes. Unfortunately, a lot of people have an interest in a complicated tax system, politicians most of all. They want credit for soaking the rich, but they also want to be on friendly terms with their rich constituents, and they don't want the economic consequences of deterring work and investment. In New York City, these economic consequences tend to be nonabstract. Witness Donald Trump's success in going on local TV to lobby for city-granted tax abatements for projects popular with the public and the building trades.

For once a politician was honest about all this when President Obama said he favored high taxes on the wealthy as a moral stance even if the economic consequences were bad. We should applaud him. If all politicians defended their preferences so honestly, voters surely would be able to make better decisions.

Since the JFK administration, if not before, good-government types have seen the best tax code as one with low rates and few loopholes, that maximizes voluntary compliance and minimizes incentives for tax gaming. The inheritance tax, with a 40% rate that nobody pays, a large exemption and multiple escape hatches, isn't an example. A half-step toward sanity was the 2017 Trump corporate tax reform. The corporate income tax is among the least efficient—the cost of compliance and tax-dodging is high in relation to money raised. And by the way, lots of Democrats knew this until it turned out that reform might finally pass under the Trump Republicans.

The way it usually works, a column like last Saturday's will catch fire on Twitter (which I ignore) and then 24 hours later abusive emails start arriving in my inbox from people who didn't read it and probably didn't have access through the Journal paywall. Often these emails quote one line taken out of context.

For instance, my wisecrack about journalists who fail to obtain legally valid fishing licenses was explained in the next sentence. The myriad conflicting laws under which all of us operate are fodder for selective exposés of people sufficiently newsworthy to justify the expense. New York's other real-estate operators from the 1980s won't have their tax dealings dissected by the Times. Donald Trump will. For that matter, the Times glories in the leakage of private Trump tax documents that provided much of its source material. The Times wouldn't glory if an internal whistleblower decided the world also needed to know who did the leaking, though this person's motives and actions are, in a sense, more newsworthy than 30-year-old Trump family tax returns.

Finally, we come to splitting. Splitting, or compulsive, neurotic reordering of all persons and things as either good or bad, was originally seen as a feature of borderline-personality disorder. To such people it often seems the central purpose of mental life. Now it's widely understood to be the normal behavior of the human brain when wound up on socially constructed ideological rage.

It's true my column failed to contain a single sentence saying Donald Trump is bad (or good), and was written for an entirely different purpose. Splitting is the workaday style of many commentators, however.

They constantly remind readers which persons must be seen as good and bad. It's dreary work and hard to read on a regular basis, but it manifestly serves a market purpose. It provides a steady, droning point of orientation—like a social Global Positioning System—for millions of citizens who don't follow public debates closely and need to check in very occasionally to see if conventional opinion has changed.

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Babysitters Club
You're not the only one who's not paying the 'Nanny Tax' **B2**

Inside an iPhone
The inner workings, from charging coils to taptic engines **B4**

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China's Precarious Tech Boom

Welcome to the land of 'unicorns' and free meals. The rewards are rich, as are valuations. And the risks are rising.

BY PHRED DVORAK AND LIZA LIN

We've seen it before: the crazy spending, the stratospheric valuations. Twenty years later, it looks like the dot-com boom all over again, but this time the players are much bigger—and Chinese.

A Beijing-based startup that lets consumers order coffee via smartphones raced into so-called unicorn territory—a $1 billion valuation—in seven months from launch. The value of another firm, billed as an "Uber for trucks," has soared to 300 times 2017 revenue; Uber Technologies Inc. itself is worth only about 10 times revenue.

But where some investors see dynamic exuberance, others see a market increasingly threatened by a confluence of forces including onerous domestic regulations and global trade tensions. The biggest risk? Another dot-com reckoning, the Chinese version of a cycle that erased billions of dollars of value from America's tech sector in the 2000s and chilled tech investment for years.

There are already signs of such a shake-out as China's publicly traded tech companies were buffeted this past week by a global tech-stock selloff and jitters from the escalating trade spat between Beijing and Washington. While the broad Shanghai Composite

Food-delivery couriers for Ele.me and Meituan wait to deliver food in Shanghai, above; couriers for Didi Waimai gather in Zhengzhou, left.

was down 7.6% this past week, the tech-heavy Shenzhen market lost 10.1%.

Also, Washington recently accused Beijing of tech-related spying and raised concerns about human-rights violations. Potential U.S. sanctions against Chinese tech companies could result in the disappearance of a major market for their products.

Between government pressure at home, tensions with the U.S. abroad and stock-price falls, China's internet giants, which support a good deal of the country's tech growth, "now somewhat suddenly find themselves between a rock and a hard place," says Paul Triolo, a technology analyst at think tank Eurasia Group. "These problems are only going to get worse."

$70B
invested in U.S. startups this year

$71B
invested in Chinese startups this year

SOURCE: VENTURESOURCE

For now, the boom times continue in the startup arena. Not only are China's 109 unicorns worth more than the 127 U.S. billion-dollar-plus startups—$557 billion in total compared with $478 billion—but they also became unicorns considerably faster than their U.S. peers, data from Dow Jones VentureSource shows.

Sequoia Capital, among Silicon Valley's

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Consumer Loans Buoy Bank Profits

JPMorgan, Wells Fargo, Citi report higher profit

The good times keep rolling for the biggest U.S. banks, with consumers easily absorbing higher borrowing costs and the economy shrugging off trade spats, political strife and market swoons.

By Telis Demos, Peter Rudegeair and Emily Glazer

JPMorgan Chase & Co., **Citigroup** Inc. and **Wells Fargo** & Co. posted double-digit profit increases in the third quarter, largely because of a pickup in income from consumer lending and spending.

Rising interest rates make it more expensive for households to maintain a borrowing binge that has reached record highs in some categories, yet banks reported Friday that default rates improved in the latest quarter.

Markets around the world struggled in the past week to come to terms with how rising interest rates and government bond yields will ripple through the economy, as well as with the impact of U.S. antagonism toward key trading partners.

Fears that higher borrowing costs could lead to a slowdown in consumer spending and business investment helped drive the Dow Jones Industrial Average down 5% over Wednesday and Thursday. Yet bank executives said underlying economic trends are encouraging.

"Most of the consumer credit written since the Great Recession has been pretty damn good," JPMorgan Chief Executive James Dimon said a conference call Friday morning. He added that didn't expect the strong performance of the U.S. economy to diminish soon "in spite of these increasing overseas geopolitical issues bursting all over the place."

Executives brushed off the market's recent sharp move, which roiled their own stocks.

"The U.S. economy is performing very, very well, and the Fed has been moving steadily upward over the past two years," Citigroup finance chief John Gerspach told reporters on a conference call on Friday.

JPMorgan's third-quarter profit rose 24% from a year earlier, to $8.4 billion, and Wells Fargo's earnings were up 32% at $6 billion. Citigroup's profit rose 12%.

U.S. consumers, excluding their mortgages, now owe a record $4 trillion in the form of student loans, auto loans and credit cards. Despite higher debt loads, households are paying out just under 10% of their disposable income.

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◆ Heard on the Street: Banks are just fine with rising rates........................ B14

EXIT INTERVIEW | TIMOTHY MAYOPOULOS

How Fannie Mae Bounced Back—Humbled

BY NICK TIMIRAOS

Fannie Mae was receiving massive capital infusions from the Treasury Department, managing tens of thousands of foreclosed homes and facing bipartisan calls for its abolition when Timothy Mayopoulos joined the mortgage-finance company nine years ago as general counsel.

Mr. Mayopoulos is set to step down Monday after six years as CEO. While the company and its smaller cousin, Freddie Mac, still operate under federal control through a legal process known as conservatorship, the firms' fortunes have rebounded along with the recovered U.S. housing sector. Fannie and Freddie remain at the center of America's $10 trillion home-loan market.

Before joining Fannie, Mr. Mayopoulos was Bank of America Corp.'s general counsel—until then-Chief Executive Kenneth Lewis, who lived down the street from him in Charlotte, N.C., had him replaced on the eve of the bank's 2008 acquisition of Merrill Lynch & Co.

From swivel chairs in a quiet corner of the company's new

open-office headquarters in downtown Washington, Mr. Mayopoulos spoke about Fannie's comeback and future, and his own. Here, edited excerpts from his interview with The Wall Street Journal.

WSJ: What was the biggest challenge you faced at Fannie?

Mr. Mayopoulos: The first challenge was just trying to stabilize the company and housing markets. Millions of people in foreclosure, and that was an enormous challenge for which there was no real playbook. The next challenge

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Facebook Trims Total Hit by Hack

Company estimates 30 million users exposed

BY KIRSTEN GRIND

Facebook Inc. said fewer users than it initially thought were exposed to hackers two weeks ago in the largest-ever security breach at the social-media giant—and the company detailed for the first time the extent of personal information that was accessed.

In a blog post Friday, Facebook said 30 million users had their access tokens stolen, as opposed to the original estimate of 50 million. The tokens are digital keys that keep people logged into social-media site.

The company said hackers "exploited a vulnerability" in its computer code between July 2017 and September 2018. Facebook discovered the attack Sept. 25 and stopped it two days later.

"We now know that fewer people were impacted than we originally thought," Guy Rosen, vice president of product management, said in the blog post.

Please turn to the next page

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

SEARS HOLDINGS CORP.

SHLD 17%

A dominant player during the rise of the American consumer, Sears is poised to join a growing list of casualties in the ongoing retail upheaval.

Facing a large debt payment, the cash-strapped retailer said it had hired advisers to prepare for a bankruptcy filing. Sears stock, which once traded as high as $144 a share, **fell 17% to 49 cents Wednesday** on the news. As of late Friday, there has been no filing as Chief Executive Edward Lampert and lenders neared terms on a bankruptcy plan that may include keeping some of the 125-year-old chain's stores open.

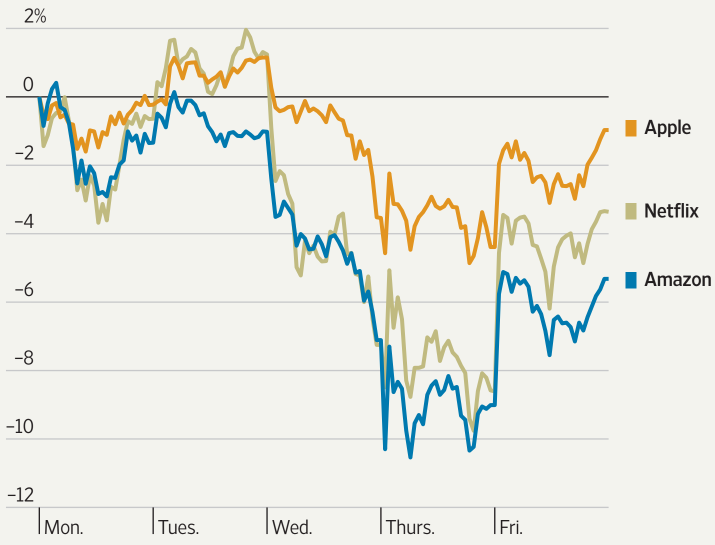
ALPHABET INC.

GOOG 1%

R.I.P. Google+ (2011-2018). Alphabet killed its social network Monday after The Wall Street Journal reported that Google failed to disclose a flaw on the site that exposed the data of hundreds of thousands of users this past spring for fear that doing so would draw regulatory scrutiny and cause reputational damage. Launched in 2011 with the intent to dethrone Facebook Inc., Google+ failed to catch on with consumers. Investors sent Alphabet **shares down 1% Monday**. Alphabet stock notched another 1% drop Tuesday after its latest mobile and home gadgets met muted response.

PERFORMANCE OF HIGH-GROWTH TECH STOCKS

Source: SIX



NETFLIX INC.

NFLX 8.4%

The technology sector got hammered this past week as investors came to fret that the Federal Reserve's steady pace of interest-rate increases could cool stocks. High-growth tech stocks, including Netflix, Amazon.com Inc. and Apple Inc., took the brunt of a selloff as investors looked to defensive stocks. The trio of tech giants lost nearly $120 billion in value, with Netflix leading the way, **dropping 8.4% Wednesday**.

STARBUCKS CORP.

SBUX 2.1%

Activist investor William Ackman on Tuesday disclosed that his hedge fund has built a roughly 1.1% stake in Starbucks, a so-far friendly bet on the coffee chain's long-term growth prospects. He predicted shares could double over the next three years if the company's management successfully navigates challenges including leadership changes and slowing sales in some markets. Shares **rose 2.1% Tuesday**. (In an active week for activists, Nelson Peltz's activist hedge fund Trian Fund Management LP said it had built a 2.9% stake in the paint maker PPG Industries Inc.)

LVMH MOËT HENNESSY LOUIS VUITTON SE

LVMUY 7.1%

LVMH shares were marked down Wednesday after the world's biggest luxury company reported a slowdown in sales among Chinese shoppers. LVMH's quarterly revenue was up 10% from the year-ago period but down from the prior two quarters of 2018. While the results were roughly in line with forecasts, they stoked investors' fears that China's economic slowdown is causing its big-spending shoppers to shut their wallets. LVMH stock **tumbled 7.1% Wednesday**. Others in the luxury sector, including Gucci parent Kering SA and Burberry Group PLC, also fell.

DELTA AIR LINES INC.

DAL 3.6%

Jet-fuel prices may be skyrocketing, but so are the number of Americans flying premium. Delta reported Thursday an 8% jump in third-quarter revenue that nearly offset higher costs from fuel and disruption from Hurricane Florence in September. The No. 2 U.S. carrier by traffic said a healthy economy led to strong demand and an uptick in premium ticket sales, though the airline warned that the industry's profitability will suffer if fuel prices keep rising. While Delta stock is down about 10% so far this year, shares **climbed 3.6% Thursday**.

JPMORGAN CHASE & CO.

JPM 1.1%

The country's largest bank by assets saw its profit jump 24%, as an uptick in the consumer banking division helped overcome weaker trading. JPMorgan's consumer bank profit rose 60% from a year earlier, in part due to rising interest rates. In Friday's earnings call, CEO Jamie Dimon predicted the run-up in rates is not over and warned that such increases combined with "overseas geopolitical issues" could halt U.S. economic growth. JPMorgan **fell 1.1% Friday**. Citigroup Inc. and Wells Fargo Co., which also posted profit gains Friday, rose 2.1% and 1.3%, respectively.

—Laine Higgins

TAX REPORT | LAURA SAUNDERS

Almost No One Pays the 'Nanny Tax'

But many households should probably start; 'this is like fire insurance'

A number of prominent Americans have been caught neglecting to pay taxes on their child-care help. They're not alone.

New research provides evidence of the massive underpayment of "Nanny Taxes" due on household wages earned by domestic help such as child- and elder-care workers, maids and drivers—and their employers.

According to economist Brian Erard, only 5% of 3.6 million American households that should be filing forms and paying federal taxes related to household help are doing so.

This issue famously surfaced in 1993, when Zoe Baird's nomination by President Clinton to be the first woman U.S. attorney general was derailed by Nanny Tax issues.

More recently, Office of Management and Budget Director Mick Mulvaney said he realized when being vetted for the job that he failed to pay $15,000 in federal taxes and fees for babysitting. He said he was paying what he owed, and was confirmed last year.

Nanny Tax noncompliance is far more common than news stories show. Mr. Erard puts the total federal "tax gap" for domestic workers—i.e., the amount owed but not paid—at between $3.3 billion and $5.7 billion for 2015. Overall, he says, Americans pay less than one-third of Nanny Taxes owed, compared with about 82% of all federal taxes owed, according to IRS estimates.

Compliance may also be falling. In 1995, after the IRS simplified tax filings for employers of domestic help, the number of forms filed was nearly 300,000. In 2016, the latest data available, it was about 181,000.

Mr. Erard's research, which analyzed data from the Internal Revenue Service, Census Bureau and Labor Department, was funded by the International Nanny Association, an umbrella group representing in-home child-care workers and allied businesses, and presented at a June conference sponsored by the IRS and Tax Policy Center.

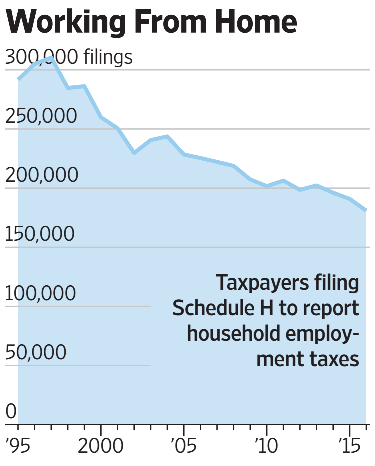
Some domestic workers want to be paid off the books. If so, many will miss out on valuable benefits, such as Social Security disability and old-age payments, the Earned Income Tax Credit, and a health-insurance tax credit.

For employers, complying with the law can be onerous. Still, David Lifson, a certified public accountant at Crowe in New York with many high-net worth clients, insists on compliance. "I tell my clients, 'You wouldn't buy an expensive house and not have fire insurance. This is like fire insurance.'"

Employers often have far more hassles complying with state than federal rules, he adds. That's because they can file one form annually for federal taxes, but states often require quarterly reporting and filings to different agencies. Andy Mattson, a CPA with Moss

ELLEN WEINSTEIN

Working From Home



Sources: Internal Revenue Service; Brian Erard

THE WALL STREET JOURNAL.

Adams in Campbell, Calif., says his state's rules are so complex that he requires clients to use a domestic-help payroll service.

One such national service, Care.com HomePay, said it generally charges about $1,000 a year per employer to do federal, state, and local reporting for domestic help.

The IRS hasn't announced a campaign to spur Nanny Tax compliance, although it may look harder at this issue given Mr. Erard's research. Here are details that employers of household help should know.

◆ **Required reporting and payments.** The employer reports annual wages paid on Schedule H to the IRS and gives a W-2 form to the employee shortly after year-end.

If the wages were more than $2,100 for 2018, then a 12.4% Social Security tax is due on amounts up to $128,700. Typically this levy is split between the employer and worker, but some employers agree to pay the whole tax.

Medicare tax of 2.9% of wages is also due, typically split between employer and worker. There's no wage cap. Employers also owe a small federal unemployment tax.

These taxes are paid to the IRS, which sends them on. Income-tax withholding isn't required for domestic workers.

As noted earlier, state and local authorities have additional requirements.

◆ **Employee vs. independent contractor.** Some employers of domestic help say their household workers are contractors responsible for their own work and taxes.

Warning: Specialists say this argument almost never holds water, unless the worker is from an agency such as a cleaning or gardening service. The legal standard is complicated, but a key element is that the employer has the right to control how the work is done.

◆ **Documented vs. undocumented workers.** By one estimate, 22% of household workers are undocumented immigrants.

This is a complex area, and payroll and tax preparers often won't handle immigration issues. Some states don't accept taxes from workers without Social Security numbers, says Kerri Swope, an executive with Care.com HomePay.

The IRS accepts payments if the worker has an Individual Tax ID Number (ITIN). It almost never shares such information, and a record of tax payments may be useful in gaining legal status.

Undocumented workers don't qualify for many tax benefits, but those who become legal can claim credit for past Social Security taxes paid.

◆ **Tax benefits for employers of help.** Ms. Swope says that people with access to Flexible Spending Accounts for child care in their own workplace can save up to $2,300 a year in federal and state taxes on payments to household help.

Such accounts allow workers to pay child-care expenses with pretax dollars up to $5,000, depending on the plan.

If the taxpayer doesn't have such a plan, the Child and Dependent Care tax credit may help. It often reduces taxes up to $600 for one child and $1,200 for two or more.

To receive the tax credit, the taxpayer must provide the name and ID number of the caregiver.

Facebook Details Data Breach

Continued from the prior page

Of the 30 million involved, Facebook said 14 million were the most affected. They had their names and contact details—including phone numbers and email addresses—accessed, along with such data as their gender and relationship status, as well as the last 10 places they checked into and 15 most recent searches.

Fifteen million others had their names and contacts accessed.

The attackers didn't get any information from the million remaining users who were vulnerable in the security breach.

In some cases, it is possible private messages of users were compromised if they were acting as an administrator on any of the pages that were targeted, Mr. Rosen said. He said the breach didn't affect Facebook's Instagram, WhatsApp or Facebook Messenger units.

In a call with reporters Friday, Mr. Rosen declined to say who might have been behind the attack. He said the company is working with the Federal Bureau

It remains unclear who the hackers were and how the stolen data may have been used.

of Investigation and that the agency has asked Facebook not to discuss the identity of the perpetrators.

Facebook also declined to give a geographic breakdown of users who were affected.

It is not clear how the stolen data may have been used. Mr. Rosen said he hasn't seen any evidence of the data on the "dark web"—a network of websites used by hackers and others to share information and where stolen information often changes hands.

Facebook's security breach comes as the social network is still trying to win back the trust of its 2 billion users after a series of missteps in the last year. Earlier this year, the company said the data of millions of users was improperly shared with Cambridge Analytica, an analytics firm with ties to President Trump's 2016 campaign.

Facebook on Friday gave more detail on how hackers were able to carry out the attack. It said they started with a smaller set of accounts that they controlled and were connected to Facebook friends. Then they moved from account to account through those friends, stealing the access tokens as they fanned out.

Facebook said it would be notifying the 30 million users whose accounts were affected, including those who may have since shut down their Facebook accounts.

Mr. Rosen said Facebook is "working around the clock" on the security breach and "we have not ruled out the possibility of smaller, lower level access attempts during the time of the exposure."

Estée Lauder Prevails In Court

By Vipal Monga And Jaewon Kang

TORONTO—An Ontario court judge sided with cosmetics giant **Estée Lauder** Cos. in its legal fight against Deciem founder Brandon Truaxe, ordering his removal from the skin-care company he started in 2013.

"Urgent relief is necessary in order to save this business," Ontario Superior Court Judge Michael Penny said, citing Mr. Truaxe's recent behavior in his decision. The order, which takes effect immediately, strips Mr. Truaxe of his chief executive title and seat on Deciem's board.

Early this week, in a video posted to Deciem's Instagram account, Mr. Truaxe announced the Toronto-based company would "shut down all operations until further notice," citing "major criminal activity" by its employees. The move prompted Estée Lauder, which owns a minority stake in Deciem, to file a lawsuit seeking Mr. Truaxe's removal.

"It appears that Mr. Truaxe's behavior is not his normal behavior and he may be suffering from some type of psychiatric problem," Judge Penny said during the hearing. Efforts to contact Mr. Truaxe through social-media accounts weren't successful.

Mr. Truaxe has the right to dispute the court's ruling but so far has given no indication he will do so; he wasn't represented at Friday's hearing. According to the judge's order, he will be replaced by Deciem's co-CEO, Nicola Kilner.

Deciem will resume operations and Ms. Kilner was ready to reopen stores that had been closed, a lawyer representing Deciem said at the hearing. Ms. Kilner joined Deciem in 2013 from Walgreens Boots Alliance Inc.

"We are pleased with the court's decision today, and will be working closely with Deciem's leadership team to support and guide them as they resume operations," an Estée Lauder spokeswoman said in a statement.

Deciem, which sells brands like The Ordinary, was founded in 2013 and expanded beyond Canada into the U.S., U.K. and elsewhere, as its affordable makeup and skin-care products developed a cultlike following.

In the Instagram video, Mr. Truaxe claimed that "almost everyone" at Deciem has been involved in the alleged criminal activity including financial crimes. He didn't elaborate, but the post went on to list various celebrities, executives and investors without indicating their relevance.

Sears Nears Deal for Bankruptcy

Emergency financing from lenders would allow retailer to keep open about 300 stores

By Lillian Rizzo And Suzanne Kapner

Sears Holdings Corp. is inching closer to a deal with lenders about a bankruptcy plan that would close at least 150 stores and provide a lifeline loan to maintain a small footprint of about 300 locations, according to people familiar with the matter.

As part of the deal, the lenders, including Bank of America Corp., Wells Fargo & Co., and Citigroup Inc., would provide emergency financing of up to $500 million, the people said. Sears is expected to file for chapter 11 bankruptcy on Sunday, the people said. The filing would come ahead of the repayment of $134 million in loans Sears must make on Monday.

The company currently has about 700 Sears and Kmart stores, one of the people said. Under the proposed reorganization plan, Sears would close roughly 150 stores immediately, the person said. An additional 250 stores will be under evaluation, while about 300 stores that are considered more viable would remain open.

The Wall Street Journal first reported on Tuesday that the 125-year-old retailer hired M-III Partners LLC, a boutique advisory firm, to prepare a bankruptcy filing. How much short-term financing the company is able to line up before its filing will help determine whether Sears can continue as a going concern and how many stores survive.

The Kenmore brand and the company's auto centers could be sold after a filing.

Initially, the banks took a harder stance and were willing to provide only so-called debtor-in-possession financing that would allow Sears to sell inventory and close all of its stores. But as discussions progressed, the parties coalesced Friday around a plan to keep Sears operating with a much smaller footprint, the people said.

Assets such as the Kenmore appliance brand and the Sears Auto Centers could be sold once the company files for bankruptcy, one of the people said. One potential bidder is hedge-fund manager Edward Lampert, according to a person familiar with the situation.

Mr. Lampert, who is Sears's chairman, chief executive, largest shareholder and biggest creditor, offered to buy Kenmore for $400 million in August. The deal never received the blessing of a special committee of Sears's independent directors. And the proposal was put on hold after it became clear that creditors wouldn't support a broader out-of-court restructuring proposed by Mr. Lampert.

Mr. Lampert, who has controlled Sears for more than a decade, has repeatedly bailed out the retailer with short-term loans. However, he is unwilling to lend further money if a reorganization plan isn't agreed upon with the banks, one of the people have said.

The banks are the principal lenders on a $1.5 billion asset-backed credit facility secured by inventory, as well as credit-card and pharmacy receivables.

—Soma Biswas contributed to this article.

◆ The rise and fall of an American icon.................. B6-B7

ON BUSINESS | JOHN D. STOLL

Lampert's Non-Strategy to Save Sears

For many years, it was a favorite corporate guessing game: What is Edward Lampert's ultimate plan to reinvigorate Sears? It's time to consider the possibility that he really didn't have one.

A reading of Mr. Lampert's 15 annual chairman letters suggests he believed he could outmaneuver rivals he considered bloated overspenders. The hedge-fund veteran formed **Sears Holdings**, the 2004 marriage of Sears and Kmart, when the company had $55 billion in revenues, rivaling **Target** Corp. and dwarfing **Macy's** Inc., but spending far less on store remodels or other expansion.

Amazon.com Inc. has reshaped retail in the years since, forcing retailers to retrench, many turning to strategies that require hefty investments in online shopping tools and pricey upgrades to physical stores.

"Eddie came into the job with the view he was going to run a retail business his own way, and he did not believe in the conventional wisdom," said Mark Cohen, a former chief executive of Sears Canada and marketing chief at Sears. "It didn't work."

Not long after the $11.5 billion Sears-Kmart deal, Mr. Lampert wrote that there was no "single grand strategy" for Sears.

He was reluctant to commit capital to fresh ventures. Despite a plan to convert Kmart's freestanding locations into Sears stores, he said "we will not simply throw money behind any concept, but instead will test, evaluate, refine and 'prove the math' so that the investment is justified." Initiative after initiative met an equally tepid commitment, failing to attract the investment needed to gain traction.

There was the plan to convert Kmart into an e-tailing powerhouse with stores serving as pickup spots. (Today, a similar, multiyear push is helping Best Buy Inc. make a comeback.) But Sears's technology spending was paltry compared to Walmart Inc., Target and Amazon. Walmart spent more than $2 billion on e-commerce in fiscal years 2015 through 2016, roughly equal to Sears's capital expenditures for this entire decade.

Efforts to make apparel offerings trendier, such as the Kardashian Kollection, kollapsed kwickly.

"There was a lot of underinvestment," Greg Melich, a retail analyst at research firm MoffettNathanson. Messrs Cohen and Melich say Sears was not well run before Mr. Lampert arrived. Stores were outdated and operations were inefficient. "But his value creation strategy didn't help," Mr. Melich said.

Mr. Lampert, who started an investment firm in the 1980s and made his name as a hedge-fund pioneer, entered the retail industry as many companies were spending billions annually on new stores. Mr. Lampert, in annual letters, said he didn't need to keep up with Target or Home Depot because Sears' collection of more than 2,000 stores was more than enough.

But Sears invested just $4 billion in capital expenditures between 2006 and 2017, including upgrading stores or creating initiatives like a loyalty program that gleaned data from customers. That represents less than 1% of revenue during that time, compared to Target and Macy's spending 4% of revenues.

While Sears spent $6 billion on share buybacks, those two rivals aggressively repurchased stock during that period, too, but not at the expense of innovation. Target spent roughly $23 billion on stock repurchases during the time, but dished out $31.6 billion for capital improvements.

Mr. Lampert could not be reached for comment, but he has repeatedly refuted claims he starved Sears and Kmart, saying the company has been unfairly treated and that hundreds of millions in tech spending has been ignored.

In pushing for a better return on investment that never materialized, Mr. Lampert lost sight of the most important player in retail: The customer.

"When someone pulls up to a Kmart or Sears they don't see ROI," Mr. Cohen said. "They see light bulbs that are burnt out, potholes in the parking lot and a front door that looks like it was hit with a sledge hammer."

Mr. Lampert didn't just fumble the company's legacy. He misjudged the company's future. A recent study by research Edison Trends found Sears's e-commerce sales were just 17% of Macy's even though overall revenue was roughly two-thirds that of Macy's.

Mr. Cohen, who now teaches at Columbia Business School, said Sears's long legacy as the leader in catalog sales and early experiments with the internet laid a foundation for a different destiny for the company whose ads once boasted it was "where America shops."

"Sears could have been Amazon," he said.

SHANNON STAPLETON/REUTERS

'Store closing' signs advertise discounts at a Sears in New Hyde Park, N.Y., as the retailer seeks a deal that would keep some stores open.

Chinese Auto Market Heads for Rare Decline

By Trefor Moss

SHANGHAI—Auto sales in China fell for a third straight month in September, as the country's auto sector faces what looks to be its first yearly decline in passenger-car sales in almost three decades.

Fragile consumer confidence amid a falling stock market and U.S.-China trade tensions led to weak September results for most auto makers, as overall sales fell 11.6% from a year earlier to 2.39 million vehicles, the government-backed China Association of Automobile Manufacturers said Friday.

That followed declines of 3.8% in August and 4% in July. For the first nine months of the year, sales increased 1.5% on a strong performance in the first half.

"We underestimated the impact" of China's slowing economy, said Xu Haidong, the association's assistant secretary-general. Its full-year forecast was for growth of 3%, but he said that is now unrealistic.

Passenger-car sales fell 12% to 2.06 million in September, for a third-quarter decline of 7.6%.

Nomura Securities Co. said Thursday it expects fourth-quarter sales to fall 7.5%, resulting in a full-year decline of 1.6%, which would be the first annual decline for China's passenger-car market since 1990.

Commercial-vehicle sales fell 8.4% in September, though for the first nine months of the year they were up 6.3%. Electric cars were a bright spot, with their September sales rising 55%.

The recent stagnation in Chinese sales is shocking for foreign auto makers that have come to rely on China for global growth. In 2016, passenger-car sales grew 15%, decelerating to 1.4% growth last year.

General Motors Co.'s China sales declined 15% in the third quarter. For September, Ford Motor Co. suffered a 43% slide, while sales of Volkswagen AG's VW-brand cars retreated 11% and Honda Motor Co. reported a 6% drop.

Most Chinese auto makers also lost ground, though Zhejiang Geely Holding Group Co. bucked the trend. Its sales increased 14% in September.

The last time Chinese auto sales declined for three successive months, in mid-2015, Beijing stepped in by halving the tax on light-vehicle sales to 5%, a move that helped revive the market.

The tax has since gone back up to 10%, giving officials room to repeat the 2015 stimulus measure. However, there is no sign that the government is so inclined, said Mr. Xu of the automobile manufacturer association.

The U.S.-China trade dispute is worrying consumers, who fear its potential to affect the national economy. Analysts say credit curbs have also made it more difficult for people to secure car loans. And flagging stock prices aren't helping consumer confidence.

Wang Huan, a consultant with insurer AIA Group Ltd. in Beijing, had been preparing to trade in his Porsche Cayenne for a new luxury vehicle, possibly a Bentley, until share prices nose-dived.

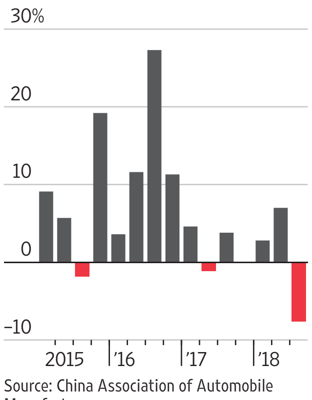
"I had to give up on the plan because yields on my stock investments fell sharply," he said.

—Lin Zhu in Beijing contributed to this article.

Stalling Out

China's passenger-car sales reversed course in the third quarter, falling 7.6%.

Vehicle sales, change from previous year



Source: China Association of Automobile Manufacturers

THE WALL STREET JOURNAL.

QILAI SHEN/BLOOMBERG NEWS

Weak consumer confidence appears to be undercutting an industry accustomed to strong growth.

GE Delays Results For a Week

By Thomas Gryta

General Electric Co. delayed the release of its quarterly results by about a week, saying its recently appointed chief executive needs more time to complete his review of the embattled conglomerate.

GE said Friday it would report third-quarter results Oct. 30, rather than Oct. 25.

The change gives Chairman and Chief Executive Larry Culp more time "to complete initial business reviews and site visits," the company said in a notice to investors.

In the Oct. 30 report, Mr. Culp "will share his initial observations, with more detail expected in early 2019," the company said.

Mr. Culp is in his second week on the job after the industrial conglomerate abruptly fired John Flannery.

In announcing the CEO appointment Oct. 1, the company disclosed more troubles in its hobbled power business and again cut its cash-flow projections.

General Electric stock has climbed almost 13% since Mr. Culp took the helm but is still down 45% in the past 12 months.

The iPhone, Deconstructed

A breakdown of what's inside Apple's newest phones, the iPhone XS and XS Max, shows parts from Samsung, Toshiba and others

By Merrill Sherman

1. Screen
MADE BY EITHER SAMSUNG OR LG

In the iPhone XS there is a 5.8-inch, 2,436-pixel by 1,125-pixel OLED display similar to the display in the previous model. **The XS Max** display is, as you might have guessed, bigger: 6.5 inches, and 2,688 pixels by 1,242 pixels.

2. Earpiece speaker assembly

This group of components includes an **earpiece, loudspeaker, microphone, ambient light sensor, flood illuminator** (produces an infrared flash in conjunction with the facial recognition sytem) **and proximity sensor.**

The assembly is bundled to the backside of the display.

3. Logic board-top

The logic board is made up of integrated circuits on three faces that are stacked to save space.

Toshiba flash memory is used for up to 512 gigabytes of storage.

Apple audio codec from Cirrus Logic is used to convert digital signals to analog and back again. When you talk into the phone it comes in as analog and must be changed to digital for electronics to process it.

4. Logic board-top underside

Apple A12 Bionic chip, the phone's central processing unit, deals with basic functions and hands off other tasks to various chips. The chip has a neural engine designed to handle machine learning, which can enhance photos, gaming and augmented reality.

ST Microelectronics power circuit handles the phone's components with differing power requirements.

5. Logic board-bottom

Intel baseband processor manages radio operations and modems.

ST Microelectronics eSIM chip is an embedded SIM that allows the user to add a second phone number if carriers support it. While this is Apple's first dual-SIM offering, phones with this option have been popular outside the U.S., where unlocked phones are more common.

NXP Near Field Communication controller is used for transmitting payment details wirelessly—in this case, with Apple Pay.

6. Primary camera

In both models, there is a 12-megapixel, dual wide-angle/telephoto camera with 2x optical zoom.

The lens cover is made of hard sapphire crystal, like the glass in luxury watches.

7. TrueDepth camera system

This is the camera used for facial recognition and video calling.

The standard front-facing camera has a lower resolution than the back-facing camera.

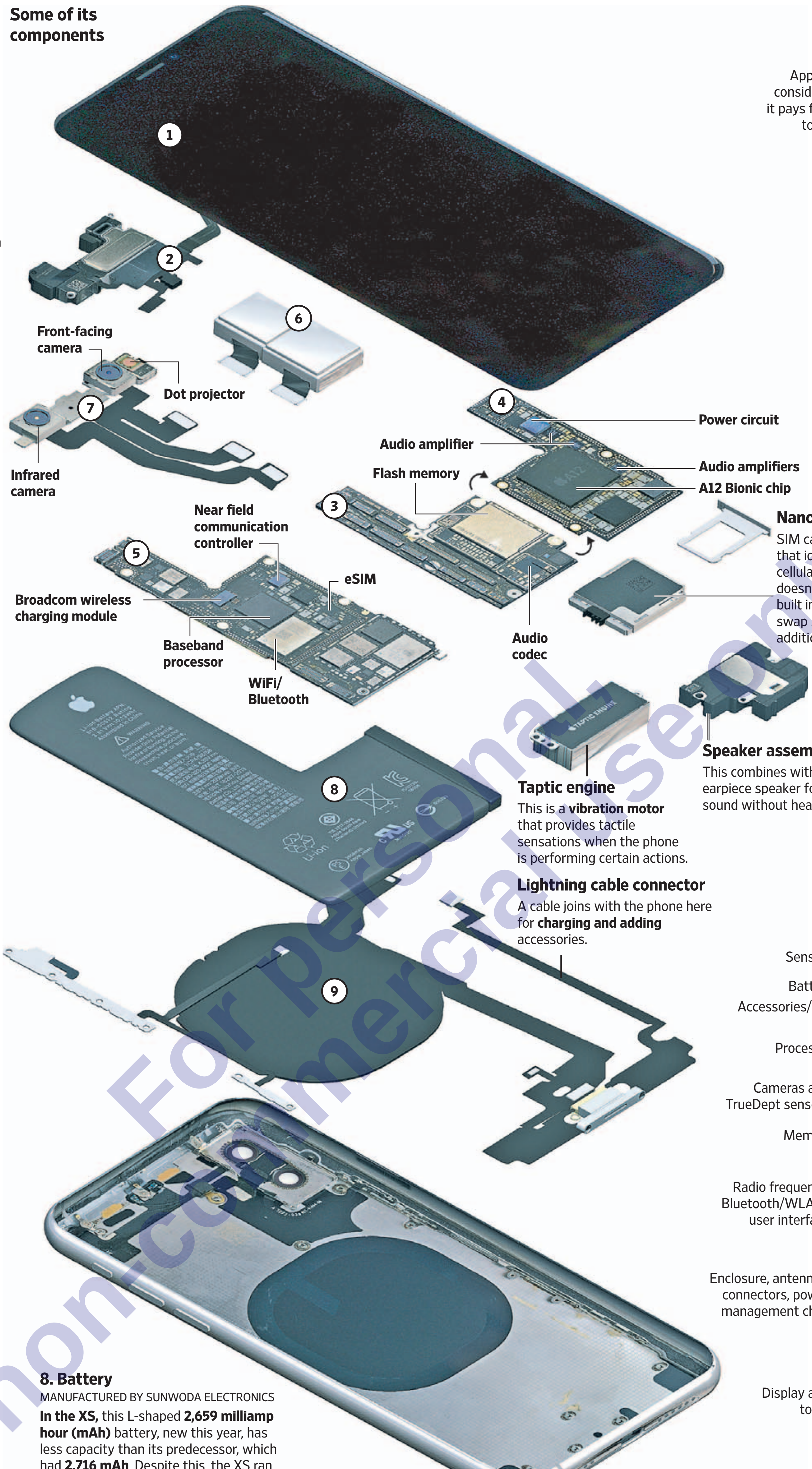
The dot projector projects an infrared dot grid on the user's face and **the infrared camera** reads the dot map to identify the owner.

9. Wireless charging coil

Apple added wireless charging capabilities to its new phones last year. When the phone is placed on a **Qi-certified wireless charger**, the charger uses magnetic induction to interact with this charging coil.

The back of the iPhone is glass to allow the magnetic induction to work.

Some of its components



Nano-SIM card reader

SIM cards store information that identifies your phone to the cellular network. If your carrier doesn't support the **eSIM chip** built into the logic board, you can swap SIM cards in this slot for additional phone lines.

Speaker assembly

This combines with the earpiece speaker for stereo sound without headphones.

Taptic engine

This is a **vibration motor** that provides tactile sensations when the phone is performing certain actions.

Lightning cable connector

A cable joins with the phone here **for charging and adding** accessories.

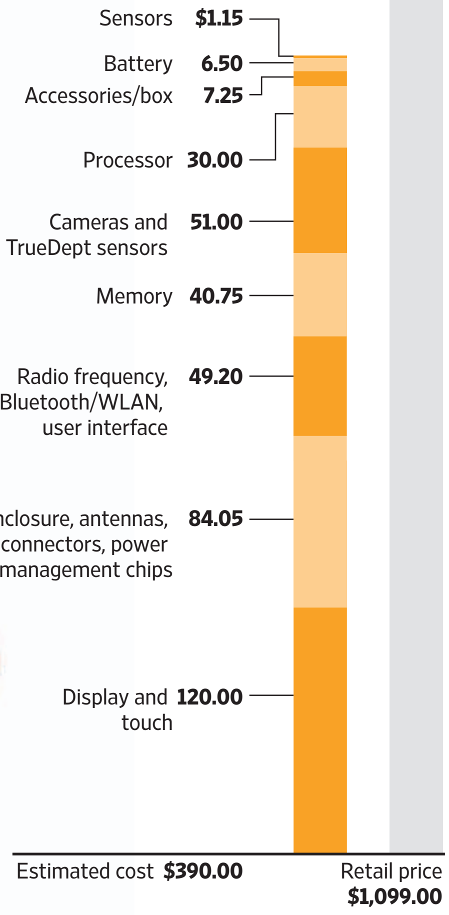
8. Battery
MANUFACTURED BY SUNWODA ELECTRONICS

In the XS, this L-shaped **2,659 milliamp hour (mAh)** battery, new this year, has less capacity than its predecessor, which had **2,716 mAh**. Despite this, the XS ran longer than last year's iPhone X in the Journal's battery testing.

The XS Max has two batteries that are configured into an L shape, like the previous version, with **3,179 mAh** of capacity. In our testing, that translated into 13 hours of Netflix streaming.

What it costs

Apple sells the XS Max for considerably more than what it pays for the parts, according to IHS Markit estimates.



Note: Drawings are schematic.
Sources: iFixit (location and descriptions of parts); IHS Markit (cost and details of parts); photos: iFixit/ifixit.com
THE WALL STREET JOURNAL.

How Fannie Came Back, Humbled

Continued from page B1

was getting back to profitability. The most important challenge has been the most recent one, which is changing the business model of the company to become a distributor of credit risk as opposed to a holder of credit risk.

WSJ: How do you plan for the future when you don't know how Congress, the executive branch, or your regulator will decide your future?

Mr. Mayopoulos: We recognize that we're not the ultimate decision makers about what happens to us. The real shift in mindset that happened here was people stopped thinking about what's going to happen to Fannie Mae and instead starting asking themselves, what should the housing system of the future look like and how can you be a part of laying the foundation for that?

WSJ: There was a loud cry on both sides of the aisle in Washington saying "abolish Fannie" when you joined. You don't hear that as much now that the company is profitable. Has it made life easier?

Mr. Mayopoulos: Because we were hearing less of that, because we did become profitable, I actually worried about whether our employees would say, "We don't really need to change." The key to our progress has been not allowing ourselves to become complacent about the role that we have.

There was a great humiliation that came with the crisis for Fannie Mae. It was a very proud company—some would say a very arrogant company—in the past. And the experience produced much greater humility.

WSJ: When it comes to housing-finance policy, what lessons has the country learned over the last decade?

Mr. Mayopoulos: Clearly credit standards matter and they matter a lot. We've also learned that transparency matters a lot. A big challenge with housing finance leading up to the crisis is that it was really run by people with engineering or math degrees. We thought they understood what the numbers meant, but most people really didn't appreciate the risk that was embedded in what was happening.

WSJ: If the Treasury secretary said, "Tim, what do we do with Fannie and Freddie," what advice would you give him?

Mr. Mayopoulos: What I'd say is that we should separate what kind of housing finance system you would want to create from the two entities that are currently Fannie and Freddie. The political aspect of just talking about Fannie and Freddie complicates the debate. The other thing I would say is that while housing-finance reform is important, the real crisis of housing isn't housing-finance reform—it's really affordable housing.

WSJ: When the country encountered these affordability challenges 15 years ago, people tried to solve them by relaxing underwriting standards. How confident are you that we won't do that again?

Mr. Mayopoulos: What we learned in the crisis is we don't do anyone any favors, certainly not to all those families that were foreclosed on, by giving people mortgages that are not sustainable. We need to solve the affordability problem by increasing the supply, not increasing the demand or the access to credit that will drive demand. We actually need to create more housing.

WSJ: You were fired abruptly from Bank of America, not allowed to take any belongings from your office, escorted out of the building. How did that episode change you professionally?

Mr. Mayopoulos: I don't know any successful professional who hasn't had unexpected turns in their career from time to time. I wouldn't attribute it to the end of my time at Bank of America, but I would say one of the things a CEO needs to do is set the right tone in the organization. It's important to do two things: One is treat people respectfully at all times. And second is seek as much diversity of opinion as you possibly can. I've never sought to be the smartest guy in the room. If you're the smartest guy in the room, you have to make all of the decisions about everything. Whether you deliver good news to people or bad news to people, you have to do that respectfully.

—Laine Higgins contributed to this article.

USHR INC. (3)

A highway outside Hayti, Mo., as seen by the human eye and by the lidar used in driverless cars. Such vehicles combine lidar, cameras and sometimes radar to navigate the road.

KEYWORDS | CHRISTOPHER MIMS

The Car of the Future Needs the Perfect Map

Autonomous vehicles are headed to uncharted territory. (But not literally.)

To achieve the dream of autonomous vehicles and robots, it's going to take much more than computer vision and artificial intelligence. Cars, drones, delivery bots, even our vacuum cleaners and robot chefs are going to need something that our ancestors developed millions of years ago: a sense of place.

"I definitely don't think people understand how reliant autonomous cars are on the fidelity of the map," says Mary Cummings, a professor of mechanical, electrical and computer engineering at Duke University. "If the map is wrong then the car is going to do something wrong."

It turns out that, whether it's **Waymo**'s self-driving cars or the many auto manufacturers relying on tech from **Intel** Corp.'s Mobileye, so-called "autonomous" vehicles are cheating, in a way. This is also true of models that are already commercially available, such as Cadillacs with Super Cruise.

Rather than perceiving the world and deciding on the fly what to do next, these autonomous and semi-autonomous vehicles are comparing their glimpses of the world with a map stored in memory. The incredibly detailed maps they rely on are what engineers call a "world model" of the environment. The model contains things that don't change very often, from the edges of roads and lanes to the placement of stop signs, signals, crosswalks and other infrastructure.

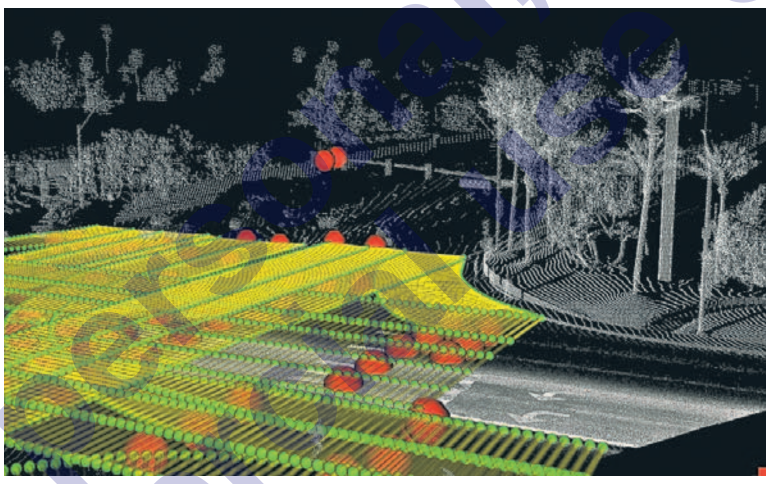
That self-driving cars—and eventually, all other forms of autonomous robots—require such a map has big implications for who will need to partner with whom in the autonomous driving space. It implies a great deal of collaboration, or at least licensing, because the amount of data and engineering required to build these maps is so gargantuan. It means that, at least for the foreseeable future, no matter how sophisticated a company's self-driving technology, it must engage in a massive mapping effort or else partner with someone capable of making an ultra-detailed map of every road on which they might drive—companies like Ushr, TomTom and Here.

In urban environments where global positioning systems can be inaccurate, a vehicle must navigate by landmarks, says Sam Abuelsamid, a senior analyst with Navigant research who specializes in mobility. Once a vehicle is navigating using lidar—a 3-D laser view of the environment—along with cameras and possibly radar, it can cross-reference certain buildings, lamp posts or street markings, to identify its stretch of the road down to the centimeter, he adds.

When the car knows precisely where it is, it can follow predetermined routes in its memory, simplifying the driving process. When the Super Cruise system is activated in a Cadillac, the car stays in its lane by following a route that has been determined ahead of time, says Christopher Thibodeau, senior vice president and general manager at Ushr. Ushr makes the Super Cruise system's maps—terabytes of map data boiled down to a few hundred megabytes of relevant route information.

> Driverless cars may eventually work together to create their own maps. But we're not there yet.

It's not quite as if the car is driving on rails, but it's close. Mr. Thibodeau says it allows the AI in the car to concentrate only on the things in its environment that are changing: cars, pedestrians, unexpected obstacles, construction and the like.



Maps for self-driving cars may include notations about lane width and road markings. Red orbs denote things like cross walks and road signs.

This is especially important because self-driving is already a difficult problem both in terms of the number of sensors it requires and the amount of computing power. The car must combine data coming from a variety of sensors—a problem called "sensor fusion" that is an area of intense research—into a single consensus view of reality.

If something goes wrong, the consequences can be dire. Uber Technologies Inc.'s self-driving car killed a pedestrian in March, and more than one Tesla has crashed into the back of a stopped fire truck at highway speeds, apparently while its Autopilot driver-assistance system was on.

Before autonomous vehicles can truly be trusted to operate without human supervision, the computers tasked with driving according to those maps while looking out for unexpected hazards must be much more powerful than those in use today, says Mr. Abuelsamid. Self-driving chips from both Nvidia Corp. and Mobileye are undergoing rapid leaps in computing power, on the order of a tenfold improvement every time these firms release a new iteration.

For Nvidia and Mobileye-owner Intel, this means new opportunities to enter a market that has long been dominated by specialist manufacturers of automotive-grade microchips, such as NXP Semiconductors NV, Mr. Abuelsamid says.

Eventually, Dr. Cummings says, the hope is that all self-driving vehicles will contribute to a collective database that updates in near real-time as roads and conditions change. Mobileye has already promised to create such a database with camera data coming from its partners, including Nissan Motor Co., Volkswagen AG and BMW AG.

By the end of 2018, Mobileye will be gathering data from three million vehicles' forward-facing cameras, which will be compiled into a database that will be usable for driver assist and self-driving systems starting in 2019, says Jack Weast, vice president of autonomous vehicle standards at Mobileye.

Others, such as Waymo, are apparently trying to go it alone, since data and algorithms are a huge competitive advantage in the race to fully autonomous driving.

But the cost of such precision mapping sensors at the moment is very high, says Mr. Thibodeau, adding at least $100,000 to the price of each vehicle. These systems will become cheaper, but he believes it will be at least three to five years before they make it onto the kind of vehicles that private citizens could buy, and after that it will take many years after that for them to achieve sufficient density on the world's roadways to contribute to detailed maps suitable for autonomous driving.

Another challenge for such a system, says Dr. Cummings, is that any central database used by autonomous vehicles would be a prime target for hackers. Not only would a breach have dire consequences, but so would corrupting the map from the outside—in other words, attempting to fool autonomous vehicles by changing things in their environment.

That maps are so critical to self-driving shows, once again, that the road to fully autonomous fleets is longer than we were told—and pushes back the arrival of self-driving cars even further.

Can Typos Track Your Mental Health?

THE FUTURE OF EVERYTHING

The latest wearable technology can reliably track heart beats and notify users of any irregularities. Up next? Reliably tracking your brain and mental health.

A team of researchers at the Center on Depression and Resilience at the University of Illinois at Chicago is working on technology that could monitor users' mood and cognition—important indicators of mental-health stress—by tracking their typing patterns with an iPhone app called BiAffect. Initial research has found it is possible to predict episodes of mania and depression among users with bipolar and major depressive disorder based on changes in their typing habits.

For instance, a manic episode may be preceded by rising numbers of typos, faster typing, more frequent use of the "delete" key or tremors detected by the phone's accelerometer, which measures the device's tilting and orientation.

"It doesn't track what you type, but how you type it," says Dr. Alex Leow, an associate professor from the university's College of Medicine and lead researcher on the project.

The BiAffect study is part of a larger trend in psychology of attempting to measure how the brain functions using "digital exhaust" from users' daily interactions with technology. There are over 10,000 mental-health-related apps on the App Store, according to the National Institute of Mental Health's most recent count.

MATHEUS MUNIZ

The trouble is that evidence-backed apps like BiAffect that can substantiate their claims of effectiveness make up just 3% of that total, says Dr. Adam Haim, an NIMH expert on mental-health apps. "There's a lot of promise," he says, "but there's a lot of false promise out there as well."

Apps like BiAffect that passively collect data come with a host of ethical concerns, mostly related to privacy. False positives can have costly consequences for users if an app fails to properly de-identify data or is not compliant with federal health-data protection standards, says Dr. Haim.

BiAffect's aim is to be "as unobtrusive as possible," says Dr. Leow. After downloading the app, users opt into the study and allow the specially coded BiAffect keyboard to replace their iPhone's default version. The app then operates behind the scenes.

The goal with this approach, the researchers say, is to make an unbiased real-time assessment of users' mental state in their natural environments. Typical mental-health assessments are made by polling patients on their state of mind through questionnaires or in-person meetings in clinical settings, and they are prone to self-reporting bias and other collection flaws.

—Laine Higgins

EXCHANGE

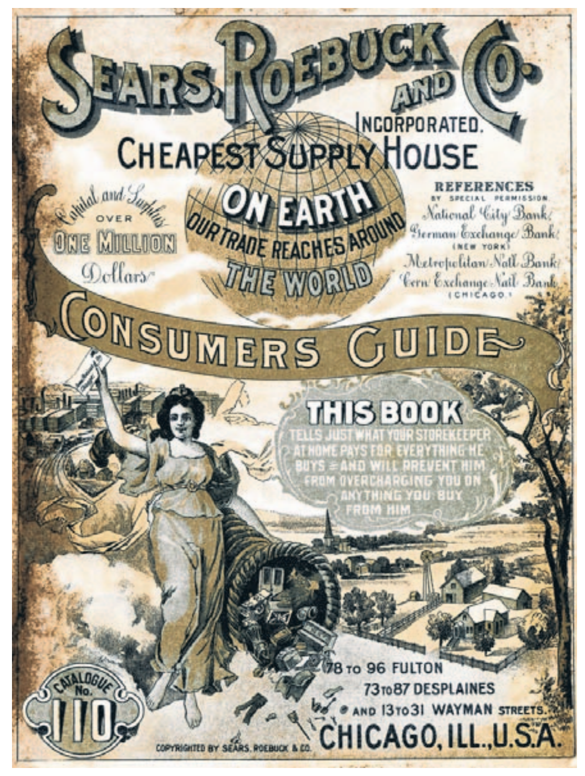
SEARS IN CRISIS

THE RISE AND FALL OF AN AMERICAN ICON

Over more than a century in business, Sears Holdings Corp. grew from a mail-order watch business to a retail powerhouse, emerging as a symbol of America's suburban migration after World War II. It was a fixture of malls, built the world's tallest tower and expanded into a range of businesses from publishing encyclopedias to selling insurance. Its fortunes have turned in recent decades as the company, which suffered from an often inconsistent internal strategy, was overtaken by big-box retailers like Walmart and struggled to adapt to the rise of online shopping. With Sears likely headed for bankruptcy, here is a chronicling of its rise and fall.

—*Patrick Thomas*


1893
Richard Sears, a railroad agent, top, and Alvah Roebuck, a watchmaker, above, form Sears, Roebuck & Co., as a mail-order watch seller.



Cover of a Sears Roebuck & Co. Consumers Guide, Fall 1900, above.

1906
The company holds its initial public offering, selling preferred stock at $97.50 a share, in the first IPO for an American retail firm.

A page from a 1935 Sears Roebuck catalog offering an 'Autographed Fashion: Worn in Hollywood by Loretta Young' dress for sale, inspired by Loretta Young and costing $4.98.

1925
Sears opens its first brick-and-mortar store in Chicago. It will have 300 stores by World War II and more than 700 stores by the mid 1950s, becoming the anchor for suburban shopping malls around the country.

Sears kick-starts a new brand of automobile tires called Allstate. At the time, Hans Simonson of Bismarck, N.D., receives a $5,000 cash prize for coming up with the Allstate name.

Shoppers looking into windows of a Sears Roebuck store, left.

1927
Sears introduces its Craftsman brand. It will hold the line of power tools until 2017 when Stanley Black & Decker Inc. acquires it in a deal valued at about $900 million.

1945
Sales top $1 billion for the first time, which is nearly $14 billion in today's dollars.

1967
Sears introduces the DieHard battery, a brand that would expand to include items like jumper cables, work boots and tires.

1969
Sears discloses plans for a new $100 million building in downtown Chicago.

Sears becomes one of the first major stores to be open on Sunday.

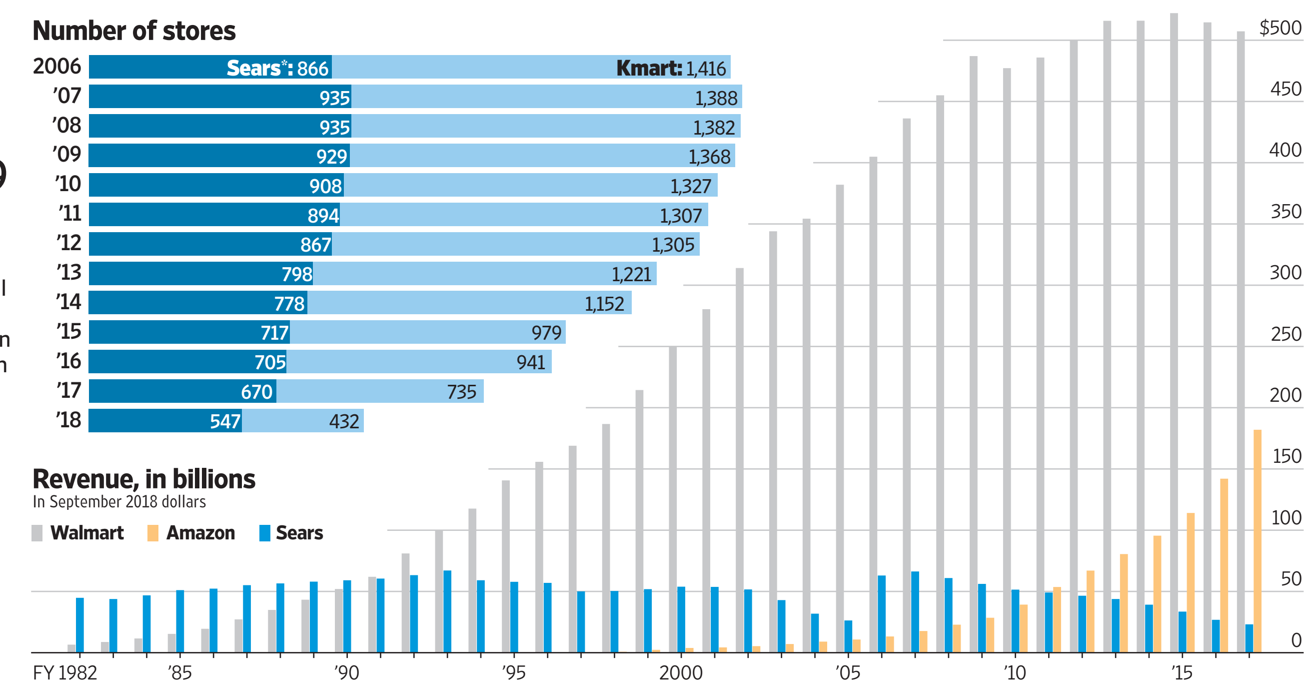
1973
Sears opens the 110-story Sears Tower, then the world's tallest. In 2009 it was renamed Willis Tower as part of a lease with London-based insurance broker Willis Group.

1979
About 12,000 manufacturers sell Sears more than $10 billion in goods a year.

Number of stores

	Sears*	Kmart
2006	866	1,416
'07	935	1,388
'08	935	1,382
'09	929	1,368
'10	908	1,327
'11	894	1,307
'12	867	1,305
'13	798	1,221
'14	778	1,152
'15	717	979
'16	705	941
'17	670	735
'18	547	432

Revenue, in billions
In September 2018 dollars



1981
Sears buys Dean Witter Reynolds Inc., the fifth-largest stock brokerage at the time. The same year, it bought real-estate broker Coldwell Banker & Co. Sears would sell Coldwell and spin off Dean Witter in the early 1990s as part of an effort to return to its retailing roots.

1991
Sears is dethroned by Walmart as the nation's top-selling retailer.

2005
Hedge-fund manager Eddie Lampert combines Kmart, which he took over in bankruptcy, and Sears in a deal valued at $11.5 billion.

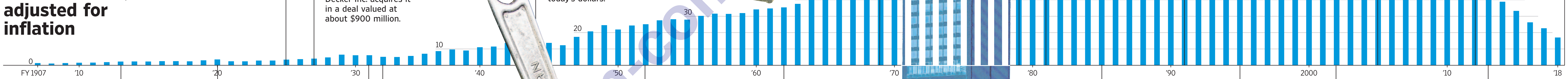
2017
Sears Canada files for creditor protection.

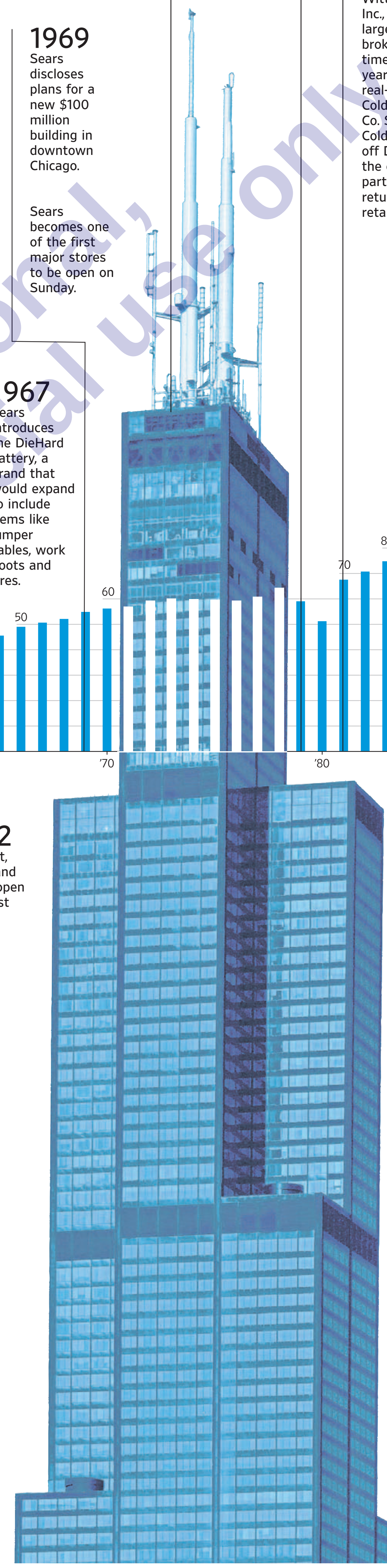
2018
Sears, having lost money for years, hires advisers to prepare for a bankruptcy filing.

From left, Edward Lampert, then chairman of Kmart Holding Corp.; Alan Lacy, chairman and CEO of Sears, Roebuck & Co.; and Aylwin Lewis, CEO of Kmart Holding Corp. in 2004.

2012
Sears reports an annual loss of $3.1 billion, the first of seven straight unprofitable years.

Sears revenue, adjusted for inflation





*Sears store count excludes auto centers, other specialty stores, repair and delivery services.

Note:
Adjusted to September 2018 dollars using Consumer Price Index for all urban consumers U.S. city average series for all items, not seasonally adjusted. Recent fiscal years end January/February.

Sources:
Sears annual reports via ProQuest, Mergent Archives and Library of Congress (revenue); Bureau of Labor Statistics (inflation); FactSet (Walmart, Amazon revenue); securities filings (store count)

Produced by
KEITH WEBB, MICHAEL BUCHER and HANNA SENDER

Additional reporting by
INTI PACHECO and THEO FRANCIS

1913
Sears launches its Kenmore brand, first appearing on a sewing machine. Over the next century, it will add washing machines, dishwashers and refrigerators. As recently as 2002, Sears sold four of every 10 major appliances in the U.S.

1914
Company founder Richard Sears dies at age 50 in Waukesha, Wis.

1920
Sears buys the trademark and U.S. publication rights to Encyclopedia Britannica, which it holds until 1943.

1933
The first Sears Christmas catalog, containing toys and other holiday merchandise, is released.

1931
Sears forms the Allstate Insurance Company.

1952
Sears debuts the Allstate mail-order car, manufactured by the Kaiser-Frazer Corp. It would cancel the Allstate in 1953 due to poor sales.

1962
Walmart, Kmart and Target open their first stores.

1985
Sears, which already had 60 million customers of a credit program launched in the 1950s, takes on the credit-card industry with the Discover Card. Its credit-card portfolio accounts for 60% of Sears's profits by the time it sells it to Citigroup for $3 billion in 2003.

1995
Sears divests its Allstate stock to shareholders, ending the company's 72-year relationship with the brand it created.

2002
Sears buys catalog apparel retailer Lands' End for $1.9 billion.

1997
Amazon.com goes public, beginning a meteoric rise that changes the way people shop and upends the business of traditional brick-and-mortar retailers.

2013
Eddie Lampert formally takes over CEO role.

2015
Sears spins off over 200 top stores into Seritage REIT.

A Sears store at a mall in Toronto in January 2018, shortly before the last Sears stores in Canada closed.

China's Precarious Tech Boom

Continued from page B1

most prestigious venture-capital firms, may for the first time invest the bulk of its newest global fund, up to 60%, in China, people familiar with the fund say. That fund is expected to be $8 billion, Sequoia's biggest ever.

For the first time, Chinese startups are getting more money than their U.S. counterparts—$71 billion versus $70 billion so far this year, VentureSource data show. The pace, with investment volume 18 times what it was five years ago, hasn't been seen since the 2000 tech-stock bubble, feeding the perception that China is on its way to overtake Silicon Valley as the world's tech hub.

But the threats to Chinese tech dominance are mounting as Beijing has grown wary of the clout of private tech firms and many of the biggest players burn through cash in punishing price wars with hardly a hint of when they might become profitable.

Outlays on discounts to gain market share can pay off big in a market as large as China's. But there can be a hangover even for winners: Consumers treated to freebies tend to peel away when subsidies end.

There could be global reverberations as around 45% of the investment in Chinese startups this year came from outside China. Some investors have already gotten burned.

For a glimpse of the potential pain, consider Chinese bike-share companies. Only last year, they couldn't spend fast enough. After putting millions of cycles in Beijing, Shanghai and other cities, several looked to conquer metropolitan areas in the U.S. and Europe.

Now, cash-flow problems are setting in. Mobike recently sold itself for nearly $1 billion less than it was valued after its last funding round, people familiar with the matter say. Ofo is reversing course on its international expansion and the No. 3 bike-sharing company, Bluegogo, collapsed late last year.

Another wild card is the regulatory environment in Beijing. The advances of Chinese tech giants were long a point of a national pride. And while China's leaders still encourage innovation, they have tightened the grip on many of the country's biggest players, including Tencent Holdings Ltd. and Alibaba Group Holding Ltd.—even shutting down or blocking products they don't like.

In June, China's official People's Daily newspaper warned investors against a rush of capital into tech startups that could turn investing into a "gamble." Smartphone maker Xiaomi Corp. had to scale back ambitious listing plans, eventually going public in July at a valuation of $54 billion, about half of what it initially hoped.

Still, money keeps flowing in. In September, Chinese investment firm Hillhouse Capital Group unveiled a new $10.6 billion fund—the largest-ever capital raise by a private-equity firm in Asia, topping a $9.3 billion fund set up by KKR & Co. last year. The fund was "heavily oversubscribed," it said.

Days earlier, food-delivery giant Meituan Dianping, which has lost at least $8.5 billion since 2015, went public in Hong Kong at a market capitalization of around $53 billion.

One company that has seen its valuation skyrocket is Manbang Group, the truck-hailing firm whose apps let Chinese truckers contract with shippers for cargo.

The company approached investors this year looking for around $300 million in funding. By April, so many had expressed interest that Manbang raised nearly $2 billion, added plans for a fleet of electric-powered, self-driving trucks, and was valued at around $6 billion.

Manbang has more than six million users and has deployed around 3,000 young staffers across China to sign up more.

One recent Sunday, two of those marketers hit up a dusty parking lot on the outskirts of Beijing, offering baskets with shampoo and toothpaste to get truckers to download the apps. Truckers say they see teams every day.

"I'm almost bothered to death by you guys," one driver said.

But most of Manbang's users aren't paying. It has gotten around 200,000 shippers to fork over around $250 a year in membership fees and is aiming to break even next year, said a person familiar with the matter. But it isn't yet charging truckers, and many are already complaining that the apps are pushing down shipping prices.

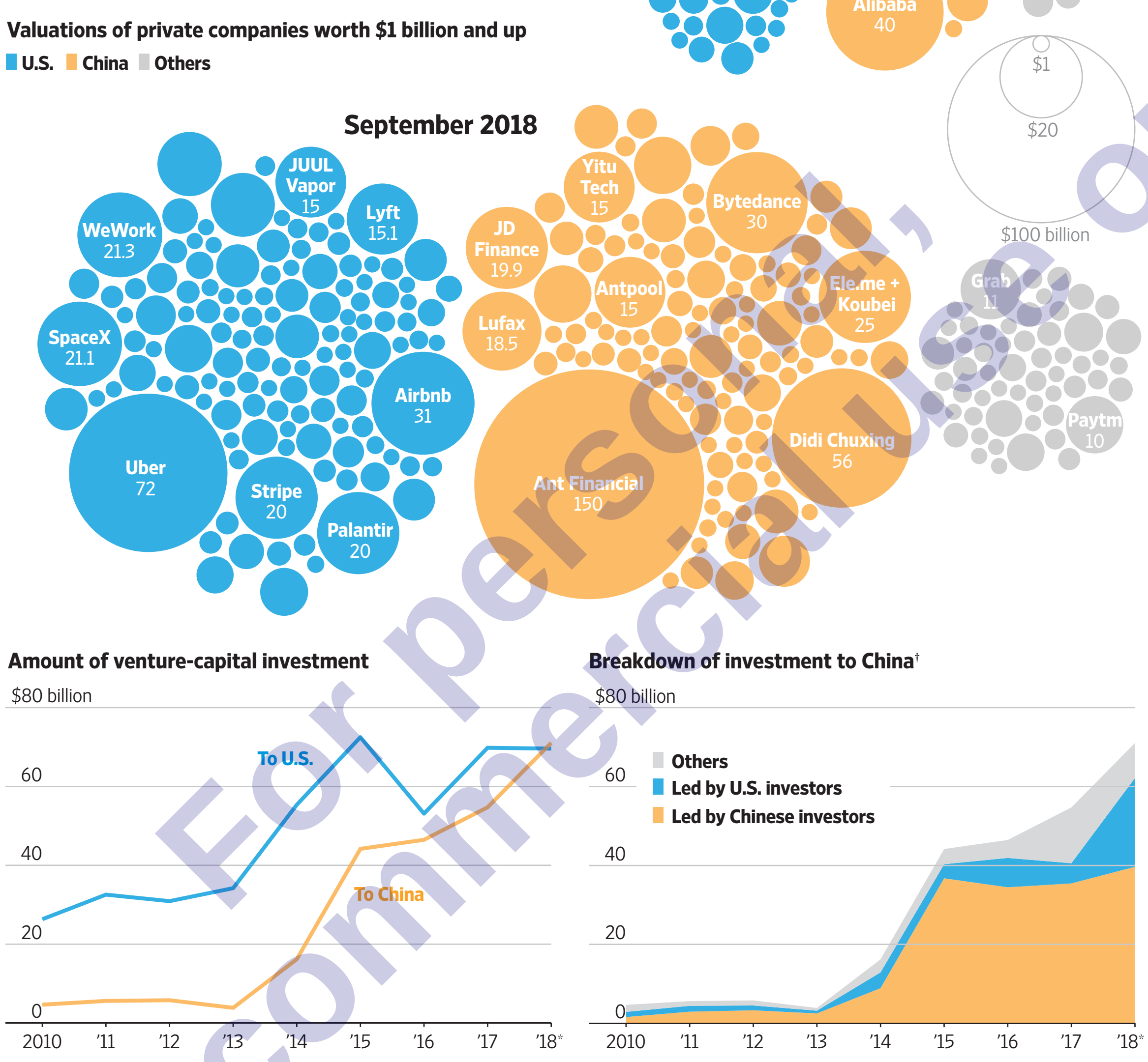
Recently, Manbang has started looking for an additional $1 billion at a valuation of $10 billion. This time investors are skeptical, people familiar with its plans say. Manbang didn't respond to requests to comment.

YUYANG LIU FOR THE WALL STREET JOURNAL

Believers in China's tech boom say the opportunities are large enough to justify lofty valuations. Here, riders on Shanghai's subway during rush hour.

China's Unicorns Bulk Up

Chinese startups are getting more money, and growing bigger, than their U.S. counterparts—thanks in part to surging U.S. investment.



*As of Sept. 30 †To determine where the investment came from, the Journal looked at the headquarters of the company or companies that led each round. When no lead investor was found, the Journal assigned the lead to the country whose investors made up the majority of those participating in the round.

Sources: Dow Jones VentureSource, staff reports (valuation); WSJ analysis of VentureSource data (investment amount)

THE WALL STREET JOURNAL.

Other major startups are slugging it out with as many as a hundred or more competitors. Some are going to extremes.

Every day during the height of China's bike-share frenzy last year, says Ben Cavender, an analyst at China Market Research Group in Shanghai, workers from Ofo would rearrange bikes near his office so they completely surrounded those of rival Mobike. Ofo says it has never instructed its bike marshals to block competitors' bikes.

Luckin Coffee, the startup that surpassed $1 billion in value seven months after launching in January, has been spending furiously to open 2,000-plus outlets and subsidize giveaways like half-priced snacks. As Starbucks Corp. responds with its own delivery service, Luckin is again raising funds.

Its co-founder said Luckin is still losing money, but the market potential is great.

Then there are companies like Didi Chuxing, which raised about $24 billion over the past six years in large part to help it defeat rivals. Even after coming out on top in a battle with Uber two years ago, it has yet to turn a profit. It now finds itself fighting a fresh batch of competitors, including Meituan, which expanded into ride-hailing last year.

In March, Meituan started offering short rides in Shanghai for less than a U.S. cent, resulting in a surge in users taking cars for distances they'd normally walk. Didi responded with its own subsidies.

Stephen Zhu, Didi's chief strategy officer, says competition in China is fiercer, partly because its markets are less developed. In the U.S., services like ride-hailing are "more like dessert," he says, while in China, where car ownership is still relatively low, "it's your main course."

Lately, Didi has moved into food delivery—the main source of revenue for Meituan, as well as for Ele.me, a company Alibaba bought in May.

In April, Didi flooded streets in the central Chinese city of Wuxi with scooter-riding delivery staff, offering them monthly salaries and bonuses sometimes more than double Wuxi's average wage, and gave restaurants bonuses for filling orders on its app.

China's tech startups are burning through cash with no hint of when they might turn a profit.

It also subsidized meals, including a one-time coupon for 25 yuan ($3.67) to anyone ordering on its app. Meituan and Ele.me fired back with their own big discounts. Delighted diners posted screenshots of meal receipts on social media.

"It's a pity you're not in Wuxi, hahahahahaha," wrote one user on China's Twitter counterpart Weibo, attaching a screenshot of an order via Meituan for fried chicken, orange juice and milk tea that after discounts cost 0.01 yuan—about a tenth of a U.S. cent.

Song Yunyi, the boss of a box-lunch kitchen called Mr. Bento, says Meituan marketing staff warned him not to work with Didi. After he listed on Didi anyway, he says, Meituan's app started describing his shop as closed. Other restaurateurs have complained to Wuxi's government Meituan blocked them on its app after they listed with Didi. Meituan declined to comment.

After the government ordered the companies to stop the craziness, things calmed down—for a while.

Since then, Didi has pushed food-delivery services into at least three more cities, and is plowing funds into bike-sharing and automated driving. It lost more than $580 million in the first half of this year.

Didi is looking for more money and next year hopes to go public at a valuation of as much as $80 billion, people familiar with Didi's plans say.

Meanwhile, Meituan is pushing into bike-sharing and grocery delivery. "You need to jump-start the market" with spending on inducements sometimes, says Chief Executive Wang Xing.

Ele.me's parent, Alibaba, is merging the company with an affiliate and has raised $3 billion for the combined business at a possible valuation of $25 billion, partly from investors like Japan's SoftBank Group Corp. This summer, Ele.me spent $440 million—the bulk of its previous quarter's revenue—on discounts and other enticements.

"At the start, yes, you are virtually treating consumers to free meals," says Wang Lei, chief executive of Ele.me. But, he says, at some point, spending "often will get more logical." When? "It's really hard to say."

Backers of China's tech boom say the risks are worth it.

"For many outsiders, they think Chinese companies are raising money too fast, and the valuations are very high," says Richard Peng, a former executive at Tencent whose fund, Genesis Capital, invested in the latest round of Manbang Group, the truck-hailing firm compared to Uber.

"But No. 1: The potential is huge. And No. 2: The Chinese companies' growth is much faster than their peers out of China."

The gold standard is Alibaba, whose 2014 initial public offering was the biggest in history, making a mint for investors like U.S. venture-capital firm GGV Capital. When GGV invested in Alibaba in 2003, it was valued at around $180 million, says managing partner Hans Tung. Since then, Alibaba's value has increased more than 2,000-fold.

"Alibaba was expensive in every single round," he says. "But it's become a half-trillion-dollar company and it'll get to a trillion very soon."

Alibaba said its e-commerce business continues to charge ahead with sales up 61% in the latest quarter, despite worries about a Chinese economic slowdown. But the company warned its profit will be pressured by continued heavy spending on new businesses.

There is now so much money chasing companies that it's sometimes becoming hard to justify valuations by traditional measures. Some startups are calculating potential revenue from markets that haven't yet developed, bankers say.

A dearth of investment options in China's still-restricted financial markets likely channels money to startups that in a more open economy may have had other destinations.

And Beijing's recent actions to tighten control over champions like Alibaba and Tencent show that tech companies' business prospects can change quickly, depending on how their technology aligns with broader government ambitions, whether in leading the world in cutting-edge technologies like artificial intelligence or in building a web of digital surveillance at home. Tencent's social-messaging app WeChat, for example, has been used to police speech and monitor crowds.

Analysts estimate that Tencent lost $1.5 billion in sales in the second quarter after regulators delayed approvals of some of its videogames. Before that, authorities forced Alibaba affiliate Ant Financial to sideline a potentially lucrative credit-scoring business in favor of a government-backed system.

Bytedance Ltd., a $30 billion unicorn backed by Sequoia Capital and others, has recently found itself in regulators' crosshairs. Authorities ordered the demise of its joke app Neihan Duanzi over what they said was too much vulgarity and temporarily removed Bytedance's best-known product—news aggregator Jinri Toutiao, with 120 million daily users—from app stores because it didn't like the content.

Nonetheless, Bytedance is in talks to raise $3 billion from investors like Japan's SoftBank and U.S. private-equity firm KKR at a valuation of as much as $75 billion, people familiar with the matter say, which would rank it above both Uber and Chinese ride-hailing powerhouse Didi Chuxing Technology Co. as one of the world's most valuable tech firms.

—Zhou Wei, Julie Steinberg and Yasufumi Saito contributed to this article.

MARKETS DIGEST

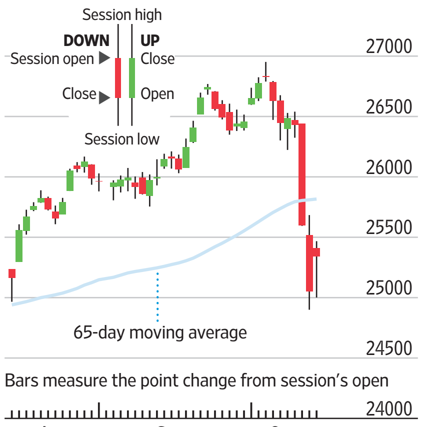
Dow Jones Industrial Average

25339.99
▲ 287.16
or 1.15%

	Last	Year ago
Trailing P/E ratio	22.74	20.93
P/E estimate *	16.39	19.39
Dividend yield	2.19	2.24

All-time high 26828.39, 10/03/18

Current divisor 0.14748071991788



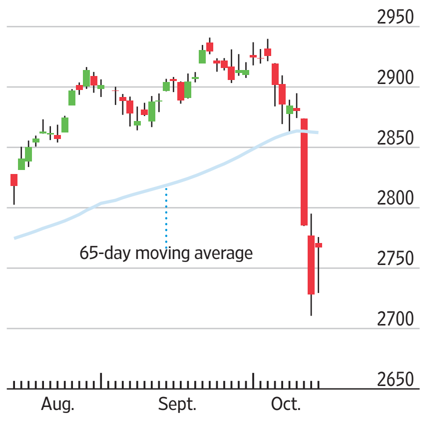
Bars measure the point change from session's open

S&P 500 Index

2767.13
▲ 38.76
or 1.42%

	Last	Year ago
Trailing P/E ratio *	17.08	19.39
P/E estimate *	17.08	19.39
Dividend yield	1.89	1.95

All-time high 2930.75, 09/20/18

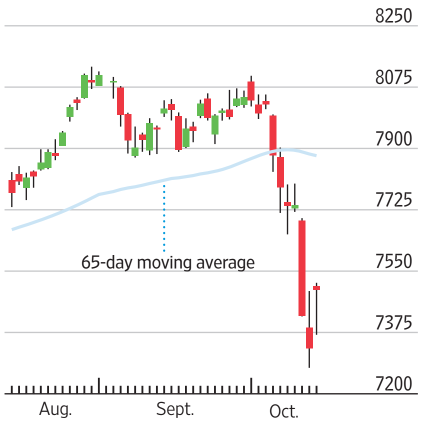


Nasdaq Composite Index

7496.89
▲ 167.83
or 2.29%

	Last	Year ago
Trailing P/E ratio	*24.75	26.19
P/E estimate *	19.98	21.15
Dividend yield	1.01	1.10

All-time high: 8109.69, 08/29/18



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	Latest High	Latest Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	52-Week % chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	25467.55	25000.83	25339.99	287.16	1.15	26828.39	22871.72	10.8	2.5	13.9
Transportation Avg	10599.78	10369.23	10489.29	92.06	0.89	11570.84	9440.87	5.6	-1.2	8.3
Utility Average	725.28	717.43	723.61	0.24	0.03	774.47	647.90	-1.9	0.03	7.1
Total Stock Market	28619.30	28123.77	28504.34	363.23	1.29	30390.61	26485.98	7.6	3.0	10.8
Barron's 400	717.04	700.47	709.09	2.69	0.38	786.73	676.86	3.5	-0.3	9.9
Nasdaq Stock Market										
Nasdaq Composite	7516.69	7368.33	7496.89	167.83	2.29	8109.69	6556.77	13.5	8.6	15.7
Nasdaq 100	7179.04	7019.89	7157.21	193.18	2.77	7660.18	6037.87	17.5	11.9	17.8
S&P										
500 Index	2775.77	2729.44	2767.13	38.76	1.42	2930.75	2553.17	8.4	3.5	11.1
MidCap 400	1890.97	1846.53	1871.25	4.52	0.24	2050.23	1801.29	2.9	-1.5	9.1
SmallCap 600	981.26	956.02	965.38	-1.85	-0.19	1098.36	889.94	6.3	3.1	11.9
Other Indexes										
Russell 2000	1567.64	1530.98	1546.68	1.30	0.08	1740.75	1463.79	2.9	0.7	9.9
NYSE Composite	12501.56	12304.84	12439.42	89.89	0.73	13637.02	12177.70	0.7	-2.9	6.3
Value Line	546.38	536.50	542.13	2.93	0.54	593.57	533.26	-0.1	-3.6	5.1
NYSE Arca Biotech	4935.94	4816.38	4912.92	96.55	2.00	5400.34	4045.25	15.3	16.4	12.6
NYSE Arca Pharma	574.24	566.53	572.54	4.74	0.83	598.21	516.32	3.5	5.1	2.3
KBW Bank	102.83	98.60	100.47	-0.83	-0.82	116.52	97.59	1.6	-5.8	12.3
PHLX§ Gold/Silver	69.81	67.40	69.28	-0.69	-0.99	92.08	61.92	-20.6	-18.8	8.7
PHLX§ Oil Service	145.54	141.26	143.80	1.34	0.94	170.18	127.61	4.1	-3.8	-7.2
PHLX§ Semiconductor	1269.52	1234.36	1253.58	24.21	1.97	1445.90	1218.66	2.8	0.04	25.7
Cboe Volatility	26.80	20.88	21.31	-3.67	-14.69	37.32	9.14	121.7	93.0	9.6

§Nasdaq PHLX

Sources: SIX Financial Information; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	958,207,316	14,977,595
Adv. volume*	603,077,515	10,725,114
Decl. volume*	340,878,861	4,130,093
Issues traded	3,074	308
Advances	1,729	160
Declines	1,280	137
Unchanged	65	11
New highs	10	1
New lows	396	22
Closing tick	315	34
Closing Arms†	0.75	0.61
Block trades*	6,638	134

	Nasdaq	NYSE Arca
Total volume*	2,618,551,068	466,197,070
Adv. volume*	1,941,723,803	337,770,063
Decl. volume*	643,246,853	122,128,117
Issues traded	3,162	1,392
Advances	1,835	905
Declines	1,215	462
Unchanged	112	25
New highs	18	9
New lows	265	158
Closing tick	39	63
Closing Arms†	0.50	0.72
Block trades*	10,055	2,374

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

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

South African Rand	1.77%
Comex Copper	1.53
Corn	1.49
Comex Gold	1.41
Japan yen	1.35
iSh 20+ Treasury	1.27
S&P BSE Sensex	1.04
Norwegian Krone	1.02
Australian dollar	0.91
Lean Hogs	0.81
Russian Ruble	0.79
Sao Paulo Bovespa	0.73
Indian Rupee	0.61
Nymex Natural Gas	0.57
iSh 7-10 Treasury	0.57
iShiBoxx$InvGrdCp	0.34
VangdTotalBd	0.33
Euro area euro	0.32
UK pound	0.21
VangdTotIntlBd	0.20
iSh TIPS Bond	0.15
South Korean Won	0.07
iSh 1-3 Treasury	0.07
Swiss Franc	0.02
iShJPMUSEmgBd	-0.03
Comex Silver	-0.03
Mexico peso	-0.15
Indonesian Rupiah	-0.16
Soybeans	-0.17
iShiBoxx$HYCp	-0.18
iShNatlMuniBd	-0.21
WSJ Dollar Index	-0.58
Canada dollar	-0.67
Wheat	-0.72
Chinese Yuan	-0.77
S&P 500 Utilities	-1.26
IPC All-Share	-1.27
S&P 500 Consumer Staples	-1.94
S&P GSCI GFI	-2.67
Hang Seng	-2.90
S&P 500 Real Estate	-2.91
Nymex ULSD	-2.97
S&P 500 Telecom Svcs	-3.09
Nasdaq 100	-3.27
S&P/TSX Comp	-3.34
S&P 500 Health Care	-3.50
S&P 500 Consumer Discr	-3.52
Nasdaq Composite	-3.74
IBEX 35	-3.80
S&P 500 Information Tech	-3.82
Nymex Crude	-4.04
S&P 500	-4.10
Dow Jones Industrial Average	-4.19
FTSE 100	-4.41
Nikkei 225	-4.58
Stoxx Europe 600	-4.64
Kospi Composite	-4.66
S&P/ASX 200	-4.69
Euro Stoxx	-4.82
DAX	-4.86
CAC-40	-4.91
S&P MidCap 400	-4.92
Russell 2000	-5.23
FTSE MIB	-5.36
S&P 500 Energy	-5.40
S&P SmallCap 600	-5.42
S&P 500 Financials Sector	-5.57
Dow Jones Transportation Average	-6.40
S&P 500 Industrials	-6.41
S&P 500 Materials	-6.59
Nymex Rbob Gasoline	-6.91
Shanghai Composite	-7.60

*Continuous front-month contracts

Sources: SIX Financial Information (stock indexes), Tullett Prebon (currencies), Dow Jones Market Data (bond ETFs, commodities).

THE WALL STREET JOURNAL

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International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	The Global Dow	2966.51	21.41	0.73	-3.9
	DJ Global Index	381.06	3.90	1.03	-4.1
	DJ Global ex U.S.	237.06	1.59	0.68	-11.1
Americas	DJ Americas	656.06	8.33	1.29	2.1
Brazil	Sao Paulo Bovespa	82921.08	...	Closed	8.5
Canada	S&P/TSX Comp	15414.29	97.16	0.63	-4.9
Mexico	S&P/BMV IPC	47444.05	-114.18	-0.24	-3.9
Chile	Santiago IPSA	3804.28	-17.84	-0.47	-9.7
EMEA	Stoxx Europe 600	358.95	-0.70	-0.19	-7.8
Eurozone	Euro Stoxx	353.66	-0.70	-0.20	-8.3
Belgium	Bel-20	3505.03	2.25	0.06	-11.9
Denmark	OMX Copenhagen	824.59	11.80	1.45	-11.1
France	CAC 40	5095.98	-10.39	-0.20	-4.1
Germany	DAX	11523.81	-15.54	-0.13	-10.8
Israel	Tel Aviv	1588.91	...	Closed	5.2
Italy	FTSE MIB	19255.98	-100.63	-0.52	-11.9
Netherlands	AEX	516.29	-1.60	-0.31	-5.2
Russia	RTS Index	1141.35	17.27	1.54	-1.1
South Africa	FTSE/JSE All-Share	53473.11	1243.78	2.38	-10.1
Spain	IBEX 35	8902.00	-105.90	-1.18	-11.4
Sweden	OMX Stockholm	567.53	-4.00	-0.70	-0.2
Switzerland	Swiss Market	8660.38	21.19	0.25	-7.7
Turkey	BIST 100	96657.42	1909.89	2.02	-16.2
U.K.	FTSE 100	6995.91	-11.02	-0.16	-9.0
U.K.	FTSE 250	18973.45	145.70	0.77	-8.5
Asia-Pacific					
Australia	S&P/ASX 200	5895.70	11.90	0.20	-2.8
China	Shanghai Composite	2606.91	23.45	0.91	-21.2
Hong Kong	Hang Seng	25801.49	535.12	2.12	-13.8
India	S&P BSE Sensex	34733.58	732.43	2.15	2.0
Japan	Nikkei Stock Avg	22694.66	103.80	0.46	-0.3
Singapore	Straits Times	3069.17	21.78	0.71	-9.8
South Korea	Kospi	2161.85	32.18	1.51	-12.4
Taiwan	TAIEX	10045.81	239.70	2.44	-5.6
Thailand	SET	1696.16	13.27	0.79	-3.3

Sources: SIX Financial Information; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Corium International	CORI	12.70	4.39	52.83	13.93	7.17	29.7
Anaplan	PLAN	24.30	7.30	42.94	24.70	17.00	...
Youngevity International	YGYI	13.30	3.85	40.74	14.40	3.17	189.1
Imprimis Pharmaceuticals	IMMY	2.95	0.70	31.11	3.39	1.35	90.3
Aqua Metals	AQMS	2.92	0.60	25.86	6.56	1.42	-49.5
Iovance Biotherapeutics	IOVA	11.93	1.96	19.66	19.90	6.60	63.4
Riot Blockchain	RIOT	2.57	0.41	18.98	46.20	2.15	-67.5
China Internet Nationwide	CIFS	3.58	0.56	18.54	66.10	2.45	-84.1
Replimune Group	REPL	13.01	1.90	17.10	23.55	10.52	...
Intelligent Systems	INS	10.98	1.58	16.81	14.98	3.77	171.1
Direxion Rg Banks Bear 3X	WDRW	30.27	3.97	15.10	41.50	19.69	-19.0
Farfetch Cl A	FTCH	23.30	2.99	14.72	32.40	18.39	...
Turtle Beach	HEAR	20.61	2.60	14.44	34.50	1.64	544.1
Smartsheet	SMAR	26.54	3.34	14.40	33.98	18.06	...
Quotient	QTNT	6.74	0.84	14.24	9.02	2.78	31.1

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Immune Design	IMDZ	1.85	-0.94	-33.69	11.05	1.47	-83.1
Wabash National	WNC	13.56	-3.21	-19.14	26.54	12.40	-39.3
Mercantil Bank Hldg Cl B	MBNAB	6.21	-1.23	-16.53	40.00	5.90	...
VS 2x VIX Short Term	TVIX	40.97	-7.13	-14.82	154.70	24.74	-55.2
EXFO	EXFO	3.04	-0.52	-14.61	4.70	2.97	-26.7
Momenta Pharm	MNTA	16.10	-2.51	-13.49	32.20	11.85	18.8
ProSharesUltVIXST	UVXY	52.22	-6.88	-11.64	150.90	35.04	-37.5
MicroSect FANG+ -3X Invr	FNGD	32.03	-3.86	-10.76	57.77	21.35	...
MDC Partners Cl A	MDCA	2.84	-0.34	-10.69	12.26	2.76	-74.5
Liquidia Technologies	LQDA	28.87	-3.32	-10.31	38.46	10.52	...
Truett-Hurst Cl A	THST	1.84	-0.21	-10.24	3.19	1.26	-10.7
Nymox Pharmaceutical	NYMX	1.94	-0.22	-10.19	4.60	1.61	-51.9
China Customer Relations	CCRC	11.79	-1.33	-10.14	35.10	7.90	-7.3
Realm Therapeutics ADR	RLM	2.70	-0.30	-10.00	13.00	2.06	...
PolarityTE	PTE	14.16	-1.54	-9.81	41.22	14.00	-47.2

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
SPDR S&P 500	SPY	165,228	142.0	275.95	1.39	293.94	252.92
Finl Select Sector SPDR	XLF	132,101	148.6	26.43	0.11	30.33	25.86
General Electric	GE	120,068	72.7	12.32	-3.14	23.84	11.21
iShares MSCI Emg Markets	EEM	115,314	66.1	40.29	2.94	52.08	38.77
Advanced Micro Devices	AMD	109,137	-5.7	26.34	4.11	34.14	9.04

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0273	36.6930	97.2
Brazil real	.2643	3.7833	14.2
Canada dollar	.7678	1.3024	3.6
Chile peso	.001471	679.70	10.4
Ecuador US dollar	1	1	unch
Mexico peso	.0530	18.8601	–4.1
Uruguay peso	.03036	32.9400	14.4
Venezuela b. fuerte	.000004248	519.9501	2402951.2
Asia-Pacific			
Australian dollar	.7115	1.4055	9.8
China yuan	.1445	6.9222	6.4
Hong Kong dollar	.1276	7.8350	0.3
India rupee	.01357	73.685	15.4
Indonesia rupiah	.0000658	15205	12.8
Japan yen	.008913	112.19	–0.5
Kazakhstan tenge	.002699	370.57	11.4
Macau pataca	.1239	8.0681	0.3
Malaysia ringgit	.2407	4.1545	2.3
New Zealand dollar	.6494	1.5399	9.2
Pakistan rupee	.00764	130.815	18.2
Philippines peso	.0185	54.060	8.2
Singapore dollar	.7258	1.3777	3.0
South Korea won	.0008839	1131.30	6.0
Sri Lanka rupee	.0058914	169.74	10.6
Taiwan dollar	.03236	30.906	4.2
Thailand baht	.03053	32.760	0.5
Vietnam dong	.00004283	23346	2.8
Europe			
Czech Rep. koruna	.04483	22.305	4.8
Denmark krone	.1549	6.4538	4.0
Euro area euro	1.1560	.8651	3.8
Hungary forint	.003567	280.34	8.2
Iceland krona	.008601	116.26	12.3
Norway krone	.1223	8.1761	–0.4
Poland zloty	.2691	3.7161	6.8
Russia ruble	.01514	66.065	14.5
Sweden krona	.1116	8.9607	9.5
Switzerland franc	1.0085	.9916	1.8
Turkey lira	.1703	5.8721	54.7
Ukraine hryvnia	.0358	27.9120	–0.8
UK pound	1.3142	.7609	2.8
Middle East/Africa			
Bahrain dinar	2.6524	.3770	–0.02
Egypt pound	.0558	17.9305	0.9
Israel shekel	.2759	3.6243	4.2
Kuwait dinar	3.2971	.3033	0.6
Oman sul rial	2.5974	.3850	0.01
Qatar rial	.2746	3.642	–0.2
Saudi Arabia riyal	.2666	3.7512	0.02
South Africa rand	.0688	14.5262	17.5

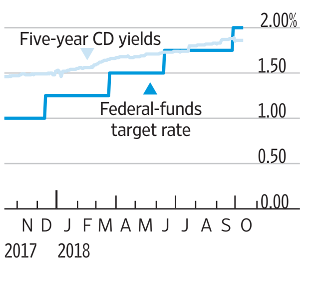
	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	89.71	0.14	0.16	4.35

Sources: Tullett Prebon, Dow Jones Market Data

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

5-year CDs

Bankrate.com avg†:	1.86%
Connexus Credit Union	3.25%
Wausau, WI	800-845-5025
Popular Direct	3.25%
New York, NY	800-274-5696
Presidential Bank, FSB	3.25%
Bethesda, MD	800-383-6266
First Internet Bank of Indiana	3.30%
Indianapolis, IN	888-873-3424
M.Y. Safra Bank, FSB	3.30%
New York, NY	212-652-7200

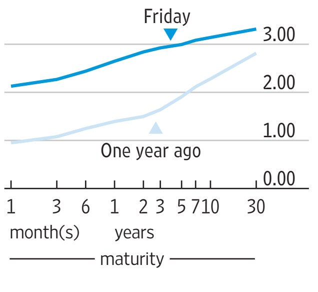
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	2.00-2.25	2.00-2.25	1.00	2.00	2.00
Prime rate*	5.25	5.25	4.25	5.25	2.00
Libor, 3-month	2.44	2.41	1.35	2.44	2.12
Money market, annual yield	0.43	0.42	0.25	0.53	0.13
Five-year CD, annual yield	1.86	1.86	1.46	1.89	0.39
30-year mortgage, fixed†	4.93	4.93	3.85	4.97	1.12
15-year mortgage, fixed†	4.24	4.23	3.15	4.30	1.24
Jumbo mortgages, $424,100-plus†	5.01	5.01	4.21	5.16	0.61
Five-year adj mortgage (ARM)†	4.78	4.87	3.39	4.89	1.52
New-car loan, 48-month	4.52	3.95	2.99	4.54	1.36

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: SIX Financial Information; Dow Jones Market Data; Bankrate.com

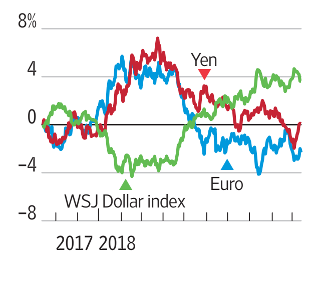
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

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



Sources: Ryan ALM; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1423.621	3.050	3.124	3.124	2.042	–2.830	0.048
10-yr Treasury, Ryan ALM	1657.139	3.140	3.227	3.227	2.280	–4.887	–0.981
DJ Corporate	n.a.	n.a.	4.111	n.a.	n.a.	n.a.	n.a.
Aggregate, Barclays Capital	1903.390	3.540	3.600	3.600	2.530	–1.828	1.121
High Yield 100, Merrill Lynch	n.a.	n.a.	6.193	n.a.	n.a.	n.a.	n.a.
Fixed-Rate MBS, Barclays	1956.140	3.680	3.760	3.760	2.780	–1.535	0.785
Muni Master, Merrill	n.a.	n.a.	2.809	n.a.	n.a.	n.a.	n.a.
EMBI Global, J.P. Morgan	n.a.	n.a.	6.909	n.a.	n.a.	n.a.	n.a

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

Commodities

	Close	Friday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	634.92	3.15	0.50	667.35	593.00	6.03	1.53
TR/CC CRB Index	197.94	1.31	0.67	206.38	183.36	7.09	2.10
Crude oil, $ per barrel	71.34	0.37	0.52	76.41	51.29	38.66	18.07
Natural gas, $/MMBtu	3.161	-0.061	-1.89	3.63	2.55	5.37	7.04
Gold, $ per troy oz.	1218.10	-5.40	-0.44	1362.40	1176.20	-6.41	-6.75

MARKET DATA

Futures Contracts

Metal & Petroleum Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Oct	2.8090	2.8110	▲	2.7930	**2.7930**	–0.0040	642
Dec	2.7755	2.8325		2.7745	**2.8005**	–0.0025	116,647
Gold (CMX)-100 troy oz.; $ per troy oz.							
Oct	1221.60	1221.60		1216.00	**1218.10**	–5.40	1,321
Dec	1227.70	1228.10		1219.30	**1222.00**	–5.60	381,774
Feb'19	1234.10	1234.10		1225.50	**1227.90**	–5.70	56,672
June	1245.10	1245.10		1238.70	**1240.00**	–6.00	14,438
Aug	1248.80	1250.60		1244.70	**1245.80**	–6.00	2,468
Dec	1259.40	1261.40		1256.70	**1258.10**	–5.90	5,339
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Dec	1072.30	1082.90		1059.60	**1060.80**	–14.40	23,425
March'19	1065.60	1077.30		1054.80	**1055.90**	–14.00	1,827
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Oct	825.00	825.00		823.50	**836.20**	–6.60	39
Jan'19	843.50	847.10		839.30	**840.00**	–6.60	73,809
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Oct	14.260	14.565		14.230	**14.564**	0.029	5
Dec	14.620	14.735		14.540	**14.635**	0.029	163,119
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Nov	71.06	72.01		70.64	**71.34**	0.37	210,329
Dec	70.92	71.89		70.47	**71.18**	0.37	414,039
Jan'19	70.80	71.77		70.32	**71.08**	0.39	192,909
March	70.76	71.57		70.14	**70.94**	0.39	171,824
June	70.50	71.25		69.88	**70.70**	0.36	179,049
Dec	69.10	69.83		68.42	**69.15**	0.23	228,317
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Nov	2.3350	2.3556		2.2953	**2.3213**	–.0109	97,129
Dec	2.3358	2.3568		2.2975	**2.3232**	–.0103	99,908
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Nov	1.9325	1.9814		1.9081	**1.9420**	.0093	91,941
Dec	1.9307	1.9806		1.9067	**1.9404**	.0090	111,048
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Nov	3.228	3.270		3.138	**3.161**	–.061	186,873
Dec	3.300	3.344		3.202	**3.226**	–.053	200,961
Jan'19	3.377	3.424		3.285	**3.306**	–.046	239,948
Feb	3.300	3.339		3.222	**3.238**	–.039	102,162
March	3.132	3.166	▲	3.072	**3.088**	–.025	232,283
April	2.759	2.776		2.724	**2.746**	–.009	165,156

Agriculture Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Dec	369.00	374.00		368.50	**373.75**	4.50	836,490
March'19	381.00	385.75		380.50	**385.75**	4.50	360,328
Oats (CBT)-5,000 bu.; cents per bu.							
Dec	286.50	288.00		285.00	**288.00**	1.50	4,314
March'19	278.75	278.75		276.50	**278.00**	.75	1,199
Soybeans (CBT)-5,000 bu.; cents per bu.							
Nov	859.50	868.00		858.50	**867.50**	9.25	303,710
Jan'19	873.50	882.25		873.00	**881.75**	9.25	200,803
Soybean Meal (CBT)-100 tons; $ per ton.							
Oct	312.90	313.10		311.50	**312.40**	–.40	35
Dec	316.50	319.00		314.80	**316.90**	.10	192,733
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Oct	28.47	28.47		28.47	**29.04**	.31	107
Dec	29.01	29.43		28.99	**29.39**	.37	205,703
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Nov	1068.50	1074.50		1056.00	**1068.50**	...	3,936
Jan'19	1071.50	1092.00		1063.00	**1087.50**	9.50	3,219
Wheat (CBT)-5,000 bu.; cents per bu.							
Dec	507.75	519.00		507.25	**517.25**	9.25	227,678
March'19	528.75	539.50		528.75	**537.50**	8.25	119,760
Wheat (KC)-5,000 bu.; cents per bu.							
Dec	513.75	525.00		512.50	**524.25**	10.50	153,499
March'19	538.50	548.50		537.00	**548.25**	10.25	74,380
Wheat (MPLS)-5,000 bu.; cents per bu.							
Dec	588.75	597.25		588.75	**596.00**	6.50	32,787
March'19	598.00	603.50		597.75	**602.25**	3.50	18,121
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Oct	157.125	157.125		154.550	**154.700**	–2.025	6,046
Nov	156.650	157.475		154.450	**154.625**	–2.125	22,386
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Oct	112.775	113.075		112.200	**112.325**	–.300	27,373
Dec	116.925	117.600		116.025	**116.175**	–.600	129,095
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Oct	68.700	68.900		68.500	**68.750**	.075	16,101
Dec	54.600	56.675		54.275	**55.000**	.575	103,275
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Nov	320.90	326.70	▼	316.00	**320.10**	–4.10	1,653
Jan'19	323.50	327.30	▼	317.10	**320.10**	–10.00	1,303
Milk (CME)-200,000 lbs., cents per lb.							
Oct	15.65	15.67		15.59	**15.61**	–.05	4,190
Nov	15.76	15.79		15.72	**15.76**	...	4,800
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Dec	2,110	2,164		2,110	**2,160**	63	105,903
March'19	2,133	2,181		2,133	**2,177**	54	80,623
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Dec	113.50	116.80		112.55	**116.55**	3.65	145,130
March'19	116.90	120.30		116.15	**120.10**	3.60	74,995
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	12.95	13.28		12.95	**13.07**	.15	414,154
May	13.07	13.35		13.07	**13.19**	.13	134,612
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Jan	25.11	25.12		25.11	**25.12**	–.08	2,573
March	25.60	25.60		25.60	**25.62**	.02	957
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Dec	76.88	78.88		76.88	**78.37**	1.56	137,480
March'19	78.38	79.93		78.36	**79.55**	1.38	69,846
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Nov	142.80	145.30		142.40	**144.15**	1.45	6,290
Jan'19	143.45	144.55		142.35	**143.55**	.85	7,651

Interest Rate Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Dec	138-180	138-280		137-300	**138-270**	...	936,358
March'19	138-030	138-060		137-110	**138-070**	...	65
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	118-075	118-140		118-000	**118-110**	15.0	4,106,267
March'19	117-270	118-050		117-245	**118-025**	15.0	22,451
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	112-082	112-120		112-037	**112-102**	–.5	4,488,384
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Dec	105-100	105-115		105-085	**105-107**	...	2,237,166
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Oct	97.818	97.818		97.815	**97.815**	...	229,828
Nov	97.815	97.815		97.810	**97.810**	...	250,360
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Dec	97.938	98.063		97.734	**98.016**	.031	29,151
1 Month Libor (CME)-$3,000,000; pts of 100%							
Oct	...	...		...	**97.7175**	.0025	60
Eurodollar (CME)-$1,000,000; pts of 100%							
Oct	97.5525	97.5625		97.5475	**97.5575**	.0025	209,352
Dec	97.3200	97.3350		97.3100	**97.3250**	...	1,731,333
June'19	96.9800	97.0000		96.9600	**96.9900**	...	1,398,933
Dec	96.8000	96.8250		96.7650	**96.8100**	.0050	2,005,930

Currency Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Oct	.8919	.8930		.8898	**.8930**	–.0004	786
Dec	.8960	.8981		.8931	**.8971**	–.0004	228,932
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Oct	.7679	.7682		.7679	**.7664**	...	286
Dec	.7684	.7700		.7671	**.7673**	–.0001	112,221
British Pound (CME)-£62,500; $ per £							
Oct	1.3234	1.3234		1.3154	**1.3164**	–.0072	1,198
Dec	1.3268	1.3296		1.3183	**1.3200**	–.0072	207,150
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Dec	1.0162	1.0176		1.0126	**1.0150**	–.0017	64,608
March'19	1.0254	1.0272		1.0227	**1.0249**	–.0016	258
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Oct	.7125	.7125		.7125	**.7106**	...	722
Nov	.7129	.7136		.7115	**.7109**	.0001	503
Dec	.7126	.7144		.7106	**.7110**	.0001	164,227
Jan'19	.7130	.7130		.7130	**.7112**	.0001	102
March	.7135	.7149		.7120	**.7119**	.0001	482
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Dec	.05220	.05256		.05217	**.05243**	.00039	211,040
Euro (CME)-€125,000; $ per €							
Oct	1.1594	1.1604		1.1544	**1.1565**	–.0031	4,920
Dec	1.1651	1.1669		1.1593	**1.1622**	–.0031	467,456

Index Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Dec	25209	25545		24990	**25316**	131	94,815
March'19	25350	25588	▼	25050	**25370**	123	716
S&P 500 Index (CME)-$250 x index							
Dec	2751.60	2784.80		2732.50	**2768.40**	23.00	48,320
Mini S&P 500 (CME)-$50 x index							
Dec	2782.00	2785.00		2732.25	**2768.40**	22.90	2,853,603
March'19	2789.00	2792.25		2740.50	**2775.80**	23.05	100,695
Mini S&P Midcap 400 (CME)-$100 x index							
Dec	1870.90	1902.60	▼	1847.60	**1873.30**	4.20	81,448
Mini Nasdaq 100 (CME)-$20 x index							
Dec	7040.8	7197.8		7034.3	**7172.3**	141.3	264,851
March'19	7082.5	7232.3	▲	7070.0	**7207.5**	142.0	2,019
Mini Russell 2000 (CME)-$50 x index							
Dec	1555.40	1575.80	▼	1530.70	**1549.40**	–4.30	524,556
March'19	1570.00	1580.80	▼	1537.40	**1555.10**	–4.50	1,263
Mini Russell 1000 (CME)-$50 x index							
Dec	1530.50	1535.70		1510.20	**1531.10**	20.40	8,761
U.S. Dollar Index (ICE-US)-$1,000 x index							
Dec	94.72	95.06		94.64	**94.91**	.20	53,411
March'19	94.17	94.45		94.15	**94.38**	.19	1,479

Source: SIX Financial Information

Bonds | WSJ.com/bonds

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
2.750	U.S. 2	2.845 ▼	2.861	2.748	1.517			
2.875	10	3.137 ▼	3.151	2.967	2.320			
1.750	Australia 2	2.060 ▲	2.032	2.014	1.948	-78.5	-82.9	43.1
2.250	10	2.757 ▲	2.738	2.597	2.812	-38.0	-41.3	49.2
0.000	France 2	-0.395 ▼	-0.363	-0.386	-0.498	-324.0	-322.4	-201.5
0.750	10	0.864 ▼	0.878	0.727	0.716	-227.3	-227.3	-160.4
0.000	Germany 2	-0.554 ▼	-0.540	-0.545	-0.701	-339.8	-340.1	-221.8
0.250	10	0.500 ▼	0.521	0.412	0.448	-263.7	-263.1	-187.2
0.350	Italy 2	1.480 ▼	1.523	0.830	-0.101	-136	-133.8	-161.8
2.800	10	3.575 ▲	3.570	2.950	2.060	43.9	41.9	-26.0
0.100	Japan 2	-0.116 ▲	-0.117	-0.110	-0.141	-296.0	-297.8	-165.8
0.100	10	0.150 ▲	0.145	0.111	0.068	-298.7	-300.6	-225.2
1.150	Spain 2	-0.141 ▼	-0.140	-0.263	-0.283	-298.6	-300.0	-180.0
1.400	10	1.670 ▲	1.639	1.465	1.637	-146.	-151.2	-68.2
2.000	U.K. 2	0.821 ▼	0.875	0.788	0.476	-202.4	-198.6	-104.1
4.250	10	1.495 ▼	1.540	1.338	1.383	-164.1	-161.1	-93.7

Source: Tullett Prebon

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate, moves in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
Newmont Mining	NEM	3.500	March 15, '22	66	–14	n.a.	32.04	–2.08
Costco Wholesale	COST	2.750	May 18, '24	37	–10	42	226.95	2.31
Express Scripts Holding	ESRX	3.900	Feb. 15, '22	65	–10	n.a.	94.29	0.59
Primerica	PRI	4.750	July 15, '22	76	–9	n.a.	110.19	–1.50
Societe Generale S.A.	SOCGEN	7.375	Oct. 4, '49	461	–9	430	...	...
Howard Hughes Medical Institute*	HUGHES	3.500	Sept. 1, '23	35	–8	42	...	...
Pitney Bowes	PBI	4.700	April 1, '23	461	–8	429	6.69	...
Intesa Sanpaolo Spa	ISPIM	3.875	July 14, '27	312	–7	307	...	...

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Verizon Communications	VZ	4.329	Sept. 21, '28	204	78	118	53.73	0.75
Bank of Nova Scotia*	BNS	2.700	March 7, '22	56	33	50	55.01	–0.51
General Electric	GE	5.000	Jan. 21, '49	186	16	304	12.32	–3.14
General Motors Financial	GM	5.250	March 1, '26	199	15	181	...	...
PNC Bank NA	PNC	2.150	April 29, '21	47	14	47	...	...
Simon Property	SPG	4.125	Dec. 1, '21	58	14	n.a.	171.18	0.46
Bank of America	BAC	4.125	Jan. 22, '24	94	12	83	28.46	0.35
Kraft Heinz Foods	KHC	3.000	June 1, '26	146	10	135	...	...

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
Tronox Finance	TROXX	5.750	Oct. 1, '25	92.970	1.97	n.a.	...	...
EP Energy	EPENEG	9.375	May 1, '24	81.750	1.75	84.000	...	...
Inmarsat Finance	ISATLN	6.500	Oct. 1, '24	100.100	1.60	101.000	...	...
First Quantum Minerals	FMCN	6.500	March 1, '24	90.300	1.55	90.250	...	...
Change Healthcare Holdings	EM	5.750	March 1, '25	98.750	1.53	98.500	...	...
Encana	ECACN	6.625	Aug. 15, '37	117.618	1.46	117.899	...	...
HCA	HCA	5.500	June 15, '47	99.500	1.38	99.750	133.86	1.08
Telecom Italia Capital S.A.	TITIM	7.200	July 18, '36	99.848	1.35	n.a.	...	...

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Lennar*	LEN	4.750	Nov. 15, '22	99.500	–1.63	100.875	43.15	–0.37
Sanchez Energy	SN	7.750	June 15, '21	68.470	–1.03	71.875	2.50	5.04
Videotron	QBRCN	5.000	July 15, '22	101.576	–0.96	103.125	...	...
Newfield Exploration	NFX	5.625	July 1, '24	103.480	–0.90	n.a.	25.20	0.08
USG	USG	5.500	March 1, '25	101.250	–0.80	n.a.	42.83	0.28
Endo Finance	ENDP	5.375	Jan. 15, '23	86.765	–0.77	88.345	...	...
K. Hovnanian Enterprises	HOV	10.500	July 15, '24	95.250	–0.75	96.375	1.51	–0.66
McDermott Escrow 1	MDR	10.625	May 1, '24	104.250	–0.75	106.125	...	...

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; Dow Jones Market Data

Dividend Changes

Dividend announcements from October 12.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Barings BDC	BBDC	4.0	.10 /.03	Q	Dec21 /Dec14
Eaton Vance	EV	3.0	.35 /.31	Q	Nov15 /Oct31
Genesis Energy	GEL	8.8	.54 /.53	Q	Nov14 /Oct31
PolyOne	POL	2.2	.195 /.175	Q	Jan09 /Dec14
Thor Industries	THO	1.9	.39 /.37	Q	Nov09 /Oct25
Foreign					
Dynagas LNG Partners	DLNG	11.8	.25	Q	Oct26 /Oct19

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Friday, October 12, 2018

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	10.56	0.19	–2.1
CnsmrDiscSelSector	XLY	108.48	1.85	9.9
CnsStapleSelSector	XLP	52.38	0.56	–7.9
EnSelectSectorSPDR	XLE	73.00	0.27	1.0
FinSelSectorSPDR	XLF	26.43	0.11	–5.3
FT DJ Internet	FDN	127.98	2.89	16.5
HealthCareSelSect	XLV	91.07	1.54	10.1
IndSelSectorSPDR	XLI	73.90	0.67	–2.3
InvscQQQI	QQQ	174.32	2.78	11.9
InvscS&P500EW	RSP	100.64	0.87	–0.4
InvscS&P500LowVol	SPLV	47.50	0.32	–0.5
iShCoreMSCIEAFE	IEFA	60.09	0.25	–9.1
iShCoreMSCIEmgMk	IEMG	48.61	2.79	–14.6
iShCoreMSCITotInt	IXUS	56.61	0.89	–10.3
iShCoreS&P500	IVV	278.03	1.35	3.4
iShCoreS&P MC	IJH	186.47	0.21	–1.7
iShCoreS&P SC	IJR	79.30	–0.18	3.2
iShS&PTotlUSStkMkt	ITOT	62.96	1.30	3.0
iShCoreUSAggBd	AGG	104.75	0.03	–4.2
iShSelectDividend	DVY	96.37	0.39	–2.2
iShEdgeMSCIMinEAFE	EFAV	68.91	–0.09	–5.6
iShEdgeMSCIMinUSA	USMV	54.62	0.94	3.5
iShEdgeMSCIUSAMom	MTUM	110.80	2.54	7.4
iShFloatingRateBd	FLOT	50.93	–0.02	0.2
iShGoldTr	IAU	11.68	–0.34	–6.6
iShiBoxx$InvGrCpBd	LQD	113.32	0.02	–6.8
iShiBoxx$HYCpBd	HYG	85.15	0.53	–2.4
iShJPMUSDEmgBd	EMB	105.81	0.23	–8.9
iShMBSETF	MBB	102.43	–0.02	–3.9
iShMSCI ACWI	ACWI	70.23	1.21	–2.6
iShMSCI EAFE	EFA	63.85	0.36	–9.2
iShMSCI EAFE SC	SCZ	58.07	0.75	–10.0
iShMSCIEmgMarkets	EEM	40.29	2.94	–14.5
iShMSCIEurozone	EZU	38.37	0.13	–11.5
iShMSCIJapan	EWJ	56.73	0.23	–5.3
iShNasdaqBiotech	IBB	111.25	1.99	4.2
iShNatlMuniBd	MUB	106.89	–0.11	–3.5
iShRussell1000Gwth	IWF	146.17	2.16	8.5
iShRussell1000	IWB	153.17	1.30	3.1
iShRussell1000Val	IWD	121.22	0.56	–2.5
iShRussell2000Gwth	IWO	192.47	0.67	3.1
iShRussell2000	IWM	153.60	0.02	0.7
iShRussell2000Val	IWN	123.59	–0.63	–1.7
iShRussell3000	IWV	162.76	1.26	2.9
iShRussellMid-Cap	IWR	205.56	0.93	–1.2
iShRussellMCValue	IWS	85.25	0.34	–4.4
iShS&PMC400Growth	IJK	213.74	0.66	–1.0
iShS&P500Growth	IVW	166.74	2.13	9.1
iShS&P500Value	IVE	111.16	0.53	–2.7
iShUSPfdStk	PFF	35.85	–0.17	–5.8
iShShortCpBd	IGSB	51.62	...	–1.2
iShShortTreaBd	SHV	110.34	0.02	0.1
iShTIPSBondETF	TIP	109.43	–0.16	–4.1
iSh1-3YTreasuryBd	SHY	82.95	...	–1.1
iSh7-10YTreasuryBd	IEF	100.29	–0.12	–5.0
iSh20+YTreasuryBd	TLT	114.47	–0.35	–9.8
iShRussellMCGrowth	IWP	124.14	1.91	2.9
PIMCOEnhShMaturity	MINT	101.48	–0.01	–0.1
SPDR BlmBarcHYBd	JNK	35.50	0.51	–3.3
SPDR Gold	GLD	115.23	–0.48	–6.8
SchwabIntEquity	SCHF	31.46	0.45	–7.7
SchwabUS BrdMkt	SCHB	66.47	1.26	3.0
SchwabUS Div	SCHD	50.50	0.74	–1.3
SchwabUS LC	SCHX	65.92	1.37	3.4
SchwabUS SC	SCHA	69.67	0.19	–0.1
SPDR DJIA Tr	DIA	253.30	1.21	2.4
SPDR S&PMdCpTr	MDY	340.23	0.22	–1.5
SPDR S&P 500	SPY	275.95	1.39	3.4
SPDR S&P Div	SDY	93.00	0.05	–1.6
TechSelectSector	XLK	70.83	3.21	10.8
UtilitiesSelSector	XLU	52.95	–0.11	0.5
VanEckGoldMiner	GDX	19.75	–0.60	–15.0
VangdInfoTech	VGT	189.26	3.08	14.9
VangdSC Val	VBR	129.30	–0.23	–2.6
VangdSC Grwth	VBK	169.81	1.25	5.6
VangdDivApp	VIG	104.78	0.99	2.7
VangdFTSEDevMk	VEA	40.57	0.50	–9.6
VangdFTSE EM	VWO	38.72	2.54	–15.7
VangdFTSE Europe	VGK	52.76	0.34	–10.8
VangdFinls	VFH	66.22	–0.14	–5.5
VangdFTSEAWxUS	VEU	48.94	0.91	–10.6
VangdGrowth	VUG	150.95	2.16	7.3
VangdHlthCr	VHT	171.38	1.53	11.2
VangdHiDiv	VYM	83.81	0.52	–2.1
VangdIntermBd	BIV	79.84	0.01	–4.8
VangdIntrCorpBd	VCIT	82.69	–0.06	–5.4
VangdLC	VV	126.66	1.39	3.3
VangdMC	VO	152.94	1.02	–1.2
VangdMC Val	VOE	106.80	0.43	–4.3
VangdRealEst	VNQ	75.82	–0.26	–8.6
VangdS&P500	VOO	253.60	1.35	3.4
VangdST Bond	BSV	77.80	...	–1.6
VangdSTCpBd	VCSH	77.84	–0.04	–1.8
VangdSC	VB	149.29	0.42	1.0
VangdTotalBd	BND	78.03	–0.03	–4.3
VangdTotIntlBd	BNDX	54.24	0.06	–0.2
VangdTotIntlStk	VXUS	50.69	0.94	–10.8
VangdTotalStk	VTI	141.37	1.32	3.0
VangdTotlWrld	VT	71.53	1.13	–3.7
VangdValue	VTV	106.20	0.70	–0.1

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

October 12, 2018

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Sept. index level	Chg From (%) Aug. '18	Sept. '17
U.S. consumer price index			
All items	252.439	0.12	2.3
Core	258.429	0.16	2.2

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	5.25	5.25	5.25	4.25
Canada	3.70	3.70	3.70	3.20
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	0.00	0.00	0.00	0.00
Switzerland	0.50	0.50	0.50	0.50
Britain	0.75	0.75	0.75	0.25
Australia	1.50	1.50	1.50	1.50

Secondary market

Fannie Mae

30-year mortgage yields	Latest	Week ago	52-Week High	52-Week Low
30 days	4.481	4.513	4.555	3.406
60 days	4.508	4.547	4.588	3.429

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective September 27, 2018.

Other prime rates aren't directly comparable; lending practices vary widely by location.

Complete Money Rates table appears Monday through Friday.

Sources: Bureau of Labor Statistics; SIX Financial Information

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Friday, October 12, 2018

Stock	Sym	52-Wk Hi/Lo	% Chg
Highs			
AirT	AIRT	43.00	7.8
AllegroMergWt	ALGRW	1.00	0.3
Amarin	AMRN	21.05	1.8
Atrion	ATRI	718.11	-2.5
BioDeliverySci	BDSI	3.55	0.9
BisonCapAcqn	BCACU	13.23	9.0
BrookfieldREITPfdA	BPRAP	25.49	-0.3
CYREN	CYRN	3.40	4.0
EngGr-Cmg C	CIG.C	2.85	7.3
EngGr-Cmg	CIG	2.87	8.0
CorMedix	CRMD	2.32	22.2
DCPMidstrmPfdC	DCPpC	24.79	0.7
DD3Acquisition	DDMXU	10.10	0.1
EsterlineTechs	ESL	116.73	1.0
HawthornBcsh	HWBK	24.88	0.6
iShiBdsDec2028Cp	IBDT	25.36	0.4
KezarLifeSci	KZR	24.89	2.1
ParingaResources	PNRL	10.38	2.7
PepperFoodSvc	KPFS	8.85	-3.0
SB Financial PfA	SBFGP	25.05	25.2
SeabridgeGold	SA	14.57	3.3
SeaspanPfdI	SSWpI	25.30	...
SpartanEnergy	SPAQ	9.69	0.2
Supervalu	SVU	32.49	1.4
ValleyNatlPfdB	VLYPO	25.30	...
YoungevityIntl	YGYI	14.40	40.7
Lows			
ABB	ABB	21.01	0.6
ACCO Brands	ACCO	10.13	-1.4
AECOM	ACM	30.37	-0.1
AGCO	AGCO	54.47	-1.4
AGNC Invt	AGNC	17.71	-0.2
A10Networks	ATEN	5.51	-1.4
AccelerateDiag	AXDX	16.27	-0.2
Achaogen	AKAO	3.70	-3.1
AchieveLifeSci	ACHV	2.12	-2.2
AdestoTech	IOTS	4.42	-2.6
Adient	ADNT	29.55	-4.9
AdvanSix	ASIX	30.46	-0.3
Advaxis	ADXS	0.76	-3.0
AffiliatedMgrs	AMG	122.13	0.7
AirMedia	AMCN	0.38	3.3
AlamoGroup	ALG	82.55	-1.8
Alexander&Baldwin	ALEX	19.68	0.3
Alexanders	ALX	325.00	-2.0
AlexandriaPfdD	AREpD	33.12	-0.9
AlmadenMinerals	AAU	0.49	-7.4
AltaMesaRscs	AMR	3.65	-0.3
AltisourceAsset	AAMC	47.00	1.9
Amdocs	DOX	60.50	0.6
AmericanFin	AFG	100.00	-1.9
AmHomes4RentPfdF	AMHpF	21.52	-1.8
AmHomes4RentPfdG	AMHpG	21.60	-2.1
AIG Wt	AIG.WS	12.55	0.7
AIG	AIG	48.85	-0.7
AmerSoftware	AMSWA	11.11	-1.1
AmerVanguard	AVD	16.72	-0.4
AmericanWoodmark	AMWD	66.15	-3.0
AmerisBancorp	ABCB	41.86	-1.8
AmpliphiBiosci	APHB	0.32	-32.8
AnnalyCap	NLY	9.81	-0.3
AnworthMtg	ANH	4.28	-1.1
AnworthMtgPfdB	ANHpB	23.84	-2.7
AppleHospREIT	APLE	16.33	-0.1
ApproachRscs	AREX	1.93	-1.0
Aptiv	APTV	72.52	0.1
ArlingtonAsset	AI	8.38	-0.6
ArloTech	ARLO	12.45	-0.9
ArmourRes	ARR	20.65	-2.8
ArrowElec	ARW	67.11	1.5
ArtisanPtrsAsset	APAM	28.37	-2.5
AssemblyBiosci	ASMB	23.05	1.8
Athenex	ATNX	13.22	-0.6
Autoliv	ALV	78.11	-0.5
AutoNation	AN	37.64	-2.5
AxaltaCoating	AXTA	25.27	-1.1
AxcelisTechs	ACLS	16.65	0.9
BBX CapitalA	BBX	6.15	0.2
BCB Bancorp	BCBP	12.92	-3.7
BCE	BCE	38.88	0.1
BancCalifornia	BANC	17.53	-1.2
BancorpSouth	BXS	29.36	-2.2
BankOZK	OZK	34.62	-2.9
BankofAmWtB	BAC.WS.B	0.07	-29.4
BankofHawaii	BOH	75.32	-2.5
BankNY Mellon	BK	48.25	-0.2
BNYMellonPfdC	BKpC	22.95	-0.6
BkNovaScotia	BNS	54.78	-0.5
BankFinancial	BFIN	14.41	-4.0
BankwellFin	BWFG	29.85	-2.3
BarHarborBkshs	BHB	25.59	-5.5
Barclays	BCS	8.56	-0.6
BeazerHomes	BZH	9.35	-4.2
BedBath	BBBY	13.41	-3.0
BerryGlobal	BERY	42.38	0.6
BiglariB	BH	165.30	-1.8
BoiseCascade	BCC	31.73	-1.7
BorgWarner	BWA	37.37	-0.1
BostonPrivFin	BPFH	12.73	-2.5
Boxlight	BOXL	2.10	0.7
BrandywineRealty	BDN	14.37	-0.2
BridgeBancorp	BDGE	30.25	-3.2
BritishAmTob	BTI	42.81	-2.4
BuildersFirstSrc	BLDR	12.84	-2.1
CBL Assoc	CBL	3.43	-6.3
CBL AssocPfdD	CBLpD	14.85	-1.8
CBRE Group	CBRE	38.53	-0.3
CDK Global	CDK	55.75	-0.5
CEVA	CEVA	24.33	0.5
CNA Fin	CNA	43.06	0.6
CRH	CRH	30.08	0.3
CSG Systems	CSGS	35.69	-0.4
CVB Fin	CVBF	20.49	-2.0
Cabot	CBT	53.12	-1.9
CanNaturalRes	CNQ	28.76	0.5
CantelMedical	CMD	83.47	-0.1
CapitalOnePfdG	COFpG	22.70	-0.9
CapitolFedFin	CFFN	12.04	-2.5
CapStarFin	CSTR	15.42	-4.0
CapsteadMtg	CMO	7.35	-1.3
CarolinaFin	CARO	34.21	-3.8
CastlightHealth	CSLT	2.27	-3.3
CatchMarkTimber	CTT	9.74	-2.9
CathayGenBncp	CATY	38.03	-2.7
CemtrexWt	CETXW	0.07	37.7
CenterStateBank	CSFL	24.96	-2.2
CentralGarden	CENT	32.52	-4.6
CentralGardenA	CENTA	29.71	-4.5
CentralPacFin	CPF	24.84	-2.3
CenturyComm	CCS	22.88	-0.4
ChemicalFin	CHFC	48.17	-3.2
Chimerix	CMRX	3.53	-1.6
ChinaAutoSys	CAAS	3.11	-2.8
ChinaNaturalRscs	CHNR	1.63	-0.7
ChinaTechFaith	CNTF	1.65	-4.8
ChinaXDPlastics	CXDC	2.75	...
Chubb	CB	123.23	-0.4
Cinedigm	CIDM	0.86	-0.2
CitizensFin	CFG	35.25	-2.4
ClearSignWt	CLIRW	0.10	-60.0
ClovisOncology	CLVS	26.40	-4.3
Cohen&Steers	CNS	35.50	-1.5
Coherent	COHR	130.57	0.6
CollierCreek	CCH.U	9.95	0.3
ColumbiaBanking	COLB	35.85	-2.3
CommScope	COMM	24.82	-0.5
CommunityFin	TCFC	32.49	-2.0
CommunityHlthSys	CYH	2.56	-1.5
CmntyTrBcp	CTBI	42.42	-3.1
ConnectOneBncp	CNOB	21.80	-1.6
Cooper-Standard	CPS	93.05	-1.5
CorePoint	CPLG	17.51	-0.5
Corts JCPen JBR	JBR	8.01	-2.4
CostamarePfdD	CMREpD	24.83	-0.6
CousinsProperties	CUZ	8.22	-0.4
CreditSuisse	CS	13.34	0.6
Cresud	CRESY	11.99	2.9
CrownCastlePfA	CCIpA	1009.23	-0.4
CueBiopharma	CUE	6.40	-4.5
Culp	CULP	21.82	-2.5
CustomersBancorp	CUBI	21.40	-4.3
CytRx	CYTR	0.91	-0.1
Daktronics	DAKT	7.16	-0.6
Dana	DAN	15.89	-2.2
DeanFoods	DF	6.94	-1.1
DelphiTechs	DLPH	23.00	-0.8
Deluxe	DLX	50.35	-1.9
DimeComBcshrs	DCOM	16.62	-4.1
DropCar	DCAR	0.48	-3.8
DynexCapital	DX	5.86	-1.3
EMC Insurance	EMCI	23.49	0.2
EMCOR	EME	68.05	-1.6
EQT GP	EQGP	19.73	-2.6
EXFO	EXFO	2.97	-14.6
EagleMaterials	EXP	79.22	-0.3
EastWestBncp	EWBC	54.48	-2.4
EasterlyGovtProp	DEA	17.42	-2.2
EastmanChem	EMN	81.89	0.5
EatonVance	EV	45.72	-0.9
eBay Nts2056	EBAYL	25.15	1.0
EchoStar	SATS	42.56	0.6
EdtechX Un	EDTXU	10.01	0.2
electroCore	ECOR	11.40	-4.5
EmeraldExpo	EEX	13.93	-1.1
EmergeEnergy	EMES	3.30	-3.4
EmpireResorts	NYNY	6.71	-5.8
EmpireStateRealty	ESRT	15.61	0.1
EncoreCapital	ECPG	29.97	-1.7
EvoquaWater	AQUA	15.14	-2.7
FB Financial	FBK	34.95	-1.7
FCB Financial	FCB	43.20	-1.7
FNB	FNB	11.58	-2.8
FS Bancorp	FSBW	49.21	-3.7
FedAgriMtg A	AGM.A	64.19	-3.4
Ferro	FOE	18.55	-3.8
FifthThirdBncp	FITB	26.32	-1.4
FinInstitutions	FISI	28.80	-2.3
FirstAmerFin	FAF	45.08	0.6
FirstFoundation	FFWM	14.24	-1.7
FirstHawaiian	FHB	24.77	-0.8
FirstHorizonNatl	FHN	15.56	-1.6
FirstInternetBncp	INBK	27.32	-3.9
FirstNWBncp	FNWB	15.00	-2.0
FirstLongIsland	FLIC	20.40	-2.5
FirstRepBkPfdI	FRCpI	23.11	0.1
FirstSolar	FSLR	44.72	0.4
FivePoint	FPH	8.08	...
Flagstar	FBC	28.18	-0.6
Flex	FLEX	11.69	1.6
FlexShopper	FPAY	0.68	-2.4
Flexsteel	FLXS	28.55	-0.8
Floor&Decor	FND	27.07	-3.6
FlushingFin	FFIC	21.87	-3.4
FordMotor	F	8.55	-1.9
FortBrandsHome	FBHS	47.00	-0.8
FosterLB	FSTR	18.17	1.1
FdnBuilding	FBM	11.48	-2.5
FranklinRscs	BEN	28.12	...
FranklinStProp	FSP	7.05	-3.0
FreshDelMonte	FDP	29.70	-2.3
FuelCell	FCEL	0.95	0.1
FullHouse	FLL	2.67	7.4
FullerHB	FUL	45.22	-1.8
FusionConnect	FSNN	2.42	-0.8
FVCBankcorp	FVCB	19.11	-1.3
GAMCO Investors	GBL	21.74	-2.0
GMS	GMS	19.10	-1.7
GP Strategies	GPX	15.52	-0.8
GabelliCvIncmRt	GCVr	0.04	-33.3
GabelliGlSMidPfdA	GGZpA	24.05	-0.5
GeneralMotors	GM	31.49	-1.6
GeneralMotorsWt19	GM.WS.B	14.65	-2.5
Genpact	G	27.67	...
GermanAmerBncp	GABC	32.26	-3.1
GoldenEnt	GDEN	21.48	-0.6
Goodyear	GT	20.31	0.4
GraphicPkg	GPK	12.46	-0.5
Greif A	GEF	45.84	-1.1
Greif B	GEF.B	49.27	-2.5
Griffon	GFF	15.06	-2.3
Group1Auto	GPI	53.82	-1.7
GpoAvalAcc	AVAL	7.22	0.4
GuangshenRail	GSH	19.66	-0.3
Gulf Resources	GURE	0.85	-1.1
HSBC	HSBC	41.48	0.5
HainCelestial	HAIN	24.89	0.2
HamiltonBeach	HBB	18.34	-3.7
HancockWhitney	HWC	43.46	-2.6
Hanesbrands	HBI	16.11	1.2
HanmiFinancial	HAFC	22.06	-3.0
HartfordFinl	HIG	45.96	-0.1
HartfordFinSvcsWt	HIG.WS	42.30	-5.3
HercHoldings	HRI	38.67	0.1
HerculesCapNts24	HTGX	24.93	0.5
HeritageInsurance	HRTG	12.85	-3.1
HighpowerIntl	HPJ	2.44	-2.4
Hilltop	HTH	18.82	-1.5
HomeBancShares	HOMB	19.83	-2.5
HondaMotor	HMC	26.90	0.3
HopeBancorp	HOPE	14.98	-2.2
DR Horton	DHI	37.42	-0.8
HowardBancorp	HBMD	14.70	-2.3
HowardHughes	HHC	113.89	0.1
HuanengPower	HNP	23.51	-1.0
IMPAC Mortgage	IMH	6.31	-2.6
Invesco	IVZ	19.66	-0.6
Ichor	ICHR	17.91	-0.1
iClickInteract	ICLK	3.38	3.1
IconixBrand	ICON	0.20	7.6
ImmuneDesign	IMDZ	1.47	-33.7
InstalledBldg	IBP	35.17	-0.7
Intellipharm	IPCI	0.62	-21.0
Interface	TILE	19.50	-3.2
IntlPaper	IP	41.87	-0.4
Invacare	IVC	13.70	-0.3
InvescoMtg	IVR	14.53	-1.2
InvestorsBancorp	ISBC	11.14	-1.9
Itron	ITRI	52.96	0.5
JELD-WEN	JELD	20.62	-0.7
Jabil	JBL	23.28	1.0
JanusHenderson	JHG	23.42	-0.2
JefferiesFin	JEF	20.23	-0.5
HancockHdgEquity	HEQ	14.78	-0.5
JohnsonControls	JCI	32.35	-2.3
JounceTherap	JNCE	5.83	-1.2
KB Home	KBH	20.55	-1.1
Koppers	KOP	29.10	-1.4
KraftHeinz	KHC	53.03	0.8
LGI Homes	LGIH	38.43	-2.8
LSC Comm	LKSD	8.61	-0.6
LadenburgThalPf	LTSpA	22.41	...
LakelandBcp	LBAI	16.52	-2.8
LakelandFin	LKFN	43.41	-1.7
LaredoPetrol	LPI	6.36	-1.2
LaSalleHotelPfJ	LHOpJ	23.52	0.3
Lear	LEA	132.35	-2.4
LeggMason	LM	28.24	-0.2
Leggett&Platt	LEG	38.60	-0.4
LendingTree	TREE	192.87	-3.5
Lennar B	LEN.B	35.82	-1.1
Lennar A	LEN	42.70	-0.4
LibertyGlobal A	LBTYA	24.47	1.6
LibertyGlobal C	LBTYK	23.97	1.7
LifetimeBrands	LCUT	9.75	-0.6
LithiaMotors	LAD	73.83	-2.0
LouisianaPacific	LPX	22.48	-3.0
Luby's	LUB	1.47	-3.3
LumberLiqu	LL	13.00	-3.6
LutherBurbank	LBC	9.90	-3.1
Lydall	LDL	35.15	-2.7
M&T Bank	MTB	155.36	-1.2
MDC Partners	MDCA	2.76	-10.7
MFC Bancorp	MFCB	5.47	-0.3
MI Homes	MHO	22.15	-1.6
Macerich	MAC	49.59	-0.7
MagellanHealth	MGLN	66.71	0.6
MagnaChipSem	MX	8.75	-1.5
Manitowoc	MTW	20.65	-3.3
Manning&Napier	MN	2.54	-3.7
Manpower	MAN	74.64	-0.6
Marchex	MCHX	2.47	1.6
MarriottVacations	VAC	92.00	0.1
Masco	MAS	31.88	-1.0
MatthewsIntl	MATW	42.65	-4.0
MaxwellTechs	MXWL	2.87	-2.9
McDermottIntl	MDR	15.53	-2.9
MedEquitiesRlty	MRT	8.64	-0.5
MelintaTherap	MLNT	3.67	-3.1
MercantileBank	MBWM	31.26	-3.6
MeritageHomes	MTH	34.54	-2.2
MersanaTherap	MRSN	8.16	1.5
MetaFinancial	CASH	24.79	-3.2
MethodeElec	MEI	28.62	-1.4
MetLife	MET	42.80	0.2
MidPennBancorp	MPB	25.03	-1.8
MidlandStBncp	MSBI	28.46	-3.1
MidstatesPetrol	MPO	8.04	-0.8
MineralsTechs	MTX	56.38	-1.0
MiragenTherap	MGEN	4.38	-0.9
ModineMfg	MOD	12.83	-1.8
MohawkInds	MHK	153.88	-0.7
MoneyGram	MGI	4.46	0.4
MonotypeImaging	TYPE	18.69	-1.1
MorganStanley	MS	42.88	-0.1
MuellerIndustries	MLI	25.20	-1.6
Multi-Color	LABL	55.11	-2.2
MustangBio	MBIO	4.46	-1.9
MyersIndustries	MYE	15.80	-1.5
Mylan	MYL	31.54	-1.5
NCR	NCR	24.15	-0.1
NN	NNBR	12.55	-5.2
NVR	NVR	2190.00	-1.2
NatlRetailPropPfE	NNNpE	23.02	-0.9
NaturalGasSvcs	NGS	18.78	1.0
NaviosMaritime	NNA	0.46	-3.7
NemauraMedical	NMRD	1.93	-4.4
Neuronetics	STIM	22.67	4.5
NewHome	NWHM	6.67	-2.8
NY CmntyBcp	NYCB	9.65	-2.7
NYComBncpPfdA	NYCBpA	25.43	-0.2
NY CmtyCap V	NYCBpU	48.70	-0.5
NewYorkREIT	NYRT	14.00	-0.5
NewellBrands	NWL	17.28	-0.8
NewLinkGenetics	NLNK	2.10	-2.3
NextEraPfdDebJ	NEEpJ	21.62	0.2
Norbord	OSB	26.61	-2.2
NorthfieldBanc	NFBK	14.24	-4.3
NymoxPharm	NYMX	1.61	-10.2
ObsidianEnergy	OBE	0.82	-3.8
OilDriAmerica	ODC	33.19	-1.9
111	YI	9.20	-5.1
Orange	ORAN	15.45	-1.5
OrchidIslandCap	ORC	6.65	-2.2
OriginBancorp	OBNK	36.10	-3.6
OritaniFinancial	ORIT	14.95	-1.4
Oshkosh	OSK	60.87	-2.9
Otonomy	OTIC	2.37	-2.0
OutfrontMedia	OUT	17.51	-3.2
OwensCorning	OC	49.86	-2.5
PNC Fin	PNC	121.61	-5.6
PNC Fin Wt	PNC.WS	54.44	-14.0
PPG Ind	PPG	94.40	-1.3
PacCityFincl	PCB	17.00	-7.5
PacificPremBncp	PPBI	33.17	-3.4
PackagingCpAm	PKG	86.98	-0.4
PanhandleOil&Gas	PHX	17.45	-1.3
ParkNational	PRK	96.91	-3.2
PeapackGladFinl	PGC	28.67	-0.3
PebblebrookHotel	PEB	31.39	-1.6
Pentair	PNR	38.36	-0.5
People'sUtdFin	PBCT	15.80	-2.4
PetMedExpress	PETS	27.70	-4.8
PiedmontLith	PLLL	9.98	1.6
PinnacleFinPtrs	PNFP	54.23	-1.5
PolarisIndustries	PII	92.18	0.1
PolarityTE	PTE	14.00	-9.8
PolyOne	POL	35.69	-0.6
PotlatchDelt	PCH	35.40	-2.3
Precipio	PRPO	0.30	0.6
PPlus RRD-1	PYS	15.90	-1.5
PriceSmart	PSMT	75.30	0.1
PrimorisSvcs	PRIM	22.34	-1.7
ProgressSoftware	PRGS	32.18	...
ProventionBio	PRVB	3.09	9.2
ProvidentFinSvcs	PFS	22.81	-2.8
PulseBiosciences	PLSE	10.54	-4.0
PulteGroup	PHM	22.67	-1.8
QCR Holdings	QCRH	36.50	-3.3
QTSRealtyPfdB	QTSpB	98.79	-0.5
QuadGraphics	QUAD	16.68	-5.2
QuanexBldg	NX	15.98	-3.2
QuantaServices	PWR	31.02	-0.3
RE/MAX	RMAX	38.99	-2.1
RR Donnelley	RRD	4.09	2.8
RaMedicalSys	RMED	11.55	-1.1
Rambus	RMBS	9.13	-0.3
Realogy	RLGY	18.13	-1.5
RenaissancePfdF	RNRpF	23.86	-0.9
Renasant	RNST	36.70	-2.3
RepublicFirstBncp	FRBK	6.67	-1.5
RockyMtnChoc	RMCF	9.80	-1.8
RosehillRscs	ROSE	5.46	-4.0
RushEnt A	RUSHA	35.50	-1.7
RushEnt B	RUSHB	35.72	-2.1
Ryanair	RYAAY	77.97	0.8
SCE III Pfd	SCEpH	24.54	-0.5
SEI Investments	SEIC	54.18	0.2
SITE Centers	SITC	11.81	-1.3
SabineRoyalty	SBR	38.01	4.8
SafeguardSci	SFE	8.60	-1.4
SandySpringBncp	SASR	35.73	-3.1
Satrn JCPen	HJV	7.94	-1.3
Schlumberger	SLB	58.30	0.4
SchneiderNatl	SNDR	21.54	-1.8
SchweitzerMaud	SWM	33.09	-2.1
ScorpioTankers	STNG	1.75	-1.7
ScottsMiracleGro	SMG	71.78	-0.7
SealedAir	SEE	34.43	-0.5
SensataTechs	ST	43.13	-2.4
SeresTherap	MCRB	6.26	...
ServiceSource	SREV	2.49	-2.3
ServisFirstBcshs	SFBS	34.61	-2.7
ShawComm B	SJR	18.42	1.4
ShipFinance	SFL	13.03	0.3
SiennaBiopharm	SNNA	10.26	-9.0
SignatureBankWt	SBNYW	78.50	-4.8
SignatureBank	SBNY	106.39	-2.4
SilganHoldings	SLGN	25.61	-0.2
SiliconLab	SLAB	79.80	1.6
SimmonsFirstNat	SFNC	26.73	-2.9
SmartSand	SND	3.82	-3.3
SmithAO	AOS	47.32	-0.2
Sonos	SONO	12.47	-4.6
SouthState	SSB	74.88	-1.3
SparkEnergy	SPKE	7.73	-0.7
SpartanMotors	SPAR	11.74	-2.6
SpeedwayMotor	TRK	15.85	-1.2
St.Joe	JOE	14.88	1.8
StanleyBlackDeckUn	SWP	98.79	-0.9
StanleyBlackDck	SWK	127.35	-0.9
Starrett A	SCX	5.57	-1.2
StateBankFin	STBZ	26.70	-2.9
StateStreet	STT	79.99	-0.3
StellarBiotech	SBOT	1.30	-2.2
Stericycle	SRCL	51.45	-0.8
SterlingBancorp	STL	19.74	-2.4
SterlingBancorp	SBT	10.28	-2.7
StifelFinancial	SF	47.35	-2.0
StockYardsBncp	SYBT	33.30	-4.0
SummitFin	SMMF	21.77	-7.7
SummitHotelPfdE	INNpE	21.75	0.4
SummitHotelProp	INN	12.33	-2.4
SunLifeFinancial	SLF	36.65	-0.1
Switch	SWCH	8.45	-5.3
Synnex	SNX	72.83	-2.1
SynovusFin	SNV	41.90	-1.6
SyntheticBio	SYN	0.89	0.6
TE Connectivity	TEL	77.70	0.3
Telus	TU	33.64	0.1
TFS Fin	TFSL	14.19	-0.9
TRI Pointe	TPH	11.19	-1.9
TaylorMorrison	TMHC	15.66	-3.0
TechData	TECD	68.26	1.6
TeleNav	TNAV	4.32	-6.0
Tele&DataNts	TDA	21.60	0.7
Tenneco	TEN	35.81	-2.3
TerritBanc	TBNK	28.40	-1.5
TexasCapBcshs	TCBI	74.22	-2.7
Textainer	TGH	11.03	-0.9
ThirdPointReins	TPRE	11.42	-2.9
TiberiusAcqn	TIBR	9.50	-1.8
TimkenSteel	TMST	12.15	-1.3
TiVo	TIVO	11.12	1.3
Toll Bros	TOL	30.98	-0.4
TopImageSys	TISA	0.86	6.4
TopBuild	BLD	50.67	-2.0
TransCanada	TRP	38.63	-0.2
TranslateBio	TBIO	7.21	-3.1
Trevena	TRVN	0.76	-7.1
TriCoBancshares	TCBK	34.50	-2.7
TrinityBiotech	TRIB	3.71	1.8
Triple-S Mgmt	GTS	17.24	-4.3
TrustcoBank	TRST	7.66	-3.0
TsakosEnergyPfdD	TNPpD	23.26	-2.5
TutorPerini	TPC	17.36	-0.3
UBS Group	UBS	14.09	1.1
UMB Fin	UMBF	64.85	-2.3
UMHPropPfdC	UMHpC	23.06	-0.3
US Xpress	USX	10.73	-0.4
UltraClean	UCTT	10.86	-0.5
Umpqua	UMPQ	18.89	-2.7
Unifi	UFI	24.16	-1.9
UnionBankshares	UNB	43.50	-5.2
UnitedBkshrsWV	UBSI	32.69	-2.3
UtdCmtyBks	UCBI	25.11	-2.1
UnitedMicro	UMC	2.16	-1.4
UnitedNatFoods	UNFI	26.86	-2.2
UnitedRentals	URI	135.68	-1.4
US GlobalInv	GROW	1.38	-2.6
UnivestPA	UVSP	24.00	-3.0
UnumNts061558	UNMA	24.35	-0.2
VSE	VSEC	28.85	-0.1
Vaccinex	VCNX	6.07	-4.2
ValleyNatlBncp	VLY	10.31	-3.1
ValmontInds	VMI	126.86	0.3
Valvoline	VVV	19.41	-0.1
VectorGroup	VGR	12.74	-1.8
Versartis	VSAR	1.14	2.5
VersumMaterials	VSM	31.01	-0.7
VictoryCapital	VCTR	7.80	-5.5
VirtusInvtPfdD	VRTSP	97.00	-0.4
Visteon	VC	79.69	-1.1
Vodafone	VOD	19.78	0.2
WABCO	WBC	106.27	-1.2
WPP	WPP	68.73	-1.3
WRBerkleyDeb53	WRBpB	23.09	0.9
WSFS Financial	WSFS	44.10	-4.0
WabashNational	WNC	12.40	-19.1
WashingtonFederal	WAFD	28.64	-3.9
WaterstoneFinl	WSBF	16.25	-1.2
Welbilt	WBT	18.31	-2.5
WellsFargoPfdN	WFCpN	22.93	-0.3
WellsFargoPfdP	WFCpP	23.20	0.2
WellsFargoPfdO	WFCpO	22.92	-0.3
WernerEnterprises	WERN	32.04	-0.7
WescoIntl	WCC	51.44	-0.6
WestBancorp	WTBA	21.50	-4.3
WestellTech	WSTL	2.49	-2.3
WesternUnion	WU	17.57	1.4
WestRock	WRK	41.86	1.6
Westwood	WHG	44.65	-1.0
Weyerhaeuser	WY	27.92	-1.5
Whirlpool	WHR	102.85	-0.5
WilliamLyonHomes	WLH	13.83	-0.5
WisdomTreeInvs	WETF	7.03	0.1
Xperi	XPER	13.28	-0.4
ZayoGroup	ZAYO	30.34	0.1

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. **Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
- ▲-New 52-week high.
- ▼-New 52-week low.
- **dd**-Indicates loss in the most recent four quarters.
- **FD**-First day of trading.
- **h**-Does not meet continued listing standards
- **lf**-Late filing
- **q**-Temporary exemption from Nasdaq requirements.
- **t**-NYSE bankruptcy
- **v**-Trading halted on primary market.
- **vj**-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, October 12, 2018

A B C

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
▼-20.73	28.67	21.01	ABB	ABB	3.9	20	21.26	0.12
...	13.02	6.93	ADT	ADT	1.9	...	7.52	-0.25
35.27	15.11	9.87	AES	AES	3.5	25	14.65	0.21
0.36	48.19	41.41	Aflac	AFL	2.4	7	44.05	-0.44
▼-12.04	21.90	17.71	AGNC Invt	AGNC	12.2	5	17.76	-0.04
83.65	23.95	10.24	ANGI Homesvcs	ANGI	...	dd	19.21	0.33
-0.85	56.14	44.29	CIT Group	CIT	2.0	18	48.81	-0.46
20.85	182.97	132.33	CME Group	CME	1.6	14	176.50	0.47
3.28	51.36	40.48	CMS Energy	CMS	2.9	25	48.85	-0.36
▼-17.62	55.62	43.06	CNA Fin	CNA	3.2	13	43.70	0.24
-16.79	15.64	10.09	CNH Indl	CNHI	1.6	25	11.15	...
27.55	202.38	126.36	CNOOC	CEO	4.2	16	183.11	4.59
15.22	17.34	10.36	CPFLEnergia	CPL	2.2	13	13.25	0.18
▼-15.79	39.32	30.08	CRH	CRH	1.5	14	30.39	0.09
27.61	76.24	48.26	CSX	CSX	1.3	10	70.20	1.43
2.87	83.88	60.14	CVS Health	CVS	2.7	25	74.58	1.39
-18.25	29.57	21.48	CabotOil	COG	1.0	84	23.38	0.19

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
-4.38	47.40	35.49	CadenceDesign	CDNS	...	52	39.99	0.86
-28.62	14.50	8.55	CaesarsEnt	CZR	...	dd	9.03	0.14
-3.07	95.67	78.19	CamdenProperty	CPT	3.5	43	89.23	-0.04
-22.89	51.07	32.63	CampbellSoup	CPB	3.8	43	37.10	-0.04
-8.96	100.01	85.47	CIBC	CM	4.7	10	88.68	-0.10
2.80	91.90	70.59	CanNtlRlwy	CNI	1.6	24	84.81	0.52
▼-18.70	38.20	28.76	CanNaturalRes	CNQ	3.5	17	29.04	0.14
13.48	224.19	166.36	CanPacRlwy	CP	1.0	17	207.39	3.99
-17.49	40.67	30.14	Canon	CAJ	4.6	15	30.86	0.33
110.51	**56.60**	**9.37**	**CanopyGrowth**	**CGC**	**...**	**dd**	**49.80**	**2.66**
-10.85	134.52	106.41	FederalRealty	FRT	3.4	41	118.40	-0.81
-11.44	274.66	214.17	FedEx	FDX	1.2	12	221	3.58
10.93	149.85	103.65	Ferrari	RACE	...	32	116.30	0.76
-9.47	24.95	15.33	FiatChrysler	FCAU	...	6	16.15	-0.02
29.66	22.05	13.34	FibriaCelulose	FBR	0.7	23	19.06	0.03
-10.68	42.52	34	FidNatlFin	FNF	3.4	14	35.05	0.04
8.81	110.83	89.31	FidNatlInfo	FIS	1.3	24	102.38	1.21
▼-11.54	34.67	26.32	FifthThirdBncp	FITB	2.7	7	26.84	-0.39
-7.82	**89.90**	**56.70**	**58.com**	**WUBA**	**...**	**39**	**65.97**	**4.10**
38.60	26.62	14.73	FirstData	FDC	...	13	23.16	0.81
7.48	106.75	84.56	FirstRepBank	FRC	0.8	20	93.12	2.28

D E F

G H I

J K L

M N

O P Q

R S

T U V

W X Y Z

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Friday, October 12, 2018

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	48.89	+1.23	12.6
American Funds Cl A			
AmcpA p	33.14	+0.52	7.9
AMutlA p	41.41	+0.33	2.9
Baird Funds			
AggBdInst	10.42	...	-2.2
CorBdInst	10.77	...	-1.9
BlackRock Funds A			
GlblAlloc p	18.82	...	-4.1
IntlVal	18.30	+0.06	-8.7
IntSmCo	19.12	+0.12	-9.5
IntSmVa	20.09	+0.07	-12.1
TAUSCoreEq2	18.27	+0.17	1.7
US CoreEq1	23.28	+0.25	3.2
Fidelity			
500IdxInst	96.76	+1.36	5.0
500IdxInstPrem	96.76	+1.37	5.1
500IdxPrem	96.76	+1.37	5.0
ExtMktIdxPrem r	63.10	+0.42	1.8
IntlIdxPrem r	39.98	+0.04	-7.3
SAIUSLgCpIndxFd	14.86	+0.21	5.1
SerLTTreBdIdx	8.06	-0.02	-7.7
TMktIdxF r	79.50	+1.02	4.5
TMktIdxPrem	79.49	+1.02	4.5
USBdIdxInstPrem	11.09	-0.01	-2.3
Fidelity Advisor I			
NwInsghtI	33.47	+0.59	6.8
Fidelity Freedom			
FF2020	15.96	+0.10	-1.3
FF2025	13.89	+0.10	-1.3
FF2030	17.35	+0.14	-1.4
Freedom2020 K	15.94	+0.09	-1.3

Corporate Borrowings Dodge Downturn

By Matt Wirz

Corporate loans have beaten almost every asset class this month as climbing interest rates hit stock and bond prices, defying analysts' warnings about rising risk in funds that buy below-investment-grade loans.

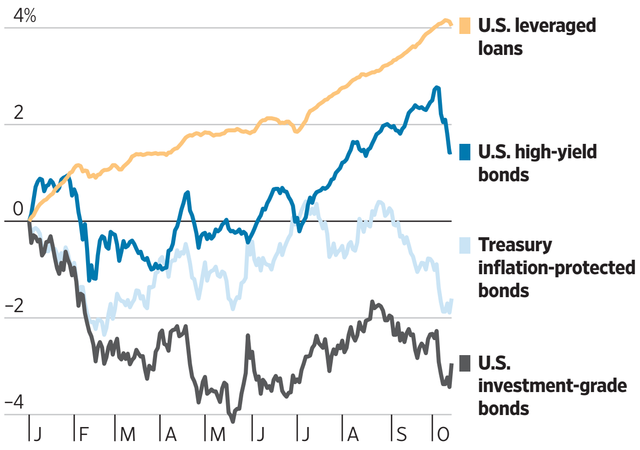
While stocks bore the brunt of the recent selling, even investments that typically profit when rates rise have declined, leaving investors with few havens. The resilience of so-called leveraged loans in this environment helps explain the rising popularity of the once-niche market, which grew to a record $1.2 trillion this year, overtaking the amount of outstanding junk bonds for the first time.

Leveraged loans to companies with junk credit ratings have grown increasingly popular among individual and institutional investors because they pay relatively high interest that moves in lockstep with benchmark interest rates.

That feature insulates the loans from rate increases by the Federal Reserve, which have weighed on corporate and government bonds throughout the year and sent stock prices tumbling in recent days, analysts said.

Loan Lift

Leveraged loans have returned more than other kinds of debt this year, counting price changes and interest payments.



Sources: Bloomberg Barclays and Bank of America (bonds); S&P/LSTA (loans)

THE WALL STREET JOURNAL.

"It's a Wall Street truism that you can't fight the Fed—except, maybe, with loans," said Steve Miller, a loan-market analyst and chief executive of Fulcrum Financial Data.

Rising rates hurt the value of outstanding bonds, pushing yields higher, and can trigger stock declines by slowing economic growth over the long term. Treasury inflation-protected securities, or TIPS, typically rise in value with interest rates, but prices of the securities have fallen this year because the Fed is raising rates despite little change in expectations for inflation.

Some investors buy commodities as a buffer against rising prices but so far inflation has been muted in the U.S. The price of gold, a traditional inflation hedge, has dropped 6.3% this year to $1,223.50 a troy ounce.

Fear of rising rates pushed prices lower across markets this month, hitting junk bonds, investment-grade corporate bonds and global stocks, but an S&P index of leveraged loans returned 0.16% in October, counting price changes and interest payments, bringing its 2018 returns to 4.13% as of Wednesday. The S&P 500 had returned more than 9% for the year before this week's steep decline, which brought the 2018 total to 5.76% as of Wednesday.

Leveraged-loan returns have beaten investment-grade and high-yield bonds in only five of the past 26 years and in four of those years the Fed raised rates, Mr. Miller said.

"Loans perform best relative to other asset classes when rates are going up and the economy is still solid and that's exactly what's happening now," he said.

The outperformance of leveraged loans marks a recovery for the asset class. Investors piled in during 2013, betting that rates would rise, only to be disappointed by tepid returns when the Fed kept rates low in response to sluggish global growth.

Appetite for loans picked up again this year and loan mutual funds attracted a net $16.5 billion through October, the third-largest annual inflow ever for the asset class, according to Morningstar Inc.

The flood of money has raised some warning flags in the loan market, analysts and investors say. Junk-rated companies have capitalized on investor demand for loans by taking on historically high levels of debt without giving loan investors the same protections, or covenants, they historically offered.

"There are these free-floating fears about leveraged loans and they're not completely misplaced about the most aggressive loans being made," said Scott Page, co-head of Eaton Vance Corp.'s loan investing team.

Dollar Bounces Back

By Daniel Kruger

CURRENCY MARKETS

The U.S. dollar rose Friday, supported by a rebound in U.S. stock prices.

The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, rose 0.2% to 89.73. The dollar advanced 0.3% against the euro.

The dollar rose as stocks recovered Friday after two days of heavy selling. The currency has been supported this year by the strength of the U.S. economy, which had led to gains in risk assets such as stocks. As investors have taken on more risky investments, they have also shed positions in safe assets, such as government bonds, whose yields rise as prices fall. Higher yields typically attract investors to a currency.

The dollar also has been supported by expectations that the Federal Reserve will continue to raise interest rates at a gradual pace. The U.S. economy expanded at a 4.2% annualized rate in the second quarter, and the Atlanta Fed forecasts it matched that pace in the third quarter.

"There's been some tightening of financial conditions after the selloff, but it's been modest," said Vassili Serebriakov, a currency strategist at UBS. "It doesn't really change the Fed view."

CARLA GOTTGENS/BLOOMBERG NEWS

Gold prices have struggled for most of 2018, but a 2.9% rally Thursday was the metal's biggest gain in more than two years.

Gold Prices Rally as Stock Market Struggles

By Ira Iosebashvili

COMMODITIES

Is gold finally having its moment?

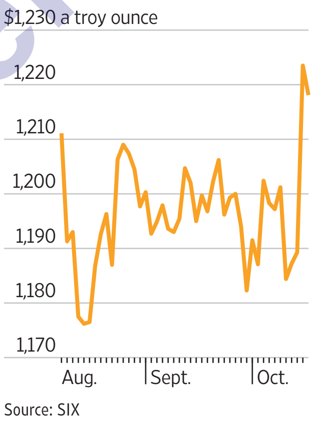
After languishing for most of the year, prices for the safe-haven metal notched their biggest daily gain since June 2016 on Thursday, climbing 2.9% as global stocks extended their losses.

Prices fell 0.4% to $1218.10 a troy ounce Friday but still stand near their highest level in two months, with some analysts forecasting further gains.

Gold bulls believe several factors could fuel a move higher. While Thursday's gold rally was sparked by a move to safe-haven investments during the stock selloff, it gained momentum after a weaker-than-expected U.S. inflation reading weakened the case for the Federal Reserve to keep raising interest rates at its current pace.

Pop

Gold futures, front-month contract



Source: SIX

THE WALL STREET JOURNAL.

The Fed has been on investors' minds even more than usual in recent days, as concerns over rising U.S. bond yields cause big selloffs in stocks around the globe.

For gold, more dovish Fed officials would likely be a good thing; the metal struggles to compete with yield-bearing investments when U.S. rates rise.

Fed funds futures, which investors use to bet on the path of central bank interest-rate policy, showed the odds of policy makers raising rates three times by June 2019 stood at 34% Friday, compared with 42% a week ago. The odds of an increase in December slipped to 80% from 83% Wednesday.

A slower pace of rate increases may also make the U.S. dollar less attractive to yield-seeking investors—another potential booster for gold, which is denominated in the U.S. currency and becomes more affordable to foreign investors when the dollar falls.

The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, was down 0.6% this week. Gold is up 1.4%.

Some investors believe gold will act more like a haven when it is no longer bound by concerns over a hawkish Fed and stronger dollar.

That means gold could get a boost from worries traders have largely ignored in recent months, including the intensifying trade dispute with China.

Despite all this, even gold's more bullish fans are careful not to get ahead of themselves.

Fed officials have given little indication that a single weaker inflation print or market turbulence will move them to slow their pace of rate increases, especially if job gains continue at their current pace.

Unemployment in September hit 3.7%, the lowest level since the Vietnam War, with little indication it is going to shoot back up in the near term.

Consumers Help Bank Profits

Continued from page B1

come on interest payments, according to Federal Reserve data. That is down from more than 13% in the run-up to the financial crisis.

Citigroup reported a 4% jump in North American credit-card borrowing, to $137 billion, even as rates charged on those loans ticked higher.

Credit-card balances were up 5% at $148 billion at JPMorgan.

Overall default rates continued to trend lower. JPMorgan charged off 0.45% of its card portfolio during the third quarter, down from 0.58% a year earlier. Wells Fargo's overall charge-off rate fell to 0.29% of its loan book.

The banks' mortgage businesses, however, have suffered as rates have risen. The pace of new mortgage lending in the third quarter dropped 16% at JPMorgan and 22% at Wells Fargo.

JPMorgan shareholder Matt Watson of James Investment Research Inc. said he expects rising rates to continue to put pressure on banks' mortgage businesses. "Rising rates is not necessarily a panacea for large banks, it's a spread between the two," said Mr. Watson, whose Alpha, Ohio, firm owns around $46 million worth of JPMorgan stock.

With the slowdown, banks are looking to cut costs in the business. The Wall Street Journal reported recently that JPMorgan is laying off around 400 employees in its mortgage division and Wells Fargo is laying off around 650 mortgage employees to help cope with a slowdown in the market. Wells Fargo CEO Timothy Sloan said on a conference call with analysts that the mortgage-banking industry is "in overcapacity right now."

"It's unclear exactly how long it's going to take that to shake out," he added.

Wells Fargo said deposits fell 3% from a year earlier, to $1.27 trillion, as customers were seeking to move their extra money "to higher-rate alternatives." Citigroup, whose North American retail deposits also fell, said it faced new pressure from small- and medium-size business customers who wanted to move money elsewhere.

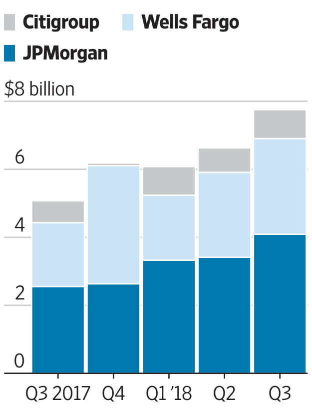
Consumers aren't the only borrowers in the spotlight. Companies are by some measures as extended as ever, fueled by years of historically cheap borrowing costs. As of the first quarter, U.S. corporate debt as a percentage of GDP stood at 45.2%, topping the highest point in the run-up to the financial crisis, according to Moody's Corp.

But even as some onetime retailer leaders, such as Sears Holding Corp. or Toys "R" Us, have been threatened by changing consumer habits, banks didn't report any particular concerns about their exposure to highly leveraged companies.

"It's a different business [today] than it was during the crisis and precrisis," Citigroup's Mr. Gerspach told reporters on Friday.

All Consuming

Net income in consumer-banking units



Note: Citigroup figures are for North America

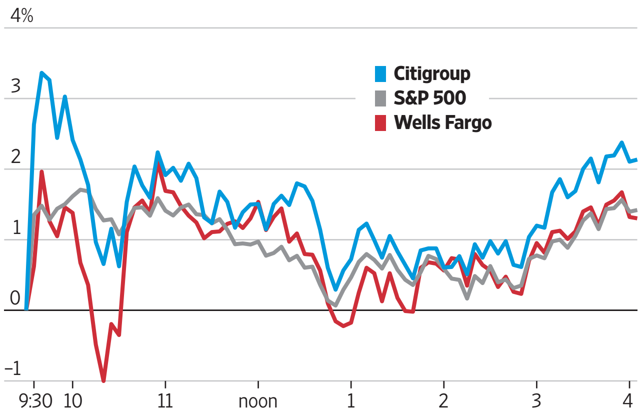
Source: the companies

THE WALL STREET JOURNAL.

Earnings Boost

Solid earnings from some big banks helped buoy the S&P 500 on Friday following two days of steep declines.

Share and index performance



Source: SIX

THE WALL STREET JOURNAL.

U.S. Stocks Rebound After Rout

SPENCER PLATT/GETTY IMAGES

Some of the largest casualties of this week's rout were among the biggest gainers of the day, with Amazon gaining 69.25, or 4%, to 1788.61.

By Jessica Menton And Avantika Chilkoti

U.S. stocks rose Friday, capping a turbulent week with daily gains after a rebound in technology companies and some better-than-expected third-quarter results.

FRIDAY'S MARKETS

An early rally pushed the Dow industrials up more than 400 points before sputtering later in Friday's session, with the blue-chip index briefly turning negative. But shares advanced again heading into the close.

At day's end, the Dow industrials was up 287.16 points, or 1.1%, to 25339.99. The S&P 500 added 38.76 points, or 1.4%, to 2767.13, while the Nasdaq Composite gained 167.83 points, or 2.3%, to 7496.89, lifted by a bounceback in technology companies and some better-than-expected corporate earnings.

This week's rout has left all three indexes on course for their worst start to a quarter since early 2016. The blue-chip index and the S&P 500 closed lower for the third consecutive week, shedding 4.2% and 4.1%, respectively. The Nasdaq lost 3.7%, ending lower for the second straight week.

The stability of major indexes had provided some relief after stock markets around the world this week suffered their biggest shakeout since February, with jitters stemming from a steep rise in bond yields, higher oil prices and escalating trade tensions between the U.S. and China.

Some analysts remained concerned that the conflict over trade will continue to ebb and flow in the coming weeks and months, and that it could swing major stock indexes.

Until this week, U.S. equities had largely sustained their rally even as emerging markets have suffered months of declines as the U.S. dollar strengthened and the Federal Reserve raised interest rates.

"The market is thrashing around because none of the main issues have gone away: Interest rates, Fed action, China and trade," said Kenny Polcari, managing director at broker-dealer O'Neil Securities.

Some of the largest casualties of this week's stock-market rout were among the biggest gainers of the day, with **Netflix** rising $18.46, or 5.7%, to $339.56 and **Amazon.com** gaining 69.25, or 4%, to 1788.61.

With earnings season under way, a renewed focus on corporate results should help support stocks in the near term, some analysts and investors say. **JPMorgan Chase**, **Citigroup** and **Wells Fargo** all reported rising profits Friday.

In addition to more earnings next week coming from **Bank of America** to **Netflix** to energy company **Schlumberger**, Wall Street will also be keeping an eye on the economic calendar, with a batch of reports on retail sales, housing starts and existing-home sales.

"If next week's data comes in firm and shows us that this economy isn't losing momentum, then that will likely provide a big confidence boost to stocks, and could help support a rebound," said Tom Essaye, president of the Sevens Report.

Bond yields rose Friday. The 10-year U.S. Treasury yield settled at 3.140%, compared with 3.131% on Thursday. Yields move inversely to prices.

"The U.S. equity market has been more expensive and overvalued so our view was that there would be convergence," says Gerard Fitzpatrick, global chief investment officer for fixed income and EMEA at Russell Investments.

Chinese Shares Show Resilience After Deep Selloff

By Steven Russolillo And Shen Hong

Chinese stocks, among the biggest losers in a global market selloff this week, rose Friday in a volatile trading session as investors reassessed the impact of the U.S.-China trade spat on the country's economy and its markets.

The Shanghai Composite rose 0.9% after earlier falling as much as 1.8%. The tech-heavy Shenzhen market was 0.2% higher after earlier tumbling as much as 3.1%. The moves came after both indexes on Thursday logged their worst one-day drops since February 2016.

Some investors were encouraged by trade data released Friday that showed better-than-expected growth in Chinese exports. That helped ease concerns about the damage to China's economy from U.S. tariffs and other friction.

"The strong data definitely was a shot in the arm for a badly beaten-up market," said Zhang Yanbing, senior analyst at Zheshang Securities Co.

Still, China remains one of the world's worst-performing equity markets this year, with Shanghai down 21% and Shenzhen off 32%.

"After yesterday's steep, panicky selloff, investors have turned extremely pessimistic and it's hard to see any major upside in the foreseeable future," said Jacky Zhang, an analyst at BOC International.

JOHANNES EISELE/AGENCE FRANCE-PRESSE/GETTY IMAGES

Investors in Shanghai, where the benchmark stock index bounced back 0.9% on Friday.

Global market volatility aside, there are rising concerns about a lack of clear economic policy direction from Beijing to counter slowing growth, Mr. Zhang said. "The market would like to see more potent measures such as deeper tax cuts and other reforms but they remain absent," he added.

Other markets also had a reprieve. Indexes in South Korea and Hong Kong gained 1.5% and 2.1%, respectively, Friday while Japan's Nikkei 225 index rose 0.5%. Taiwan's Taiex gained 2.4%, recovering some after falling 6.3% a day earlier, its worst one-day slide since January 2008.

The moves followed another volatile trading session in the U.S., where the S&P 500 tumbled 2.1%, capping a two-day selloff as investors refocused on the Federal Reserve's interest-rate increases and rising bond yields, coupled with evidence of slowing global growth and escalating trade tensions.

"The U.S. expansion is getting older and the Fed is ever tighter," said Steven Wieting, managing director and global chief investment strategist at Citi Private Bank. "This impacts every global asset class to some degree and suggests a gradual shift to a more defensive asset allocation over time."

Chinese tech companies have been some of the market's biggest victims this year, finding themselves hurt by two forces: a broad selloff in internet companies, and an escalating trade spat between Beijing and Washington that has an outsize impact on China's biggest tech suppliers.

"Investors are currently most concerned about the protracted China-U.S. trade dispute, which seems to be expanding beyond trade itself," strategists at Goldman Sachs wrote in a note to clients.

One standout gainer on Friday was Tencent Holdings Ltd., the Chinese internet giant that has been clobbered in recent days. Shares jumped 8%, snapping a record 10-day losing streak. Hong Kong-listed Tencent has lost more than a quarter of its value this year; more than $250 billion had been wiped off its market value from its record high in January through Thursday.

Shares in Chinese smartphone giant Xiaomi Corp. and smartphone camera lensmaker Sunny Optical Technology Co. also picked up, rising 3.2% and 10.7%, respectively. Hong Kong-listed shares of ZTE Corp., a top seller of smartphones to the U.S. for years, rose, as did Lenovo Group Ltd., a Chinese maker of PCs and servers.

Meanwhile, the yuan rose against the dollar in China's domestic market, following news that the White House has decided to move ahead with plans for President Trump to meet with Chinese leader Xi Jinping at the Group of 20 summit in Buenos Aires next month. One dollar bought 6.9040 yuan, down from 6.9268 Thursday.

The yuan's rebound came despite a surprise move by China's central bank to set the daily reference rate weaker against the greenback before trading began on Friday. The People's Bank of China set the so-called dollar-yuan fix at 6.9120 versus 6.9098 Thursday. A weaker yuan helps China's exports.

Outside of mainland China, a dollar recently bought 6.8989 yuan.

Elsewhere, stocks in some of the Asia-Pacific region's smaller markets were higher on Friday. After its worst day in nearly a decade, New Zealand's NZX-50 index rose 1.4%.

—Mike Bird contributed to this article.

Bond Prices Slip, But Notch Weekly Gain

By Gunjan Banerji

U.S. government bond prices edged lower Friday, but still notched a weekly gain amid turmoil in stock markets.

CREDIT MARKETS

The yield on the benchmark 10-year U.S. Treasury note rose to 3.140%, up from 3.131% Thursday and down from 3.227% a week earlier—notching its biggest one-week decline in two months. Yields rise as bond prices fall.

Treasury yields last week climbed to their highest levels in years, which some analysts said spurred greater volatility across the major asset classes. They retreated in recent sessions as stocks have declined as some investors sought safer assets like bonds.

"Treasurys are likely to struggle a little bit regardless of what stocks do," said John Canavan, senior analyst at Oxford Economics. "It doesn't mean we're in a bear market" for bonds.

Stocks have sputtered this week but stabilized on Friday after a six-day losing streak for the S&P 500, with major U.S. indexes rebounding after some days of heavy selling.

Mr. Canavan said that signs of a strong economy and the path of Federal Reserve rate increa will likely lead bond prices to fluctuate in the near term. Treasury yields appear to be settling into a higher range after days of swings, he said.

Consumer prices rose less than expected for the second straight month, which analysts said was a signal that inflation is not darting higher and that the Federal Reserve may not speed up its pace of interest-rate increases. Inflation poses a threat to the value of government bonds by eroding the purchasing power of their fixed payments.

Oil Price Declines 4% in Volatile Week

By Christopher Alessi

Oil prices ticked up Friday but remained near a two-week low after a global equity rout and signs of rising crude supply.

Light, sweet crude for November delivery rose 0.5% to $71.34 a barrel on the New York Mercantile Exchange. U.S. prices are down 4% for the week.

ENERGY MARKETS

Brent, the global benchmark, gained 0.2% to $80.43 a barrel.

Both crude benchmarks had closed around 3% lower on Thursday, in tandem with a two-day selloff across global stock markets. Stocks partially rebounded Friday.

"Brent even dipped briefly below the $80 a barrel mark [Thursday], meaning losses in the two last days of trading amounted to $5," according to analysts at Commerzbank. "Headwind came once again from further falling stock markets," they wrote in a note Friday.

SERGEI KARPUKHIN/REUTERS

Workers in Russia, which is expected to increase oil production.

Oil markets also came under pressure as a result of rising U.S. crude inventories and a report from the Organization of the Petroleum Exporting Countries showing the cartel and its allies had further ramped up production last month.

The U.S. Energy Information Administration on Thursday reported a six-million-barrel increase in crude stocks for the week ended Oct. 5. Friday data from Baker Hughes also signaled increasing production with an rise in active U.S. oil rigs to 869, matching a three-year high hit in August.

At the same time, OPEC said that rising production from the cartel and partner producer Russia more than offset declines in Iranian output due to impending U.S. economic sanctions.

The oil cartel also lowered its global oil demand growth forecast for this year and next for the third month in a row.

On Friday morning, the International Energy Agency echoed those concerns, saying global oil demand will grow at a slower pace than initially expected this year and next amid economic risks stemming from trade tensions and higher oil prices.

"At the heart of this softening oil demand backdrop are a myriad of downward pressures on the global economy," said Stephen Brennock, an analyst at brokerage PVM Oil Associates Ltd. "They include rising trade tensions, Fed policy tightening, and emerging-market weakness."

Gasoline futures rose 0.5% to $1.9420 a gallon and diesel futures fell 0.5% to $2.3213 a gallon.

—Stephanie Yang contributed to this article.

EXCHANGE

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Why Beer Companies Need Joint Ventures

Legalized marijuana may reduce the consumption of alcohol, but cannabis investments may not pay off

By Justin Lahart

Recreational marijuana use will soon be legal in Canada. Above, a National Marijuana Day celebration in Ottawa in 2016.

CHRIS ROUSSAKIS/AFP/GETTY IMAGES

The cannabis investing frenzy has reached a fever pitch. With recreational marijuana use set to become legal in Canada next Wednesday and legalization efforts in the U.S. making steady progress, it seems like everyone from former Speaker of the House John Boehner to singer Jimmy Buffett wants a piece of the action. Shares of marijuana companies have soared, startups are proliferating and, while there may be a great deal of money to be made, there may also be a great deal of money to be lost.

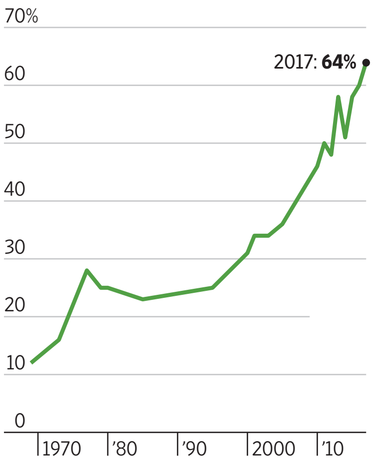
It is, in other words, exactly the type of high-risk situation in which retail investors would be better off as spectators rather than participants. But for companies in the business of selling those other social lubricants—beer, wine and liquor—the calculus is very different. For them, not investing in cannabis could turn out to be even riskier than investing in it.

Corona brewer Constellation Brands has injected about $4 billion into Canadian cannabis company Canopy Growth, and has an option to invest an additional $3.4 billion to acquire a controlling stake. Molson Coors this month formed a joint venture with another Canadian cannabis producer, HEXO, to make nonalcoholic, cannabis-infused beverages for the Canadian market. European brewer Heineken NV's Lagunitas brand is selling cannabis-infused sparkling water at California dispensaries.

Others have passed so far. Diageo Chief Executive Ivan Menezes said in July that his company is tracking developments "very closely." Budweiser brewer Anheuser-Busch InBev noted in a statement that it is

Higher and Higher

Share of survey participants who say use of marijuana should be legal



Source: Gallup THE WALL STREET JOURNAL.

"closely following the legalization trends in the cannabis industry in North America."

The big concern for the alcohol industry is that, if people consume more marijuana as legalization proliferates, they will imbibe less. Evercore ISI analyst Robert Ottenstein worries that AB InBev is making a mistake and that, if it doesn't craft a plan to sell cannabis-infused beverages in Canada soon, it will miss an opportunity to make the money it may lose on beer sales as legalization takes hold.

The problem would be compounded if legalization efforts in the far more populous U.S. continue to gain momentum. In a Gallup survey last year, 64% of respondents said that they favored making marijuana use legal. That compared to 46% in 2010 and 31% in 2000.

There is disagreement over whether increased marijuana spending among consumers actually does lead them to cut back on drinking. On Constellation's earnings call earlier this month, CEO Robert Sands said, "We see no evidence whatsoever, especially in the United States, in the legal states, of alcohol cannibalization."

But a growing body of research suggests otherwise and that the drop in spending on alcohol could turn out to be quite large. A recent paper from economists Keaton Miller and Boyoung Seo found that the legalization of marijuana in Washington state in 2014 led to a 12% decline in alcohol demand. Similarly, when economists Michele Baggio, Alberto Chong and Sungoh Kwon looked at store-level sales data across U.S. counties from 2006 to 2015, they found that, in states where medical marijuana was legalized, monthly alcohol sales were reduced by 12.4% relative to sales in other states.

Cowen analyst Vivien Azer surmises that Constellation may be better shielded from cannabis because of its exposure to Hispanic

No one knows how far pot prices might fall if the drug is fully legalized in the U.S.

and female consumers—two groups for which cannabis adoption has been slower. But she also thinks cannabis ultimately poses a threat to Constellation's beer sales and that the company's investment in Canopy will shield it.

On the other hand, just because companies like Constellation and Molson Coors are hedging their bets doesn't mean that their cannabis investments will pay off. Even if the U.S. does move toward full legalization, the industry faces a thicket of regulatory issues as jurisdictions across the country weigh everything from distribution laws to water rights. It also is literally selling a product that grows like a weed. How far pot prices might fall with legalization, and how compressed profit margins might become, is another unknown.

Nor does anybody know who the eventual winners will be. Marijuana isn't especially complicated to grow. Neither new entrants nor do-it-yourselfers face significant barriers.

The ultimate risk to alcohol producers is that, regardless of whether they opt to put money into cannabis or stay away, they could end up losing money.

This Tech Swoon Was a Call for Caution

Past selloffs haven't stuck, but the sector faces new risks this time that could slow recovery

By Dan Gallagher

Tech investors should exercise caution—the highflying sector may finally have met a bear that has some bite.

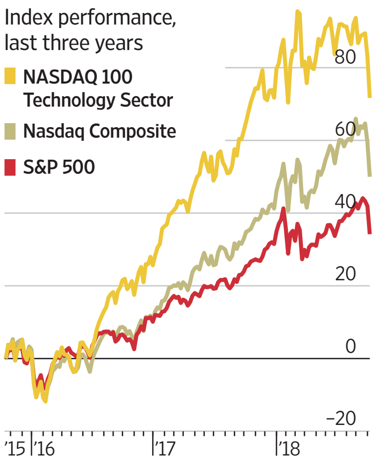
The brutal stock selloff of recent days hit the tech sector hard. Through Thursday, the Nasdaq Composite was off nearly 9% in October, the PHLX Semiconductor Index was down about 10%, and the Nasdaq Internet Index and the S&P 500 Software & Services Group had slid nearly 12%. The largest tech companies—which have powered much of the market's recent gains—haven't been spared. **Apple**, **Amazon.com**, **Microsoft**, **Facebook**, and Google parent **Alphabet** had shed more than $370 billion in combined market value since the start of the month—a 9% drop. All staged mild comebacks Friday.

Market swoons in recent years have failed to curb tech's raging bull market. Demand from both businesses and consumers for new devices and services has continued to grow, driving up sales of everything from chips to cloud-based software to online advertising.

But while overall demand isn't expected to slow now, tech faces

Bear Attack

Index performance, last three years



Source: SIX THE WALL STREET JOURNAL.

ALY SONG/REUTERS

There may be more dark clouds on the horizon for the tech sector.

more unquantifiable risks. U.S. lawmakers want to crack down on big companies like Google, Amazon and Facebook for their outsize influence. And there is still the unappealing prospect of an all-out trade war with China, a key growth market for many tech firms. President Trump and Chinese President Xi Jinping are now planning to meet in late November, which means that there will be plenty of opportunity for overheated rhetoric until then.

There is now the likelihood of rising interest rates, as the Federal Reserve appears to shift from market-stabilizing to inflation-busting mode. Last year's tax reform, which freed up mountains of overseas cash that has largely been plowed into share buybacks, won't repeat.

All of which argues against investors rushing back into the sector, even at reduced prices. And tech's valuations, while never cheap, still aren't exactly screaming a buy. Even following the recent selloff, the Nasdaq Composite still trades around 25% above the S&P 500 as a multiple of forward earnings compared with its three-year average of 22%. KeyBanc Capital Markets noted on Wednesday that a group of 55 cloud software stocks it tracks were still about 20% above their five-year average as a multiple of sales.

Tech stocks might seem as if they are on a preholiday sale, but waiting for further markdowns may be worthwhile.

OVERHEARD

Consumers who wanted to apply a full federal tax credit to buying a $35,000 Tesla Model 3 sedan appear to be out of luck.

The electric car maker said on its website that orders placed by Monday will be delivered by the end of 2018 and therefore are eligible for the full $7,500 federal tax credit. Under rules set by the Internal Revenue Service, they will get a credit only half as large starting next year because Tesla has sold more than 200,000 vehicles in the U.S. Eventually the credit will disappear altogether.

But Tesla, which first announced it would sell a $35,000 car and take refundable customer deposits in March 2016, is still selling only pricier versions of the car at $49,000 and up.

It is unclear how many deposit holders are still waiting for their cheaper car. Tesla didn't respond to a request to comment, but the number is likely substantial: Tesla had delivered only about 84,000 Model 3s as of September; over the summer Tesla said its reservation count stood at "roughly 420,000."

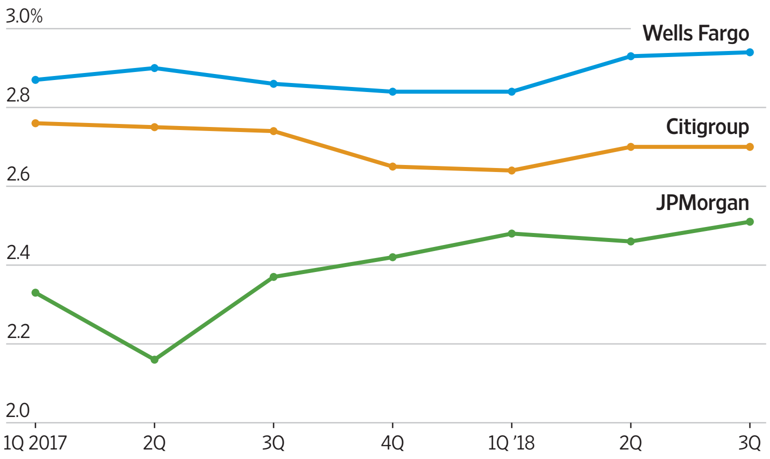
Tesla says on its website that the standard battery version of the car will be available in three to six months. On the bright side, that delay gives prospective buyers more time to save up.

The tax credit for buying a Tesla will fall by half next year.

KRISZTIAN BOCSI/BLOOMBERG NEWS

No Problem

Net interest margin by quarter



Source: the companies THE WALL STREET JOURNAL.

Banks Are Just Fine With Rising Rates

By Aaron Back

America's banks on Friday provided a timely reminder that the world isn't ending.

Banks are of course beneficiaries of higher interest rates, the main factor driving the Dow Jones Industrial Average down more than 1,300 points the prior two days. But quarterly results from JPMorgan Chase, Citigroup and Wells Fargo also pointed to a strong underlying economy.

JPMorgan and Citigroup beat analyst expectations for earnings and even troubled Wells Fargo turned in a decent quarter thanks to cost reductions. For most banks, Federal Reserve rate increases are still a net positive as rates on business and credit-card loans move higher faster than deposit rates. This was certainly true at JPMorgan, where net interest margins expanded to 2.51% from 2.46% in the prior quarter. They also rose at Wells Fargo, though they were flat at Citigroup, which is more international and therefore less driven by U.S. rates.

Bank executives sounded sanguine about rising bond yields.

"This is what we expect; this is what we want," JPMorgan Chief Financial Officer Marianne Lake said on a conference call. "The long end of the curve going higher is good if the economy is expanding."

Meanwhile, JPMorgan's core loan growth, at 7% in the third quarter, remained strong from a year earlier and Ms. Lake said she saw no signs from clients that higher rates are problematic for them. At Citigroup, loan growth decelerated slightly to 3% from the previous quarter's 4% pace.

Even at Wells Fargo, the lending situation was less dire than feared. CFO John Shrewsberry warned last month that the two major categories of business loans—commercial real estate and commercial and industrial loans—would both likely decline from their second-quarter levels. Only CRE loans did; the bank said that was due to its own caution.

Finally, there was no sign anywhere that consumers or businesses are having trouble staying current on their loans. Both JPMorgan and Wells Fargo lowered their bad-loan reserves, indicating they expect lower defaults, while Citigroup saw only a slight buildup in reserves.

In short, consumers and businesses are in good shape, driving improved earnings at major banks. That doesn't mean stocks won't fall if rates keep rising, but it does mean that raising rates from current levels isn't disastrous for the U.S. economy.

ILLUSTRATION BY PEP MONTSERRAT

The Great American Growth Machine

And How To Fix It

The U.S. economy is losing its historic edge, argue **Alan Greenspan** and **Adrian Wooldridge.** A few key reforms are essential to keep it on top.

Imagine that a version of the World Economic Forum was held in Davos four centuries ago. From across the globe, the great and the good of 1618 gather in the Alpine village: Chinese scholars in their silk robes, British adventurers in their doublets and jerkins, Turkish civil servants in their turbans and caftans. They have come together to discuss the great question of who will dominate the centuries ahead.

The Chinese point to their superb civil service and mighty navy. A Turk boasts that the Ottoman Empire is expanding westward and will soon hold Europe in the palm of its hand. A plucky Briton argues that his tiny country has broken with the corrupt, ossified continent and is developing dynamic new institutions, including a powerful parliament and a new sort of organization, the chartered corporation, which can trade all over the world. Yet in the entire discussion one region goes unmentioned: North America.

Four hundred years ago, North America was little more than an empty space on the map—an afterthought in educated minds and a sideshow in European great-power politics. The entire continent produced less wealth than the smallest German principality.

Today, the United States has the most powerful economy in the world: With less than 5% of the world's population, it still accounts for almost a quarter of global GDP. America has the world's highest standard of living apart from a handful of countries with small populations, such as Qatar and Norway. It also dominates the industries that are inventing the future—intelligent robots, driverless cars, life-extending drugs. The fact that 15 of the world's top 20 universities are based in the U.S., according to the QS World University Ranking, suggests that it is well-placed to dominate the ideas economy.

> The U.S. has less than **5%** of the world's population but still accounts for almost a quarter of global GDP.

The rise of the U.S. to economic greatness is an extraordinary story. But it is a story with a sting in the tail. Productivity growth in the U.S. has all but stalled in recent years. The number of new companies being created has reached a modern low. Geographical mobility has been in decline for three decades. Economists worry that America's potential rate of growth—the pace at which annual output can expand without pushing up inflation—is also falling.

Why did America become the world's greatest economy? Why has it lost its momentum in recent years? And what light can history throw on the question of whether the U.S. can be as successful in the future as it was in the past?

The key to America's success lies in its unique toleration for "creative destruction," the destabilizing force described by the economist Joseph Schumpeter in 1942. Creative destruction reallocates society's resources from less productive pursuits to more productive ones—from spinning jennies to factories, for example, or from horse-and-buggies to motorcars.

A range of things, from geography to political culture, have contrib-

Please turn to the next page

This essay is adapted from the authors' new book, "Capitalism in America: A History," which will be published by Penguin Press on Oct. 16. Mr. Greenspan served as chairman of the Federal Reserve Board from 1987 to 2006. Mr. Wooldridge is the political editor of The Economist.

Inside

MUSIC

A new collection of Barry White's songs shows how the pioneer of romantic soul helped to create a new mode of masculinity. **C3**

A Latke Waffle?

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POLITICS

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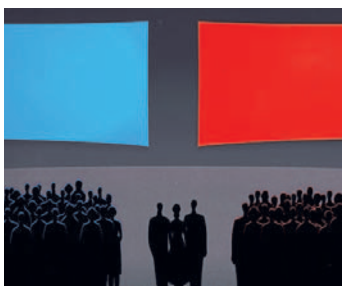
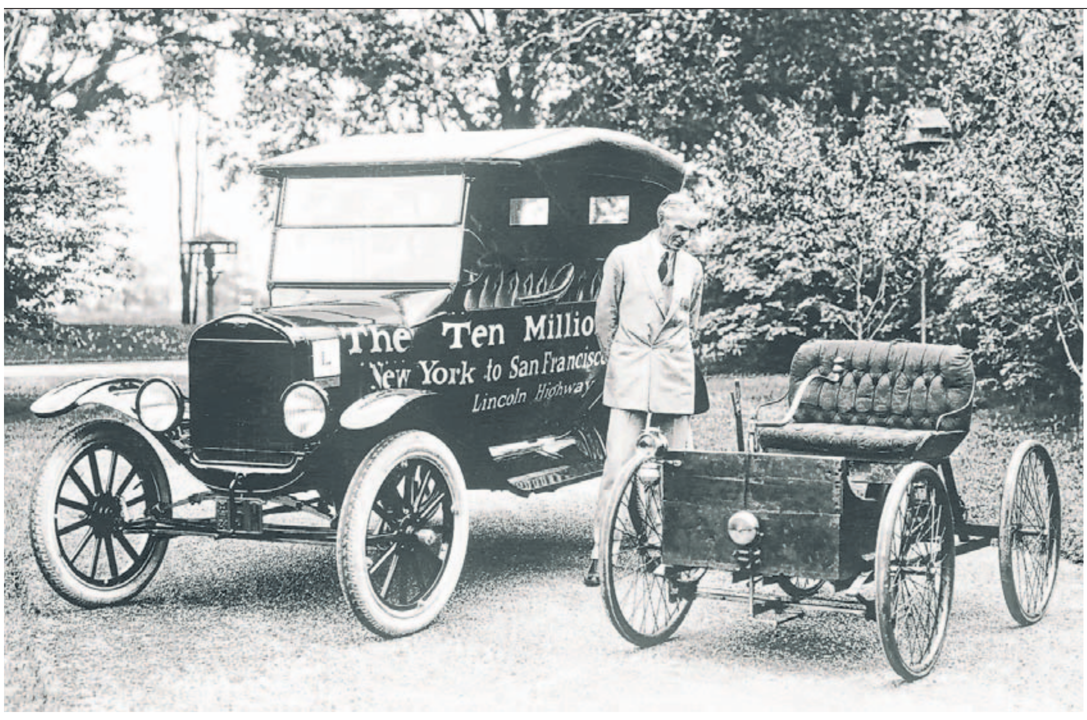
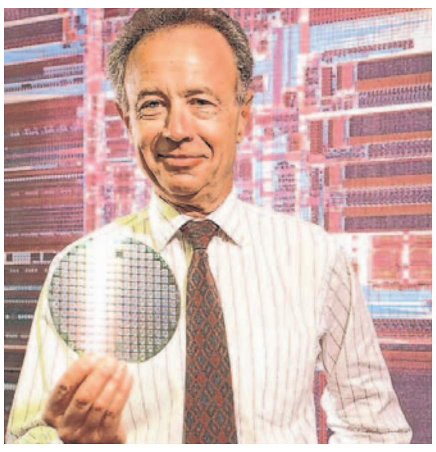
Sen. Ben Sasse on the real source of our tribalism. **C4**







Henry Ford admires his first car and his 10 millionth in 1924, left; Intel Corp. CEO Andrew Grove holds up a microprocessor for personal computers in 1991, above. Below, President Franklin D. Roosevelt signs the Social Security Act in 1935.

Key Reforms to Spark Growth

Continued from the prior page

uted to this enduring preference for change over stability. Consider the sheer size of the U.S., which has allowed it to suck in millions of immigrants and construct continent-spanning companies. It has also allowed the country to shift relatively easily from one industry to another. In Britain, railroads had to make strange loops to avoid ancient settlements. In America, they could carve a straight line from "Nowhere-in-Particular to Nowhere at All," as the Times of London put it in 1874. The U.S. has sometimes paid a heavy price, both aesthetically and economically, for rapid development, but unlike its European peers, it has avoided chronic stagnation.

There is also the fact that the U.S. was the first country to be born in the modern world of growth and perpetual change. The War of Independence began a year before the publication of the greatest work of free-market economics ever written, Adam Smith's "The Wealth of Nations" (1776). For most of recorded history, people had inhabited a society that was static and predictable. Smith advanced a vision of society in which the market transformed the pursuit of individual self-interest into the creation of universal progress. Many European countries took generations to come to terms with this insight (some still haven't). America was born dynamic.

But size and newness are not enough on their own, or else Brazil would be an economic colossus. The U.S. possessed two secret ingredients that turned it into a growth machine.

The first is its entrepreneurial culture. Americans admire business people in the same way that the English admire gentlemen and the French admire intellectuals. Americans are more inclined to found companies than the people of other countries and are also better at turning small companies into giant ones. The U.S. was the first country to make it easy to create companies without going cap in hand to local bureaucrats who had a right to tell them what to do.

This spirit of entrepreneurship was built into the country's DNA. The U.S. was founded by settlers who wanted to escape from the restrictions of Europe's ancient regime: Puritans who wanted to escape from the grip of established churches, younger sons who wanted to escape from the consequences of primogeniture, adventurers who wanted to escape from closed societies.

A striking proportion of America's entrepreneurial heroes have been immigrants or the children of immigrants. Alexander Graham Bell and Andrew Carnegie were born in Scotland. Andy Grove and Sergey Brin were born, respectively, in Hungary and the Soviet Union.

The U.S. has also benefited enormously from its founding political structure. The Constitution, written in 1787 and ratified in 1788, did its best to constrain the ability of politicians to interfere in the economy. It limits the reach of the federal government by guaranteeing the rights of citizens, not least the right to property, and by dividing power among its branches and with the states. Though governmental powers to tax and regulate have grown enormously over the past century, they remain a world apart from the state control that has long prevailed among America's chief rivals.

U.S. productivity grew **2.5%** a year on average from 1948 to 2010 but less than **0.7%** since then.

The most remarkable period of creative destruction in U.S. history was the era from 1865 to 1900, when government confined itself to providing a stable environment for growth. Titans such as Carnegie and John D. Rockefeller built the world's biggest and most efficient companies. Railway barons knitted a continent together into the world's biggest single market.

Though this great revolution was sometimes brutal, it laid the foundations of an era of mass prosperity. Carnegie and Rockefeller reduced the price of steel and oil by almost 90%.

Poor policy-making is America's biggest economic problem, not a lack of entrepreneurial drive.

R.H. Macy sold "goods suitable for the millionaire at prices in reach of the millions." Henry Ford trumpeted the Model-T as "a car for the common man." Their efforts gave Americans a richer diet than their European contemporaries and earlier access to innovations such as electric lights, telephones and cars.

In 1965, entitlement spending amounted to **5%** of GDP. Today it stands at **14%**.

As for the travails of today's economy, much of it has to do with a retreat from the dynamism of the past. The Economist recently found that more than three-quarters of America's major economic sectors have seen a decline in competition, with the top handful of firms taking an increasing market share. In 1980, according to the Census Bureau, one in eight companies had been founded in the past year; in 2015 (the last year for good data), the ratio had fallen to fewer than one in 12.

The financial crisis of 2007-2008 showed creative destruction at its worst. The combination of fear and herd behavior led people to overreact to bad news and to plunge economies into self-reinforcing cycles of decline. Nor did the federal government's heavy-handed regulatory response to the crisis help matters.

Fiscal policy has also hurt the economy. The growth of entitlements such as Social Security and Medicare has crowded out the funding of long-term investment in the private sector and in crucial infrastructure such as roads and airports. Millions of baby boomers are retiring and starting to receive benefits while still quite capable of being productive. In 1965, entitlement spending amounted to 5% of GDP. Today it stands at 14% and is projected to increase still more as the baby boomers retire.

The relative economic stagnation of the past decade has had serious political consequences, breeding discontent and dysfunction in both parties. While President Donald Trump imposes growth-restricting tariffs and bullies errant companies, Democrats embrace ever more interventionist plans to make companies embrace "social purposes."

The threats now facing the U.S. are bigger than in the past. For the first time in its history, the country confronts, in China, an economic power that is even more populous than itself. But America still has a chance to solve its problems, not least because it continues to have a unique genius for business.

The most important item on an agenda for reform is to address the fragility in the American financial system exposed by the financial crisis. Financial institutions play a vital role in allocating society's savings to fund new ideas and new businesses. Consider how venture capitalists have funded Silicon Valley startups, persuading investors to take long-term risks in return for a stake in a potential breakthrough company.

But too many recent financial innovations have been problematic, not least because they are so sophisticated that even senior bankers don't fully understand them. They have increased risk by encouraging financiers to package and sell questionable products, such as subprime mortgages. They have also encouraged financiers to become rent-seekers, more interested in serving their own interests than those of the economy as a whole.

In the wake of the crisis, the federal government passed the monstrously complicated Dodd-Frank Act, which tried to reduce risk in the financial system through regulation. A better approach would have been to focus on the amount of capital that banks are required to hold in order to operate. In the run-up to the crisis, banks on average kept about 8 to 10% of their assets as equity capital. If regulators had forced them to keep 25%, or better still 30%, it would have radically reduced the probability of contagious defaults—the root of all financial crises. Today, despite Dodd Frank, they've only increased it to a little over 11%.

Such a move would greatly increase overall confidence in the financial system. It would allow lawmakers and regulators to repeal the bank-related provisions in the Dodd-Frank leviathan with a clear conscience because any bank losses would be absorbed by shareholders rather than by taxpayers. It would also allow them to focus their energies where they are best employed, in stamping out fraud.

The usual objection to increasing capital requirements is that it would suppress banks' earnings and therefore their ability to lend. But a look at history says otherwise. From 1870 to 2017, with rare exceptions, the net income of commercial banks as a percentage of their equity capital fluctuated within a narrow range of 5% to 10% a year, regardless of the size of their capital buffers. This suggests that a gradual rise in banks' mandated amount of capital would not damage their rate of return or their ability to lend.

A second crucial reform would be to get entitlement spending under control. Putting the system on a more sustainable footing could be done by raising the retirement age by a couple of years, indexing it to life expectancy so that the problem doesn't keep cropping up—and more importantly, in the longer term, shifting from a system of defined benefits to one of defined contributions, as Sweden accomplished in the 1990s.

Such reforms would assure long-term solvency, release more savings for productive investment and bring down the federal budget deficit. Nor would the reforms impose great suffering on America's retiring baby boomers. The retirement age was fixed in 1935, when the system was set up, at a time when life expectancy was much shorter.

America's problems, in short, are problems of poor policy-making rather than of senescent technology or a lack of entrepreneurial drive. This does not mean that they are insignificant. Unless the U.S. changes course, its economy will continue to flag, holding out the unhappy prospect of a self-reinforcing cycle of low growth and populist rage.

Some economists think that the U.S. is mired in a swamp of low growth. We prefer to think that it is trapped in an iron cage of its own making. Out-of-control entitlements and ill-considered regulations are condemning the economy to perform well below its potential. Swamps by their nature are very difficult to escape. Cages can be opened, provided that you have the right keys—and are willing to turn them.

COUNTERCLOCKWISE FROM TOP LEFT: EVERETT COLLECTION (2); PAUL SAKUMA/ASSOCIATED PRESS

WORD ON THE STREET

BEN ZIMMER

Once It Was a Love Potion. Now It's Toxic.

[Venom]

THE MOVIE "Venom" is riding high just now at the box office. A spinoff from the "Spider-Man" comic-book universe, it's the story of a journalist (played by Tom Hardy) who fuses with an alien organism and transforms into a super-violent hybrid creature.

The name of the creature that provides the movie's title has, fittingly enough, undergone its own kind of etymological metamorphosis, since "venom" is a word that over its history has moved from love to hate.

Tom Hardy's character in creature mode in the film

The origins of the word can be traced all the way back to Proto-Indo-European, or PIE, the language spoken about six thousand years ago that serves as the common ancestor for all the languages in the Indo-European family. By comparing words in the different related languages, historical linguists have been able to reconstruct root words in PIE, among them "wen-," meaning "to strive for" or "to desire."

When the root entered Germanic languages, it eventually led to such words as "win" and "wish."

In Latin, the PIE root became "venus," a term for love or sexual desire. That word supplied the name Venus for the goddess of love, the Romans' version of the Greeks' Aphrodite. It also gave rise to such offspring as "venerate" and "venereal."

"Venenum," a suffixed form of the same root, originally referred to a love potion. Over time, however, the word lost its romantic element. It was first extended to mean any kind of powerful drug before eventually coming to be used just to mean "poison." While the semantic leap may have had something to do with the idea of love addling the brain, it's notable that the word "poison" followed a very similar historical track, coming from Latin "potio," meaning any kind of drink, whether medicinal or magical (the same root as "potion").

The word had the poisonous meaning when it first entered Middle English (via Old French) as "venom," used especially for the toxic secretions of snakes, carried from poison glands to their fangs. A 13th-century bestiary says of a serpent, "he speweth out all the venom that in his breast is bred."

By the 14th century, "venom" expanded to more figurative types of poison, in the form of malignant feelings or rancorous language. In "Cynthia's Revels," a play by Ben Jonson first performed in 1600, a courtier who wants to bring down a scholar resolves to "speak all the venom I can of him, and poison his reputation in every place where I come."

In the 1988 Marvel comic book that introduced Venom, the journalist Eddie Brock explains the name to his nemesis Spider-Man, whom he blames for bringing him low, reducing him to writing for lurid tabloids. After melding with the alien symbiote, Eddie says, "You may call me Venom, for that's what I'm paid to spew out these days." (Spider-Man doesn't appear in the movie version, however, because of a complicated deal over rights to the characters.)

The film character is a long way from what the Proto-Indo-Europeans meant by his name. But venom, it turns out, may have some of the medicinal benefits imagined by the ancients. As the biologist Christie Wilcox shows in her 2016 book "Venomous: How Earth's Deadliest Creatures Mastered Biochemistry," the venom of snakes and scorpions is being used to develop treatments for everything from cancer to diabetes.

That's not quite a love potion, but it does bring the name closer to its origins.

COLUMBIA PICTURES/EVERETT COLLECTION

REVIEW

DAVID REDFERN/GETTY IMAGES

Barry White's Music Of Love

Often scorned by critics, the great soul vocalist was a musical prodigy whose romantic songs helped to create a new mode of modern masculinity

Barry White performing in London in 1975.

By Marc Myers

By the time he died in 2003, at the age of 58, Barry White had been reduced to a caricature. A 6 foot 3, heavyset soul singer with a basso profondo voice, White dressed flamboyantly on stage and sang effusively about love and making love. Along the way, his name became a disco-era punch line; critics mockingly called him "Fat Barry" and "The Walrus of Love." He was a performer who visually summed up the period's excesses and rococo gaudiness.

But listening to White's 1970s recordings today, it's clear he was unfairly characterized and artistically shortchanged. The essence of his appeal can be found on "Barry White: 20th Century Records Albums 1973-1979" (Mercury/UMe), a 9-CD box of his remastered recordings due out Oct. 26. His caressing, intimate vocal style pioneered romantic soul—an R&B genre that flowered between 1972 and rap's arrival in 1980. White's music also helped shape disco in the early 1970s, giving the emerging genre a more luxurious and symphonic feel.

White's success was helped greatly by his crossover appeal. Between 1973 and 1996, 19 of his songs as a solo artist became Billboard pop hits. Six reached the top 10, including "I'm Gonna Love You Just a Little More Baby," "Can't Get Enough of Your Love, Babe" and "You're the First, the Last, My Everything." Virtually all of his albums charted, and he won two Grammys.

Unlike earlier R&B heartthrobs such as Sam Cooke, Smokey Robinson, Marvin Gaye and Al Green, White wasn't singing primarily for female record-buyers. His music was aimed at couples, intended as a late-night soundtrack for courtship and intimacy. White's popularity only grew as stereo systems became more affordable in the early 1970s and FM radio's late-night influence expanded.

Along the way, White's music helped to redefine the sound of masculinity. His soulful emotionalism paved the way for romantic-soul groups such as Harold Melvin and the Blue Notes, the Stylistics and Blue Magic. Many male balladeers, from Teddy Pendergrass and Luther Vandross to R. Kelly and John Legend, have been inspired by his tender approach. These male voices sang of lost love, the heartache of breakups and pleas for a second chance. Sensitivity and seduction replaced machismo and braggadocio.

To his credit, White insisted on controlling all aspects of his music. He composed, arranged and produced many of his hits and albums, and he owned the publishing rights to his music—a rarity then. He also formed and produced Love Unlimited, a female vocal trio, and the Love Unlimited Orchestra, one of the disco era's earliest and most ambitious 40-piece symphonic soul ensembles, which backed him and recorded 10 albums on its own.

> "His music was aimed at couples, intended as a sound-track for courtship.

Most remarkable, perhaps, were White's prodigy-like abilities as a self-taught instrumentalist and orchestral arranger. "Many people thought he was just a singer with trained musicians doing all the heavy lifting," said orchestrator Jack Perry, who first met White in 1968 and produced his 1980s albums. "The opposite was true. Barry was involved in every aspect of his music. He even played piano on all of his recordings."

Though White wasn't a formally trained musician, his arranging skills came from listening to his mother's classical records. "Barry created the string and horn arrangements at the piano and sang them into a hand-held tape recorder," Mr. Perry said. "Gene Page, his orchestrator in the '70s, used the tape to write out parts for each musician. Then Barry told the musicians how he wanted their notes to sound."

Born in 1944 in Galveston, Tex., to parents who never married, White moved to L.A. when he was six months old with his mother. He spent his early years singing and playing organ in church and listening to his mother play classical and jazz piano. In 1959, at age 15, White began to sing baritone in a vocal group called the Upfronts. In the early 1960s, he toured with Bob and Earl, an R&B duo.

Showing a knack for producing, White took a job as a songwriter, musician and arranger at Mustang and Bronco Records in L.A. "Music was something I had to feel rather than be taught," White wrote in "Love Unlimited: Insights on Life and Love," his 1999 autobiography. White formed Love Unlimited in 1969 with three female singers. One of them, Glodean James, would become his wife. When their record of White's song, "Walkin' in the Rain With the One I Love," hit #14 on the Billboard pop chart in 1972, White recorded demos of his other songs.

But after listening to the tapes, White decided he would record the vocals himself, rather than look for another male artist to sing them. "Barry didn't like singing and preferred to be behind the scenes in the studio," said Mr. Perry. "He discovered himself by accident."

In 1973, Twentieth Century Records agreed to release White's first solo album, "I've Got So Much to Give," largely thanks to the enthusiasm of Elton John, who heard a dub at a party. Within months, White was one of the label's best-selling artists. He pushed to produce an orchestral album, and the result was Love Unlimited Orchestra's "Rhapsody in White" (1974). The album included "Love's Theme," an uplifting strings-and-guitars anthem that reached No. 1 on Billboard's pop chart and helped glamorize the disco movement.

White continued to record in the 1980s and '90s, but while his albums continued to chart, times had changed. The advent of MTV increasingly made music a visual experience, while rap introduced a harder, socially conscious edge. At White's peak in the 1970s, however, his music put women and men in touch with their erotic feelings. His pillow talk was designed to seduce women, but it also became an unintended instruction manual for men new to love.

Mr. Myers, the author of "Anatomy of a Song" (Grove), is a regular Wall Street Journal contributor.

TABLE TALK

BEE WILSON

The Future Of Food Is Better Tools and Techniques

Forget trendy super-foods—even cauli-flower can be made hip and fresh.

I'VE FOUND MYSELF dreaming lately of potato latkes shaped like waffles, as served at Freedman's in Los Angeles. In August, Freedman's and its latkes featured in Bon Appétit magazine's list of the 10 hottest restaurants in America. Jonah Freedman, who co-owns the restaurant with his sister Amanda and Nicholas Papadatos, has said that the aim was to re-create the classic Jewish deli—complete with pickles, Reuben sandwiches and brisket—but to make everything younger and cooler.

Mr. Freedman set out to re-engineer the potato latke. Much as he loved the latkes he grew up with, he knew he couldn't achieve the texture he wanted with the traditional patties of shredded potato and onion greasily fried in a cast iron skillet. He told me that he figured out it was going to take five separate processes—bake, shred, waffle, freeze and fry—to get a latke that was truly crisp on the outside and soft on the inside.

In stage one, the potatoes are baked, whole, in the oven. Stage two is to shred the potato flesh and mix it with onion powder. Next, Mr. Freedman browns the mix "very very lightly" in a deep Belgian waffle iron. Then he freezes the waffles, before deep frying them in canola oil. The finished latke, he says, has an extra crispy exterior and an inside as soft as a semi-baked molten chocolate cake.

Freedman's extraordinary latkes (which I've yet to taste, alas) point to a key failing of our food culture: We are too hung up on ingredients and not interested enough in technique. We obsess about the nutritional benefits of this or that superfood, and do not talk enough about the difference that cooking methods can make.

There is a special magic to a recipe that takes something familiar and gives it a fresh life by using a different gadget or tool. I often think of the moment that I first ate a sweetly roasted beet and realized that this purple vegetable could be something to relish rather than something you were forced to eat up by a parent. Change the cooking method and you completely change the food itself: the texture, the nutritional qualities and, most important of all, whether we actually want to eat it.

Take scrambled eggs. Conventional wisdom—from France—says that the best scrambled eggs are cooked slowly in a mountain of butter.

But a little over a decade ago, chef Daniel Patterson found that incredibly light scrambled eggs could be made—improbably—in a pan of salted simmering water. Mr. Patterson was driven to this miraculous discovery when his eco-conscious fiancée made him throw out his old Teflon pan.

Changing the cooking technique can turn a neglected but nutritious ingredient into something hip and fresh. A decade ago, the cauliflower's reputation was drab. It was a boring, watery side dish, like broccoli's anemic cousin. It took a piece of brilliant lateral thinking from chef Dan Barber of Blue Hill in New York to show us that a piece of cauliflower could become a delicious vegetable steak, if you cut it in generous slabs and roasted it to a deep umami-brown. A series of chefs took the idea even further by roasting a whole cauliflower in the oven, basted in butter, then slicing it like a haunch of roast beef.

Changing the utensil can also make a difference to whether you cook something or not, which is no small matter. A great kitchen tool isn't necessarily the one that makes the most delicious food—I have a fancy sous-vide machine gathering dust in the back of a cupboard—but the one that enables us to combine cooking and busy lives.

I am happy to be among the throng of Instant Pot evangelicals who look on this multi-function cooker almost as a member of the family, because it enables me to make slow-cooked dishes in a fraction of the time, hands-free. There were scores of delicious stews and casseroles that I believed I had no time to make at the end of a working day—from Indian butter chicken to Italian chickpea soup—which are now happily back on my table, all because of this gadget.

It's my hunch that the future of food is not to be found in the perfect balance of nutrients so much as better ways of cooking. How much happier we might all be if we spent less time obsessing about whether we have eaten enough protein today (clue: yes, you have) and more time inventing new ways to cook carrots.

CHRISTOPHER SILAS NEAL

EVERYDAY PHYSICS

HELEN CZERSKI

Tiny Particles That Let You See Your Breath

I LOVE this time of year. The rich palette of reds and yellows in the trees and the welcome excuse to rediscover pumpkin pie are delights that easily outweigh the extra hours of darkness. Soon we will have cold clear mornings, when the world feels as sharp and delicate as a frost crystal. I love seeing the swirls of fog as I breathe out; I've never really grown out of that childhood game of pretending I'm a dragon. But I had a lesson this summer in not taking those swirls for granted, and it's changed how I think about the air we breathe.

I spent most of August and September on a scientific research expedition to the North Pole, living on an icebreaker as part of a team tasked with studying the weather at the top of the world. Even in August, we quickly learned that an air temperature of 26°F was "warm," and it could easily sink to 10°F. But none of us could ever see our breath, even on the coldest days. It was a weird little detail, but it's one that matters.

Human beings are mostly made of water, and our lungs are moist places, so they're constantly losing water by evaporation. The warm air we exhale is around 6% water vapor. As we breathe out, it mixes with the surrounding air and cools. And at every surface of liquid water, there's a constant exchange: Some liquid molecules escape to become gas (evaporation) and some gas molecules bump into the liquid and merge with it (condensation).

If the air we exhale cools very quickly, the water molecules in it start to condense much faster than they evaporate, forming tiny liquid droplets that we can see. The best days for imitating a dragon are when the surrounding air is cold and already relatively humid.

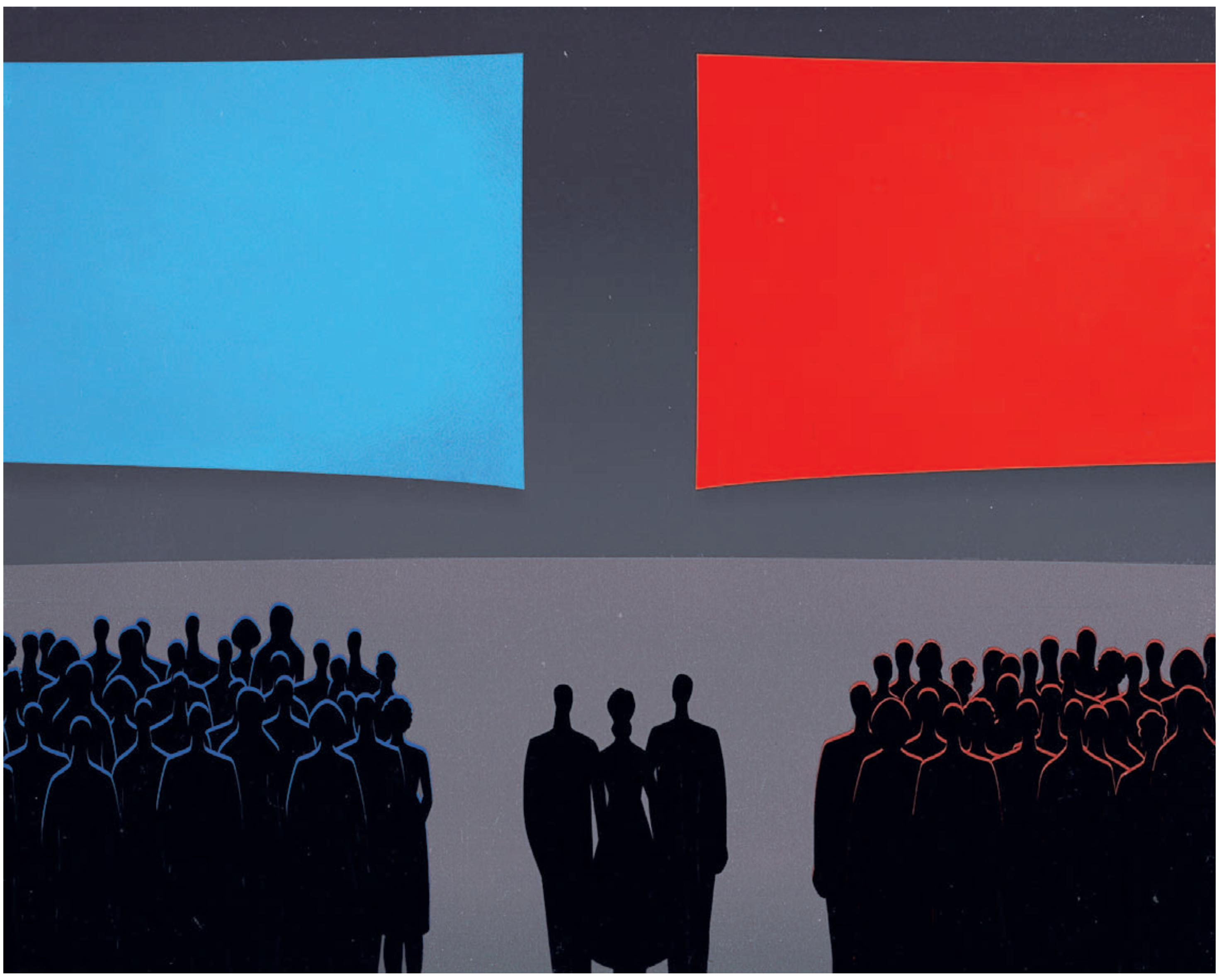
But for all that to happen, the water molecules need something to condense on to—a starting seed. That's provided by tiny particles known as aerosols. The air is full of them; even in the cleanest mountain air, there are many tens of thousands in every cubic inch. Aerosols are made of sea salt, rock dust, organic material from plants and conglomerations of sulfate molecules. We can't see them because they have to be small enough to be carried on the breeze, so they're less than one ten-thousandth of an inch in diameter.

But even though aerosols are tiny, they matter. Water molecules stick very easily to some of them, and that's enough to start a liquid droplet. At home, on a beautiful cold morning, the chilled water vapor in my breath immediately condenses on a nearby aerosol seed and becomes visible.

But up at the North Pole, the situation is different. There are no trees, no breaking waves, no rocks and very little life. On our expedition, instead of tens or hundreds of thousands of particles per cubic inch, we frequently measured less than one hundred. There just wasn't anything for our breath to condense on to. You could take a mug of hot tea outside and it wouldn't steam. But if you flicked a cigarette lighter near it, producing a burst of aerosols from combustion, a plume of steam would briefly pop into existence before the aerosols got carried away.

We know that when aerosols are produced by human pollution, often in huge volumes, they damage our health. But if there were none at all, there would be no clouds in the sky, because cloud formation is also a process of condensation. A perfectly clean atmosphere would be perfectly cloud-free. So on these beautiful fall mornings, I take deep breaths, exhale my own small cloud, and think about the tiny atmospheric ingredients that are too small to see.

TOMASZ WALENTA



FROM TOP: ILLUSTRATION BY JON KRAUSE; K. RIDDER

By Ben Sasse

Politics Can't Solve Our Political Problems

Our tribalism has a deeper source in the disintegration of communities and an epidemic of loneliness. The only real answers start at home.

The Supreme Court confirmation process for Brett Kavanaugh didn't fully break the nation, but it did prompt more Americans to wonder if that moment is approaching. It's been a while in coming. Over the past year, I've heard thousands of my Nebraska constituents and dozens of my colleagues in the Senate, of both parties, say roughly the same thing: "It feels like we're at a tipping point, and X or Y might be the final, make-or-break battle."

More Republicans and Democrats are placing politics at the center of their lives. Both sides seem to believe that a grand solution to our political dysfunction can be found inside politics. If only we could vanquish those evil people waving a different banner, this thinking goes, we'd be on the road to national recovery.

But nothing that happens in Washington is going to fix what's wrong with America. It's not that our battles over the Supreme Court, over dignity for accuser and accused alike, over issues like taxes and regulation and immigration don't matter. They matter a lot. The problem is that our ever more ferocious political tribalism and mutual hatred don't originate in politics, so politics isn't going to heal them.

Humans are social, relational beings. We want and need to be in tribes. In our time, however, all of the traditional tribes that have sustained humans for millennia are simultaneously in collapse. Family, enduring friendship, meaningful shared work, local communities of worship—all have grown ever thinner. We are creating thicker, more vehement tribes around our political differences, I believe, because there is a growing vacuum at the heart of our shared (or increasingly, not so shared) everyday lives.

Loneliness is everywhere in the U.S., across every sector of society. A survey of more than 20,000 American adults conducted earlier this year by the health insurer Cigna and the market research firm Ipsos found that a majority of us are lonely, based on responses to the UCLA Loneliness Scale. The highest scores were reported by the youngest adults, ages 18 to 22. The researchers describe it as a "loneliness epidemic."

None of this should surprise us. Americans today have fewer shared projects than our parents and grandparents did, and we belong to fewer civic groups. Because we change jobs more often, we have fewer lasting work friendships. We delay marriage, have fewer children and live in larger homes, more separate from those of our neighbors. We move from place to place for relationships, economic opportunity and better weather—and we end up with economic opportunity and better weather.

The Harvard social scientist Robert Putnam chronicled the collapse of associational, neighborly America in his book "Bowling Alone" (2000). In the nearly two decades since, the smartphone has further undermined any sense of place by allowing us to mentally "escape" our homes and neighborhoods. We can instantly connect with the supposedly more exciting lives of others. These moments add up, until we're in an almost permanent state of dissociation, punctuated only by the most urgent demands of life, to which we tend halfheartedly.

None of us wants to be left out. The same isolation we felt at the edge of the cafeteria or as the last kid picked for kickball causes everyone to yearn for a group. Even though political ideology is a thin basis for intimate connections, at least our cable news tribes offer the common experience of getting to hate people together. As relational nomads, it's far easier now to be together against something than for something. It's not as fulfilling, but at least we're not totally alone.

The author, at left, serving food at a picnic for a meat packing plant in Fremont, Neb., this summer.

Americans have always had political disagreements with their neighbors, but in the past, political differences could disappear when Friday night ballgames rolled around and the whole town turned out wearing the same colors and cheering for the same team. Today our towns are hollower, and we're not on the same team anymore.

Though it's tempting to think that the sorry state of our public square has to do with fights over hot-button policy issues and the president's latest tweet, the problem runs deeper than that, in ways that aren't always personally comfortable. A big part of the problem is the habits and attitudes of elites.

By "elites," I mean just about everyone reading this—the mobile, educated class. Prof. Putnam defines the elite as people with at least one parent who graduated from college, which puts them in the top socioeconomic third of society. In the U.S., there is a growing divide—in family structure, educational achievement and economic prospects—between this top third and the bottom two-thirds. More than ever before, we are retreating into silos that separate us from people who don't share our socioeconomic background.

The social scientist Richard Florida of the University of Toronto insightfully segments the U.S. into three categories of people: the mobile, the rooted and the stuck. The mobile are those who can afford to move to areas with more opportunity; the rooted are those who have the means to move but choose to stay; and the stuck are those who lack the resources to make any real choice.

In the U.S., the mobile and the stuck categories are growing, while the rooted are rapidly dwindling. Place is being undermined by the digital revolution, and all of us, wherever we fall along the social divide, are feeling the resultant hollow pain in our chests.

How do we fix this? Not by legislation—because we're talking about souls and habits, not prohibitions and mandates.

A decade ago, my wife Melissa and I decided to "put down roots" by reinvesting in my hometown of Fremont, Neb., despite—and partly because of—the fact that it is showing signs of economic decline. The town's biggest employers are a pig plant and a chicken plant, and the share of public-school students getting free or reduced-price lunch is spiking. Wealthier people are leaving our town of 26,000. Although first-generation immigrants are adding a youthful vitality, there is serious social conflict over the pace of change.

Melissa and I have worked with our children to develop an imperfect, provisional strategy for engaging more meaningfully with our own community. We've tried, through our church and other local groups, to become friends with people from every race and income bracket in Fremont. We've begun doing more community service, and we've made an important symbolic commitment by buying cemetery plots here. It's not nearly enough—and Melissa carries most of the burden because I'm off in D.C. too many nights a week—but it's a start.

Just as happened under rapid industrialization and urbanization, we of the digital age must find creative ways to replenish social capital. Whenever there's a disruption, new forms of republican virtue—with a lowercase R—must emerge, flowing from and reinforcing habits of mutual affection and understanding.

If too many Americans feel like we're not "in this together" right now, it's because we're not. We are screaming at each other, and the country no longer has enough real social texture to absorb and wick away the hatred. The only way out is to rebuild our communities and launch new ones—one person-to-person relationship and one local institution at a time.

Mr. Sasse is the junior U.S. senator from Nebraska. This essay is adapted from his new book, "Them: Why We Hate Each Other—and How to Heal," which will be published on Oct. 16 by St. Martin's Press.

For Couples, Gratitude Is a Boomerang

Expressing appreciation for the little things leads to bigger things, such as building stronger ties and sustaining relationships

BY JENNIFER BREHENY WALLACE

It's easy to take our better halves for granted. We may neglect to thank our partners for, say, picking up milk on the way home, preparing dinner or devoting Saturdays to coaching a child's soccer team. Over time, we may stop noticing what they do to make our lives better and perhaps focus too much on what we feel they don't do.

This familiar dynamic can be bad news for relationships. A growing body of research finds that couples who regularly express appreciation to each other, even for minor things, enjoy a stronger, more satisfying and committed bond.

Gratitude and reciprocity are rooted in human and animal evolution, according to a white paper reviewing recent research that was published in May by the Greater Good Science Center at the University of California, Berkeley. The paper cites, for instance, studies of favors apparently given and repaid among species ranging from chimpanzees (exchanging grooming for food) to vampire bats (sharing regurgitated blood). Such actions improve the fortunes of the individuals on both sides of the transaction and of the social group.

In human relationships, researchers say, gratitude serves a "find, remind and bind" function: It can help us to find good partners, remind us of their value and create a lasting bond. When we value our partners, it makes us feel closer to them and motivates us to stay invested in the relationship. When a partner feels appreciated, he or she is motivated to exhibit positive behaviors and attitudes in return.

There's mounting evidence that gratitude helps to solidify and sustain bonds. In 2011, for example, Dutch researchers published a study based on following newlyweds for four years. They found that when one partner engaged in behavior such as undertaking extra chores, it not only elicited gratitude in the other partner but also motivated them to act in ways that supported the relationship. The Berkeley white paper also cites various studies suggesting that feelings of gratitude help "individuals and relationships weather challenging situations," such as financial distress, caring for aging parents and fighting against cancer and depression, by buffering against their negative effects.

Unfortunately, we're not particularly adept at spotting a partner's good deeds. In a study by American, Dutch and Canadian researchers published earlier this year in the journal Social Psychological and Personality Science, 426 individuals were asked to track any minor sacrifices they or their partners made for

ELVIS SWIFT

the other, such as socializing with a partner's friends instead of their own, and to report their daily satisfaction with their relationship. On average, participants missed half of their partner's self-reported sacrifices, leaving those doing the good deeds feeling unappreciated. When sacrifices were noticed and appreciated, researchers found a boost in the receiver's gratitude, which benefited both partners' satisfaction with the relationship.

We often underestimate the impact that our gratitude has on others, which may make us less likely to express it. In a study published in June in the journal Psychological Science, participants were asked to write a letter of gratitude to someone in their life. They were also asked to anticipate the recipient's reaction—specifically, how happy or surprised they would be to receive the letter and how awkward it might make them feel. The researchers then sought reaction from the recipients themselves.

They found that participants significantly underestimated the positive reaction of recipients and overestimated the awkwardness they would experience. Lead researcher Amit Kumar of the McCombs School of Business at the University of Texas at Austin hopes that the study "will encourage people to express more gratitude in their daily lives and not assume that others already know how thankful we are."

Not every "thank you" carries the same weight. In a 2016 study published in the journal Social Psychological and Personality Science, researchers videotaped 370 intimate conversations between couples in which one partner expressed gratitude to the other. Lead researcher Sara Algoe of the University of North Carolina at Chapel Hill found that the most valued sort of thanks focused on the specifics of the partner's effort, not just the act itself. Instead of thanking your partner for buying a beautiful sweater, for example, it's better to emphasize how much you appreciate his going to your favorite store and remembering your favorite shade of blue.

When feelings of appreciation are lacking in an otherwise healthy relationships, Dr. Algoe suggests trying a simple mental exercise, where you imagine all the things that could have gone wrong to prevent you from meeting your partner in the first place. "We get used to the positive things in our lives," she says, "and the gratitude you feel for simply having met your partner can be a good reminder of how lucky you really are."

Ms. Wallace is a freelance writer in New York City.

RUTH GWILY

ASK ARIELY

DAN ARIELY

When the Boss Makes Exercise A Requirement

Dear Dan,
As part of a wellness initiative, my boss has recently talked about requiring all employees to exercise 15 minutes a day. She wants to make this part of the workday, so it will not come out of the time for other scheduled daily breaks. The idea of exercising more sounds good to me, but I balk at making it mandatory—it feels intrusive, and I fear it may actually turn people off from exercising. Is there a better way to encourage healthy behavior? —Simone

It's great that your boss cares about her employees' health and well-being. But I agree with you that mandatory exercise isn't the best way of achieving those goals and that it could actually create antagonism. My advice for your boss would be to reframe this initiative as a "health gift": Employees will get 15 minutes a day to engage in any healthy activity that suits them.

At the same time, the company should offer an exercise class, which will give people an easy way to use their "gift." Because the class will be a social activity, I predict that in time more and more people will join. Offering a free healthy snack at the end of class would make it even more popular.

Dear Dan,
My wife and I are expecting our first child in about five months. My wife's best friend has two children who are both unvaccinated, and I am concerned that our newborn could contract a disease from them before he can be vaccinated. My wife says the danger is minimal, but I don't want my child to be exposed to unnecessary risks. How can I convince my wife that we shouldn't spend time with her friend's family? —David

I would start by sending her emails with news about outbreaks of diseases around the world, just to make the problem more salient in her mind. Ask her to consider the full list of the potential diseases your baby could contract from an unvaccinated child—measles, diphtheria, tetanus, pertussis, polio, mumps, rubella, chickenpox, hepatitis A and B, influenza—and have a separate discussion about each of them.

Next, ask your wife how she would feel if your baby did get sick because of her decision—people experience greater regret when they are actively responsible for a problem than when they see it as something out of their control. And if that isn't sufficient, tell her how worried you would be every time the three of you visited her best friend and ask her to consider your fears as well.

Hi, Dan.
My granddaughter never acknowledges my Christmas and birthday gifts. Her mother, my husband's daughter, doesn't even mention if they were received. Now that my granddaughter is 18, I've decided not to send her any more gifts. I'm not even sure I want to send a card. Am I making a mountain out of a molehill? —Linda

Yes, you are. I would keep sending her the gifts, because even if you don't get a direct acknowledgment, they are still contributing to the strength of your relationship. Gifts are always a good way to foster connections, especially in intergenerational relationships and relationships where people don't see each other regularly.

EXHIBIT

Scenes Of War

PHOTOGRAPHER Yan Morvan has spent much of his career capturing conflicts in war-torn places such as Lebanon, Afghanistan and Kosovo. In his new book, "Battlefields" (Abbeville, $125), however, he decided to photograph wartime settings without the combat.

From 2004 to 2015, Mr. Morvan traveled around the world to 238 historic battlefields, reaching as far back into the past as the ancient sites of the Trojan and Persian wars. He took each of his 405 images from the vantage point of a soldier on the front line.

The most challenging of his battlefield locations was Benghazi, Libya, where he traveled in 2013 to photograph scenes of the 2011 Libyan Civil War. There he was arrested by an extremist group that accused him of being an Israeli spy. "I was happy to escape," he says.

His project includes a particular focus on the battlefields of World War I. The French side of his family suffered through the conflict, and his grandfather fought at the front. Mr. Morvan traveled to Italy to re-imagine events from the 1918 Battle of Vittorio Veneto. Near the Abbey of Saint Eustace (top right), a ruin that was severely damaged in the war, the Italians laid in wait for an Austrian offensive.

Mr. Morvan also went to Slovenia, where he photographed this location in the Bovec Basin (lower right), where the first line of the Austro-Hungarian defense fought in the 1917 Battle of Caporetto. It was such a disaster for the Italians that "caporetto" is still a synonym for a complete fiasco.

After researching 3,000 years of battles, Mr. Morvan was struck by the many ways in which combat has changed over the centuries. "In the past it was a human challenge between the strongest men of the tribe, then a game between generals," he says. "Now it's a competition between the most advanced technology in warfare." —*Alexandra Wolfe*

PHOTOS BY YAN MORVAN

REVIEW


AXEL DUPEUX FOR THE WALL STREET JOURNAL

WEEKEND CONFIDENTIAL | ALEXANDRA WOLFE

Brian Donnelly

An art-world star mixes high and low

Brian Donnelly, also known as KAWS, has forged his own path since he was a teenage graffiti artist. Ignoring the conventional distinction between commercial and fine art, he has designed T-shirts for skateboard brands and created sculptures and paintings that command huge sums at the world's most prestigious art auctions.

His distinctive style—marked by giant cartoonlike figures with crosses for eyes—is instantly recognizable. His painting of SpongeBob with crosses for eyes sold for $1.36 million, a record for his art, in an Oct. 5 auction at Sotheby's in London.

On Nov. 8, Mr. Donnelly, 43, will open a new solo show at Skarstedt Gallery in New York. "When I was doing graffiti I never would have imagined I'd make a living as an artist," he says. "I think the art market is brutal."

Like Keith Haring, one of Mr. Donnelly's influences, and Banksy, whose painting "Girl With Balloon" mysteriously self-destructed at a Sotheby's auction last week, Mr. Donnelly got his start on the streets, tagging walls, underpasses and freight trains in his native New Jersey and in New York with his self-selected moniker, "KAWS." (He says it doesn't mean anything; he just liked how the letters looked together.)

As a teenager in the 1990s, he painted murals with his tag in large, often colorful capital letters. His parents, a homemaker mother and stockbroker father, were "indifferent" to his graffiti work, he says.

He experimented with painting shapes over ads. His intent wasn't to deface them. "I'd always be like, 'I actually like all this imagery.'" A lot of the ads he painted over were "campaigns that I liked." He thought his graffiti enhanced them.

One day, he came up with the idea to do crosses as eyes, and it resonated. "I had some extra time, and one of the things that came to me was a skull with those 'x' eyes," he says. "Over time, they just stuck." He says that he's always gravitated toward cartoons because they're globally popular. "I like the way cartoons exist in every country," he says.

'Everyone should choose how to use their voice in whatever way they want,' says Mr. Donnelly.

He attended New York's School of Visual Arts, earning a bachelor's degree in illustration in 1996. After graduation, he landed a job as an illustrator for Disney, where he painted the backgrounds for animated shows.

The gig allowed him to rent his first apartment, but his passion was still graffiti. He would remove ads from phone booths and bus stops, take them back to his apartment and paint characters such as "Bendy," a Gumby-like armless figure with crosses for eyes that wrapped around the models in advertisements.

He submitted his street designs to an art competition held by the liquor brand Pernod Ricard and won a $10,000 grant in 1998, enough to pay his rent for a while, so he quit his job to focus on his own art full-time.

In the late 1990s and early 2000s, his street art caught the attention of Japanese brands such as the toy company Bounty Hunter and the streetwear brand Hectic. Bounty Hunter produced his first toy, and Hectic carried T-shirts he designed. In 2001, the founder of Supreme, the skateboard-focused brand, invited him to design some of its skateboards, and three years later, the Japanese clothing brand Bape asked him to come up with graphics and patterns for their clothing and shoes.

His designs became especially popular in Japan, where he says people are more open to artists doing both commercial and fine art. "In New York, it wasn't so accepted to make product," he remembers. "You could be a fine artist or a commercial artist but no way could you be both." In Japan, he felt artists could simply "make good stuff or bad stuff," he says. In 2006, he opened a retail store in Japan that sold toys, clothes and other merchandise featuring his designs.

The line between commercial and fine art began to blur globally, he says, as fine artists such as Takashi Murakami, Jeff Koons and Damien Hirst did brand collaborations, such as designing lines of handbags. "Having all these different artists make product kind of opened the doors," Mr. Donnelly says.

In 2013, he closed his Tokyo store, which gave him more time to focus on fine art, such as large-scale paintings and sculptures. This fall, he'll have at least a dozen fine art works up for sale in Sotheby's and Christie's auctions, although he says that he doesn't pay attention to which ones are selling.

He also has his solo show on tap. Sitting in his Williamsburg, Brooklyn, studio, located in the one building with a modern steel and glass entrance on a block filled with traditional brownstones, he hesitates to describe the new show in detail. "It's painting and sculpture at a space in New York," he says. Any theme? "Tension," he says before chuckling. "No, I don't think I'd want to explain it to someone who hasn't come to see it," he says. "I figure that's the reason you make paintings and sculptures, to speak through them."

He continues to do work for brands. One of his next undertakings is a collaboration with Dior on a line of accessories, in which his cartoon bees with crosses for eyes will decorate items such as bags, wallets and key chains.

He says that he's unruffled by critics over the years who have charged that his work feels overly commercial and bland. "I feel no need to please anybody in any capacity," Mr. Donnelly says. "Everyone should choose how to use their voice in whatever way they want."

JASON GAY

And Now, Live on Stage, the Clintons!

Bill and Hillary are invading the turf of pop stars and 'Paw Patrol Live.'

I'VE SEEN the Stones, I've seen the Boss, I've seen the Dead. I've seen Motley Crue at the Dane County Coliseum in Madison, Wisconsin (great show—Tommy Lee played his drums on the ceiling). I saw Britney Spears walk out on stage with a large albino Burmese python at the Metropolitan Opera House. I saw Justin Bieber. Yeah, I saw Justin Bieber. I'm not apologizing for nothing. I contain multitudes, people.

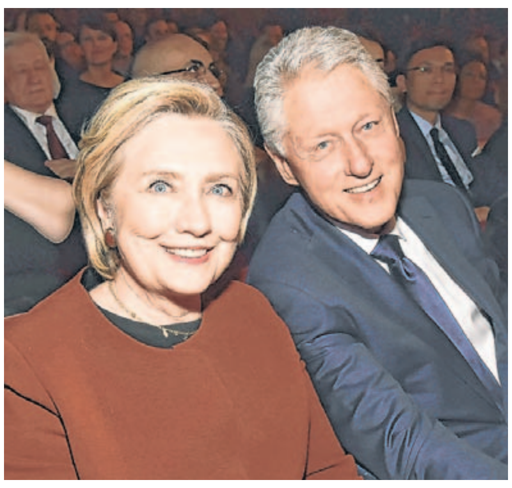
But I'm not sure I'm going to see Bill and Hillary Clinton live.

You may have seen the news that the 42nd President of the United States and the former Secretary of State and Democratic presidential nominee are embarking on a 13-city theatrical tour called "An Evening with President Bill Clinton and former Secretary of State Hillary Rodham Clinton."

I want to be clear: This is not one of those columns about the Clintons. You know what I mean. If you folks want scorched earth about the 2016 campaign, you're going to be disappointed. If you want to throw rocks at me in the comments section, knock yourself out. I like rocks.

I pass no judgment on how my fellow humans spend their entertainment dollars. After all, there are people who actually buy Knicks season tickets with their own money. My daughter loved "Paw Patrol Live." I saw Sting.

The Clinton event is billed by its promoter as a joint on-stage conversation "with two leaders sharing stories and inspiring anecdotes that shaped their historic careers in public service, while also discussing issues of the day and looking towards the future." Opening acts will include Metallica, Karl Ove Knausgaard and the Jonas Brothers.


KEVIN MAZUR/GETTY IMAGES

Hillary and Bill Clinton attend Radio City Music Hall in January.

OK, so that last sentence is not true. But it is true that the Clintons are going on a real-life tour, just like a real-live rock band. The tour is even being put together by Live Nation, the same people who book Rihanna and Black Sabbath.

I guess it makes more than a bit of sense. Bill Clinton is the first President of the rock generation (his campaigns almost ruined Fleetwood Mac for me), both of them are available, and there's surely an audience of Clintonmaniacs who will pay to hear Bill and Hill play the hits. There's probably more than a trace of boomer nostalgia here, too. If the Eagles and Paul McCartney can pack 'em in, why not a pair of politicians uniquely intertwined with the era?

It's also emblematic of a changing entertainment economy. It's a lot harder to be a rock star in 2018. But Michelle Obama is launching her book tour in arenas. Arenas! I was lucky to get six people and two pigeons at my book readings. Today, there are podcasters selling out big theaters, laughing at their own jokes on dusty floorboards that Mick & Keith once commandeered.

Bill and Hillary should be an even bigger hit; concert promoters seldom bet on an unsure thing. Ticket prices for the couple's April show at the Beacon Theatre in New York range from $99.00 to $375.00. That's actually not so terrible a price. Three seventy-five won't even get you close to the Brooklyn Nets.

Still, I have questions. Will there be merchandise? Will the audience hold up their illuminated phones to beg for an encore? What instructions will the Clintons have on their tour contract? Will they tell theaters to remove the brown M&Ms, as Van Halen famously did? What time are they going on stage? Will their shows be longer than Springsteen's? Will they play 4 a.m. surprise shows, like Prince used to do? Is this possibly a warm-up for, you know, one final run?

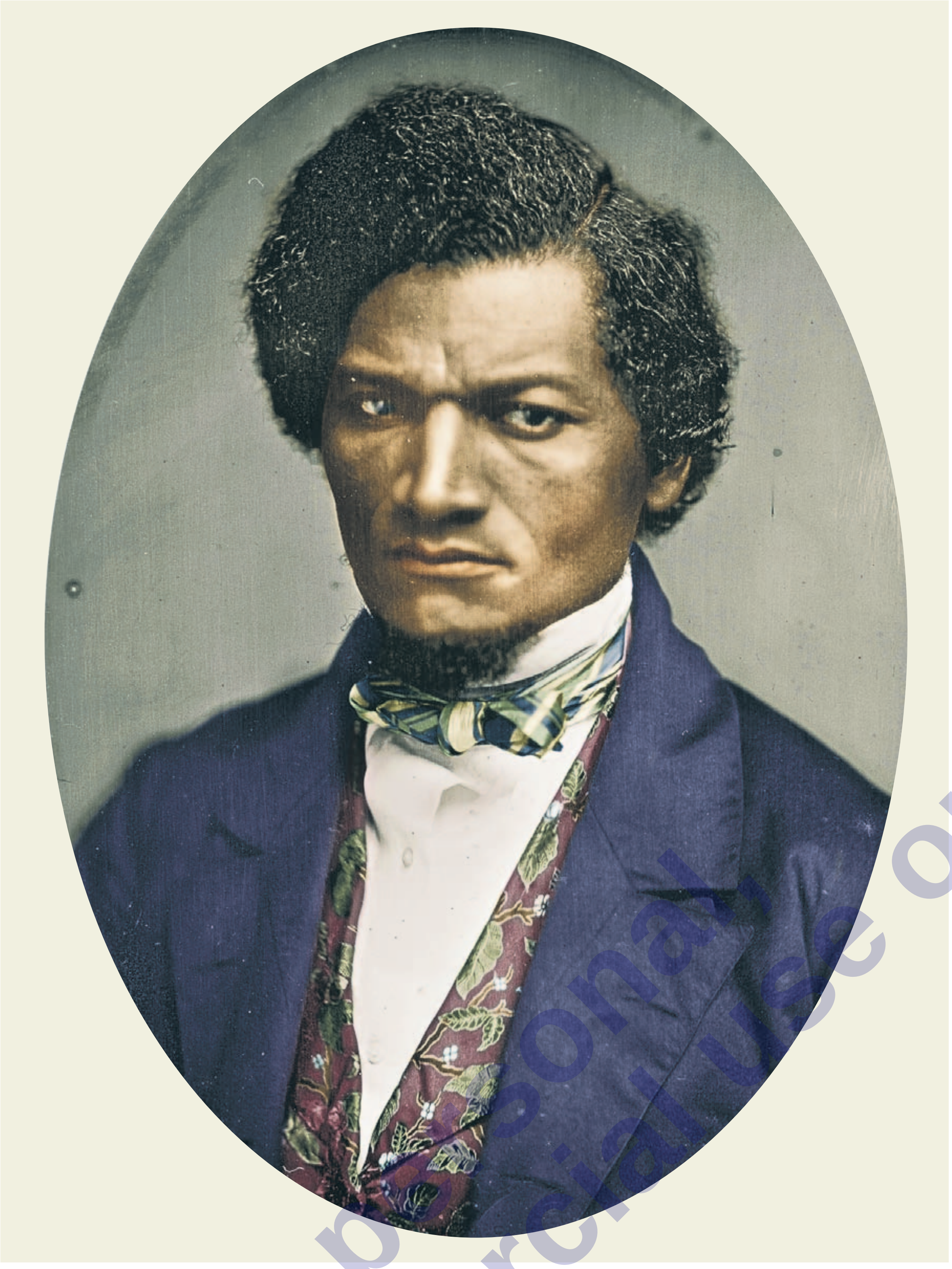
Also: Trump is totally going to tour, isn't he? With Kanye opening.

His Tongue the Pen of God

In the fight for equal rights, Frederick Douglass felt he was an instrument of the divine will

Frederick Douglass
By David W. Blight
Simon & Schuster, 888 pages, $37.50

By John Stauffer



GRANGER

IN AN 1895 EULOGY to Frederick Douglass, the Chicago Tribune summarized his stature by declaring that "no man, black or white, has been better known for nearly half a century in this country." Indeed, Douglass was "so highly esteemed by the white people," the editors said, "that his entrance into their midst upon any public occasion was always the signal for an enthusiastic personal greeting."

It may seem like an extraordinary statement to make during the era of Jim Crow segregation. Yet as David Blight confirms in his monumental and multi-themed biography, "Frederick Douglass: Prophet of Freedom," the Tribune's assessment was more than accurate.

Mr. Blight, a professor of American history at Yale, traces the many sources of Douglass's high esteem and recovers his full significance to America's historical experience. Among much else, he shows how Douglass played a "pivotal role in America's Second Founding out of the apocalypse of the Civil War." After Appomattox, the amended Constitution granted civil rights to blacks for the first time, and Douglass, as Mr. Blight notes, "wished to see himself as a founder and a defender of the Second American Republic."

He was born Frederick Augustus Washington Bailey, a slave, in 1818, on the eastern shore of Maryland. After escaping to the North at the age of 20, he changed his name. "Thus began," Mr. Blight writes, "the long process of the most famous self-creation of an African American identity in American history." In the postwar years, Douglass was widely, and rightly, seen as the pre-eminent "self-made man." But Mr. Blight emphasizes that Douglass endorsed self-reliance alongside a social contract that included land, jobs and education for blacks as a way to "repair the past."

Douglass evolved from a radical outsider before the Civil War into a presidential adviser during the war, and a pragmatic activist and elder statesman after the war. But he never really abandoned his radical views, Mr. Blight argues. In the postwar era especially, Douglass tried to mix his "uncompromising radicalism" with a "learned pragmatism to try to influence real power." Although he was an advocate of women's rights, for example, he pushed for postponing female suffrage in order to secure the 15th Amendment that gave voting rights to black men.

Of course, Douglass is best known for his efforts on behalf of abolition ahead of the Civil War—a cause that he gave expression to as an orator, journalist and author. Mr. Blight suggests that "Frederick Douglass: Prophet of Freedom" is, in a certain way, the "biography of a *voice*," and it is not difficult to read it that way. Douglass edited several newspapers and proved to be, as Mr. Blight says, "one of the great activist journalists of American history." But public speaking was his preferred medium. He lived during the golden age of oratory and spent much if not most of his time traveling on lecture tours. Mr. Blight estimates that more Americans heard Douglass speak "than any other public figure of his times. Indeed, to see or hear Douglass became a kind of wonder of the American world."

Douglass's image, too, reached vast numbers of people. Photographs of him and the engravings cut from them—in more than 150 distinct poses—appeared on the walls and desks of countless homes and offices. He was perhaps the most photographed American in the 19th century.

Douglass's greatest monuments to history are his three autobiographies, totaling more than 1,200 pages. Most of what we know about his life as a slave comes from these accounts—they are vividly composed and full of searing detail. Douglass had "an extraordinary memory and cultivated it endlessly as a writer," Mr. Blight observes. He "embodied the idea that history mattered."

> **Douglass rooted his autobiography, and the story of his people, in the tradition of the Hebrew prophets.**

In his autobiographies, Douglass describes how he became aware of the power of language. When he was 8 years old, he was sent to live in Baltimore. His new mistress, Sophia Auld—the wife of a ship builder—often read aloud from the King James Bible. He was so captivated by it that he asked her to teach him to read. She complied, instructing him in his ABC's and giving him spelling lessons. When her husband, Hugh, found out, he put a stop to it. Douglass grasped that, for his master, "knowledge unfits a child to be a slave." "Very well," Douglass thought. He would gain knowledge.

The young slave boy stuffed his pockets with Sophia's biscuits, offered them to the neighborhood white boys in exchange for words and asked them for spelling lessons. The boys introduced Douglass to "the book that changed his life," as Mr. Blight puts it, a school reader titled "The Columbian Orator": It was filled with selections from "prose, verse, plays and especially political speeches by famous orators from antiquity and the Enlightenment." It became Douglass's "constant companion," Mr. Blight says, enabling him "to give tongue to many interesting thoughts which had frequently flashed through [his] soul."

Mr. Blight beautifully explains how Douglass used language as a source of inspiration that would lead to freedom. "The silver trump of freedom had roused my soul to eternal wakefulness," Douglass remembered. Empowered by literacy, he defied the efforts of Hugh Auld and his brother, Thomas (also his master)—and especially the efforts of a poor farmer and sadistic "slave breaker," Edward Covey—to crush his will to be free. His memories of his life as a slave later "poured out in prose poetry," Mr. Blight observes, with cadences from the King James Bible.

Douglass fled from slavery with help from his fiancée, Anna Murray, a free black woman whom he had met in Baltimore. They married and moved to New Bedford, Mass., a strong antislavery community with a large black population, where Douglass became a preacher and started his career as abolitionist orator. Three years later, in 1841, he was "discovered" by William Lloyd Garrison, the nation's leading abolitionist. He joined Garrison's radical pacifist organization, the American Anti-Slavery Society, as a paid lecturer. But he was never at heart a pacifist, Mr. Blight argues.

Throughout his writing, Douglass emphasized that slavery destroys "all semblance of natural rights for its victims." His abundant appeals to natural rights—including the right, at times, to violence and revolution—should be considered alongside his "damaging childhood memories," Mr. Blight notes. At the same time, his critique of slavery needs to be understood "not merely as abolitionist propaganda, but as a cry for the healing of his own wounds."

In 1847, as Southerners became more aggressive in their efforts to expand slavery, Douglass left Garrison's pacifist organization and became an outspoken advocate of violence. Throughout the 1850s, his memories of his slave experience led him to conclude that "if [a slave] kills his master, he imitates only the heroes of the revolution." He became a member of the militant and tiny National Liberty Party and its successor, the Radical Abolition Party. Members embraced immediate abolition, full suffrage for all Americans regardless of sex or skin color, the redistribution of land so that no one would be rich and no one poor, and violent intervention against slaveholders.

"It was as though a part of his soul," Mr. Blight suggests, "had forever been forged" by the "countless white mobs who had assaulted him." Yet even during this era of intense Southern belligerence, Douglass coupled militancy with pragmatism. He endorsed the Free-Soil and Republican parties, which were more moderate than the Radical Abolition Party, though not without vigorously criticizing them.

Perhaps Mr. Blight's most original insight is his claim that Douglass used prophecy—that is, divinely inspired language—as both an art form and a weapon in fighting for equal rights. He "rooted his own story and especially the story of African Americans in the oldest and most powerful stories of the Hebrew prophets," continually borrowing from them, especially Jeremiah and Isaiah. Believing that he knew God's will became for Douglass a potent source of inspiration, fueling the power of his words. His turn to

Please turn to page C8

BOOKS

'Humility must always be the portion of any man who receives acclaim earned in the blood of his followers.' —DWIGHT D. EISENHOWER

FIVE BEST
BOOKS ON WARTIME PRESIDENTS

Michael Beschloss

The author, most recently, of 'Presidents of War'

The Diary of James K. Polk During His Presidency, 1845-1849
Edited by Milo Milton Quaife (1910)

1 Easily one of the most revealing diaries ever written by a president, James Polk's was first published six decades after his death. Through detailed reportage on his own illicit wheelings and dealings, the nerveless Polk, a slave owner, unwittingly reveals his own lying and maneuvering to get the United States into a war against Mexico—thus facilitating the grab of almost one million square miles of territory. "We must obtain Upper California and New Mexico," he writes. The diary relates how he fabricated an incident that enabled him to order American forces to fight the Mexicans all the way to Mexico City. Polk complains bitterly of press leaks. And, afflicted by the harsh prejudices of his time, he complains about his secretary of state (later president), James Buchanan, who was thought by some Washington contemporaries to be homosexual. Writing during the Mexican War, Polk sneeringly derides what he claims to be Buchanan's "habits of intimacy" and his "constant and intimate intercourse" with a New York Herald columnist, John Nugent, to whom Buchanan gave unauthorized scoops. Senators were unable to see the secretary of state, Polk charges, "because this fellow, Nugent, was closetted with him."

Roosevelt: The Soldier of Freedom, 1940-1945
By James MacGregor Burns (1970)

2 Four years before I became Jim Burns's student—he would remain my mentor and friend until his death in 2014—he published this Pulitzer Prize-winning history of Franklin D. Roosevelt as war president. Burns had been given access to Roosevelt's unprocessed private papers shortly after World War II, but he delayed writing this volume until crucial documents were declassified in the late 1960s. "The Soldier of Freedom" would prove so influential in shaping the later literature on the subject that it remains remarkably current. While admiring Roosevelt's genius for wartime leadership, Burns surprised many of his peers at the time by placing considerable emphasis on FDR's shortcomings—especially the way his lofty ends were sometimes corrupted by his means. Well ahead of many other scholars, Burns thrashed FDR for signing Executive Order 9066, which compelled the internment of Japanese Americans, and for failing to do more to thwart the Holocaust. In the end, however, he argues that to "look at the man as a whole" during World War II is "to see the lineaments of greatness—courage, joyousness, responsiveness, vitality, faith."

A Colored Man's Reminiscences of James Madison
By Paul Jennings (1865)

3 Not many books reveal a wartime president as seen by someone he enslaved. In this very slim memoir, Paul Jennings, the body servant of James Madison, architect of the Constitution, recalls him as a man who would not "strike a slave, although he had over one hundred." "I never allow a negro to excel me in politeness," Madison, according to Jennings, would say. During the War of 1812 the British invaded Washington, intending to burn the Capitol building and White House—and perhaps capture and hang the president. We have few accounts of the Madisons' anxious flight from the capital. But Jennings was there. Contrary to legend, Dolley Madison didn't carry out the George Washington portrait, Jennings writes, but instead "caught up what silver she could crowd into her old-fashioned reticule, and then jumped into the chariot with her servant-girl Sukey." Jennings then met up with the president, rushing onto the Georgetown ferry, and "we all crossed over" to Virginia. Madison's slave remained at his side until the former president died at age 85. A decade later, the Massachusetts Sen. Daniel Webster bought Jennings his freedom.

LIBRARY OF CONGRESS

SALUTE President Franklin D. Roosevelt in Morocco in January 1943.

The Triumph & Tragedy of Lyndon Johnson: The White House Years
By Joseph A. Califano Jr. (1991)

4 Joseph Califano's frank, detailed and nuanced story of his four years as one of Lyndon Johnson's chief advisors deserves more attention than it ever received. The shrewd Brooklyn-born Harvard Law graduate—Johnson told him what he had learned in Brooklyn's streets would be more useful than what he learned at Harvard—fought hard for LBJ's Great Society aims, but was increasingly unsettled by his expanding Vietnam War as well as some of his personal tendencies. He writes of how his boss carped that the communists were "brilliantly orchestrating a propaganda effort" to stir antiwar protests on college campuses, and how he himself "smiled nervously" when LBJ observed that Mr. Califano liked attending the parties of Johnson's archenemy, Robert Kennedy. After RFK's shooting, Mr. Califano writes, the president kept asking him, "Is he dead yet?" He couldn't tell, the author notes—because Johnson himself didn't know—"whether he hoped or feared the answer would be yes or no."

The Collected Works of Abraham Lincoln, Vols. IV to VIII
Edited by Roy P. Basler et al. (1953)

5 Abraham Lincoln's writings were often sublime and tell more about his inner life and aims than those of any other war president tell about theirs. By order of his eldest son, Robert, Lincoln's private papers could not be opened until midnight 21 years after Robert's death. (Officials from the Library of Congress made that opening, in July 1947, into a Hollywood-like ceremony, with exploding flashbulbs and songs sung by Lincoln biographer Carl Sandburg). A melancholy Lincoln in August 1864 scrawls a note saying that he expects to be defeated for a second term that fall and that he will have to help "President elect" George McClellan—Lincoln's Democratic opponent—"save the Union between the election and the inauguration; as he . . . cannot possibly save it afterwards." Seeking to understand God's purpose as the Civil War grinds on, Lincoln writes to himself that since the Almighty "could have either saved or destroyed the Union" and "yet the contest proceeds," thus "it is quite possible that God's purpose is different from the purpose of either" North or South.

The Voice Of Frederick Douglass

Continued from page C7

militancy and revolution in the 1850s, Mr. Blight says, was "grounded in the prophetic tradition in which he came to see himself."

In another revealing insight, Mr. Blight contrasts Douglass's public and private lives. While the public Douglass seemed almost flawless, the private Douglass was "vain, arrogant at times, and hypersensitive to slights." He suffered from two emotional breakdowns, one in the late 1840s, the other in the early 1880s, owing to stress and overwork. And he felt threatened by rivals "who challenged his position as the greatest spokesman of his race," even as he mentored younger blacks.

Douglass and Anna would have five children, four of whom lived to adulthood. They would move three more times after New Bedford: to Lynn, Mass., a suburb of Boston; Rochester, N.Y.; and finally Washington, D.C. Douglass also spent three years in Europe, mostly in Britain, and two years in Haiti as the U.S. minister after the war. While Douglass was often on the road, Anna stayed home with the children. It was far from an ideal marriage.

The most jarring aspect of the private Douglass is the presence of two European women, Julia Griffiths and Ottilie Assing, each of whom became an integral part of Douglass's life for some 30 years, from the 1840s through the 1870s. Though very different in temperament, both were educated radical intellectuals, in contrast to Anna, who was close to illiterate her entire life.

In a golden age of oratory, to see and hear Douglass at the podium was to experience a wonder of the American world.

Griffiths and then Assing lived sequentially in Douglass's home, along with Anna and their large extended family. With each woman, Douglass became intellectually, emotionally and possibly physically intimate. When Anna died in 1882, Mr. Blight suggests, Douglass may already have become involved with yet another woman, Helen Pitts, a white suffragist 20 years his junior. Two years later they were married. Mr. Blight does not presume to judge any part of Douglass's personal life but rather to understand it. He believes that the contrast between his public and private selves makes Douglass "thoroughly and beautifully human."

Mr. Blight's biography deserves full immersion. Though long, it is absorbing and even moving, and the payoff is enormous, for Mr. Blight displays his lifelong interest in Douglass on almost every page, and his own voice is active and eloquent throughout the narrative. It is a book that speaks to our own time as well as Douglass's. "For all who wish to escape from outward or inward captivity, they would do well to feel the pulses of this life, and to read the words of this voice," Mr. Blight urges. "And then go act in the world." It is a brilliant book.

Mr. Stauffer teaches literature and history at Harvard University and is a co-author, most recently, of "Picturing Frederick Douglass."

Taking the Cold War To Subzero

The Cryotron Files
By Iain Dey & Douglas Buck
Overlook, 288 pages, $28.95

BY PHIL LAPSLEY

OUR LIVES are secretly ruled by transistors. They power our computers and, with them, modern society. Today's most advanced microchips pack more than 21 billion transistors onto a single piece of silicon slightly larger than your thumbnail.

But in the 1950s, when computers were still in their infancy, the transistor's dominance was far from settled. In an age of bulky and power-hungry vacuum tubes, the U.S. military and American industry searched desperately for some way to speed up and shrink computers for defense and commercial applications. In "The Cryotron Files," Iain Dey and Douglas Buck tell the story of a little-known invention called the cryotron—a liquid-helium-cooled superconducting competitor to the transistor that was, for a time, the front-running technology in the quest to build the fastest, smallest computers. Their interesting book weaves together the biography of the cryotron's inventor, Dudley Buck of MIT (the father of one of the book's authors), with a history of key aspects of Cold War defense programs. Along the way we are given an insider's look at the 1950s military-industrial complex and the ease and informality with which academia, the military, intelligence agencies and industry collaborated.

Born in 1927 in San Francisco, Dudley Buck as a teenager fit the now-stereotypical mold of an engineering and scientific prodigy: He built his own radio transmitters, cooked up homemade explosives and played clever pranks on anyone he could. By 1944, with World War II in full swing, the 17-year-old Buck enrolled in a program designed to attract the nation's best students to become naval officers. He graduated in 1948 from the University of Washington as Ensign Buck and was assigned to the Navy's cryptography and code-breaking team. There he was set to work on an early computer called ABEL; his inventiveness and enthusiasm impressed a number of senior people who would wind up at the future National Security Agency and who would support him throughout his career.

In 1950 Buck completed his naval service and became a graduate student in electrical engineering at MIT, working for Prof. Jay Forrester on Whirlwind, a massive Pentagon-sponsored computer that took up 2,500 square feet of floor space and comprised 5,000 vacuum tubes. Whirlwind was intended to track enemy aircraft, predict their course, and vector fighters to intercept them. Buck found himself swept up in the project and made strong contributions. He stayed in touch with his friends in the Navy, passing on groundbreaking research from MIT. "There was nothing unusual in this flow of information," Messrs. Dey and Buck write. "In 1950, ideas moved fluidly across academia, the military, and a handful of emerging computer giants—such as IBM and Raytheon. . . . The line that marked where the state ended and the private sector began was blurry at best."

GJON MILI/THE LIFE PICTURE COLLECTION/GETTY IMAGES

SUPERCONDUCTOR Dudley Buck in 1956.

It was in 1952 that the National Security Agency was founded, and Buck—while still a graduate student at MIT—began consulting with many of his former naval colleagues, now at the NSA, on the technology that would underlie future computers. The transistor was an option, of course, but, in the words of one historian, "even the people who made the transistor were thinking, 'Okay, what's next, what's the next device?' Clearly the transistor was better than the vacuum tube. Obviously, there's going to be something that's better than the transistor."

Buck's time at MIT, the authors write, "coincided with a period in history where no idea was deemed too wild." One of Buck's wild ideas was based on a property called superconductivity: the disappearance of electrical resistance in some materials when they are cooled to an extremely low temperature (think -450 Fahrenheit). He realized that both a basic memory circuit and an electrical switch could be made by twisting together wires made from two different superconductors. By placing an electrical current through one wire, its magnetic field could be used to turn on or off the flow of current in the other. This could in theory be done very rapidly, using extremely little power. Of course, the circuits would have to be operated in a bath of liquid helium—inconvenient but perhaps not insurmountably so.

By 1954 he had managed to make such a circuit in his laboratory, and his soon-to-be wife provided the name: the cryotron. Buck worked feverishly, first to make it reliable and then to miniaturize it. He and his team came up with the idea of using electron beams to "write" tiny cryotrons onto thin films of material, dramatically reducing their size and foreshadowing the way silicon integrated circuits would eventually be manufactured. Word of the cryotron and its possibilities spread rapidly; indeed, publicity seems to have seriously outpaced the development of the device itself. By 1958 it seemed as if everyone was trying to build computers out of cryotrons—IBM, RCA, Raytheon, GE, and the NSA most especially.

The field was jolted when Buck died suddenly in 1959 at the age of 32, a few days after falling ill with a high fever and a bad cough. Some think his death was due to exposure to toxic chemicals used in his research. Other theories are more sinister: On the day he died, a colleague of Buck's, Louis Ridenour, a former chief scientist of the U.S. Air Force and vice president at Lockheed, died of a sudden brain hemorrhage at age 47. Both were scheduled to attend a meeting four days later of the NSA's Scientific Advisory Board—a program review of Project Lightning, the NSA's secret project to dramatically increase the speed of digital computers. The authors raise the idea that both individuals might have been targeted by the Russians but provide no substantive evidence for such a claim.

Buck's death derailed cryotron research at MIT, but other organizations pressed on. IBM had hundreds of people working on cryotron-based computers and is said to have invested some $250 million in the effort. But it was not to be: Cryotrons proved tricky to make work at scale, and the silicon integrated circuit surpassed them—all without the need for tanks of liquid helium.

The book is marred by the authors' tendency toward breathless overstatement in their effort to give Dudley Buck what they think is his rightful place in history. And at times they dramatize their work by pushing the reader to view events as connected that could just as easily be coincidences. Despite such matters, however, "The Cryotron Files" sheds warmth on an unappreciated bit of low-temperature Cold War technological history.

Mr. Lapsley is the author of "Exploding the Phone: The Untold Story of the Teenagers and Outlaws Who Hacked Ma Bell."

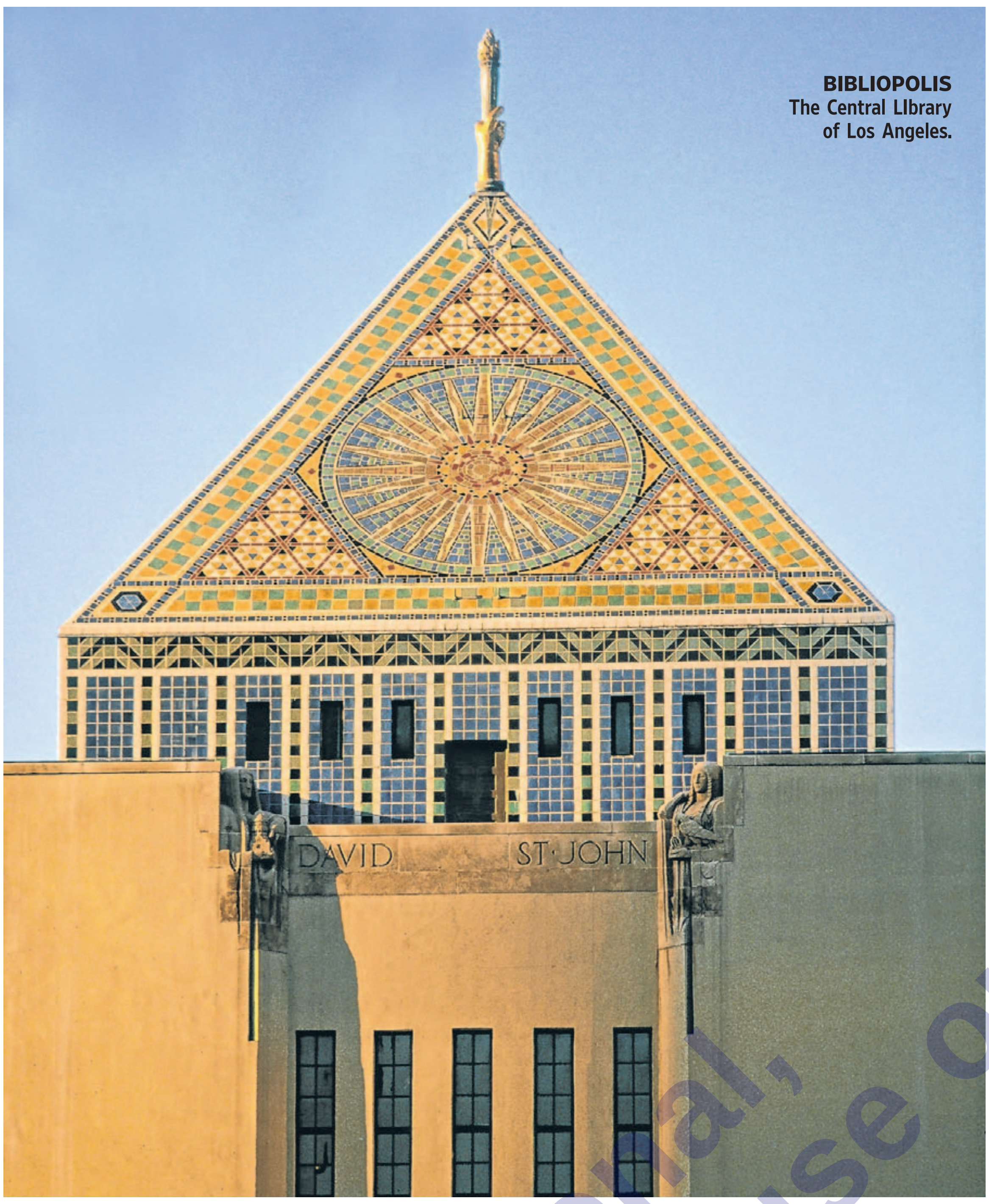
BOOKS

'With a library you are free. . . . It is the most democratic of institutions because no one—but no one at all—can tell you what to read and when and how.' —DORIS LESSING

The People's Palace

The Library Book
By Susan Orlean
Simon & Schuster, 317 pages, $28

By Jane Kamensky



BIBLIOPOLIS The Central Library of Los Angeles.

WALTER BIBIKOW

ON THE LOVELY spring morning of April 29, 1986, the Central Library of Los Angeles caught fire. The patrons, the staff, even the first firefighters on the scene expected a false alarm; the building's outmoded system went off all the time. But a second fire brigade discovered smoke at the roofline and fire in the fiction stacks, where flames snaked down one overstuffed shelf and up the next. Feasting on paper, with no sprinklers or fire doors to stymie its appetite, the blaze escaped any hope of control, even as 60 fire companies from around the sprawling city marshaled for battle on Fifth Street. At day's end, when the fire was contained, downtown Los Angeles reeked with what one librarian called "the smell of heartbreak and ashes." The building, a fantasia out of a 1920s movie set, was gutted. Nearly half a million books and manuscripts, many of them irreplaceable, had been devoured; nearly twice as many more had been soaked by the fire hoses. An arson investigation opened before the embers cooled. An army of volunteers rallied to salvage their cultural patrimony. In the years to come, some locals marked time by the fire. One compared its epoch-defining power to the Kennedy assassination.

"The library is a gathering pool of narratives," Susan Orlean writes. So, too, "The Library Book." Moving forward and backward from that dreadful April day, Ms. Orlean interweaves a memoir of her life in books, a whodunit, a history of Los Angeles, and a meditation on the rise and fall and rise of civic life in the United States. Along the way, she offers vivid profiles of the kinds of offbeat, compelling characters who populate her earlier books, including "The Orchid Thief" (1998). By turns taut and sinuous, intimate and epic, Ms. Orlean's account evokes the rhythms of a life spent in libraries, whose collections seek, always futilely, to capture "the looping, unending story of who we are."

As personal narrative, "The Library Book" offers a frisson of delight to every four-eyed haunter of the stacks. "I grew up in libraries, or at least it feels that way," Ms. Orlean writes, recalling frequent childhood visits to her neighborhood branch in Shaker Heights, Ohio, and walks home with her mother, their arms laden with books laden with possibility. "The place was so bountiful," she remembers. "In the library I could have anything I wanted."

As whodunit, Ms. Orlean's account is less satisfying. Her portrayal of Harry Peak, the prime suspect in the arson investigation, channels Joan Didion, adding a dash of John Steinbeck for good measure. Peak, a small-town boy who couldn't quite make good, dreamed the golden dream of Hollywood, where the sidewalks "sagged under the weight of all the handsome young men who flocked there." The authorities' case against Peak proved nearly as baseless as his silver-screen fantasies. Ms. Orlean delves into recent research on arson forensics, a pseudoscience long on certainties and short on evidence. The arsonist—if indeed there was one—remains at large.

If "The Library Book" falls short as true crime, it soars as urban history. Ms. Orlean recovers a Los Angeles likely to astonish even its residents: a city with a long, pronounced bookish streak. The reading room of the Amigos del País social club, an ancestor of the Los Angeles public library, welcomed patrons as early as 1844, a decade before the Boston Public Library opened. The Los Angeles City Library was opened in January 1873, the same month as the Chicago Public Library. Vintage Orlean characters led the city library in its early years. We meet "a dour asthmatic" who burned jimsonweed in his office, an "alcoholic painter" whose tenure lasted only a year, and the remarkable Mary Foy, who took the helm at age 18, becoming the first female head librarian in the United States. Ms. Orlean flirts too long with Charles Lummis, the dashing adventurer who elbowed aside a subsequent female library head, Mary Jones, in what came to be known in Los Angeles as the "Great Library War" of 1905. Lummis created a reference department and chose a friend to head it; Dr. C.J.K. Jones was known as the "human encyclopedia" and owned the "finest private library on citrus farming in the entire state." Jones's staff detested him and sometimes left lemons on his desk in protest.

For all their foibles, which Ms. Orlean plainly savors, none of these early leaders kept the Los Angeles City Library from succeeding. Patronage tracked the explosive growth of a city that ran on oil, railroads and motion pictures. By 1921, some 10,000 people passed through the system's branches every day, checking out roughly 1,000 books an hour, over three million that year. In 1922, the city commissioned New York architect Bertram Goodhue, who had created the fantastical pavilions for San Diego's Panama-California Exposition a few years earlier, to design an edifice worthy of the library's civic prominence. Goodhue did not live to see the completion of the gaudy Central Library, which, Ms. Orlean writes, "incorporated the feel of Egypt and the jazzy lyricism of Gershwin." Three years after its 1926 grand opening, the giddy '20s crashed and burned. Economic hardship only increased the demand for free books and public space. As Dust Bowl refugees poured into Southern California, Los Angeles swelled to become the fifth largest city in the United States. The library outpaced even that rate of growth, circulating more books by 1933 than any other system in the country.

As the United States stared down lingering Depression and erumpent fascism, its libraries became strategic assets. The Los Angeles city librarian took a sabbatical to lead the nationwide Victory Book Campaign, which amassed some six million titles for soldiers and Army hospitals during World War II. In 1942, in a public letter to the American Booksellers Association, Franklin Delano Roosevelt linked books to the fate of the nation in its "eternal fight against tyranny": "In this war, we know, books are weapons." The government printing office produced a propaganda poster headlined "Books Are Weapons in the War of Ideas," which hung in many a library.

The decade following World War II represented the high-water mark of civic life in modern America. "The Library Book" thus inevitably tells a story of decline. As the U.S. disinvested in the infrastructure and even in the idea of the commons, the vital center frayed. Los Angeles, like so many American cities, "thinned out in the center and thickened on the edges." In 1965, the Watts neighborhood endured a violent uprising that lasted six days, claimed 34 lives and left miles of city streets in ruins.

A paean to the resurgent Los Angeles Public Library, and to the bounty of free public libraries everywhere.

Among "the many optimistic convictions punctured by the riots was the belief that books were good and true—that on the shelves of libraries, you could find all the answers to all the questions," Ms. Orlean writes. Goodhue's bravura Central Library was ravaged by neglect for decades before it burned. Its gardens paved for parking, its murals caked with grime, its wires fraying and its circuits in every way overloaded, the palace had become a firetrap.

Today, more than 30 years after the fire, the Central Library shimmers like a distinctly urban phoenix. The Los Angeles library system is oriented toward an urgent present and a demanding future, even as it safeguards the salvaged remnants of its fragile past. City librarian John Szabo, who leaps from Ms. Orlean's pages like a superhero without a cape, provides leadership that puts more celebrated innovation gurus to shame.

Under Mr. Szabo, Los Angeles has embraced the fathomless mission of the great urban library system in the 21st century. "Every problem that society has, the library has, too, because the boundary between society and the library is porous," Ms. Orlean writes. A great "rivering flow of humanity, a gush," sluices through the Central Library's doors every day, seeking everything from baby-naming guides to online pornography. Branches provide services and succor to the city's enormous homeless population, teach sex education to at-risk teenagers and grant high-school diplomas—real ones, not GEDs—online. Patrons learn English, find jobs and get flu shots. "The Library Book" is, in the end, a Whitmanesque yawp, bringing to life a place and an institution that represents the very best of America: capacious, chaotic, tolerant and even hopeful, with faith in mobility of every kind, even, or perhaps especially, in the face of adversity.

Ms. Kamensky, a professor of history at Harvard, directs Radcliffe's Schlesinger Library on the History of Women in America.

The Most Pleasing Personality

Charm: The Elusive Enchantment
By Joseph Epstein
Lyons, 187 pages, $24.95

By Thomas Vinciguerra

THERE WAS no avoiding it. On page 26 of Joseph Epstein's excursion into the nature of charm, there popped up the character of Anthony Blanche from "Brideshead Revisited" by Evelyn Waugh (who, Mr. Epstein notes, was "as comically uncharming as possible"). And so the voice of Nickolas Grace, who played Blanche—the stuttering homosexual Oxford aesthete—in the epic 1981 Granada Television production of "Brideshead," kept echoing in my head. As I recall, every other word that passed from his rouged lips was "charming"—pronounced, with maximum loudness, CHAAH-ming.

That aural cue was a pleasant companion to Mr. Epstein's equally pleasant volume. Unlike tiresome sophists, Mr. Epstein doesn't dogmatically define his terms. Rather, in keeping with his subtitle, "The Elusive Enchantment," he spins elegantly around his subject. "Charm is magic of a kind; it casts a spell," he writes. "In the presence of charm, the world seems lighter and lovelier." Similarly, "charm is a form of pleasure. One is charmed by another person's looks or personality or general artfulness of presentation."

Within more or less discrete chapters, Mr. Epstein proceeds seamlessly to and fro, demonstrating—through example and instruction—who and what is charming and, equally important, who and what isn't. Who's charming? Duke Ellington, Nora Ephron and Daniel Patrick Moynihan. Who's not? Bill Clinton, John McEnroe and Barbara Walters. What's charming? Fedoras, good quips and maturity. What's not? Baseball caps, stubble and "cool" in general.

In teasing out his extended theme, Mr. Epstein takes some unexpected turns. Who would have thought there could be such a thing as a "vulgar charmer"? But the author presses the case for Sid Caesar, Jackie Gleason and Louis Prima while arguing, with equal plausibility, against Larry David, Zero Mostel and Don Rickles. Mr. Epstein's take on Dean Martin (who makes the cut) is spot on: "When he sang about the moon hitting your eye like a big pizza pie, that's amore, something about him supplied a subtext that read, 'Can you believe people pay me to sing such crap?'" That's vulgar charm, folks.

ELIOT ELISOFON/THE LIFE PICTURE COLLECTION/GETTY IMAGES

SOPHISTICATED Duke Ellington in 1955.

But be warned: "Charm, like cashmere, can wear thin." Witness the downward spirals of such renowned charmers as Tallulah Bankhead, Lillian Hellman and Oscar Wilde.

Mr. Epstein, who for 23 years was the editor of the American Scholar and is a frequent contributor to these pages, sure knows how to quote. I was hoping he would cite Albert Camus from "The Fall," and he didn't disappoint: "You know what charm is: A way of getting the answer yes without having asked any clear question."

Mr. Epstein has long been an engaging familiar essayist and, as does any good Montaigne, he talks about himself. At one point he asks, "Am I charming?" He doubts it. Still, a publisher once took him to an expensive restaurant and emailed the next morning that "our conversation was so enjoyable that he couldn't remember any of the wonderful food he had eaten."

My quibbles (is "trifles" more charming?) here are few. Charm is a pretty broad and subjective notion. Slim though this volume is, there's sometimes a sense of straining, as if Mr. Epstein were casting too wide a gossamer net. Some of his inclusions are dubious. He considers the sour Oscar Levant charming; "fascinating" is probably better. Johnny Carson? For all of his 30 years behind his desk at "The Tonight Show," he was at best reassuring or appealing. Why devote more than four pages to Alcibiades' charms and fewer than three to Casanova's?

Mr. Epstein also misses a few chances to sweeten this rich spotted dog of a book with some extra raisins. I would have liked to hear more about FDR's legendary charm—especially how he thought he could charm Stalin at Tehran, and how the dictator arguably outcharmed him.

Unmentioned entirely is Ben Bradlee, the Harvard-educated, French-speaking, Turnbull & Asser-wearing, grittily street-smart and profanity-spewing editor of the Washington Post, who once at a formal dinner party ground out his cigarettes in a demitasse cup. "Bradlee was one of the few persons," wrote Bob Woodward and Carl Bernstein, "who could pull that kind of thing off and leave the hostess saying how charming he was."

Whither charm? Mr. Epstein isn't optimistic. "I would argue that there is something about the current age that is, if not outright anti-charm, not especially partial to charm as an ideal." This he ascribes to the Me Decade, rampant therapy and a tendency to let it all hang out. As he puts it, "The charming person asks, 'How may I please?'; the therapeutic patient or person asks, 'How do I please myself?' The charming person looks outward; the therapeutic person inward."

Somewhere in this world, there may be a Prince Charming. This much is certain: When it comes to belles-lettres—oh, what a charming word!—Mr. Epstein is king.

Mr. Vinciguerra is the author of "Cast of Characters: Wolcott Gibbs, E.B. White, James Thurber, and the Golden Age of The New Yorker."

BOOKS

'There is no error more absurd, and yet more rooted in the heart of man, than the belief that his sufferings will promote his spiritual safety.' – C.R. MATURIN

The Wanderer Returns

Melmoth
By Sarah Perry
Custom House,
271 pages, $27.99

By Elizabeth Lowry

CIOACA GABRIEL/EYEEM

THE GOTHIC genre is underwritten by a distinct set of promises. There will be thrills. There will be shudders. There will be secrets. There will be a certain artifice of emotion and style.

Sarah Perry's novel "Melmoth" wastes no time in delivering on these. It begins with a flourish in what is still the most gothic of cities, modern-day Prague, where "night is rising . . . over her thousand spires" as "overhead the low clouds split and the upturned bowl of a silver moon pours milk out on the river." Englishwoman Helen Franklin has been living here in self-imposed exile for many years. She is middle-aged, of middle height, with mid-brown hair and suitably middling aspirations, "buttressed on all sides against disruption, against emotion, against intrusions of any kind into her ordered days." In short, she is exactly the type of prosy heroine to whom gothic things are bound to happen.

Within minutes of our meeting her, she has bumped into a Czech friend, Karel Pražan, and noted "the grayish pallor, the sunken eyes, of a man who does not sleep." The cause of Karel's insomnia is a manuscript which he acquired on the death (in a library, at midnight) of an elderly acquaintance called Josef Hoffman. It comes in a "scuffed leather folder" bound with a cord, accompanied by an ominous disclaimer: "How deeply I regret that I must put this document into your hands and so make you the witness to what I have done . . ." Karel passes it on to Helen—and then, in fine gothic style, he disappears.

Ms. Perry, whose last book, "The Essex Serpent," was a breakout hit, again proves herself a master of atmosphere. If you can resist the moody seductions of "Melmoth," then you are prosy indeed—prosier than Helen herself, who acts as a reader substitute throughout this carefully constructed novel, processing its shocks for us. The Hoffman document turns out to be just one of several Karel has collected, all chronicling the doings of a shadowy figure called Melmoth. A "cursed soul wandering for two thousand years towards her own redemption," fated to bear witness to humanity's sins as divine punishment for denying Jesus's resurrection, she is a feminine updating of the titular character in Charles Robert Maturin's 19th-century novel "Melmoth the Wanderer."

Like Maturin, Ms. Perry uses the venerable gothic device of telling her story as a series of nested narratives. But she also has an intensely contemporary interest in personal accountability. While Maturin's Melmoth has simply sold his soul to the devil, Ms. Perry knows that the bargains that really damn us are far more subtle than that. Her Melmoth seeks out those who have committed acts of moral cowardice, appearing—amid dimming lights, acrid plumes of smoke, and billowing black draperies that stir in the wind—to turncoats, traitors and defaulters of every stripe, inviting them to join her on her lonely pilgrimage.

Josef Hoffman is the first of these. His gives us a dispassionate account of growing up in interwar Prague, the son of German parents who have fallen on hard times and are only too happy when the Nazis roll into town. The Hoffman document is nasty in the way that actual human beings can be nasty. Josef is a dull, unimaginative child, given to casual envies and sidelong resentments. When the city's Jews are rounded up for transportation he informs on a neighboring family out of the sort of banal impulse identified by Hannah Arendt: because he covets their radio; because he can. Though he tries to atone for what he did, Melmoth gets him in the end.

Hoffman isn't alone: Ms. Perry's novel is a master class in the history of human brutality. To a Protestant woman about to be executed by Mary Tudor's men, Melmoth reveals the "grotesque torments" awaiting her on the pyre, pointing out that her death will be watched by an excited crowd, "for there are those among us, who have an appetite for cruelty, as does a thirsty man for water." In another document a former Ottoman government official of "modest ambitions," known only as "Nameless," is brought face-to-face with the part he played in the empire's massacre of its Armenian citizens in 1915-17. A visit to the harbor at Constantinople reveals sacks stuffed with the dead bodies of children who were supposedly assigned for repatriation. "It was your hand that held the pen, and yours that sealed the letter," Melmoth tells Nameless and his brother. "It was you that led them to the boats on the bay, and you that held the knife." Nameless is nameless because potentially he is everyman. After stumbling through the book's landscape of burnings, drownings and maimings, the reader will be unsurprised to learn that Prague boasts its own "Torture Museum down on Celetná Street."

What about drab, modest Helen? Why is she in Prague at all? There are hints all along that she, too, has a secret. A climactic set-piece transports us to the Philippines and to her defining crisis 20 years before. Working for an international aid foundation, the young Helen is drawn via a local pharmacist she is dating into becoming a hospital visitor to a woman called Rosa, who was mutilated in an acid attack. Rosa's horrific injuries—their "smell like meat already gone over"—are a test of both Helen's and our ability to bear witness. Ms. Perry makes us linger over the details. Helen is motivated by altruism; she trusts in her ability to make ethical choices. Yet when these end in disaster, she sacrifices her lover rather than herself.

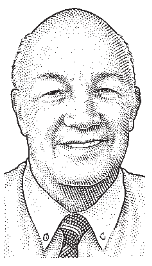
In fact Ms. Perry is so good at creating a sense of horror that we hardly notice that we have strayed well beyond the perimeters of the gothic. These aren't fabricated thrills, but authentic atrocities. "I wonder," says one of her characters, "when God permitted us to fall, if He knew we'd fall so far." The difficulty for the cohesiveness of this novel is that the human cruelties and derelictions it describes in such agonizing detail make Melmoth's manifestations seem stagey and superfluous. As its assault on our complacency continues, we can't help but feel, with Karel—who hasn't been taken by Melmoth after all, but has been galvanized by what he's read into becoming an activist against such injustices—that "there is nobody watching, there is only us."

Helen's true moment of reckoning comes with the lover she betrayed all those years ago, not with a bogeywoman. By this time, her inner eye has been opened and she is fully awake to terror. But it's the terror of living in the real world, and all the more powerful for it.

Ms. Lowry is the author of "The Bellini Madonna." Her new novel is "Dark Water."

SCIENCE FICTION
Tom Shippey

A Bit of Magic Isn't Always Enough



TWO THINGS the best modern fantasies have are a distinctive setting and a defined and preferably novel technology of magic. In Robert Jackson Bennett's **"Foundryside" (Crown, 503 pages, $27)** the magic tech is "scriving"—controlling the world by means of sigils, or inscriptions. As for the setting, it is unusual both in being industrial and in being post-medieval. Mr. Bennett's city of Tevanne is like something from Renaissance Italy, with merchant clans preserving an uneasy balance from their fortified *campos*.

The balance is upset by Sancia the thief. She steals an object, which turns out to be a sentient key called Clef. Clef can open any lock, and Sancia can sense scrivings. Between them they can defeat almost any security system. In the background are whisperings of even greater masters who created the Clef by experiments now forbidden. If ordinary scriving speaks the "language of reality," the old scrivers were fringing on "God's coded commands," to alter reality.

Dark history returning, a Thing of Power, a waif entrusted with it: so far, so Tolkien. Not a bit. Sancia is more tormented and more streetwise than any hobbit, and Clef builds a rapport with her, unlike Bilbo's Ring. She too, it turns out, is a left-over experiment with much to avenge, and her street-companions seem sometimes oddly modern and hacker-like. As the story unfolds, so do both the potentials and the limitations of scriving technology.

THIS WEEK

Foundryside
By Robert Jackson Bennett

Kill the Queen
By Jennifer Estep

There is more to come, for the researchers of Tevanne have not gotten as far as the old alphabet of sigils. As in Michael Swanwick's "Iron Dragon" novels, this is Magic-plus-Industrialization, with a grimy feel about it, far removed from the green world of Tolkien's Middle-earth.

The heroine of Jennifer Estep's **"Kill the Queen" (Harper Voyager, 473 pages, $16.99)**, the first installment in a new series, is a princess sure enough. But she's only 17th in line for the throne, and worse, in a magic-dominated society, poor Everleigh is just a "mutt" who can't do magic at all. At the start she's baking pies in the palace kitchen. That and dancing are her only known talents.

Very soon, though, she's second in line for throne—in fantasy, all monarchies are dog-eat-dog—and on the run for her life. The balance starts to tip when she joins a gladiator troupe and finds she has two more survival skills. She can smell ingredients, very useful for a baker and even more useful in a world where poison is queen. And she is immune to magic: She can't use it, but she can drain it out of people who can.

She has a long road to travel, and in the world outside the palace she has to deal with new threats and new politics. It's strange, imaginative, and thanks to Everleigh, just the right side of believable.

A Few Days in Paris With Constantine Cavafy

FICTION
Sam Sacks

An imagined life of the reclusive Greek poet explores the private place where creation begins.

FOR MANY WRITERS, a boring existence is a calculated choice, and few have pursued the strategy with the cunning of the Greek poet Constantine Cavafy (1863-1933). The word "uneventful" floats through his biography like a Homeric epithet. Cavafy spent nearly all his life in Alexandria and for over 30 years he worked as a clerk in the Egyptian government. When he wasn't writing poems, he socialized in cafes and played the horses. He took care of his mother until her death and then he lived alone, confining his physical relationships to midnight visits to gay brothels. His younger contemporary George Seferis meant it admiringly when he said, "Outside his poetry Cavafy does not exist."

This doesn't give Ersi Sotiropoulos a lot to work with for her biographical novel **"What's Left of the Night" (New Vessel, 256 pages, $16.95)**, which makes the book's triumph all the more impressive. Ms. Sotiropoulos has confined her story to a few days in Paris in 1897, when Cavafy visited his brother John during a rare trip outside Alexandria. Cavafy's biographers agree that at around the midpoint of his life his poetry underwent a striking metamorphosis, paring away its aesthetic flourishes for a style that was stark, demotic and direct. Outwardly, the novel stages a familiar bohemian walking tour of seedy cafes and nightclubs, but its dramatic force arises below the surface, in illuminating the emotional tumult of Cavafy's "need for rupture in his life."

Poised on the cusp of change, Ms. Sotiropoulos's Cavafy is a memorably unstable character, a human pendulum swinging from arrogance to insecurity, from self-loathing to exhilaration. His querulous inner monologues draw from his impressions of the city and particularly its young men, his memories, his poetry—the novel seamlessly integrates lines from some of his best known work—and his contentious relationship with his influences. A bibulous night at the cabaret Le Rat Mort, where Rimbaud once stabbed Verlaine, has him anxiously weighing his own artistic strengths. Unlike Rimbaud, he "was incapable of . . . explosions. His passion was internal, subdued, though no less tyrannical."

THIS WEEK

What's Left of the Night
By Ersi Sotiropoulos

Patient X: The Case-Book of Ryūnosuke Akutagawa
By David Peace

Samuel Johnson's Eternal Return
By Martin Riker

The fiercest passion in "What's Left of the Night" is homoerotic attraction, and Ms. Sotiropoulos suggests that Cavafy's artistic transformation hinged on his ability to take possession of his desires and redirect their energy toward poetry. Aided by a shimmering translation from the Greek by Karen Emmerich, the novel is as sensual as it is erudite, a stirringly intimate exploration of the private, earthy place where creation commences.

The challenge for David Peace in the novel **"Patient X" (Knopf, 311 pages, $26.95)**, a fictionalization of the life of the Japanese short-story master Ryūnosuke Akutagawa (1892-1927), is not scarcity but overabundance. Akutagawa, who is known to Western readers largely for the stories that inspired Akira Kurosawa's film "Rashomon," was a celebrity in his time, a daring and prolific writer influenced by Poe and singled out for praise by Japan's literary royalty Natsume Sōseki. But guilt, anxiety and insomnia whittled away at his mind and he committed suicide at the age of 35.

Mr. Peace chronicles his brief, disturbed life through fragmentary episodes representing chapters in a psychological casebook. Spanning his cosseted, bookish childhood to the height of both his fame and his mental distress (when he subsisted on, in Mr. Peace's words, "opium extracts, strychnine, laxatives and Veronal"), the stories are marked by suicides, madness and natural disasters. "Life is more hellish than Hell itself," Akutagawa once wrote, and "Patient X" testifies to his cursed genius for perceiving death and darkness in even the most benign settings.

Mr. Peace is a blunt, forceful stylist with a habit for obsessive repetitions and a taste for the weird, all of which makes him is a good match for Akutagawa. The most disorienting aspect of "Patient X" is the author's decision to blend scenes from Akutagawa's fiction with those from his life, as though the wall dividing the two had been irreparably breached. The effect is fittingly hallucinatory, but for those who know little about Akutagawa's books it may seem merely opaque. If the novel persuades readers to seek out the work of this prescient, original, uncannily modern writer, it will have done a needed service.

"No rational man can die without uneasy apprehension," intoned Samuel Johnson, according to his biographer James Boswell. The prospect of hellfire explained Johnson's gloom, but in Martin Riker's novel **"Samuel Johnson's Eternal Return" (Coffee House, 241 pages, $16.95)**, damnation takes a stranger and more sinister shape. When a young widowed father named Samuel Johnson—no relation—is murdered outside his home in small-town Pennsylvania, his soul flies into the nearest living body. When that person dies he jumps ship to someone else, everlastingly incarcerated, as far as he can tell, inside a series of random strangers.

It doesn't help that his hosts tend to be such schlemiels. One dies after being gored by a bull. A second is crushed by a piano. With the help of another imprisoned soul Samuel learns that he can wrest control of his hosts' bodies whenever they become blackout drunk, so in fits and starts he tries to fulfill his single animating wish, which is to find his way back to his orphaned son.

This is a comic-philosophical novel, the other side of the same coin as Milan Kundera's "The Unbearable Lightness of Being." For Samuel, a curious feature of being "intolerably present" in the world is the extraordinary amount of television he is fated to watch. Mr. Riker dutifully lists the programming from the golden age of Samuel's childhood in the 1950s to the 21st-century nightmare of reality shows. It happens that watching TV was Samuel's primary activity while he was alive, which means that in this book's wryly unnerving paradigm life and death are virtually identical in their quality of empty complacency. "He whose life has passed without a contest, and who can boast neither success nor merit, can survey himself only as a useless filler of existence," wrote Samuel Johnson. The real Samuel Johnson, I mean. No relation.

BOOKS

'Give me something to dance about and I'll dance it.' —JEROME ROBBINS TO IRVING BERLIN

GORDON PARKS/TIME & LIFE PICTURES/GETTY IMAGES

AHOY! The original cast of 'Fancy Free': Muriel Bentley, Janet Reed, Harold Lang, John Kriza and choreographer Jerome Robbins.

Between Two Traditions

Jerome Robbins: A Life in Dance
By Wendy Lesser
Yale, 200 pages, $25

BY JOEL LOBENTHAL

JEROME ROBBINS was one of the most celebrated dancers, directors and, above all, choreographers of the 20th century. He has been the subject of three big biographies; by contrast, Wendy Lesser's "Jerome Robbins: A Life in Dance" is a small book, as are all the volumes in Yale University Press's Jewish Lives series. Despite its brevity, she deftly introduces readers to her complex subject and his many remarkable creative achievements.

Although Robbins (1918-98) eventually preferred ballet to the commercial constraints of Broadway, he was prolific in both mediums. He had his first big hit in ballet at age 25, with 1944's "Fancy Free," a jaunty sketch of sailors on leave that he created for (now American) Ballet Theatre. It is still performed around the world, as are so many of the ballets he later made for New York City Ballet, where his influence was second only to cofounder George Balanchine. Robbins remains known above all for "West Side Story," which he choreographed and directed on Broadway in 1957 and co-directed in Hollywood a few years later.

Psychologically, Robbins had plenty of turmoil. His parents, who ran a women's corset factory in Union City, N.J., encouraged their children's interests in the arts but were not prepared for their son to dedicate his life to dance rather than business. His lifelong conflicts about his bourgeois Jewish heritage fed his enduring ambivalence about every aspect of himself. In middle age he confided to his journal his discomfort with ballet (as it was a language of "court and christianity") and wondered if a deeper probe into his religious identity could produce a new movement language. Yet he continued to work in ballet until his death.

Ms. Lesser tells us that Robbins's verbal abuse of his performers made him perhaps "the most hated man on Broadway." There was another reason people hated him: his 1953 testimony before the House Un-American Activities Committee. He not only talked, but ratted out former friends. Robbins had joined the Communist Party as a young man, in the early 1940s, but he was terrified by threats, from Ed Sullivan among others, to reveal his homosexual activity. Robbins was as ambivalent about sexuality as he was about anything else: For most of his life, he acted bisexual. His private writings also reveal a tenderness and capacity for introspection that might have surprised his contemporaries.

Ms. Lesser has done some, but not much, original research: The book draws upon what's already been published, including extensive excerpts from Robbins's correspondence and diaries. Yet she shapes them to her purposes. This is what can be called a critical biography: Robbins's work is front and center, as Ms. Lesser zooms in on a number of musicals and ballets for in-depth analysis. Biographical facts are sometimes tossed casually over her shoulder, and sometimes not, in a way that suggests a confident and judicious consideration of what exactly she wants to emphasize.

For example, when she writes about Robbins's decision to choreograph "The King and I" on Broadway in 1951, she ties it to his decision to join the just-convened New York City Ballet, where Balanchine was unconditional ruler. Like Rodgers and Hammerstein's King of Siam, Balanchine "had excellent manners," Ms. Lesser writes, "honed over generations of courtly upbringing, that masked an iron will." And Robbins, for all his celebrity, had to defer to that will when required. Balanchine's work also exerted on Robbins an influence that some felt inhibited the younger choreographer as much as it inspired him.

Ms. Lesser is the editor of the Threepenny Review and the author of many books, on subjects ranging from composer Dmitri Shostakovich to architect Louis Kahn. She has been watching dance since childhood, but is not a specialist: She admits that she had seen few of Robbins's ballets when she began this book. Given this, she writes quite well about the form, but a little more familiarity with ballet history would have been appreciated. When Ms. Lesser says that "Fancy Free" features a romantic encounter that is "not a normal ballet duet," for instance, she presumably means that it is anything but a classical pas de deux. But similar departures had been made for years and these provided the springboard for Robbins's particular exercise here.

Ms. Lesser is comfortable jumping around timewise, organizing as much according to theme as chronology. For the reader who is already familiar with Robbins's story, that's refreshing; in any case, it is appropriately balletic in the way it collapses time and space. And in the final pages of her book, Ms. Lesser advises the reader to wipe the slate clean and start exploring Robbins's work for him or herself. It's good advice as far as the importance of firsthand experience, but her own ideas in this study would be hard to discard or forget.

Mr. Lobenthal is co-author, with Lisa Whitaker, of the forthcoming "People's Artist: The Life and Death of Yuri Soloviev."

Five Brothers, Abandoned

CHILDREN'S BOOKS
MEGHAN COX GURDON

FOR FANS OF MARKUS ZUSAK, it's been a long 13 years. In 2005, the Australian writer dazzled readers and secured a perch on best-seller lists with "The Book Thief," a haunting, inventive story set during the Holocaust and chronicled by Death himself. Then Mr. Zusak went dark as far as his public was concerned; year followed year and no new books appeared. In that hiatus, we now know, he was toiling on a new novel with a comparatively prosaic setting and narrator—it's a family saga situated in Australia, as told by the eldest son—yet this book too is a stunner. Devastating, demanding and deeply moving, **"Bridge of Clay" (Knopf, 537 pages, $26)** unspools like a kind of magic act in reverse, with feats of narrative legerdemain concealed by misdirection that all make sense only when the elements of the trick are finally laid out.

Events are revealed by Matthew, the first of the five Dunbar brothers, who, when the book opens, is a married man with a pair of daughters and the task of writing the story of his family. We are soon plunged back 11 years and into the chaotic Dunbar home, where we see Matthew and his four brothers living by themselves, unsupported, unsupervised and, at first glance, half-feral. The boys brawl and misbehave and maintain strange, punishing rituals. They also have a piano and pet animals with Homeric names; it is clear that a current of high culture once ran through the place, though it's now at an ebb.

Their father, Michael, we learn, has deserted them, and their mother, Penny, is dead. "Bad luck always managed to find her," Matthew says of his mother. "Her mother died giving birth to her. She broke her nose the day before her wedding day. And then, of course, the dying. Her dying was something to see." In words that seem to ache with emotion, or perhaps, more aptly, with the suppression of it, Mr. Zusak moves us in and out of time. He takes us back to Penny's girlhood in communist Poland and forward to her final illness; to the days of the father's first marriage, which laid bare the fatal weakness in his character; to the quixotic preoccupations of Clay, the fourth Dunbar son, who sets out to build a bridge by hand (high, arched, of stone) near the home of a man that he and his brothers call the Murderer.

Grief and sacrifice lie at the heart of things, and we can feel it through Mr. Zusak's writing even before we understand the story's real contours. Here he is, for instance, describing the scrubby, wildfire-prone town where Michael Dunbar grew up: "It was a town where sirens howled and men of all descriptions, and a few women, zipped up orange overalls and walked out into the flames. Mostly, with the landscape stripped and stiffened black, they all returned, but every once in a while, when the fire roared that extra piece more, thirty-odd people would go in, and twenty-eight or twenty-nine would stagger back out; all sad-eyed, cough-ridden, but quiet. That's when boys and girls with skinny arms and legs, and old faces, were told, 'I'm sorry, son' or 'I'm sorry, darl.' " His style is like free verse, at once spare and dense with feeling and meaning.

The prose is considerably less careful in **"A Winter's Promise" (Europa, 491 pages, $19.95)**, but perhaps it's more graceful in the original French. In this first book of Christelle Dabos's planned four-volume fantasy series, "The Mirror Visitor," readers ages 13 and older will find themselves transported to a realm of massive floating arks that are all that remain, we read, after "God smashed the world to pieces." An immortal "family spirit" presides over each ark, guiding its resident families, each of which possesses supernatural powers of one exotic sort or another. Our heroine is Ophelia, a clumsy and somewhat ill-favored young person who has two remarkable talents: She can travel through mirrors, and with the tips of her fingers she can "read" objects with such precision that she is able to occupy the consciousness of anyone who has touched them. Hers is a world of jostling siblings and work at her ark's museum, but when Ophelia is forcibly betrothed to a powerful, hated man on a distant ark, she soon finds herself almost alone in a place of intrigue and treachery.

Imagine the poisonous politics of Versailles in a glittering, steampunk world of quill pens, airships, masks, illusions and murderous courtiers and you will have an idea of the conceit. "A Winter's Promise" is not a funny book, but there are some endearing oddities in Hildegarde Serle's translation that occasionally lighten the mood. At one point, Ophelia's aunt cries in vexation: "You made me go insane with worry! You . . . you've got as much sense as an occasional table!" At another, Ophelia frets: "In what kind of soup have I landed myself now?" It is a noxious soup, for sure, but one that will leave readers with plenty of appetite for the next installment.

THIS WEEK

Bridge of Clay
By Markus Zusak

A Winter's Promise
By Christelle Dabos

MYSTERIES
TOM NOLAN

A Case Of Mistaken Identity

TANA FRENCH'S stand-alone novel **"The Witch Elm" (Viking, 509 pages, $28)** puts its protagonist, Toby—a young PR man for a Dublin art gallery—through the emotional wringer. Normally relaxed, Toby loses his sang-froid after a pair of burglars beat him senseless in his apartment; he retreats for recuperation to the family manse of his dying but stouthearted Uncle Hugo.

During a family gathering there, one of the children finds a frightening memento mori: a skull wedged into the hollow of an old elm tree in the garden. Police deduce that the cranium came from the corpse of a teenage mate of Toby's—a supposed suicide. Already uncertain of his short-term memory, Toby now probes his faded recollections—and those of his cousins—of a fateful summer 10 years ago.

"It had taken a while to sink in that we weren't spectators any more," Toby notes of the police investigation. "We were, somehow, inside this." Might he himself have had something to do with a ghoulish crime?

Questions of luck and social privilege, fate and free will, empathy and solipsism are woven throughout this discursive narrative whose detail-rich sequences lead to psychological insights and unexpected revelations. Toby doggedly pursues answers to the mysteries he is confronted with—at great cost to his safety, freedom and peace of mind. This self-involved character may not always be easy to like, but it's hard not to have sympathy for a fellow so vexed by that ultimate puzzle: "Who am I?"

"There's a great difference between who a man is and what he does." So says a stranger who shows up one day at Larkwood Priory in Suffolk, England, at the start of William Brodrick's **"The Silent Ones" (Overlook, 308 pages, $27.95).** Who is this mysterious figure? He refuses to say, only asking Father Anselm—a barrister-turned-monk now featured in the sixth book of Mr. Brodrick's series—to locate an allegedly missing priest, while swearing Anselm to secrecy.

The absent cleric—Edmund Littlemore of Boston, who Anselm's anonymous visitor assures him has done "nothing wrong"—is not hard to find: He is working as a handyman at Larkwood, having sought sanctuary there as a homeless traveler calling himself John Joe Collins. When Anselm looks into Littlemore's recent past, he learns that the priest left his parish after rumors surfaced that he had sexually attacked an 11-year-old boy. Police charges have been filed, but Littlemore won't comment—except to ask Anselm once more to don his barrister's robes and defend him in an Old Bailey trial at which the accused will not testify.

"The Silent Ones," a superior work with interlocking elements of courtroom drama, psychological study and corruption exposé, might best be called a moral thriller. Mr. Brodrick (a former Augustinian friar who, in the reverse of his protagonist's path, left his order to become a lawyer and novelist) tells his complex story from several characters' points of view. Deeds, motives, sins and crimes are all up for analysis from various angles. The result is an unpredictable work, by turns shocking, poignant, enlightening and inspired.

The surprises in **"The Accident on the A35" (Arcade, 223 pages, $24.99)**, by Scottish author Graeme Macrae Burnet, are droll and subtle. Set in the late 20th century in the French provincial town of Saint-Louis—"a place of little note"—the novel seems at first to be a familiar enough police-procedural, similar in style to Georges Simenon's Inspector Maigret books. But police chief Georges Gorski—an ill-at-ease, heavy-drinking man with a fractured marriage, who also figured in Mr. Burnet's "The Disappearance of Adèle Bedeau" (2014)—is no Maigret. He seems more like one of the put-upon characters in Simenon's other works: an ordinary type susceptible to "human nature," caught up in pathetic events.

The "case" that Gorski investigates seems open and shut: A successful lawyer, who fell asleep at the wheel, runs his car off the road while supposedly returning from a weekly dinner with colleagues. But why, asks the man's widow, was he nowhere near his declared destination? Gorski discovers that there was no such gathering. The victim had been lying to his wife for years.

As Gorski explores this puzzle, the book's focus shifts to the dead man's son, a student fallen prey to an existential crisis. What will he do with the knife that he has impulsively stolen as he retraces patterns from his father's early life?

"The Accident on the A35" is wrapped between a foreword and afterword, each presenting the novel as a posthumously published manuscript by one "Raymond Brunet," as translated and introduced by Mr. Burnet, the real-life author. The latter's pocket-biography of Brunet suggests that the events of this work had roots in the fictional author's own life—adding a layer of conceptual icing to this delectable pastiche.

THIS WEEK

The Witch Elm
By Tana French

The Silent Ones
By William Brodrick

The Accident on the A35
By Graeme Macrae Burnet

' "Impossible" n'est pas français.' —NAPOLEON BONAPARTE

He Thought He Was Napoleon

Napoleon: A Life
By Adam Zamoyski
Basic, 764 pages, $40

By Ruth Scurr

'FROM THE sublime to the ridiculous there is but one step," Napoleon quipped when he reached Warsaw on Dec. 10, 1812, in retreat from snowy Moscow and the biggest military fiasco of his career. Adam Zamoyski, whose previous books include "Moscow 1812: Napoleon's Fatal March" (2005), explains that approximately 400,000 French and allied troops perished or went missing during the ill-fated campaign and more than 100,000 horses died. In Warsaw, Napoleon berated the French ambassador to Poland for having failed to raise money and troops, accusing the Poles of being ineffectual and cowardly. Afterward, he set off on his sleigh for Paris to try and rescue his crumbling empire. He considered making a brief stop at the country house of his Polish mistress, but was dissuaded by one of his advisors, who pointed out that "public opinion would never forgive him for going off to indulge his lust while his army was freezing to death in Lithuania."

Mr. Zamoyski recalls growing up amid a crossfire of contradictory views of Napoleon. Between his Polish-speaking home, English schools and holidays with French cousins, he encountered visions of Napoleon "as godlike genius, Romantic avatar, evil monster, or just nasty little dictator." His new book attempts to cut through the fantasy and retrospective exaggeration to tell the story of an extraordinary, but certainly not superhuman, life.

Mr. Zamoyski rejects the Great Man thesis and Thomas Carlyle's idea that history can be explained largely through the actions of heroic men. This is the major difference between Mr. Zamoyski's weighty single-volume life and Andrew Roberts's "Napoleon the Great" (2014), with which it must compete. Instead of urging the Anglophone world to acknowledge the scale of Napoleon's achievements, as Mr. Roberts does, Mr. Zamoyski is concerned to cut him down to size. Initially, Mr. Zamoyski seems to echo British Prime Minister William Pitt's contemporaneous assessment that Napoleon could never last long, because he was "a stranger, a foreigner, and an usurper." But gradually Mr. Zamoyski seems to warm to the upstart's charm and talents.

He was born Napoleone di Buonaparte on Corsica, in 1769. He changed his name to the more French-sounding Napoléon Bonaparte after the Revolution, when he was made commander of the Army of the Interior at the age of 26, and was only known as Napoleon later. "Your sovereigns, born on the throne, can afford to let themselves be beaten 20 times and still return to their capitals," he told the Austrian diplomat Klemens von Metternich. "I cannot, because I am a parvenu soldier."

FINE ART IMAGES/HERITAGE IMAGES/GETTY IMAGES; ON THE COVER: GRAPHICAARTIS/GETTY IMAGES

MAN ON THE RISE Profile of Napoleon as first consul, ca. 1797-99.

Mr. Zamoyski maps the cultural and emotional development of Napoleon's life as a soldier—from his early years as a pupil at the French military academy in Brienne to the end of his life, in exile on the remote island of St. Helena. Often he emphasizes episodes of incompetence or gaucheness. "Allow me to speak to you with the frankness of a soldier," the 30-year-old Bonaparte said as he stood before the Council of Elders in Paris, hoping to persuade them to back the coup of 1799. Mr. Zamoyski describes the rant that followed, "conjuring up visions of 'volcanoes,' of 'silent conspiracies,' and at one point defiantly warning them: 'Remember that I march accompanied by the god of victory and the god of war!' " His secretary, Bourrienne, had to drag him away by his coattails. The kind of rousing slogans that helped hype the troops before battle were completely unsuited to legislative debate.

Ten years after the Revolution of 1789, further protracted legislative debate seemed to be the last thing France required. Instead, there was a widely felt need for strong, effective government after a decade of tumultuous regime change, civil and international war and the bloody political purges of the Terror. Mr. Zamoyski reports Bonaparte bursting out laughing when he read the intellectual Abbé Sieyès's draft of a constitution in 1799. He proceeded to spend hours going through it, article by article, stripping out the unnecessary verbiage. "The task taught him that brilliant minds could be remarkably cloudy when it came to converting concepts into comprehensible prose and practical form," Mr. Zamoyski comments.

Bonaparte saw himself as closing or completing the Revolution that had given him the opportunity to rise like a rocket through the ranks of the army, after so many officers of the Ancien Régime emigrated or abandoned their posts. "We have finished the novel of the Revolution," he told the Council of State in 1800. "We now have to write its history, to pick out only those of its principles which are real and possible to apply, and not those which are speculative and hypothetical. To follow a different course today would be to philosophise, not to govern."

Despite being a plain-speaking man of action, impatient with philosophizing if it got in the way of governing, Napoleon was a voracious reader and reflective thinker throughout his life. Before leaving on his Egyptian campaign in 1798, he had Bourrienne assemble a traveling library divided into categories: sciences and arts; geography and travels; history; poetry; novels; and political sciences. When he was shown the library of the monastery of St. Bernard as he crossed the Alps in 1800, he looked up Livy's description of Hannibal making the same journey. During his invasion of Russia, when he paused at Vitebsk to consider his strategy, he wrote to his librarian in Paris, requesting "a selection of amusing books." When his mother and sister sent him two cases of books to read on St. Helena, he grabbed a hammer and chisel to break open the boxes immediately.

When it came to writing his own history, which was his principal activity in exile, Napoleon was highly selective and economical with the truth. Mr. Zamoyski argues that this tendency to doctor the record, to edit the archives, to describe losses as gains, was more than a retrospective attempt at self-justification. The same habit had been central to Napoleon's rise to power. "For years he had triumphed by daring to dare, refusing to give up and eventually finding a way to surmount or circumvent obstacles, and by making failures disappear by writing a version of events in which they did not figure." He was a cheat, a liar, a thief, a chancer. From the sublime to the ridiculous, he could not accept losing, not in battle, not even at cards. Mr. Zamoyski describes him during his time on Elba in 1814, when his mother was the only person who dared confront him about his cheating, whereupon he would "shuffle all the cards on the table around, scoop up the money and reply that he had played fair." Later the money would be returned to its rightful owners; it was only losing he could not stand.

'Your sovereigns, born on the throne, can afford to let themselves be beaten 20 times and still return to their capitals. I cannot, because I am a parvenu soldier.'

Napoleon emerges from Mr. Zamoyski's book a willful, self-made opportunist. Particularly unforgivable, from Mr. Zamoyski's point of view, is the fact that Napoleon was never sincere in promising to restore a Polish state: "All his statements to the contrary date from later, when he was trying to keep the Poles on his side or salvage his reputation." Instead, he regarded Poland as "a dead body" and did not think the Poles capable of reviving a viable state. Nevertheless, he encouraged the Poles to think he favored their cause because he needed to recruit Polish soldiers into his army. Mr. Zamoyski quotes a Polish officer claiming, "The path of Attila in the age of barbarism cannot have been strewn with more horrible testimonies."

Adam Zamoyski's book is a worthy riposte to that of Andrew Roberts. Mr. Roberts presents Napoleon as sublime; Mr. Zamoyski presents him as gifted, energetic, brave, lucky, but also a bit ridiculous. The former appreciates his achievements, the latter concentrates on the bloodshed and atrocities he caused. The line between these polarized positions is surprisingly fine. The same evidence, anecdotes, memoirs can be assembled to contrasting effects. Napoleon knew this only too well, and it is why he had settled down on St. Helena to write his own life. As Mr. Zamoyski concludes: "From his earliest years he had sought role models and braced his ego by casting himself in the image of a Hannibal, Alexander, Caesar or Charlemagne, but after briefly considering Themistocles he had lighted upon an entirely new model to impersonate, one just as mythical as any of the others, which would gain far greater resonance than all of them put together—that of Napoleon."

Ms. Scurr is the author, most recently, of "John Aubrey: My Own Life."

Best-Selling Books | Week Ended Oct. 7

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Ship of Fools Tucker Carlson/Free Press	1	New
Fear: Trump in the White House Bob Woodward/Simon & Schuster	2	1
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	3	2
Whiskey in a Teacup Reese Witherspoon/Touchstone Books	4	3
The Fifth Risk Michael Lewis/W.W. Norton & Company	5	New
Cravings: Hungry for More Chrissy Teigen/Clarkson Potter	6	4
The Happy Cookbook Steve Doocy/William Morrow & Company	7	New
In Pieces Sally Field/Grand Central Publishing	8	5
Together The Hubb Community Kitchen/Clarkson Potter	9	7
Magnolia Table Joanna Gaines/William Morrow & Company	10	--

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Dog Man: Lord of the Fleas Dav Pilkey/Graphix	1	1
A Spark of Light Jodi Picoult/Ballantine Books	2	New
Red War Vince Flynn and Kyle Mills/Atria Books	3	2
A Map of Days Ransom Riggs/Dutton Books for Young Readers	4	New
The Hate U Give Angie Thomas/Balzer & Bray/Harperteen	5	5
Juror #3 James Patterson/Little Brown and Company	6	3
Alaskan Holiday Debbie Macomber/Ballantine Books	7	New
Goodnight Goon Michael Rex/Putnam Books for Young Readers	8	6
Blood Communion Anne Rice/Knopf Publishing Group	9	New
Lethal White Robert Galbraith/Mulholland Books	10	7

Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Walmart) and web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Adam.Kirsch@wsj.com.

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Ship of Fools Tucker Carlson/Free Press	1	New
The Fifth Risk Michael Lewis/W.W. Norton & Company	2	New
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	3	2
Fear: Trump in the White House Bob Woodward/Simon & Schuster	4	1
Educated Tara Westover/Random House Publishing Group	5	3
Write and Grow Rich Alinka Rutkowska/Alinka Rutkowska	6	New
Full Disclosure Stormy Daniels/St. Martin's	7	New
In Pieces Sally Field/Grand Central Publishing	8	4
Life Hacks Keith Bradford/Adams Media	9	--
AI Superpowers Kai-Fu Lee/Houghton Mifflin Harcourt	10	5

Nonfiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Ship of Fools Tucker Carlson/Free Press	1	New
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	2	2
Fear: Trump in the White House Bob Woodward/Simon & Schuster	3	1
The Fifth Risk Michael Lewis/W.W. Norton & Company	4	New
Just Jessie Jessie James Decker/Dey Street Books	5	New
Whiskey in a Teacup Reese Witherspoon/Touchstone Books	6	3
Instant Loss Cookbook Brittany Williams/Harmony	7	New
In Pieces Sally Field/Grand Central Publishing	8	4
Cravings: Hungry for More Chrissy Teigen/Clarkson Potter	9	5
The Happy Cookbook Steve Doocy/William Morrow & Company	10	New

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
A Spark of Light Jodi Picoult/Ballantine Books	1	New
The Christmas Scorpion Lee Child/Delacorte Press	2	New
Red War Vince Flynn and Kyle Mills/Atria Books	3	1
Where the Crawdads Sing Delia Owens/G.P. Putnam's Sons	4	6
Consumed J.R. Ward/Gallery Books	5	New
Alaskan Holiday Debbie Macomber/Ballantine Books	6	New
Lethal White Robert Galbraith/Mulholland Books	7	4
Not Until You Corinne Michaels/Corinne Michaels	8	New
Uncompromising Honor David Weber/David Weber	9	New
Juror #3 James Patterson/Little Brown and Company	10	5

Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Wonky Donkey Craig Smith/Scholastic Paperbacks	1	--
A Spark of Light Jodi Picoult/Ballantine Books	2	New
Red War Vince Flynn and Kyle Mills/Atria Books	3	1
Dog Man: Lord of the Fleas Dav Pilkey/Graphix	4	2
Alaskan Holiday Debbie Macomber/Ballantine Books	5	New
Room on the Broom Julia Donaldson/Puffin Books	6	--
Juror #3 James Patterson/Little Brown and Company	7	3
Crazy Rich Asians Kevin Kwan/Anchor Books	8	8
The Christmas Scorpion Lee Child/Delacorte Press	9	New
Where the Crawdads Sing Delia Owens/G.P. Putnam's Sons	10	10

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Strengthsfinder 2.0 Tom Rath/Gallup Press	1	2
AI Superpowers Kai-Fu Lee/Houghton Mifflin Harcourt	2	3
Emotional Intelligence 2.0 Travis Bradberry/Talentsmart	3	4
The Dichotomy of Leadership Jocko Willink and Leif Babin/St. Martin's	4	1
Extreme Ownership Jocko Willink and Leif Babin/St. Martin's	5	5
Women & Money Suze Orman/Spiegel & Grau	6	New
It Doesn't...Crazy at Work Jason Fried/HarperBusiness	7	New
The Messy Middle Scott Belsky/Portfolio	8	New
Total Money Makeover Dave Ramsey/Thomas Nelson	9	10
Bad Blood John Carreyrou/Knopf Publishing Group	10	--

PLAY

NEWS QUIZ DANIEL AKST

From this week's Wall Street Journal

1. Nikki Haley said she'd step down as U.S. Ambassador to the United Nations. When did she actually tell the president?

- A. Last spring
- B. On Labor Day
- C. In July
- D. On New Year's Day

2. Pakistan made a big move. What was it?

- A. It adopted Unitarianism as its national religion.
- B. It pegged its currency to the dollar.
- C. It requested bailout talks with the International Monetary Fund.
- D. It offered to merge with India.

3. Hurricane Michael is the most powerful storm on record to hit the Florida Panhandle. Which of these towns wasn't in harm's way?

- A. Apalachicola
- B. Mexico Beach
- C. Panama City
- D. Port St. Lucie

4. A long-missing nude by the painter of the famous World War I poster of Uncle Sam was recovered. Who was the artist?

- A. Andy Warhol
- B. Anders Zorn
- C. James Montgomery Flagg
- D. Grant Wood

5. Former New York Mayor Michael Bloomberg rejoined a well-known party. Which one?

- A. The Communist Party
- B. The Democratic Party
- C. The Republican Party
- D. The Metropolitan Museum's annual costume party

6. Target will launch a new brand of low-cost consumer staples. What will it be called?

- A. Swingline
- B. Smartly
- C. Savvy
- D. Skinflint

7. Through a legal change, China tacitly acknowledged something it's been denying. What?

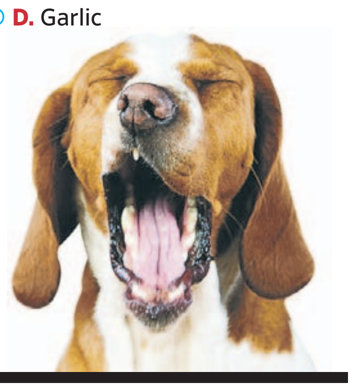
- A. Stealing American intellectual property
- B. A program of detaining Uighurs in "vocational" centers
- C. Manipulating its currency
- D. Erecting barriers to Western imports

8. Allbirds was valued at $1.4 billion. What in the world is it?

- A. The parent company of Chick-fil-A
- B. A high-tech producer of lab-made poultry
- C. The world's premiere collection of vintage Ford Thunderbirds
- D. A trendy maker of footwear from wool and wood

9. When a dog has really bad breath, what's usually the problem?

- A. Smoking
- B. Bronchitis
- C. Dental issues
- D. Garlic



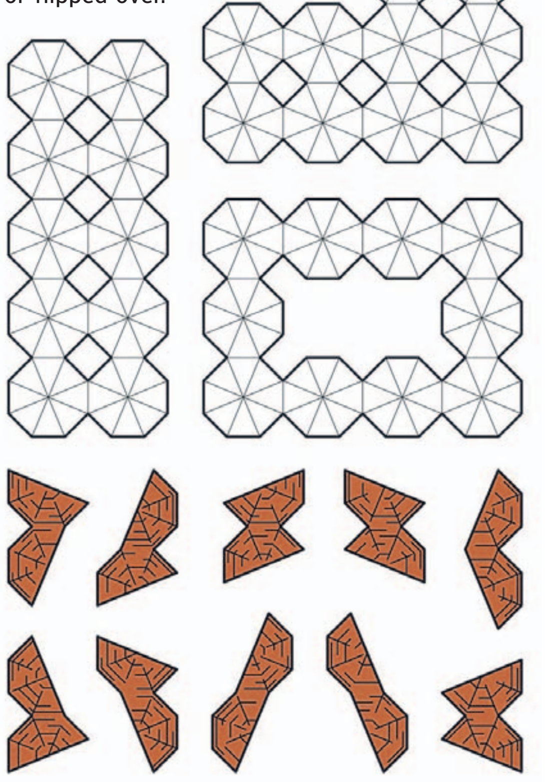
FROM TOP: OLIVIER DOULIERY/AGENCE FRANCE-PRESSE/GETTY IMAGES; ISTOCK

Answers are listed below the crossword solutions at right.

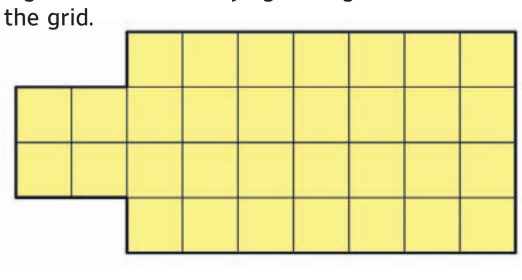
WSJ BRAIN GAMES

Provided by **Serhiy and Peter Grabarchuk (grabarchukpuzzles.com)**

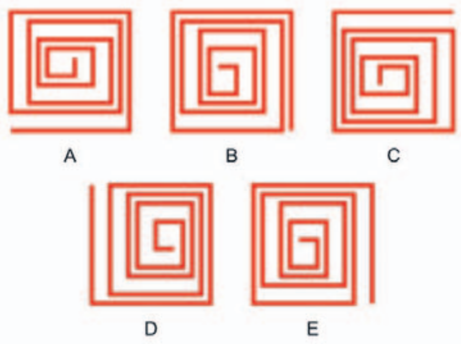
1. ★★★★★
Using all ten tiles for each puzzle, assemble the shapes shown below. The pieces may be rotated, but not overlapped or flipped over.



2. ★★★★☆
By Helen Grabarchuk
Divide the shape into four congruent parts. They can be rotated and/or mirrored. The dividing lines should always go along the lines of the grid.



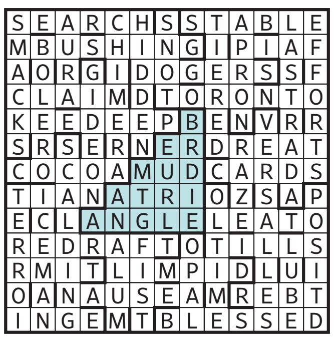
3. ★★★☆☆
Find two identical spirals.



For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

SOLUTIONS TO *LAST WEEK'S* PUZZLES

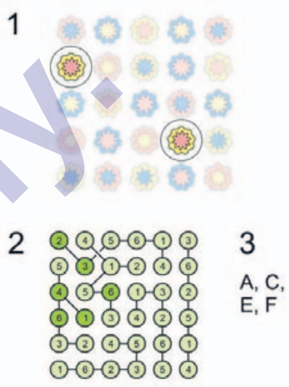
Lost and Found



Lost letters may be found in the BERMUDA TRIANGLE.

Disharmony

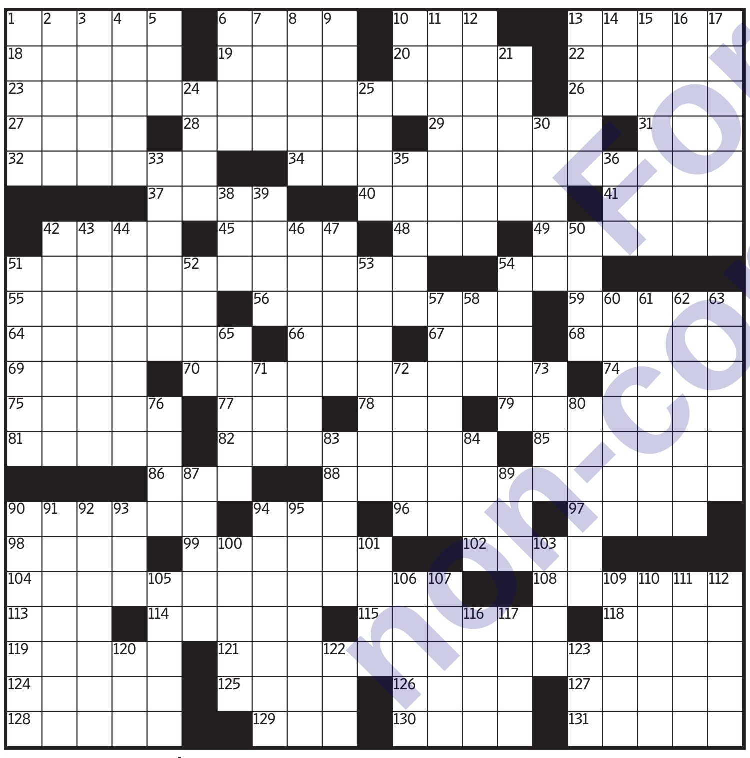
WSJ Brain Games



ACROSS 1. SEARCH (anag.) 6. STABLE (2 defs.) 11. A + M + BU(SHIN)G 13. PI + A + F 15. DO + GEAR + S 16. CLA(I)M 17. TORONTO (anag.) 18. K(NEED)EEP 21. DR + EA + MT 23. CO + CO + A 24. CARDS (2 defs.) 25. T(IT)AN 29. LEG + AT + O 30. RED + RAFT 34. TILL + S 36. R + EMIT 37. L(IMP)ID 38. N(A + USE)A 39. REBUT (rev.) 40. zINGEr 41. B(LESS)ED **DOWN** 1. SMACKS (2 defs.) 2. A + URAL 3. CHIMER + A 4. HI(D) + DEN 5. S(N)ORT 7. TIERED ("teared" hom.) 8. A(PRO)N 9. LAST + RAD + A 10. EFFORTS (hid.) 12. B(OLE)RO 14. GIDE + ON 19. VERS(A + ILL)ES 20. SCAL(D)ING 22. RAZE ("raise" hom.) 25. TERRO(I)R 26. ICEMAN (anag.) 27. OLD-TIME (anag.) 28. PO(SITE)D 31. AL(B)UM 32. F(IS)T 33. O + PAL 35. LUBE (anag.)

Answers to News Quiz: 1.A, 2.C, 3.D, 4.C, 5.B, 6.B, 7.B, 8.D, 9.C

THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



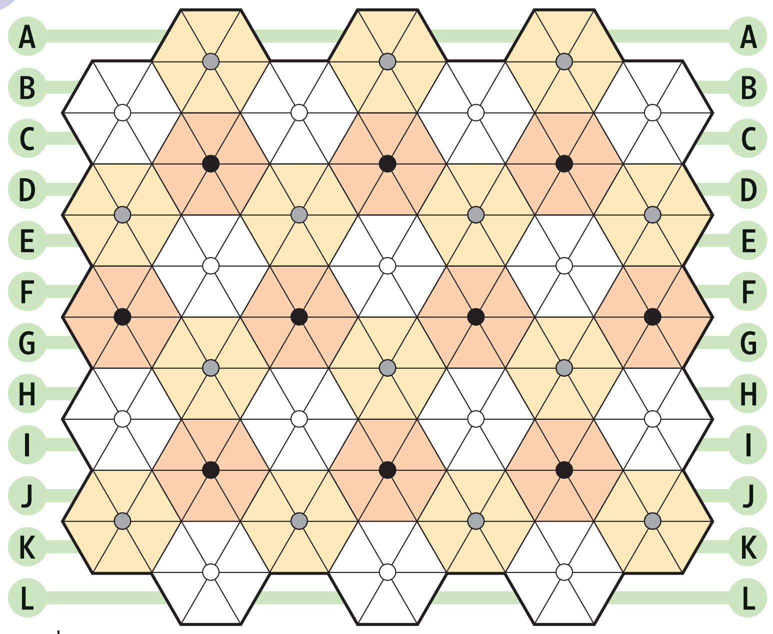
Are You Kidding? | *by Alex Eaton-Salners*

Across

1 Wonder Woman wears one
6 Drop
10 Direction suffix
13 Stage for a ham?
18 Up to
19 Makeup of a bed, at times
20 Lane in Metropolis
22 Like a packed stadium, often
23 Playing tag?
26 Flute, e.g.
27 Away from the wind, nautically
28 Executor's concern
29 Flirt
31 Contents of some vats
32 Jewelry pieces
34 Grand grand?
37 "Hold on ___!"
40 Neglect
41 Forever and a day
42 Vanquish
45 Japanese buckwheat noodles
48 Lightsaber-wielding heroine
49 For forever and a day
51 "Fly, you filly!" and the like?
54 El primer número natural
55 Connected, in a way
56 At large
59 Coxswain's crew, at most
64 Chain that once had nearly 800 bookstores
66 Minecraft material
67 Photo ___
68 Greet with honor
69 Greet with honor
70 Model homes?
74 He escapes from Almira Gulch
75 Shrek and Fiona, e.g.
77 Acapulco uncle
78 GRE administrator
79 Speed freak?
81 Sauce with pine nuts
82 On cloud nine
85 The Red Baron, e.g.
86 Apt. units
88 Regal collection?
90 Sitting Bull's people
94 Write
96 Pop of punk
97 Middle's middle
98 Director Kazan
99 County of northern California
102 "Auspicious one" of Hinduism
104 Features of Monstro and Moby Dick?
108 Reebok's parent company
113 "Conan" network
114 Oxidize, e.g.
115 Investigate, as a cold case
118 Chrysler Building style
119 "Outlander" hero
121 Double trouble on a double date?
124 Microwave handle?
125 Zap
126 Yahtzee quintet
127 Crimean conference site
128 Places of interest
129 4G ___ (wireless standard)
130 Shaggy critters
131 Yucatán "you"

Down

1 "Keep Ya Head Up" rapper
2 Collectively
3 Lost
4 Behaves like a soufflé
5 Poetic pugilist
6 Assns.
7 One might stop a strike
8 Apple app replaced by Messages
9 Saw things?
10 "Don't Bring Me Down" band
11 Gymnast's performance
12 Last-place finisher, it's said
13 Tight-lipped
14 Network address
15 Target of many honks
16 Cinch
17 "He puzzled three hours, till his puzzler was sore" writer
21 Persian potentates
24 Dread loch?
25 A minor
30 Hofbräuhaus souvenir
33 Copyright's cousin
35 Wire tapping?
36 Infused concoction
38 Slalom section
39 Pacific salmon
42 "Fifty Shades of Grey" subject
43 Patisserie purchases
44 Cook's weapon, in cartoons
46 Chimp's cousins
47 "Rudolph the Red-Nosed Reindeer" singer
50 Beginner, informally
51 Like trading posts?
52 Michelle of "Crazy Rich Asians"
53 2013 Bullock/McCarthy buddy comedy
54 Al at Indy
57 Spirited
58 Co. begun as the American Messenger Company
60 Inner circle
61 Batman foe
62 Strikes
63 Lorna ___ (cookies)
65 Lecture reminders
71 Brand at Staples
72 Holy Roman emperor crowned in 962
73 Discontinued Swedish car
76 Type
80 Sevilla, por ejemplo
83 Too much, in music
84 Factory wheels
87 Tricky pool shot
89 Start of many a forwarded email
90 It may be followed by a right hook
91 Mobile home
92 Relative
93 Granola grain
94 Easter-related
95 It might employ Zener cards
100 Hilton competitor
101 Distinctive vibe
103 Features of some moving experiences
105 Necks of the woods
106 Boudoir garment
107 Sotomayor of the Supreme Court
109 Brainstorms
110 Hand delivered?
111 Not quite right, maybe
112 "What a pity!"
116 Quarter of a bushel
117 Flock contingent
120 Squid squirt
122 Quilting session
123 Provo sch.



Rows Garden | *by Patrick Berry*

Answers fit into this flower garden in two ways. Row answers read horizontally from the lettered markers; each Row contains two consecutive answers reading left to right (except Rows A and L, which contain one answer reading across the nine protruding spaces). Blooms are six-letter answers that fill the shaded and unshaded hexagons, reading either clockwise or counterclockwise. Bloom clues are divided into three lists: Light, Medium and Dark. Answers to Light clues should be placed in hexagons with white centers; Medium answers belong in the hexagons with gray centers; and Dark answers belong in hexagons with black centers. All three Bloom lists are in random order, so you must use the Row answers to figure out where to plant each Bloom.

Rows

A Tex-Mex dish served in a tortilla shell (2 wds.)
B Metaphorical place of prosperity (2 wds.)
Question posed at checkout (3 wds.)
C There's interest in what it has to offer (2 wds.)
Retailer that logically shouldn't need price tags (2 wds.)
D The Flying Dutchman's captain swore to round it during a storm (4 wds.)
Director of "Dressed to Kill" and "Body Double"
E Received top billing
Flattened vegetable that 19th-century Americans imported in large quantities (2 wds.)
F "Consider it done" in radio-speak (2 wds.)
Remark unrelated to anything that came before (2 wds.)
G "Just remain calm" (2 wds.)
Finds a place to wait out the storm (2 wds.)
H Tombstone setting (2 wds.)
Doctor's skill that Dr. Gregory House sadly lacks (2 wds.)
I Get nearer and nearer (2 wds.)
Sweet inclusions in some trail mixes (2 wds.)
J Real-life singer idolized by Judge Harry Stone on "Night Court" (2 wds.)
Fruits used to make jelly for a traditional PB&J sandwich (2 wds.)
K Crusty bakery offering (2 wds.)
Actress who portrayed Lana Lang in "Superman III" and Martha Kent in "Smallville" (2 wds.)
L Laudatory reviews

Light Blooms

○ Appease
○ Expand, as an eye's pupil
○ Gene who co-founded Gilda's Club
○ Classic Chrysler make named for an explorer
○ Financially solvent, slangily
○ Word used at the end of time?
○ "SNL" alum Kevin
○ Low-carb substitute for rice
○ Wan appearance
○ Harmonious agreement
○ Brent of "Star Trek: The Next Generation"
○ Like much of Anaïs Nin's work
○ He enlists Puck to make mischief in "A Midsummer Night's Dream"
○ Boil briefly, as almonds

Medium Blooms

◉ 1980 #1 hit for Blondie (2 wds.)
◉ Dwight who pitched for the Mets
◉ Many a Texas tycoon
◉ Bit of strategy
◉ Decomposed
◉ Runs off to get hitched
◉ JFK Memorial location
◉ Human speech imitator
◉ ___ Brothers (2008 bankruptcy declarer)
◉ Stopped going out with
◉ Attack helicopter
◉ Wagner's works
◉ Site of New York's Apollo Theater
◉ Glided across ice

Dark Blooms

● Walk-in medical center
● Narrow candles
● Silkworm's creation
● Event that won't be repeated (Hyph.)
● Tank top?
● Wearing a cowl
● Loyalists during the American Revolution
● Cavalry command
● Former British prime minister Brown
● "Have you lost your ___?!"

▶ **Get the solutions** to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at **WSJ.com/Puzzles.**

ICONS

Kimonos Meet Couture

An exhibition at the Newark Museum explores the influence of traditional Japanese clothing on fashion design

Top: Kimono made in Japan for export to Western markets, ca. 1910. Above left: evening dress by Rei Kawakubo for Comme des Garçons, 1991. Above right: Dress by Iris van Herpen made from Super Organza, 2016.

FROM TOP: NEWARK MUSEUM; THE KYOTO COSTUME INSTITUTE (2)

BY SUSAN DELSON

Its impact is plainly visible in a 1920s evening coat by Chanel, a daring 1990s ensemble by John Galliano and a gossamer-thin, sci-fi confection made by Dutch designer Iris van Herpen in 2016.

For a centuries-old, profoundly traditional garment, the Japanese kimono is quite the fashion influencer.

Opening October 13 at the Newark Museum, "Kimono Refashioned: 1870s–Now!" explores the enduring presence of the kimono in global fashion. The exhibition features more than 40 garments by Japanese, European and American designers, paired with traditional kimonos, Japanese prints and other objects from the museum's collection. Newark is the inaugural venue for the show, which was co-organized by the Kyoto Costume Institute and the Asian Art Museum of San Francisco.

"The kimono has had multiple moments in which certain key designers have latched onto elements in both the structure and the fabric techniques," said Katherine Anne Paul, curator of Asian art at the museum and a co-curator of the show. In the West, the kimono began making a splash in the late 19th century, as Japan opened to global commerce and joined a wave of international trade expositions in London, Paris and Philadelphia. As soon as kimonos became widely available, said Ms. Paul, "dressmakers started to take apart the fabric and use it in their fashions."

Organized chronologically, the exhibition opens with a look at one such garment—an 1870s formal day dress whose bodice and high-bustled overskirt were fashioned from a repurposed silk damask kimono. It's paired with a 19th-century kimono of similar fabric, shown as a Western woman of the era might have worn it—as an at-home robe or dressing gown casually donned over streetwear. In the late 1800s, Japanese woodblock prints, or *ukiyo-e*, also became more widely known in the West, and their depictions of graceful women in traditional clothing increased the garments' allure. One extravagant evening coat on view, made around 1913 by Paris couturier Amy Linker, borrows its silhouette from a highly formal Japanese coat, with a wildly impractical, floor-sweeping train.

Singling out French designers Gabrielle "Coco" Chanel, Paul Poiret and Madeleine Vionnet, the exhibition goes on to explore the kimono's flat cut as an inspiration for the cylinder silhouette of the 1920s. "Paul Poiret did wonderful things because he was so influenced by motifs," Japanese designer Issey Miyake remarked in 1996, "but Vionnet really understood the kimono and took the geometric idea to construct her clothes—and that brought such freedom into European clothes in the 1920s." Garments in this section include an elegant evening coat with simple, flowing lines, designed by Chanel around 1927, and Vionnet's tubular 1923 "Henriette" evening dress. Borrowing a traditional Japanese textile motif, its single piece of fabric is composed of 56 interlocking gold and silver lamé Ts.

That simplicity of cut has carried over into contemporary fashion, particularly in the work of Mr. Miyake. Following his concept of "A-POC"—or "A Piece of Cloth"—two dresses on view from his summer 2011 line were created from single pieces of fabric and designed to fold flat. Inspired by origami paper folding, the dresses become three-dimensional when worn. Hanging lightly on the body, they reflect Mr. Miyake's focus on the Japanese idea of *ma*—the space between the body and the cloth—that the kimono exemplifies.

For Rei Kawakubo, another Japanese designer, traditional kimono fabric techniques like dyeing and stenciling are sources of inspiration—particularly *shibori*, a tie-dye method in which small sections of cloth are wrapped in thread. "The cloth is puckered," said Ms. Paul, "and the puckering creates this amazing texture." In a Western adaptation, Italian designer Maurizio Galante used the *shibori* technique in a sleek 1994 pullover, giving it both spiky texture and body-clinging stretch.

Others have focused on design elements of the traditional kimono, such as the open collar and obi sash. In a remarkable fusion of East and West, an ensemble from John Galliano's autumn/winter 1994 collection grafts the trailing train, crossover collar and wide sleeves of a kimono onto the traditional Western tailoring of a double-breasted suit jacket, topping it with a wide, obi-style belt—and a front hem of extreme micro-mini proportions. A dress from Yohji Yamamoto's spring/summer 1995 collection is another East-West fusion, its sumptuous red and gold brocade skirt—made from the type of fabric used for obis—offset by a simple black jersey top.

Perhaps the most adventurous piece in the show is a dress from Iris van Herpen's autumn/winter 2016 collection, made from a material called Super Organza—or in Japanese, "Heavenly maiden's feather robe." A polyester thread with a diameter roughly one-fifth the thickness of a human hair, Super Organza was originally developed to shield components in plasma televisions from electromagnetic waves. Van Herpen used the *shibori* tying technique to create bubblelike shapes in the fabric, then attached it in layers to a black undergarment. The resulting protrusions form a curving, translucent silhouette at the hem and sleeves.

The exhibition closes on a pop-culture note, paying tribute to manga comic books, anime movies, Japanese youth culture and their influence on younger designers. Despite their graphic punch, said Ms. Paul, "there are real social messages" in the garments, and "a lot of beauty—a lot of human interest." In whatever form it takes, that beauty may well be the kimono's most enduring fashion legacy.

MASTERPIECE | 'MADONNA DEL PARTO' (C. 1455-65), BY PIERO DELLA FRANCESCA

On the Brink of the Savior's Arrival

BY WILLARD SPIEGELMAN

ANYONE WHO HAS BRAVED the crowds in Italy will be grateful for a small, out-of-the-way museum that contains one painting (plus a short, informative video). This is an art lover's formula for happiness, especially when the painting is a stunner.

We are all familiar with pictures of the Madonna and her son, and also with nativity scenes: Mary, Joseph and baby Jesus, in a manger, surrounded by animals, or visited by shepherds and Magi. These are staples of medieval and Renaissance art. But even someone who has seen many of these will view with surprise an image of the Virgin about to go into labor.

The most important "Madonna del Parto" is that of Piero della Francesca (c. 1415-1492), famous for his writings on mathematics and the science of perspective as well as for his painting. It is a work of arresting elegance and complexity (in spite of having only three figures), painted sometime between 1455 and 1465. Piero completed the fresco (100 by 80 inches) on a commission, in seven days, for the local church Santa Maria in Silvis in Monterchi, a Tuscan town near Arezzo and close to Borgo San Sepolcro, his native city. Following an earthquake in 1785, the fresco was saved, detached and placed over the altar in a nearby cemetery chapel, where it remained until 1992, when it was removed to the new, climate-controlled Museo della Madonna del Parto in Monterchi. Here it lives in the solitary splendor befitting such a singular painting.

To reach the picture, you must pass through two sets of heavy blue draperies that admit you to the little chamber where it hangs in subdued light. This movement is a rite of passage as well as a practical, protective maneuver. It prepares you for other kinds of separations and openings.

Two charming angels, poised as if ready to dance, are lifting the folds of a tent to reveal the standing Virgin, a country girl with an impassive, even haughty air, her golden hair braided tightly and wrapped atop her head. There is no manger, no St. Joseph, no animals. The fur-lined tent, a symbol of the Ark of the Covenant, is also something like a stage set: The curtain is going up on a world-changing performance.

In other versions of the Madonna del Parto, Mary holds a book on her stomach. Piero, however, depicts the Virgin's condition without any intermediary symbols. As though to advertise rather than conceal her pregnancy, Piero makes the Virgin's womb the picture's geometric center, its focal point. From here will soon emerge her son. Jesus, invisible and under wraps, is unmistakably present.

The painting is a study in stillness and action. Although Mary is the primary figure, the angels, about half her size, take on important secondary roles. The main event—parturition—has yet to happen, but we are alerted to the Virgin's readiness for it. She fiddles with the buttons on her dress as they begin to pop open. Her long, thin fingers (seen up close they look awkward, even arthritic) respond to the stirring within her. She is playing her body like an instrument.

Mary prepares to bring Jesus into the world in this work of arresting elegance and complexity.

BRIDGEMAN IMAGES

The angels, inviting us to view the Virgin, are symmetrically placed, virtually identical in appearance, and—like so many of Piero's heavenly figures—androgynous. Their gowns, wings and slippers repeat and mirror one another. Piero has also taken the liberty of eliminating red in Mary's clothing, mantling her solely in her other primary color, blue, an expensive shade made from lapis lazuli brought from Afghanistan along the Silk Road.

The Virgin's beautiful face projects composure. Mary, born without sin, is exempted from the curse of Eve: She will experience no pain while giving birth. Her look here suggests comprehension, acceptance, even triumph. She withholds emotion as if through aristocratic graciousness. In a larger masterpiece, "The Legend of the True Cross," a fresco series in Arezzo's Basilica of San Francesco, Piero offers a similar version of the Virgin, in this case at the moment of the Annunciation. God the Father has released the dove that signals Mary's status as God's chosen vessel.

Like her sister image in Arezzo, the pregnant Mary is regal, her expression blank and cool, neither frightened nor frightening. Hardly passive, and certainly not ignorant, she is more intent on what is happening within her than on anything outside her, taking no notice of the angels who seem so welcoming and hospitable to us.

Piero's picture reminds us that death begins at the moment of birth, or even of conception. The tent is covered with pomegranates, themselves symbols of Christ's passion. Tragedy and triumph are implicit. The death of Mary's still-unborn son will redeem mankind. Her combination of stasis and action suggests that she understands everything. And Piero has rendered, in two dimensions, this eternal moment suspended in time.

Mr. Spiegelman writes about literature and the arts for the Journal.

Notable Gadgets
Tablets that let you digitize handwritten jottings **D11**

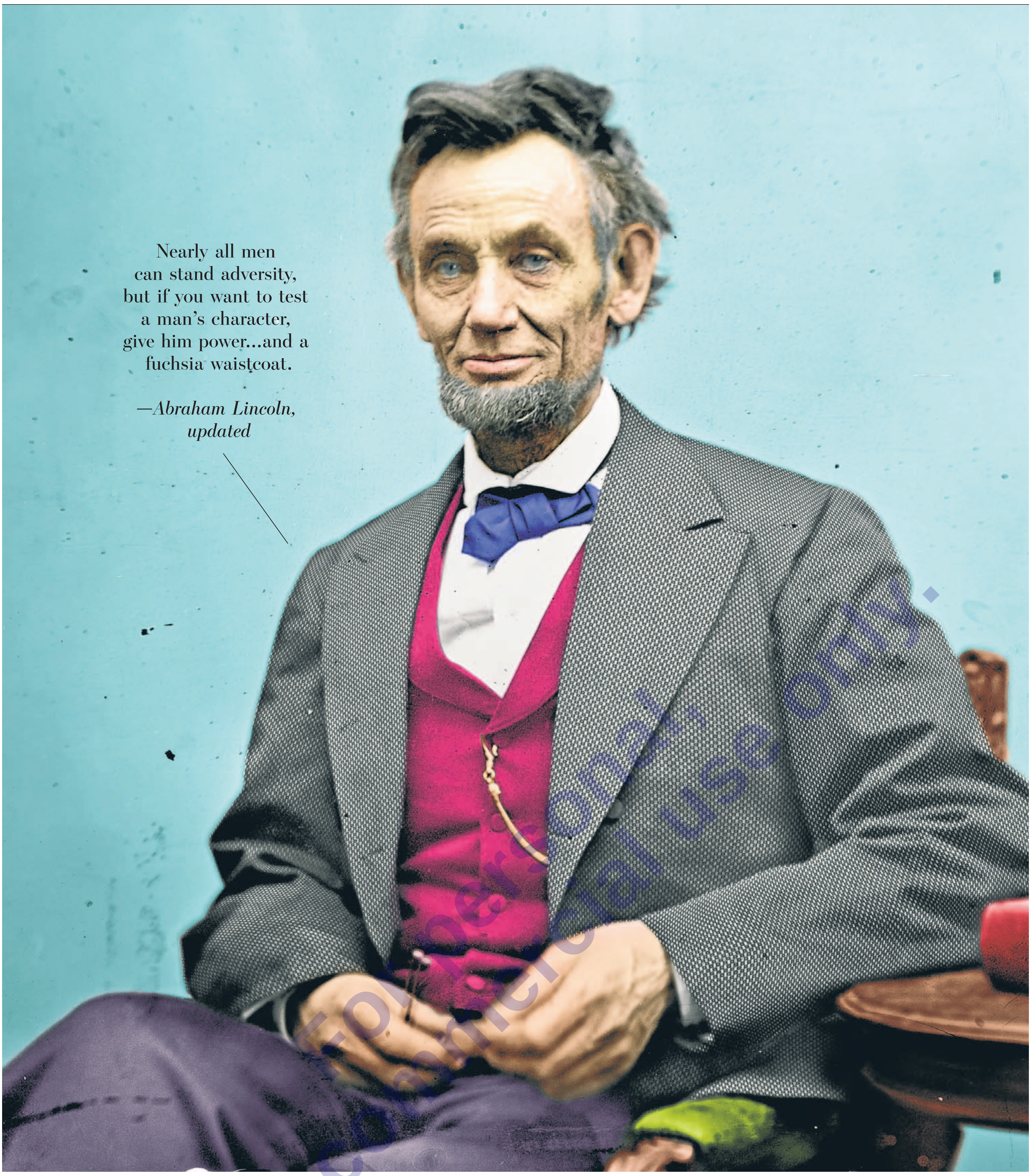
OFF DUTY

May the Best Truck Win
Dan Neil weighs the weighty merits of a GMC vs. a Dodge **D11**

FASHION | FOOD | DESIGN | TRAVEL | GEAR

THE WALL STREET JOURNAL. * * * *

Saturday/Sunday, October 13 - 14, 2018 | **D1**



Nearly all men can stand adversity, but if you want to test a man's character, give him power…and a fuchsia waistcoat.

—Abraham Lincoln, updated

GETTY IMAGES (LINCOLN); JOHN KUCZALA (COLORIZATION)

A Call for An End to Drabness

If you're like most American men, your closet is a blur of beige, black and navy: a bit dismal and decidedly out-of-date. Color is ruling again, and even a small dose can lift your look—and your outlook

By Jacob Gallagher

"THIS LOOKS ridiculous on me," thinks Brian Madigan when he attempts to wear bright colors. It's not that he dislikes them; he envies friends who can toss on a maroon shirt or a lemon-hued polo without hesitation or self-consciousness. "I wish that I could have an eye for the types of color they're wearing," says Mr. Madigan, 36, a photo editor in San Jose, Calif. But he feels far more comfortable in his familiar gray T-shirts, bluejeans and tan khakis. Better safe than startling.

Many American men occupy Mr. Madigan's chromatic comfort zone—a style point-of-view just a few shades shy of colorblind. In my conversations with guys about their color palettes, the term "conservative" came up repeatedly as they described wardrobes heavily skewed toward gray, black, tan and white. The agenda, confessed William Bodenlos, 55, a financial adviser in New York, is "just to fit in with our environment and avoid calling attention to ourselves." He described his style as "pretty conservative" with an "enormous amount" of blue clothes. Despite the widespread fear of color among men, there are outliers: Corporate raiders readily knot up red and yellow paisley ties, and budding junior executives slip on preppy pastel socks with their loafers. On the golf course, colorful polos are de rigueur. But by and large, the male wardrobe is more monochrome than Technicolor.

Please turn to page D2

Inside

CREAM OF THE CROPPED PANTS
Princess Diana wore them best, but non-royals can humbly borrow her look **D3**

TOPIARY THAT'S NOT UPTIGHT
The modern way to prune: less formal, less finicky and friendlier **D9**

ROOTS ROUTES
To trace their ancestry, more people are traveling to their forebears' villages **D4**

GOT 30 MINUTES?
Then you've got time to prepare this rapid tostada repast **D8**

STYLE & FASHION

GO FOR A POP Blazer, *$745, officinegenerale.com*; Sweater, *$1,725, Hermès, 800-441-4488*; Mr P. Shirt, *$200, mrporter.com*; Trousers, *$560, Salvatore Ferragamo, 866-337-7242*; Loafers, *$1,450, johnlobb.com*

3 Ways to Get More Colorful

GO MONOCHROME Todd Snyder & Private White V.C. Coat, *$898, toddsnyder.com*; Sweater, *$90, uniqlo.com*; Shirt, *$695, brunellocucinelli.com*; Trousers, *$280, officinegenerale.com*; Shoes, *$179, johnstonmurphy.com*

GO AUTUMNAL Jacket, *about $954, editionsmr.fr*; Sweater, *$70, jcrew.com*; T-Shirt, *$95, handvaerk.com*; Pants, *about $169, editionsmr.com*; Sneakers, *$50, vans.com*; Scarf, *$98, saturdaysnyc.com*

F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS

Beyond The Bland

Continued from page D1

Safety has its downsides, however. A closet wholly devoid of color can make you look as repressed and stern (and out-of-date) as a character in an Ingmar Bergman film. "When you wear bright colors it can make you feel lighter," said Sander Lak, the designer behind the hue-happy New York label Sies Marjan. "Subconsciously, color does set a mood."

To that end, his collections are laced with sartorial mood-enhancers like salmon-pink shirts and tomato-red sweaters. And in 2018, he's hardly the only designer splashing about in the splashy end of the color spectrum. From Moncler's cherry-red puffer jackets to Acne Studios's petrol-blue corduroys to Calvin Klein's yolk-yellow sweaters, current men's fashion isn't color shy.

"As the workplace gets more casual and is less corporatized, there is this embrace of individuality and that leads to an embrace of color," said Justin Berkowitz, the men's fashion director of Bloomingdale's. Social media is also driving renewed interest in color, he added: Men are drawn to what "looks good in a picture. That tends to be color—it stands out a little bit more." As a result, Mr. Berkowitz has increasingly seen guys gravitating toward pinks, burgundies and olives.

Still, men who are used to wearing only ignorable neutrals should adopt color judiciously. "I'm not going to be the person looking like Big Bird in a giant yellow shirt and mint green pants and some red sneakers. That's just not me," said Tyler Hockett, 30, a financial adviser in Indianapolis. Mr. Hockett's understandable wariness underlies the cardinal rule of color: It's all about balance.

A closet wholly devoid of color can make you look as repressed and stern as a character in an Ingmar Bergman film.

"Color is something that you have to dose," cautioned Massimo Alba, a Milanese designer who uses it with Italian panache. Both in his own wardrobe and in the looks he designs, he enjoys sprucing up a solid foundational piece like a blue blazer or a charcoal sweater with a light brownish-yellow shirt or trousers. Even a light spritz of unpredictable color can have a dramatic effect. "It's boring if you're just [wearing] blue," he said. "It's nice if you have a detail." That detail, he added, can be as small as a red handkerchief sprouting out of your pocket.

When we spoke, Mr. Alba had just returned from a trip through the American Southwest where he saw greens, golds, sky blues and other natural shades in the landscape that will make their way into his next collection. Cautious of color? Let earthy tones be your guide, in the style of subtle-color fans like Steve Carell, who mixes toasty shades of brown, or John Mayer, who's worn forest-green trousers with a sky blue jacket. "Mr. Robot" star Rami Malek recently paired a chocolate-brown suit with a light salmon polo, marrying familiar and surprising hues in a strategy that Mr. Alba also likes, calling it a "kind of camouflage attitude."

It's not only the shade of a shirt that matters but also the fabric itself. "[Each] material takes color differently," said Mr. Lak, claiming that the same shade of yellow can appear 50 different ways on 50 different fabrics. Matte cotton projects color at its purest—just think of how bright a red T-shirt can be. More-textured fabrics such as cashmere or corduroy can create a more nuanced effect. They're less flagrant and more wearable.

Mr. Berkowitz of Bloomingdale's particularly likes garment dyeing, a process commonly used on casual button-ups and jersey sweats, in which a finished garment, rather than the yarn, is soaked and dyed. "It de-saturates the color and makes it feel a little bit more lived-in," he said. Washed-down hues (Mr. Berkowitz called them "dusty") make any piece of colored clothing more approachable, be it a pair of pine-green chinos, an azure cable-knit sweater or a chippy yellow button-up. Big Bird? Not a chance.

FAST FIVE

Farm It In

The quilted barn jacket, long a tony country classic, gets chic

Coat, *$1,790, dereklam.com*

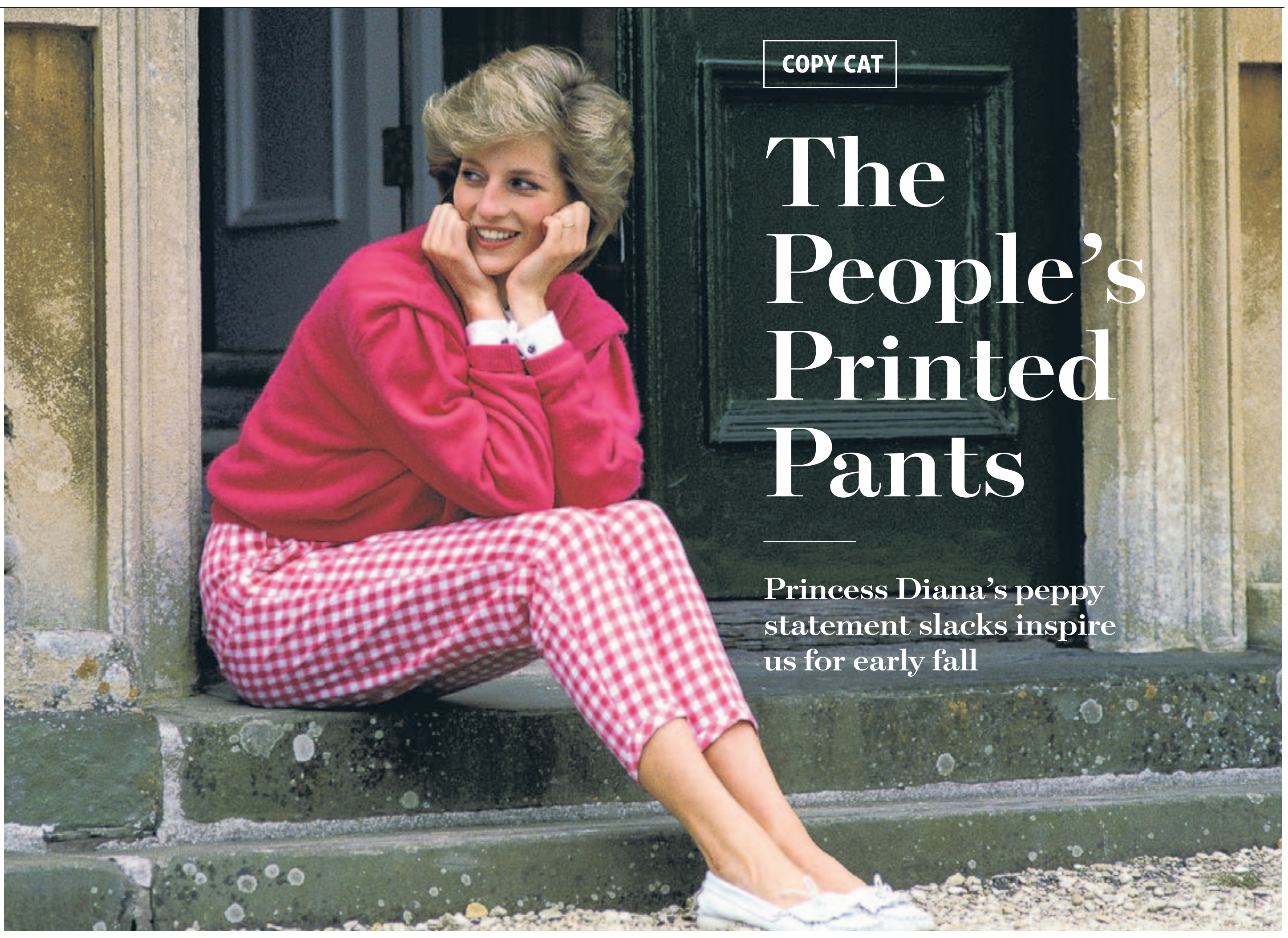
Blazer, *$595, tibi.com*

The Gigi Jacket, *$895, farfetch.com*

Coat, *$1,298, Tory Burch, 212-510-8371*

Altuzarra Jacket, *$1,695, Bergdorf Goodman, 212-753-7300*

F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS



COPY CAT

The People's Printed Pants

Princess Diana's peppy statement slacks inspire us for early fall

GINGHAM PALACE Her Royal Highness posing on the steps of her Highgrove home in 1986.

GETTY IMAGES (DIANA); F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (PANTS)

BY MICHELLE RUIZ

PRINCESS DIANA is burned into our collective memories as glamorous and begowned—who can forget the black, off-the-shoulder Victor Edelstein dress she wore to twirl with John Travolta at a Reagan-era state dinner? But, as a source of style inspiration for us commoners, dressed-down, off-duty Di endures far more accessibly. "Her daywear was more affordable and easily imitated," said Isabella Coraca, assistant curator at Historic Royal Palaces, the charity behind the current Kensington Palace exhibit, "Diana: Her Fashion Story."

Unregal outfits like her sweatshirts over bike shorts are getting play with a generation newly interested in the 1980s and '90s. After Off-White designer Virgil Abloh tacked photos of that combo on his inspiration board for spring 2018, throwback cycling shorts found their way onto the Off-White runway. For a Diana-approved option that won't make you feel like you're headed to Jazzercise, look to the sort of punchy cropped pants she wore as a 25-year-old at Highgrove, the royal family country home outside London, in 1986 (pictured).

According to Elizabeth Angell, digital director of Town & Country magazine, which exhaustively covers the royal family, the English-rose-colored gingham and the princess's easy smile in this photo speak of "Diana's sunny, optimistic early years—when she was injecting a kind of sweet, girlish charm into the staid machine of the royal family."

The magenta hue of her pants couldn't be more '80s, but the preppy print and above-the-ankle cut have a classic Jackie O.-in-Capri vibe for India Hicks, a bridesmaid in the princess's 1981 wedding and founder of an eponymous fashion and accessories brand. "It's very much a movie-star moment, and yet everyone we know has probably got a pair of cropped pants," said Ms. Hicks. "Although Diana drove fashion trends, I think [her taste] was, at heart, pretty timeless."

More than three decades later, such cheeky statement pants still reign unchallenged. J.Crew reliably carries a black-and-white gingham version, while Chloé ventures into galloping horse prints; Etro boasts a trippy wavy pattern and Closed offers smart, checked options. Cropped, printed pants are not only unabashedly fun, they're "perfect for women on the go," said Closed co-owner Gordon Giers, who recommends breaking up the pattern with a denim shirt or a wide-wale corduroy blazer or styling the trousers with a matching top.

While Diana's pink sweatshirt is better left in the '80s, her matchy styling syncs up with prevailing trends today. Clara Cornet, creative and merchandising director of Paris department store Galeries Lafayette, likes pairing bright pants with a cashmere knit top of the same hue. "It's all about monochrome," she said. For Ms. Hicks, who copped to wearing a pair of A.L.C. cropped pants when we spoke, the trousers hit a sweet spot of casual elegance—"a step up from the jean"—while transitioning without complaint from flats to boots in the tricky microseason of early fall.

Indeed, don't be fooled into writing off cropped pants as a just-for-spring thing. "There's something about fall foliage that makes you want to dress like you're strolling through a boarding-school campus," said Ms. Angell. Or, like Princess Diana, in her felicitous pink pants on the Highgrove grounds, "headed to an English country weekend."

PATTERN YOURSELF / FOUR MODERN RIFFS ON DIANA'S PLAYFUL CROPPED PANTS

From left: Trousers, *$870, Etro, 212-317-9096;* Trousers, *$1,496, chloe.com;* Dries Van Noten Trousers, *$680, barneys.com;* Closed Trousers, *$334, americanrag.com*

An Italy You Can Relate To

Tracing their lineage along the Amalfi Coast, an Italian-American clan finds past glory—and infamy

By Michael Siconolfi

While searching for our roots on a recent pilgrimage to southern Italy, my family and I realized we'd have to take the good with the bad and, at times, the ugly. In the town of Amalfi, somber posters hung everywhere on ancient walls depicting a diabolical-looking character in a black hood. Turns out he was a distant relative.

Sicardo, the brother of Prince Siconolfo—one of my nobler Lombard ancestors—was the real-life villain in "Amalfi 839 AD," a musical then playing locally. The plot details a key historical moment when Sicardo conquered the great maritime city and imprisoned its citizens. A travel guide in our hotel called him "sadistic" and said he "physically and mentally weakened the subjugated populace" of Amalfi. The musical ends as the people of Amalfi win independence from the Lombards—stabbing

Rain pounded the castle. I shuddered from the cold, or was it the ghosts?

Sicardo to death in the process.

A pretty dark legacy indeed. But as our quest unfolded and we traced ancestral clues in libraries, churches, city halls, an ancient village and the remains of a sprawling castle, we uncovered a far brighter side of our heritage.

Our two-week sleuthing trip—undertaken by my wife and me and our two kids, two cousins and a spouse—was inspired by my Italian immigrant grandfather, who told us kids years ago that we had German bloodlines as descendants of the Lombards, a Germanic tribe that ruled Italy before the Normans. We started in Rome, at the Biblioteca Angelica, a library built in 1604 that's tucked into a church courtyard near Piazza Navona. There, among the stacks of books from medieval times, we dug up a 1627 manuscript tracking the history of families from the Salerno region. My cousins translated the text. Leafing through several hundred delicate pages, careful not to tear them, we struck gold: detailed references to the rule of Siconolfo and other Lombard princes. Some pages included family trees, charts and diagrams.

We took a train south and rented a van to explore the Salerno province, which encompasses the Amalfi Coast (I was elected to drive along the terrifyingly steep cliffs), and based ourselves at Palazzo Suriano in the small town of Vietri sul Mare. From there, we cast out in different directions each day. One afternoon, we wandered through the remains of the medieval Castello di Arechi that sits atop a mountain above the city of Salerno, visible for miles. Prince Siconolfo lived there 1,200 years ago; he was the first prince of the Lombard principality of Salerno.

The stone walls, archways and courtyards are still imposing. Through wall slots once used to guard against enemies, we saw goats roaming the grounds, their bells clanging. As we climbed the castle's stairs, a hard rain pounded the property, and a mist rose around the fortress. I shuddered from the cold, or was it the ghosts?

Heading down to the center of Salerno, we noticed a street named Vicolo Siconolfo, after our ancestor, on a small city map. We searched the ancient section of the city near the Salerno Duomo, an 11th-century church, and soon discovered the "street" was a dark, narrow, 200-foot alley, lined with archways and grime. Drying clothes hung from windows, along with a faint whiff of danger.

Another day, we drove to Cava de Tirreni, where we met Loredana Caserta, a guide from the city of Salerno whom we'd hired to help in our research. In the weeks before our trip, Ms. Caserta ferreted out family documents in the region. Over cappuccino at the palatial Hotel Scapolatiello, she mapped a family tree. She noted that Prince Siconolfo built a tower in our family's ancestral town that led to its name, Guardia Lombardi—"guard of the Lombards."

We drove two hours up winding mountain roads to get there—a lush, grain-farming village northeast of the Amalfi Coast, and an area called Case Siconolfi, or Siconolfi houses. As we entered a town square, bells rung from the 14th-century church where many of our ancestors were baptized. A war monument contains rows of names of the Siconolfis killed in combat. We ventured into the Municipio, a tiny city hall. Guardia Lombardi town clerk Luigi DiSanto, who is married to a Siconolfi, pulled out registries of our ancestors' birth records, written in flowery Italian script. Flipping through a book documenting page after page of relatives, Mr. DiSanto chuckled: "Tutti Siconolfi"—all Siconolfi.

Before our trip we had reached out to distant relatives in Guardia Lombardi and alerted them of our plans. Giuseppe Siconolfi, a third cousin, met us to drive to the nearby farming area where he grew up. In her home adjacent to the house my grandfather grew up in, Giuseppe's mother, Giovanna, treated us to a glorious feast of prosciutto, lasagna, mozzarella and red wine—all homemade from the farm. Between bites, she expanded our family tree, drawing on a small piece of paper.

I asked Giuseppe's dad, Angelomaria, how long our family has existed in Guardia Lombardi. Forever, he said, with a flick of his hand. For hundreds of years, Siconolfis have lived and died in homes passed from one generation to the next. We were struck by their simple, healthy lives, all tied to the earth—lives today that probably aren't very different than those of our ancestors who lived in other centuries on the same hills and tilled the same land.

We only learned about the musical once we arrived in Amalfi's town center, and immediately bought tickets for a performance, staged in an ancient arsenal. Hooded and leering, Sicardo was a tyrant and a murderer. "I take what I want without anybody saying no," he sang, for "our noble Lombard cause." An Amalfitano woman cries that the murdered Sicardo "has stolen our memories." Sword and knife fights erupted on the stage uncomfortably close to us.

The writer and director, Ario Avecone—an Amalfi native who also starred as the play's hero—assured us he held no grudge against our family. He invited us to take pictures with the cast, including Antonio Speranza, who portrayed the murderous Sicardo character and goaded us to mimic his leer. He grinned as he pointed to us, saying gleefully in Italian: "Cousins!"

FRANCESCO LASTRUCCI FOR THE WALL STREET JOURNAL

CLAN ABOUT TOWN From top: The 11th-century Salerno Duomo, near a street named for the author's family; view from Prince Siconolfo's Castello di Arechi. Inset: A medieval coin depicting Siconolfo.

▶ To trace your own family roots in Italy, see **wsj.com/travel.**

Mood Upswing

Yes, these are museums. They're also happy hunting grounds for those with Instagram feeds

BY LAURA FEASEY

INSTANT HAPPINESS EXISTS. And it'll only set you back around $35 a go. Pools of sprinkles, confetti domes, a digital cheese cave—you wouldn't be blamed for thinking the Museum of Ice Cream, the Museum of Pizza and other similarly frothy exhibits popping up in Los Angeles, San Francisco and New York were attractions aimed at children. But you'll find plenty of grown-ups sans kids filing into these new-school museums. What's the enticement? They're all-immersive, begging-to-be-photographed fun houses. Most are pop-up exhibits but a few have set down roots, filling a seemingly insatiable need to feed Instagram feeds. Here, five places to chase cheer.

INFINITY MIRRORED ROOM, LOS ANGELES People line up around the block for a 45-second look at this wildly popular work by modern artist Yayoi Kusama, on permanent display at L.A.'s Broad Museum. The installation features LED lights reflected endlessly in a mirror-lined room. The museum just welcomed a second Kusama piece, Longing for Eternity, a hexagonal chamber of kaleidoscopic lights, with windows that invite you to stick your head inside. Take a selfie, join the thousands of other #infinitekusama fans on Instagram. You're just a dot in a million there. *thebroad.org*

COLOR FACTORY, NEW YORK After a run in San Francisco in 2017, the factory arrived in August in New York with 20,000 square feet of interactive color-themed installations. The big-ticket attraction is a dive-in pit filled with 500,000 pastel blue balls. Other top draws: the conveyor belt of pick-your-own macarons and, less delectably, a collection of fake vomit. *colorfactory.co*

THE MUSEUM OF ICE CREAM, SAN FRANCISCO Born in 2016 in New York, it traveled as a pop-up exhibit through Los Angeles and Miami before finding a permanent home in San Francisco. In between scoops of frozen dessert, visitors entertain themselves by jumping in a pool of sprinkles, taking selfies with a giant gummy bear and writing ephemeral messages on a wall blanketed in letter magnets. *museumoficecream.com*

29ROOMS, LOS ANGELES Launched in 2015 for the 10th anniversary fete for Refinery 29, a digital media company, 29Rooms is now a recurring pop-up affair, with installations created by artists, corporate brands and a few well-known actors. Past exhibits have included a human snow globe and a walk-in womb meant to simulate the in-utero experience. It arrives in L.A. in December. *29rooms.com*

THE MUSEUM OF PIZZA, NEW YORK Through Nov. 18, Brooklyn's William Vale hotel pays homage to New York's signature slice. Among the exhibits are some recognizable artworks with a twist—think Botticelli's "The Birth of Venus" with added pizza box and pepperoni slice—a "cheese cave," made of silicone, a "pizza beach," and a space for "pizza meditation." *themuseumofpizza.org*

CLOCKWISE FROM TOP: HEATHER MOORE/COLOR FACTORY; THE MUSEUM OF PIZZA; PATRICIA CHANG; YAYOI KUSAMA, INFINITY MIRRORED ROOM—THE SOULS OF MILLIONS OF LIGHT YEARS AWAY, 2013. WOOD, METAL, GLASS MIRRORS, PLASTIC, ACRYLIC PANEL, RUBBER, LED LIGHTING SYSTEM AND ACRYLIC BALLS. 113 1/4 X 163 1/2 X 163 1/2 IN. THE BROAD ART FOUNDATION. © YAYOI KUSAMA.

DAVID DORAN

TRAVELER'S TALE / RICHARD GRANT ON STALKING BABOONS WITH THE HADZA TRIBE OF TANZANIA

Hunting the Way Our Early Ancestors Did, Only Clumsier

JUST AFTER DAWN, on the second day of searching for the Hadza hunters, we found them camped under a rock overhang. The tableau looked like a scene from the ancient human past. A few men and adolescent boys were sitting around a fire, cutting meat from a freshly skinned impala. Women and infants emerged from temporary huts made of leaves. Small yellow dogs, covered in bite wounds, trotted forward to sniff us.

This roaming band of Hadza hunter-gatherers, in northern Tanzania, was now accustomed to visits from small tour groups like ours—pale-faced strangers with hats, cameras and water bottles—but our motives remained mysterious to them. According to our guide, a dreadlocked entrepreneur from the neighboring Datoga tribe, the Hadza didn't understand why we wanted to see such everyday sights as an early morning monkey hunt.

"Imagine if tourists were coming to your house and watching you go to the supermarket," he said. "You would wonder what they were looking at." The way in which we looked at the Hadza was shaped by what we'd heard about their DNA. Some of the earliest Homo sapiens evolved in this part of Africa, and the Hadza, according to some genetic researchers, are their direct descendants. The way they live, roaming the land, hunting and gathering, sheltering under rocks, is how our earliest ancestors existed 200,000 years ago.

The headman was a strikingly handsome, muscular man, wearing a beaded antelope hide tied over one shoulder, a pair of denim shorts and tire-tread sandals. He smiled, showing perfect teeth, and shook our hands gently. Then he passed me a bow decorated with baboon fur, and an arrow fletched with guinea fowl feathers. He pointed to a huge baobab tree about 30 yards away.

I drew back the bow with some difficulty. The tree must have been 15 feet wide, but I still managed to miss it. The teenage boys were incredulous. Our guide told us they had been shooting bows and arrows from the age of two and could drop small, fast birds out of the sky.

The baobab had short sticks jammed into its trunk, forming a perilous ladder that the Hadza climbed to raid beehives. They loved eating honey, and traded the surplus for metal arrowheads, metal knives, beads, sandals, clothes, tobacco and marijuana. Tour-group companies compensated them for receiving visitors like us, and they spent the money on the same things. The Hadza tourism industry has been criticized for compromising their cultural purity, but this small tribe faces much graver threats. It has lost 90% of its land in recent years, and cattle encroachment is starving out the wild animals on what's left. This was one of the last bands still hunting and gathering all its food. They spoke softly among themselves in a click language—a linguistic isolate, unrelated to any living languages—although some of the men had learned enough Swahili to interact with the outside world.

The headman whistled for the dogs. This meant they were going after baboons, which upset a woman in our party. "Do you think I can control them?" said the guide gently. "Do you think if the dogs tree a baboon, the men are not going to kill it because of us? This is how they eat and feed their families."

They set off walking at top speed across the dusty broken ground with a big red sun slanting through the acacia trees. The dogs started running, the hunters sprinted after them, and I struggled to keep up, ducking under branches, trying not to snag the baboon-furred bow on the thorns.

The baboons escaped, after inflicting some fresh bite wounds on the dogs. Then the teenagers killed a couple of squirrels, and the headman spotted a bush baby—a small, cute, large-eye primate—in the top

> I struggled to keep up, trying not to snag the bow on the thorns.

of a tree. He drew back his bow, and shot an arrow into its solar plexus. The animal tried to pull out the arrow with one hand while clinging to a branch with the other. Another arrow pierced it, and five more in quick succession. It fell down through the branches, still alive, and the headman dashed its head against a rock.

A man spun an arrow shaft on a flat piece of wood, sliding his palms back and forth. A thin coil of smoke appeared, then a tiny glowing coal nestled in dung. The man blew the coal into flame, built a fire, and laid the bush baby and the squirrels on top of it. When the fur was blackened, he snatched the carcasses off, sliced them down the middle, threw the guts to the dogs, and put them back on the fire. When the bush baby was medium-rare, the cook tore off one of its arms and handed it to me. It seemed rude, and somehow inhuman, to refuse. This was how we lived for the vast majority of our history. The bush baby was surprisingly tasty, not unlike the dark meat on a scrawny chicken, or so I thought while I was eating it. Three hours later, there was a rank, stubborn, gamy taste in my mouth, and no amount of beer-rinsing or tooth-brushing would get rid of it.

Richard Grant is the author of "Dispatches From Pluto: Lost and Found in the Mississippi Delta" (Simon & Schuster)

EATING & DRINKING

IN MY KITCHEN

Valérie Gilbert

The French cookware doyenne shares entertaining tips, her source for the very best butter and the secret to happiness. (Hint: It involves butter)

UPENDING EXPECTATIONS appears to come naturally to Valérie Gilbert, president of Mauviel, the cookware company her family founded in Normandy in 1830. During her school days, "the nuns tried everything to turn me into a demure and obedient little girl who would grow up to do needlepoint, but it didn't work," Ms. Gilbert said. "This is what I decided I wanted to do when I was 12 years old. I've always been fascinated by the technical processes of metal working."

So in 1992, after business school in England and a stint working at Xerox, Ms. Gilbert returned home to France and the family business. She ran it with her brother until 2006, when she became sole proprietor. "When I took over, I opened the gates myself every morning at 4:30 a.m.," she said. "I worked packing cookware in the factory when I wasn't busy in my office. I didn't want to run a hierarchical business."

At the end of those very long days, Ms. Gilbert would head to the kitchen of her home in the seaside town of Saint-Pair-sur-Mer and make dinner for her family. "Cooking is how I relax," she said. "And regularly using the pots, pans and casseroles we make gives me new ideas and keeps me focused on the goal of our business: to make the tools that help people cook better." She recently welcomed us into that kitchen, where she discussed such passions as pepper and vintage clothing while whipping up a delicious roast tenderloin of pork.

FRANCIS HAMMOND FOR THE WALL STREET JOURNAL

POT LUCK Clockwise from left: Ms. Gilbert in her kitchen; her favorite sauté pan; two key ingredients in her cooking, salt and garlic; cocotte with the elements of her roast pork.

The kitchen tools I can't live without are: a stainless steel sauté pan and a *cocotte* [lidded metal casserole]. I'm obsessed by cooking with cocottes because I love the process of browning a roast—caramelizing the meat and then deglazing before slow braising in the same vessel. This method produces so much flavor, and the meat is always tender, too.

My cooking mentors were: my mother and my grandmother. They were remarkable cooks who made amazing foie gras and elegant dishes like warm oysters in Champagne sauce. From them I learned technique, but most of all how to taste food, to find the harmony in a dish, even a simple one. Cooking is sort of like writing music.

My pantry is always stocked with: crème fraîche, Maldon salt—I like its taste and the size of the flakes—eggs, pasta, Parmesan, bacon lardons and ham. Also pepper, butter and good olive oil, like the ones made by Alexis Muñoz in Spain. His oils are like silk. I love the one seasoned with lemon for seafood.

The ingredient I'm most excited about right now is: salted butter made from the raw milk of Froment du Léon cows, an ancient breed from the northern coast of Brittany. The cream from the milk is allowed to mature for a week before it's churned, which makes for a bright-yellow butter with an amazing texture. You can find it at Terroirs d'Avenir in Paris. I'm also a pepper fiend, and my latest discovery is from South Africa—a pepper with a slightly smoky taste. It's great on vegetables.

On weeknights, I typically cook: something fast, simple and delicious, like *coquillettes* [elbow macaroni] with chopped ham, crème fraîche, some good butter, salt, pepper and an egg yolk.

When I entertain, I like to: serve dishes cooked *en cocotte*, something like a pork loin roasted with onions and figs. I like bringing the copper casserole to the table and serving from it, too. It demystifies cooking by creating a link between the kitchen and the dining room.

A typical breakfast for me is: a coffee and a cigarette. I mean, I'm French, right? I also like a good ham or mushroom omelette.

A food trend I am totally over is: pretty food. I hate restaurants where the food comes to the table with little dribbles and dots all over the plate, and so many flowers you could make a nosegay for a doll. This décor is silly and adds nothing to the pleasure of eating. Well cooked food is beautiful all on its own, and I think modern food styling has gone overboard.

My approach to cooking is a lot like my approach to: life. Appreciate the simple things, and don't make anything unnecessarily complicated. Take the time to do a job well, never lose your sense of humor, be generous, observant and adventurous. Most of all, never stop learning.

In addition to food, I'm obsessed with: gardens, especially white ones. Did you notice the white agapanthus outside? I love them. When I travel, I always try to find time to visit a favorite garden or discover a new one. I like the English style more than the French. I'm also a big vintage clothing collector, so I stalk several sites online in search of treasures like the Celine bag I recently found. I love the idea of giving a new life to something someone else has loved, and I believe that quality is the antidote to environmentally destructive consumerism.

When I get home from a trip abroad, I look forward to: good salted butter spread on a piece of really great bread. Life is made from little happinesses.

—Edited from an interview by Alexander Lobrano

Valérie Gilbert's Roast Pork Tenderloin

Total Time: 45 minutes
Serves: 4

3 tablespoons grapeseed or vegetable oil
1 (2-pound) rolled pork tenderloin
1 teaspoon coarse sea salt
½ teaspoon black pepper
2 small white onions, chopped
1 pound white button mushrooms, quartered
3 cloves garlic, peeled and crushed
½ cup dry white wine
1 cup beef stock
6 sprigs fresh thyme

1. Preheat oven to 400 degrees. Season pork with salt and pepper. Heat oil in a heavy casserole over medium-high heat. Brown pork all over, then remove and set aside.

2. Add garlic, onions and mushrooms to casserole and sauté over medium-high heat until onions are transparent, 5-6 minutes. Add wine and reduce by half, about 5 minutes, scraping up brown bits on bottom of casserole. Add stock and thyme, and cook 3 minutes. Return pork to casserole, cover and bake in oven until a thermometer inserted in thickest part reads 150 degrees, 20 minutes.

3. Transfer roast to a cutting board and let rest 5 minutes. Slice pork against the grain. Serve pork with vegetables and juices from pan, plus rice, noodles or mashed potatoes.

NOAH FECKS

RACLETTE UP Simply melt, scrape and make everyone at the table very happy.

CHEESE WISELY

Total Meltdown

The simplest of luxuries, raclette is a harried host's best friend

AS THE WEATHER COOLS and the rigorous demands of holiday entertaining loom, I'm preemptively declaring raclette the MVP of the season. There are few meals as fun, flexible and impressive that require so little labor.

Raclette is both the name of a delicious melting cheese and a way to serve it. The firm, brine-washed cow's milk cheese has roots in the Swiss and French Alps. Its dense, golden paste shares flavors with fellow alpine cheeses such as Gruyère and Comté, ranging from mild, grassy and slightly nutty to full-bodied with oniony, meaty and brothy tones. The slightly sticky pink rind is meant to be eaten.

The word derives from the French verb *racler*, "to scrape"—and there's not much more to the preparation. Traditionally, wheels of the cheese were halved or quartered and heated fireside, and the melted cheese was simply scraped onto a variety of accompaniments; today, many raclette lovers opt for melting it tabletop, with an appliance designed for the purpose. Consider the format the Kama Sutra of cheese, with limitless possibilities for pleasurable combinations. Boiled or roasted baby potatoes and bread are standard. Cooked sausages or cured meats provide a secondary protein. And a mix of raw, roasted and pickled vegetables helps to cut through all the dairy.

You'll find a range of raclette machines on the market, from candle-powered pans that run a reasonable $10-$25 to electric melters ranging from $40-$500. Slices of raclette can also be melted in a nonstick pan, but sitting around a table and melting with friends is a big part of the charm of the experience, so a small investment in a basic melter is a good idea. I offer a couple of suggestions below.

Several domestic producers of raclette-style cheese draw inspiration from the European originals. Vermont's Spring Brook Farm Reading is one of our best: a smooth and dense cheese with a subtle fruitiness and a healthy hit of salinity. Most cheese shops carry either a Swiss or French Raclette, and likely an American version. Why not buy a few different wedges and serve them side by side, for a cheesy international summit? *—Tia Keenan*

GOOD TO GOO / A RACLETTE STARTER PACK

The Cheese Not only does Spring Brook Farm offer a terrific cow's milk raclette called Reading (*$23 for 1 pound, saxelbycheese.com*); through the nonprofit Farms for City Kids program, its dairy operation also serves as an "agricultural classroom" for urban schoolchildren, a cause you can support by eating cheese. For the budget-minded, French raclette (*$16 for 1 pound, murrayscheese.com*) can't be beat. At supermarkets across the country, you'll find the Swiss raclette imported by Emmi Roth (*about $16 for 1 pound*).

The Gear A good entry-level melter, the Boska Partyclette XL (*$80, boska.com*) has eight individual pans heated by tea lights. Ready to really commit? Boska recently introduced the electric Raclette Quattro Concrete (*$150, boska.com*), a stylish model that holds a quarter-wheel wedge.

ILLUSTRATION BY BEN WISEMAN; F. MARTIN RAMIN/THE WALL STREET JOURNAL (BOTTLES)

ON WINE / LETTIE TEAGUE

Where to Find a Bargain in Burgundy

AT LEAST ONCE A WEEK I wander around wine shops and randomly select bottles that I know nothing about. I never pay more than $30 a bottle (my vinous risk ceiling), and more often than not the gamble pays off. Sometimes I even find a great deal, like the 2016 Domaine Lapalus Mâcon Milly-Lamartine that I bought for $15 last month.

The price wasn't a surprise—Mâcon and Mâcon-Villages wines have long been some of the cheapest in Burgundy—but the quality was. Mâcon wine is often simple, mass-produced stuff. Yet the Domaine Lapalus was a crisp white with lively acidity and a pleasant mineral note, so pleasant I went back, bought several bottles and decided to explore the wines of Mâcon a bit more.

Mâcon and Mâcon-Villages are two of the broadest appellations within the Mâconnais district, a Burgundy subregion named for its principle city, Mâcon. This place is closer to Beaujolais in both climate and spirit than it is to the Côte-d'Or. Vineyards in the Mâconnais have never been ranked in the same way those in the Côte-d'Or are, with premier- or grand-cru status; the better wines tend to come with the name of one of 27 designated villages appended to the name on the label—for example, Mâcon Milly-Lamartine or Mâcon-Verzé. There is even a town named Chardonnay—for which the grape was supposedly named—hence Mâcon-Chardonnay.

Chardonnay is the key grape of the Mâconnais and the source of the vast majority of its wines, including its most famous ones, Saint-Véran and Pouilly-Fuissé. The latter actually enjoyed some popularity back in the 1970s and '80s, though most of the Mâconnais wines available stateside at that time weren't very good.

Back then in Mâcon and Mâcon-Villages, few grape growers made their own wines; instead they sold their fruit to winemaking cooperatives more interested in quantity than quality. The appellations are only just beginning to overcome their low-rent reputation, thanks to the new generation of winemakers who have taken control of their family vineyards, with a focus on making their own quality wines.

The Mâconnais appellations got a further boost from Dominique Lafon, winemaker and scion of Domaine des Comtes Lafon, the famed Meursault estate that produces some of the priciest, most sought-after wines in the world. In 1999, Mr. Lafon went south to Mâcon and the village of Milly-Lamartine, where he bought an estate and renamed it Domaine des Héritiers du Comte Lafon.

Domaine des Héritiers du Comte Lafon and Domaine Olivier Merlin, in La Roche-Vineuse, became talent hubs over the years, nurturing and launching some of Mâcon's best winemakers. There are many connections between the two domaines. For example, Domaine des Héritiers du Comte Lafon winemaker Caroline Gon was introduced to Mr. Lafon thanks to Olivier Merlin, who also employed her future husband Frantz Chagnoleau...who was working at Domaine Olivier Merlin when they met. The couple started their own winery in 2010 with help and encouragement from Mr. Merlin and Mr. Lafon, as well as local winemakers Nicolas Maillet, Jean-Philippe Bret and Jean-Guillaume Bret. "It's a little world here in the Maconnais, and everyone knows each other and helps each other," wrote Ms. Gon in an email.

There are other well known Côte-d'Or names producing wines in Mâcon, including the highly regarded Maison Joseph Drouhin. Under the direction of winemaker Véronique Boss-Drouhin, the winery produces a basic Mâcon-Villages bottling as well as two village-specific wines: Mâcon-Lugny Les Crays and Mâcon-Bussières Les Clos.

I discovered the 2016 vintage of the latter at DB Bistro Moderne in Manhattan and was so impressed by its lithe acidity and floral nose, I wanted to buy a few bottles retail. Alas, that was impossible. Raj Vaidya, head sommelier for Daniel Boulud's Dinex Group, told me the restaurant group had received an exclusive on sales in the U.S.

Ms. Boss-Drouhin told me she particularly loves the location of the Bussières Les Clos vineyard, a high-altitude site that "gets both sunshine and air," so the fruit ripens evenly and well. Although the Drouhins make multiple Mâcon bottlings, they don't own vineyards there—yet. "It is definitely an area we like very much," said Ms. Boss-Drouhin. "Unlike in the Côte-d'Or, the prices are still reasonable."

Does the Mâconnais of today—with its fraternal-minded winemakers and affordable prices—resemble the Côte-d'Or of 50 years ago, before the wines became stratospherically priced and the top domaines were purchased by billionaires? I put this question to Becky Wasserman-Hone, an American wine exporter who has lived in Burgundy for five decades and helped bring some of its best wines, including those of Domaine des Comtes Lafon, to the attention of wine drinkers in the U.S.

Ms. Wasserman-Hone didn't find much similarity between the two places—she noted that the Mâconnais doesn't have grand-cru vineyards, though she further acknowledged that it has much young talent and promising terroirs. "Mâcon is news these days," she wrote and further pointed out that her son, Peter Wasserman, is holding tastings of Mâcon wines in the U.S. to help spread the word.

> Perhaps the best way to sell Mâcon wines is to emphasize their excellent price-quality ratio.

I reached Mr. Wasserman as he was preparing to leave for a wine seminar in Los Angeles. He splits his time between New York and Burgundy, and has seminars scheduled in cities across the U.S. this year and next. In each he presents 8-10 wines from the Mâconnais to wine professionals, usually in groups of 20-30, mostly on behalf of the nonprofit Wine Education Council. He said he hopes to "change people's minds on the Mâconnais," as it has "not gotten its due and needs champions." Audiences, he said, have been "googly eyed" at the quality of the wines.

Of the 14 Mâcon bottles I tasted, only a few were duds. By and large the wines were very good and the prices reasonable. In addition to the five featured below, there were a few others of note: the minerally 2016 Bret Brothers Mâcon-Villages ($28), the lively 2016 Louis Jadot Mâcon-Villages ($13) and the light-bodied, charming 2016 Cave de L'Aurore La Fleur de Lys Mâcon-Villages Chardonnay ($15).

Perhaps the best way to sell Mâcon wines is to emphasize their excellent price-quality ratio. Their producers have more than earned a moment of attention and praise.

▶ **Email Lettie at wine@wsj.com.**

OENOFILE / MÂCONS MAKING WAVES

2016 Domaine Lapalus Mâcon Milly-Lamartine **$15** A light, lively and very dry "vin de soif" (thirst-quenching wine) from a small, quality-focused domaine whose wines were only recently imported to the U.S. An excellent wine for the price.

2016 Julien Guillot Mâcon Cruzille Aragonite **$42** Sourced from a biodynamic old-vine Chardonnay vineyard with a limestone and aragonite (calcium carbonate) soil, this is a powerful, structured Mâcon-meets-Puligny-style white with an intensely mineral finish.

2017 Des Héritiers du Comte Lafon Mâcon-Villages **$24** Winemaker Caroline Gon produces a number of Mâcon bottlings. This, her most basic one, is a textbook Mâcon: crisp and bright wine with a bracing acidity and a cool, stony finish.

2017 Domaine Frantz Chagnoleau Mâcon-Villages Clos Saint Pancras **$21** Domaine des Héritiers winemaker Caroline Gon and her husband, Frantz Chagnoleau, produced this fresh, vibrant Mâcon marked by aromas of citrus at their jointly owned domaine.

2016 Domaine Olivier Merlin Mâcon La Roche Vineuse Vieilles Vignes **$32** Olivier Merlin, master of Mâcon, turns out wines of purity and elegance in the village of La Roche-Vineuse. This old-vine bottling has weight, richness and a firm mineral edge.

SLOW FOOD FAST / SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

The Chef
Fermín Nuñez

His restaurant
Suerte in Austin, Texas

What he's known for Smart, elevated takes on Mexican cooking. Perfecting the art of the tortilla

Chorizo, Herb and White-Bean Tostadas

AS A NEW college student homesick for his mother's cooking, Fermín Nuñez stepped up to the stove. "I didn't want to eat frozen food," he said. He started simply, with rice, beans and tacos. After a few semesters, he dropped out and dedicated himself to cooking professionally.

Now, at Suerte in Austin, Texas, Mr. Nuñez is refining the basics he began with. In this tostada recipe, he calls for baking tortillas to a crisp and smearing them in a white-bean-and-leek purée laced with white wine. He tops that with spicy chorizo and a layer of mild Oaxaca cheese that goes all oozy in the oven. Finished with fresh herbs, arugula and ground almonds, it's a satisfying meal.

Mr. Núñez opted for baking rather than frying the tortillas because "I didn't want to mask the corn flavor." At Suerte he uses an herby house-made green chorizo, but the widely available red variety works well too. Mr. Núñez hopes home cooks will take their own liberties with the recipe. "If you want more beans, that's fine," he said. "If you want more cheese, go for it." Who knows where that might lead? *—Kitty Greenwald*

Time: 30 minutes
Serves: 4

1 large leek
1 (15-ounce) can white beans, drained and rinsed
2 àrbol chiles
1 bay leaf
1 cup white wine
2 cups chicken stock
1 cup water
Kosher salt
3 tablespoons olive oil, plus more as needed
8 corn tortillas
6 ounces chorizo, removed from the casing and chopped
1½ cups shredded Oaxaca cheese or mozzarella
3 cups mixed cilantro, parsley and arugula
10 blanched almonds, finely ground
Juice of 1 lemon

1. Preheat oven to 350 degrees. Remove green part of leek and discard or save for stock. Halve white portion lengthwise and wash thoroughly to remove all grit.

2. In a small pot, combine drained beans, split leek, chiles, bay leaf, wine and stock. Pour in water and season with salt. Simmer beans over medium heat until broth thickens and flavors deepen, 15 minutes. Discard bay leaf and chiles. Drain beans, reserving cooking liquid. Transfer beans to a blender. With motor running, drizzle in 3 tablespoons olive oil and process until smooth. Purée should be thick but spreadable. If necessary, blend in a few splashes of reserved cooking liquid. Season with salt to taste.

3. Arrange tortillas on a baking sheet and bake until crisp, about 7 minutes. Spread white-bean purée over each tortilla and scatter chorizo evenly over purée. Scatter cheese over chorizo. Bake until cheese melts, about 5 minutes more.

4. Meanwhile, in a salad bowl toss herbs, arugula and ground almonds with lemon juice and a pinch of salt. Mound dressed greens over hot tostadas and serve.

JAMES RANSOM FOR THE WALL STREET JOURNAL, FOOD STYLING BY EUGENE JHO, PROP STYLING BY CARLA GONZALEZ-HART; ILLUSTRATION BY MICHAEL HOEWELER

ON THE SAUCE Simmering the beans and leeks in white wine makes for a fragrant, flavorful purée.

Shear Relief

Traditionally prissy topiary relaxes at the hands of modern floral designers

BY CYNTHIA KLING

BOXWOODS clipped into spirals resembling soft-serve ice cream. Yews shorn into elephants and peacocks. A verdant Mickey Mouse waving hello in Orlando. Topiary, the unnatural shaping of shrubs through assiduous pruning, is not exactly in step with prevailing horticultural philosophy, which values native species, informality, and minimal human intervention.

But contemporary floral stylists offer a bridge between the rigid ancient technique and today's less-formal approach to plants, making topiary an ideal bit of green to get you through the winter, no matter how casual your décor.

Tight-leafed evergreens traditionally supply the raw material for scissor-wielding sculptors. But Molly Wood, a landscape designer who also owns a garden shop in Costa Mesa, Calif., experiments with plants such as geraniums, lavenders and rosemary to create a less-dense take on the classic lollipop shape, known as a standard. "I wanted a plant that's looser, more natural." She adds yellow reindeer moss or crushed coral around the plant's base for texture and contrast. Handmade clay containers, like those from Double M Pottery (photo at right), lend warmth and originality. "Sometimes, I go a bit quirky, a little Alice in Wonderland," she added. "I took an old funky jade succulent, a real grandma houseplant, and pruned off the side shoots to make it into a three-foot-tall, round tomato shape on a fat green stem."

Denise Fasanello, a New York florist, interprets topiary even more loosely, winding button ferns or creeping fig around a round, metal armature to create a leafy, obstreperous ball. "I wanted to break up that standard lollipop shape and make it wilder, more forestlike," she said, "because isn't that what you crave in an apartment?" She adds moss or pebbles, and maybe a bit of twine as the underdressing because "it nudges the idea of being in nature a bit further." To create a dramatic tablescape, Ms. Fasanello plants three topiaries of different heights in a low ceramic bowl and places it atop a wooden slab. "It's a good option for clients who are tired of standard houseplants."

An example of old-school finickiness. The craft of topiary dates to at least ancient Rome.

Garden designer Desiree Lee learned topiary at the 4,000-acre Oak Spring Farm of Bunny Mellon, the late American heiress and horticulturist credited with popularizing the form in the U.S. in the 1960s. "We had one greenhouse just for 'topes, where I learned to stretch and shape a plant into that tall shape with a ball at the top," said Ms. Lee, who's based in Upperville, Va. Anything that will create a woody stem works, she said: scented geranium, thyme, heliotrope, fuchsia. Pick a young plant with a strong main stem, pot it and attach it to a stake with twist-ties so that it grows straight and tall. Then remove bottom stems and start to clip the top part every couple of weeks so it begins to assume a frowzy globed shape. Vining plants like ivies and some ferns, which don't feature a woody stalk, can be wound up a support and then trained in a round wire plant armature, available at any craft store. When you strip the leaves of the vine around the supporting pole, what's left resembles a stem.

Experiment with a sturdily stalked plant first. "Just pot it up and start training the lead stem," said Ms. Lee. "You can really try making 'topes with almost anything that won't bend under the weight at the top. Try it. See what will happen. We've all done that."

SANDRA RUFFINI

LEAFINESS UNBOUND Costa Mesa, Calif., shop owner Molly Wood leaves her 'topes—including Euonymus microphilla (left) and Lemon cypress (center)—a bit loose up top.

FAST FIVE

Have a Seat On the Table

Five of our favorite stools, both handsome and humorous, that double as places to set up a lamp and sundries, or park your posterior

▲ Flagstaff Side Table, *$798, anthropologie.com*

▲ Side Table, *from $160 for small, floydhome.com*

▲ Striped Milking Stool, *$1,100, workadayhandmade.com*

▲ Jacques Ducru Bottle Stool, *$335, ligne-roset.com*

▲ Haze Table, *$2,800, Profiles Showroom, 212-689-6903*

F. MARTIN RAMIN/THE WALL STREET JOURNAL (BOTTLE, HAZE, MILKING)

SCOTT FRANCES/OTTO

WARM AND FUZZY
In the seating area of an open-plan, single-story house in Sag Harbor, N.Y., the curves of Bertoia diamond chairs, an Edward Wormley sofa and a Warren Platner chair and ottoman offset the cool rectilinearity of architect Hal Goldstein's structure. "Color isn't the only way to add warmth," noted Mr. Goldstein. Indeed, the homeowners noticed an uptick in homeyness when they replaced a vibrant Caucasus flatweave rug with this thick-pile Moroccan Berber. The unusual placement of a bucolic oil painting and New Guinea mask around the fireplace also counteracts rigidity. "What we're looking for is not symmetry but balance," said Mr. Goldstein. "Symmetry is formulaic."

► For more photos, go to wsj.com.

HOUSE TOUR

Modern Romance

A couple married later in life builds a house together and weds their accumulated collections

By Catherine Romano

I WAS A DIDACTIC modernist, and my art collection is vintage black-and-white photography," said architectural lensman Scott Frances. He and his wife, Patti Weinberg, who married each other at age 50, built this contemporary, 3,000-square-foot home in Sag Harbor, N.Y., in which they thoughtfully merged their possessions. "Patti came with the gentle and the classical," he said, "and the American antiques." Their travels together, to Africa, Southeast Asia and Latin America, yielded a third subset of furnishings that needed factoring into the equation.

The couple agreed early that the site, on a 12-foot rise with views of a nearby cove, demanded a modern house with copious windows, but Ms. Weinberg, an insurance broker, imposed a condition: "I said I didn't want a cold, one-dimensional house." The pair turned to architect Hal Goldstein, of New York firm Janson Goldstein, whom Mr. Frances admires for his way with materials.

Throughout the house, unpolished woods retain their inherent warmth. Unfinished walnut beams canopy the open-plan great room, and knotty white-oak floors, though sealed, are left naturalistically matte. Though the couple added color with their worldly acquisitions, the coziness comes largely from earthy textures as well as pieces bearing bumps and bruises. "We don't mind patina," said Mr. Frances. "It shows age and authenticity." Here, a room-by-room guide to the home's soulful modernity.

LAYERS OF MEANING
In the master bedroom, homeowners Patti Weinberg and Scott Frances turned to organic materials—the bamboo and paper of the vintage Noguchi floor lamp, woolen throws, the heavily figured mahogany of the credenza—for character. The blended styles of a midcentury recliner, a traditional cotton matelassé coverlet and the tribal rugs also soften the room. Said Ms. Weinberg, "I like eclecticism, and I love this moment." The Philip Pearlstein painting used to hang over her parents' bed. "It's cool and comforting to have their stuff around." Mr. Goldstein noted the unconventional earth tones of furnishings. "Earth has a lot of colors to it," he said.

REFLECTION OBJECTION
Though Ms. Weinberg feared the slickness of this backsplash in her country kitchen, the charcoal glass reflects the verdant view through the opposite windows. "When you're standing at the stove, you see the water and the green," she said. Overhead architectural lighting is minimal but sufficient. The couple prefers the intimacy of pools of light created by fixtures such as these vintage pendants. Light "should be a little puddle you want to be in," said Mr. Frances.

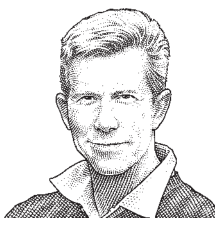
AN ANTI-LAWN
For the same reasons the couple didn't want the interior to appear "decorated," they eschewed a manicured lawn. Landscape designer Joseph Tyree talked the couple out of a mixed meadow. "He said it wouldn't last, that it would grow full of weeds." Instead, the pair chose fescue, a grass requiring little water, which crowded out weeds and, left to grow, "is like a recording of the wind," said Mr. Frances. Alaskan cedar siding will gray with time.

AGE AND BEAUTY, SIMULTANEOUSLY
Pieces in the dining area of the great room—namely a jute rug and chairs framed with metal like bendy pasta—also mellow the house's hard lines with natural materials and shapes. Mr. Frances scored the German Bauhaus chairs on eBay, and appreciates the chips and dents in their off-white paint. "We don't like heavily restored furniture," he said. "The signs of age on these things carries the soul through."

GEAR & GADGETS

ILLUSTRATION: SEAN MCCABE

RUMBLE SEAT / DAN NEIL



Mega-Truck Showdown: Ram 1500 vs. GMC Sierra

IF GLAMOUR CAMPING is glamping, what's luxury trucking, "lucking"? Well, talk about lucky! I drove two of the newest, techiest, swankiest pickups on the market, back-to-back. Here is my lucking report.

2019 Ram 1500 Limited

While Fiat Chrysler Automobiles' price-setters should be flogged for profiteering, the redesigned 2019 Ram 1500 does indeed set new benchmarks for pickup-truck refinement, cabin content, efficiency and enormity. Bigger in nearly every dimension than its predecessor, the new Ram dwarfs other traffic like a linebacker in the corps de ballet. You better get some of them Duluth Trading Co. roomy-crotch jeans if you're going to heft yourself into this thing (our tester kindly provided power running boards).

As with all other truck makers' half-ton offerings, Ram is a pretty diverse species. The trim walk starts with the vocational model, the 1500 Tradesman Quad Cab 4x2, with the base 3.6-liter, 305-hp V6 ($33,490). It looks good in white. Twenty grand north lives the Laramie Longhorn ($53,385), a frontier fashionista with cattle-colored leather upholstery and rough-sawn wood trim, right off the bunkhouse wall. Who's your decorator, partner?

Our tester was the top-shelf Limited Crew Cab 4x4 ($64,515, as tested), powered by the company's 5.7-liter "Hemi" V8 and what FCA calls its "eTorque" mild hybrid system. This belt-driven motor/generator/starter and small 48-volt battery provide brief but significant boosts of up to 90 hp and 130 lb-ft of torque on the V8. While helping the truck in low-speed towing and initial acceleration, eTorque's primary deliverable is refinement, smoothing out the stop/start engine cycling until it is practically a nonevent.

The newly robust stop/start, combined with the engine cylinder deactivation and some nifty aerodynamics, help this 5,380-pound cowboy codpiece achieve a rated 17 mpg in the city, whereas the comparable GMC Sierra gets 15 mpg.

No big deal? According to the EPA's pencilers, the Ram will save an owner $450 annually in fuel costs compared with the GMC, or $2,250 over five years. Think of the roomy-crotch jeans you could buy.

Taking the Ram out, I marveled at the slick integration of the electric torque and V8 power. I didn't feel any seams between them. The package merely responded as if it were a 7-liter V8, not a 5.7. Nice.

The other step-change in pickup refinement comes by way of the Ram's optional four-corner air suspension, an industry first. If you were hoping your hay-hauling weekend truck could ride like a Mercedes-Benz S-Class, kneel down for loading like a city bus, and automatically load-level front and rear, well lookie here.

2019 Sierra Denali 1500

I think of my dear sainted father standing at the back of his Ford pickup in the driveway, hammering on some part or other, making the rusty tailgate jump and slam. *Whang! Whang!* Muttered profanity was the soundtrack of my youth.

If I could raise Dad from the dead and show him the GMC Sierra MultiPro tailgate, he would keel over. Folding out in horizontal segments, this tailgate has more positions than a yoga master class, including a workbench position, perfectly elevated at about chest height—which Dad could have used, along with a leather apron. The tailgate's inner span can fold further to create a full-width step; and there is a swing-out handle to grab, making getting in and out of the truck bed an easy two-step. The inner portion can also flip up as a load stop when the tailgate is lowered.

Of course there is no shortage of clever tailgate solutions among half-ton trucks. The Sierra's tailgate-forward marketing only proves how competitive this segment is. In other respects, its 2019 book has a lot in common with the Ram.

The GMC is, first of all, way bigger than its predecessor, on a longer wheelbase and a longer cab. On the optional 22-inch polished aluminum rims the Sierra stands even taller, above large and exposed wheel wells, like a boy who has outgrown his pants.

Also like the Ram, the Sierra is comparatively lighter overall (up to 360 pounds) with greater torsional rigidity. The GMC offers not two but three engine options: a 5.3-liter, 355-hp V8; the same engine punched out to 6.2 liters (420 hp and 460 lb-ft or torque); and a 3.0-liter turbodiesel, which I do not recommend. GMC offers two transmissions—eight-speed and 10-speed automatics—and two or four-wheel drive. On-demand four-wheel drive with two-speed transfer case and an auto-locking rear differential round out the Sierra's bona fides.

The Sierra parts company with the Ram in three critical respects. First, the Sierra lacks the Ram's mild hybrid, 48-volt system, which contributes to Ram's advantages in higher rated towing, trailering performance and fuel economy.

Second, the GMC doesn't have the Ram's fervor for cabin refinement and ride isolation. In particular, the GMC's adaptive-damping suspension felt a little behind, failing to contain transient wheel juddering after hitting uneven surface. And really, no coil or leaf-spring configuration can do the magic-carpet thing like air suspension.

And third, GMC charges a bit more for a bit less truck: $58,000 vs. $56,195. That may exceed the tailgate's load-bearing capacity.

HAUL MONITORING / A HEAD-TO-HEAD MATCHUP OF LUXURY PICKUPS

2019 RAM 1500 LIMITED CREW CAB 4X4		2019 SIERRA DENALI 1500 4WD CREW CAB
$56,195	**Base Price**	$58,000
$64,515	**Price as Tested**	$67,735
5.7-liter V8 with electrical assist; eight-speed automatic transmission; two-speed transfer case and on-demand four-wheel drive; heavy-duty differential	**Powertrain**	6.2-liter V8 with active fuel management; 10-speed automatic transmission; two-speed transfer case and on-demand four-wheel drive; heavy-duty rear differential
395 at 5,600 rpm/410 lb-ft at 3,950 rpm	**Power/Torque**	420 hp at 5,600 rpm/460 lb-ft at 4,100 rpm
< 8 seconds	**0-60 mph**	< 8 seconds
17/22/19 mpg, city/highway/combined	**Fuel Economy**	15/20/17 mpg, city/highway/combined
232.9/82.1/77.6/144.6 inches	**Length/Width/ Height/Wheelbase**	231.7/81.2/75.5/147.4 inches
5,380/7,100 pounds	**Curb Weight/Max GVWR**	5,443/7,100 pounds
11,190/1,720 pounds	**Max Trailering/Payload**	9,300/1,610 pounds

Take Note

New virtual tablets let you digitize handwriting in real time, (mostly) eliminating the need for paper pads

F. MARTIN RAMIN/THE WALL STREET JOURNAL

THIS MAY BE the age of the paperless office, but that doesn't mean handwriting has no place. A host of new digitizing tablets let you jot notes or sketch ideas without killing trees or wrangling complex apps. And while they're equipped to download and transfer documents, they don't connect to email, chat or social media so you can mark up reports without reacting to notifications. These tablets likely won't replace all your devices—you'll still need a way to call mom or type in a spreadsheet—but they can make written work more efficient and more fun.

1. Wacom Bamboo Slate Like a 21st-century carbon copy, Bamboo Slate uses its pressure-sensitive technology to create backups of handwritten notes. When you place an ordinary notebook (up to one-inch thick) atop the tablet and use its connected ink pen, marks you make on the pad are sensed by the screenless tablet and duplicated on a linked smartphone or laptop. The push of a button saves your page so you can flip to the next; you can scroll back in time to erase notes since it records your strokes like a video. Its handwriting recognition is impressively accurate, though with my sloppy penmanship I had to make a few corrections. Teachers did always say my nines look like fours. *(from $130, wacom.com).*

2. reMarkable As someone who enjoys writing on paper pads but hates keeping pens and markers handy, or pencils sharpened, this elegant tablet is a relief. With a few taps of the stylus you can customize its thickness and pressure sensitivity, then use it to sketch on a crisp, digitally lined e-ink display. It's refreshingly easy to link a computer or smartphone so you can add handwritten notes to pictures or PDFs (which can also be uploaded via handy USB port). Some features, including menus and zoom, can lag, and you have to change the stylus tip after a while, but writing appears in real time as fast as you can move your stylus. *($599, remarkable.com).*

3. Sony Digital Paper Consider this the Swiss Army knife of virtual paper tablets. Need to draft memos, highlight reports, toggle quickly between documents synced from multiple devices, take notes in the margins, or fill out PDF forms? You can do it all, though you'll need to study the built-in tutorial to understand exactly how Sony's unique stylus, touch screen and physical button interface mesh. This device isn't as playful as its rivals, and it can't translate your handwriting into type, but for a hairy job with stacks of digital documents it'd be my first choice *($600, sony.com).*

—*Steven Melendez*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TIME, AN HERMÈS OBJECT.
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Time beyond time.