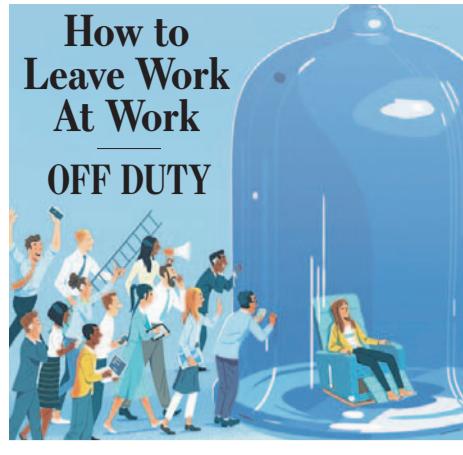


WSJ

THE WALL STREET JOURNAL WEEKEND



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Kavanaugh's confirmation to the Supreme Court was all but secured when Sen. Collins declared her support, capping a tumultuous battle that was stirred in recent weeks by allegations of sexual misconduct. A1, A4

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◆ **The Nobel Peace Prize** was awarded to a Congolese doctor and a former ISIS captive for their efforts to end the use of sexual violence in war. A10

◆ **New cybersecurity rules** will give Chinese authorities sweeping powers to inspect firms' information technology and access proprietary information. A9

◆ **Trump will hit the road** next week to sell his new North American trade deal in the U.S. heartland. A6

Business & Finance

◆ **Unemployment fell** in September to 3.7%, the lowest level since the Vietnam War, with little indication it is going to shoot back up in the near term. A1

◆ **The benefits** of a strong job market are spreading to many left behind in the economic expansion. A6

◆ **U.S. government bond** yields hit their highest level since 2011, as investors reconsidered the economy's strength while selling off stocks that could be hurt by higher borrowing costs. A1

◆ **Technology stocks** took another leg down, dragging the Nasdaq to its worst week since early spring. The Dow industrials fell 0.7%. B11

◆ **Ford informed** employees this week of a planned reorganization that will cut salaried jobs. B1

◆ **Foreign car makers** are considering moving more parts manufacturing to North America after the U.S. deal with Canada and Mexico. B3

◆ **Amazon notified** some customers that their email addresses were shared with a third-party seller in violation of company policy. B1

◆ **Mattress Firm**, the U.S.'s largest specialty mattress seller, filed for chapter 11. B3

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Kavanaugh Heads for Confirmation



Republican Sen. Susan Collins of Maine leaves after a floor speech announcing her support for the nomination of Judge Brett Kavanaugh to the U.S. Supreme Court, a key vote to secure a simple majority. The final vote in the Senate is expected Saturday.

Support from Senator Collins clears path for nominee ahead of Saturday floor vote

BY NATALIE ANDREWS
AND KRISTINA PETERSON

WASHINGTON—Judge Brett Kavanaugh's confirmation to the Supreme Court was all but secured on Friday when Sen. Susan Collins declared her support on the Senate floor, capping a tumultuous 13-week battle that was stirred in recent weeks by allegations of sexual misconduct and raw emotion in both parties.

The day unfolded with slow suspense, after Judge Kavanaugh cleared a key procedural hurdle in a 51-49 vote, but the handful of undecided senators announced their final stances one at a time over the course of the afternoon. By late afternoon, it was clear that Judge Kavanaugh would win the simple majority.

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Unemployment Hits Lowest Rate in 49 Years



Jobless levels not seen since Vietnam War, retiring baby boomers leave fewer people to work

BY ERIC MORATH
AND HARRIET TORY

WASHINGTON—Unemployment in September hit the lowest level since the Vietnam War, with little indication it is going to shoot back up in the near term.

The jobless rate fell to 3.7%, the lowest since December 1969, the Labor Department said Friday. Employers added 134,000 jobs to payrolls, a record 96th straight month of gains. Wages rose 2.8% from a year earlier, a solid if still unspectacular rise.

"This is the best job market in a generation or more," said Andrew Chamberlain, chief economist at recruiting site Glassdoor.

Unemployment rates below 4% are extremely rare in 70 years of modern record-keeping. The two longest sustained periods came during the Korean and Vietnam Wars, when the combination of strong growth and the enlistment of young men from the civilian labor force helped to largely wring unemployment out of the economy.

In 1953, the year the Korean War ended, the jobless rate got as low as 2.5%. In the 1960s, it stayed below 4% for nearly four years, until a bout of rising inflation and interest

rates led to recession and rising joblessness. Another run below 4% in 2000 lasted just a few months, burst by a bubble in technology stocks.

Federal Reserve officials believe the current period can be sustained. They project the jobless rate will sink to 3.5% next year and remain below 4% through 2021. Fed officials see the current economy playing out differently than the 1960s. They estimate inflation will remain subdued, allowing them to keep short-term interest rates relatively low.

The bond market is one signal of how much different the economy is today than it was the last time unemployment got this low. Back then, with inflation topping 6% and heading higher, yields on bonds neared 8% and spelled the undoing of a long expansion. Inflation now is right near the Fed's 2% target.

In a speech earlier this week, Fed Chairman Jerome Powell suggested he sees little urgency to accelerate the central bank's pace of interest-rate increases or to signal a more restrictive policy path.

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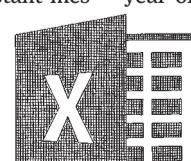
The First Rule of Microsoft Excel—Don't Let On You're Good at It

Spreadsheet experts face barrage of help requests in office; 'run the other way'

By IRA IOSEBASHVILI

When Anand Kalelkar started a new job at a large insurance company, colleagues flooded him with instant messages and emails and rushed to introduce themselves in the cafeteria.

He soon learned his newfound popularity came with strings attached. Strings of code. Many of Mr. Kalelkar's co-workers had heard he was a wizard at Microsoft Excel and were seeking his help in taming unruly



Is this macro OK?

spreadsheets and pivot tables gone wrong.

"People would come up to me and say, 'Hey, I hear you're the Excel guy,'" said the 37-year-old metrics consultant from Oak Brook, Ill. Mr. Kalelkar said he has become "a little more passive-aggressive," warning help-seekers, "Don't come to me, go to Google first."

Excel buffs are looking to lower their profiles. Since its introduction in 1985 by Microsoft Corp., the spreadsheet program

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Interpol Chief Goes Missing in China

The president of Interpol was reported missing after traveling home to China, according to French authorities investigating his disappearance.

By Nick Kostov in Paris
And Eva Dou in Beijing

French officials said the wife of Meng Hongwei, who heads the international police organization but doesn't oversee day-to-day operations, contacted French police Thursday night to say she hadn't heard from him since he left France for China in late September. His wife reported having received threats over social networks and by phone, France's Interior Ministry said, and police are now providing her with

security.

Scores of senior Chinese officials have disappeared temporarily in recent years as part of a high-priority anticorruption drive, with some being released later without explanation and others being sentenced to long prison terms.

Unlike those officials, whose portfolios largely center on domestic affairs, Mr. Meng presided over an international organization. His absence is raising questions not only about its circumstances but also about Beijing's concerted effort to place senior officials in leading positions at international bodies.

"There will be a public-relations job for China to explain

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CAN THIS MAN FIX GE?

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IN INDONESIA, WHERE SOIL TURNED LIQUID

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U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

Counting People on Nantucket Can Be Tricky



Now you see 'em, now you don't.

The population of Nantucket balloons to 46,000 or more each summer, but when part-time residents, seasonal workers and vacationers depart, the number drops to...what?

According to the U.S. Census Bureau, only 11,229 permanent residents live on the island—a crescent off Massachusetts that's home to some of the country's wealthiest people—but a group of entrepreneurs believes the true number is 50% larger.

"We're telling them they have 17,200 people living here," said Alan Worden, a resident who founded Nantucket Data Platform to count and categorize the island's people.

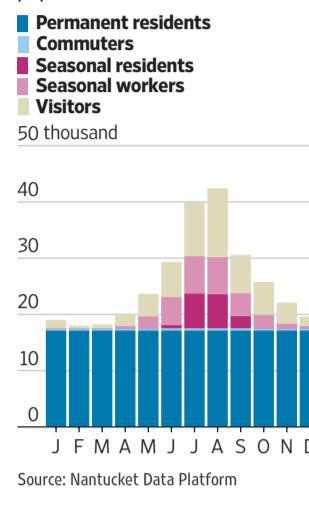
Like all areas of the country, Nantucket has a vested interest in a complete head count because \$675 billion in federal funds is allocated based on population, and at the local level, plans for services are predicated on the number of people who will use them.

Mr. Worden suspects other areas of the country could benefit from NDP's methodology, and in the coming months, he plans to promote it in Charleston, S.C., Jackson Hole, Wyo., and other places.

But state demographers

Ebb and Flow

Average daily weekday population on Nantucket in 2017



Source: Nantucket Data Platform

aren't convinced the Census Bureau's estimates for Nantucket are as far off as NDP believes.

"It's unlikely that there is a population undercount in technical census terms," said Susan Strate, a demographer at the University of Massachusetts Donahue Institute who is also the state's liaison to the Census Bureau. "I think it's more a question of definition than accuracy."

In its report, NDP defines permanent residents as people who regard Nantucket as their usual place of residence, where the adults pay taxes and register to vote.

The decennial census asks people to list their usual resi-



versial, according to Reynolds Farley, a research scientist at the University of Michigan Population Studies Center, it was never used to apportion seats for the U.S. House of Representatives, the Constitutional reason for conducting the decennial census.

Since then, the census has been taken on April 1.

In 2000, after the census caused Utah to lose a House seat, the state argued that Mormon missionaries traveling abroad should have been counted, and it disputed the legality of statistical imputations used to fill in missing data. The courts were not convinced.

NDP, which was hired to validate Nantucket's local address list in anticipation of the 2020 census, hopes its work will lead to a better reckoning for the island. It also hopes Nantucket's agencies, businesses and nonprofits will employ it to answer what it calls pressing questions.

It's already had some takers. Nantucket Memorial Airport, for one, engaged the company to identify under-served routes.

"The answer was Philadelphia," Mr. Worden said. "Nine thousand people from Philadelphia came in peak season, and there were zero direct flights. Now, the airport can take data and say, I actually know how many people you can serve."

At Least One Dead in Wyoming Freight Train Crash



SMASH UP: A Union Pacific freight train crashed into the back of another freight train Thursday night in southeastern Wyoming. At least one crew member was killed and another is missing. A company official said 56 cars derailed; no hazardous materials were released.

Stocks Fall As Bond Yields Rise

Continued from Page One
some to switch out of shares. The Dow Jones Industrial Average fell 180 points Friday deepening a slide that began Thursday, while the tech-heavy Nasdaq Composite Index dropped 1.2%.

The rapid rise in yields has confronted investors with a surprising possibility: economic growth could be both faster than expected and sustainable, allowing the Federal Reserve to maintain its gradual pace of interest-rate increases. The yield on the 10-year Treasury started the week at 3.06%, making the past week's gain the biggest since February.

Investors and analysts are now asking where the current jump in yields may end. It's possible that the 10-year Treasury yield could reach 3.5% this year, but a top in the area of 3.3% or 3.4% is "more probable," said Krishna Memani, chief investment officer at OppenheimerFunds Inc.

Although stocks were jarred by the bond-market moves, some investors took comfort in the fact that the rise in yields occurred without a significant increase in inflationary pressure throughout the economy. Inflation typically contributes to rising bond

yields because it undermines the value of a bond's fixed coupon and principal payments.

Market measures of inflation expectations show it holding steady near the Federal Reserve's 2% target, while this year's rise in average hourly earnings remains below levels at the end of the last recession in 2009. These developments are at odds with early-year analyst forecasts that called for rising wages that would boost consumer activity and lead to inflation.

"We're seeing yields rise because of growth rather than a fear of inflation," said Katie Nixon, chief investment officer for the wealth management di-

Investors are weighing whether bond yields will rise to 3.5% or higher.

vision at Northern Trust. Some investors had "legitimate fears that the economy was peaking" and were wondering, "Are we about to get the hangover after the sugar high? The data says no."

Evidence that the economy can maintain its pace without causing pressure for prices to rise has eased concerns among some investors that the strong second-quarter growth would represent a peak.

The Institute for Supply Management said Wednesday that its non-manufacturing in-

dex rose to the highest reading on record going back to 2008, while the Labor Department said Friday that the economy added 134,000 jobs in September, even amid the disruption of Hurricane Florence.

Although the rise in yields has been faster than many investors had expected, few foresee them climbing out of control.

Investor confidence in the durability of the expansion has been bolstered by comments from Federal Reserve Chairman Jerome Powell. The U.S. economy is experiencing "a remarkably positive set of economic circumstances," Mr. Powell said Wednesday in a moderated discussion, adding that "there's no reason to think this cycle can't continue for quite some time, effectively indefinitely."

Yields may jump higher still if inflation pressure becomes evident, said Matt Freund, co-chief investment officer for fixed income at Calamos Investments.

The current rise in yields comes in a period where credit availability is rising and financial stress is easing, even as the Fed is raising rates. "We know inflation pressures have built up, but we don't know what the impact will be," he said.

The recent rise in yields has occurred across all maturities, though it has been felt most in longer-term debt. That signals investors are becoming less concerned that Fed interest-rate increases pose an immediate threat to expansion.

Some investors are concerned that higher bond yields are weighing on interest-rate sensitive areas of the economy, such as housing and automobiles, which typically require consumer borrowing.

Others are worried that higher yields could make bonds appear more attractive relative to stocks.

A decline in stocks when bond yields rise "is becoming predictable," said Daniela Mardarovic, who helps manage the BMO TCH Core Plus Bond Fund. "It's perfectly plausible to see 3.5% [10-year yields] without a complete collapse in the market."

The 10-year yield could rise as high as 3.75% by year-end,

as investors bet both on rising stock prices and rising bond yields, said Andrew Brenner, head of global fixed income at NatAlliance Securities. Investors risk seeing both of these trades unwind, though, as "the dual punch" of the Fed's rate increases and its balance sheet reduction lead to a slowdown in growth, he said.

Amazon.com Inc.'s median employee compensation in 2017 was \$28,446. A Heard on the Street column Wednesday about the company misstated the amount as \$28,466.

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U.S. WATCH

TRADE

Deficit Expanded, As Spending Rose

The U.S. trade deficit widened in August, as a strong domestic economy boosted Americans' purchases of foreign automobiles, industrial supplies and petroleum.

The foreign-trade gap in goods and services expanded 6.4% from the prior month to a seasonally adjusted \$53.24 billion in August, the Commerce Department said Friday.

That was slightly narrower than the \$53.4 billion trade deficit economists surveyed by The Wall Street Journal had expected. A wider overall trade deficit in August was broadly expected, after data on goods released last week showed the deficit widened for the third straight month.

—Harriet Torry and Eric Morath

MASSACHUSETTS

Warren, Markey Say Firm Was Unprepared

The natural-gas company at the center of the explosions north of Boston last month was "woefully unprepared" to prevent or respond to the unfolding disaster, Sens. Elizabeth Warren and Ed Markey said Friday after a review of internal company documents.

The Massachusetts Democrats said Columbia Gas didn't have adequate safety and response measures in place before Sept. 13, when more than 80 explosions and gas fires struck Lawrence, North Andover and Andover.

The explosions, likely caused by overpressurized gas lines, killed one person, injured 25 others, damaged or destroyed dozens of homes, and left thousands of Merrimack Valley residents without natural gas to heat their homes.

A spokesman for NiSource, Columbia Gas parent company, said the utility can't comment on the cause of the incident or matters related to the continuing probe.

—Associated Press

BUDGET

Federal Revenues Remain Steady

Federal revenues essentially were flat in the budget year that just ended, despite stepped up economic growth, strong hiring and rising wages for workers, according to new estimates from the Congressional Budget Office that show the effects of last year's tax law.

Government spending rose 3% in fiscal year 2018, pushing the budget deficit to \$782 billion, up from \$666 billion the previous fiscal year, CBO estimated.

As a share of gross domestic product, the deficit totaled 3.9% in fiscal 2018, which ended Sept. 30, the third consecutive increase. The deficit would have been even higher if not for shifts in the timing of certain payments.

The CBO report is the first snapshot of the government deficit picture for the latest fiscal year. The Treasury Department will release the official budget figures next week.

—Kate Davidson

IMMIGRATION

Pizza Deliveryman Will Remain Free

Government lawyers notified the Second Circuit Court of Appeals on Friday that they won't challenge a decision freeing Ecuadorian pizza deliveryman Pablo Villavicencio.

New York Gov. Andrew Cuomo, a Democrat, said the decision proves there was no legitimate reason to lock up Mr. Villavicencio. A judge in July ordered the Long Island resident's release, saying the government acted in a "thoughtless and cruel" manner.

Mr. Villavicencio was locked up June 1 at a New Jersey detention center after delivering pizza to the Fort Hamilton Army base in Brooklyn. The 35-year-old Mr. Villavicencio is married to a U.S. citizen.

—Associated Press

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U.S. NEWS

Cop Found Guilty in Teen's Death

The 2014 shooting in Chicago led to police chief's firing and a federal investigation

By ERICA SNOW
AND DOUGLAS BELKIN

CHICAGO—A jury on Friday found police officer Jason Van Dyke guilty of second-degree murder for the 2014 death of 17-year-old Laquan McDonald, whom he shot 16 times. He is the first Chicago Police officer to be convicted of murder in an on-duty shooting in half a century.

ANTONIO PEREZ/CHICAGO TRIBUNE

Jason Van Dyke

Mr. Van Dyke sat stone-faced as the jury's foreman announced that it also had found him guilty of all 16 counts of aggravated battery—one count for each shot fired into Mr. McDonald. Mr. Van Dyke was found not guilty of official misconduct. His bail was revoked and sentencing will come later. His next court date is set for Oct. 31.

The death of Mr. McDonald—captured on video by a dashboard camera that was released by court order in 2015—incited protests, led to the firing of the city's police chief and sparked a Justice Department investigation of the force.

As protesters gathered in downtown Chicago on Friday carrying "Justice for Laquan" signs, Fraternal Order of Police President Kevin Graham promised an appeal, and defense attorney Daniel Herbert criticized the verdict as "inconsistent."

Mr. Herbert called Mr. Van Dyke a "sacrificial lamb," lamenting that there was no chance the jury would reach a not-guilty verdict in Cook County. "If police officers think that they can never fire against somebody that is acting the way Laquan McDonald was...police officers are going to become security guards," he said.

Prosecutor Joseph McManam, he said he hoped the verdict sends out a "ripple of hope."

"Laquan McDonald was not a throwaway young man," he said. "I hope that [the verdict] begins a new chapter in the relationship between law enforcement and the community."

Prosecutors had argued that Mr. Van Dyke, who is white, used excessive force when he fired 16 times at the African-American teenager. Mr. Van Dyke headed to the scene with his partner on Oct. 20, 2014, after hearing a report of someone with a knife stealing car radios and pop-

ping an officer's tire.

Mr. Van Dyke's lawyers maintained that he was doing his job and shot in fear for his life. Mr. Van Dyke testified in his own defense that Mr. McDonald advanced, pointed a 3-inch knife toward him and attempted to get up off the ground—none of which was shown in the dashboard footage.

After the verdict was announced, several hundred people marched through downtown Chicago. "I'm here to join forces with people who are looking for justice," said Willie Williamson, a retired elementary school teacher who lives on the city's south side.

Trade Dispute Means Bounty For Food Banks

BY SCOTT CALVERT

Food banks across the U.S. are preparing for an influx of pork, apples and cheese when trucks begin delivering \$1.2 billion of agricultural products the government agreed to buy from farmers to ease the pain of tariffs.

The government will buy the food over four quarters beginning this month, according to the Agriculture Department. Feeding America, a nationwide network of 200 food banks, said the food will be parceled out over 18 months and will add 950 million pounds to the roughly 700

The purchases are part of the Trump administration's efforts to assist farmers dealing with recent retaliatory tariffs levied by China and other countries.

Despite a strong national economy, food banks around the country say the increased food assistance is needed. Many recipients are employed but encumbered by high housing costs, according to executives from food banks in states such as California and Texas.

In Minnesota, where unemployment is 2.9%, the state last year had a record number of food pantry visits, said Marcus Schmit, advocacy director at Second Harvest Heartland, which covers Minnesota and western Wisconsin.

Feeding America is lobbying the Agriculture Department and Congress for an estimated \$200 million to \$300 million to distribute the extra food. "It's an inundation of a quantity that we're not used to," said Kate Leone, senior vice president of government relations at Feeding America.

A USDA representative declined to comment on the request.

Without government funding, food banks said they would rely on private donors. Ms. Leone said the U.S. government pays about 22% of distribution costs for its regular supply, though some food banks said it covers about half.

The Oregon Food Bank said it anticipates receiving 30 million pounds of food over 12 months, doubling its prior allotment and adding about \$500,000 in costs to its annual operating expenses of about \$67 million. "It's so much cheaper than buying the food, but it's still money that needs to be raised in order to handle this food," said Chief Executive Susannah Morgan.



Entities such as the Maryland Food Bank will get food the U.S. is buying from farmers hit by tariffs from China and other countries.

Food banks in several states said they would store the added food until it makes sense to deliver it, because the local food pantries that they distribute to have limited refrigeration and freezer space.

The Los Angeles Regional Food Bank plans more "just in time" deliveries to its partner charities, said Chief Executive Michael Flood. "A lot of these organizations are small."

One concern shared by food bank officials is that the infusion is temporary. Another worry is that farmers may suffer lasting damage from trade disputes, said Karen Siebert, advocacy and public policy adviser for Harvesters—The Community Food Network, which operates in Kansas and Missouri.

—Jesse Newman

contributed to this article.



Francine Housier volunteers at the Maryland Food Bank, in Baltimore, to sort donations of food.

MAURA FRIEDMAN FOR THE WALL STREET JOURNAL (2)

In Texas, O'Rourke Draws Crowds but Faces Turnout Challenge

BY REID J. EPSTEIN

AUSTIN, Texas—Rep. Beto O'Rourke's campaign against GOP Sen. Ted Cruz casts the three-term congressman as the Democratic Party's antidote to President Trump, while bearing a striking resemblance to the president's 2016 operation.

Like Mr. Trump during his romp through the Republican primaries two years ago—where his opponents included Mr. Cruz—Mr. O'Rourke is defined in Texas by an appeal to inspire more core supporters rather than persuade voters from across the political aisle, a powerful social-media presence and enormous crowds. More than 50,000 supporters gathered at an outdoor amphitheater here on Sept. 29 for a rally with Mr. O'Rourke and musician Willie Nelson.

And just as Mr. Trump's unorthodox campaign raised doubts about his ability to win until he defeated Hillary Clinton, Mr. O'Rourke remains dogged by questions about whether he can turn out the legions of young and Hispanic voters any Democrat would need to win an election in Texas. He has refused to employ a pollster or air negative TV ads.

The latest Wall Street Journal/NBC News poll rated

young people and Hispanics as the Democrats least interested in voting in the Nov. 6 midterm elections.

Of the 20 congressional districts with the lowest voter turnout in 2016, six are in Texas. Five of the six are at least 69% Hispanic, and the voters who did cast ballots in each of them overwhelmingly backed Mrs. Clinton over Mr. Trump.

In his stump speeches, Mr. O'Rourke labels Texas as "a

nonvoting state." His social-media feeds are stocked with images of Texans described as first-time voters.

"The whole premise of this campaign is if we show up everywhere, for everyone and don't allow our differences, including party or geography to define us, we're going to bring people who would otherwise sit out a midterm election year," Mr. O'Rourke said in an interview in Austin. "I don't have a pollster who can prove

it statistically, but I feel it, I see it, I hear it everywhere I go in Texas."

Mr. O'Rourke is Mr. Trump's opposite on policy and tone. The president launched his campaign by decrying Mexican immigrants as "rapists" and called for a wall on the U.S.-Mexican border. At his rally a week ago, Mr. O'Rourke said, "This is a campaign of people, all people. I don't care about the differences between us."

Mr. O'Rourke has adopted progressive policy positions. He is for undoing elements of the 2017 tax cut, banning assault weapons and legalizing marijuana.

Mr. Cruz, during a recent debate, said Mr. O'Rourke's positions are too liberal for Texas. "When you are leading the extreme left wing," Mr. Cruz said, "that does not set you up for policy wins for Texas."

No Democrat has won a statewide election here since

1994, and none have been competitive since 1998.

"You have a math problem," Texas Tribune CEO Evan Smith told Mr. O'Rourke during a discussion at the Texas Tribune Festival here.

Mr. O'Rourke, 46 years old, has made the race against Mr. Cruz, 47, competitive by building a fundraising colossus from small donors, collecting more money than any Democratic candidate in 2018.

Mr. O'Rourke raised \$10.4 million in the most recent publicly released reporting period, twice as much as Mr. Cruz collected in the period.

Mr. O'Rourke has made his refusal to accept political-action-committee contributions a cornerstone of his campaign.

The Cook Political Report rates the race a "tossup."

Republicans have become increasingly concerned about Mr. Cruz.

David McIntosh, president of the conservative group Club for Growth, said it "became clear to us that there was a problem" for Mr. Cruz given Mr. O'Rourke's growing popularity. The Club plans to spend more than \$1 million to back Mr. Cruz.

"Beto, he looks compelling and is good-looking and speaks well," Mr. McIntosh said. "Ted, he's smart and compelling but he isn't that likable."



In speeches, Beto O'Rourke labels Texas as 'a nonvoting state.'

Candidates Fight For Hispanic Voters

Sen. Ted Cruz's pollster, Chris Wilson, said even a surge in Hispanic turnout won't be enough to lift Rep. Beto O'Rourke to victory because Texas Hispanics are more likely to vote Republican than Hispanics elsewhere.

In 2016, according to exit polling, President Trump won 28% of the Hispanic vote nationwide and 34% of the Hispanic vote in Texas. Mr. Wilson's polling found Mr. Cruz, whose father was born in Cuba, took 40% of the Texas Hispanic vote when he won election in 2012.

"There's nothing at all that points to an analysis that a

large Hispanic turnout is going to help a Democrat in Texas," Mr. Wilson said.

Mr. O'Rourke's own congressional district in El Paso is 81% Hispanic and gave Hillary Clinton 68% of its vote. But just 175,000 voters cast ballots—less than half the turnout in some of the state's GOP-held districts. In 2014, just 73,000 people voted when Mr. O'Rourke won re-election.

"Texas is such a large state that over the years there really has not been an infrastructure developed to mobilize people because it costs so much," said Rep. Joaquin Castro of San Antonio, a Democrat who considered running against Mr. Cruz but passed after Mr. O'Rourke entered the race last year. "Turnout is a challenge, there's no question."

U.S. NEWS

Fight Over Court Binds Trump and His Party



CAPITAL JOURNAL

By Gerald F. Seib

The searing debate over the Supreme Court nomination of Brett Kavanaugh has torn the country, deepening partisan and cultural divides and ripping the cover off long-festering anger over gender relations and sexual

mores. None of that will go away quickly or easily.

Yet in one important respect the Kavanaugh fight had almost the opposite effect: It has bound together President Trump and the Republican Party as never before.

In the most contentious battle of his presidency, Mr. Trump and a party long uneasy with his leadership marched into the fray together. It is no coincidence that they did so in pursuit of the one goal on which they

have always been able to agree: putting more conservatives on the Supreme Court.

Now, they are about to prevail. That became clear on Friday when two of the GOP senators least comfortable with Mr. Trump's leadership—Jeff Flake and Susan Collins—both announced they will vote for Judge Kavanaugh's confirmation this weekend, thereby all but assuring his elevation.

Judge Kavanaugh, with his experience in the heart of the George W. Bush administration, is far more a Republican establishment figure than is the president who nominated him. Indeed, he was chosen by Mr. Trump at the urging of the party's conservative legal establishment, and fully embraced by the party's Senate caucus.

Then, when the nomination ran into serious peril, these two sometimes-divided forces—the Trump army on the one hand, and the mainstream Republican Party on the other—came together to save it.

Even more than the passage of a big tax cut last year, that experience has bonded the president and the party that once didn't want him.

And the effects of that experience could be far-reaching.

"The Kavanaugh nomination has brought together the Republican Party in a way that no other fight could," says Ron Bonjean, a longtime Republican strategist who helped guide the nomination of Mr. Trump's last choice, Neil Gorsuch. "The feeling within the newly bonded GOP is that Democrats unfairly pulled out all the stops and used every creative political tactic they could to try and topple our nominee. At the end of this process, Republicans know deep down that it is better to have our side in power with the ability to make judicial nominations than actually lose it and watch the process from the sidelines."

Of course, something of a similar effect has unfolded on the other side of the deep divide, where Democrats' anger over sexual-assault charges leveled at Judge Kavanaugh has similarly unified disparate constituencies and galvanized them in anger.

"I think that both sides end up more polarized and with more grievances against each other," says Anita Dunn, a longtime Democratic operative who was a top aide in President Obama's White



Judge Brett Kavanaugh was nominated at the urging of the GOP's conservative legal establishment.

House. She, like other Democrats, says the anger they feel began not with the controversy over Judge Kavanaugh but with the refusal of Senate Republicans to even consider Mr. Obama's 2016 Supreme Court nomination of Merrick Garland.

The Garland experience, she said, will leave Democrats feeling they are not bound by previous precedents of "comity" around such nominations. Meanwhile, she adds, Republicans have made "their final abdication to Trumpian politics" in the Kavanaugh nomination fight.

In many ways, that all adds up to an ugly picture, as Ms. Collins noted in the dramatic Senate floor speech announcing her position. There is little reason to think Supreme Court nomination debates will be-

come less partisan in the future, and every reason to think the image of the court itself as an institution above the political fray has been eroded.

At the same time, though, Republicans and their leader in the White House appear to have decided that, on key issues, they either hang together or hang separately.

The most high-profile and vociferous Senate defender of the president's Supreme Court pick may well have been Sen. Lindsey Graham, who, in running against Mr. Trump for the GOP nomination in 2016, called him "crazy" and "unfit for office."

In the short run, Republicans hope this binding together of the party and the president pays dividends in

November's midterm elections. Indeed, the Kavanaugh fight appears to have sent a new jolt of energy into the GOP base, which party leaders hope will help them win a series of close Senate races in November and thereby keep control of the chamber.

That remains to be seen; Democrats predict the opposite effect. Jennifer Palmieri, another Obama White House veteran, says she has heard from women not involved in politics who now are "incredulous" that Republicans have proceeded with the Kavanaugh nomination.

In either case, though, a president and his party have, in the Kavanaugh episode, gone into the trenches together, and, as a result, are more likely to stick together there.

Zuckerberg Vents On Aide in Hearing

By DEEPA SEETHARAMAN

Facebook Inc. Chief Executive Officer Mark Zuckerberg told a packed room of employees Friday the company should embrace diverse views, but he expressed frustration that a senior executive had attended Judge Brett Kavanaugh's highly politicized hearing last week, according to a person familiar with the remarks.

Mr. Zuckerberg spoke at a town hall called to address outrage among many employees that Facebook's public policy chief, Joel Kaplan, appeared at the hearing in support of his longtime friend, Judge Kavanaugh, who had been accused of sexual assault.

In the week since the hearing, hundreds of Facebook employees complained on internal message boards that Mr. Kaplan's appearance at the hearing came at a time when Facebook officials have been cautioning employees to avoid overt political commentary.

Friday's town hall was attended by more than 600 employees, with many more dialed in from offices around the world, the person said. Some Facebook employees shared their experiences as survivors of sexual assault, and the mood was often intense.

In their remarks, Mr. Zuckerberg and Chief Operating Officer Sheryl Sandberg said it was important that Facebook be a place where diverse political and social views aren't only tolerated but supported.

But the two executives also expressed frustration that Mr.

Kaplan had injected Facebook—which has been under intense scrutiny by regulators worldwide for its power to shape public discourse—into an unrelated political controversy, according to the person. Mr. Zuckerberg and Ms. Sandberg noted it was particularly problematic given his high profile within the company as its head of global policy.

Mr. Kaplan, who previously apologized to his colleagues for inadvertently causing an internal controversy, also spoke briefly on Friday via videoconference from Washington, D.C., and noted that loyalty to friends is one of his core values, the person said.

When asked if he regretted going, Mr. Kaplan said it was critical to stand by friends and couldn't say whether he would have done things differently. Instead, he said he regretted not informing Ms. Sandberg and other senior officials about his plans, said the person familiar with the meeting.

Mr. Kaplan's appearance last week sparked a roiling internal discussion within the company that has drawn hundreds of comments from employees and became a test for how company executives felt about the #MeToo movement, Trump-era politics and freedom of speech and expression, people familiar with the matter say. The controversy comes at a time of greater uncertainty within Facebook employees, where morale is shaky after two years of controversies, according to current and former employees.

Susan Collins Finds A Starring Role

Sen. Susan Collins, who has clashed with Republican leaders over taxes and health care, on Friday played the role they needed from her: a Republican woman pledging the decisive vote to elevate Judge Brett Kavanaugh to the Supreme Court.

"I will vote to confirm Judge Kavanaugh," she said at the end of a 45-minute speech laying out her rationale—starting with his judicial opinions, continuing through her thinking about his rights to a fair process, and weighed against accusations from California research psychologist Christine Blasey Ford that he had sexually assaulted her when they were both teenagers.

"Certain fundamental legal principles about due process, the presumption of innocence, and fairness do bear on my thinking, and I cannot abandon them," Ms. Collins said. "In evaluating any given claim of misconduct, we will be ill-served in

the long run if we abandon the presumption of innocence and fairness, tempting though it may be. We must always remember that it is when passions are most inflamed that fairness is most in jeopardy."

It was a decision reached after private consideration, public harassment so intense that she needed a security detail, and lobbying at the highest levels.

President George W. Bush, in whose administration Judge Kavanaugh had served as staff secretary, called Ms. Collins to persuade her of the judge's merits. Senate Majority Leader Mitch McConnell (R, Ky.) had lunch with her on Friday. She was accompanied to a secure facility to review a new Federal Bureau of Investigation background report by Sen. Rob Portman (R, Ohio), who had worked with the judge in the Bush administration.

The decision cut between her advocacy for women's issues and traditional Republican Party roots. "Believe me, I struggled with it for a long time," she told reporters on Friday.

—Siobhan Hughes

Continued from Page One

needed for confirmation. That sets up a final vote in the Senate on Saturday on a nomination that would cement a 5-4 conservative majority on the Supreme Court.

Judge Kavanaugh could join the court as early as Tuesday, when the high court is to hear two cases involving sentencing rules under the Armed Career Criminal Act.

Friday's vote marked the winding down of a brutally partisan fight in the Senate. Republicans appeared more confident of the nomination after reading the report, saying there was no corroboration of the allegations. Democrats argued the probe was too limited in scope. During the turbulent confirmation process, Democrats

ing, painful and compelling. But there was a lack of corroborating evidence no matter where you looked."

In the end, a single Republican—Sen. Lisa Murkowski of Alaska—announced her opposition to Judge Kavanaugh, though she said she would vote "present" on Saturday to account for an absent GOP senator. That highlighted the shift of the Supreme Court confirmation process from one that was relatively bipartisan a few decades ago to a sharply polarized undertaking today.

Friday's procedural vote came after the FBI probe into decades-old allegations of sexual misconduct by the future judge ended Thursday without new concerns being raised by the handful of undecided senators. The nominee has denied the allegations.

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cited Judge Kavanaugh's emails as a White House aide, past court decisions and actions from high school in declaring him unfit. Republicans asked if anyone would ever expose themselves to such withering—and, they said, deeply unfair—scrutiny again.

One year after the #MeToo movement began costing high-profile men in Congress, media and Wall Street their jobs, women dressed in black filled

the halls of Senate office buildings, angry that a man accused of sexual assault would be confirmed to the high court. But

Judge Kavanaugh's words resonated with many who feared that the nominee was being targeted by accusations for which there was too little corroboration.

"Every person—man or woman—who makes a charge of sexual assault deserves to be heard and treated with respect," Ms. Collins said on the Senate floor Friday as Judge Kavanaugh's confirmation crossed the 50-vote threshold. "The #MeToo movement is real. It matters. It is needed. And it is long overdue."

Mr. Manchin said he made the decision to support the nominee on Friday morning, after again reviewing the FBI report in a secured area.

"I believe Dr. Ford, something happened to Dr. Ford," Mr. Manchin said. "I don't believe the facts that show that it was Brett Kavanaugh."

The vote marked a victory for Mr. Trump—who cites his first Supreme Court pick, Neil Gorsuch, as an accomplishment—as well for Senate Major-

ity Leader Mitch McConnell (R, Ky.), who has made shaping the judiciary a central part of his agenda.

The FBI report into the sexual assault allegations moved several wavering Republicans to support Judge Kavanaugh. Sen. Jeff Flake of Arizona said Friday he would support the nominee, after having previously undecided.

Ms. Murkowski, however, told reporters that she didn't believe confirming Judge Kavanaugh would shore up public faith in the high court.

"This hasn't been fair to the judge, but I also recognize we need to have institutions that are viewed as fair," she said.

As the nomination entered its final stretch, Democrats said FBI agents had failed to conduct a legitimate investigation and hadn't interviewed all relevant witnesses. The bureau questioned nine witnesses and contacted a 10th to produce its 46-page report.

The FBI didn't interview Dr. Ford, who accused Judge Kavanaugh of having assaulted her at a party when they were teenagers, Democrats noted.

the long run if we abandon the presumption of innocence and fairness, tempting though it may be. We must always remember that it is when passions are most inflamed that fairness is most in jeopardy."

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—Siobhan Hughes



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U.S. NEWS

Trump to Push Trade Policies In the Heartland

BY VIVIAN SALAMA

WASHINGTON—With a month to go until the midterm elections, President Trump will hit the road next week to sell his new North American trade deal in the U.S. heartland, while trying to ease concerns over lingering trade disputes.

The president has rallies and fundraisers scheduled in Kansas, Iowa, Pennsylvania, Ohio and Kentucky, a White House official said. He will showcase his efforts to boost American jobs and businesses through his actions that he says counter unfair trading practices.

At a rally in Minnesota on Thursday night, Mr. Trump argued that his "America First" policies are paying off for

North American Free Trade Agreement if ratified by Congress and the governments of Canada and Mexico—has alleviated some of their concerns.

The new pact includes concessions for U.S. farmers and creates new rules for digital commerce across the continent. It also allows auto makers and other multinational companies to keep intact the complex supply chains built across the continent since Nafta took effect in 1994. Wheat growers and dairy farmers in these states also have celebrated the new deal, which will expand access to the Canadian market.

But Mr. Trump will also have to address the impact of retaliatory tariffs on billions of dollars worth of U.S. agricultural exports by China, the European Union, Canada and Mexico, which those trading partners levied in response to U.S. tariffs on metals and a range of Chinese imports. Iowa, Kansas and Ohio were hit hard by tariffs on pork and soybeans. Kentucky's whiskey producers are facing a 25% tariff in China.

Mr. Trump has accused China in particular of politically motivated trade attacks aimed at swaying critical midterm elections in November, tweeting last month that "they are actively trying to impact and change our election by attacking our farmers, ranchers and industrial workers because of their loyalty to me."

China has denied the president's claims, which were repeated by Vice President Mike Pence on Thursday.

The Trump administration has sought to ease the blow by compensating U.S. farmers for

farmers and workers.

"We have removed unfair trade barriers for our proud Minnesota farmers and our dairy producers like has never, ever been done before in our country," he said, arguing his policies are paying off.

His objective with these trips is to bolster Senate, House and gubernatorial candidates who could reinforce his legislative efforts and help his 2020 re-election bid.

Mr. Trump is likely to boast that the new North American trade deal announced this week—which will replace the



President Trump boarding Air Force One heading to Minnesota on Thursday to rally voters ahead of next month's midterm elections. LEAH MILLIS/REUTERS

The president will also have to address the impact of retaliatory tariffs.

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Europe Warns U.S.: It Won't Be Bullied

BRUSSELS—The pressure tactics used by President Trump to revamp the North American Free Trade Agreement won't work in trade talks with the European Union, European officials said Friday, warning that the EU's size and trading power puts it on more equal footing with the U.S.

The White House compelled Canada and Mexico, whose

economies are deeply integrated with the U.S., to revise Nafta under threat of being shut out of the American market. By imposing tariffs on European steel and aluminum and threatening levies on European cars, Washington has taken a similar strategy toward the European Union.

But the EU's economic heft allows it to go head-to-head with the U.S. The 28-member bloc, with its €15.4 trillion (\$17.7 trillion) gross domestic product second only to America's \$19.4 trillion economy, has largely withstood pressure from

Mr. Trump to reverse the U.S. trade deficit with Europe.

"We Europeans are the largest trade power in the world," French State Secretary for Europe and Foreign Affairs Jean-Baptiste Lemoyne said Friday at a gathering in Innsbruck, Austria. "So, we don't have to be worried. We don't have to negotiate under threat."

European officials said the proposed U.S.-Mexico-Canada Agreement would hit exporters in Europe—some of which also manufacture across North America—and could provide

hints into Mr. Trump's approach to Europe. U.S. Trade Representative Robert Lighthizer touted Nafta's revision as a "paradigm-shifting model" for Washington's trade policies.

At stake is the future of an economic partnership that accounts for \$1 trillion in annual goods-and-services trade and \$6 trillion in total foreign-direct investment.

The EU and U.S. have sought to defuse a spat triggered by Mr. Trump's tariffs on steel and aluminum from the bloc.

—Emre Peker

Rust Belt states are home also to steel and aluminum producers, and Mr. Trump will be looking for a welcome reception from them.

◆ Foreign auto makers look at more U.S. content..... B3

the hit from the retaliatory tariffs, including by extending \$3.2 billion in compensatory cash payments to soy producers. Many farmers say the payments won't make up for lost sales to China and other foreign markets they were count-

ing on to buy crops and meat being produced across the Farm Belt.

Rust Belt swing states like Ohio and Pennsylvania are home to agriculture and industrial interests that view Mr. Trump's policies quite differently.

Local steel and aluminum-based manufacturers have voiced concern that the Trump administration's steel and aluminum tariffs make them less competitive due to higher input costs. But these

Rust Belt states are home also to steel and aluminum producers, and Mr. Trump will be looking for a welcome reception from them.

◆ Foreign auto makers look at more U.S. content..... B3

Low-Income Workers See Long-Awaited Gains in Wages

BY SHARON NUNN

The benefits of a strong job market are spreading in the form of higher wages for many of those left behind for much of the past decade's economic expansion, including young Americans, low-income households and people with the least education.

The unemployment rate in September fell to 3.7%, its lowest level since 1969. That is creating worker shortages and wage gains, not just for high-skilled workers who tend to command the best pay but also for low-skilled and blue-collar workers whose wages lag behind.

A study by the Conference Board this week showed shortages are now most acute in blue-collar and low-pay service occupations, in part because of slow labor-force growth among those without college degrees. It found wages in blue-collar indus-

tries, such as construction and maintenance, have risen more in recent quarters than wages in white-collar management jobs.

Pay in the retail sector, for example, rose 3.8% in the second quarter, more than the 3% increase for professional-services workers, according to the Labor Department.

"You have more and more demand for blue-collar service workers, but the number of people interested in those jobs are shrinking," said Gad Levanon, one of the authors of the report.

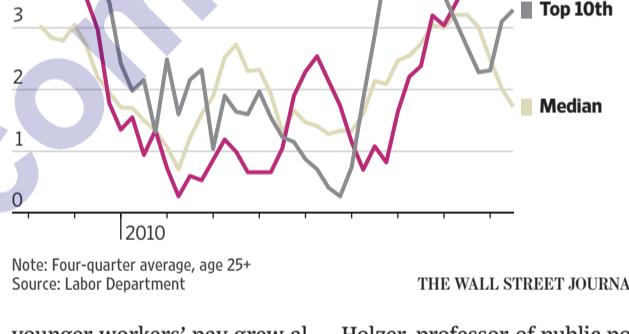
The lowest-paid Americans saw weekly earnings grow more than 5% in the second quarter from a year earlier, more than the national median gain of 1.7% for all workers, according to a quarterly survey of households produced by the Labor Department.

Workers with less than a high-school diploma saw their wages grow almost 6%, and

Grassroots Growth

Wage growth for the highest earners has slowed, but overall compensation continues to grow, driven by increases for lower earners.

Change in usual weekly earnings from a year earlier, by percentile



younger workers' pay grew almost 3%.

"In a recession they are often the first to be laid off, and in the recovery they can be the last to be rehired," said Harry

Holzer, professor of public policy at Georgetown University. "It means they are the ones who benefit particularly in the current labor market."

Overall, hourly wages were

up 2.8% in September from a year earlier, according to the latest Labor Department survey of businesses.

Patrick Jones dropped out of high school in 2013, then worked in package handling for FedEx and as extra help at a sawmill. He was later drawn to a job-training program and subsequently landed work removing invasive species and restoring native plants for the Sonoma County water authority in California this year. He makes more than \$19 an hour.

"I was living check to check. I wasn't able to provide for me and my girlfriend. I couldn't pay rent at all anywhere," Mr. Jones said. Now, his new job is helping him put money into a 401(k) and buy a new car.

Underscoring the trend, Amazon.com Inc. said this week it would set a \$15 an hour base pay for all of its workers.

Other factors than the labor

market are also at play. Minimum-wage raises across the U.S. have boosted pay for the lowest-paid and lowest-educated employees, who tend to work in service and retail jobs.

In the past four years, 21 states and Washington, D.C., have upped their minimum wage, as have major metropolitan areas such as Seattle.

Achon Hightower, a 36-year-old manager at Burger King, began reaping the benefits of rising wages in Sacramento after California began gradually pushing up its minimum wage. She earns \$11.50 an hour and is anticipating the final \$15 rate employers will have to pay by 2020. The extra money will help her save up to buy a mattress she needs.

"Every little bit helps, she says, adding that she still sleeps on an air mattress. "I can't wait until we get to \$15 an hour," she said. "But with the cost of living going up...it's still not enough."

Jobless Rate at Low Point

Continued from Page One ahead, in part because inflation is so low and stable.

"Removing accommodation too quickly could needlessly foreshorten the expansion," Mr. Powell said.

The Vietnam War drafted thousands of young men out of the civilian labor force, many with lower levels of education, who might otherwise have been counted as unemployed. At the same time, while the share of women working was growing, less than half had jobs or sought employment.

Today, a different factor is at play: retiring baby boomers leave fewer people to work. Both demographic factors mean a smaller share of the population is available to work in comparison to other boom times, such as the 1990s.

A return to 3.7% unemployment "shows how resilient and adaptable the American economy is," said Carl Tannenbaum, chief economist at Northern Trust. "To think

Then and Now

How key economic metrics from December 1969 compare with September 2018



about the multitude of global and technological changes that occurred since 1969, reorienting the labor force to keep such a large fraction of the population at work is quite an achievement."

Low unemployment is a talking point for Republicans a month away from the midterm election. They describe low unemployment as proof President Trump is delivering on his economic promises. Democrats paint the election as a referendum on his personality and character, not the economy.

The unemployment rate also was 3.7% just before the 1966 midterm elections. Lyndon Johnson, a Democrat, was president and his party lost seats in both the House and Senate, but maintained the majority.

Whether the low rate of unemployment can be sustained is another question. Mr. Chamberlain described the current environment as a "sugar high," spurred on by tax cuts and defense spending, that will likely fade and cause unemployment to drift back up.

Fed officials don't believe the economy's growth rate,

now near 3%, will stay at that level. They see it sinking back toward the 2% rate that prevailed for much of the expansion. Other economists say changes to the corporate-tax code can stoke better investment and productivity needed to sustain fast growth.

In the near term, many businesses are struggling to find workers. Peerfit Inc., a national fitness-benefits manager, has built its staff to nearly 100 this year from fewer than 20 at the start of last year. In the hunt for workers, it increased wages 5% to 10% on average over the

last year, said Chief Executive Ed Buckley, of Tampa, Fla. Still, the company has had to turn down three major projects because teams didn't have the bandwidth to quickly hire and train new staff.

In response, it widened the pool of workers it considered for jobs, from those with four-year college degrees to those with vocational backgrounds. "It's tough finding good people," he said.

Those who lose jobs are getting scooped up quickly. One example: Last week, a chain of sandwich shops called Taylor Gourmet closed in the Washington, D.C., area. Two days later, a competitor, Cava Group Inc., held job fairs nearby for Taylor's displaced workers. In the first week, it hired five of them and called back half of the 50 workers who showed up.

"We knew a group of workers would be immediately seeking an opportunity," said Cava Chief Executive Brett Schulman. "We wanted to mitigate that situation, help them get on pathway to a great career, and tell them 'We need you.'

Cava has raised its wages to \$13.50 an hour and offers benefits including health insurance and a free meal with every shift to help attract and retain workers.

Hurricane Florence, which struck the Carolinas last month, may have curtailed overall employment growth in some sectors, the Labor Department said, but it couldn't quantify the impact. Jobs lost in retail and leisure and hospitality, two sectors that can be susceptible to bad weather, at least in part explain why September produced the worst job growth in a year.

Last month, 1.49 million Americans worked fewer hours due to bad weather and nearly 300,000 didn't work at all during the Labor Department's survey period, though they are not counted as unemployed. Those figures are elevated compared with a typical September—more in line with winter months—but are well below a year earlier. Hurricanes Harvey and Irma caused nearly three million people to work fewer hours and 1.47 million to miss work entirely in September 2017.

More broadly, job gains were revised up for July and August, pushing the average number of workers added to payrolls each month this year to 211,000, well outpacing average monthly growth of 182,000 in 2017. That runs counter to economists' expectation for hiring to broadly ease as the labor market tightens.



Jim Allison, Ph.D., Chair, Immunology
2018 Nobel Prize Winner

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For his unrelenting passion and courage to revolutionize cancer research and care, Dr. Jim Allison has been awarded the 2018 Nobel Prize in Physiology or Medicine.

Dr. Allison's insatiable curiosity about how the immune system works led to breakthrough discoveries that unleash the human body's ability to fight cancer.

On behalf of the countless patients who have benefited from his work, we extend our deepest gratitude. And from all of us at MD Anderson Cancer Center, we offer our heartfelt congratulations.

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WORLD NEWS

Dilemma of Italy's Populists: Weak Banks

Larger deficits planned by Rome's EU-skeptical government are adding pressure on lenders

ROME—As Italy's populist government approaches a showdown with the European Union over its budget, financial-market tremors are hurting the country's banking system and threatening the economic growth Rome wants to stimulate.

By Giovanni Legorano, Avantika Chilkoti and Marcus Walker

Italian bank shares and bonds have suffered sharp sell-offs in the past week as Italy's government stumbled toward a budget that looks set to break EU rules on fiscal discipline.

Rome's new, EU-skeptical governing coalition between the antiestablishment 5 Star Movement and the nationalist League has said it aims for a budget deficit of 2.4% of gross domestic product next year, three times what the previous, pro-EU government planned.

Italy's budget plans are a "significant deviation" from the recommended fiscal policies and a "source of serious concern," the European Commission, the EU's executive, said on Friday. That raised the prospect of a clash between Rome and Brussels.

Rome's optimistic forecasts for growth and tax revenue are expected to draw tough scrutiny from EU authorities, who fear the true deficit could end up dangerously large for a country with an already worrisome national debt.

The 5 Star and League's fiery rhetoric against EU officials has further spooked foreign investors, who fear the European Central Bank—the ultimate guarantor of bond-market stability in the eurozone—is unlikely to support a government that defies the bloc's economic orthodoxy.

Despite some stabilization



League leader Matteo Salvini, speaking to reporters in Rome on Friday, has dismissed 'threats from Europe'—a reference to EU efforts to enforce the bloc's fiscal rules.

ETTORE FERRARI/EPA/REUTERSTOCK

in markets since Wednesday, after Rome promised slightly smaller deficits in the medium term, Italian bonds and banks remain under heavy pressure.

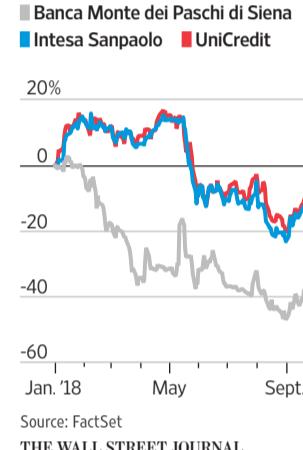
"It is almost killing the recovery of the banking sector. And this will be a shock for the economy," said Nicola Nobile, a Milan-based economist for forecasting company Oxford Economics. The danger, he said, is a return of the credit crunch that choked off Italy's recovery after the eurozone crisis earlier this decade.

ECB President Mario Draghi warned last month that credit has become costlier in Italy's economy as a result of market tensions fueled by anti-EU rhetoric emanating from Rome. "Words have created some damage," Mr. Draghi said.

Italy's political leaders continue to lambaste EU officials tasked with enforcing the bloc's fiscal rulebook. Dismissing "threats from Europe," League leader Matteo Salvini on

Bad Year for Banks

Year-to-date performance of Italian bank stocks



Source: FactSet

THE WALL STREET JOURNAL.

Wednesday quoted an expression from an early 20th-century militant nationalist poet meaning "I don't give a damn."

Higher borrowing costs for Italian businesses and house-

holds could counteract the economic boost the government is hoping to achieve via fiscal stimulus. The 5 Star wants to raise welfare spending by introducing a universal basic income for the poor and unemployed, while the League wants to cut taxes and lower the pension age.

As the coalition's more radical members from both parties wrestle with cautious officials such as Finance Minister Giovanni Tria, the government has missed its deadline under Italian law for publishing fiscal and economic projections. The country is supposed to submit a detailed budget plan to the EU by Oct. 15.

The eurozone is far more stable now than during its existential crisis of 2010-12, when capital flight nearly destroyed the common currency. Most of the bloc's economies are growing, including Italy's, though with less momentum than a year ago.

The region's political strains

continue to worsen, however, as voters turn against the old center-right and center-left parties that built today's Europe. Those legacy parties are widely blamed for problems including the economic scars of the crisis years, immigration and security.

Italy's League and 5 Star are two of the many political movements around Europe riding the antiestablishment wave. Their radical spending and tax-cutting ideas and their demands for greater national sovereignty within the EU are testing Europe's existing order—including its process of financial healing from the crisis era.

Having spent recent years trying to write down their mountain of bad loans, Italian banks this year had started to embark on new lending. But that effort has been hampered by repeated financial turbulence of which last week's was only the most recent.

In August total loans to companies and consumers fell

to the lowest level for two years, according to data from the Italian Banking Association.

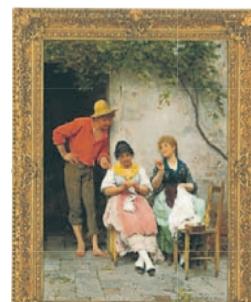
"Banks are restricting credit. They are struggling to deploy their liquidity," said Mario Ravagnan, chief executive of Ravagnan SpA, an engineering company near Venice.

The market turmoil is hitting banks' funding costs and their capital cushions. Yields on Italian bank bonds have shot up this week. On Thursday, a bond maturing in January 2023 from UniCredit SpA, Italy's biggest bank by assets, yielded 2.67%, compared with just over 1% when first issued early this year.

The cost of insuring against default on \$10 million of UniCredit's debt—like that of Italy's second-biggest lender, Intesa Sanpaolo SpA—has nearly tripled since January, in another sign investors are treating the banks as risky and likely to demand higher interest for future funding. UniCredit and Intesa declined to comment.



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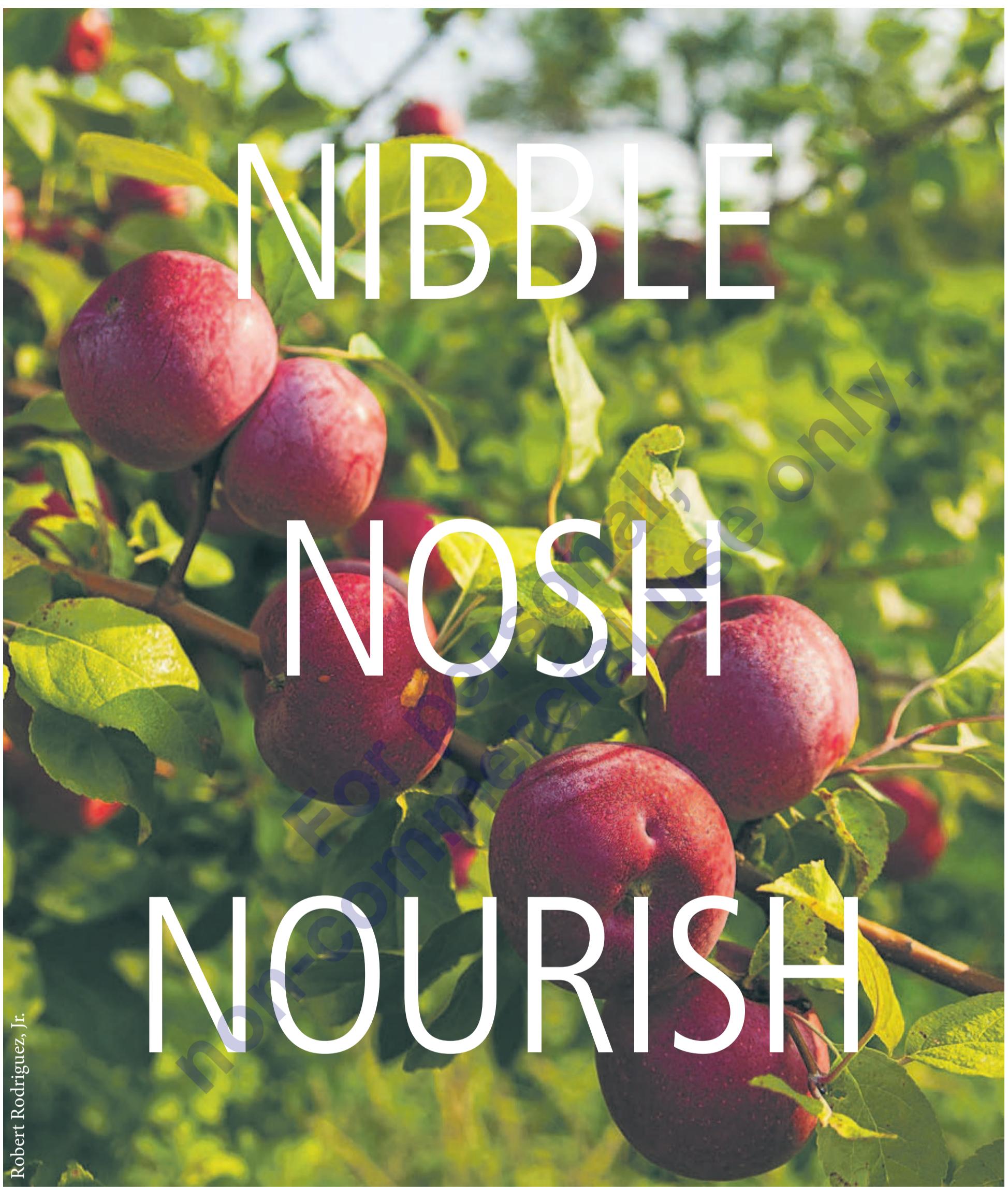
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WORLD NEWS

Beijing Expands Its Cybersecurity Regulations

BY SHAN LI

BELJING—New cybersecurity rules will give Chinese authorities sweeping powers to inspect companies' information technology and access proprietary information—steps that are likely to deepen concerns among foreign businesses about their China operations.

The new regulations also reinforce requirements on censorship and surveillance laid out in the cybersecurity law. Companies will be held responsible for allowing prohibited information to circulate online, and internet operators must provide "technical support" to authorities during national-security or criminal investigations.

These new rules will do nothing to assuage the foreign companies' worries about the security of their proprietary information, said William Zarit, chairman of the American Chamber of Commerce in China, a trade group.

The regulations grant authorities access to any information related to cybersecurity—a category so broadly defined as to include just about everything, he said. "It justifies for the authorities the right to basically copy or access anything," he said. "It doesn't seem like companies have a choice."

The rules flesh out some of the broad powers that regulators were granted last year in an expansive cybersecurity law, according to William Nee, an analyst at Amnesty International: "It strengthens the state's authority to inspect and requires that internet-service providers and companies using the internet are fully complying with the government's cybersecurity prerogatives."

The cybersecurity law mandates security checks of technology products supplied to the Chinese government and to critical industries such as banking and telecommunications. It also requires companies to store data in China.

Foreign businesses have criticized the law, saying Beijing could use it to force the disclosure of source codes and other corporate secrets to prove their equipment was secure, and then potentially leak the information to domestic competitors.

Many businesses have sought to comply with Beijing's tightening cybersecurity requirements to maintain access to the Chinese market. Micro-

soft Corp. has opened what it calls a "transparency center" in Beijing where officials can test its products for security. Apple Inc. has started building a data center in the province of Guizhou to comply with rules requiring cloud data from Chinese customers be stored in China.

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American Chamber of Commerce in China chairman William Zarit



Financial Times journalist Victor Mallet, right, was denied a visa renewal after hosting a talk by pro-independence speaker Andy Chan, left.

PAUL YEUNG/PRESS POOL

Hong Kong Expels Journalist

BY NATASHA KHAN

HONG KONG—Authorities effectively expelled a British journalist from this Chinese territory weeks after he hosted a press-club talk by an activist who had called for Hong Kong's independence from China, a speech that angered Beijing.

Victor Mallet, Asia news editor for the Financial Times, didn't have his visa renewed by the city's immigration authorities, according to a representative of the British newspaper who said that no reason was given and that it was the first time the organization had encountered the situation.

The move appeared to mark a watershed for the semiautonomous territory and stoked fears that entrenched liberties are being eroded in the international finance hub. Beijing has pushed city authorities to clamp down on dissent, jailing activists and disqualifying political candidates from running for election.

While Beijing sometimes denies visas to foreign journalists, Hong Kong's govern-

ment, which has a separate immigration department, has long touted its tolerance for free speech.

Media freedoms have been a cherished pillar of the former British colony, with several of the world's biggest newspapers and media organizations using the city as their regional headquarters.

Mr. Mallet became the face of a media storm in August as acting president of the city's foreign correspondents' press club, defending its decision to host a talk by pro-independence speaker Andy Chan, of the fringe Hong Kong National Party. Many pro-Beijing voices—including the city's former leader Leung Chun-ying—criticized Mr. Mallet and the club, which counts among its ranks reporters and editors from leading publications.

The city has since banned the National Party, branding it a criminal organization.

The city's immigration department said it wouldn't comment on individual cases and that it acts in accordance with the laws when handling applications. Mr. Mallet referred

queries to the Financial Times.

The Foreign Correspondents' Club of Hong Kong said the visa denial was an "extraordinary move," and called on authorities to give a reason for the refusal and rescind their decision.

The decision to deny Mr. Mallet's visa is raising concerns about the autonomy of

their employees' activities? Rulings like this undermine Hong Kong's claim to be a safe place to do business under the rule of law."

The ban on the National Party has prompted some pro-Beijing voices to call for more moderate pro-democracy parties, such as one founded by Joshua Wong, a student leader of mass pro-democracy protests in 2014, to be banned next.

Hong Kong residents have the right to freedom of speech enshrined in the city's mini-constitution, which guarantees certain liberties not afforded Chinese people on the mainland as part of a 50-year agreement between London and Beijing when the former British colony was ceded back to China in 1997.

Officials in the city and Beijing have said that advocating for independence is a "red line" and goes beyond the issue of free speech. At the time of Mr. Chan's talk, China's Foreign Ministry said it was "firmly against" the attempt of any external forces to provide venue to the advocates for Hong Kong independence.

The move stoked fears that the territory's liberties are being eroded.

Hong Kong's legal systems. Mr. Mallet had hosted the talk in the personal capacity of a press-club representative, rather than for his employer, the Financial Times.

"It's a very chilling message," said Fraser Howie, co-author of the book "Red Capitalism" about China's financial system. Describing the decision as arbitrary, Mr. Howie said, "Will companies in Hong Kong now need to restrict



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WORLD NEWS



Yazidi abuse survivor Nadia Murad and Congolese gynecologist Denis Mukwege won the Nobel Peace Prize for their efforts to end the use of sexual violence in war.

EU Mulls Penalizing Myanmar, Cambodia

The European Union is considering re-imposing tariffs on imports from Myanmar and Cambodia, a top official said Friday, a step that would hit both economies hard as the bloc intensifies pressure over human-rights violations and democratic backsliding.

*By Laurence Norman
in Brussels
and Jonathan Eomont
in Hong Kong*

The EU has been weighing for months how far to go in cutting economic and political ties with Myanmar following the military's reported expulsion of 700,000 ethnic minority Rohingya over the last year. Before that, relations had blossomed as the country edged toward democracy and the EU's zero-tariff import regime encouraged a flood of investment in the developing country and helped build a manufacturing hub for the EU.

A final decision on suspending the zero-tariff regime is likely to be months away.

The EU has imposed sanctions on seven military and police officials it says were involved in the expulsions and banned the sale of some equipment to Myanmar's armed forces. An arms embargo remains in place.

Brussels has been wary about taking steps that could hurt economic conditions for citizens in Myanmar.

Speaking in Austria on Friday, EU Trade Commissioner Cecilia Malmström said the bloc also was launching a procedure to eventually suspend trade benefits for Cambodia over Prime Minister Hun Sen's moves against the opposition. A final decision on whether to end the zero-duties trade regime would come only after consultations with Cambodia and within the EU.

Nobel Goes to Anti-Rape Activists

BY ISABEL COLES
AND GABRIELE STEINHAUSER

The Nobel Peace Prize was awarded to Congolese doctor Denis Mukwege and Nadia Murad, a former captive of Islamic State, for their years-long efforts to end the use of sexual violence in war.

Dr. Mukwege, a gynecologist, has spent large parts of his adult life treating victims of sexual violence in Congo and has repeatedly condemned the Congolese government and other countries for allowing mass rape to go unpunished. The 63-year-old is known as Dr. Miracle for his ability to repair through reconstructive surgery physical damage to women and girls who have been raped.

Ms. Murad, 25 years old, has campaigned for justice for Iraq's Yazidi minority, which was subjected to a genocidal campaign, including the use of rape as a military strategy by

Islamic State. She has lobbied for Islamic State militants to be put on trial for their crimes against the Yazidis and for action to find more than 3,000 members of the community who remain unaccounted for.

The Norway-based committee on Friday said the campaigners were given the award "for their efforts to end the use of sexual violence as a weapon of war and armed conflict."

The announcement comes amid a global campaign to end the use of mass rape as a weapon of war in conflicts raging across the Middle East, Africa and South Asia. It follows a year when the #MeToo movement has cast the world's attention on the survivors of sexual abuse and assault.

Sexual violence has been deployed as a key battlefield weapon in Congo and Iraq, where Dr. Mukwege and Ms. Murad live and work.

United Nations agencies estimate that more than 200,000

women have been raped during the civil war in Congo, which one U.N. official has called "the rape capital of the world."

A separate U.N. report in March said Islamic State and other armed extremist groups have executed Iraqi and Syrian women, men and children on

Sexual violence has been used as a key battlefield weapon in Congo and Iraq.

charges of adultery, forced girls into marriage and persecuted gay people.

"Sexual violence as a weapon of armed conflict is systemic," said the Stockholm International Peace Research Institute. "This award shines light on an issue that has, for a long time, been in the shadows."

Dr. Mukwege has spent decades on the front line of Congo's war, treating more than 40,000 survivors of sexual violence and becoming a world-renowned expert in repairing fistulas and other injuries sustained during rape.

Trained in Belgium and France, he returned home to see his local hospital destroyed and several of his patients and nurses murdered during the first Congo war in 1996, which led to the ouster of longtime strongman Mobutu Sese Seko.

The war was the start of a series of conflicts that swept the verdant hills of eastern Congo, a region rich with minerals such as gold, tin and coltan. In interviews, Dr. Mukwege recounted the horrific injuries he treated, including women who had guns inserted into their genitals and then fired. Others were gang raped by rebels and government soldiers.

Ms. Murad said she was "incredibly honored and humbled" to receive the award and shared it with fellow Yazidis, other minorities and survivors of sexual violence.

She was among some 6,000

Yazidis who were rounded up by Islamic State militants when they overran northern Iraq in the summer of 2014.

Hundreds of adult men, including six of Ms. Murad's brothers and stepbrothers, were murdered, while women and girls—as young as 9, the U.N. reported—were awarded to fighters who raped and sold them in slave markets. Ms. Murad escaped after three months and became one of the first Yazidi women to speak out about the horrors, helping to break a taboo within the conservative community.

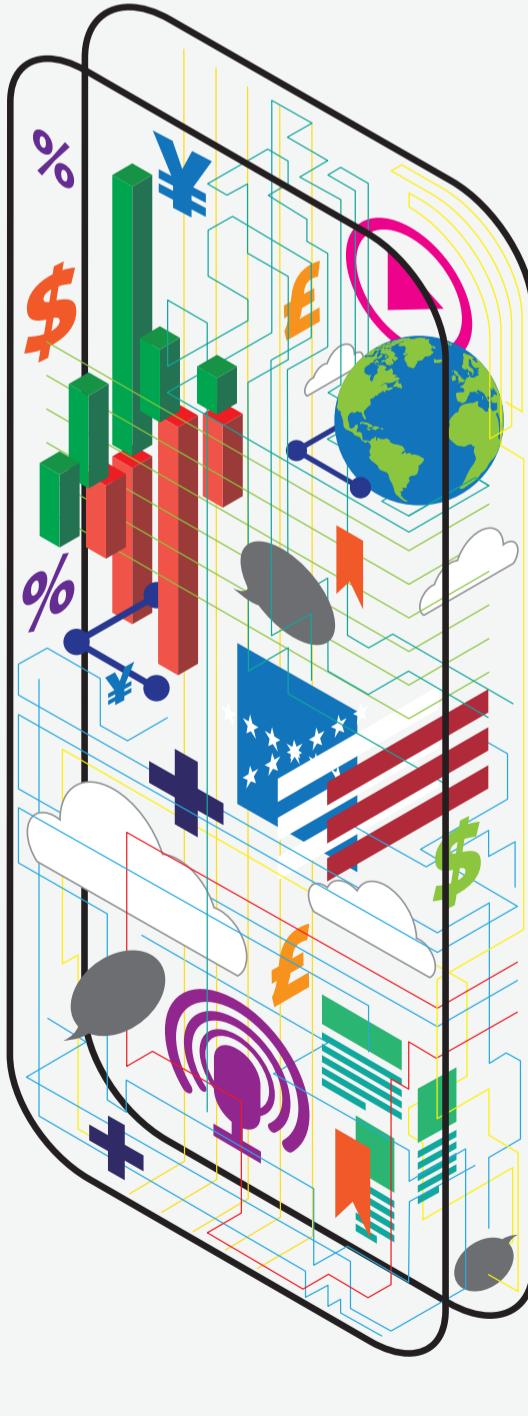
"She empowered the rest of the Yazidi women to speak," said Murad Ismael, director of Yazda, a charity focused on the Yazidi community.

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WORLD NEWS

Where the Solid Earth Became a River

Indonesia earthquake survivors describe riding plots of land as soil below turned liquid

By JOHN LYONS
AND BEN OTTO

PALU, Indonesia—On a break from Bible study at a church compound outside this city last week, Douglas Simamora was playing soccer with fellow students when the solid ground beneath his feet turned to liquid.

Mr. Simamora and his friends, attending a retreat



Douglas Simamora survived by riding a moving patch of land.

with dozens of students and teachers, watched as the narrow A-frame Protestant church, with its steeple and image of Christ with hands outstretched over the doors, was swept away.

A 7.5-magnitude earthquake had set off a rare seismic process called liquefaction.

"The land began moving, and it was like the church was swallowed up," said Mr. Simamora, who is 16 years old.

He ran to a stand of trees where the ground appeared firm, while buildings and homes slipped past and disappeared. Then his patch of land dislodged and began floating away.

"I told God, if this is the end, I am ready to die," he said.

But his patch stayed afloat like an earthen raft. After what felt like an hour, the river of mud ceased, a mile from where the church once stood.

The remains of the church came to rest around a mile away as well, encrusted face up in the earth; more than 30 bodies have been found around the remains.

The quake and the devastating tsunami it produced killed at least 1,500 people when it struck the Indonesian island of Sulawesi on Sept. 28. But the wave didn't reach the church; instead, the destruction in this village and others was caused when the violent shaking gave seemingly solid layers of sediment the properties of fluids.

The area around Palu is particularly vulnerable to liquefaction because it is built on sediment carried down the Palu River from nearby mountains, said Hamzah Latief, a seismologist at Indonesia's Bandung Institute of Technology.

For the people of Palu, the scientific phenomenon had violently entered the realm of personal experience.

"It was a loud rumbling sound. The mud was very black, smelled terrible," said Simon Sattu, a 53-year-old farmer who said he hung on to a fallen tree to survive. The sound was so loud that some survivors now tremble when

they hear jet planes flying overhead.

But the real horror lies in what is no longer there, and what has taken its place.

The church is gone, along with an asphalt road and houses that once stood in the farming village, called Jono Oge. In their place is a cornfield that was carried a mile on liquefied layers of sediment and now looks like it has stood in place for generations.

Transfixed by the image of a cornfield sitting where there had been none, a group of onlookers gathered where the old country road had been sheared off in the mud flows. In the distance, rescuers in orange suits searched the field for bodies. A villager in high rubber boots strode out into the field and harvested a batch of corn.

Zainal Arifin, a 35-year-old farmer, said his home was in the middle of where the cornfield now sits. It was dusk when the quake struck and he was relaxing with his wife and young son. A 6-year-old daughter was at a neighbor's house studying the Quran.

When the shaking started, Mr. Arifin ran out and grabbed his motorcycle, hoping to reach his daughter. But the ground seemed to swirl, rising in some places falling in others. His son was outside, too, but he lost sight of him behind rising patches of undulating earth.

Somehow he and his wife and son gathered together on a solid patch of earth. The 500-yard long patch dislodged and began floating away. Mud and water seemed to surge from cracks opening in the ground. His family sat and held on, moving when new cracks opened up. A river of mud carrying buildings and trees flowed around them. He saw people fall in and disappear.

"The only way I can describe it is like being in a landslide, except the landslide is going sideways," said Mr. Arifin.

The process lasted about a half an hour, he thinks. They came to a rest about a mile away, he said, and ran to safety.

Mr. Arifin's daughter, Zahara, also made a miraculous escape, and was sitting on his lap in a makeshift camp as he spoke. When the quake hit, the Quran study group ran for the door. A 12-year-old girl was swallowed in a surge of mud, said a police officer whose wife was teaching the group.

Zahara and the rest of the group ran to a cluster of thick, felled bamboo trees and lay on top of them. Soon they, too, were flowing in the river of mud, also coming to rest about a mile away and somehow still alive.

"My children are traumatized. They lost a lot of friends," Mr. Arifin said.

He and his family were living in a makeshift survivors camp, dangerously low on water, about a mile from where their home had been.

"We have nothing. Hopefully I can farm again."

These seemingly unbelievable scenes carry the hallmarks

When Soil Liquefies

An earthquake's violent shaking can turn solid ground to mush.

1 Where it happens

Liquefaction occurs in water-logged soil, in which the space between individual grains is filled with water, including low-lying areas near rivers, lakes, bays and oceans.

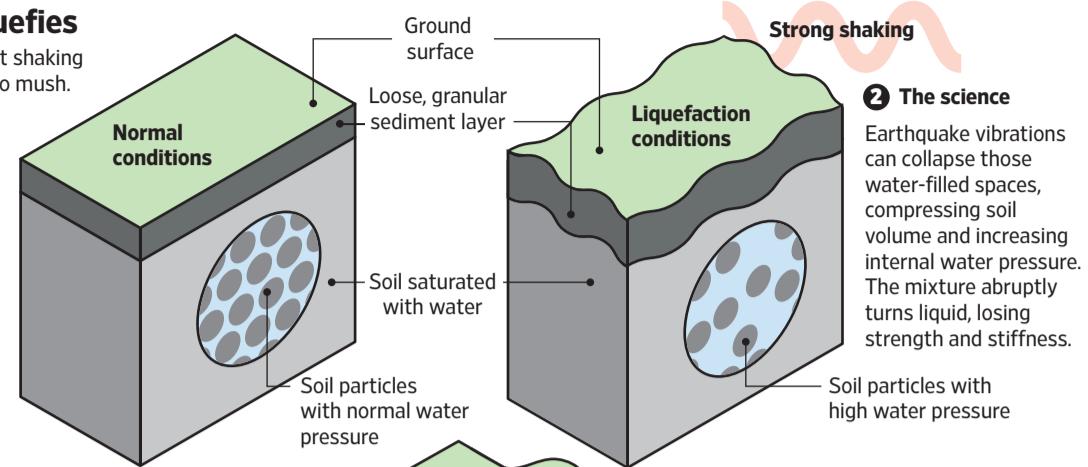
2 The damage

Liquefaction can cause significant destruction.

Buildings and houses can topple in the quake-created quicksand.

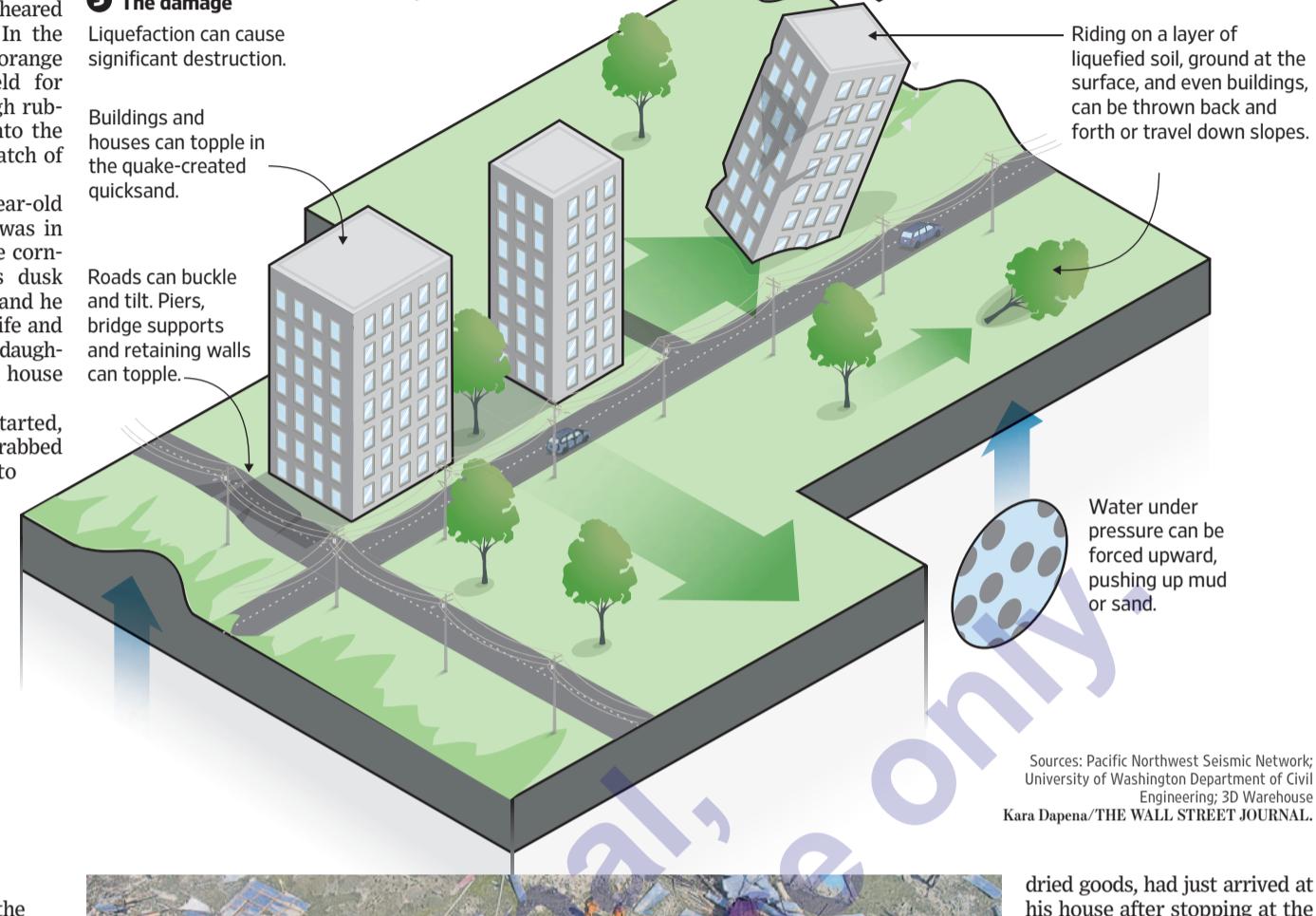
Roads can buckle and tilt. Piers, bridge supports and retaining walls can topple.

Water under pressure can be forced upward, pushing up mud or sand.



3 The science

Earthquake vibrations can collapse those water-filled spaces, compressing soil volume and increasing internal water pressure. The mixture abruptly turns liquid, losing strength and stiffness.



Sources: Pacific Northwest Seismic Network; University of Washington Department of Civil Engineering; 3D Warehouse Kara Dapena/THE WALL STREET JOURNAL.



The remains of the Jono Oge church rest a mile from where it fell and was swept away.

of liquefaction, said Jonathan Griffin, an earthquake scientist at the University of Otago in New Zealand. "Blocks of land can travel intact, carrying along houses, cars, cornfields or whatever is on top," he said.

Blocks of flowing land can pile up on top of each other. Or they may deform more completely, opening up cracks and causing perceived flow or swirling of the land.

Meantime, water under pressure from so-called seismic waves may be forced upward, carrying mud or sand; witnesses in Palu describe mud surging out of cracks in the earth.

A video of the scene taken

by someone on top of a roof appears to show the Jono Oge church and other buildings flowing slowly in a large river of mud.

There is a roaring sound like ocean surf. A warehouse-like structure and later a communications tower flow by. A powerful wave of mud flows rippling through trees.

Liquefaction had a different outcome in two urban neighborhoods, Petobo and a section of Balaroa. These areas didn't vanish, but appear to have been pulverized, churned and thrust upward to rest atop giant mounds of earth 4 to 5 yards high.

In Petobo, a once-bustling urban neighborhood of about 13,000, sitting on these high mounds of earth are a sea of concrete chunks the size of carry-on luggage, shredded cars and trucks, and corrugated tin roofs.

"I have seen liquefaction before, but never on this scale," said Masahiro Ishizaki, the senior manager for international programs at the aid organization Mercy Relief.

On Friday, the Japanese-born aid worker climbed up onto the massive pile of dirt and debris that was once Petobo, but now resembles a landfill. "I am very concerned."

The scale of destruction in Petobo has sparked concern that the Palu earthquake's overall death toll could climb significantly. So far, there are 108 confirmed dead from Petobo based on the number of bodies retrieved. But officials say more than 2,000 homes were destroyed in all.

Searching for the dead in the solid mound of earth has been slow, said Yusuf Latif, a senior official from Indonesia's search and rescue service.

"I haven't seen anything like this in 25 years of rescue work," Mr. Latif said. Homes and buildings on one side of the neighborhood were

dried goods, had just arrived at his house after stopping at the bank. His wife and two children were there. He ran outside with his wife, his children in his arms. His parents remained in their house nearby.

"The earth rose in some place, and fell in others," he said. The pavement was cracking beneath their feet as they ran. They kept moving for two hours until they reached the hills and felt safe.

His parents, he discovered the next day, had survived. Standing atop the mass of debris that once was his parents' house, he pointed to a concrete roof held up by two reinforced concrete pillars: the couple rode out the liquefaction in that space, crawling up and out when it ended, he said.

A small truck had been churned into one side of their house. A neighbor's concrete home slid into another side.

The rest of the neighborhood looked like waves at sea, frozen—the swells made of chunks of concrete, crushed vehicles and corrugated tin.

—I Made Sentana in Jakarta contributed to this article.

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The remains on Friday of a village in Palu that was destroyed in the natural disasters on Sept. 28.

OBITUARIES

GEORGE HATSOPOULOS
1926 — 2018

Thermo Electron CEO Dived Into Economics

By JAMES R. HAGERTY

Some CEOs unwind during the weekend by playing golf. George Hatsopoulos preferred to hole up in his home study, fogged with pipe smoke, and elaborate his theories on thermodynamics or economic policy.

A Greek immigrant who settled in the Boston area, he founded a Fortune 500 company, Thermo Electron Corp., and ran it for 43 years. He co-wrote a thermodynamics textbook and lectured at the Massachusetts Institute of Technology. Though self-taught in economics, he wrote economic-research papers with professionals including Paul Krugman and Lawrence Summers. He briefed President Reagan on ways to promote capital investment.

As a CEO, he took on the role of venture capitalist, encouraging underlings to come up with new ways to use Thermo's technology. Promising ideas formed the seeds for a constellation of two dozen majority-owned companies with their own stock-market listings. That unusual structure worked well for most of the 1980s and 1990s. It began unraveling in the late 1990s, when some of the ventures floundered and investors tired of the complexity.

"We got carried away with our own success," Dr. Hatsopoulos told the New York Times in 1999. Under attack from shareholder activists, the founder retired in 1999, when he was 72, and watched from the sidelines as successors dismantled the company and merged the core of it into today's Thermo Fisher Scientific Inc.

Instead of brooding, he acquired a tiny Swiss company that developed technology for pumps based on magnetic levitation, used in microelectronics and other fields.

Dr. Hatsopoulos died Sept. 20 at his home in Lincoln, Mass. He was 91 and had suffered for a decade



from a Parkinson's-like neurological disorder.

Georgios Nikolaos Hatzopoulos (Hut-SOP-uh-lus) was born Dec. 2, 1926, in Athens. (He later changed the spelling of his last name and adopted the first name of George.) His father was an executive at a commuter-railroad company.

As a child, George idolized Thomas Edison and made image projectors out of cellophane. Declared by his family to be destined for greatness, he shunned sports as a waste of time. In his teenage years, when Greece was occupied by Nazi soldiers, he secretly made radio receivers with scavenged parts and used them to listen to banned BBC newscasts. His family subsisted on a wartime diet of beans, chickpeas and cabbage.

After the war, he studied at the National Technical University of Athens before winning a scholarship allowing him to enroll in 1948 at MIT, where he eventually earned a doctorate in mechanical engineering.

At a party for Greek expatriates, he met Daphne Phylactopoulos, a Wellesley College math major and

the daughter of his former English tutor in Athens. They married in 1959.

His doctoral thesis described his research into ways to convert heat directly into electricity and helped form the basis of Thermo Electron, founded in 1956.

Dr. Hatsopoulos's approach was to hire bright people, identify a major problem, such as heart disease, then try to invent technology to deal with it. That led to devices used to keep hearts pumping while patients waited for transplants. When environmental legislation in the 1970s required car makers to measure emissions, Thermo raced to invent measurement devices.

Other products included bomb detectors, wound dressings and mammography machines. Some ventures, such as a laser hair-removal business, were flops.

In the 1980s, eager to understand why Japanese manufacturers were outperforming their U.S. rivals, he dove into macroeconomic studies with help from MIT and Harvard economists. He found U.S. companies' capital costs were sometimes triple the Japanese level, partly because Japanese investors didn't demand quick returns on investment. He proposed tax-code tweaks to encourage Americans to save more and companies to invest.

Dr. Hatsopoulos is survived by his wife, two children, four grandchildren and his brother John, a former Thermo Electron executive.

Teaching may have been his truest vocation. His children, though, were wary of asking for his help with homework because he didn't believe in simple answers. "My dad always started with first principles, re-deriving Pythagoras's Theorem from scratch before working his way through the history of math," recalled his daughter, Marina.

◆ Read a collection of in-depth profiles at WSJ.com/Obituaries

JOHN H. BRYAN JR.
1936 — 2018

Son of a Sausage Baron Rose to Run Sara Lee

chines are businesses of yesterday," he declared in 1997.

Mr. Bryan made a name for himself in the public sphere as well. In 1998, he announced that Sara Lee would donate its collection of art—started by company founder Nathan Cummings and including works by Matisse, Gauguin and Giacometti—to museums around the world.

He helped raise more than \$200 million of private funds for Chicago's Millennium Park. "I always tell people, don't ask me to raise money to fix the roof," he told the Chicago Tribune in 2004. "It has to be something that's exciting."

Mr. Bryan, 81 years old, died Monday of complications from lung cancer.

—James R. Hagerty

JANE FORTUNE
1942 — 2018

'Indiana Jane' Dug Up Italian Women Artists

Like many visitors, Jane Fortune was dazzled by Florence when she arrived in the Italian city in 1962. What made the Indianapolis native unusual was that she eventually left her own mark there as a champion of neglected art.

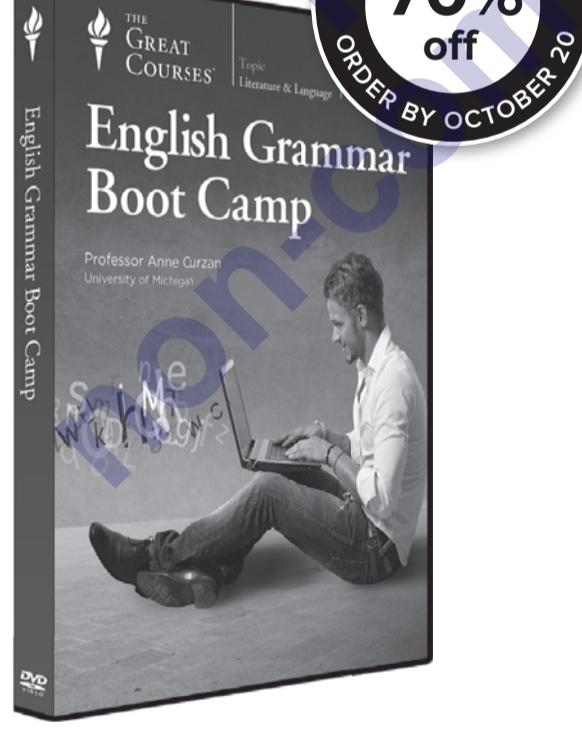
It started about 13 years ago, when Ms. Fortune stumbled on a book about Plautilla Nelli, a 16th-century Dominican nun and self-taught painter. No one in Florence seemed to know much about the nun. Ms. Fortune, who lived part time in Florence, in 2009 created a foundation called Advancing Women Artists to restore forgotten works by Sister Plautilla and other women.

Speaking of Sister Plautilla in a 2015 interview, Ms. Fortune said: "She taught me that a question can change your life," said Linda Falcone, director of the foundation, "and her question was, 'Where are the women artists?'"

—James R. Hagerty

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WORLD NEWS

Ex-President of South Korea Gets 15 Years in Prison

By EUN-YOUNG JEONG

SEOUL—South Korea's former President Lee Myung-bak was sentenced to a 15-year prison term for embezzlement, causing losses to state coffers and bribery, becoming the country's fourth leader to be convicted of corruption offenses committed while in office.

The case is one of several in recent years exposing uncomfortably close connections between South Korea's government and the family-run business empires that dominate the economy. Those investigations have entangled some of the country's top officials and business leaders in a web of graft-related prosecutions.

Part of the case against Mr. Lee centered on his pardoning of the chairman of Samsung, who had been convicted of tax evasion, in return for Samsung Electronics Co.'s payment of almost \$6 million in legal fees for an auto-parts company, DAS Corp.

The court Friday resolved a yearslong dispute over the former president's alleged involvement with DAS, ruling that he was the auto-parts company's actual owner and had used it to channel funds for personal use.

Based on this finding, the court ruled that Samsung paid money on behalf of DAS to Akin Gump Strauss Hauer & Feld LLP, a Washington-based law firm that represented the auto-parts company. Mr. Lee, who was in power from 2008 to 2013, had previously denied any involvement with DAS. One of Mr. Lee's brothers was a major shareholder in the

company before his stake was passed on to the former president's son.

Samsung and the auto-parts company declined to comment, and Akin Gump didn't respond to requests to comment. Mr. Lee wasn't present for the trial, citing health reasons, but he previously posted a statement on Facebook denouncing wrongdoing.

Mr. Lee's lawyer didn't reply to requests to comment.

The Samsung chairman, Lee Kun-hee, who was pardoned months after his tax-evasion conviction in 2009, has been in a coma since 2014 following a heart attack. He isn't related to the former president.

Lee Kun-hee had been a member of the International Olympic Committee, but voluntarily gave up his post in 2008 after his indictment. Then-President Lee's government said the Samsung chairman was pardoned so that he could resume his IOC role and help South Korea win the bid to host the 2018 Winter Olympics. Samsung is a major sponsor of the Games.

The court Friday ruled that Mr. Lee, who has been in detention since April, embezzled about \$21 million from DAS. He was also found guilty of receiving \$100,000 in bribes from the country's former intelligence service head. In addition to his prison sentence, Mr. Lee was fined about \$11.5 million.

Mr. Lee was a longtime executive at Hyundai before coming to power as South Korea's conservative leader in 2008. His five years in office were marked by improved relations with the U.S. and tensions with North Korea.



MASS PROTEST: Supporters of Houthi rebels rallied in the Yemeni capital, Sana'a, to denounce the devaluation of the country's currency.

INDIA

New Delhi, Moscow Sign Air-Defense Deal

India moved ahead with the purchase of air-defense missile systems from Russia, defying the threat of U.S. sanctions.

The \$5 billion deal was signed Friday during a visit by Russian President Vladimir Putin. He and Indian Prime Minister Narendra Modi didn't mention the deal during a news conference, but a joint statement issued on their behalf confirmed it had been done.

The delivery of five of the systems, touted as the world's best, is expected over the next two years, according to an Indian government official. The deal signals India's efforts to repair relations with Russia and keep its arms suppliers diversified.

—Rajesh Roy

PAKISTAN

Aid Organizations Are Ordered to Close

Pakistan ordered 18 international aid organizations to close, threatening the assistance they provide to some of the country's most vulnerable, aid workers said.

The majority of the shuttered aid groups are U.S.-based, while the remainder are from Britain and the European Union, according to a government list, which was seen by the Associated Press.

Caught in the latest order to close are World Vision U.S., Catholic Relief Services U.S., International Relief and Development U.S., ActionAid U.K., and Danish Refugee Council, Denmark.

There was no official explanation from the new government.

—Associated Press

ITALY

Treasure Discovered In Pompeii's Ruins

Archaeologists uncovered a new treasure in the ruins of Pompeii: a richly painted garden scene in the shrine area of a home that had been buried following the explosion of Mount Vesuvius in A.D. 79.

The ANSA news agency said it was given exclusive access to the site, known as a lararium. Photos show deep blood-red walls and paintings of bulls, as well as enchanted garden scenes of delicate birds, trees and snakes.

ANSA quoted the head of the Pompeii archaeological site, Massimo Osanna, describing the discovery as a "marvelous and enigmatic room that now must be studied at length."

—Associated Press

NORTH KOREA

Pompeo Cautious On Summit Prospects

Secretary of State Mike Pompeo expressed doubts about whether a brief trip to Pyongyang would result in a time and place for another meeting between President Trump and North Korea's Kim Jong Un, but said a second summit remains a top goal.

En route to Tokyo for the first leg of a four-country trip, Mr. Pompeo said he aimed to work on details for another engagement between the two men following their first summit in Singapore.

"I doubt we will get it nailed," Mr. Pompeo said, adding that he hoped to "begin to develop options for both location and timing for when Chairman Kim will meet with the president again."

—Courtney McBride

FROM PAGE ONE

Interpol President Is Missing

Continued from Page One

Interpol, in a statement, said it is "aware of media reports in connection with the alleged disappearance" of its president and called it "a matter for the relevant authorities in both France and China."

China's national police ministry, where Mr. Meng concurrently serves as vice minister, didn't respond to a faxed request to comment.

China's anticorruption agency, the Central Commission for Discipline Inspection, didn't respond to a request for comment about Mr. Meng and hadn't posted a notice about him on its website, the way it usually discloses investigations into leading officials.

As China's economic interests have swelled globally over the past decade, Beijing has sought greater diplomatic sway and has seen the maneuvering of Chinese officials into top positions at international bodies as a way to influence global rule-making.

Chinese officials hold senior posts at the International Monetary Fund, at the United Nations and at global standards-setting bodies like the International Telecommunications Union. China also provides more peacekeeping troops to U.N. missions than any of the other four permanent members of the Security Council, with



China lobbied Interpol members for Mr. Meng's appointment in 2016.

Chinese peacekeepers having died in South Sudan and Mali.

Beijing has accelerated this global influence effort in recent years under President Xi Jinping. During Mr. Xi's second full year in office in 2014, the Communist Party's agenda-setting Central Committee set a

goal to "vigorously participate in the formulation of international norms" and "strengthen our country's discourse power and influence in international legal affairs."

At the same time, Mr. Xi was vigorously prosecuting the anticorruption drive to eliminate the rampant graft that was corroding the party's public support and to purge officials standing in his way of consolidating power. Most officials and many leading executives in China belong to the party, and under its strict disciplinary rules, they must submit to the often secretive investigations when required. That has led to lengthy unexplained disappearances that often end in show trials.

Ho-Fung Hung, a sociologist and China expert at Johns Hopkins University, said that if Mr. Meng has been detained, then international organizations are likely to be alarmed that their senior Chinese staff could be snatched away without notice.

A risk, Mr. Hung said, is that the detained Chinese nationals might be subject to pressure and "that the Chinese government would easily extract from them sensitive and confidential information they're exposed to in those organizations."

Mr. Meng's appointment as president of Interpol for a four-year term in 2016 followed a lobbying campaign among the police organization's 192 member countries. His ascension came as President Xi's antigrant campaign was focusing on the return of fugitive Chinese officials and

executives who had fled abroad.

Dozens of Chinese on a most-wanted list of economic criminals issued by Beijing have either come back voluntarily or been returned by foreign governments in recent years. These returns have been heralded by the Chinese government as victories in the anticorruption drive.

Mr. Meng's appointment prompted an outcry by human-rights groups concerned that he would try to use Interpol to hunt down political critics of the Chinese government. In April 2017, China's Foreign Ministry said Interpol issued an international arrest notice for Guo Wengui, a Chinese real-estate tycoon and critic of the government.

From exile in New York, Mr. Guo took to social media to allege high-level corruption within the highest circles of the Communist Party. Beijing later accused Mr. Guo of crimes ranging from fraud to kidnapping and rape—allegations he denied.

Mr. Meng spent his career in the Public Security bureaucracy and had served as an assistant to the minister and headed Interpol's China branch. Next month, he turns 65, the customary age for retirement for senior officials.

Beware, Excel Experts

Continued from Page One

has grown to hundreds of millions of users world-wide. It has simplified countless office tasks once done by hand or by rudimentary computer programs, streamlining the work of anyone needing to balance a budget, draw a graph or crunch company earnings. Advanced users can perform such feats as tracking the expenditures of thousands of employees.

At the same time, it has complicated the lives of the office Excel Guy or Gal, the virtuosos whose superior skills at writing formula leave them fighting an endless battle against the circular references, merged cells and mangled macros left behind by their less

savvy peers.

"If someone tells you that they 'just have a few Excel sheets' that they want help with, run the other way," tweeted 32-year-old statistician Andrew Althouse. "Also, you may want to give them a fake phone number, possibly a fake name. It may be worth faking your own death, in extreme circumstances."

The few Excel sheets in question, during one recent encounter, turned out to have 400 columns each, replete with mismatched terms and other coding no-nos, said Mr. Althouse, who works at the University of Pittsburgh. The project took weeks to straighten out.

"Let's just say that was a poor use of time," he said. He advises altruistic Excel mavens to "figure out what you're getting into" before offering to lend a hand.

Microsoft's Jared Spataro, a corporate vice president for Office and Windows marketing, wrote in a recent blog post that "Excel's power comes from its

simplicity," calling it "an incredibly flexible app."

A company spokeswoman said the program has recently added artificial intelligence features that are "opening up new possibilities for all users."

Nevertheless, years of dealing with colleagues' Excel emergencies have taught John Mechalas to keep his mastery of spreadsheets a secret.

The trouble often starts with a group email asking if there is anyone who knows Excel really well, said Mr. Mechalas, a 48-year-old software engineer at Intel Corp. in Hillsboro, Ore.

"People say, 'Oh, this is just a really quick thing,'" he said. "Then I look at it, and it's not a quick thing."

These days, Mr. Mechalas will lay low until someone has a dire need before offering his expertise. His willpower was put to the test earlier this week, as he suppressed the urge to yell "just come to me for help" while staring at a badly tangled spreadsheet during a presentation.

"I'm an altruist, but it's not my job to save the world," he said.

Colin McIlree, 36, a New York purchasing analyst, said being good at Excel has benefits. "It's kind of like being a wizard," he said. "You say, 'I can think of a spreadsheet for that,' and it's like you performed a magic trick."

Mr. McIlree recalls one fi-

asco where a colleague pre-

sented him with a huge document saved into a jumble of folders and teeming with dreaded # symbols, usually an indication of an Excel error.

Like Mr. Mechalas, he is now more likely to show colleagues they can find answers to their problems through Google searches—a method even the most experienced Excel users often fall back on. People who keep bothering him get their



John Mechalas, left, and Anand Kalekar get lots of help requests.



HEIDI MECHALAS/ANAND KALEKAR

instant messages ignored.

As an Excel expert, "you become indispensable, and that's a double-edged sword," Mr. McIlree said.

Jen Lipschitz, a 32-year-old data analyst and project manager from Quincy, Mass., says colleagues often turn to her and the rest of her department for help with their Excel traills.

People say, "This is Jen, she's in the smart department," Ms. Lipschitz said. "If they can't figure out why the data is being weird, they'll just go ask Jen down the hall."

Ms. Lipschitz's solution: "I'll just stand there," she said. As co-workers are explaining the problem, they will frequently figure it out for themselves.

She believes some people get overwhelmed by the possibilities of Excel, a program that manages to be at once simple and mind-bogglingly complex.

"People get intimidated that Excel can do so many things," she said. "They forget that they need to try."

OPINION

Fake News Comes to Academia

By Jillian Kay Melchior

The existence of a monthly journal focused on "feminist geography" is a sign of something gone awry in academia. The journal in question—Gender, Place & Culture—published a paper online in May whose author claimed to have spent a year observing canine sexual misconduct in Portland, Ore., parks.

The author admits that "my own anthropocentric frame" makes it difficult to judge animal consent. Still, the paper claims dog parks are "petri dishes for canine 'rape culture'" and issues "a call for awareness into the different ways dogs are treated on the basis of their gender and queering behaviors, and the chronic and perennial rape emergency dog parks pose to female dogs."

The paper was ridiculous enough to pique my interest—and rouse my skepticism, which grew in July with a report in Campus Reform by Toni Airaksinen. Author Helen Wilson had claimed to have a doctorate in feminist studies, but "none of the institutions that offers such a degree could confirm that she had graduated from their program," Ms. Airaksinen wrote. In August Gender, Place & Culture issued an "expression of concern" admitting it couldn't verify Ms. Wilson's identity, though it kept the paper on its website.

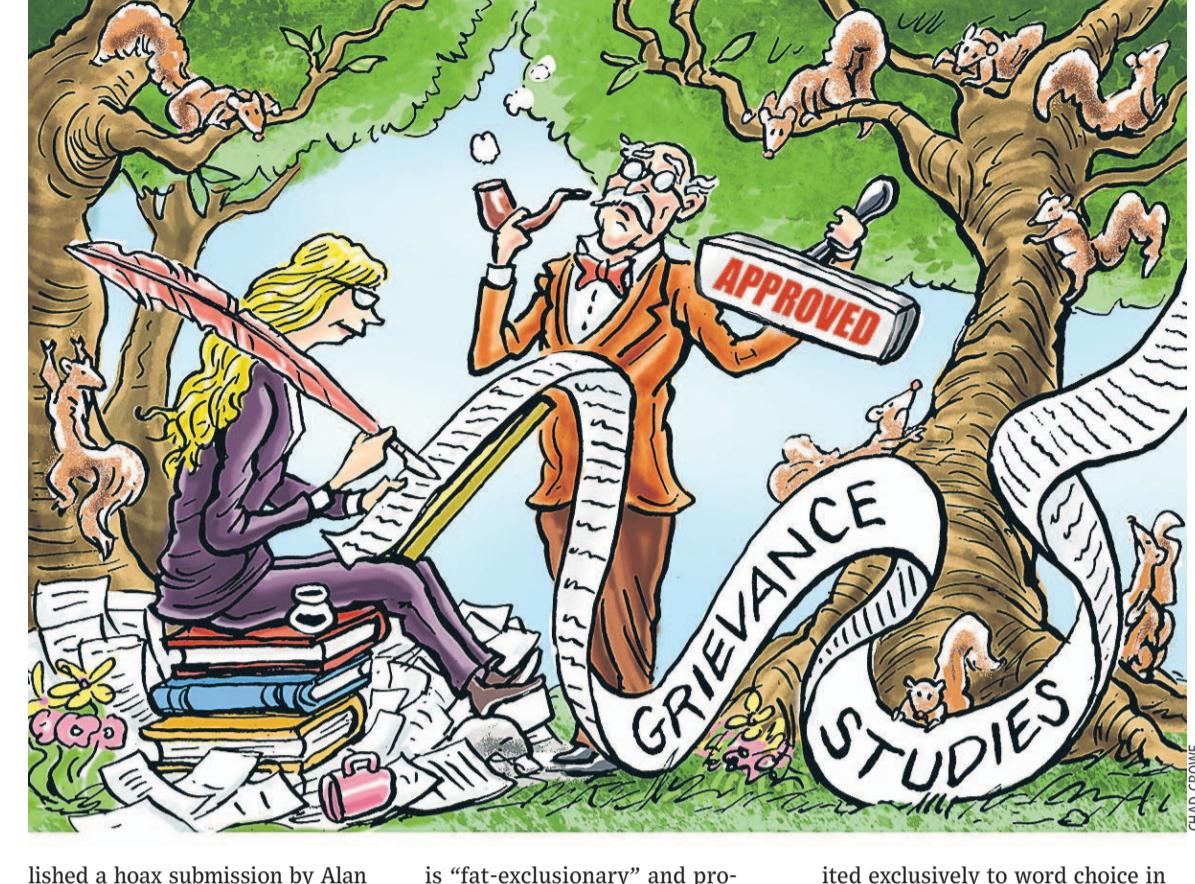
How three scholars gulled academic journals to publish hoax papers on 'grievance studies.'

All of this prompted me to ask my own questions. My email to "Helen Wilson" was answered by James Lindsay, a math doctorate and one of the real co-authors of the dog-park study. Gender, Place & Culture had been duped, he admitted. So had half a dozen other prominent journals that accepted fake papers by Mr. Lindsay and his collaborators—Peter Boghossian, an assistant professor of philosophy at Portland State University, and Helen Pluckrose, a London-based scholar of English literature and history and editor of *AeroMagazine.com*.

The three academics call themselves "left-leaning liberals." Yet they're dismayed by what they describe as a "grievance studies" takeover of academia, especially its encroachment into the sciences. "I think that certain aspects of knowledge production in the United States have been corrupted," Mr. Boghossian says. Anyone who questions research on identity, privilege and oppression risks accusations of bigotry.

Beginning in August 2017, the trio wrote 20 hoax papers, submitting them to peer-reviewed journals under a variety of pseudonyms, as well as the name of their friend Richard Baldwin, a professor emeritus at Florida's Gulf Coast State College. Mr. Baldwin confirms he gave them permission to use his name. Journals accepted seven hoax papers. Four have been published.

This isn't the first time scholars have used a hoax paper to make a point. In 1996 Duke University Press's journal Social Text pub-



lished a hoax submission by Alan Sokal, a mathematical physicist at New York University. Mr. Sokal, who faced no punishment for the hoax, told me he was "not oblivious to the ethical issues involved in my rather unorthodox experiment," adding that "professional communities operate largely on trust; deception undercuts that trust."

But he also said he was criticizing an academic subculture "that typically ignores (or disdains) reasoned criticism from the outside." He concluded: "How can one show that the emperor has no clothes? Satire is by far the best weapon; and the blow that can't be brushed off is the one that's self-inflicted." Messrs. Lindsay and Boghossian were already known for a hoax paper titled "The Conceptual Penis as a Social Construct," which they published in the journal Cogent Social Sciences last year under the names Jamie Lindsay and Peter Boyle.

Such hoaxes are unethical, and The Wall Street Journal doesn't condone them. The Journal expects op-ed contributors to be truthful about their identities and research, and academic journals also rely on the honesty of their authors.

But the trio defended their actions, saying they viewed the deception not as a prank but as a "hoax of exposure," or a way to do immersive research that couldn't be conducted any other way. "We understood ourselves to be going in to study it as it is, to try to participate in it," Ms. Pluckrose says. "The name for this is ethnography. We're looking at a particular culture." After online publication of this article, the trio released an online video further explaining their motivations.

Each paper "combined an effort to better understand the field itself with an attempt to get absurdities and morally fashionable political ideas published as legitimate academic research," Mr. Lindsay wrote in a project summary. Their elaborate submissions cited and quoted dozens of real papers and studies to bolster the hoax arguments.

One of the trio's hoax papers, published in April by the journal Fat Studies, claimed bodybuilding

is "fat-exclusionary" and proposed "a new classification . . . termed *fat bodybuilding*, as a fat-inclusive politicized performance." Editor Esther Rothblum said the paper had gone through peer review, and the author signed a copyright form verifying authorship of the article. "This author put a lot of work into this topic," she said. "It is an interesting topic, looking at weight and bodybuilding. So I am surprised that, of all things, they'd write this as a hoax. As you can imagine, this is a very serious charge." After online publication of this article, Fat Studies retracted the paper, saying the editors and publishers "confirmed this is a hoax paper, which was submitted under false pretences."

A hoax paper for the Journal of Poetry Therapy describes monthly feminist spirituality meetings, complete with a "womb room," and discusses six poems, which Mr. Lindsay generated by algorithm and lightly edited. Founding editor Nicholas Mazza said the article went through blind peer review and revisions before its acceptance in July, but he regrets not doing more to verify the author's identity. He added that it took years to build credibility and get the Journal of Poetry Therapy listed in major scholarly databases. "You work so hard, and you get something like this," he said. Still, "I can see how editors like me and journals can be duped."

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class, interrupted when they did speak, and "invited" to "sit on the floor" or "to wear (light) chains around their shoulders, wrists or ankles for the duration of the course." Students who complained would be told that this "educational tool" helps them confront "privileged fragility."

Hypatia's two unnamed peer reviewers did not object that the proposed teaching method was abusive. "I like this project very much," one commented. One wondered how to make privileged students "feel genuinely uncomfortable in ways that are humbling and productive," but not "so uncomfortable (shame) that they resist with renewed vigor." Hypatia didn't accept the paper but said it would consider a revised version. In July it formally accepted another hoax paper, "When the Joke Is on You: A Feminist Perspective on How Positionality Influences Satire"—an argument that humor, satire and hoaxes should be used only in service of social justice, not against it.

Ann Garry, an interim editor of Hypatia, said she was "deeply disappointed" to learn that the papers, which went through double anonymous peer review, are apparently hoaxes. "Referees put in a great deal of time and effort to write meaningful reviews, and the idea that individuals would submit fraudulent academic material violates many ethical and academic norms," she said. "It is equally upsetting that the anonymous reviewer comments from that effort were shared with third parties, violating the confidentiality of the peer-review process." Wiley, Hypatia's publisher, is investigating in accordance with guidelines from the Committee on Publication Ethics, she said.

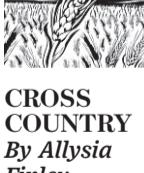
Before this article was published online on Oct. 2, I contacted Gender, Place & Culture about the dog-park hoax paper and received a statement from Taylor & Francis Group, the journal's publisher. Tracy Roberts, publishing director for the humanities and social sciences, said that after postpublishing checks raised questions about the author's identity, the editors launched an investigation several weeks ago. "Helen Wilson" never responded to their queries. The journal retracted the article on Oct. 4, telling me it had "investigated the matter step by step" in accordance with industry best practices. "It was not a simple case of being able to immediately remove the article from the website," a Taylor & Francis spokesperson said, explaining why the article remained on its website and for sale weeks after the initial expression of concern.

Mr. Boghossian doesn't have tenure and expects the university will fire or otherwise punish him. Ms. Pluckrose predicts she'll have a hard time getting accepted to a doctoral program. Mr. Lindsay said he expects to become "an academic pariah," barred from professorships or publications.

Yet Mr. Lindsay says the project is worth it: "For us, the risk of letting biased research continue to influence education, media, policy and culture is far greater than anything that will happen to us for having done this."

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

Connecticut Voters Wonder Who'll Stop the Rain



New Haven, Conn.
It's a soggy day in Connecticut. Roads are flooded across the state, stranding commuters and swamping rescue crews. Bob Stefanowski, the Republican nominee for governor, is speaking to a room of about

200 businessmen and contractors at a forum in downtown New Haven. "I was driving in and somebody from out of town said, 'Does it rain every single day in Connecticut?'" he remarks. "Sometimes it feels like it does."

Mr. Stefanowski's lament seems to reflect the mood of voters. In Quinnipiac University's latest state poll in August, only 25% of respondents approved of Democratic Gov. Dannel Malloy's job performance. Seventy-one percent rated the state's economy as "not so good" or "poor." And with good reason: Connecticut's economy has shrunk at an annual compounded rate of 0.5% since 2009. Next door, Massachusetts' economy grew at 2.1% a year over that same period.

Connecticut's bean counters are forecasting a \$2 billion budget deficit next year. Worker pensions, retiree health care and debt service make up about a third of the budget. Pension costs are projected to grow

by half over the next four years. The state fisc is underwater, and Mr. Stefanowski, a former executive at General Electric and UBS, has a plan to keep it from drowning. But can he persuade voters to jump on a life raft of tax and spending cuts?

Mr. Malloy's answer to gaping budget holes was to raise taxes. But many businesses and high earners responded by decamping for sunnier tax climates. GE, which had been headquartered in suburban Fairfield for more than four decades, moved to Boston in 2016. New Haven's Alexion Pharmaceuticals followed this year.

"We lose over 80 people per day," Mr. Stefanowski says. "Just in the last six years we lost \$6 billion of taxable income just to the state of Florida." The numbers are abstract, but for voters the malaise is real. Hence the governor's race here is competitive even in a year in which Republicans face strong headwinds nationwide.

GOP governors in blue states generally fit two molds. They're either moderates who play down their conservatism, like Charlie Baker in Massachusetts, or pugilists throwing punches against public-sector union machines, like Bruce Rauner in Illinois.

Mr. Stefanowski is of neither sort. He's running as a supply-side Republican and change agent—part

Ronald Reagan, part Jack Welch. He's called for eliminating Connecticut's estate tax immediately and phasing out the corporate tax over two years and the income tax over eight. He also wants to impose 10-year term limits for state legislators and allow citizens to initiate referendum campaigns.

"I am used to big, ugly, complicated turnarounds, and when you think about the state of Connecticut right now, it is a big, ugly, complicated turnaround," he declares.

GOP nominee for governor Bob Stefanowski thinks he can get the economy back on dry land.

Voters have become so disenchanted with the current governor's approach that even Democratic nominee Ned Lamont—a proud liberal who wrested the 2006 Democratic Senate nomination from incumbent Joe Lieberman only to lose to him in November—is tamping down talk of raising taxes. "We don't need more taxes, but we do need more taxpayers," he tells me. He even suggests that the state could "reduce taxes as we get the budget in balance," though adding that it might be a

long time before that happens.

In 2013 Mr. Malloy professed to have found fiscal religion, vowing that "we're not going to raise taxes and we have to live within our budgetary limitations." But after winning re-election in 2014, he signed a budget including \$1.3 billion in tax hikes. When asked how he'll be different from Mr. Malloy, Mr. Lamont replies: "I am not a former prosecutor. I am going to work very closely with businesses."

Mr. Lamont, who made a small fortune in telecom, is trying to make himself appealing to affluent voters even as he runs against Mr. Stefanowski's proposed tax cuts. The Democrat claims it's impossible to cut taxes by as much as his opponent hopes. If Mr. Stefanowski gets his way, Mr. Lamont warns, state revenues would decline by 60%, causing tuition at public universities to spike by \$3,656 and exactly 847,613 residents to lose health coverage.

Mr. Stefanowski lays out a far rosier scenario, one he has mapped out with former Reagan adviser Art Laffer: Trim unnecessary spending and slash taxes, which will attract investment and create jobs. Rising income and economic growth will produce higher revenues, allowing the state to cut taxes even more. Florida, Tennessee and Texas don't have income taxes and have experienced this virtuous circle in recent years.

Eliminating the income tax is an "admittedly aggressive goal," Mr. Stefanowski says. "But people want to push forward."

Other GOP governors, like Mr. Rauner and Chris Christie in New Jersey, have been stymied by Democratic legislatures when they championed aggressive reforms to government worker benefits. But Mr. Stefanowski is optimistic that Republicans will take control of the state House, where Democrats currently hold a small advantage. The upper chamber of the Legislature is now evenly split between the two parties.

Mr. Lamont's turnaround on taxes suggests that Democratic candidates across the state facing similar political pressures may be willing to hear him out. Earlier this year a group of Connecticut mayors—including many Democrats—implored Hartford to end collective bargaining for pensions and health care.

Mr. Stefanowski remains an underdog. The most recent polls show him trailing Mr. Lamont by between 6 and 13 points. But a large share of voters remain undecided, and despite his often downcast rhetoric, his message of revival is giving Connecticut voters hope that the sun will shine again.

Ms. Finley is a member of the Journal's editorial board.

OPINION

REVIEW & OUTLOOK

Susan Collins Consents

With no small sense of the dramatic moment, Maine Senator Susan Collins waited until the final words of her more than 30-minute floor speech Friday to announce her intention to vote to confirm Brett Kavanaugh to the Supreme Court. Moments after she finished, West Virginia Democrat Joe Manchin used the less elevated platform of Twitter to say that he, too, will vote to confirm.

This likely means the Senate will vote Saturday in favor of Judge Kavanaugh's confirmation. We say "likely" because rarely has the famous Yogi Berra saying been more true than it isn't over until it's over. With Alaska Republican Lisa Murkowski defecting for reasons apparently known only to her, the vote to confirm sits at a still precarious 51 votes. Would anyone be the least bit surprised if the Democrats produced another Kavanaugh accuser before Saturday's vote? Or maybe another former Supreme Court Justice? (See nearby.)

That is a low thought, but this was very much on Senator Collins's mind during her speech on the floor of the Senate. Her opening words went straight at the politics of the process.

The confirmation process, she said, "has hit rock bottom." She said the Kavanaugh confirmation "looked more like a caricature of a gutter-level political campaign than a solemn occasion."

She described the campaign against Judge Kavanaugh as driven by a frenzy of special-interest groups that spread outright falsehoods that produced dramatic headlines and were spread by social media.

Having said that, she brought up advice and consent. Remember that?

Advice and consent is the authority that Article II of the Constitution gives the U.S. Senate to confirm persons nominated to high office by the President. Senator Collins used her floor speech as a case study in advice and consent.

She reviewed Judge Kavanaugh's record on the D.C. Circuit Court of Appeals on a range of issues: the Affordable Care Act, the doctrine of severability when part of a law is found to be unconstitutional, presidential powers, same-sex marriage, *Roe v. Wade* and its related Supreme Court cases and the judge's independence from political influence.

Senator Collins agreed with some of Judge Kavanaugh's positions, disagreed with others,

John Paul Schumer

To the list of Senate confirmation norms and Supreme Court traditions violated by opponents of Brett Kavanaugh, you can add one more: Public lobbying by a former Supreme Court Justice.

From a retirement redoubt in Boca Raton, former Justice John Paul Stevens chose the eve of a Senate vote to sound like a Democrat on the Judiciary Committee. The 98-year-old, who retired from the Court in 2010, praised Judge Kavanaugh and one of his rulings in a 2014 book. But on Thursday the former Justice had a confirmation conversion.

"At that time, I thought (Kavanaugh) had the qualifications for the Supreme Court should he be selected," Mr. Stevens said, as quoted by the Palm Beach Post. "I've changed my views for reasons that have no relationship to his intellectual ability . . . I feel his performance in the hearings ultimately changed my mind."

The former Justice said Judge Kavanaugh's response to the sexual misconduct allegations raised questions of political bias. "I think there's merit to that criticism and I think the Senators should really pay attention [to that]," Justice Stevens told a group of seniors, the newspaper said.

So in the name of protecting the Supreme Court from politics, the former Justice plays

The former Justice plays last-minute confirmation politics.

politics with the Court. Justice Stevens may no longer hear cases, but no one will miss that he is saying precisely what Senate Minority Leader Chuck Schumer wants him to say. That's why the tradition has been for former Justices to stay quiet during even the most contentious confirmation battles.

Since Justice Stevens directly asked Senators to consider his views, they might want to know that Mr. Stevens has been popping off about other issues from the political left. In March he wrote an op-ed under the headline: "Repeal the Second Amendment." Justice Stevens, who wrote the main dissent in the landmark *Heller* gun-rights case in 2008, called the language of the Second Amendment "a relic of the 18th century."

Senator Lisa Murkowski's constituents in Alaska should know that with her vote against Judge Kavanaugh she has sided with Justice Stevens's logic.

We don't recall hearing Justice Stevens object in 2016 when current Justice Ruth Bader Ginsburg called Donald Trump a threat to the country. Justice Stevens's concern over the politicization of the Court runs in only one ideological direction—against judges who adhere to the original meaning of the Constitution. His opposition is one more reason to confirm Brett Kavanaugh.

Good News Is Bad News?

The job market kept on truckin' in September, but you wouldn't know it from the mood of investors on Friday. They took one look at the jobless rate that fell to 3.7%, the lowest since 1969, and promptly sold off bonds and stocks. Such is the paradox of an economic recovery that has caught a strong second wind after eight years of what Barack Obama's economists called "secular stagnation."

The 134,000 new jobs in September look at first glance like a slowdown, but job creation in July and August combined was revised up by 87,000 jobs. The September number may have suffered in part from bad weather, especially Hurricane Florence. Monthly payrolls have nonetheless grown by 190,000 on average over the last three months, and by 195,000 over the last six months.

This isn't gangbusters, but it is reasonably strong nine years into an expansion amid a tight labor market. The pace of job growth suggests that a stronger economy still has the ability to pull more Americans into the job market from semi-retirement, the disability rolls, or their parents' basement.

On that last point, economist Ed Hyman notes that employment for Americans age 25-34 has

Faster growth keeps producing jobs even with 3.7% unemployment.

risen 2.4% year over year compared to 0.7% for everyone else. The jobless rate for African Americans fell again to a remarkable 6%; a year ago it was 7%. When Donald Trump boasts that the economy is working for minorities, he has evidence on his side.

Average hourly earnings ticked up only modestly and are up 2.8% over the last year. But that growth rate has accelerated to 3.8% on an annual basis over the last three months. This is what you would expect as economic growth has accelerated since tax reform and the job market has tightened.

All of this good news is too much for some to accept, and we hear the whining among

sages that there is a recession looming as interest rates inevitably rise and the effect of the supposed "sugar high" of spending and tax cuts fades. There's no doubt that the Federal Reserve's unwinding of its bond buying poses risks to some asset classes. It may even pose a risk to equities, which rose throughout the Obama years while the real economy remained stuck in low gear.

Then again, an economy that rewards all Americans as much or more than it does stock

investors would be welcome news and might restore some faith in good old capitalism.

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OPINION

Kavanaugh May Be the Democrats' Waterloo

By Allen C. Guelzo

The nine long faces that stare back in photographs of the U.S. Supreme Court radiate a sobriety intended to convince us that it is a bastion of deliberation, reason and uprightness, walled off from the messy business of politics. Nothing has done more to turn that perception upside-down than the past two weeks of sound and fury over the nomination of Brett Kavanaugh.

Perhaps the perception itself has been part of the problem. From the beginning, the Supreme Court was much more of a political cockpit than the legend of jurisprudential neutrality suggests. John Marshall, the most significant chief justice in the court's

The Supreme Court has always been political, but this time the demagoguery got way out of hand.

history, was appointed by President John Adams in the dying weeks of Adams's administration specifically to discomfit the incoming president, Thomas Jefferson. Marshall did so by asserting the court's power to review federal legislation and giving Jefferson's nemesis, Aaron Burr, a free pass at his treason trial in 1807.

The courts were notoriously politicized in the fight over slavery. The Judiciary Acts of 1789 and 1837 both required that as new states were admitted to the Union, new federal judicial districts be created for them. If those new states were slave states, pro-slavery jurists from them became candidates for the Supreme Court. By the 1850s, the Supreme Court was composed of "five slaveholders and two or three doughfaces," in the words of Horace Greeley.

Not much has changed in the last

half-century of culture wars. The 1969 nominations of Clement Haynesworth and G. Harrold Carswell both founded on civil-rights politics. Robert Bork went aground on both civil rights and *Roe v. Wade*—which was itself the product of considerable political jockeying among the justices on the court at that time. Anyone who imagines that the Supreme Court floats serenely above the political fray knows little of its history. The Kavanaugh fight was just another turn of the screw.

When President Trump nominated Judge Kavanaugh in July to fill Justice Anthony Kennedy's seat, the consensus among the wise heads was that the president had played it safe. Judge Kavanaugh was a carefully vetted Kennedy protégé with a sterling reputation and a long history of inside-the-Beltway service. The liberal Yale Law School professor Akhil Amar wrote that the nomination was Mr. Trump's "classiest move" yet.

What turned Judge Kavanaugh's confirmation process into the biggest judicial firestorm in decades had little to do with Judge Kavanaugh and a lot to do with Democrats's overconfidence that his nomination could be turned into a Republican Waterloo. Driven by the conviction that they were riding a big blue wave to the November shore, Democrats laid into Judge Kavanaugh in the hope that something about the nominee could be concocted into a seismic rumble and turn the wave into a tsunami.

They did not find much. Although Judge Kavanaugh generated baskets upon baskets of documents during his years in the Bush White House, they contained little that set political pulses fluttering. Ditto for his decisions on the U.S. Court of Appeals for the District of Columbia Circuit, which were routinely very conservative but largely concerned out-of-the-spotlight issues such as environmental regulation and due process. Of the 14 Kavanaugh opinions later



Senate Judiciary Committee Democrats at the Kavanaugh hearing, Sept. 28.

reviewed by the Supreme Court, 13 were upheld.

It was not until a sensational sexual-assault allegation lodged by Christine Blasey Ford was made public in mid-September that the Kavanaugh confirmation appeared to be in any danger, and even then, the charge had the uncomfortable appearance of a Democratic Hail Mary play. The case did not grow stronger over the 10 days that followed Ms. Ford's first public statement. Purported participants or witnesses denied recollection of any assault or of even being present at the party Ms. Ford described.

In their testimonies last week, both Judge Kavanaugh and Ms. Ford had some pinholes pricked through their testimonies: he about his wild student life at Georgetown Prep and Yale, she about factual inconsistencies and potential political motivations. But by the end Sen. Dianne Feinstein and the Judiciary Committee Democrats were left without a meaningful case. Judge Kavanaugh might have gone on to a swift confirmation vote had it not been for the last-minute insistence of Sen. Jeff Flake on an additional FBI investigation into the Ford allegations.

I have undergone an FBI investigation. In my case, it was for a relatively harmless executive appointment.

While it might sound like a forbidding exercise in mystery noir, the reality was nearly as humdrum as a mail delivery. Calls for an investigation arose less from a genuine effort to uncover the truth about a 1982 teen drinking party than from a desire simply to delay the vote. But with the submission of the FBI report, nods of approval from Sens. Flake and Joe Manchin, and Sen. Susan Collins's powerful speech Friday announcing her support for Judge Kavanaugh, the last obstacles to confirmation evaporated. The Democrats spent a lot of credibility over seven days, but they didn't get anything in return except the opportunity to grandstand.

If Sen. Feinstein was convinced that Ms. Ford's allegations were serious, she should have shared them with the Judiciary Committee or law enforcement when they first came to her attention weeks earlier. That hesitation—and then the demand for a delay to conduct an FBI investigation—have combined to make Mrs. Feinstein look uncertain and perhaps unscrupulous. Judge Kavanaugh's critics did not make themselves look better by turning on the FBI itself when it did not find what they wanted, with Sen. Richard Blumenthal making the McCarthy-esque claim that it "smacks of a coverup." Ms. Fein-

stein herself said "the most notable part of this report is what's not in it," suggesting (again) that she has access to some secret knowledge about the case that she won't share.

Democrats have also cited Judge Kavanaugh's angry testimony denying sexual assault as itself disqualifying—as if he had no business crying out while being stretched on the rack. He might not have been as deferential to the senators as norms of judicial gravitas would dictate, but he was certainly more poised than his inquisitors. In the end, even that line of attack accomplished nothing.

This process has inflicted real damage to Judge Kavanaugh and Ms. Ford—enough to make any intelligent citizen wonder if it would ever be worth entering public service. But the most immediate casualty is likely to be the much-hyped November blue wave. If a vote for a Democratic majority in the Senate is a vote for the tactics of Sen. Feinstein, or for the boorish behavior of Sens. Blumenthal, Cory Booker and Kamala Harris, then that vote may not materialize at all.

In the Missouri Senate race, Republican Josh Hawley has overtaken incumbent Sen. Claire McCaskill, largely in reaction to the Kavanaugh hearings. In North Dakota, Republican Kevin Cramer has opened up a yawning lead over Sen. Heidi Heitkamp. The newest Quinipiac and NPR/PBS NewsHour polls show that the Democratic generic-ballot advantage has halved and the party's enthusiasm advantage has vanished.

Napoleon counted on offensive bluster at Waterloo to give him victory, and it failed. By amplifying the politicization of the judiciary, Democrats may have achieved a Waterloo—but not the one they imagined.

Mr. Guelzo is a professor of history at Gettysburg College.

Peggy Noonan is away until later this month.

Iraq Gets a Government—and It Was Worth the Wait

By Kenneth M. Pollack

The outlines of a new Iraqi government have formed, after nearly four months of postelection politicking.

Iraqis have much to be optimistic about. On Tuesday Iraq's Kurdish parties selected Barham Salih to be the new president of Iraq. He immediately named veteran Shiite politician Adel Abdul Mahdi to serve as prime minister and form a government.

Mr. Salih is a dynamic, creative, reform-minded leader. As a politician he has promoted democracy, integrity and economic opportunity. Mr. Mahdi is a sober, pragmatic and moderate statesman respected by effectively every Iraqi—a rare feat in a fractured country.

Perhaps more heartening, their competitors were equally commendable. Mr. Salih beat Fuad Hussein—known for his wisdom and ability to forge compromises. Mr. Mahdi was ultimately chosen over Mustafa al-Kadhimi, Iraq's competent and professional intelligence chief, whose appointment to that delicate position was one of the most brilliant strokes of Haider al-Abadi's term as prime minister.

Given how badly Iraq's May elections turned out—rampant fraud, miserable voter turnout and a badly fragmented Parliament—the ultimate outcome should provide hope for Iraq's future. A government led by Mr. Salih, Mr. Mahdi and the Sunni Arab speaker of Parliament, Mohammed al-Halbusi, is probably better than anyone could have imagined in May.

While encouraging, the new government still faces two potentially lethal sets of problems.

First, Iraqis are fed up with successive governments' corruption, incompetence and sclerosis. The country's economy remains moribund, and the government has not been able to do anything meaningful about it. Sustained protests have erupted

across southern Iraq. They could snowball into revolution or prompt another civil war.

Even well-intentioned Iraqi governments—like Mr. Abadi's—could not tackle these problems because of their self-reinforcing nature. Since the invasion, Iraq typically has been led by overly inclusive national unity governments. The parties divide up ministries, then use them as patronage systems to distribute the country's oil wealth. Their supporters have no incentive to work, let alone to change or improve the system. Every party directly benefits from these arrangements, so none are inclined to reform it. They fight any anticorruption or meritocratic efforts.

Only a prime minister strong enough to override the parties can have any chance of enacting real reform. But like his predecessors, Mr. Mahdi was the product of a compromise. He almost certainly will lead a national unity government. No party will stand to benefit by backing a

prime minister trying to champion real reform, and politicians again will jealously guard the patronage networks they are awarded for supporting the new government.

The second problem is Iran—or, more specifically, the Trump administration's Iran policy. Washington's new approach puts heavy economic pressure on Tehran. Yet the administration

The May election seemed to turn out badly, but the new leadership team is as good as it could have been.

largely has overlooked that Iraq is the snorkel through which Iran breathes under sanctions. The more economic pressure, the more Iran needs Iraq for trade, illicit hard-currency exchange and smuggling.

That's why Tehran wants a weak

Dogs Bite Men and Trumps Duck Taxes

in the creation of what the paper calls the "Donald Trump myth." Think Joseph P. Kennedy. There's even a parallel in the displacement of firstborn son Fred Jr. from his original slot as heir apparent.

In one way excruciatingly detailed by the Times, however, Mr. Trump and his sire are nothing new under the sun. Nobody in their right mind from the compulsive accumulator class pays the punitive federal estate tax. From an early age, such people make sure their lifetime achievements are not sucked up and splattered away in 15 seconds of federal spending. Bill Gates, Jeff Bezos and Mark Zuckerberg, all apparently in the pink of health, have been working for years to shield their assets from the taxman. Sam Walton, the saintly founder of Walmart, in his autobiography advised:

"The best way to reduce paying estate taxes is to give your assets away before they appreciate."

Because politicians find it useful to appease both the envious and the wealthy, the IRS code features both an estate tax and ways to avoid it. A loophole the Times accuses the Trumps of using is a so-called grantor-retained annuity trust, described as "one of the tax code's great gifts to the ultrawealthy." Unsurprisingly, it also happens to be a favorite of the Sulzberger family, which owns the New York Times.

Show me a wealthy entrepreneur whose family paid the death tax of 55% (now 40%) and I will show you an entrepreneur who died unexpectedly. Or who, like Miami Dolphins owner Joe Robbie, watched from beyond the grave as his careful arrangements were upended by his squabbling heirs.

and corrupt Baghdad. A strong reformist government could shut down Iran's manipulation. It is also why a well-conceived policy of pressuring Iran should include a concerted effort to bolster Iraq. But the Trump administration has steadfastly refused to plug the Iraqi leak in its Iran policy. What would it take?

• Retain 5,000 to 10,000 U.S. troops in Iraq to reassure Iraqis that no one—including the Iraqi federal government and the Iranian-backed Popular Mobilization Forces—can use violence to advance a political agenda.

• Make a significant commitment of economic assistance, preferably \$1 billion to \$2 billion a year for five years. Put at the disposal of the prime minister, the aid would help circumvent the Iraqi bureaucracy's lethargy and corruption, while enabling him to build support by producing legitimate economic benefits.

• Work with Baghdad to identify discrete projects that can be com-

pleted over the next two years to address popular grievances. It is critical to demonstrate to the Iraqi people that the new government understands their misery and is working to improve their lives. That's the only way to convince voters the government deserves more time to make the deeper fixes that can turn around Iraq's bureaucracy and economy.

Since the 2003 invasion, the U.S. repeatedly has won major military victories—then thrown them away by failing to provide the economic and political support needed to address the problems of peace. Iraq stands on the brink once again. Miraculously, its political process has produced leadership that will try to move the country in the right direction. This may be the best and last chance to save Iraq—and save the U.S. from another expensive intervention. But the Iraqis cannot do it without U.S. help.

Mr. Pollack is resident scholar at the American Enterprise Institute.

per investigations. Journalists are as unlikely as the next person to adhere rigidly to the law in their driving habits, their use of pharmaceuticals, their failure to procure a valid fishing license.

But as class they do insist on rigid adherence to the law on the part of their subjects for the purpose of writing gotcha exposés. And Mr. Trump is a potential gold mine in this regard twice over, being the most intriguing person on the planet right now and trailing a 40-year history of high-wire personal and business laxity.

Yet the Times also is confused if it believes its tax investigation will finally discredit Mr. Trump once and for all in the eyes of his supporters. The people whose class envy and resentment extends to a desire to despoil the rich at death are not Trump voters but the New York Times' own upper-middle-class readership. The federal estate tax exemption has been lifted to today's \$11.2 million from \$5 million precisely to accommodate these people's desire to pass along their own justly earned, entirely deserved nest eggs. Meanwhile, anybody who has more to leave is obviously a greedy so-and-so.

This is not the place to debate the merits of an estate tax. Wikipedia has a rundown of ingenious pro-tax arguments by recognized academic experts such as the University of Michigan's Joel Slemrod. But notice that today's scourge of all things supply-side, Nobel Prize winning economist Joseph Stiglitz, was once a critic of inheritance taxes on grounds that they are antigrowth and tend to increase inequality.

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The Times now finds illegal many

Trump Senior dodges that in the 1990s passed IRS muster or escaped IRS notice and have been effectively rendered legal (at least for criminal purposes) by the statute of limitations. Notable is a stratagem known to the corrupt as well as those fleeing corruption since the dawn of time: over-invoicing. Father Trump created for his children a company to manage his properties and then allowed it to overbill him (and his tenants) for a variety of services and improvements.

Nobody hands over 55% of his life's work to the IRS.**The real revelation is dad's role in the Trump myth.**

We should always applaud journalistic enterprise even if the Times devotes considerable resources to a tax story that will surprise exactly no one. More interesting in their way are questions like who dumped a decade's worth of private Trump tax documents in the paper's lap and why doesn't the Times devote similar energy to finding out what's in the secret appendix of the



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Credit Kings
Two college dropouts
took a startup from
zero to \$1 billion **B5**

EXCHANGE

THE WALL STREET JOURNAL.

SATURDAY/SUNDAY, OCTOBER 6 - 7, 2018 | **B1**

BUSINESS | FINANCE | TECHNOLOGY | MANAGEMENT

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“ Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.



GE market cap
\$402B

JACK WELCH
CEO, April 1981
to Sept. 2001



“ Every job or decision looks easy until you are the one on the line.

GE market cap**\$222B**

JEFF IMMELT
CEO, Sept. 2001
to July 2017

**GE market cap****\$98B**

JOHN FLANNERY

CEO, Aug. 2017
to Sept. 2018

“ Everything is on the table.
I have no nostalgia for the
way things have been.

**LARRY CULP**

“ CEOs are paid to have the longest time horizon of anybody on the team, but CEOs are often the ones who get fired when you miss a couple of quarters.

Market capitalization figures are from the last full day of each CEO's tenure.

By THOMAS GRYTA AND RUSSELL ADAMS

Last Monday morning, Larry Culp did what he's done dozens of times during his career: talk to a nervous group of employees as their newly minted boss. This time was different because it wasn't a corporate takeover. It just felt like one.

Hours earlier, General Electric Co. had shocked millions of investors and 300,000 employees when it abruptly fired CEO John Flannery and brought in Mr. Culp, who had joined the GE board in April, to save the struggling conglomerate.

The new boss didn't have an ID badge or a work computer, but he wasted little time in addressing GE's top 150 executives from the Boston headquarters. A few days later, he jumped on a flight to visit the Atlanta offices of GE's power business, whose troubles forced the company to slash its dividend and financial targets, erasing more than \$100 billion in market value.

The arrival of Mr. Culp didn't just install the first outsider in GE's 126-year history—it also ushered in a new management philosophy that has guided his every move since he became CEO of Danaher Corp. at age 37.

CAN THIS MAN FIX GE?

The ghosts of leaders past haunt Larry Culp, the first outsider CEO in the company's history. He brings with him a management philosophy from little-known, highly successful conglomerate Danaher.

He's got big problems to solve.

The strategy has developed a cult-like following, largely because Danaher used it to buy a string of companies, boost profits and richly reward shareholders.

Danaher, based in Washington, D.C., and established in 1984, is a much smaller company than GE. It owns disparate units that make everything from dental instruments to centrifuges to water-purification systems. It had about \$4 billion in annual revenue when Mr. Culp took over as CEO in 2001 and \$20 billion when he retired about 14 years later. GE had \$121 billion in revenue last year and employs nearly five times as many people as Danaher.

Still, an investor who put \$10,000 into Danaher 20 years ago would have more than \$200,000 today. Over that same period, \$10,000 invested in GE would be worth about \$8,700.

The Danaher playbook, modeled after similar systems used at Toyota Corp., is defined by a maniacal commitment to efficiency and constant assessment of business units against eight performance metrics. Those include financial targets like core revenue growth as well as measures of customer satisfaction (on-time delivery) and employee mo-

Please turn to the next page

◆ On Business: John D. Stoll on why CEOs shouldn't hang around too long... **B6**

Ford Plans Job Cuts As Part of a Revamp

CEO presses his effort to revitalize auto maker

By MIKE COLIAS

Ford Motor Co. informed employees this week of a planned reorganization that will cut salaried jobs, part of Chief Executive Jim Hackett's broader plan to slash costs as the auto maker seeks to improve profits and revive its stock price.

Ford said in a statement Friday that it is in the "early stages of reorganizing our global salaried workforce," though it declined to disclose how many people it may let go.

The No. 2 U.S. auto maker by sales has about 70,000 salaried workers and employees were told of the plan Thursday, a spokeswoman said.

The planned cuts should be decided by the second quarter of 2019, the spokeswoman said.

It reflects Mr. Hackett's "desire to have an organization that is moving faster, and part of that comes from having a flatter" management structure, she said.

"The reorganization will result in head count reduction over time and this will vary based on team and location," the company's statement said.

The restructuring of its salaried

workforce comes amid mounting questions from investors and analysts, who have been pressing Mr. Hackett for more details on his plans to revitalize the company.

Ford's share price is stuck at a multiyear low and its profits have been sliding at a time when General Motors Co. and other rivals have remained strong. Ford shares closed Friday at \$9.12, down 27% for the year.

The planned cuts should be decided by the second quarter of 2019, the spokeswoman said. It reflects Mr. Hackett's "desire to have an organization that is moving faster, and part of that comes from having a flatter" management structure, she said.

It is unclear if the reductions would be achieved by buyouts, layoffs or a combination of the both.

Since he took the top job in May 2017, Mr. Hackett has emphasized improving Ford's overall "fitness" by cutting costs and streamlining the way it engineers and builds cars. Ford is targeting \$25.5 billion in cuts through 2022.

Separately, Ford has said it plans about \$11 billion in restructuring costs over the next three to five years.

Analysts expect many of those cuts to come in overseas businesses that have struggled in recent years,

Please turn to the next page

THE INTELLIGENT INVESTOR | JASON ZWEIG



John Bogle greets some of the Bogleheads who gathered in his name Thursday.



This week, 200 investors met in Pennsylvania at a conference that is a cross between a religious revival and an M.B.A. finance class. The Bogleheads, as the group is known, converged to thank their hero, Vanguard Group founder John C. Bogle. They also came to swap stories and advice about investing—and to be part of a community reinforcing the message that in-

vesting can be simple as pie and cheap as dirt.

Since 2000, the group has grown from a handful of diehards to a free online forum, bogleheads.org, with 75,000 registered users and more than three million posts on every conceivable personal-finance topic.

The Bogleheads unabashedly adore the man who founded Vanguard in 1974 and introduced the first index mutual fund in 1975. Vanguard says that index funds

Please turn to page B5

Amazon Fires Worker for Leaking Data

Third-party seller got email addresses

By LAURA STEVENS

Amazon.com Inc. on Friday notified some customers that their email addresses were shared with an outside seller on its platform in violation of the company's policy.

Amazon said it had identified and fired the employee responsible for sharing the information. No other customer information was disclosed, and the seller who received it was blocked from selling on Amazon, the company said.

"The individual responsible for this incident has been terminated from their position, and we are supporting law enforcement in their prosecution," an Amazon spokeswoman said in a statement.

The Wall Street Journal reported last month that some employees inside Amazon had been bribed to provide third-party sellers on its marketplace with internal information, including email addresses.

Amazon said at the time that it was investigating those claims, and would punish anyone who violated its policies.

Please turn to page B10

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

GENERAL ELECTRIC CO.

GE In a surprise move on Monday, General Electric fired Chief Executive John Flannery after 14 months on the job for moving too slowly to meet profit and cash targets. His ouster comes amid escalating problems in the conglomerate's power unit, including mechanical failures in several Texas turbines and an accounting charge as large as \$23 billion. Shares **rose 7.1% Monday** as investors harbored optimism that new GE boss Larry Culp, a board member and the former CEO of Danaher Corp., would be able to turn the struggling blue-chip company around.

STITCH FIX INC.

SFIX As its U.S. growth slows, Stitch Fix is looking for new customers across the pond. The online personal-shopping company, which went public less than a year ago, unveiled plans Monday to expand to the U.K. Its number of active clients was up from a year earlier but roughly flat from its most recent quarter. CEO Kristina Lake also said Stitch Fix received "early positive feedback" from its new kids line, which launched in July, and would continue expanding in different areas. Investors were less positive, however, and sent shares **down 35% Tuesday**.

PERFORMANCE OF RETAIL STOCKS THIS WEEK



AMAZON.COM INC.

AMZN Amazon upped the hiring ante Tuesday by raising its minimum wage to \$15 an hour as of Nov. 1, as seasonal employment opportunities begin to be-
1.6% come available across the retail industry. The move caused its shares to **slip 1.6% Tuesday**; brick-and-mortar re-tailers competing for holiday workers in a historically tight labor market suffered larger declines. Macy's Inc. fell 4.8%, Nordstrom Inc. declined 3.4% and Target Corp. fell 2.1%.

GENERAL MOTORS CO.

GM Usually competitors, GM and Honda Motor Co. are teaming up with the hopes of jointly developing a mass-produced fully autonomous car. Honda announced plans to invest \$750 million in GM's self-driving car unit and committed to adding a further \$2 billion in funding over the next 12 years. The influx of cash, which allows GM to continue developing driverless-ve-hicle services without siphoning capital away from its traditional car-making business, drove GM shares **up 2.1% Wednesday**. Separately, SoftBank Group Corp. announced a self-driving joint venture with Toyota Motor Corp. Thursday.

CONSTELLATION BRANDS INC.

STZ Americans are drinking less beer than they used to, but they're still thirsty for Constellation's brews, like Corona, Modelo and Ballast Point. The alcoholic beverage company's stock bubbled **up 5.4% Thursday** after reporting an 11% bump in beer sales from last year, alongside a 9% increase in sales of wine and spirits. Constellation's latest results also included \$639 million in unrealized gains related to its pending \$4 billion investment in Canadian marijuana producer Canopy Growth Corp., a substantial bet on the emerging market for legal marijuana use.

BARNES & NOBLE INC.

BKS The embattled bookseller said Wednesday it is considering selling itself after receiving interest from multiple parties, including Executive Chairman Leonard Riggio. To guard against unsolicited acquirers, Barnes & Noble also adopted a short-term shareholder rights plan, known as a poison pill. The company's market capitalization has shrunk by two-thirds since 2015 after years of slumping sales, failed turnaround efforts and tumult at the top. (It's had five CEOs since 2013.) Investors, hoping a sale will open a new chapter of profitability for the book-seller, sent shares **up 22% Thursday**.

TESLA INC.

TSLA Last weekend, Elon Musk agreed to step down as Tesla chairman for three years but stay on as CEO, settling with the Securities and Exchange Commission after it said he had misled investors with his "take private" tweet in August. By Thursday evening, Mr. Musk was back on Twitter, this time appearing to mock the SEC. "Just want to [say] that the Shortseller Enforcement Commission is doing incredible work," he tweeted. "And the name change is so on point!" Tesla stock **fell 7.1% Friday**; shares ended the week below where they were before the settlement.

—Laine Higgins

Can This Outsider Save GE?

Continued from the prior page
rule (retention rates).

Each business is assessed monthly in face-to-face meetings. New executives are pulled away from their jobs and schooled in the Danaher way, which centers around a philosophy known as kaizen. Derived from the Japanese words *kai*, meaning change, and *zen*, meaning good, kaizen focuses on continuous improvement through in-depth sessions to assess employees' progress.

Instituted in the 1980s, the Danaher Business System, or DBS, is the underlying process that everything else in the company runs on. "DBS is our culture and the foundation of everything we do," reads a slide from a 2013 presentation by Mr. Culp to investors.

Harvey Bond, a Danaher executive in Europe until early 2011, recalls spending a late night eating pizza with Mr. Culp on a visit to a factory in Europe for a kaizen event. "He has safety shoes on with steel toe caps and he is completely immersed. He has his phone switched off," Mr. Bond said. "He knows that in the morning that people are going to be talking about what he was doing."

Mr. Culp, 55, grew up near Washington, D.C., where his father ran a welding and machine shop. He studied economics at Washington College and earned an MBA from Harvard Business School, where he cold-called the CEO of Danaher to get a job in 1990. He wanted an operating role at a company that could compete with the foreign manufacturers he admired, he told a Harvard student newspaper. He ran smaller industrial units until he was tapped to run the company in 2001. He expanded mostly through acquisitions, including a \$6 billion purchase of Beckman Coulter, a maker of medical tests.

Danaher tends to garner little attention and the same goes for Mr. Culp. In his 14 years running the company, he didn't spend much time talking to media. In contrast to his GE predecessors, Mr. Culp didn't have a public account on Twitter until this week. He declined to be interviewed for this article.

Rather than bring executives into Danaher headquarters to conduct business reviews, Mr. Culp would go to the units, camping out in the office and walking the factory floor to get a hands-on view, former colleagues say. Since joining the GE board, he has visited several GE operations, including overseas.

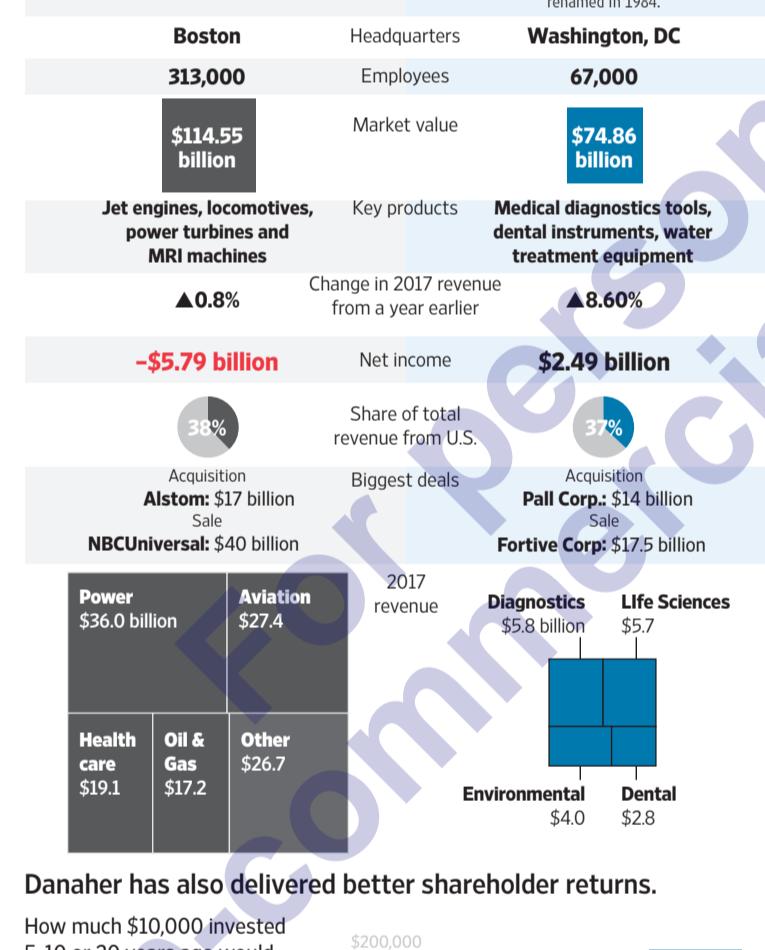
The structure of Danaher is almost an upside-down version of GE. While it is a conglomerate, it doesn't use the GE-style corporate umbrella to derive value from those businesses. Danaher has about 200 of its 67,000 workers in corporate functions.

One of the core principles of GE under former CEO Jeff Immelt was that different business units like power, aviation and healthcare benefited from access to the "GE Store" for shared research and technology. There was management training at the Crotonville, N.Y., leadership academy, research centers employing thousands of scientists and engineers in Germany and China, and global finance and sales teams.

Danaher's top executives are

A Tale of Two Conglomerates

GE is much larger and more complex than Danaher, but the smaller company has outperformed in terms of sales growth and profits.



Danaher has also delivered better shareholder returns.



skeptical that conducting research across different divisions has any real value, according to people familiar with their thinking. Increased efficiency—by cutting inventory and improving manufacturing processes—reduces the amount of working capital tied up in the company, allowing that cash to be used for growing the business.

The company is so committed to eliminating waste that it wouldn't be surprising for hour-long meetings to be stopped halfway through to discuss whether the next 30 minutes were necessary, said Paul Leinwand, a principal at PwC's global strategy business and co-author of "Strategy That Works: How Winning Companies Close the Strategy-to-Execution Gap," which focused in part on Danaher.

Danaher's headquarters itself speaks to the contrast with GE, which is building a new corporate base on the Boston waterfront. Danaher is located on the eighth floor of a nondescript glass office building in Washington, D.C. There are no signs for the company in the lobby or on the building.

The company that became Danaher started as a real-estate investment trust in 1969 by brothers Mitchell and Steven Rales. In 1984, it was renamed after a Montana creek where the brothers fished. It evolved beyond its roots as its founders discovered they had a gift for buying and turning around man-

ufacturing companies.

The Rales brothers, now billionaires, both remain on the board of Danaher and own a combined 11% of the company, according to FactSet Research. Steven has served as chairman since 1984 and was CEO for six years ending in 1990. Mitchell and his wife, Emily Wei Rales, are prominent art collectors who opened a modern art museum with items from their portfolio in Potomac, Md.

When Mr. Culp took over as CEO in 2001, he reinforced the DBS approach. He posted notes for the staff on the company's intranet every day, often praising incremental improvements made by workers or teams, recalled former Danaher executive Steve Simms at a 2012 roundtable hosted by the publication strategy+business. Senior managers are rated every year on how well they apply the principles.

While GE has its own reputation for recruiting and training, Danaher has a rigorous system as well. It is crucial to have employees be a strong fit with the Danaher culture, a factor that is more important than performance. In the hiring process, the company uses a corporate psychologist to help profile candidates to make sure they will fit in with the DBS. The new hire is then put through an immersion process to assimilate into the practices of their new employer.

The company often moves execu-

tives around and makes sure it has a deep bench for key positions so it can switch executives into new companies it acquires, allowing someone else to immediately fill the empty role. The approach is similar to GE's, which rotates executives through units and geographies. Top executives at both companies also spend time each year teaching leadership or management techniques.

Central to Danaher's success is its meticulous process for evaluating acquisitions, according to people familiar with its process. The company looks for businesses with branded products used by professionals, which tend to be more profitable and have pricing power. It also seeks businesses that are poorly managed on cost, meaning they can become more profitable with greater attention to areas like manufacturing, supply chain and back-office operations.

Several analysts contrast GE's strategy for entering the water-processing business with Danaher's. In several deals costing at least \$3 billion, GE acquired water-filtration businesses that used different, competing technologies, and then put the groups together under a single sales force. The bet didn't pay off: GE sold the water business last year for \$3.4 billion.

In contrast, Danaher focused on water testing, an area with growth potential, RBC analyst Deane Dray notes. It bought in and has grown into other parts of the market, making it a major part of a division with \$4 billion in annual sales.

Moves like these have bolstered Danaher's reputation. Trian Fund Management, the activist investor that holds a GE board seat and owns a large GE stake, pointed to Danaher's superior performance in various presentations that called for changes at much older and bigger industrial companies, including DuPont and GE itself.

Danaher has a constantly changing list of more than 100 potential acquisition targets and does about a dozen deals a year. When the company acquired Pall Corp. for \$14 billion in 2015, it had been cultivating the maker of purification and filtration equipment for more than a decade, according to people familiar with the deal. Danaher executives often do their own financial analysis, making them less reliant on traditional investment banks.

How Mr. Culp will work to solve the riddle of GE, which is hobbled by its power business and complex GE Capital division, remains to be seen. Mr. Culp will be wrestling with the same issues and using the same resources as Mr. Flannery, who lasted 14 months.

For now, people familiar with the matter, say he is moving forward with Mr. Flannery's plans to spin off the health-care division and sell GE's stake in Baker Hughes to focus on power and aviation. It was a plan devised with the help of Mr. Culp and the rest of the board.

Mr. Culp had received more than \$200 million in compensation by the time he retired as Danaher's CEO at age 51. At the time, he said, he wanted to spend time with his wife and young children and fish in exotic locales. He also said organizations, even successful ones, needed to be refreshed.

"I'm a lifelong student of Thomas Jefferson," he told analysts in an April 2014 conference call to explain his early retirement, "and have always been struck by the wisdom of what he's written about the benefits of revolution, every 20 years or so."

Ford Plans To Cut Its Workforce

Continued from the prior page including Europe and South America.

The Ford spokeswoman said the company wanted to let workers know in advance about the plans because the reorganization is going to be fairly visible and is meant to be a participatory process.

Each layer of management will be tasked with restructuring their own group, she added.

"It is important to be transparent with the workforce," she said. "This is a whole new process. We've never done it like this before."

David Whiston, an auto analyst with Morningstar Inc., said Ford could be trying to ease the shock of job losses down the road or hoping some people will leave early. "Hackett is under a lot of scrutiny from Wall Street right now," he said. "Action needs to be taken to fulfill this restructuring plan."

While Ford underwent a massive restructuring under former CEO Alan Mulally, costs have climbed in recent years as it added head count and stepped up spending on engineering and development. Ford's global workforce, including factory workers, totaled 202,000 last year, up 18% from 2012.

Ford's share price is stuck at a multiyear low and its profits have been sliding.

In the critical area of engineering, research and development, Ford's \$8 billion budget last year outpaced GM's by nearly 10%, even though GM sells far more cars globally and has more advanced electric cars.

Ford offered buyouts last year aiming to trim 1,400 jobs from its salaried workforce, but Mr. Hackett has pushed for deeper cuts since taking over as CEO.

Ford has said the restructuring will target areas of its business that aren't generating a decent return so it can deploy more capital to its most profitable business lines, most notably trucks and sport-utility vehicles in North America.

It has been losing money in Europe and South America, and swung to a loss in China during the second quarter.

During Ford's second-quarter conference call with analysts, Morgan Stanley analyst Adam Jonas criticized Mr. Hackett for not spelling out to investors more specific moves he plans to make to boost Ford's performance.

Mr. Jonas even questioned whether Mr. Hackett expected to still have his job by the time the company was ready to disclose more about its plans.

"Hell yes," the CEO responded. "I expect to be in front of everybody, declaring where we're going and what we want to get done."

BUSINESS NEWS

Mattress Firm to Cut Stores in Chapter 11

By SOMA BISWAS
AND BECKY YERAK

Mattress Firm Inc., the largest specialty mattress seller in the U.S., filed for bankruptcy protection Friday, the victim of increasing competition from discount retailers, too many of its own stores and the loss of a key supplier.

As part of a business restructuring, the Houston-based company plans to close 700 stores before the holidays.

Mattress Firm, which had gobbled up dozens of rivals over the past decade, sought chapter 11 protection in U.S. Bankruptcy Court in Wilmington, Del. The filing follows a deal struck in July with bondholders of its troubled parent,

Steinhoff International Holdings NV, which took Mattress Firm private two years ago for \$3.8 billion.

The bankruptcy marks a rapid fall for the once-highly-profitable bedding retailer and Steinhoff, the South Africa-based retail conglomerate that has been called "Africa's IKEA." Steinhoff, whose purchase of Mattress Firm marked its entry into the U.S. market, has been caught up in an accounting scandal that erupted in December. Its creditors, who hold billions of dollars of the company's bonds, agreed to suspend all payments on its debt for three years. Steinhoff is expected to launch a debt restructuring for its European business in the U.K. later this month.

Mattress Firm, the market leader in the U.S. with more than 3,200 stores and more than \$3 billion in annual revenue, has its own problems. The retailer finds itself with too many stores as its sales have slumped and it struggles to integrate rival chains it bought.

"There are many examples of a Mattress Firm store being located literally across the street from another Mattress Firm store," Hendré Ackermann, the company's finance chief, said in an affidavit filed with the court.

Its business was also rocked last year when Tempur Sealy International Inc., a top mattress maker, abandoned the retailer in a dispute over pricing.

Tempur- and Sealy-branded mattresses accounted for roughly one-third of the company's annual revenue, said Seth Basham, an equity analyst at Wedbush Securities who follows Tempur Sealy.

The mattress market, like most other retail sectors, has also come under pressure in recent years from online upstarts, such as Casper Sleep Inc. and Leesa Sleep LLC. The newcomers mostly sell bed-in-a-box mattresses they ship directly to homes, promising free returns.

In the year after the Steinhoff deal, Mattress Firm was already bleeding cash. Earnings before interest, taxes, depreciation and amortization of \$251 million in fiscal 2016 were followed by an \$81 million loss in

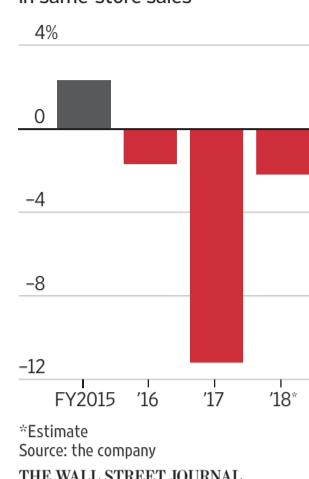
fiscal 2017.

Faced with a cash crunch, the chain took a \$80 million loan from Steinhoff in March, but that wasn't enough to last past October. Mattress Firm couldn't borrow more because of debt covenants tied its guarantees on \$3 billion of debt owed by Steinhoff, a person familiar with the matter said. Under the reorganization plan Steinhoff reached with its creditors—the bondholders—who already control the South African conglomerate—will gain over 49% of the equity of Mattress Firm when it exits bankruptcy. Steinhoff will retain control of the rest of the shares.

—Alexandra Wexler
and Peg Brickley
contributed to this article.

Losing Sleep

Mattress Firm's annual change in same-store sales



*Estimate
Source: the company

THE WALL STREET JOURNAL.

Unilever To Keep U.K. Base

By SAABIRA CHAUDHURI
AND DAPHNE ZHANG

Unilever PLC on Friday abandoned its plan to ditch its London headquarters in favor of the Netherlands after facing mounting opposition from some of its largest investors.

The maker of Hellmann's mayonnaise and Ben & Jerry's ice cream had planned the move as part of a broader consolidation of its British and Dutch operating companies to make it more nimble.

However, a parade of big institutional investors said they would oppose the plan at a shareholder vote later this month. The move would have cost Unilever its place in the U.K.'s FTSE 100 index, forcing some investors to sell.

The reversal represents a surprise capitulation for departing Chief Executive Paul Polman, who made the consolidation effort his swan song. After fending off an unsolicited bid from American rival Kraft Heinz Co., Mr. Polman and the board embarked on a strategic review that culminated with the plan.

Some analysts suggested the situation could accelerate a change of management at the company, with Unilever having already started a search for Mr. Polman's successor. Société Générale's

Some of its largest investors opposed consolidating in the Netherlands.

Sriram Gurijala said the plan was probably the most important item on the Dutch executive's to-do list and that now it was off the table, transition could happen sooner.

Critics had argued that the plan's benefits weren't clear, that there was uncertainty about Dutch dividend taxes and that the move could have set a bad precedent as the U.K. readies to depart the European Union.

Major investors, including Aviva, M&G, Legal & General, Schroders, Lindsell Train, Columbia Threadneedle and Royal London Asset Management—who together own around 10% of Unilever—all said they planned to vote "no."

"We are pleased with Unilever's decision to halt its proposed plans," said Iain Richards, head of responsible investment at Columbia Threadneedle. "Better approaches are possible and the problems...were foreseeable."

The proposal also angered some private shareholders, who stood to have an outsize role in the vote because of a rule requiring a "yes" vote from more than 50% of those voting no matter how big their stake is. That would have given an owner or just one share the same voice as a major investor.

"They've listened at last to the shareholders," said Cliff Weight, a private Unilever shareholder for more than 30 years and a director of investor society ShareSoc. "We are going to keep our Marmite British," he said referring to a British spread made by the company.

—Adam Clark
contributed to this article.

Foreign Auto Makers Look at More U.S. Content

By CHESTER DAWSON
AND WILLIAM BOSTON

Foreign car makers are considering moving more of their parts manufacturing to North America following the recent U.S. trade deal with Canada and Mexico.

Within days of the U.S. and Canada reaching a pact to replace the roughly 25-year-old North American Free Trade Agreement, executives at several foreign car makers said they are considering changes to their supply chains to use more components made in the U.S., Canada and Mexico.

"We will allocate more U.S. production for the U.S. market," BMW AG CEO Harald Krüger told reporters at the Paris Motor Show this week. He said the German car maker already sources many parts in the region, but the new trade pact will accelerate a shift in investment.

Daimler AG CEO Dieter Zetsche said at the same event the new agreement could force the company to move more engine manufacturing to the U.S., where it builds cars and sport-utility vehicles at a factory in Tuscaloosa, Ala.

The impact on foreign auto makers' North American operations from the newly named United States-Mexico-Canada Agreement, which still has to be approved by Congress, remains unclear. But many in the auto industry see the pact as evidence of President Trump's tough approach to trade.

Industry consultants say auto makers are growing increasingly nervous that more restrictions could emerge as Mr. Trump turns to trade talks with Japan and the European Union.

"These companies are now seeing that there is an element of political risk to operating in the U.S.," said Johan Gott, a principal with global management consultancy A.T. Kearney.

Since Nafta was established in 1994, both U.S. and foreign auto makers have developed supply chains based on the expectation of low to no tariffs within North America. Mr. Trump made overhauling Nafta

Under the Hood

Some vehicles assembled in North America use engines or transmissions from outside the region

■ Source of Engine ■ Source of Transmission



a campaign pledge, arguing that it eroded the U.S. manufacturing base and sent well-paying factory jobs to Mexico, where labor is cheaper.

The tentative deal, which replaces Nafta, requires auto makers to build at least 75% of a car's value in North America to remain duty-free within the region, up from 62.5% currently. Car companies also have to ensure 40% to 45% of the vehicle is made by workers earning at least \$16 an hour, a provision aimed at steering more work to the U.S. to generate manufacturing jobs.

The pact caps yearly auto imports from Canada and Mex-

ico at a combined 5.2 million, well above the 4.1 million vehicles that were shipped into the U.S. last year from the two countries. Cars that don't comply with the new rules will be subject to a 2.5% tariff. The deal exempts light trucks such as pickups from the caps.

Foreign-based car brands made up 56% of light-vehicle sales in the U.S. last year, according to Autodata Corp. Auto makers that source a significant number of parts overseas, including high-value engines and transmissions, will likely be at risk of noncompliance with the new rules for certain vehicles that they make

in North America and sell in the U.S., industry analysts say.

The new rules will be phased in over the next two to five years, about the time it takes to develop a partially or fully revised car model. Car makers are likely to look at moving engine and transmission production first, because those parts make up roughly 30% of a car's value and thus represent what would be a big step toward the stricter content thresholds manufacturing consultants say.

The new standard is most significant for vehicles that are built in Mexico with lots of foreign parts and then shipped

to the U.S., such as Nissan Motor Co.'s Sentra compact sedan, Volkswagen AG's Golf compact and Honda Motor Co.'s Fit subcompact.

Carlos Ghosn, head of the Renault-Nissan-Mitsubishi alliance, said the new North American trade pact would spur the car-making group to invest more in both the U.S. and Mexico, but didn't provide details. Honda and Volkswagen said in separate statements that they are still analyzing the potential impact of the deal on their local operations.

Mazda Motor Corp., which relies on Japan for engines and transmissions, would also struggle to meet the higher content requirements on its Mexico-built Mazda3 compact car.

"Naturally, it will change since we haven't reached 75%" local content," said Mazda CEO Akira Marumoto. "Components that have to be made within the Nafta region will increase."

By comparison, Detroit auto makers General Motors Co., Ford Motor Co. and Fiat Chrysler Automobiles NV don't expect to be impacted significantly because most of the vehicles they sell in the U.S. are likely to meet the local content and wage requirements, although some cars may face hurdles.

That could include Fiat Chrysler's Mexican-made Fiat 500 subcompact, which uses transmissions imported from Germany, Italy or Japan depending on the model, according to government data. FCA said it expects the trade deal to allow its North American production to "remain competitive at home and in export markets around the world."

Some industry analysts say the new restrictions could over time hurt North American competitiveness by raising manufacturing costs and also lift retail prices for U.S.-sold cars. Many car makers now use North America—and particularly Mexico and the U.S.—to supply overseas markets, but that could change with the shifting trade policies.

—Sean McLain
contributed to this article.

Teamsters Vote Down New UPS Contract

By PAUL ZIOBRO

Teamsters members voted down a new contract with United Parcel Service Inc., sending both sides back to the negotiating table ahead of the holiday season.

Preliminary voting results showed that 54.3% of votes cast opposed the five-year deal that represents 243,000 drivers, package sorters and other workers, the International Brotherhood of Teamsters disclosed Friday evening. Another pact representing 11,000 UPS Freight workers was also rejected, with 62.1% of votes cast opposing that deal.

A number of other regional and local agreements were also rejected, dealing a blow to the Teamsters leadership and UPS that tried to sell its rank-and-file on the contracts.

Union leaders said they would reopen talks with the company. "We will be going back to the company to talk to them about some additional changes," said Denis Taylor, co-chair of the Teamsters negotiating committee.

A UPS spokesman said that

the company was disappointed with the results and will meet with the Teamsters to discuss next steps.

A contract extension is in place for the previous deal that expired in July and the company expects business to operate as usual.

"The Teamsters' negotiating committee and UPS developed fair agreements that reward UPS employees for their contributions to the company's success, including improved wages, benefits and job creation," company spokesman Steve Gaut said.

The tentative deal, reached between the company and union leaders in July, faced a persistent campaign from a Teamster faction that objected to a two-tier wage system for drivers and starting wages that will soon trail those offered at Amazon.com Inc.

The contract is one of the largest collective bargaining agreements in North America and is seen as critical in mapping out the delivery giant's cost structure at a time when it is delivering more packages than ever due to online shopping.



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THE WALL STREET JOURNAL.
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TECHNOLOGY



DOUG CHAYKA

One thing economist John Maynard Keynes failed to predict was that in a mature economy, everyone is employed either at a mattress startup or as a podcaster advertising them. I'm kidding, of course, but there are more than a dozen different online mattress brands vying for your attention across every medium you can think of.

Mattresses are just the tip of the iceberg. Everywhere you look, and especially on Instagram and Facebook, an explosion of different "microbrands" for gadgets, apparel, cosmetics, furniture and food are now targeting us with uncanny precision. Some, like Casper Mattresses and Kylie Cosmetics, have become overnight successes. But have you ever heard of Homesick Candles? Or Rowing Blazers?

What's made this possible is a combination of new technologies and techniques. Marketers can test an audience with a mockup or a prototype before a product even exists, then turn to overseas factories for rapid manufacturing, while outsourcing everything from payments to shipping.

The microbrand trend is changing who launches products, how they're funded, manufactured, advertised—even how they are conceived in the first place. Traditional brands from Gillette to J.Crew to Tempur Sealy are, in response, forced to copy microbrand innovations—from trends these upstarts identified to subscription models to free delivery. Some, like Serta Simmons, acquire a competing microbrand.

"There's a new 'brand stack' emerging, just like the tech stack before it," says Scott Belsky, a startup investor and chief product officer at Adobe, referring to the Dogwood sandwich of layered

There's a reason you're now buying stuff from companies you've never heard of

components that allow the development and delivery of any given product.

To understand the new brand stack enabling the microbrand explosion, it's helpful to imagine launching a product. So I recruited a small, experienced posse of microbranders to form the hypothetical advisory board for my fake startup, Uplift Coffee.

Tired of cold brew? Over your morning pour-over? Try Uplift Coffee, the first bottled coffee made with the revolutionary Warm Brewing™ process and infused with a patented melange of brain-enhancing nootropics!

The first step in launching my microbrand is to match some stock photography with a little ad copy, then spend a few hundred—or maybe a few thousand—dollars to put a test ad on Instagram and Facebook, says Jesse Horwitz. He's a microbrand startup adviser and founder of online direct-to-consumer contact-lens company Hubble Contacts, which has raised \$73.7 million. My product doesn't have to exist yet, but just by measuring how often people tap on my ad, I can begin to get a sense of the demand for my concoction.

These tests are essential, says Katya Constantine, chief

executive of DigishopGirl Media, an online marketing firm that has helped propel microbrands like Cali'flour pizza crusts to the top of Amazon.com Inc.'s sales rankings. One of Ms. Constantine's clients would post ads for various garments on Instagram. If the click rate on the ad was high enough—and preorders collected in great enough abundance—a factory in China could immediately start pumping out the garment, she says.

One potentially creepy enabler of the rise of microbrands is the way in which marketers can target us through complex, artificial-intelligence-powered algorithms. Marketers aren't merely aiming their ads at affluent 18- to 34-year-olds who live in urban areas, but are finding, through these targeting algorithms, "lookalike" audiences—people who have clicked on or purchased similar products.

Once upon a time, heavily advertised brands signaled the products we could reliably buy, again and again.

But unfamiliar microbrands

MICROSAMPLES

Rowing Blazers Preppy streetwear brand that just opened a pop-up shop in SoHo

Felix Gray Eye glasses that filter out blue light

Bear Mattress Mattresses for athletes

Homesick Candles A candle for every state, targeted to you by your state of origin

Italic A purveyor of un-branded bags made in the same factories as luxury bags

helps that low prices and hassle-free delivery encourage people to try new brands more frequently, he adds.

Once we have enough pre-orders for Uplift Coffee—an elixir that will make you as sexy and fun as the tastefully tattooed young people in our 60-second promo video—it's time to manufacture it. This is less expensive and difficult than it used to be, because automation in factories has become much more flexible. Computerization allows manufacturing lines to quickly switch between different products, says Joe Zembas, senior manager of engineering at J.M. Smucker Co., which sells many food items produced in its own factories as well as some outsourced to contract manufacturers.

It's now more economical for contract manufacturers to produce a single product for just a few days out of every month. A given line may produce dozens of different products over a period of weeks, with down time between items measured in minutes, Mr. Zembas says.

Taking payments, handling inventory and shipping goods used to be nightmares in their own right. But all of these tasks—and pretty much everything else a consumer packaged-goods com-

pany used to do—can now be outsourced to a raft of companies large and small, says Mr. Belsky. For e-commerce as a service, there's Shopify; for custom packaging, Lumi; for shipping and fulfillment, UPS, Deliverr and many others.

All of this infrastructure has come about as a result of consumer—especially young consumer—demand. "Consumers don't want to go to Macy's anymore and find brands there," says Ms. Constantine. "Younger people are in their [social media] feeds and they click on things and then buy them."

Not everyone is convinced that microbrands are effective—or all that new. Before the internet, upstart fashion and lifestyle brands appeared in the backs of magazines, or in shops in the mall like Urban Outfitters and Hot Topic, says Tom Morton, head of U.S. strategy at advertising firm R/GA. While there's now more of an ecosystem for new brands, the environment that makes a brand easy to start can also hamper its sustainable growth.

"The businesses are certainly in growing categories but the products are interchangeable. There's a sponsored-post ad break on Instagram every five photos, so you can see four identical T-shirt startups in a couple of minutes scrolling," he says.

The future of brands is just like everything else on the internet, where big things get bigger than ever, while a long tail of other options finds their own niche markets. If a brand is too niche, it might well die from lack of audience. But if a microbrand gathers followers who feel the drive toward tribal identification, it might end up dropping its "micro" status.

Case in point: Forbes recently valued Kylie Jenner's Kylie Cosmetics at \$800 million.

A Cool Idea. Literally.



DOMINIC BAHMANN

It's early afternoon and your eyelids are drooping. What's the best pick-me-up? The world's largest air-conditioner maker thinks it has an answer.

Daikin Industries Ltd. says its research revealed that lowering room temperature by a few degrees for several minutes beat some other ideas like brighter lights or a rosemary aroma.

The Osaka, Japan-based company, which owns the Goodman brand in the U.S., is planning a service with partner NEC Corp. that would detect sleepiness in office workers through artificial intelligence and deliver a blast of cool air to an area around that person. The companies think it will be ready by 2020.

It's part of Daikin's move away from its traditional hardware business, where it is vulnerable to the same competition that already drove many Japanese electronics makers from the global market. Daikin figures that if people could be persuaded to spend a few dollars on a bottle of premium water, they might do the same with premium air.

At a lab with 700 engineers, researchers are testing other ideas. In one study, Daikin found that in winter, men on average tend to work better at 68 degrees and 30% humidity, while women do better at about 72 degrees and 50% humidity. It is working on services to tailor air for each worker.

Daikin thinks its ideas can help it build a subscription revenue stream, the same way other companies sell cloud computing, software and other services to businesses, or Netflix Inc. sells streaming video to consumers.

Others in the air business are trying different avenues to boost recurring revenue. Johnson Controls International PLC has an "infrastructure as a service" program that allows building owners to pay for a certain output—like cool air—rather than for the hardware that delivers it.

Still, Daikin may be treading in tricky terri-

tory. When Daikin and NEC disclosed their system for monitoring and reviving sleepy workers, some people on social media in Japan said the idea suggested it sounded like a Big-Brother-is-watching dystopia.

"That might be a good sign," said Daikin engineer Satoshi Hashimoto. "When an idea is truly innovative you'll get about 70% of people opposed to it."

Next on the Daikin agenda: better air for what you eat and drink.

"We are also developing air that makes food taste better," said Sanae Kagawa, another Daikin engineer. "Starting with wine."

—Takashi Mochizuki

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FINANCE

From Zero to \$1 Billion in Two Years

Payments companies are the hot new thing in Silicon Valley. No company is hotter than Brex.

BY PETER RUDEGEAIR

Henrique Dubugras, a 21-year-old Stanford freshman and entrepreneur, had just secured Silicon Valley funding for a virtual-reality company he co-founded when he ran into a problem: He realized he didn't know enough about virtual reality to pull it off.

"We had absolutely no idea what we were doing," he said.

It was early 2017, and Mr. Dubugras and his co-founder, Pedro Franceschi, decided to pivot to a sector they knew well: payments. Their company, Brex Inc., now issues corporate credit cards to other emerging tech companies, embracing a sliver of finance the banks avoid because they believe it to be too risky.

Virtual reality is attracting boatloads of venture-capital funding, but payments are perhaps even more beloved by the funds that provide growth money to startups. In September, just over a year and a half after the company changed course, a fundraising round valued Brex at around \$1.1 billion. That makes it one of the youngest U.S. startups to enter the billion-dollar club, according to research firm Pitchbook.

'We're on our way to disrupting American Express.'

Now 22 years old, the two founders are confident they have far more room to grow. "We're on our way to disrupting American Express," Mr. Dubugras said in a recent interview. "If the company grows as much as we expect it to grow, it's a \$100 billion business."

The two Brex founders grew up in different parts of Brazil and started coding before they were teenagers. When he was 12, Mr. Franceschi made a name for himself by hacking into iPhones to get them to work on Rio de Janeiro's wireless network. Mr. Dubugras built a dating app that won a programming competition when he was 16.

They met over Twitter when they got into a spat about text-edit-

ing programs and soon bonded over their shared interest in technology. Together, they created a company that simplified the task of processing digital payments in Brazil, then sold it before they left for college.

Payments companies have captivated Silicon Valley since Peter Thiel and Max Levchin founded PayPal Inc. nearly two decades ago, showing investors how technology could shake up financial services.

These days, the volume of commerce moving through digital wallets and credit cards is growing briskly around the world, displacing cash and checks as consumers do more of their shopping online and on their mobile devices. That has led investors to lavish big sums on stakes in companies that are positioned to benefit from that trend.

Nearly \$18.7 billion in venture capital has gone to payments startups globally in the first nine months of 2018, according to preliminary Dow Jones VentureSource data, nearly four times the total for all of 2017. The bulk of that was \$14 billion raised by Ant Financial Services Group, the Chinese mobile-payments giant, in June. One97 Communications Ltd., which operates India's largest mobile-payments firm, Paytm, received a roughly \$300 million investment from Warren Buffett's Berkshire Hathaway Inc. in August. Shares in public payments giants, like PayPal Holdings Inc., and Square Inc., have taken off as well.

By catering to startups, Brex is giving investors a chance to get indirect access to other fast-growing entrepreneurs—and tying its fortunes to those of fickle companies that often go bust. Others have embraced a similar strategy. Stripe Inc., another financial-technology company that was recently valued at \$20 billion, builds tools for fellow startups to easily accept payments on their websites. Much of the space rented out by WeWork Cos. goes to other entrepreneurs.

Mr. Dubugras, whose diet is heavy on steak from Brazilian churrascarias, and Mr. Franceschi enrolled in Stanford in 2016 but soon began to feel like they were missing out on the Silicon Valley scene. Their idea to turn a smartphone into a virtual-reality projector, though half-baked, was enough to get them accepted into Y Combinator, the kingmaking incubator for startups, by the end of that year.

They quickly ditched VR and began casting about for something in financial services given their experience in payments. At a dinner at Y Combinator's offices in Mountain View, Calif., Mr. Franceschi said, they asked other entrepreneurs

how many of them were able to get a corporate card from a bank without having to personally guarantee

it. Only a couple raised their hands, even though each startup in the program automatically received \$120,000.

Banks by and large prefer customers that are the opposite of startups: mature businesses with predictable earnings. Mr. Dubugras and Mr. Franceschi thought there were ways to judge creditworthiness that looked at metrics more meaningful to young tech companies, such as the caliber of their venture-capital backers. They also thought startups would appreciate features like being able to issue virtual cards to new employees in minutes and toggle spending limits or approved merchants on the fly.

"If you have raised millions of dollars from credible investors, why is it that you can't get a credit card instantly and why aren't the credit limits more flexible?" said Anu Hariharan, a Brex board member and a partner at Y Combinator's Continuity Fund, which invests in some of the most successful companies to come out of the incubator. That said, there are some limitations to the Brex card, such as not being able to carry a balance for more than 30 days.

Less than a month after hitting upon their new focus, they landed their first investor: Mr. Levchin, the

PayPal co-founder. He was impressed by their knowledge of payments and, sight-unseen, committed to backing whatever their next venture was, something he last did when other PayPal alumni started Yelp Inc. in 2004.

"I don't really care what you're going to build," Mr. Levchin remembers telling them. "I just want to be part of it."

By March 2017, Mr. Dubugras and Mr. Franceschi had moved out of their dorms and hit the fundraising circuit. That summer and fall, they picked the name Brex off a list of domain names that were for sale at a reasonable price and cut a deal with Ohio's Sutton Bank to issue Visa cards on Brex's behalf to comply with rules set by the credit-card network. Today, Brex has 50 employees and more than 1,000 customers, including fellow fintech startups Social Finance Inc. and LendingHome Corp. The \$125 million funding round that valued it above \$1 billion was led by Yuri Milner's DST Global and investment firm Greenoaks Capital.

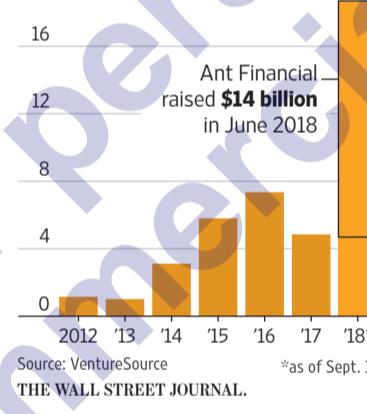
After it proves itself with tech startups, Brex plans to expand to other kinds of small businesses. The move, its founders acknowledge, would place it squarely in the banking industry's home turf.



Pedro Franceschi, left, and Henrique Dubugras dropped out of Stanford less than two years ago. They now run a company with 50 employees, more than 1,000 customers and a valuation of \$1.1 billion.

Paying Up

Global equity financing for venture-backed payment and transaction-processing companies



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tronics engineer retired from the U.S. Department of Defense who discovered the Bogleheads while she was still traumatized by her losses in the stock market. When she posted her first question to the online forum in 2001, "I was very impressed by the intelligence and professionalism," she recalls. "They

treated me with fantastic kindness." Ms. Fineberg has since been to 12 of the annual meetings. She comes largely to thank Mr. Bogle. "He did the hard work, the really dirty job, so that I could be able to retire even with all the mistakes I made," she says.

Rick Bridgeman, 53 years old, retired at the end of September from his job as a prosecutor for the state of Georgia; his wife, Genoria, 57, is a former manager at the Centers for Disease Control and Prevention. "We couldn't think of any better way to celebrate my retirement than coming here," he says.

In the early 1990s, they heard Mr. Bogle speak at a personal-finance conference in Atlanta. "It made so much sense," Mr. Bridgeman recalls. "It just clicked." They bought index funds and left them alone.

He adds: "I have a friend who's a stockbroker, and when he heard I was about to retire, he said, 'We have to have lunch.' And I said, 'We can have lunch, but you should know I'm a Boglehead, so I believe in index funds and keeping investing simple.'"

Mr. Bridgeman and his wife burst out laughing at the memory as he slams home the punchline: "He's still my friend, but he never did invite me to that lunch."

In hushed tones, several of the attendees ask me who could possibly replace Jack Bogle as an investing icon after, someday, he is gone.

I give them the only answer I can come up with: "I wish I knew."

Bogleheads Meet the Head Bogle

Continued from Page One

have saved U.S. investors approximately \$150 billion in fees since the early 1990s.

Each person's conference badge features a snapshot portrait—not of the attendee, but of Mr. Bogle. Several people sport campaign buttons reading "Jack Bogle for President."

The crowd bursts into a standing ovation as Mr. Bogle arrives at the conference about 10 minutes late—largely because he was in the hospital the day before, being treated for an irregular heartbeat.

Mr. Bogle, 89 years old, has battled coronary disease his entire life. He suffered a half-dozen heart attacks and, in 1996, received a heart transplant.

Stooped and walking with a cane, he approaches the lectern—which is emblazoned with a placard that features a portrait of him and the words "Our Friend and Mentor Jack Bogle"—and sits down on a chair behind it.

Mr. Bogle looks worn and frail—who wouldn't?—but his voice retains its vigor.

He butchers a herd of sacred cows in his remarks, including the

notions that cheap "value" stocks are certain to outperform higher-priced "growth" stocks (he expects their returns to converge over the long term) and that exchange-traded funds are better than index mutual funds. Even though Vanguard is one of the largest managers of ETFs, he thinks they trigger too much trading.

Mr. Bogle also warns that in the long run, stocks are unlikely to grow at an average of more than 4% annually after inflation. Investors everywhere, he says, "better save more money and get more costs out of the equation."

He reiterates his gospel: Investors should control what they can—fees and taxes, for instance—and let go of what they can't.

Mr. Bogle says he has roughly half of his money in stocks, half in bonds. "I spend about half of my time wondering why I have so much in stocks," he says, "and about half wondering why I have so little."

Later, he says simply: "I built a career out of knowing what I don't know."

Mr. Bogle's voice cracks when he tells the crowd, "You mean a lot to me, all of you," and many Bogleheads have tears in their eyes when they give him another standing ovation at the end of his remarks.

David Croce, 31, is a plumber from Revere, Mass., who stumbled on bogleheads.org two or three years ago when he started to save for retirement. "I knew nothing, zero," he says. "Nobody ever

THE WIT AND WISDOM OF JACK BOGLE

The father of the index fund has a way with words. Some of his best bons mots through the years:

"Don't look for the needle in the haystack. Just buy the haystack!"

"The greatest enemies of the equity investor are expenses and emotions."

"When there is a gap between perception and reality it is only a matter of time until it is reconciled... in favor of reality."

"In the fund business, you get what you don't pay for."

"While rational expectations can tell us what will happen... they can never tell us when."

"I built a career out of knowing what I don't know."



A Boglehead credential with Jack Bogle's image.

HUMAN CAPITAL

 The Senate summoned Brett Kavanaugh to Capitol Hill last week to assess the allegations of sexual misconduct against him. To a lesser degree, his testimony also forced Americans to grapple with another difficult subject.

How they feel about privilege. As he described the routines of his teenage years, the 53-year-old federal judge reminded some people of a stereotypical Hollywood high-school antihero: the affluent, popular, beer-chugging varsity athlete from an elite prep school on fast track to Yale.

Mr. Kavanaugh's rarefied upbringing had a curious effect on at least some in the audience, who found themselves exploring some questions that might apply to business leaders, too: How does a privileged background shape a person's character? Do privileged children develop a different moral compass? And do they grow into trustworthy caretakers of the common good?

Mr. Kavanaugh's critics in politics and media rallied around the P-word with gusto. They scoffed when he said, "I busted my butt" to get ahead, citing statistics that show that white males hold a disproportionate share of the top jobs in business and government, and waved off his argument that Supreme Court nominees shouldn't be defined by high-school shenanigans. His sometimes defiant, confrontational tone prompted one CNN contributor to label it as a telltale sign of his privilege poking through.

In a Wall Street Journal op-ed on Thursday, Mr. Kavanaugh said he regretted some of his outbursts and characterized them as atypical: "As a judge, I have always treated colleagues and litigants with the utmost respect. I have been known for my courtesy on and off the bench."

Utah Sen. Orrin Hatch argued, also in the Journal, that it was absurd to expect any person with a previously unblemished reputation "to take slander lying down."

Whether or not Saturday's full Senate vote on Mr. Kavanaugh puts a lid on this particular eruption, America's deeply rooted suspicion of the privileged class only seems to be gaining strength. The hard part, as always, is figuring out what should be done about it.

While nobody is threatening to install a "gold ceiling" for rich kids, there is a campaign afoot to dismantle some of the infrastructure that works to their benefit. Darren Walker, the president of the Ford Foundation, has become a leading advocate for putting an end to unpaid internships—which, he argues, give affluent young people an unfair advantage over those who can't afford to work for free. "Hiring students who are already the beneficiaries of compounded privilege undermines the notion of meritocracy," he says.

This June, after Netflix Chief Executive Reed Hastings decided to fire an executive who had used the N-word during company meet-



RIKI BLANCO

THE CAPTAIN CLASS | SAM WALKER

The Privilege Trap

Can rich kids become good caretakers of the common good?

ings, he also apologized for waiting so long to do so. In a memo to employees, Mr. Hastings, who is white and hails from a wealthy Boston family, blamed "my privilege," which he said had caused him to "intellectualize or otherwise minimize" issues of race.

"I need to set a better example by learning and listening more so I can be the leader we need," he wrote.

Just last month, the actress Anne Hathaway issued a similar mea culpa about her views on race and sexual orientation. Speaking at a dinner hosted by the National

Human Rights Campaign, she said that with the exception of being female, "everything about how I was born has put me at the current center of a damaging and widely accepted myth."

Mr. Hastings and Ms. Hathaway were, in essence, turning their privilege against themselves. That could be interpreted as a helpful reminder that all people should be cognizant of their cultural blind spots. Taken further, these creeds of noblesse oblige could be viewed as an open invitation for reverse discrimination.

One question about privileged

leaders that hasn't been exhaustively studied is whether they're objectively worse at their jobs.

Although there's very little direct evidence of this, a recent and widely cited report from McKinsey & Co. found that companies with executive teams that ranked in the top quartile for gender diversity were 21% more likely to achieve above-average profitability than companies in the fourth quartile—and that firms with greater ethnic and cultural diversity were 33% more likely to outperform. In other words, less overall whiteness and maleness at the top seems to

be a good thing; though the study didn't suggest any of these companies suffered for having a white, male CEO.

One prominent scientific theory is that privilege often reduces a person's capacity for empathy and compassion. Recent experiments performed at Arizona State University found that individuals with higher socioeconomic status were, on average, less attuned to other people. Other studies have even linked privilege to higher rates of narcissism, self-entitlement and unethical behavior.

If we assume that empathy is a positive trait, and that many privileged people come up short in that department, there's still one missing link in the chain: whether having an abundance of empathy is a prerequisite for successful management.

Some of the greatest leaders in history had mountains of compassion. Others were temperamentally aloof. The superior leaders I've studied had only one interpersonal quality in common. What-

Even if a comfortable upbringing can be a leadership liability at times, it's hardly fatal.

ever bubbles they were born in, they all felt comfortable operating outside of them.

In sports and the military, where people from diverse backgrounds are often thrown together, I've seen how powerful this ability can be. Great leaders are rarely emotional savants but they all tend to be plugged in, controlled, consistent and fair. They're democratic with their time and energy, approaching everyone and engaging with them intensely. They listen as much as they talk, never play favorites and deliver criticism without making it seem personal.

Most of us don't expect our leaders to shower us with compassion, or to instantly "get" us on a fundamental level. What really matters is that they make a sincere effort to figure us out. To reach someone from a different bubble than theirs, great leaders ignore their feelings and set aside their prejudices.

Privileged leaders should be mindful of the old biblical maxim: "Of those to whom much is given, much is required." But even if a comfortable upbringing is a liability at times, it's hardly fatal.

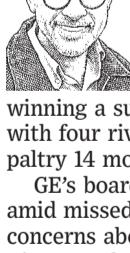
George Washington, Theodore and Franklin Delano Roosevelt and George Patton can attest to that. Hewlett-Packard co-founder Bill Hewlett, the Stanford-educated son of a prominent doctor, was famously devoted to his employees. He even served them food at company picnics.

No matter what your emotions tell you, or how you've been conditioned to think or how many Porsches you own, there's only one true measure of leadership. It's how you actually lead.

ON BUSINESS | JOHN D. STOLL

Why CEOs Shouldn't Hang Around Too Long

Tenures are shorter. Maybe that's a good thing.

 John Flannery spent 25 years working his way into striking distance of the top job at General Electric Co. Then, he spent the next four winning a succession dance-off with four rivals. His prize was a paltry 14 months as chief executive.

GE's board dumped Mr. Flannery amid missed financial targets and concerns about the pace of change. Directors, having endured years of meager returns under his predecessor, watched GE shares tumble by half during Mr. Flannery's brief tenure even as the S&P 500 grew about 18%.

We tend to celebrate long tenure, but there is evidence that boards are becoming less patient, and that's a good thing. Researchers, studying a decade's worth of financial and share-price performance of hundreds of large-cap companies, found that the "optimal tenure length" is 4.8 years.

Xueming Luo, a professor at Temple University's Fox School of Business and one of the authors of a widely cited 2012 study, said CEOs are most effective in the initial years because they are more open to outside opinions and less

risk-averse. "The search for external knowledge tends to end," he told me this week.

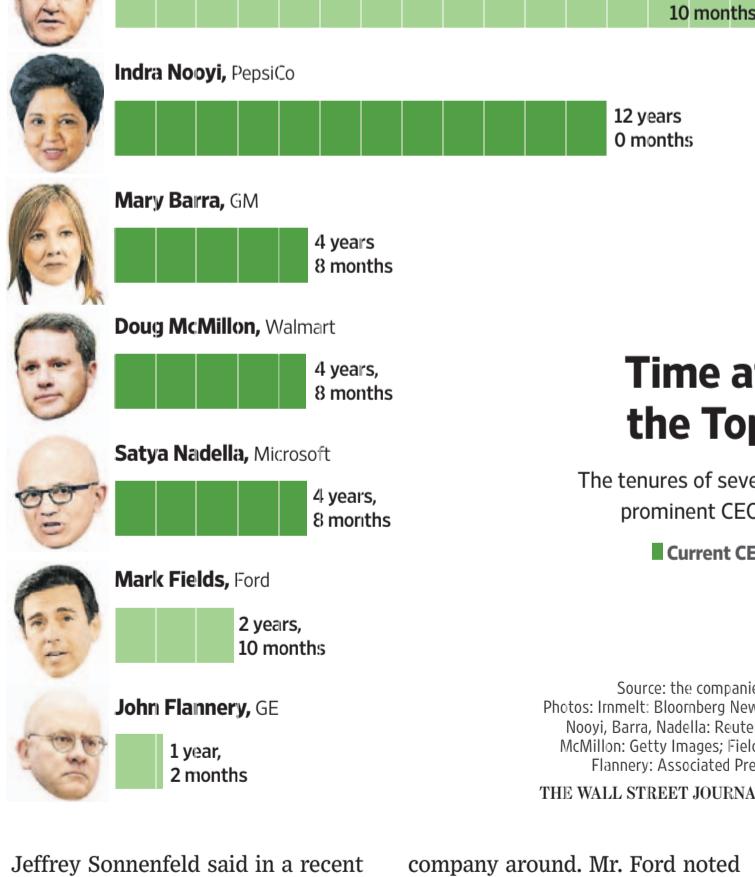
"It eventually becomes a situation where the CEO surrounds themselves with a lot of 'yes' people," Michelle Andrews, a coauthor of Dr. Luo, said. "At a certain point, there are diminishing returns."

Leaders operating in declining markets and other volatile environments, Dr. Luo said, tend to turn inward faster than if things are going smoothly.

The 4.8-year optimal target is strikingly close to where the current median CEO tenure sits. Research firm Equilar Inc., found it was five years atop American large-cap companies in 2017, one year less than it was in 2013.

Anyone watching corporate headlines in recent months realizes this number is not likely to rebound this year. This past summer delivered a series of abrupt exits, including at Campbell Soup Co., J.C. Penney & Co., Mattel Inc., GameStop Corp. and Xerox Corp. Equilar reports there have been 51 exits through September, already outpacing last year.

"Many of these leaders didn't survive two years," Yale School of Management business professor



Jeffrey Sonnenfeld said in a recent report on CEO churn.

Mr. Sonnenfeld said in an interview that there is risk in the quick-trigger strategy. He said Ford Motor Co.'s 2017 firing of Mark Fields after three years was premature.

Ford's stock price has suffered since the move and financial results have suffered under Mr. Fields' successor, Jim Hackett.

A Ford spokesman pointed to recent comments by Chairman Bill Ford saying he is pleased with Mr. Hackett's progress on turning the

Time at the Top

The tenures of seven prominent CEOs

Current CEO

Source: the companies; Photos: Immelt: Bloomberg News; Nooyi, Barra, Nadella: Reuters; McMillon: Getty Images; Fields, Flannery: Associated Press

P&G investors have lost 8.8% over the past year, including dividends, and management is contending with tough competition, rising costs and its own bureaucracy. Mr. Taylor, a P&G veteran, has been on the job just shy of three years. A P&G spokesman said the company has extended leadership in several product areas, cut costs and boosted productivity. "No one at P&G is standing still, and we're definitely not drifting."

GE had its own recent legacy of frustration, and Mr. George sees the abrupt end of the Flannery era as a way to create a new management culture for the 126-year industrial legend.

Over the course of GE's long history, the average tenure for the company's chief is 14 years. Mr. Flannery's two predecessors—disparaged Jeffrey Immelt and the celebrated Jack Welch—lasted 16 and 20 years, respectively.

Mr. George said Mr. Immelt's long, dispiriting tenure cast a shadow over Mr. Flannery: "I empathize with him because the problems were buried, and it's taken him this year-to-14 months to try to dig out."

In a CNBC interview early in his tenure, Mr. Flannery was asked how long GE's makeover would take. "You tell me," he said. He then said it would need to be a "multi-year journey."

By May of this year, he argued at an industry conference that he had a sense of urgency, but he wouldn't be rushed. "So being deliberate and then moving when things make sense as opposed to moving just because somebody wants us to is just my style."

New CEO Larry Culp is now on the clock. Whatever his style, he shouldn't expect things to slow down.

MARKETS DIGEST

Dow Jones Industrial Average S&P 500 Index

26447.05
▼ 180.43
or 0.68%
All-time high
26828.39, 10/03/18

Trailing P/E ratio 23.89 20.86
P/E estimate * 17.18 19.30
Dividend yield 2.12 2.24

Session high
Session open UP
Close
Open
Session low
65-day moving average

Current divisor 0.14748071991788
All-time high
2930.75, 09/20/18

S&P 500 Index

2885.57
▼ 16.04
or 0.55%
All-time high
2930.75, 09/20/18

Trailing P/E ratio * 24.26 24.70
P/E estimate * 17.98 19.27
Dividend yield 1.81 1.96

Session high
Session open UP
Close
Open
Session low
65-day moving average

Current divisor 0.14748071991788
All-time high
2930.75, 09/20/18

Nasdaq Composite Index

7788.45
▼ 91.06
or 1.16%
All-time high
8109.69, 08/29/18

Trailing P/E ratio * 25.15 25.98
P/E estimate * 21.01 21.15
Dividend yield 0.98 1.10

Session high
Session open UP
Close
Open
Session low
65-day moving average

Current divisor 0.14748071991788
All-time high
8109.69, 08/29/18

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Stock Index	Currency, vs U.S. dollar	Commodity, traded in U.S.*	ETF
Lean Hogs	9.69%		
Nymex Natural Gas	4.49		
Sao Paulo Bovespa	3.75		
Corn	3.37		
Soybeans	2.78		
Wheat	2.36		
Nymex ULSL	1.87		
S&P 500 Energy	1.86		
S&P 500 Utilities	1.86		
S&P GSCI GFI	1.67		
S&P 500 Financials Sector	1.50		
Nymex Crude	1.49		
Shanghai Composite	0.85		
Comex Gold	0.81		
S&P 500 Industrials	0.76		
UK pound	0.65		
WSJ Dollar Index	0.60		
Nymex Rbob Gasoline	0.02		
Chinese Yuan unch.	-0.01	Japan yen	
Dow Jones Industrial Average	-0.04		
iSh 1-3 Treasury	-0.24		
Canada dollar	-0.28		
S&P/ASX 200	-0.36		
Comex Silver	-0.37		
S&P 500 Materials	-0.51		
Mexico peso	-0.63		
Euro area euro	-0.71		
VangTotalBd	-0.75		
iShNatMuniBd	-0.77		
S&P/TSX Comp	-0.79		
S&P 500 Health Care	-0.82		
S&P 500 Consumer Staples	-0.90		
S&P 500	-0.97		
Swiss Franc	-1.02		
DAX	-1.10		
VangTotalBd	-1.18		
iSh TIPS Bond	-1.22		
Comex Copper	-1.29		
iShBoxx\$HYCp	-1.32		
Norwegian Krone	-1.37		
Nikkei 225	-1.39		
iSh 7-10 Treasury	-1.43		
IBEX 35	-1.44		
Russian Ruble	-1.49		
Dow Jones Transportation Average	-1.52		
iShBoxx\$InvGrdCp	-1.73		
FTSE MIB	-1.77		
Stoxx Europe 600	-1.77		
Euro Stoxx	-1.80		
Indonesian Rupiah	-1.83		
iShPMUSEmgBd	-1.94		
South Korean Won	-1.94		
Indian Rupee	-2.19		
S&P 500 Information Tech	-2.24		
S&P 500 Telecom Svcs	-2.24		
Australian dollar	-2.42		
CAC-40	-2.44		
FTSE 100	-2.55		
S&P MidCap 400	-2.55		
S&P 500 Real Estate	-2.73		
IPC All-Share	-2.93		
Nasdaq 100	-3.00		
Nasdaq Composite	-3.21		
Kospi Composite	-3.22		
iSh 20+ Treasury	-3.61		
Russell 2000	-3.80		
S&P SmallCap 600	-3.88		
South African Rand	-4.24		
S&P 500 Consumer Discr	-4.37		
Hang Seng	-4.38		
S&P BSE Sensex	-5.11		

Volume, Advancers, Decliners	NYSE	NYSE Amer.
Total volume*	838,773,568	19,419,527
Adv. volume*	301,964,341	4,588,172
Decl. volume*	521,555,713	13,614,838
Issues traded	3,083	315
Advances	990	101
Declines	2,018	199
Unchanged	75	15
New highs	26	1
New lows	396	28
Closing tick	62	18
Closing Arms [†]	0.83	1.17
Block trades*	6,536	136
	Nasdaq	NYSE Arca
Total volume*	2,655,930,346	322,153,393
Adv. volume*	647,871,600	114,768,395
Decl. volume*	1,970,078,947	206,311,806
Issues traded	3,142	1,361
Advances	931	313
Declines	2,112	1,022
Unchanged	99	26
New highs	30	15
New lows	204	185
Closing tick	375	6
Closing Arms [†]	1.34	0.60
Block trades*	12,640	1,873

*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.

Percentage Gainers...	Latest Session	52-Week					
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Elastic	ESTC	70.00	34.00	94.44	74.20	36.00	...
Altimune	ALT	7.24	2.54	54.04	94.80	4.07	-89.4
Realm Therapeutics ADR	RLM	2.79	0.73	35.44	13.00	2.06	...
vTv Therapeutics Cl A	VTVT	3.35	0.69	25.94	8.40	0.65	-46.1
SMART Global Holdings	SGH	34.15	6.98	25.69	56.69	26.50	4.1
Dragon Victory Intl	LYL	2.56	0.47	22.21	14.99	1.12	...
CIM Commercial Trust	CMCT	16.97	2.47	17.03	20.40	11.75	1.0
Pyxus International	PYX	28.18	3.94	16.25	30.76	10.35	150.5
Maiden Holdings	MHLD	3.29	0.41	14.24	9.10	2.15	-62.4
111ADR	YI	12.12	1.32	12.22	16.83	10.21	...
Level Brands	LEVB	5.09	0.54	11.87	8.48	2.74	...
Y-mAbs Therapeutics	YMAB	26.26	2.76	11.74	31.00	22.18	...
Chef's Warehouse	CHEF	38.31	3.96	11.53	39.26	16.15	88.3
MS Emerging Fund	MSF	16.72	1.72	11.47	19.86	14.93	-5.2
Autolus Therapeutics ADR	AUTL	27.50	2.79	11.29	33.50	19.17	...
iFresh	IFMK	2.12	-0.65	-23.47	18.00	1.69	-83.8
Myers Industries	MYE	17.26	-5.02	-22.53	25.70	17.04	-21.9
LeMaitre Vascular	LMAT	28.53	-7.44	-20.68	41.28	26.99	-25.8
KalVista Pharmaceuticals	KALV	18.18	-4.42	-19.56	23.97	7.01	150.8
Syros Pharmaceuticals	SYRS	8.64	-1.89	-17.95	17.62	6.30	-46.0
Resonant Inc.	RESN	3.01	-0.52	-14.73	8.55	2.45	-30.8
ShotSpotter	SSTI	45.53	-7.80	-14.63	66.14	12.56	149.5
IPG Photonics	IPGP	132.76	-21.26	-13.80	264.11	132.28	-31.2
Jerash Holdings (US)	JRSH	5.38	-0.82	-13.23	11.00	4.77	...
Collector Biosciences	CLRB	2.71	-0.41	-13.14	12.76	0.57	58.0
iFresh	IFMK	2.12	-0.65	-23.47	18.00	1.69	-83.8
Myers Industries	MYE	17.26	-5.02	-22.53	25.70	17.04	-21.9
LeMaitre Vascular	LMAT	28.53	-7.44	-20.68	41.28	26.99	-25.8
KalVista Pharmaceuticals	KALV	18.18	-4.42	-19.56	23.97	7.01	150.8
Syros Pharmaceuticals	SYRS	8.					

MARKET DATA

Futures Contracts

Metal & Petroleum Futures

	Contract						Open interest
	Open	High	Low	Settle	Chg	Interest	
Copper-High (CME) -25,000 lbs.; \$ per lb.							
Oct 2.7715	2.7715	▲	2.7455	2.7510	-0.0140	849	
Dec 2.7895	2.7945		2.7455	2.7630	-0.0145	126,056	
Gold (CME) -100 troy oz.; \$ per troy oz.							
Oct 1197.10	1205.30		1196.90	1201.20	4.00	2,163	
Dec 1203.70	1209.80		1200.90	1205.60	4.00	374,043	
Feb'19 1209.50	1214.90		1206.80	1211.50	4.10	48,572	
June 1220.30	1227.30		1219.70	1223.60	4.40	14,054	
Aug 1229.40	1231.10		1229.40	1229.60	4.60	2,217	
Dec 1238.10	1244.60		1238.10	1242.20	4.70	5,281	
Palladium (NYM) -50 troy oz.; \$ per troy oz.							
Dec 1048.40	1069.30		1043.40	1057.10	11.60	22,669	
March'19 1040.00	1059.40		1037.10	1050.60	12.10	1,526	
Platinum (NYM) -50 troy oz.; \$ per troy oz.							
Oct 821.40	821.40		821.40	821.10	0.10	76	
Jan'19 827.50	834.30		821.80	824.50	... 70,880		
Silver (CME) -5,000 troy oz.; \$ per troy oz.							
Oct 14.735	14.735		14.660	14.569	0.059	4	
Dec 14.620	14.750		14.540	14.649	0.059	167,851	
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.							
Nov 74.67	75.22		73.84	74.34	0.01	352,392	
Dec 74.56	75.14		73.76	74.26	0.01	307,548	
Jan'19 74.47	75.02		73.65	74.15	0.02	164,752	
March 74.26	74.75		73.51	73.97	0.02	161,115	
June 73.99	74.25		73.08	73.59	0.11	190,374	
Dec 71.86	72.31		71.25	71.81	0.22	238,199	
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.							
Nov 2.4041	2.4135		2.3879	2.3923	-0.0074	144,405	
Dec 2.4080	2.4172		2.3916	2.3959	-0.0074	85,629	
Gasoline-NY RB02 (NYM) -42,000 gal.; \$ per gal.							
Nov 2.1083	2.1167		2.0801	2.0861	-0.0143	157,837	
Dec 2.1033	2.1122		2.0767	2.0826	-0.0139	85,897	
Natural Gas (NYM) -10,000 MMBtu; \$ per MMBtu.							
Nov 3.187	3.224		3.109	3.143	-0.022	320,787	
Dec 3.240	3.274		3.161	3.188	-0.033	180,072	
Jan'19 3.307	3.340		3.225	3.253	-0.035	208,805	
March 3.002	3.035		2.979	2.990	-0.008	220,019	
April 2.706	2.726	▲	2.696	2.713	0.009	172,274	
Oct 2.729	2.742		2.717	2.735	0.010	96,032	

Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.

Dec 367.50 369.50 | | 363.00 | 368.25 | .75 | 873,355 | |March'19 379.00 381.00 | | 374.75 | 380.00 | .75 | 350,544 | |

Oats (CBT)-5,000 bu.; cents per bu.

Dec 287.50 294.50 | ▲ | 286.25 | 287.00 | -1.00 | 3,798 | |March'19 280.00 285.25 | ▲ | 278.00 | 279.00 | -1.25 | 1,067 | |

Soybeans (CBT)-5,000 bu.; cents per bu.

Nov 860.00 870.25 | | 851.50 | 869.00 | 9.75 | 383,380 | |Jan'19 873.50 883.50 | | 865.50 | 882.50 | 9.50 | 144,447 | |

Soybean Meal (CBT)-100 tons; \$ per ton.

Oct 308.40 314.50 | | 306.50 | 315.60 | 7.20 | 854 | |Dec 312.50 319.90 | | 310.20 | 319.60 | 7.40 | 218,067 | |

Soybean Oil (CBT)-60,000 lbs.; cents per lb.

Oct 29.14 29.14 | | 29.06 | 29.08 | -20 | 687 | |Dec 29.58 29.67 | | 29.29 | 29.41 | -20 | 240,492 | |

Rough Rice (CBT)-2,000 cwt.; \$ per cwt.

Nov 1073.50 1103.00 | | 1064.50 | 1082.00 | 4.00 | 5,930 | |Jan'19 1094.50 1123.00 | | 1088.00 | 1103.00 | 5.00 | 2,193 | |

Wheat (CBT)-5,000 bu.; cents per bu.

Oct 518.00 524.50 | | 517.25 | 521.00 | 3.00 | 229,927 | |March'19 536.75 543.00 | | 536.25 | 540.25 | 3.50 | 111,670 | |

Wheat (KC)-5,000 bu.; cents per bu.

Dec 522.00 528.50 | | 520.25 | 524.25 | 2.00 | 154,263 | |March'19 545.25 551.00 | | 543.50 | 546.75 | 1.50 | 66,369 | |

Wheat (MPLS)-5,000 bu.; cents per bu.

Dec 589.50 595.00 | | 588.25 | 591.25 | 1.50 | 34,473 | |March'19 602.75 607.00 | | 601.00 | 603.50 | .75 | 16,266 | |

Cattle-Feeder (CME)-50,000 lbs.; cents per lb.

Oct 157.025 158.75 | | 156.675 | 157.775 | .800 | 6,046 | |Nov 157.650 158.75 | | 157.225 | 158.225 | .475 | 22,386 | |

Cattle-Live (CME)-40,000 lbs.; cents per lb.

Oct 113.525 114.150 | | 113.350 | 113.800 | .175 | 27,373 | |

Largest 100 exchange-traded funds, latest session

Friday, October 5, 2018

ETF Symbol Closing Chg Chg YTD (%) (%) (%)

Ishares Select Dividend DVY 10.82 -0.18 0.3

iShares Nasdaq Discrete Sector XLY 112.24 -0.75 13.7

iShares Nasdaq Staples XLK 53.44 -0.09 -6.1

iShares Select Sector SPDR XLE 77.16 -0.01 6.8

First Trust NYSE Arca Biotech FNLSP 28.00 -0.50 0.3

FT DJ Internet FDN 135.10 -1.00 23.0

Healthcare Select XLV 94.29 -0.12 14.0

Inditel Sector SPDR XLI 78.93 -0.52 4.3

Invesco QQQ QQQ 180.15 -1.22 15.7

Invesco S&P 500 RSP 105.41 -0.49 4.3

Invesco S&P 500 Low Vol RSP 49.29 0.14 3.2

iShares Core S&P 500 IEFA 62.61 -0.63 -5.3

iShares Core S&P 500 IMEMG 49.34 -0.46 -13.3

iShares Core S&P 500 IXUS 58.68 -0.47 -7.0

iShares Core S&P 500 IVV 289.93 -0.62 7.8

iShares Core S&P 500 IJH 196.16 -0.72 3.4

iShares Core S&P 500 IJR 83.81 -1.11 9.1

iShares Russell 1000 IWD 65.74 -0.66 7.5

iShares Russell 1000 IWM 15.60 -0.22 1.4

iShares Russell 1000 Val IWD 126.80 -0.31 2.0

Largest 100 exchange-traded portfolios, latest session

Friday, October 5, 2018

ETF Symbol Closing Chg Chg YTD (%) (%) (%)

iShares Select Dividend DVY 100.24 0.13 1.7

iShares Edge MSCI Min EAFE EFAV 70.83 -0.21 -2.9

iShares Edge MSCI Min USA EMN 56.61 0.05 7.3

i

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 IS.

This 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:

I-New 52-week high.
N-New 52-week low.

dd-Indicates loss in the most recent four quarters.
FD-First day of trading.

t-NYSE bankruptcy
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 5, 2018

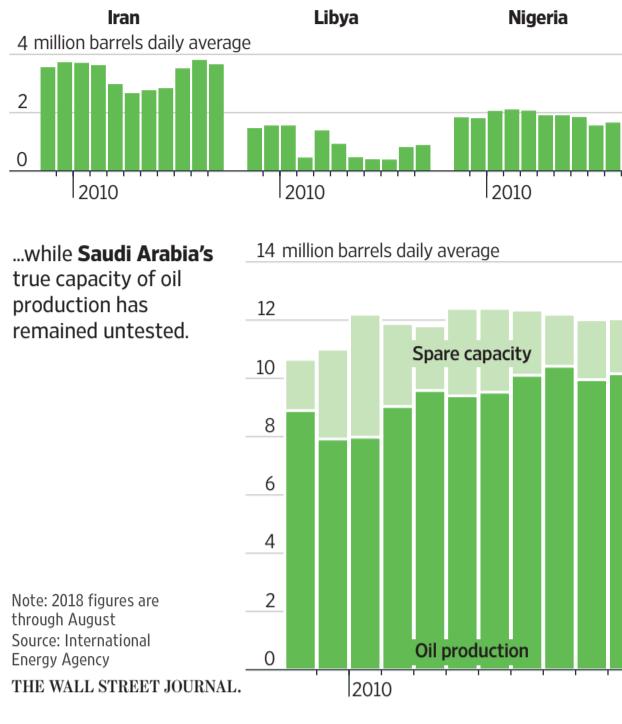
YTD %Chg	52-Week Hi	52-Week Lo	Ytd %Chg	Hi	Lo	Stock	Ytd %Chg	Hi	Lo	Stock	Ytd %Chg	Hi	Lo	Stock	
-0.01	95.67	78.19	CamberProducts	92.07	82.90		-0.29	84.56	84.26	FirstRepBank	-0.21	81.21	79.88	Marriott	
-0.01	82.61	51.07	32.63	CambridgeSoft	80.80	79.00		-0.29	81.79	78.80	McLennan	-0.45	82.18	81.38	ServiceCorp
-0.01	80.87	79.00	2.00	CambridgeSoft	80.80	79.00		-0.29	81.79	78.80	MarinMarkTech	-0.33	82.18	81.38	SiriusXM
-0.01	44.10	93.47	-0.27	CIBC	44.10	93.47		-0.29	81.79	78.80	Mars	-0.12	79.37	78.37	Smith+Nephew
-0.01	10.64	38.20	29.20	CanNaturalRes	10.64	38.20		-0.29	81.79	78.80	MartinWilliams	-0.28	82.18	81.38	Skinny
-0.01	0.26	10.14	0.00	CapRivWyo	0.26	10.14		-0.29	81.79	78.80	Masimo	-0.21	72.76	50.37	ShinhanFin
-0.01	100.75	56.66	9.37	CarryOnGrowth	100.75	56.66		-0.29	81.79	78.80	Mastercard	-0.33			
-0.01	45.15	31.44	-0.27	CGC	45.15	31.44		-0.29	81.79	78.80	MaximProd	-0.02	78.76	69.95	McCorckle
-0.01	6.48	9.47	-0.83	CGC	6.48	9.47		-0.29	81.79	78.80	McCormick	-0.21	73.12	11.24	SignatureBank
-0.01	10.75	22.14	0.19	CanAm	10.75	22.14		-0.29	81.79	78.80	McKiv	-0.20	73.12	11.24	SBNY
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MARKETS & FINANCE

OPEC Struggles Push Oil Higher

A Production Quandary

As OPEC attempts to fill an expected decline in oil production, several members have suffered from volatile output levels...



Note: 2018 figures are through August
Source: International Energy Agency

THE WALL STREET JOURNAL

Calm End to Volatile Week for Crude

Oil prices ended a volatile week little changed Friday as investors tried to decide whether Thursday's price plunge was the start of a downward trend or a brief pause before prices race back to four-year highs.

Light, sweet crude for November delivery ended higher by 1 cent at \$74.34 a barrel on the New York Mercantile Exchange. Brent crude, the global benchmark, was 0.5% lower at \$84.16 a barrel.

Oil prices were whipsawed throughout the week, hitting four-year closing highs both Monday and Wednesday before plunging nearly 3% Thursday, their sharpest one-day decline in two months.

The market uncertainty is being driven by competing narratives. The bullish case is that

aggressive U.S. sanctions on Iran will sharply curtail that nation's crude-oil exports, putting a squeeze on global oil supplies when the world's economy is strong and demand is robust. The more bearish assessment highlights rising U.S. oil inventories and the belief that major oil producers will boost output to cover Iran's shortfall, keeping a lid on prices.

Crude prices have risen nearly 10% since the start of September on the back of a faster-than-expected decline in Iranian crude exports, as buyers geared up for revived U.S. economic sanctions on the Islamic Republic's oil industry at the start of November.

Many analysts have estimated around one million barrels a day of Iran's roughly 2.5 million barrels a day in crude exports could be at risk once the sanctions take hold.

—Dan Molinski and Christopher Alessi

Fidelity Executive To Retire This Year

By JUSTIN BAER

Fidelity Investments said its asset-management chief, Charles Morrison, will retire in December after 32 years with the firm.

Mr. Morrison, a former bond investor, had run the division for the past five years. His successor would be named "in the near term," a Fidelity spokesman said.

Mr. Morrison led the business during a rocky stretch for the industry. Record money has shifted into index funds and other passive investments, leaving behind active managers that pick stocks and bonds.

At Fidelity, Mr. Morrison expanded the firm's lineup of exchange-traded funds and other low-cost investments, moves that helped offset the outflow of client money from the stock- and bond-picking mutual funds that have been Fidelity's hallmark for decades. In August, Fidelity became the first manager to offer no-fee index funds.

Assets under management at Fidelity's investment arm rose 37% during Mr. Morrison's run. The unit ended August with a record \$2.6 trillion.

"It was a really challenging time to have that job," said John Bonnanzio, editor of Fidelity Monitor & Insight, an investment newsletter. "It was very difficult to be in that position at a time when no matter what you aspired to do, people just wanted to own index funds."

While Fidelity is one of the largest managers of index mutual funds, the firm's active management business has faced the same pressures and client defections as other stock-picking firms.

"Although Fidelity has increasingly been embracing passive strategies, it's still heavily exposed to active management," said Todd Rosenbluth, director of ETF & mutual fund research at CFRA. "Active management has benefited from the ongoing bull market, which has helped keep asset levels high even in the face of competitive pressures."

Mr. Morrison's departure marks the latest change to the

While Fidelity has embraced index investing, its roots are in stock picking.



Hong Kong-listed shares of Lenovo and ZTE fell sharply Friday amid the U.S.-China trade fight.

HONG KONG—The escalating trade fight between Washington and Beijing is sending a chill through investors in Chinese technology companies that sell to the U.S.

YVES HERMAN/REUTERS

Hong Kong-listed shares of Lenovo and ZTE fell sharply Friday amid the U.S.-China trade fight.

Trade war," Mati Greenspan, an analyst at online trading platform eToro, said on Friday.

Lenovo said the chip maker linked in the Bloomberg report to Beijing's spying efforts, Super Micro Computer Inc., "is not a supplier to Lenovo in any capacity. Furthermore, as a global company we take extensive steps to protect the ongoing integrity of our supply chain."

Super Micro Computer said it "has never found any malicious chips, nor been informed by any customer that such

chips have been found." ZTE declined to comment.

For years, U.S. authorities have expressed concern that some Chinese products could be used to spy on Americans, with the attention falling largely on telecom giants Huawei Technologies Co. and ZTE. Both companies have long denied that they act on behalf of Beijing, and Chinese authorities have voiced similar concerns about American companies operating on their shores.

More recently, the industry has been caught up in the in-

tensifying spat between Beijing and Washington. The U.S. tariffs on roughly \$250 billion in Chinese exports have fallen heavily on China's technology sector, which builds a vast range of components for major Western tech firms. China has responded with tariffs on \$110 billion of U.S. exports.

On Thursday, Vice President Mike Pence aired a list of grievances with Beijing and criticized Google-parent Alphabet Inc. for trying to develop a censored version of its search engine in China, where

internet access is restricted. He also reiterated concerns from President Trump that Beijing is meddling in the U.S. midterm elections.

A spokeswoman for China's Foreign Ministry on Friday said Mr. Pence made "unwarranted accusations" in accusing China of interfering in U.S. internal affairs. "This is nothing but speaking on hearsay evidence, confusing right and wrong and creating something out of thin air," she said. A Google spokeswoman declined to comment.

Separately, a White House report on Thursday said U.S. industries tied to national defense faced an "unprecedented set of challenges" that have curbed their ability to quickly make crucial military components.

U.S. military officials have in recent months become vocal about their concerns over the vulnerability of weapons systems to embedded hardware and software attacks.

Ellen Lord, the Pentagon's chief weapons buyer, told reporters Thursday that 90% of the printed circuit boards used by the U.S. military came from Asian plants, half in China.

The Pentagon has adopted a two-pronged approach to address potential threats, auditing U.S. defense companies for their cybersecurity measures and taking steps to promote more domestic production.

Amazon on Friday said it has systems in place to limit and control access to information, as well as to identify suspicious behavior.

Amazon has asked customers to alert it if they receive unsolicited emails from a seller.

Some customers tweeted about getting the notification.

Amazon declined to specify the scope of the incident or provide any information on the employee or seller.

firm's leadership team and follows a tumultuous run at its stock-picking business.

The Wall Street Journal reported in February that the unit was considering changing some of its investment processes following an outside consultant's review.

Among the changes that have come this year, the firm appointed Pam Holding and Tim Cohen co-heads of the equities division. They succeeded Brian Hogan, who now leads the investment-solutions group. In September, David Lane succeeded Bob Minicus as head of equity trading.

Mr. Morrison, 57 years old, joined Fidelity in 1987 as a corporate-bond analyst. A decade later, he joined other fixed-income investors in relocating from Fidelity's hometown of Boston to new offices in Merrimack, N.H. He later served as president of the firm's money-market division, helping the group navigate the financial crisis, and in 2011 was appointed head of fixed income.

said in a statement Friday. "Like all companies, we are making improvements to operate more efficiently."

Ms. Wexler said JPMorgan's consumer home purchase application volume rose year-over-year in August and September.

Wells Fargo & Co., the largest U.S. mortgage lender, said in August it is laying off about 650 mortgage employees who mainly work in retail fulfillment and mortgage servicing.

Chinese Tech Tumbles

By DAN STRUMPF AND STEVEN RUSSOLILLO

HONG KONG—The escalating trade fight between Washington and Beijing is sending a chill through investors in Chinese technology companies that sell to the U.S.

Hong Kong-listed shares of Lenovo Group Ltd., the Chinese maker of PCs and servers, fell 15% on Friday, while shares of ZTE Corp., which makes smartphones and telecommunications equipment, shed 11%.

The sell-off comes as the U.S.-China trade dispute ratchets up, bringing renewed scrutiny of the global technology supply chain and the potential vulnerabilities and security risks it entails. A report in Bloomberg Businessweek on Thursday said Beijing spied on the U.S. using microchips inserted in computing components built for an array of American tech companies.

Concerns about Chinese spying "will likely be a big part of the next phase of the

the same investigations. Independent merchants now make up a huge share of the sales on Amazon.com, helping drive its dominance in online retail by broadening its selection and increasing price competition. Those sales also tend to be more profitable for Amazon, because it takes a cut of the purchase price without having to take on inventory risk.

More than two million mer-

chants now sell an estimated 550 million products on Amazon, contributing an estimated \$200 billion in gross merchandise volume last year, according to FactSet estimates. But as more merchants have joined, Amazon has grappled with an increase in bad behavior on its website, including problems with fake reviews and counterfeits.

Customer email addresses are valuable because they can

help a seller reach out to someone who has left a bad review and ask them to change it. Verified reviews figure prominently into where a product surfaces when a customer searches.

Amazon has repeatedly said it has zero tolerance for bad behavior on its site. While it polices bad behavior, many sellers and former employees describe it as a "Whac-A-Mole" situation.

Amazon on Friday said it

has systems in place to limit and control access to information, as well as to identify suspicious behavior.

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JPMorgan Cuts 400 Home-Lending Workers

BY EMILY GLAZER

JPMorgan Chase & Co. is laying off about 400 employees in its consumer home-lending business as parts of the market slow down, people familiar with the matter said.

The bank, one of the largest mortgage lenders with about 20,000 consumer home-lending employees, is in the midst of cutting staff in cities including Jacksonville, Fla., Columbus,

Ohio, Phoenix and Cleveland, particularly as mortgage servicing has fallen, the people said.

Home sales have slowed as the rise in mortgage rates has been compounded by a lack of homes for sale, increasing prices and a tax bill that reduced some incentives for homeownership.

Rising interest rates have also discouraged homeowners from refinancing their current mortgage or moving and hav-

ing to get a new mortgage.

JPMorgan has also found that customers' delinquencies have fallen, dropping about 22% in August from the year prior, according to spokeswoman Trish Wexler. Mortgages that aren't delinquent require fewer resources.

"When fewer people are struggling with their mortgages, and more people are using self-service channels, we can adjust staffing," the bank

MARKETS & FINANCE

Gold Prices Finish the Week Higher

BY IRA IOSEBASHVILI

Gold prices held on to their gains Friday, as investors digested a mixed U.S. employment number.

Gold for October delivery settled up 0.3% at \$1,201.20 a troy ounce

COMMODITIES on the Comex division of the

New York Mercantile Exchange, bringing its gains for the week to 0.8%.

While the unemployment rate in September fell to 3.7%, its lowest level in decades, the economy created 134,000 jobs—the smallest gain in a year and fewer than the 180,000 jobs analysts were expecting.

Signs of a strong economy and further monetary tightening tend to pressure gold, which struggles to compete with yield-bearing investments when rates rise.

In base metals, copper for October delivery fell 0.5% to \$2,751 a pound.

For the week, it lost 1.3%, its second consecutive week of declines.

Tech Selloff Pummels Nasdaq Composite

Rising Treasury yields are forcing investors to assess the value of stocks versus bonds

By CORRIE DRIEBUSCH AND AVANTIKA CHILKOTI

Technology stocks took another leg down Friday, dragging the Nasdaq Composite to its worst week since early spring.

Investors sold many of the year's best performing stocks, moving into so-called safety stocks such as utilities. The sentiment shift occurred as the stock market's momentum appeared to stall in the face of suddenly higher long-term government bond yields.

The tech-heavy Nasdaq Composite fell 91.06, or 1.2%, to 7788.45. For the week, the index is off 3.2%, its worst performance since the week ended March 23.

Among big tech stocks, Apple slumped \$3.70, or 1.6%, to \$224.29 while Netflix fell 12.30, or 3.4%, to 351.35.

The Dow Jones Industrial

Average fell 180.43 points, or 0.7%, to 26447.05, while the S&P 500 dropped 16.04 points, or 0.6%, to 2885.57.

"It doesn't feel like the bottom yet," said Justin Wiggs, managing director in equity trading at Stifel Nicolaus, adding that he expects to see a "sloppy" Monday for stocks.

As Treasury yields have risen to multiyear highs, and as solid economic data puts the Federal Reserve on track for more short-term increases in coming months, the rising yields on bonds have some investors questioning the value of their stockholdings relative to the perceived safety of their bondholdings.

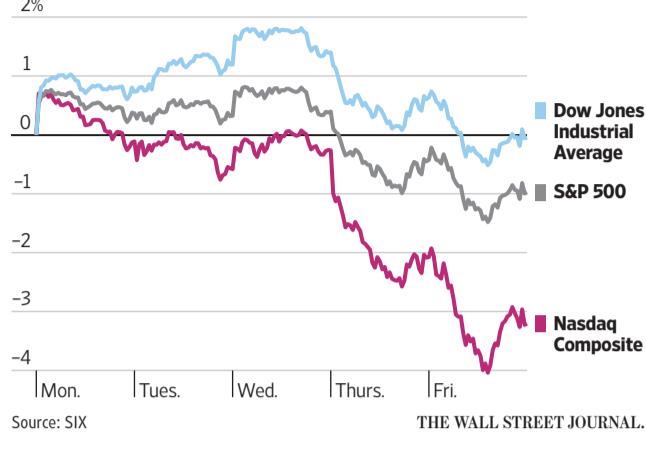
The result has been two days in a row of big drops in the stock market. While many traders are predicting stocks will end the year higher, they also say they expect more swings similar to Thursday's and Friday's moves in the final three months of the year.

"We're going to be seeing more volatility," said Tracie McMillion, head of Global Asset Allocation at Wells Fargo Investment Institute. "The market is trying to assess: How do you discount stock prices when interest rates are

Tech Trouble

The Nasdaq Composite sank this past week as investors sold shares of technology companies.

Index performance



THE WALL STREET JOURNAL.

going up?"

Shares of technology companies in the S&P 500, which have been the best performers in 2018 as investors chased growth, slumped 1.3%.

"Tech is definitely pulling back this week, but given the backdrop of strong earnings, it's just a pullback after a run-up earlier this year, not a reversal," said Jeff James, portfolio manager at Driehaus Capital Management, who

added that he had reduced his tech exposure recently.

Smaller stocks also sank, with the benchmark small-company Russell 2000 index ending the week down 3.8%, its worst weekly performance since March.

Government bonds also had a rough week. On Friday the yield on the 10-year Treasury note rose to 3.227%, the highest level in more than seven years, compared with 3.196%

Thursday. Yields move inversely to prices.

Yields ticked higher after Labor Department data showed hiring slowed in September even as the unemployment rate fell. U.S. nonfarm payrolls rose a seasonally adjusted 134,000 in September, the smallest gain in a year. Wages advanced 2.8% from a year earlier, while the unemployment rate fell to 3.7% from 3.9% in August. Economists had forecast a 180,000 increase in payrolls in September.

Friday's jobs report, though weaker than expected, still broadly confirmed recent momentum in the U.S. economy, some analysts said.

As the economy grows, however, the fear is that it could trigger concerns around inflation and tighter monetary policy. That has sparked worries among stock investors who fear strong economic growth could mean the Federal Reserve raises rates faster than anticipated.

Investors have been selling bonds around the world in recent weeks, but so far yields have risen faster in the U.S. than in Europe as investors anticipate faster growth in America.

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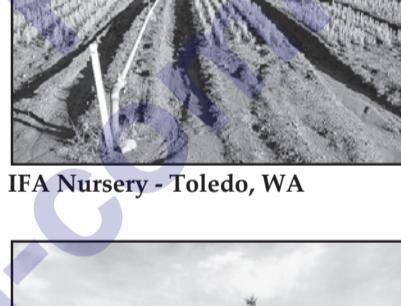
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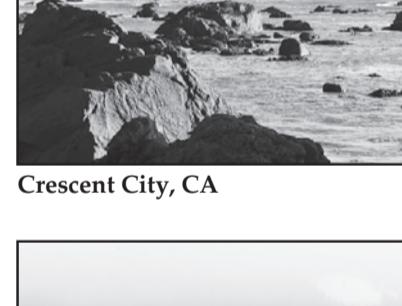
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FINANCIAL

ANALYSIS & COMMENTARY

A Hidden Cost of Fighting Dirty Money

Banks are now on the front lines of the battle against money laundering; investors could get hung out to dry

BY PAUL J. DAVIES

Every few months, it seems some bank is nailed in a multi-billion dollar money-laundering scandal. The latest is Danske Bank, which may win the prize for sheer audacity, with more than \$230 billion of potentially suspicious cash flowing through a tiny branch.

The banks pay fines, promise to behave and the scandal is generally forgotten. But investors are wrong to ignore the long-term impact. Governments have made banks the front-line defense against a range of crimes. Combined with the weight of post-financial-crisis regulations, the pressure to spot wrongdoing among clients adds costs and acts as a brake on the entrepreneurial spirits of business-winning bankers. The result is lower returns to investors.

This rise in scandals has its roots in the globalization of finance since the 1990s and in a political and regulatory push to make banks responsible for policing criminal and terror-related money flows.

Banks can't complain: Many of these cases could have been avoided if they had better controlled their people and processes, especially those far from headquarters taken on through acquisitions, and if they had been more careful in choosing clients.

It may be that they grew too fast. Since the mid-1990s, the cross-border financial assets and liabilities of advanced economies surged from 130% of their combined GDP to more than 570% last year, according to the Bank for International Settlements. Banks helped drive this through deal making: Cross-border acquisitions by banks from the U.S. and Western Europe into new and emerging markets surged in the late 1990s and peaked in the mid-2000s, according to Dealogic.

This expansion helped banks bolster revenues and profits after the dot-com crash and again after the financial crisis. But it took them into less-developed markets and resource-rich countries where governments or organized crime can play a greater economic role. Banks didn't understand or ignored the increased risks of exposure to corruption and laundering.

There is no good measure to show whether dodgy transactions grew in line with global finance: Launderers tend not to file tax returns. What is certain is that banks were given increasing responsibility for catching them. Before 1986, money laundering wasn't even a federal crime in the U.S. The real change began in 2001—starting with the Patriot Act in response to the Sept. 11 terrorist attacks, and with Europe's third anti-money laundering directive in 2005. Banks were increasingly required to report suspicious transactions and identify dubious customers.

This is a problem for bankers at the front line of winning new clients and transactions. They want to be entrepreneurs, convincing a client to act, promising support from their bank's services or balance sheet, closing their deal and getting paid. What they don't want is to be slowed down in making good on their promises, or worse: being stopped from fulfilling them.

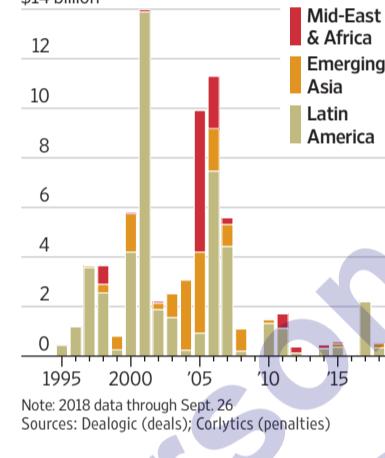
Danske is perhaps the most surprising case yet. Huge flows passing through a tiny foreign branch, where many of the clients weren't even residents, failed to arouse suspicions higher up. But plenty of others have also tripped up on branches or individuals that had too much freedom: Think of



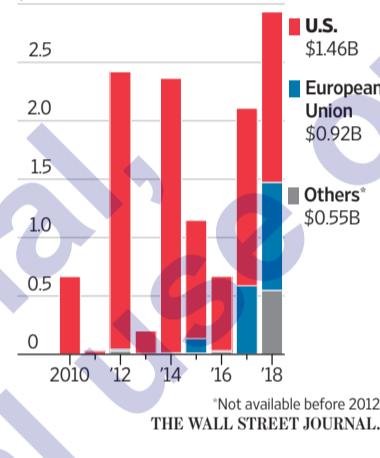
F. MARTIN RAMIN/THE WALL STREET JOURNAL

Branching Out

Cross-border deals by North American and Western European banks into new markets



Anti-money laundering penalties paid by banks



But restraints on bankers' spirits is about more than tackling laundering, or even sanctions breaches, for which BNP Paribas was hit with \$9 billion in penalties by U.S. authorities in 2014, by far the largest for any such failure. It is about fraud and risk control generally. Many banks have rightly centralized management, beefed up monitoring of their clients and their own people and cut their appetite for risk.

This can cause problems: When bankers feel too shackled by reporting and approval committees they may walk away. More cautious banks may react slowly to opportunities and lose out to less scrupulous, or less regulated, rivals. The balance is hard to strike for global banks.

Yet high returns today at the cost of fines or penalties tomorrow is a fool's business model. More restrained bankers pursuing profits more prudently is the right approach. It is another reason that investors will have to get used to lower returns from the industry. But it is a very good reason.

OVERHEARD

United Airlines, not particularly well-known for gentle handling of its passengers or cargo, has a new way to generate some much needed goodwill.

Starting on Friday, customers traveling to or from California won't have to pay an extra service fee to check a surfboard, wakeboard or paddleboard. United made the announcement to "celebrate California recently naming surfing as the state's official sport," the company said in a press release Thursday.

Passengers who flew with their gear in the past may not be feeling the warmth, however: Old fees ranged from \$150 to \$200, in addition to a standard fee for checking a bag. That is nearly as much as one of its "basic economy" fares.

Then again, United clearly could use a sunnier disposition: the airline ranked sixth out of eight major carriers for customer complaints in the 2017 Wall Street Journal airline scorecard.

Surfboards now fly free on some United flights.



China's Tax Whodunit Is Far From Over

China's biggest movie star is no longer missing, but the drama highlights deeper tensions

BY NATHANIEL TAPLIN

Without the Communist Party there would be no new China—and no Fan Bingbing, says the country's biggest film star, who this week admitted to tax fraud. In the West, celebrities like Ms. Fan apologize to fans for missteps. In China, they apologize to fans and the Party.

Ms. Fan, best known outside China for her role in "X-Men: Days of Future Past," has just emerged from a mysterious three-month absence—apparently in the care of state investigators—to beg for forgiveness in an abject letter on her microblog. Chinese netizens joke that it would take an ordinary worker 8,000 years to earn the 884 million yuan (\$129 million) that Ms. Fan owes in fines and back taxes.

Yet the kerfuffle highlights deeper tensions. Ms. Fan's mea culpa comes just a month after a big income-tax cut, designed to prop up consumption and inoculate the leadership should the trade conflict with the U.S. hit paychecks. The cut is biggest in the upper-middle brackets—a \$2,000-a-month worker gets a break equal to around 7% of taxable income after social insurance, according to Gavekal Dragonomics—but is substantial for much higher income brackets too.

Still, the message from Ms. Fan's troubles seems to be that cutting taxes isn't the same as letting the wealthy go scot-free: Tighter enforcement is part of the deal.

The problem is that as Chinese incomes keep rising, and government welfare liabilities keep growing, it may be hard for Beijing to keep paying the bills without taxing citizens more. That's a dicey political problem when tax-



Actress Fan Bingbing disappeared for three months.

payers can't vote, as tea drinkers in Boston know well. In the U.S., income taxes represented 40% of total taxation in 2016, according to the Organization for Economic Cooperation and Development, compared with around 8% in China, where corporate and value-added taxes provide the lion's share.

How long can low income-tax rates persist as China's public spending needs grow? City governments are already starving for revenue—one cause of their big off-the-books-debt problem. And nonfinancial corporations, with debt equal to 160% of GDP, aren't in a great position to pony up more. Meanwhile Chinese official debt issuance is rising sharply just as foreign investors boost their holdings.

With Ms. Fan's kowtow, the summer tax drama has drawn to a close. The saga, however, looks far from over.



Workers assemble jet engines at a Pratt & Whitney plant in 1966.

Fed Can't Risk Falling Behind the Job Market

The 1960s taught central bankers a tough lesson

BY JUSTIN LAHART

What could possibly cool this job market? Oh right, the Federal Reserve.

Companies' struggle to find workers got harder last month. Even though job growth slowed—likely because Hurricane Florence sidelined some workers—the unemployment rate slipped to 3.7% in September from August's 3.9%. That was the lowest level since the late 1960s, and even though the U.S. labor market is a lot different now, it is worth taking a look back at what was going on then.

The 1960s were a period of falling unemployment and, for the first part of the decade, low inflation. But in the mid-'60s, wage growth and inflation began to ratchet higher—the inflation rate went from 1.9% at the end of 1965 to 5.9% at the end of 1969, for example. The Fed didn't act forcefully enough early on to counter that. By 1969 it had decided it had to, ratcheting overnight rates from 6% to 9%. That pushed the econ-

omy into recession and led to a 36% fall in stocks. It was a lesson in the dangers of central-bank complacency.

It is also the sort of mistake the Fed doesn't want to repeat—one reason why it anticipates continuing its current pace of rate increases into next year. Investors have only recently begun to take the central bank at its word, which is why U.S. Treasury yields have been hitting multiyear highs.

The unemployment rate fell from 4.2% to 3.7% in the past year as the Fed slowly but steadily raised rates. What will the Fed do if unemployment falls to 3.2% in the next year? With the extra juice from tax cuts and government spending increases still hitting the economy, investors need to start thinking about a faster pace of Fed tightening.

The prospects of higher rates and an ensuing slowdown in growth are hardly a welcome thing to investors. But the alternative of the Fed letting the job market continue to rip could be even worse.



American Hope
Gerard Baker on the moon landing's message for our divided era **C2**

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THE WALL STREET JOURNAL.

The Big Fella
A new life of Babe Ruth, the once and forever Sultan of Swat **Books C7**



CULTURE | SCIENCE | POLITICS | HUMOR

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Confessions Of the Miswired Brain

CAM COTTRILL

It's never been easy to study the human brain. The 19th-century French scientists who theorized that different brain functions corresponded to different brain regions often had to rely on terrible happenstance for their research. In 1861, Dr. Ernest Aubertin gained access to a man who had attempted to commit suicide by shooting himself in the head. The shot had torn away the front of his skull, and Aubertin was able to manipulate the man's frontal lobe with a small spatula before he died. When the doctor tapped the left frontal lobe, the man lost the ability to speak, but tapping the right side had no such effect. Evidence began to accumulate for what became known as the "localization" of the brain's various functions.

Mapping the brain remains one of biology's biggest challenges. The rubbery, motionless organ gives no clues on its surface to how it works. With today's technology, of course, neurologists like myself are able to see images of the brain in action. We can use scans to safely track the maturation of the brain from birth to old age and to see its functions at work in real time. No suicides or spatulas are required.

And yet, paradoxically, the easy availability of these images threatens to distort our view of the brain and our understanding of it. Brain scans have huge limitations. For the most part, they are just static photographs. Though they have given us new insights into the brain's control over complex cognitive functions, many claims about their capabilities—that they can read minds, for example, or measure empathy

Today's imaging technology threatens to distort our view of the brain. To understand and diagnose patients suffering from mysterious maladies, there is still no substitute for talking to them about their condition.

BY SUZANNE O'SULLIVAN

or act as a lie detector—are exaggerated. By themselves, scans tell us nothing about how well different aspects of the brain are working. For that there is still only one method, which risks falling into the shadows of science: the old-fashioned, personal process of gathering information directly from a patient.

A scan can't tell you how well a patient lifts his or her arms, or climbs stairs, or reads or speaks, nor can it indicate personality or intelligence or sense of humor. Only patients can do that. The interpretation of test results

depends entirely on what we learn from the details of their stories, comparisons to other patients and our own intuition. Dr. Rita Charon, founder of the narrative medicine program at Columbia University, neatly summarized her own approach to a patient's story in a 2004 lecture: "I listen not only for the content of his narrative but for its form—its temporal course, its images, its associated subplots, its silences." Technology just complements these clinical skills.

For millennia, scientists had guessed that the functions of the brain were laid out according to a similar plan in each of us. The only way to determine that plan was to observe the effect of brain injury and disease. More than a decade before the French suicide case, the American railway worker Phineas Gage became famous when an iron rod was driven through his left frontal lobe, leaving him otherwise healthy but changing his personality from quiet to aggressive. His case prompted intense research into localized brain functions.

But relying on such awful events was never going to deliver all the answers. A better approach was needed. Enter one of the oldest recorded brain diseases: epilepsy.

A century ago, the stories that people with

Please turn to the next page

“

A scan can't tell you how well a patient lifts his or her arms, or climbs stairs, or reads or speaks, nor can it show personality or sense of humor.

This essay is adapted from Dr. O'Sullivan's new book, "Brainstorm: Detective Stories from the World of Neurology," which will be published by Other Press on Oct. 30. She is a consulting neurologist at the National Hospital for Neurology and Neurosurgery in London.

Inside

GAMES



Scrabble may be a classic, but it's no fun. Where's the pleasure in memorizing lists of words—and not caring what they mean? **C5**

**WEEKEND
CONFIDENTIAL**

Sylvia Acevedo, CEO of the Girl Scouts, on the group's updated look for today. **C6**



Mojo Rising

Ben Zimmer on how a term for magic power spread from Africa to Austin Powers and beyond. **C3**

INNOVATION

A new study shows that the U.S. is losing its high-tech edge to a range of ambitious global cities. **C4**



EDITOR
AT LARGEGERARD
BAKER

Half a century ago, the moon landing united a country torn by discord.

My daughter, a brilliant college senior, animated by the highest principles of her generation, was so enraged by a column last week on the Kavanaugh affair published in our sister newspaper, the Times of London, that she wrote to the editor with a sharp, passionate and moving rebuttal.

Awkwardly, I was the author of that column. While expressing, I thought, sensitivity to the pain of sexual assault suffered by many women, I had decried the political spectacle in Washington, a partisan circus that seemed set on destroying a man's reputation without merit, based on a disputed episode from decades before.

But my words had stirred my own family to rise up in righteous revolt. The letter went unpublished, which was a shame, but it left a deep imprint on me.

The politics of these times are as fissiparous as most of us

can recall. The Trump era has intensified the fury of partisan passions. Its molten rage has dripped through the interstices of our daily lives—eliminating the gaps between public and private, turning the once safe spaces of family, leisure and faith into ideological battlefields.

We all know friends who've stopped speaking to each other. The Kavanaugh nomination has pitted sibling against sibling, husbands against wives, taking the country another degree closer to the boiling point.

There seems little immediate prospect of these passions abating. With Brett Kavanaugh's confirmation now apparently assured, his opponents are furious and will carry their animus into the voting booths in next month's midterms, promising only more division to come.

Still smarting from the filial rebuke, I attended a preview screening this week of "First Man," the new biopic of Neil Armstrong, who first walked on the moon, by director Damien Chazelle.

The film itself—in keeping with the cultural immanence now of our politics—has been

REVIEW

criticized (including by me) for its supposed playing down of the intrinsically American nature of the first moon landing: It fails to show the planting of the Stars and Stripes on the moon's surface

But on screen, at full length,

nary in his extraordinariness—not especially gifted intellectually or athletically, laconic to the point of tongue-tied. He memorably muffs his climactic line: "One small step for man" rather than "One small step for a man."



Ryan Gosling as Neil Armstrong in "First Man."

I saw something quite different. It's certainly a global production. Armstrong is

played by Ryan Gosling, a Canadian, and his wife, the wonderfully stoical Janet, by Claire Foy, an Englishwoman of protean talent who in a former life used to be The Queen.

But Mr. Gosling's Armstrong is indeed the American hero.

He's very much Everyman, ordi-

And there's a jaw-dropping moment when he tells his young children around the kitchen table that he's going to the moon and there's a chance he may not see them again. As the silence descends, he asks: "Any more questions?" and he's off. I checked after the screening with his son, Mark, who confirmed that this was indeed his father's valediction as he set off on the most epic journey man has ever made.

Armstrong's simple decency is achingly amplified by the

pain of the loss of his young daughter to cancer. Fate and fortitude combine to propel him to greatness.

It's in this reminder of a quintessential American moment and a quintessential American hero that I find a small sliver of hope. The moon landing was a moment of national unity in a time of almost unprecedented discord. It came in the year that followed perhaps the most elementally divisive year in America since the Civil War: 1968, the year of 16,000 American deaths in Vietnam, two political assassinations, political riots, a wave of domestic terror, the nation coming apart.

Of course the moment of national pride and unity didn't last. Americans continued to die in Vietnam, protests raged on, and within a few years the trauma of Watergate ripped the nation apart anew.

But the moon landing was still a testament to American endeavor, American genius, American courage—celebrated by all Americans and admired around the world, a feat powerful enough to still for a time the angry rolling brawl that politics had become. Perhaps it's not too ambitious or naive to hope that something similar may yet be found to halt our current national descent into madness.

DANIEL MCFADDEN/UNIVERSAL PICTURES/ASSOCIATED PRESS



The Storytelling Of Brain Disease

Continued from the prior page

epilepsy told their doctors became an exploratory tool for neuroscientists. They led the early brain explorers directly into the functional anatomy of the brain.

For the English neurologist John Hughlings Jackson, a crucial insight came from watching an experiment in which a colleague electrically stimulated the brain of a living monkey. When the experimenter stimulated a particular section of the monkey's frontal cortex, a contraction spread progressively through the muscles of the monkey's arm, causing it to jerk.

The neurologist had seen a similar movement in some of his patients with epilepsy. It occurred to him that epilepsy could be explained by the spread of electrical activity through the brain. If that was right, it followed that the manifestations of an epileptic seizure represented the function of the brain area where the seizure happened.

His intuition was exactly right, and it continues to shape modern medical practice. Consider Maya, who was 59 and had suffered from epilepsy for 40 years when I first examined her. A small delicate lady born in Uganda, she was a patient in the early days of my work as a consulting neurologist at the Royal London Hospital in East London. Listening to the progression of her symptoms was like being taken on an anatomical tour of the brain.

At the start of any seizure, the first thing that Maya experienced was fear. The amygdala is the brain's early warning system. It alerts us to danger. When electrically stimulated, it can cause a person to feel frightened. Maya's fear implicated the amygdala as a possible source of her seizures.

But there are two amygdala, left and right. So which was causing the problem? Maya gave the next clue. After experiencing this fear, her right arm stiffened and rose unnaturally. This indicated that the electrical discharge had moved to the part of the brain that controls the muscles of the right arm. That control lies in the frontal lobe of the opposite side of the brain. Maya's rigid right arm suggested that she had a diseased left frontal lobe.

Maya also lost the ability to speak during and after her seizures. She could understand what was being said but couldn't find the words to answer. That was the same problem experienced by the suicide victim in Paris when the spatula was pressed to his exposed left frontal lobe. It was also the same area that another French physician at the time, Pierre Paul Broca, identified by studying the autopsy of a patient who could say only one word.

In a functional neurological exploration unit in France in 2016, a patient is prepared for exposure to auditory and visual stimuli to be examined for patterns.

Maya's seizure had arrived at the center for expressing language, and her story described its passage. It started as a discrete electrical discharge in the region of the left amygdala, then moved forward into the left frontal lobe, affecting movement and speech.

Maya underwent an operation to remove her left amygdala (her right amygdala compensated for the missing piece), and the seizures stopped. Her right amygdala compensated for the missing piece. Modern technology had confirmed our clinical suspicions—but the real weight of Maya's assessment rested on the clinical picture. Listening to Maya and watching her gave every clue needed to understand her disease and make her better.

Many people think of an epileptic seizure as a convulsion. That is certainly a type of seizure, but like anything to do with the brain, it is the smallest part of a much more complex picture. A seizure occurs when the normal electrical activity of the brain is disrupted by an unwanted synchronized electrical discharge coming from diseased brain matter. When the whole brain is involved, it causes a convulsion. But often the discharge only engulfs a small section of the cortex. If it is the part of the cortex that moves the big toe, the big toe will start to twitch; if it is an area where a memory is stored, the person affected will relive something from his or her past.

With the realization that a seizure was a symptom of a bit of diseased brain, scientists began to correlate seizure symptoms with brain lesions to create a brain map. By the end of the 1930s the advent of antibiotics made it possible to perform on people the neurostimulation techniques that had been used on animals. Physicians opened the skulls of willing subjects with epilepsy and applied electrical current directly to the cortex, moving the stimulus around to try to reproduce the patient's seizures and

to test reactions in the normal parts of the brain.

Patients reported what each stimulation made them feel. Some stimuli made muscles stiffen or move. Others resulted in a sensory or emotional experience. In one experiment, stimulation of part of the temporal lobe caused a man to report that he heard an orchestra strike up. Stimulation of another brain area caused him to experience an hallucination. Researchers were thus able to identify the brain regions responsible for movement, sensation, and auditory and visual processing.

Diagnosis depends on the ability of patients to evoke their symptoms for their doctor and on the doctor's ability to hear what they say. That is true for any illness but especially for epilepsy, because a seizure is fleeting; it's gone by the time the patient and doctor meet.

Consider the case of Donal, whom I met soon after Maya. His seizures manifested in a very specific way: He had periodic hallucinations of seven cartoon dwarfs running past him.

When the early brain explorers electrically stimulated patients' temporal lobes, several of their subjects reported visual hallucinations as vivid as Donal's. The doctors assumed these were memories and speculated that the temporal lobes must be important to memory, but they could only begin to guess how memory was stored. That is a question that we are only now beginning to answer.

In 2005, Rodriga Quian Quiroga and colleagues from the University of Leicester published a study in the journal *Nature* that updated the earlier electrical studies. The team used microelectrodes to record activity from neurons in the temporal lobes of patients undergoing surgery for epilepsy. The scientists showed the patients a selection of pictures and measured the electrical activity. It turned out that some specific neurons responded to specific pictures.

For example, in one woman, a single neuron fired every time she was shown a picture of Jennifer Aniston. The "Jennifer Aniston neuron" did not show activity for unrelated pictures. This suggested that specific neurons represent the memory of specific objects, people or concepts. It's not that one memory lives in one neuron, but we do seem to store memories in the connections between dedicated neurons.

All of Donal's scans were normal—his brain looked healthy—but the scans were done when he was asymptomatic. I wanted to see what happened to his brain when the hallucinations appeared, so I admitted him to the hospital for observation. Painless metal discs placed on his scalp made a continuous recording of Donal's brain waves using electroencephalography. Then we waited.

Three days in, Donal reported the appearance of the seven unwelcome cartoon dwarfs. Just as they appeared, his brain waves showed a burst of electrical activity in his right temporal lobe. It was there for a mere 90 seconds—long enough to prove that Donal's seizures were due to epilepsy.

The temporal lobe's role in memory suggests that the hallucination might have represented something from Donal's past. Perhaps he had a "seven dwarfs neuron" stored in his long-term memory. But he didn't recognize the dwarfs as a memory, so he may have constructed the hallucination from his imagination. Memory and imagination are closely related, and the temporal lobe plays a vital role in each.

Perhaps the biggest challenge for people with brain disease is the vast array of possible symptoms. The manifestations can be as varied and unpredictable as the activities of a healthy brain. Many people with epilepsy have an experience of seizures that is uniquely their own, sometimes so strange that no doctor has seen anything like it before. When that happens, the patient and doctor must learn together.

When a woman named August was 16, she started to have running attacks: She runs manically and beyond her own control for three minutes at a time and then blacks out. The attacks are caused by a seizure in the area of the brain responsible for coordinating complex movement, and they have proved to be untreatable.

During her seizures, August has encountered the best and the worst of the strangers that she literally runs into. Once she jumped from a bus, leaving her belongings behind. She ran straight into a stranger's house and woke up surrounded by the puzzled faces of a large family. They were kind to her and helped her to get home.

Another time she woke up to find herself standing face to face with a furious neighbor who was shouting at her. She learned that, during her run, she had dragged his baby's stroller along with her. She was arrested for attempted child abduction, and it took months for the charges to be dropped.

I have never looked after a patient with running attacks before. August has never met another person with her problem. I have no idea how to advise her, so instead she teaches me. She has learned to negotiate with the terms of her disability. Largely housebound, she set up a business making cakes in her kitchen. She sculpts flowers out of icing sugar. She loves music and drawing and fills her home with friends. Her life is fuller than that of many healthy people, and I stand in awe of her.

GETTY IMAGES

REVIEW



A Vietnamese girl whose parents were killed by the Viet Cong during an attack on the village of Dong Xoai, 1965.

The Hidden Atrocities Of the Vietnam War

The communist regime in the north kept journalists from documenting its war crimes, leaving an incomplete historical record that continues to distort our memory of the conflict

BY MAX HASTINGS

As a young BBC correspondent visiting Saigon in 1971, I avidly devoured a bootleg copy of Frances Fitzgerald's book "Fire In the Lake," which was officially banned. Ms. Fitzgerald ended her powerful account of America's failure in Vietnam with an impassioned expression of yearning for communist victory, when "individualism" and its attendant corruption [will] give way to the discipline of the revolutionary community." Many observers back then assumed that nothing could be worse than the bloody, shambolic, corrupt mess that had prevailed in Vietnam since the abdication of the French colonial regime in 1954.

Today, however, there seems reason to modify the verdict of such writers as Ms. Fitzgerald and Jack Langguth, another reporter covering the war, who wrote: "North Vietnam's leaders...deserved to win. South Vietnam's leaders...deserved to lose." This is not because what either journalist recorded about America's record in Vietnam has proved to be untrue. It is because we can now see that those who delivered tales of woe from Saigon—to which I contributed something myself—told only half the story.

Most history-conscious people in America and across the world know, for instance, the story of the My Lai Massacre of March 1968, when U.S. troops murdered at



An American soldier with the body of a woman who was killed while being used as a human shield by the Viet Cong, 1966.

least 504 Vietnamese people of all ages and both sexes. Modern tourists in Vietnam hear plenty about My Lai and other American deeds of the same kind. But they are less likely to hear about the much larger-scale killings carried out by the communists around the same time.

The root of the problem is that modern society is extraordinarily susceptible to visual images, or a lack of them. Few people question the evil of Hitler, because almost everyone has seen images of his death camps. Yet many find it hard to view Stalin and Mao Zedong through the same lens, because those mass murderers and their successors have made sure that few photos of their killings are available.

Like other communist regimes, the North Vietnamese created what the intelligence community calls "denied areas," where access for reporting and photography was available only to a few ideological sympathizers. It is dismaying how successful this policy was, and in considerable measure remains, in influencing both journalism and the writing of history.

Thus, countless millions of people are familiar with

it hard to view Stalin and Mao Zedong through the same lens, because those mass murderers and their successors have made sure that few photos of their killings are available.

While "mojo" likely circulated orally for generations, it did not begin to show up in print sources until the 1920s. One early appearance was in the Oct. 24, 1923 issue of the St. Louis Post, under the headline, "Selling Love Charm Not Theft." The article told of an

Earlier that same year, another case of a magical charm

gone wrong was reported in The Anniston Star, an Alabama newspaper. A "voodoo doctor," it was said, sold a "bundle of 'jomo herbs'" to a woman who hoped to hypnotize a man demanding that she pay her rent. "Jomo," which continued to appear sporadically, was evidently another way of saying "mojo," with the syllables reversed. (Very recently, that term has reappeared with a different usage in the acronym JOMO, for "Joy of Missing Out.")

"Mojo" soon made its way into the lyrics of blues songs that were being released on so-called "race records." In 1927, Charley Lincoln recorded

the photos of a Viet Cong prisoner being shot by Saigon's police chief in February 1968 and of a naked, screaming child fleeing an American napalm strike in 1972. But no visual records are available of the thousands of landlords and "class enemies" executed in North Vietnam in the 1950s, often publicly and with conspicuous brutality. This policy was acknowledged by General Vo Nguyen Giap in a speech in October 1956: "We indiscriminately viewed all landowners as enemies.... In suppressing enemies we adopted strong measures...and used unauthorized methods [a communist euphemism for torture] to force confessions....The outcome was that many innocent people were...arrested, punished, imprisoned." Up to 15,000 people were executed in this fashion.

Communist terrorism was a continuous feature of the later war in South Vietnam. In the country's central highlands in 1965, for example, two Vietnamese antimalaria workers spraying DDT were seized, convicted of "spying for the Americans and the puppet government," and executed with machetes. In another case, two Vietnamese nurses working on a cholera inoculation program, one of them pregnant, were found guilty of "acting in the name of the American imperialists and as a propaganda tool." The woman's life was spared, but her male colleague was hacked to death before her eyes.

The families of South Vietnamese soldiers suffered as well. Giang Dinh, an outpost south of Saigon, was attacked by Viet Cong on an October night in 1965. In the initial shootout, two South Vietnamese guards were killed and two bunkers destroyed. Lieut. Nguyen Van Thi, the post commander, continued to hold out with 15 men. The attackers seized members of the soldiers' families—two men, four women and four children—and forced the wives to call on their husbands to surrender, on pain of the hostages' lives. Lieut. Thi refused. At dawn, when a relief column reached Giang Dinh, it was found that the Viet Cong had indeed murdered their captives before withdrawing.

During the communists' occupation of Hue in the 1968 Tet offensive, their cadres systematically murdered every government official, intellectual, bourgeois and "enemy of the people" whom they could identify, along with their families. Among the victims was Nguyen Tat Thong, the government's national director of social services, together with six of his relatives, including two teenage brothers. Hundreds were killed whose only offense was to be fingered as alleged government sympathizers.

None of this is meant to suggest that the U.S. and its South Vietnamese clients should be viewed as the heroes of the war. Beyond My Lai, it is dismaying to discover from U.S. Army and Marine court-martial records how many atrocities were perpetrated against civilians and how inadequately they were punished. But the communist record of oppression and murder merits matching attention, not least from modern tourists in Vietnam, who are exposed to so many propaganda exhibits about American war crimes.

The mistake made by antiwar protesters half a century ago, and by some journalists and historians both then and since, was to conclude that, if America's cause was a bad one, the other side's must be a good one. As is often the case with historical events, neither belligerent had much claim to the moral high ground. Since the communist victory in 1975, many Vietnamese have found reason to reach that conclusion, and it may be time for Americans to do likewise.

This essay is adapted from Mr. Hastings's new book, "Vietnam: An Epic Tragedy, 1945-1975," to be published on Oct. 16 by HarperCollins (which, like The Wall Street Journal, is owned by News Corp.).



WORD ON THE STREET

BEN ZIMMER

[Mojo]

the Conservative Party Conference (where she took the stage dancing awkwardly to ABBA's "Dancing Queen"): "She found her mojo." Also this week, Nick Jeffrey, the CEO of Vodafone UK, hyped his company's prospects by saying, "We've

got our mojo back."

For decades now, "mojo" has continued to be used—or overused—for an ineffable, supernatural power that can be gained or lost, typically thought of as a kind of personal magnetism or good fortune. The snappy, memorable term is also pervasive in commercial names, such as the Mojo brand of kombucha tea recently acquired by Coca-Cola, the cryptocurrency MojoCoin, and the movie earnings tracker Box Office Mojo.

"Mojo" originally referred to a kind of magical charm or amulet of African origin. Though the etymology is difficult to trace, it may be related in both form and meaning to "moco'o," a word for "medicine man" in Fula, a west African language. The word may also show kinship with "moco," which means "magic" in Gullah, a language with

many African influences spoken in the coastal regions of South Carolina and Georgia.

While "mojo" likely circulated orally for generations, it did not begin to show up in print sources until the 1920s. One early appearance was in the Oct. 24, 1923 issue of the St. Louis Post, under the headline, "Selling Love Charm Not Theft." The article told of an



Muddy Waters had his 'mojo working.'

African-American man named William Gassaway who was freed from a charge of grand larceny for selling a "mojo bag" to another man seeking a charm to "soften the heart" of his wife. The bag, it was said, cost \$85 (around \$1,200 in today's dollars), but only contained a lump of coal.

Earlier that same year, another case of a magical charm gone wrong was reported in The Anniston Star, an Alabama newspaper. A "voodoo doctor," it was said, sold a "bundle of 'jomo herbs'" to a woman who hoped to hypnotize a man demanding that she pay her rent. "Jomo," which continued to appear sporadically, was evidently another way of saying "mojo," with the syllables reversed. (Very recently, that term has reappeared with a different usage in the acronym JOMO, for "Joy of Missing Out.")

"Mojo" soon made its way into the lyrics of blues songs that were being released on so-called "race records." In 1927, Charley Lincoln recorded

the song "Mojo Joe Blues" for Columbia Records (early spellings were rather fluid). The following year, Blind Lemon Jefferson put out his own "Low Down Mojo Blues" on Paramount; both songs bemoaned women using "hoodoo" or witchcraft to entrap men. Muddy Waters may have done the most to popularize the word with his 1957 version of the song "Got My Mojo Working."

From blues musicians, "mojo" moved into more mainstream usage as a term for any indescribable or mystical force. Jim Morrison famously used it in an anagram of his name, "Mr. Mojo Risin'," in the 1971 song by The Doors, "L.A. Woman."

As the word has spread in popular culture, it has often taken on more comical undertones, such as in the 1999 movie "Austin Powers: The Spy Who Shagged Me," in which Dr. Evil goes back in time to steal Austin's mojo. It has even lent its name to a dinosaur genus with a flamboyant frill, dubbed "Mojoceratops" in 2010 by the paleontologists who discovered its fossil remains. The talismanic power of "mojo" is clearly as strong as ever.

REVIEW

EVERYDAY MATH

EUGENIA CHENG

Secret Codes Built on Very Large Numbers



CRYPTOGRAPHY has always been important to people trying to communicate secrets, whether friends passing notes in elementary school or spies gathering intelligence in wartime. Hard as we might try to prevent a message from being intercepted, we also want it to be difficult to read, just in case. Nowadays we need cryptography every time we type in a password.

Thinking up cryptography systems often takes imagination and creativity. Sometimes the encoding and decoding are done with a secret number or "key," and sometimes the process involves elaborate mechanical devices, as with the famous Enigma machines used by the Germans in World War II.

One basic system using a key would be to add 1 to each digit in a number, so that if your PIN is 4823, you could encode it as 5934. The problem is that once you tell someone how to encode the message they also know how to decode it, so it is crucial to keep the key itself secret.

A more sophisticated system uses a key for encoding that will not help with decoding. It's like a safe that needs one key to lock it and a completely different key to unlock it. This might seem impossible, but examples abound in the realm of large numbers.

It was long believed that understanding how large numbers interact was interesting but would never have practical applications. Over the past century, however, some arcane theorems from 18th-century number theory (that is, the study of whole numbers) were used to dream up one of the most powerful modern encryption systems.

The key principle is that it's easy to multiply several numbers but hard to reverse that process to find the component factors of a single large number. If I tell you that I multiplied two numbers and got 15, you will easily deduce that the numbers were 3 and 5. But if I tell you that my answer is 11,021, it will take you much longer to work it out.

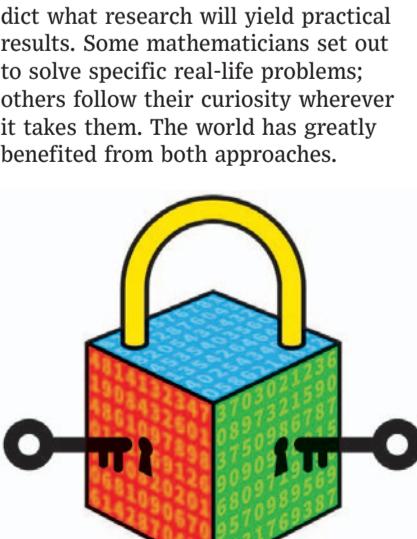
This is the basic idea behind the encryption system named RSA, after the last names of the MIT mathematicians who proposed it in 1978: Ron Rivest, Adi Shamir and Leonard Adleman. (The same approach had been proposed by Clifford Cox in 1973, but he was working at the time for the British intelligence agency GCHQ, and his work was classified until 1997.)

It took some sophisticated theorems of number theory to turn the difficulty of factoring into a system of codes. The system depends on a theorem by the 17th-century French mathematician Pierre de Fermat, usually called "Fermat's Little Theorem" (in contrast to "Fermat's Last Theorem," which is famously huge).

The developers of RSA came up with an ingenious way to combine this theorem with the fact that factoring large numbers is hard. To encode something, you start by picking two large prime numbers and multiplying them. You can then publish the answer, and if your original numbers are large enough (say, 200 digits), it will be essentially impossible for anyone ever to know which numbers you picked. Fermat's Little Theorem then provides a way to use the product of the two numbers for encryption and the secret factors for decryption.

The system is secure because even now, with all of our extraordinary computing capacity, there are limits to our ability to factorize large numbers. One reason that quantum computers would be such a critical development is that they may be powerful enough to find factors in a reasonable time, rendering cryptography systems like RSA useless.

The development of RSA cryptography shows how mathematics research done for curiosity's sake can eventually become useful, even if it takes several centuries. It's almost impossible to predict what research will yield practical results. Some mathematicians set out to solve specific real-life problems; others follow their curiosity wherever it takes them. The world has greatly benefited from both approaches.



Can the U.S. Keep Its High-Tech Edge?

BY RICHARD FLORIDA AND IAN HATHAWAY

While recent headlines have blared about the Trump administration's multi-front trade war with Canadian dairy farmers, Chinese manufacturers and the European Union's steel, aluminum and automotive industries, a much larger economic threat has gone virtually unnoticed. The high-tech startups that have provided the U.S. with a powerful edge in fields such as computers, software, mobile devices, biotech, the internet and an array of digital platforms now face rapidly increasing pressures from foreign competition.

This looming crisis of American innovation could undermine the nation's long-running global advantage in bringing to market the next new technology, the next new industry, the next big thing. It may well be the gravest challenge yet to America's century-plus hold on global economic hegemony.

For decades, the U.S. held a near monopoly on high-tech startups. From advanced aeronautics to the personal computer, from biotech to big data, social media, e-commerce, smartphones and the cloud, these small, ambitious companies, backed by venture capital, gave America an overwhelming advantage in key new industries and supercharged our economy. Amazon, Apple, Microsoft, Facebook, Netflix and Google—all of them venture-backed startups within recent memory—are now among the most valuable publicly traded companies in the world. Amazon, Netflix and Microsoft alone accounted for more than 70% of S&P 500 returns in 2018.

When we crunched the data on global venture capital investment over the past couple of decades, we found a startling decay in America's once-sturdy advantage. As late as the mid-1990s, the U.S. was home to roughly 95% of all venture capital investment in the world; today its share has dropped to just over 50%. About half of this two-decade decline has occurred in the last five years alone.

Venture capital activity in the U.S. continues to grow, with investments in American startups reaching around \$90 billion in 2017. That total marks a 160% increase since 2010, and it beats all previous years except 2000—the peak of the dot-com boom. But venture capital investment in the rest of the world has grown more than twice as fast, by 375%, during the same seven-year period. It now totals about \$80 billion. China gained the most ground, attracting nearly a quarter of all global venture capital investment in recent years, with India, the U.K., Germany, France, Israel, Singapore, Sweden and Japan together accounting for almost another fifth.

It would be a mistake, however, to see China or any other nation alone as America's singular rival. What we are experiencing instead is a collective, multilevel assault on our high-tech dominance from scores of places—principally large, global cities. Venture capital now flows into Shanghai, Beijing and London at a rate that rivals New York and Boston. And

America still leads the world in innovative startups, but other countries are gaining fast. If we don't act, the next big thing will come from Beijing or Berlin.

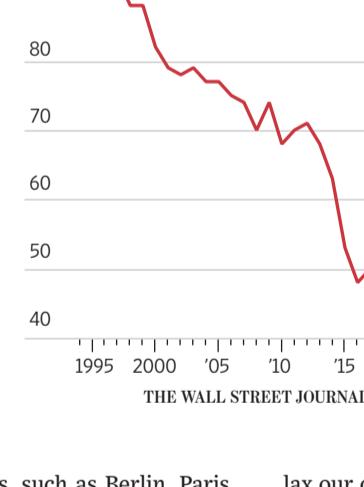


Foreign Hubs Rise, as U.S. Share of Funding Falls

Of the top dozen cities for venture capital invested, 2015-17, seven are outside the U.S.



The U.S. proportion of global capital invested has dropped steeply since 1993.



Top: A test of facial-recognition technology in the Shanghai Metro.
Above: Employees at Flipkart, an e-commerce firm in Bangalore.

other cities, such as Berlin, Paris, Stockholm, Singapore, Bangalore, Delhi, Mumbai and Tel Aviv, are rising fast; they are already on par with Seattle and Austin. This past year, the much sought-after startup Sidewalk Labs (Alphabet's urban innovation company) selected Toronto over a raft of American cities to build out a mixed-use, technologically enabled, experimental neighborhood.

Part of the challenge is that other nations have gotten better and smarter at playing the high-tech game. Over the past decade or so, they have increased their investments in research and innovation, strengthened their universities, worked hard to improve their own entrepreneurial ecosystems and dramatically upped their efforts to retain and attract the world's best and brightest talent. In just the past few years, more than 20 nations have launched startup visa programs designed to attract global entrepreneurs and innovators.

An even larger part of the problem is self-inflicted. America's innovation economy was long a beacon to the most talented and ambitious people in the world, who came in search of educational and economic opportunities. A third of U.S. venture-backed startups have at least one foreign-born founder, and that figure jumps to as much as half in Silicon Valley. But the U.S. has become much less welcoming to

foreign talent in recent years—a long-running trend that has come to a head with the Trump administration's efforts to restrict student and work visas and to clamp down on immigration.

Add to these developments the growing unaffordability and inequality of leading tech hubs such as San Francisco, Boston, New York and Seattle. High-tech entrepreneurship thrives in dense, diverse urban environments.

But America's leading tech hubs have become victims of their own success, increasingly unaffordable for the innovators and entrepreneurs who create new technologies and launch startups. It's hard to innovate and build new businesses when the proverbial "garage" that has launched so many startups costs a million dollars or more.

All is not lost, to be sure. The U.S. still punches well above its weight in high-tech entrepreneurship. Our share of global startups and venture capital investment is much larger than our population and economic output alone can account for. But we can no longer rest on our laurels. High-tech entrepreneurs from other countries can, and increasingly will, build their tech startups at home. It is no longer necessary for them to come to the U.S.

What can be done to turn things around?

For one, we must double down on talent and innovation. We need to continue to invest in our leading universities, to pump out new research and attract the brightest people from around the world. And we must ensure that global talent can stay in U.S. after graduating. We need to be tearing down walls instead of trying to build them up, by making more visas available for students, skilled workers and foreign-born entrepreneurs.

We also need to bolster the local tech ecosystems that enable homegrown entrepreneurs and startups. And we must relax our overly restrictive zoning and building codes to ensure that innovators, entrepreneurs and creatives can afford to build and launch their new companies in our leading tech hubs.

The first step on the road to recovery is to acknowledge that you have a problem. In just two decades, our lead in tech entrepreneurship has been cut in half, and that erosion is accelerating rapidly. If this continues, the next big thing, or things, will be launched in Shanghai, Bangalore, Berlin or Tel Aviv, not somewhere in America.

These are not partisan or ideological issues. If the U.S. continues to lose its edge in innovation, our living standards will eventually decline. It's time to stop being distracted by economic and political sideshows and to do what's necessary to ensure that the startup companies propelling the global high-tech economy into the future are American ones.

This essay is based on the authors' newly released study, "Rise of the Global Startup City: The New Map of Entrepreneurship and Venture Capital." Mr. Florida is University Professor at the University of Toronto's School of Cities and Rotman School of Management and a distinguished fellow at NYU. Mr. Hathaway is research director at the Center for American Entrepreneurship and a senior fellow at the Brookings Institution.

REVIEW



RUTH GUILLY

Why would anyone play a game that's all about memorizing obscure words and makes you feel stupid when you lose?

BY JONATHAN KAY

Merriam-Webster released the sixth edition of its Official Scrabble Players Dictionary last week. Like previous iterations, the new dictionary is attracting a lot of attention. Newly playable words include *bestie* (a best friend), *zomboyd* (resembling a zombie), *beatdown* (an overwhelming defeat), *ew* (used to express disgust), *frowny* (showing a frown), *qapik* (a monetary subunit in Azerbaijan) and—this one has the Scrabble community all abuzz—*OK*.

As a passionate board-gamer, I love the idea that tiny modifications to any game could attract so much attention. But it galls me to see so many gamers stick with Scrabble during the current renaissance in tabletop games, which began with Settlers of Catan in the 1990s and shows no sign of letting up. There are many other, better gaming options out there.

Scrabble, to put it bluntly, is a lousy game. The only reason people play it, I suspect, is blind habit. I can think of no other explanation.

It's not that I don't like words. I love words. But what I love about words is their meaning and etymology—which no real Scrabble player bothers studying, because such details are completely irrelevant to scoring.

The game's only link to word usage in the real world lies in the point values assigned to the various letter tiles, which U.S. inventor Alfred Butts based on how often the letters appeared on the front page of the New York Times in the late 1930s—the rarer the letter, the more points it is worth.

Scrabble is like a math contest in which you are rewarded for reciting pi to the 1,000th decimal place but not for knowing that it expresses the ratio of a circle's circumference to its diameter. The word *egregious* is just a bunch of letters. It becomes beautiful and interesting only once you learn that it originates in the Latin words *ex gregis*—out of the herd.

I once tried to help my friend John Chew teach Scrabble to elementary school students in our Toronto neighborhood. One of his handouts listed the four-dozen-odd words that contain Q but not U, such as *qi*. This was a total turnoff. Memorizing lists isn't fun. It's work.

Tellingly, many of the world's top Scrabble players don't even speak Eng-



A Scrabble player racks her brain.

“
The only reason people play it, I suspect, is blind habit.

defeated Vancouver's James Leong. I watched the action unfold on a video monitor in an adjoining room, where John provided expert real-time commentary. It taught me a lot about how a big Scrabble brain works.

But I still couldn't figure out why those big brains find the game fun, especially since Scrabble can get tense. Last year, Allan Simmons, a former British champion, was banned from competition after he was caught peeking at tiles before drawing them from the bag. And an insider once told me an unsettling story of a contestant who tried to score an illegal word by taking advantage of his disabled opponent's difficulty in accessing the computer used to determine which words are admissible.

But then again, why shouldn't Scrabble induce tension and hostility? It's basically a memorization test that makes you feel smug when you pass and stupid when you fail.

There are all kinds of games out there, and what turns my crank doesn't have to turn yours. But amid this cornucopia, certain general principles do apply. One of them is that a fun beer-and-pretzel game should have some mix of skill and luck. Backgammon is a classic example, as are many of the most popular card games. A game that's all luck and no skill, like Snakes and Ladders or Unicorn Glitterluck, on the other hand, is suitable only for small children. And a game that's all skill and no luck—like checkers, Go or chess—is always going to be less popular among couples and friends than at dedicated clubs, where players can sort themselves by skill.

Those who like word games should try the 2015 breakout hit Codenames, in which "spymasters" take turns giving one-word clues to help their teammates target words arrayed on a game board; or Paperback, in which players take the role of novelists trying to make a deadline. Both feature a good mix of luck and skill. Scrabble, by contrast, involves just enough luck to disqualify it from the most exalted realms of mind-sport (which is why everyone knows the name Garry Kasparov but few know Nigel Richards), while the vast memorization requirements mean that beginners will always be humiliated by veterans.

In an essay titled "Lear, Tolstoy and the Fool," George Orwell dissected Leo Tolstoy's strangely intense disdain for Shakespeare. But after defending Shakespeare for a few pages, Orwell conceded that "there is no argument by which one can defend a poem. It defends itself by surviving, or it is indefensible. And if this test is valid, I think the verdict in Shakespeare's case must be 'not guilty.'"

In this sense, games are like poems. Like other zomboyd Scrabble fans (including the millions who play Scrabble's popular smartphone app), my friend John doesn't give a qapik for my frowny ew in response to his beloved game. It's something we both have learned to live with—because we're tabletop besties. But deep in my gaming heart, I know that I'll never concede that Scrabble is OK.

Mr. Kay is the Canadian editor of Quillette magazine and co-author of the forthcoming book "We, the Meeple: What Board Games Tell Us About Who We Are."

EXHIBIT

Over the Moon



GEORGES MÉLIÈS

TO CELEBRATE the 50th anniversary of the first manned moon landing in 1969, the Louisiana Museum of Modern Art in Denmark has just opened a new exhibit, "The Moon: From Inner Worlds to Outer Space," showcasing over 200 works of art inspired by the moon. Running through Jan. 20 with an accompanying book (Louisiana Museum of Modern Art: \$35), coming out Oct. 23, the show explores artistic interpretations of the moon through history.

From Romantic moonlit oil paintings to surrealist lunar fantasies, images range from Galileo's early maps of the moon to contemporary views in virtual reality. Curator Marie Laurberg writes that artistic takes on the astronomical body have made lasting marks on our culture. The book points, for instance, to tales of the moon turning people into werewolves and to the anthropomorphic Man in the Moon, as seen in this 1902 silent film still from Georges Méliès' "A Trip to the Moon" (left), in which a group of astronomers land a rocket in the moon's eye.

Today, the moon still has a mythic quality as "the only celestial body whose surface can be seen with the naked eye," she writes. "So far, and yet so tantalizingly near." — Alexandra Wolfe

HISTORICALLY SPEAKING

AMANDA FOREMAN

When Women Were Brewers



THESE DAYS, every neighborhood bar celebrates Oktoberfest, but the original fall beer festival is the one in Munich, Germany—still the largest of its kind in the world. Oktoberfest was started in 1810 by the Bavarian royal family as a celebration of Crown Prince Ludwig's marriage to Princess Therese von Sachsen-Hildburghausen. Nowadays, it lasts 16 days and attracts some 6 million tourists, who guzzle almost 2 million gallons of beer.

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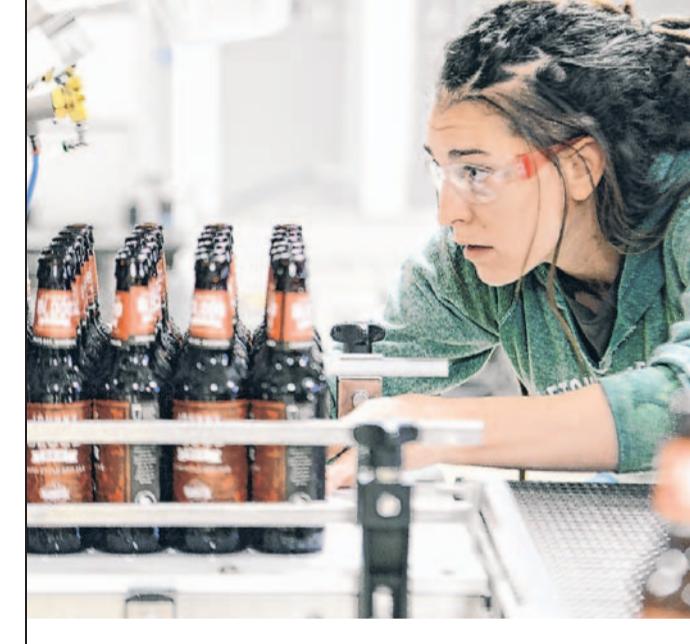
From ancient times until the Renaissance, beer-making was considered a female specialty.

pyramids were usually paid in beer rations. The Greeks and Romans were unusual in preferring wine; blessed with climates that aided viticulture, they looked down on beer-drinking as foreign and unmanly. (There's no mention of beer in Homer.)

Northern Europeans adopted wine-growing from the Romans, but beer was their first love. The Vikings imagined Valhalla as a place where beer perpetually flowed. Still, beer production remained primarily the work of women. With most occupations in the Middle Ages restricted to members of male-only guilds, widows and spinsters could rely on ale-making to support themselves.

Among her many talents as a writer, composer, mystic and natural scientist, the renowned 12th century Rhineland abbess Hildegard of Bingen was also an expert on the use of hops in beer.

The female domination of beer-making lasted in Europe until the 15th and 16th centuries, when the growth of the market economy helped to transform it into a profitable industry. As professional male brewers took over production and distribution, female brewers lost their respecta-



Brewer Heather Ludwig of Titletown Brewing Co. in Green Bay, Wis., 2015.

where the world's first cities emerged in the 4th millennium BC, up to 40% of all grain production may have been devoted to beer. It was more than an intoxicating beverage; beer was nutritious and much safer to drink than ordinary water because it was boiled first. The oldest known beer recipe comes from a Sumerian hymn to Ninkasi, the goddess of beer, composed around 1800 BC. The fact that a female deity oversaw this most precious commodity reflects the importance of women in its production. Beer was brewed in the kitchen and was considered as fundamental a skill for women as cooking and needlework.

When Prohibition ended in the U.S. in 1933, brewers struggled to get beer into American homes. Their solution was an ad campaign selling beer to housewives—not to drink it but to cook with it. In recent years, beer ads have rarely bothered to address women at all, which may explain why only a quarter of U.S. beer drinkers are female.

As we've seen recently in the Kavanaugh hearings, a male-dominated beer-drinking culture can be unhealthy for everyone. Perhaps it's time for brewers to forget "the king of beers"—Budweiser's slogan—and seek their once and future queen.

Truth & Beauty: Charles White and His Circle

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SATURDAY/SUNDAY, OCTOBER 6 - 7, 2018 | C7



'I swing big, with everything I've got,' Ruth said. 'I hit big or I miss big. I like to live as big as I can.'

America's Hit Parade

In 1927 Babe Ruth, the once and forever Sultan of Swat, barnstormed the U.S. in the wake of his 60-home run season. More than a victory lap, the tour was an apotheosis.

The Big Fella: Babe Ruth and the World He Created

By Jane Leavy
Harper, 620 pages, \$32.50

BY KATHERINE A. POWERS

WITH THE START of the 114th World Series almost upon us, this is an excellent time to consider baseball's starring role in American history and, more particularly, to appreciate how a bulky wizard waving a 54-ounce hickory wand brought a brand-new American epoch into being, a feat he crowned with 60 strokes from a lighter, dandier model. In her magnificent "The Big Fella: Babe Ruth and the World He Created," Jane Leavy takes the Babe's and Lou Gehrig's nation-spanning barnstorming tour of October 1927 as the base from which she sallies forth to give accounts of Ruth's life, career and the making of his public image. In doing so, she reveals the signal ways he was instrumental in transforming America from its provincial, small-time outlook to the mass society we live in now.

Ms. Leavy begins in Baltimore, where George Herman Ruth Jr. was born in 1895 to a mother who couldn't get the date of his birth straight—a drinker and generally absent figure who died when he was 17. Before that, however, the boy was turned over at age 7 to St. Mary's Industrial School for Orphaned, Delinquent, Incorrigible and Wayward Boys at the behest (and expense) of his father, a barkeep and onetime seller of lightning rods. His sister remained at home, which could only have added to the boy's sense of rejection, as did the sad fact that neither parent seemed inclined to visit him. This, Ms. Leavy believes, shaped his character. Inside he remained an abandoned child—in his need to please and to surround himself with people, in his disdain for authority and in his lifelong kindness to children, well documented here, especially to those in orphanages and hospitals.

Baseball was central to life at St. Mary's, and the Xaverian Brothers who ran it used the sport as an "organizing principle." During Ruth's time it had a four-team league—Red Sox, White Sox, Cubs and Giants—and a "de facto farm system" with 28 uniformed teams. At the home, young George came under the tutelage of one of baseball's auxiliary heroes, the 6-foot-4, 225-pound Brother Matthias, a towering figure with "a boy's heart hidden beneath his cassock." The Boss, as he was called, was, in Babe's words, "the greatest man I've ever known," the man who taught "me how to play ball—and how to think."

In 1914 Ruth, 19, was picked up by the minor-league Baltimore Orioles, where he acquired the moniker "Babe" before being sold some months later to the Boston Red Sox. Five years on—as everyone in New England and possibly the universe knows—Sox owner Harry Frazee sold him to the Yankees. As Ms. Leavy shows, this was a more galling transaction than even the most rueful of Sox fans had realized. She turns to the economist Michael Haupert, who notes that part of the deal Frazee made with Yankees owner Jacob Ruppert involved the latter paying \$100,000 for Ruth in four installments but also extending a \$300,000 loan to Frazee that took him 13 years at 7% to pay off. Six years later Frazee had already shelled out over \$100,000 in interest to Ruppert. Consequently, Mr. Haupert concludes with what I fear may be glee, "the Red Sox actually paid the Yankees to take Babe Ruth."

The 21-day barnstorming tour with fellow Yankee slugger Gehrig, which provides what structure this sprawling and hugely encompassing book possesses, began Oct. 10, 1927, 10 days after Ruth's record-breaking 60th home run of the regular season and two days after his team swept the Pittsburgh Pirates for the World Championship. Starting in Providence, R.I., the show (billed as "The Greatest Double-Barrel Box Office Attraction in Baseball History—Going Out to Thousands That Cannot Come to Them") traveled through New Jersey and across the Midwest, and hauled up on the West Coast, hitting half a dozen stops before finishing in Los Angeles. With a good deal of the carnal spirit about it, the program featured a 10-piece orchestra, showgirls, and games between the "Bustin' Babes" and the "Larupin' Lous," the teams filled out with pick-up players. It was organized—as was every aspect of the Babe's career by this time—by his agent, Christy Walsh, who arranged countless appearances at each city, publicizing the tour with a photo of the two heroes, the caption of which, Ms. Leavy remarks, "might as well have said: For sale to the highest bidder."

Christy Walsh, the first sports agent in history, was a phenom in his own right and, in many ways, the creator of the entity known as "the Babe." After forays into newspaper and advertising work, Walsh recognized the growing dominion of image and publicity and sensed in the air that "a new kind of stardom was emerging, one grounded in personality and amplified by marketing and technology, by the repetition and dissemination of images in the new tabloid press, by the transmission of the human voice through

what the Babe called "the ether." He saw in the exuberant, high-flying Babe, with his record-demolishing 54 home runs of the 1920 season, prime material for what became known as celebrity.

Walsh persuaded the improvident, debt-ridden Bambino to sign a contract in February 1921, making him Ruth's agent with power of attorney, an arrangement eventually extended into 1935, when Ruth retired. Walsh became, it was said, "the man who relieves Babe of his burden of thinking." He was, in sum, a virtuoso in the new art of public relations, cultivating and protecting Ruth's image, courting the press, providing it with copy, arranging endless appearances and ghostwriting Babe's columns—the "ancient and honorable craft of literary make-believe," as Walsh called it—which erudite task he soon farmed out to others.

"Cleaned up and packaged right," observes Ms. Leavy, Ruth "made Walsh a wealthy man." With the Babe under his belt, Walsh quickly snapped up other athletes, among them Gehrig, Walter Johnson, Ty Cobb, Knute Rockne and Glenn "Pop" Warner.

Ms. Leavy is generous with examples of entertainingly mawkish media coverage of Ruth, much of it supplied to reporters by Walsh, though it seems everyone participated in painting the man they knew to be a boozier, womanizer and midnight rambler as a clean-living, uxorious, adorable galoot. That is, until 1925, a very bad season for both the out-of-shape Ruth and the Yankees, who would finish in seventh place. With the Babe now an unlovely disappointment, the New York Daily News splashed photos of his mistress, Claire Hodgson, on its front page. "Hers was the face that launched a thousand headlines," Ms. Leavy writes, going on to describe the nightmare of bad publicity that followed. Still, Walsh got his client to pull himself together and sanitize his image (if not his conduct). By the 1927 tour, the fanciful agent felt he could cast the relationship between the older Babe and college-boy Lou as the "the wise elder, teaching Buster about the perils of celebrity."

Ruth's fame and willingness to do practically anything brought in thousands of dollars. He appeared in movies and vaudeville and endorsed everything from rifles and cars to the zippered, startlingly named Whizit overalls. One item he notoriously made no money on, however, was the Baby Ruth candy bar, which tale of brand-name mischief also becomes, under Ms. Leavy's scrutiny, one of emerging legal notions of a celebrity's name as an asset.

Please turn to page C9

Do 'virtue,' 'honor,' 'shame' and 'guilt' still resonate in an era dedicated to the rational pursuit of worldly success?

David Wootton that our society has

made its peace with the dominance of

self-interest. In both economic and

social relations, the pursuit of private

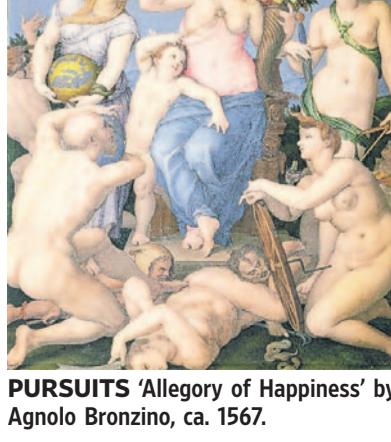
advantage is increasingly unconcealed

and unembarrassed.

Mr. Wootton, a distinguished British historian of ideas, wants to explain how we have arrived at this state of affairs. How did self-interest—the pursuit of private happiness—supplant Kant's dutiful obedience, natural law, the ancient virtues, and the Christian ethic of self-denial? By no means has Mr. Wootton produced a jeremiad. "Power, Pleasure, and Profit: Insatiable Appetites From Machiavelli to Madison" is generally satisfied with the eclipse of "traditional conceptions of honor and virtue." In the early modern period, he writes approvingly, "those who were most prominent in attacking the old moral codes were also, almost without exception, egalitarians." Our liberal, individualist society, he argues, emerged from clear-eyed theories of self-interest.

Mr. Wootton's book originated as a series of lectures delivered at Oxford,

Please turn to page C8



PURSUITS 'Allegory of Happiness' by Agnolo Bronzino, ca. 1567.

BOOKS

'Morals had changed, manners had changed. [It was] an era which had canonised hypocrisy, so that to seem to be respectable was to be.' —JOHN GALSWORTHY



FIVE BEST BOOKS ON SOCIETY IN THE GILDED AGE

Anne de Courcy

The author, most recently, of 'The Husband Hunters'

King Lehr and the Gilded Age

By Lady Decies (1935)

1 This is an insider's look at the foibles, customs, etiquette and excesses of 1890s society, an era of conspicuous consumption—festoons of priceless jewels draping ample bosoms, gold plates gleaming at dinners for 150. Before her third marriage, to the Baron Decies, Elizabeth Drexel met and quickly fell in love with the playboy Harry Lehr, darling and court jester of the in-crowd of New York and Newport. Good looking, witty and gay (in both senses), Lehr's presence was essential at every dinner. Immediately after their marriage, he told the new Mrs. Lehr that the "love of women is a sealed book to me," and that her huge fortune was all that had attracted him. Still, she stayed with him because she couldn't bear to destroy her mother's illusions—the word "divorce" was enough to cause many women to leave the room. Nor could she bear the prospect of her own humiliation. But what really sustained this superprivileged world was its iron corset of exclusivity. "The whole house ought to be disinfected after them!" exclaimed a society matron whose neighbor had rented her 15-bedroom Newport "cottage" to unknowns.

The Glitter and the Gold

By Consuelo Vanderbilt Balsan (1953)

2 Consuelo Vanderbilt was the archetype of the heiress forced into marriage to an indigent peer by the towering social ambitions of an iron-willed mother. For Alva Vanderbilt, her daughter Consuelo

would be the pawn in the family's struggle for status: Despite their wealth, the Vanderbilts came from the wrong side of the tracks. Nothing was neglected in that effort. To ensure a graceful carriage, Consuelo writes, she had to wear "a steel rod which ran down my spine and was strapped at my waist." At 18—and bringing with her \$2 million (roughly \$60 million today)—she became Duchess of Marlborough and mistress of Blenheim Palace. It was an alien way of life far from home and family. "From my window I overlooked a pond in which a former butler had drowned himself," she wrote of a winter at Blenheim. "As one gloomy day succeeded another I began to feel a deep sympathy for him."

Titled Americans: The Real Heiresses' Guide to Marrying an Aristocrat

First published in 1890 (revised annually)

3 This extraordinary publication is a handbook for the American heiress—and her mother—in search of a title. It provides details of the ages, estates, incomes, family seats and more, of "peers who are supposed to be eager to lay their coronets, and incidentally, their hearts, at the feet of the all-conquering American girl." There is a similarly detailed list of American girls who have already married peers, along with a fairly snappy résumé of what various titles are worth. "There are more titles in Italy than in any other country of Europe," while in France, we learn, thousands have adopted titles and names to which they have no right.

P

ower,

Pleasure

And Profit

Continued from page C7

and it retains a somewhat didactic feel. Much of it is donnish intellectual history, full of interesting but digressive discussions. Beginning with Machiavelli, moving through Hobbes, Locke, Hume, the French *philosophes* and Adam Smith, "Power, Pleasure, and Profit" explains how European thought came to abandon the old virtues and accept the "selfish system" of utility. Mr. Wootton's subject is the intellectual and cultural revolution that made modernity: the "replacement of Aristotelian ethics and Christian morality by a new type of decision making." This new method, he says, may be called "instrumental reasoning or cost-benefit analysis." In formal philosophy it is represented by the utilitarianism.

The crucial centuries of transition, according to Mr. Wootton, were the 17th and the 18th. He doesn't fully explain why, but one can surmise. These centuries were the first era of truly global trade. They also witnessed the first European stock and bond markets. A manufacturing revolution began to stir, and rising wealth triggered a consumer revolution. From around the world fabrics like Indian calico and foods like sugar and coffee flowed into European retail shops. So too did new raw materials: West Indian mahogany for furniture; African ivory for piano keys; South American natural rubber for erasers and balls. Books, musical instruments, porcelain, glassware, furniture, ready-made shirts, stockings and gloves: Objects once reserved for the wealthy became attainable for a growing middle class. In 1650 only aristocrats would have owned clocks or mirrors, or rugs for their floorboards. By 1750 such possessions had spread throughout the upper third of society.

The consumer revolution was a defining feature of the 18th century, par-

ticularly in the British-speaking world. It had profound effects. Consumption satisfied and whet the appetite in an endless cycle, spawning an ethic of spinning and toiling, saving and spending. Consumption also enabled self-improvement and self-display, which bred intense social competition. The subsequent need for accumulation encouraged people to view their economic and social exchanges in transactional terms. Any reader of Jane Austen will get the picture.

Mr. Wootton assumes rather than explains these transformations. His main concern is with the theorists who described (and justified) the psychology required to live in such a world. Their efforts were a fundamental project of the Enlightenment. In Mr. Wootton's account, Hobbes first taught us that appetites underlay all of our moral judgments. What we want we call "good," and what we fear or dislike we call "bad." Virtues merely mask our wants, he argued. Hobbes's understanding of happiness was fundamentally hedonistic. The more measured Locke, according to Mr. Wootton, nevertheless shared this core belief that human motivation was inevitably self-regarding.

Some of the French *philosophes* explicitly attributed human happiness to earthly possessions, material pleasure and successful social striving. The Scottish political economists—Adam Smith, above all—then devised a system whereby our pursuit of private interest proved self-stabilizing. The scramble for private wealth encouraged behavior profitable to the broader economy. The scramble for reputation and glory encouraged the development of shared norms that were enforced through the mechanism of public opinion (a "market" for public esteem). The market economy replaced the old "moral economy." "Values" replaced "virtues."

Greed is good, indeed. The thinker who most brazenly and controversially justified the new order was Bernard Mandeville, a Dutch physician and philosopher living in London. In 1723 his most famous book, "The Fable of the Bees," was presented to an English grand jury for blasphemy

This Was My Newport

By Maud Howe Elliott (1944)

4 Verbose, diffuse and full of stories about people one has never heard of, amid the haphazard recollections in this book lurk some real gems—eye-opening snippets on the society of the day, when the ideal waist-measurement was 18 inches. It was understood, for example, that on the near-compulsory evening drive along Bellevue Avenue, "the first time you met a friend, you made a ceremonious bow; the second time, you smiled; the third, you looked away." When Newport, R.I., took over from Saratoga Springs, N.Y., as the place to go, it imported all the exclusivity, etiquette and sheer futility of Gilded Age New York society. Some houses were so well staffed that a dinner for 100 could be given without outside help. Oliver Belmont's horses "had morning clothes, afternoon clothes and evening clothes—the most elaborate being pure white linen with the Belmont crest." When John Jacob Astor said: "A man who has a million dollars is as well off as if he were rich"—well, not at Newport he wasn't.

The Man Who Robbed the Robber Barons

By Andy Logan (1965)

5 Col. William D'Alton Mann was a genial-looking elderly man with a huge white beard and side-whiskers, sparkling blue eyes and a large red nose, who would feed sugar lumps to the horses he passed on his way to a large lunch at Delmonico's. But as editor of New York's weekly Town Topics and anonymous author of its dreaded, witty gossip column, "The



ALAMY

Saunterer" ("Miss Van Alen suffers from some kind of throat trouble—she cannot go more than half an hour without a drink"), he was anything but Father Christmas-like. By dint of an unrivaled network of informers—disaffected servants, telegraph boys, waiters and the like—he was apprised of every society indiscretion and scandal, which he revealed in elegant prose that made the identity of the culprits clear whether explicitly or by innuendo—so that "subscribers had

no difficulty identifying the bride of the season who had once borne twins out of wedlock." As Mann described his activities: "to save the sinner by rebuking the sin is an achievement over which the angels rejoice." He also ran a profitable sideline in blackmailing: Ashen-faced husbands caught playing away would turn up at his office at midnight where, for a fee, the offending paragraph would be expunged from the page—but not from Mann's files. After all, you never knew.



HIGH ROLLERS A Kansas couple in their 1931 Cadillac Fleetwood in 23.75 karat gold-leaf finish, with outside door handles of sterling silver.

and libertinism. Mandeville escaped prosecution, but his book became notorious. It argued that individual vice was essential to the public good; that the pursuit of individual pleasure, even to the point of gluttony, greed and lust, greased the gears of prosperity. Despite the alcoholism that killed thousands of Londoners a year, Mandeville celebrated the profits of the unregulated (and often poisonous) gin industry. The city's filthy and diseased brothels were to him useful public institutions for pleasuring and pacifying rowdy young men. Over-spending on luxury, he opined, encouraged trade and improved the national revenue, even if it filled the jails with debtors. To Mandeville, the ancient and Christian virtues of honor and self-sacrifice were lies peddled by opulent elites to discipline and control the masses. Pleasure, indulgence and display would break these mind-forged manacles and encourage a democracy of consumption.

Oddly, Mandeville is largely missing from "Power, Pleasure, and Profit," but his ghost hovers over the book just the same. Mr. Wootton applauds the Enlightenment's great "transmutation of values" as a "democratization and degendering" of traditional morality. To the ancients, he writes, "what mattered most was not whether you succeeded or failed, but what sort of person you were; honor, self-respect, dignity, reputation, and a clear conscience were held to be more important than success in acquiring power, pleasure, or wealth." Only the consumer revolution and the utilitarian theories that justified it proved forceful enough to detonate these old

hierarchies and pieties. Modern liberty, as Mr. Wootton understands it, necessarily valorizes pleasure seeking.

Mr. Wootton writes to provoke. His style is engaging, and he has a practiced eye for finding the historically telling detail (often etymological). It is striking to learn, for instance, that the English term "selfish" was new in the 1620s but common by the 1660s, or that "the pursuit of happiness" was a ubiquitous Enlightenment catchphrase long before Jefferson adopted it for the Declaration of Independence. Mr. Wootton explicates complex social and political theories with admirable lucidity. And certainly there is a case to be made that market economics, and the self-interested behavior they require, encourage both liberty and a certain kind of satisfaction.

Whether the pursuit of private happiness reliably redounds to the common moral good is a separate question. Kant's selfish shopkeeper, for instance, acts uprightly to secure customers and profits. But can the expectations of his customers be entirely reduced to their own self-interests? The shopkeeper's expectation that they would take offense at cheating children seems to presume their attachment to older, more universal notions of honesty and charity.

Does a person incur the expense and bother of raising a family out of self-interest? Does a police officer or soldier dutifully sacrifice his life in order to secure private profit? If parents and soldiers are in fact pursuing their own self-satisfaction, this may merely suggest more disciplined or elevated notions of happiness. A wise or pious happiness might follow from

sacrifice, duty or religious observance. Thus were early Christian martyrs said to have faced torturous death with joy, and Socrates to have committed suicide "cheerfully."

It could be that a system of private interest self-regulates only when it is hedged and corrected by venerable ethical traditions tracing to pagan antiquity and Christianity. Mr. Wootton himself concedes of the Enlightenment that, alongside the powerful new utilitarian ethos, "there survived a classical inheritance which continued to be respected." That is to say the least. In its Christianized form, that classical inheritance could certainly ratify rank and hierarchy, but it also encouraged charity, founded hospitals and inspired the greatest moral breakthrough of the era: the abolition of the slave trade.

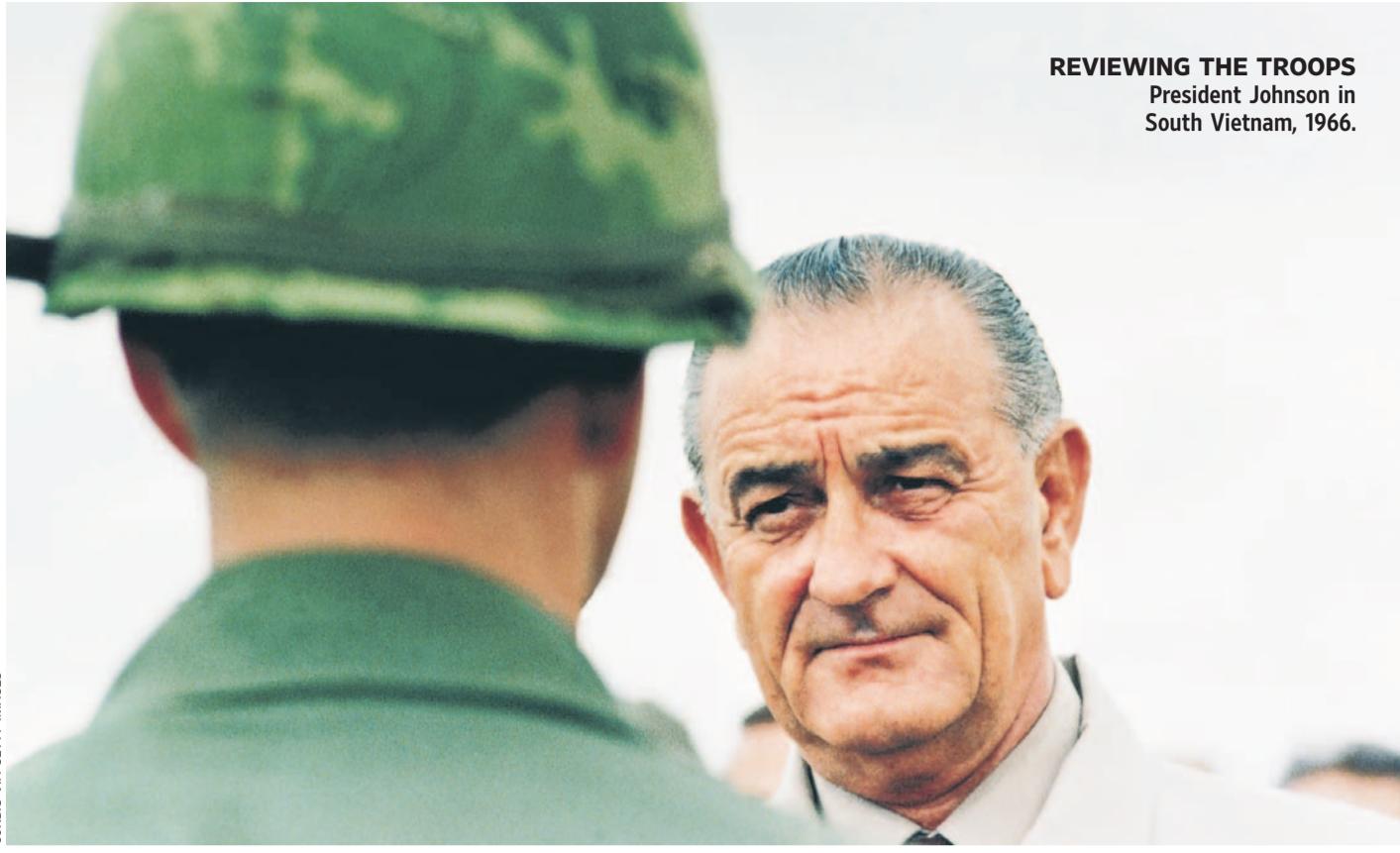
But as his title indicates, the pursuit of happiness that interests Mr. Wootton is of a more material kind. "Pleasure, power, and profit," he writes, "have become the three things which we, as individuals, communities, and as states, pursue without limit and without end." This situation does, he concedes, trap us into a world of "remorseless competition." We exhaust ourselves on a "hedonic treadmill." Our desires will only motivate us when they are perpetually unfulfilled. But the new "selfish" ethic also encourages the view "that we are each entitled to determine for ourselves what happiness consists in." Some freely accept this "after virtue" society as the essence of modern liberalism. Others accept this conclusion, but with reluctance or despair.

It is perhaps doubtful that modern ethics are quite this easily reduced to a system of self-gratification. And to the extent that they are, Mr. Wootton is not always sensitive to the limitations of this development. "What is the point of a liberal politics," he writes insouciantly, "if not to end stoning for adultery, to legalize homosexuality, to make it possible to talk freely about ordinary pleasures?" A more pertinent question, perhaps, is for how long the Enlightenment's systematization of the "selfishness principle" will survive the slow decline of the older moral codes that checked its excesses.

Mr. Collins is a professor of history at Queen's University in Kingston, Ontario.

BOOKS

'In war, the chief incalculable is the human will.' —B.H. LIDDELL HART



REVIEWING THE TROOPS
President Johnson in South Vietnam, 1966.

The World The Babe Made

Continued from page C7

However impressive his income on and off the field, Ruth's spending was prodigious. By February 1927, having so far failed to keep the Babe out of debt, Walsh finally prevailed on him to leave the considerable money he made that winter (and all ancillary proceeds from then on) in his hands, safe from squander, for deposit in an untouchable trust. Walsh wrote that this Herculean accomplishment "concludes a campaign of nearly three years in which I have pleaded with my good friend Babe to do this important thing for his own future happiness. The difficulty has been to get him in an agreeable mood—and with the necessary cash on hand—both at the same time." "I know many, many people would not believe this!" he boasted. And, as was his wont, he called a news conference at which Ruth demonstrated his embrace of financial prudence by turning over a first installment of \$33,000 to the trust. (Unsurprisingly, he later tried to get the money back, but, except for the interest, it was locked up.) What was not publicized was that while Ruth was salting away dough under the iron hand of Walsh, he was renegeing on payments due to his wife, Helen, whom he had abandoned and from whom he was now legally separated.

Ms. Leavy provides a detailed look at Ruth's earnings over his career. He was, she says, the first athlete to make more money off the field than on it, and he was also the first one to take on the owners with any real success. "The Big Fella didn't set out to be a revolutionary," she observes, "but in his anti-authoritarian soul, he understood the injustice of ownership holding all the cards." The Babe railed—and eventually prevailed—against Commissioner Kenesaw Mountain Landis's diktat that players who had participated in the World Series could not barnstorm during the following off-season. He also flouted Landis's prohibition against barnstorming games against black baseball clubs.

Most impressive of all, the Babe, coached by Walsh, took off the gloves when it came to negotiating his salary. "A man who knows he's making money for other people ought to get some of the profit he brings in," he declared, and went on to sharpen a point ball-club owners have tried to obscure ever since: "Don't make any difference if it's baseball or a bank or a vaudeville show. It's a business, I tell you. There ain't no sentiment to it. Forget that stuff." Drawing on Michael Haupert once again, Ms. Leavy exhaustively explores how much money the Yankees—forever crying poor mouth—made off him. Despite his supposedly outrageous salary, travel budget and medical expenses, and despite hiring private detectives to follow him, the Yankees, it emerges, made \$20 for every dollar they spent on Ruth.

All this is only to touch on the wealth of research, detail and astuteness of observation that make up "The Big Fella." Some of it is sad. There is Ruth's unfortunate marriage to Helen Woodford and her unenviable fate, as well as the neglected childhood of their adopted daughter, Dorothy. And then there are Ruth's post-playing years: his thwarted hopes of becoming a manager, and his agonizing but bravely borne illness and death at age 53. But the winning side of the Babe's life predominates in these pages and in history. He remains, as ever-changing statistical analysis still demonstrates, one of baseball's greatest ballplayers. And, thanks to the book's other stellar performer, Christy Walsh, he had a participant role in the transformation of America, becoming, in Ms. Leavy's words, "synonymous with undiluted American power and unbridled appetite."

Ms. Powers is a recipient of the National Book Critics Circle's Nona Balakian Citation for Excellence in Reviewing.

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BOOKS

'In the struggle between you and the world, bet on the world.' —FRANZ KAFKA

An Unforgiven Overreacher

The Hazards of Good Fortune
By Seth Greenland
Europa, 614 pages, \$20

By DANIEL AKST

JAY GLADSTONE, the protagonist of "The Hazards of Good Fortune," is hardly an *arriviste*, even if his name does remind us of James Gatz, who eventually becomes Jay Gatsby. Gladstone, as we learn, was born into one of New York's great Jewish real-estate families, expanded the business empire that he and his siblings inherited, and extended its largess to the needy. At the peak of his powers, when the book begins, Gladstone is rich, thoughtful and socially conscious. Oh, and he owns a pro basketball team.

A deftly plotted novel by the playwright and screenwriter Seth Greenland, "The Hazards of Good Fortune" is nothing if not ambitious. The title is adapted from William Dean Howells's novel of social class and power in New York, "A Hazard of New Fortunes." The plot echoes Tom Wolfe's similarly concerned "Bonfire of the Vanities," while avoiding most of its cartoonish excesses. And the author's themes

are the national standbys of race, money and celebrity. Yet Mr. Greenland's book owes as much to the ancient Greeks as to its American antecedents.

It's easy to overlook this Grecian formula because so much of what's in the novel feels torn from the day's headlines, but at base this is a tragedy in the classical tradition. Such tragedies, of course, were about the downfall of bigshots, but long before Arthur Miller and Willy

Loman came along, novelists were inviting us (with considerable success) to lament the ruin of those who never rose very far in the first place.

What Mr. Greenland has noticed is that we've finally begun to democratize who gets to be a bigshot, and he casts his tragedy accordingly. Terror and pity abound, but now the titanic protagonists are Jews, blacks, women and others once cast hopelessly among the hoi polloi.

And all of them are just as much in karmic thrall as the grandes who came before them, undone by ambition, rashness and cosmic retribution.

As to plot: Gladstone has become the owner of an NBA team in Newark that is struggling to make the playoffs and whose star player, Dag Maxwell, is estranged from the mother of his children. When Maxwell, who is black, learns that a former teammate is her new boyfriend, he flies across the country and makes like Odysseus to enforce the unwritten rule against such relationships. Meanwhile, a white police of-

ficer in New York's Westchester County, where Gladstone lives, shoots a deranged, unarmed black man who comes rushing at him. That leaves the district attorney, her gubernatorial ambitions at stake, with the difficult choice of whether to convene a grand jury.

Gladstone is a man of virtue, as well as a virtuoso navigator of his many public and private roles. But he is just as susceptible to his passions as Maxwell, to say nothing of his own bibulous wife, Nicole, and his daughter, Aviva, a faux-radical college student who falls in with a pathetic band of baby revolutionaries and the fraudulent guru who exploits them. Gladstone also has a guilty secret—doesn't everyone?—that undermines the edifice of virtue

he has so carefully constructed for himself, and it is this secret, perhaps, that tempts the fates to make him their tool.

Gladstone's ultimate transgression, part of a sequence of stunning events about midway through the novel, overturns his moral universe. His subsequent downfall is agonizing if a bit predictable, although critics probably made the same complaint about Sophocles. What's changed, perhaps, is the role of the common people, and their eager tribunes in the media: "Surrounding the reporters and correspondents was the herd, drawn like ancient Romans by the timeless drama of a prominent citizen brought low."

No brief account can do justice to the many moving parts of the story, or to how funny it can be. Much of "Hazards" is wickedly satirical, including what must be the most savagely hilarious Passover Seder since the Jewish exodus from Egypt. Despite the inexorable nature of Gladstone's downfall, this is a book full of marvelous surprises that seem inevitable as soon as they happen. Above all, "The Hazards of Good Fortune" is the story of a virtuous man who makes a terrible mistake—or two—and finds himself living in an unforgiving age.

Mr. Akst, the author of two novels, is a visiting instructor in the humanities at Bard College.

MYSTERIES

TOM NOLAN

From Long Beach to Abu Ghraib



ISAIAH 'IQ' QUINTABE, the young African-American private investigator featured in Joe Ide's series of novels, is something of a genius. "He liked challenges and he enjoyed outwitting people," writes Mr. Ide in his third and latest entry, "Wrecked" (*Mulholland, 343 pages, \$27*).

But "unless he was in detective mode, his self-confidence was woeful."

Things become awkward when IQ, who lives in East Long Beach, Calif., and is now 26 years old, is hired by an equally introverted artist named Grace Monarova. IQ becomes smitten with Grace, though "his conversations with her were like trading bricks."

Grace wants IQ to find her mother, who dropped off the grid 10 years ago. One need not be Sherlock Holmes to deduce that there's a lot more to this case than at first meets even IQ's discerning eye.

IQ, his wannabe partner Dodson, and their older friend TK soon find themselves caught between competing conspiracies involving Abu Ghraib atrocities and a wealthy security-company chief of whom Mr. Ide writes: "It wasn't so much that he enjoyed being above the law. What gave him pleasure was that he was the law."

"Wrecked" is full of violent action, hairbreadth escapes and poignant life lessons: an unpredictable book written by an author with wizard-like gifts.

Middle East warfare also has Southern California repercussions in T. Jefferson Parker's "Swift Vengeance" (*Putnam, 353 pages, \$27*)—the latest book in Mr. Parker's new series narrated by Roland Ford, a 39-year-old widower, former Marine and onetime sheriff's deputy now working as a P.I. in San Diego.

A retired drone operator that Ford knows comes to him for help. Lindsey Rakes has received a grisly death threat (postmarked San Diego, signed "Caliphornia") apparently connected with her former military work: "Vengeance is justice. The thunder is coming for you."

Fearful that publicity would jeopardize her child-custody battle, Rakes asks Ford to serve as liaison with the FBI. Soon after, one of Rakes's ex-colleagues, who received a similar threat from Caliphornia, is slaughtered.

Who is Caliphornia? Is it the landscape architect that Rakes went on one date with? Is it a relative of one of the Syrian civilians counted as "collateral damage" in American drone attacks? Or might it even be an HVE—a "homegrown violent extremist"?

Roland Ford is a compelling hero: financially comfortable but not emotionally complacent, empathetic and equipped with the training and inclination to vanquish wickedness. Mr. Parker's devotees should be well-pleased.

ALAMY

Grace Abounding to the Outsider Artist



FICTION

SAM SACKS

Harriet Paige's elegant first novel pays tribute to the lost art of seeing.

SOME NOVELISTS hold a mirror up to the world and some, like Haruki Murakami, use the mirror as a portal to a universe hidden beyond it. The leisurely, genially bizarre novel "Killing Commendatore" (*Knopf, 681 pages, \$30*) is the Japanese author's latest excursion through the looking glass, and fans worldwide will be familiar with the attributes of the adventure. Does it center on a taciturn everyman who is yanked from his ordinary life and impelled on a mystical quest through an alternate realm? Of course. Does the hero encounter a series of mysterious strangers with dubious motives? Natch. Are there tiny paranormal beings in this world? You bet. A touchstone work of classical music played at significant moments? Check. Erotic dreams? Double check. Cats? Actually, no cats this time, so in that sense the book is a radical departure.

The fantasia takes off when the narrator, an unnamed portrait painter enduring a rocky stretch in his marriage by hoing up in a mountain abode once occupied by a famous mid-century artist, finds a remarkable painting stashed in the attic. The painting depicts Don Giovanni's murder of the Commendatore in Mozart's opera, and its discovery awakens strange forces in an invisible parallel world, notably a form-shifting 2-foot-tall creature who claims to be the incarnation of an Idea and who acts as the

narrator's guardian angel. The disturbance deepens when the narrator is commissioned to paint the portrait of his scheming, solitary millionaire neighbor Menshiki, and then that of an eerie 13-year-old girl who may or may not be Menshiki's daughter. Each work seems to summon some buried truth or trauma, and the story gradually reveals fragments of an elaborate secret history going back to the Nanjing Massacre and the Nazi annexation of Austria.

What unites this rigmarole is the notion that a great work of art serves as a conduit between the conscious and the unconscious mind. "I had painted it," the narrator thinks of one of his portraits, "but the end product outstripped the bounds of any logic or understanding I possessed." A sovereign illogic governs the plot of "Killing Commendatore" as well. The one rule readers must abide if they are to enjoy Mr. Murakami's novels is that they cannot try to make sense of them. Events are dictated by the urgencies of his intuition, which is why, as in dreams, common elements recur from book to book. (A climactic scene set in the bottom of a dark pit is nearly identical to one from "The Wind-Up Bird Chronicle" from 1995.) Apply any analytic scrutiny—try to figure out what on Earth this or that is supposed to symbolize—and the whole production pops like a soap bubble.

So is it worth submitting to the whims of Mr. Murakami's wandering id? Not for the writing, it must be said—the translation by Philip Gabriel and Ted Goossen is as blandly functional as the translations of all the author's previous books.

THIS WEEK

Killing Commendatore

By Haruki Murakami

Man With a Seagull on His Head

By Harriet Paige

Love Is Blind

By William Boyd

But what can't be denied is Mr. Murakami's irresistible storytelling ability. He builds his self-contained world deliberately and faithfully, developing intrigue and suspense and even taking care to give each chapter a cliffhanger ending as in an old-fashioned serialized novel. "Killing Commendatore" seems like sheer silliness from a distance, but when you're under Mr. Murakami's trance you're likely to keep flipping the pages.

The power of portraiture animates Harriet Paige's slim, elegant novel "Man With a Seagull on His Head" (*Bibli-oasis, 206 pages, \$14.95*), which begins when an English paper-pushers named Ray Eccles is struck on the head by a dying bird as he walks on the beach.

At its simplest, this is a commemoration of the lost art of seeing. The holy intensity of Ray's vision stands out against the countless missed connections, distractions and estrangements that mark a life's relationships. The book reminds us that a single act of attentiveness—of passionate

noticing—can cause beauty to drop unexpectedly into the world, "like something fallen from the sky."

"One saw a thousand women's faces in a month, say," thinks Brodie Moncur, the besotted protagonist of William Boyd's new novel "Love Is Blind" (*Knopf, 369 pages, \$26.95*).

"Why was your eye—your heart, your loins—

enthralled by just one?" Brodie is a talented piano tuner working in fin-de-siècle Paris with John Kilbarron, a prodigal pianist known as the "Irish Liszt." Their association is mutually beneficial but for one thing: Brodie has struck up with Kilbarron's lover, a Russian singer called Lika Blum. Brodie might not know why Lika has captured his heart, but the infatuation consumes him, leading to a duel and a harried escape across half of Europe.

Despite its curiously bad title, this is an urbane, silkily written romance enlivened by late-in-the-day plot twists. The period detail is authoritative—you'll close the book with a cache of unexpected knowledge about the tobacco, the spectacles and the concert pianos of the era—but rarely cumbersome. If anything, "Love Is Blind" moves along too quickly, the narrow focus on Brodie and Lika's dangerous affair making the story somewhat one-dimensional. Like Kilbarron's playing, this is a performance that puts speed and dazzle over depth. Why not? If you've got a gift, flaunt it.

BOOKS

'Flirting with madness was one thing; when madness started flirting back, it was time to call the whole thing off.' —ROHINTON MISTRY



LOVESICK
Benjamin West's
'Erasistratus the Physician
Discovers the Love of
Antiochus for Stratonice'
(1772)

Truly, Madly, Deeply

The Incurable Romantic

By Frank Tallis
Basic, 280 pages, \$27

BY EMILY BOBROW

FOR MILLENNIA, lovesickness was a legitimate medical diagnosis. The Roman poet Lucretius saw falling in love as like succumbing to a disease that caused lovers to waste away. Early medical texts described love as a malady that leaves the afflicted agitated and insatiable, foolish and irresponsible, jealous and insecure. The effect is like madness and lacks an easy cure.

By the 19th century, the notion that we can be undone by love began falling out of favor. Today the term "lovesick" is used metaphorically, if at all. Many of us have experienced psychological pain and behavioral disturbances as a result of love, but we are often too embarrassed to talk about it, having internalized the prevailing notion that these feelings are fleeting, juvenile and maybe a little silly.

Such dismissiveness is unfortunate, argues Frank Tallis, a clinical psychologist and the author of "The Incurable Romantic." Most scholars agree that love is essential to human happiness. Yet its pursuit produces problems, such as jealousy, heartbreak, infatuation and trauma, that are hardly trivial. Unrequited love is a frequent cause of suicide, particularly among the young; jealousy inspires around 10% of all murders; and about a third of all murdered women are killed by their husbands or boyfriends. Patients who come to Mr. Tallis complaining of

love troubles often display symptoms as severe as other psychiatric illnesses. Because romantic love is often irrational, the line separating normal from abnormal love is frequently and unnervingly blurred.

Love and all of its pathological permutations is clearly a preoccupation for Mr. Tallis, whose thoughts on the subject also filled his slightly more academic book "Love Sick" (2004). This may have something to do with his own life story. Mr. Tallis implies that it was his first wife's decision to divorce him—at a time when he believed they were happy—that pushed him to become a psychotherapist. He suddenly found himself "in a very ready state to learn about the human mind and relationships." Yet in eight years of studying psychology, he recalls only one hour of teaching on romantic love. Love may be central to life, but it is a topic we rarely engage with intellectually.

Mr. Tallis is keen to correct some of this oversight. Each chapter in his book tells a colorful story about a patient whose experience of love has veered into pathological territory. For example, there's Megan, a somewhat dowdy law clerk, married and in her mid-40s, who is convinced that she and her dentist are passionately in love—despite all evidence to the contrary. She fell for him after waking from an operation he had performed on her, and was certain the feeling was mutual. Megan then badgered the dentist with letters and calls and stalked him at home, convinced she could persuade him to abandon his wife and embrace their love. Her harassment ultimately pushed him

and his family to flee to Dubai, but Megan never lost faith in their connection. "It's like we're one," she tells Mr. Tallis breathlessly.

Megan suffered from de Clérambault's syndrome, which causes the afflicted—usually a woman—to fall in love with someone she barely knows and believe that this person loves her back. The object of this affection is often an inaccessible man of higher social status, which makes the conviction even more far-fetched (the condition was once cruelly called "old maid's insanity"). No one knows what causes the phenomenon, and treatment outcomes are generally poor.

Mr. Tallis admits he was unable to cure Megan, even if he helped her accept that her love was doomed. But her story fascinates in part because her delusional beliefs, such as her faith in love at first sight and the value of destiny, are not so far removed from the magical thinking that often comes with love. There is also the poignant fact that Megan was otherwise terribly ordinary. Nothing in her life or character gave a hint that she would one day fall fiercely and pathologically in love with the man who fixed her teeth. What happened to Megan could happen to any of us.

Not every case in the book is so severe. Another chapter considers a woman who can't be dissuaded from believing that her boyfriend is cheating on her. There's also a married man

who squanders his fortune on high-end prostitutes. These patients come to Mr. Tallis because their experience of love has become a problem.

Mr. Tallis offers some convincing theories as to why ordinary people flirt with madness when they are in love. Divorces, we are told, tend to spike after three or four years of marriage, in part because this is when the initial rush of passion wears off. Evolutionary psychologists suggest that our feelings shift because, after four years or so, we have ensured the survival of our offspring. "Our genes don't want us to approach our potential mates with cool detachment," Mr. Tallis writes. "They want us to love madly."

The author writes with some humility about the ways his work is often more art than science. He admits to prejudices and frustrations, blunders and doubts. He notes that therapists, like novelists, must take great care with language. He recalls the time he asked a question too emphatically, making a woman feel cross-examined. He laments blurting out the source of a quote a patient uttered, recognizing that this merely served his own intellectual vanity. He concedes to instances when he felt titillated by his patients, although he is quick to say that for a therapist to sleep with a patient is "always a betrayal and ultimately abusive."

Mr. Tallis, who has also written a series of detective books, has a novelist's sense of the telling detail. Of

Megan, for example, he writes that in "repose, her features retained the suggestion of a deferential, self-conscious smile." He recalls how a patient's reluctant assent "was as subtle as a vibration." He writes engagingly of the ways therapists learn to manipulate silence, allowing it to "thicken and become coercive." He evokes these scenes with such dramatic force that it seems fair to assume he is taking artistic license. But if we are reading the stories of composites, we should have been told as much.

Books about psychotherapy can often seem suspiciously tidy. Therapists are regularly portrayed as intrepid explorers of the dark caves of the unconscious who capably guide their patients toward grand revelations and clinical solutions. Mr. Tallis offers a more realistic portrait of the messy work of therapy: the canceled appointments and mistaken assumptions, the false turns and the premature endings. He writes about his struggle to find compassion for a man who suffers from pedophilic fantasies, and the questions he never asked of a patient who claimed he was possessed by demons.

Stories about those who arrive on a therapist's couch to complain about their love woes may appeal to our instincts for voyeurism, but Mr. Tallis never veers into prurience. Instead, he artfully heightens the ways these patients should feel familiar, as we all know a little something of love's madness.

Ms. Bobrow, a former editor at the Economist, is a journalist based in New York.

Naming Things and Talking About Pictures



CHILDREN'S BOOKS

MEGHAN GURDON

ONCE UPON A TIME, words began to vanish from the language of children. They disappeared so quietly that at first almost no one noticed—fading away like water on stone." So writes Robert Macfarlane in his wistful introduction to "*The Lost Words*" (Anansi, 126 pages, \$35), a large, lovely book of verse filled with sumptuous paintings by Jackie Morris (see below). He goes on: "The words were those that children used to name the natural world around them: acorn, adder, bluebell, bramble, conker—gone! Fern, heather, kingfisher, otter, raven, willow, wren . . . all of them gone!"

No witch or sorcerer banished these words from the vocabulary of the young but editors at Oxford University Press who, a decade ago, began culling terms that no longer seemed relevant for the users of OUP's junior dictionaries. Out went words

about wild things, and in came chilly domesticated terms, including blog, broadband and bullet-point.

A living language like English is always evolving, of course, but the supplanting of the real and natural by the artificial and machine-made in a children's dictionary speaks to a cultural shift that is more than linguistic. With elegance and a gorgeous visual summoning of plants and animals, "*The Lost Words*" invites children to appreciate 20 of the exiles, from acorns to wrens. Mr. Macfarlane, an eminent nature writer, evokes each with an acrostic poem—the first letter of each line spells the name of the thing described. Beside a lush portrait by Ms. Morris of a feathery green fern and its dark brown root, we read: "Fern's first form is furled, / Each frond fast as a fiddle-head. / Reach, roll and unfold follows. Fern flares. / Now fern is fully fanned." Stylish and melancholy, "*The Lost*

Words" is a book to savor, not only for readers ages 5-15 but also for their parents.

A less elegiac celebration of the countryside and its joys comes in a wonderful collection of poetry for children, "*Sing a Song of Seasons: A Nature Poem for Each Day of the Year*" (Nosy Crow, 336 pages, \$40).

THIS WEEK

The Lost Words

By Robert Macfarlane

Illustrated by Jackie Morris

Sing a Song of Seasons

Edited by Fiona Waters

Illustrated by Frann Preston-Gannon

A History of Pictures for Children

By David Hockney & Martin Gayford

Illustrated by Rose Blake

Waters. The result is a day-by-day compilation as effervescent as it is substantial. A reader who dips in on Jan. 6 will find Robert Frost's "Stopping by Woods on a Snowy Evening," and a few weeks later, on Jan. 19, a Southern Paiute song translated by the American explorer John Wesley Powell:

"Over the land over the land / I walked at morn / Singing and trembling with cold." With spring comes greenery and a wide-eyed rabbit dashing across the page: "Lipperty Lipperty / Whiffly Sniffly / Flippy Flop." Children ages 4-12 who pass a year with this book will do so in the thoughtful company of all sorts of poets, from Langston Hughes and Christina Rossetti to Ogden Nash and that most prolific of versifiers, Anonymous.

Art surveys for children tend to begin at the beginning with Neolithic cave paintings and make their way through the long human story, epoch by epoch and style by style, until arriving at the present day. The artist David Hockney and the art critic Martin Gayford depart from this tradition by having a kind of illustrated conversation about art and artists in the bright exploratory pages of

"A History of Pictures for Children" (Abrams, 127 pages, \$24.99).

Reproductions of great works jostle here in a child-friendly way with droll illustrations by Rose Blake, and though the lively page-spreads

make it resemble a dipping-in sort of book, children ages 9-15 would be wise to start on page one and follow the thread to the end.

Why we make pictures, how artists create illusions, the power of shadow, the telling of pictorial story, painterly tricks and tools—Messrs. Hockney and Gayford knock these topics back and forth in alternating blocks of text, bringing the reader into their erudite confidence. Discussing Paolo Uccello's use of perspective in his 1470 painting "The Hunt in the Forest," Mr. Gayford writes: "The result was a picture that looked similar to how a camera lens sees the world, or a person does, if they keep very still with one eye closed. Anything up close was large, but along the lines things appeared to get smaller and smaller until finally they disappeared into the distance."

With a turn of the page, we're on to a richly ornamented 1436 work by Jan van Eyck, and it's Mr. Hockney's turn. The figures in Van Eyck's "The Madonna With Canon van der Paele," he observes, "are on a quite different scale from the church in which they are set, but it takes some time to notice that—if you ever do. They are close up, right in front of you; it's as if you are there too. You might say the figures are too big for the architecture." Eavesdropping on an intelligent conversation while looking closely at art; there are many worse ways to spend an hour.

BOOKS

'When you appear . . . show yourself gloriously, to your people; like a god . . .' —THE MARQUESS OF NEWCASTLE'S ADVICE TO CHARLES II

It Takes a Kingdom

Behind the Throne

By Adrian Tinniswood

Basic, 402 pages, \$32

BY JUDITH FLANDERS

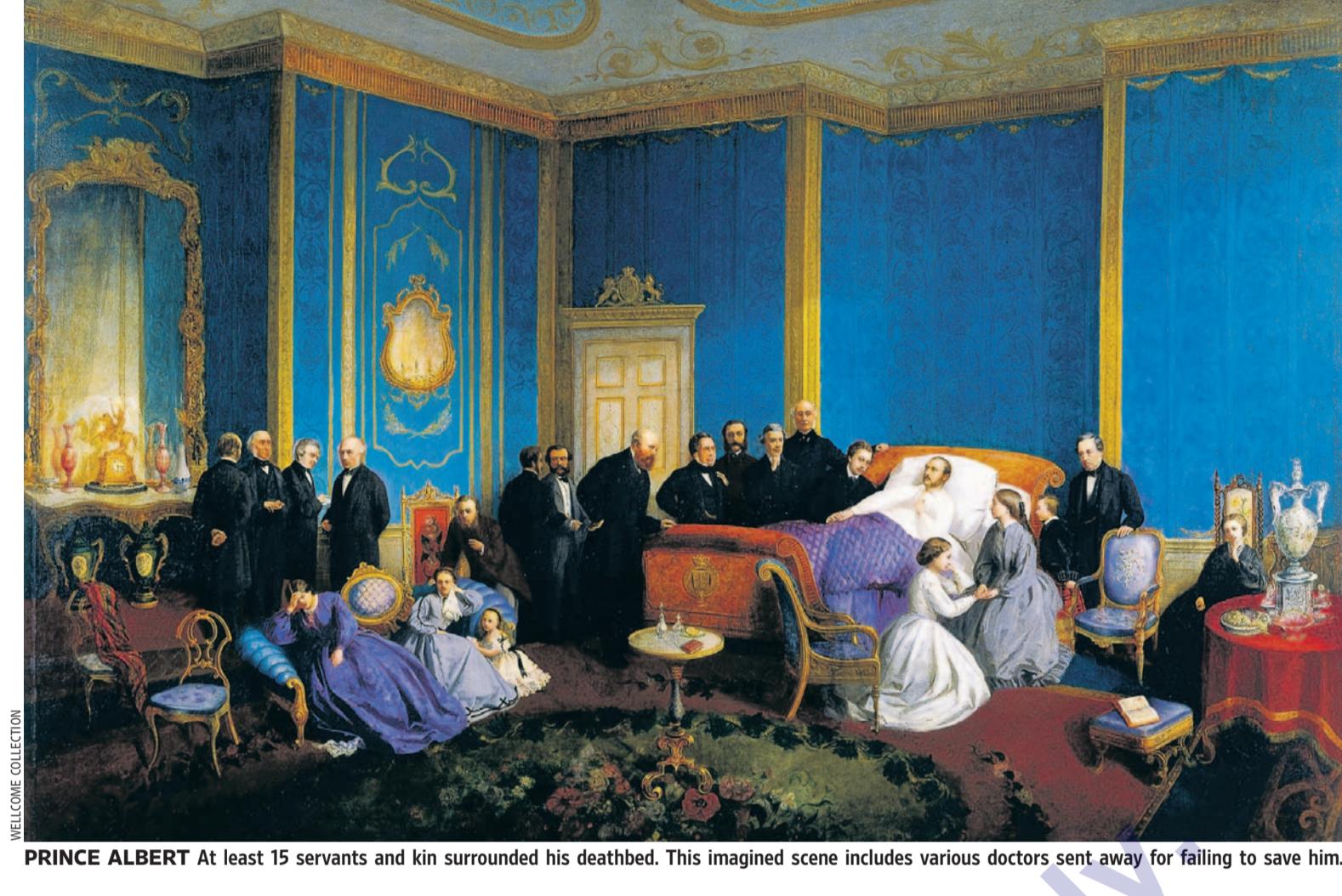
ADRIAN TINNISWOOD has, over the past few decades, positioned himself as a distinguished surgeon of England and the English, dissecting the culture with rare precision. Two years ago, his book "The Long Weekend: Life in the English Country House, 1918-1939" was a triumph, with its finely judged mix of architectural and family history, domestic life and gossip, anecdote and social history. Mr. Tinniswood has now turned to the British royal family, increasing his timespan to four centuries but stalwartly remaining with the notion of private life: "the business of looking after royalty" rather than the business of ruling.

Royalty, he reminds us, don't do many of the things the rest of us take for granted: They don't cook, or clean; they don't make beds, or do laundry. While many rich people don't do any of these things either, royals somehow take everything one step further: If rumor is to be believed, the current Prince of Wales expects toothpaste to appear magically on his toothbrush—princes, it seems, don't squeeze.

A book, therefore, about the cleaners, the cooks, the dusters and squeezers, a glimpse into a world where everything is possible for the rulers, because the ruled do all the work: This sounds enchanting, and so "Behind the Throne" proves to be.

We learn, for instance, that the present queen, Elizabeth II, has 1,200 people looking after her and her households. (Mr. Tinniswood calls them employees, but the most cursory read makes clear that to the royals, they are servants: The equality implied by an exchange of cash for service is entirely foreign to their worldview.) Four centuries earlier, Henry, Prince of Wales, had more than 450 people taking care of him, including not just household staff, and tailors and bootmakers and hat-makers, but builders, plasterers and painters—and the great architect Inigo Jones. James II, a century on, cut his staff from a thousand to 600, firing 22 messengers, 14 musicians and "the royal chiropodists" (note that plural).

In the 20th century this superabundance of staff to ensure that no royals ever have to do anything they don't want to continued, but went underground. George V, it was often remarked, enjoyed a simple, unshowy life—and so he did. Nevertheless, it was one organized to run like clockwork around his preferences, by the simple expedient of employing "the equivalent of a man and a half for every job." And what jobs. Despite Mr. Tinniswood calling the



PRINCE ALBERT At least 15 servants and kin surrounded his deathbed. This imagined scene includes various doctors sent away for failing to save him.

monarchy today both "modern" and "streamlined," a quick look at the honors list, where the queen gives medals to her own staff for serving her, shows that her payroll includes a carpet planner, a flower arranger, a stalker (this refers to deer, not women) and a "state harness cleaner."

Today such medals are given for long service, and in lieu of what are known to be extremely poor salaries. The royal households of previous centuries did little better. Under Queen Victoria, reforms to a chaotic private Buckingham Palace lowered the wages of the maids by almost two-thirds, to as low as £12, while leaving unchanged the salary of the queen's hereditary grand falconer (a position held by an aristocrat) at £1,200 a year. Never mind that the queen had no falcons, nor any intention of ever acquiring falcons.

Such royal exploitation was nothing new. James I saw ceremony and spectacle as the key to good government. The king showed himself in all his costly majesty to awe the populace, while lavish entertainments kept them happy. Yet this required purveyors to requisition food, drink and other materials necessary for the events from that same populace.

"The treasury wasn't the only department to express anxiety" about the extreme measures taken to provision such gatherings, Mr. Tinniswood writes. "There were also mutterings in the House of Commons, and indeed the country at large."

To the degree that monarchy is always in great part a performance, Mr. Tinniswood's book raises the question of what "private life" really means for rulers, if not the ruled. Our notions of public and private need to be discarded as we think of the past, especially as we consider royalty. Early monarchs lived quite literally in public: Elizabeth I's father, Henry VIII, dealt with government officials even while sitting on his close-stool (a royal version of a chamber pot). Elizabeth preferred to retreat into a little tent for her own visits, but everyone else in her residences used pots scattered about in rooms and hallways, or the walls and corners.

Elizabeth performed a public/private performance through her royal progresses, making prolonged forays around the country—occasionally staying at one of her own residences, more frequently with the great lords of the region. At each resting place,

the queen was entertained by the local gentry with fêtes, balls, music and feasting. These journeys, where more than 2,000 horses led carriages and carts bearing the queen, her senior advisers and courtiers, her servants, their servants, and their servants' servants, lasted for months.

By the 17th century, progresses had been replaced with masques, musical and dramatic presentations in which the courtiers, and sometimes the royals themselves, participated. Mr. Tinniswood excels in describing these extravaganzas, together with a whole raft of royal weddings and funerals, coronations and even ceremonies such as "touching for the king's evil," where the king's public touch was said to cure scrofula.

But are these events "domestic"? They were performed in public, and for the public—as, too, were childbirth and death. The wife of James II gave birth in a room so crowded that the queen's chamberlain complained he had to stand in the corner by the fireplace. When we consider that this episode followed two miscarriages, three stillbirths and five live births, all of which except the miscarriages, presumably, were publicly witnessed, one questions the meaning of privacy altogether. When Prince Albert died, in 1861, the mere 15 people at his deathbed must have appeared a small gathering—even though, as Mr. Tinniswood notes, his bed had to be moved with the dying

man in it, to accommodate everyone.

Bertie and Princess Helena knelt at the foot," the author relates, "along with the queen's resident chaplain, the Reverend Gerald Wellesley, the prince's German valet, Lohlein, and an assortment of courtiers. It must have cheered the last moments of the illustrious patient to see his wife and nearly all his children round his bed,' commented the *Observer*, rather optimistically."

It is these asides that make Mr. Tinniswood's book such a delight. The author has a wry humor and a way with a phrase—George IV had been "determined to live beyond his means ever since he had means to live beyond"; the 17th-century palace of Whitehall, with its lodgings for 1,500 (not counting the squatters), its 18 kitchens, its barbershop, milliner and herb-seller, was, in effect, an apartment complex with "an irritable but ineffectual residents' association." He also delights in the absurd, such as the cross Elizabethan treasurer who, woken by hearing the queen's young maids-of-honor "frisk and hey about in the next room," punished them by locking them in and reading to them from the works of Pietro Aretino, Renaissance blackmailer and pornographer.

Frankly, who could resist?

Ms. Flanders is the author of many books, including "Inside the Victorian Home" and "Christmas: A Biography."

Best-Selling Books | Week Ended Sept. 30

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Fear: Trump in the White House Bob Woodward/Simon & Schuster	1	1
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	2	4
Whiskey in a Teacup Reese Witherspoon/Touchstone Books	3	2
Cravings: Hungry for More Chrissy Teigen/Clarkson Potter Publishers	4	3
In Pieces Sally Field/Grand Central Publishing	5	5

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Fear: Trump in the White House Bob Woodward/Simon & Schuster	1	1
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	2	3
Educated: A Memoir Tara Westover/Random House Publishing Group	3	5
In Pieces Sally Field/Grand Central Publishing	4	2
AI Superpowers Kai-Fu Lee/Houghton Mifflin Harcourt	5	New
White Trash Nancy Isenberg/Penguin Publishing Group	6	New
Everything Kids' Science... Book Tom Robinson/Adams Media	7	--
Drive: The Surprising Truth... Daniel H. Pink/Penguin Publishing Group	8	--
The Three Lives of James Madison Noah Feldman/Random House Publishing Group	9	--
The Dichotomy of Leadership Jocko Willink and Leif Babin/St. Martin's Press	10	New

Nonfiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Fear: Trump in the White House Bob Woodward/Simon & Schuster	1	1
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	2	3
Educated: A Memoir Tara Westover/Random House Publishing Group	3	5
In Pieces Sally Field/Grand Central Publishing	4	2
AI Superpowers Kai-Fu Lee/Houghton Mifflin Harcourt	5	--
White Trash Nancy Isenberg/Penguin Publishing Group	6	New
Everything Kids' Science... Book Tom Robinson/Adams Media	7	--
Drive: The Surprising Truth... Daniel H. Pink/Penguin Publishing Group	8	--
The Three Lives of James Madison Noah Feldman/Random House Publishing Group	9	--
The Dichotomy of Leadership Jocko Willink and Leif Babin/St. Martin's Press	10	New

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Dog Man: Lord of the Fleas Dav Pilkey/Graphix	1	1
Red War: A Mitch Rapp Novel Vince Flynn and Kyle Mills/Atria Books	2	New
Juror #3 James Patterson/Little, Brown and Company	3	3
An Absolutely Remarkable Thing Hank Green/Dutton Books	4	New
The Hate U Give Angie Thomas/Balzer & Bray/HarperTeen	5	6

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Red War: A Mitch Rapp Novel Vince Flynn and Kyle Mills/Atria Books	1	New
Cross Breed Lora Leigh/Penguin Publishing Group	2	New
Transcription: A Novel Kate Atkinson/Little, Brown and Company	3	New
Lethal White Robert Galbraith/Little, Brown and Company	4	1
Juror #3 James Patterson/Little, Brown and Company	5	6
Supernova Kazu Kibuishi/Graphix	4	New
Transcription Kate Atkinson/Little, Brown and Company	5	New
Lethal White Robert Galbraith/Mulholland Books	6	1
Crazy Rich Asians Kevin Kwan/Anchor Books	7	5
An Absolutely Remarkable Thing Hank Green/Dutton Books	8	New
Where the Crawdads Sing Delia Owens/G.P. Putnam's Sons	9	New
Hot Winter Nights Jill Shalvis/HarperCollins Publishers	7	New
Enigma Catherine Coulter/Gallery Books	8	--
Once Upon a Sure Thing Lauren Blakely/Lauren Blakely	9	New
Crazy Rich Asians Kevin Kwan/Knopf Publishing Group	10	9

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.

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Dichotomy of Leadership Jocko Willink and Leif Babin/St. Martin's Press	1	New
StrengthsFinder 2.0 Tom Rath/Gallup Press	2	1
AI Superpowers Kai-Fu Lee/Houghton Mifflin Harcourt	3	New
Emotional Intelligence 2.0 Travis Bradberry/TalentSmart	4	2
Extreme Ownership Jocko Willink and Leif Babin/St. Martin's Press	5	3
Bring Your Human to Work Erica Keenan/McGraw-Hill Education	6	New
Sell It Like Serhart Ryan Serhart/Hachette Book Group	7	New
The Five Dysfunctions of a Team Patrick M. Lencioni/Jossey-Bass	8	10
Total Money Makeover Dave Ramsey/Thomas Nelson	9	5
Bad Blood John Carreyrou/Knopf Publishing Group	10	8

PLAY

NEWS QUIZ DANIEL AKST

From this week's
Wall Street Journal

1. Industry veteran
Jill Soltau was named as the next CEO of which struggling retailer?



- A. Barnes & Noble
- B. J.C. Penney
- C. Sears
- D. Montgomery Ward

2. The Fed is reviewing whether to update its payments infrastructure for the 21st century. Which of these steps is it considering?

- A. Converting to PayPal
- B. Eliminating paper checks
- C. A new round-the-clock payment system for banks
- D. Connecting financial institutions in a blockchain system codenamed Simoleon

3. The U.S. and Canada agreed on a revised North American trade agreement including Mexico. What part did they leave unfinished for further talks?

- A. Steel and aluminum tariffs
- B. Grain subsidies
- C. Auto parts
- D. Moose migration

4. Quick, who regulates lab-cultured meat in the U.S.?

- A. The Dept. of Agriculture
- B. The Food and Drug Administration
- C. The National Institute of Standards and Technology
- D. Regulators are still trying to work this out

5. Rosmah Mansor, ex-first lady of Malaysia, was charged with money laundering. A businessman said he helped her accumulate one of the world's largest collections—of what?

- A. Malay opal jewelry
- B. Pink diamonds
- C. Southeast Asian abstract art
- D. Singapore scrimshaw

6. When a foundation gave Americans the U.S. Citizenship Test, what did it discover?

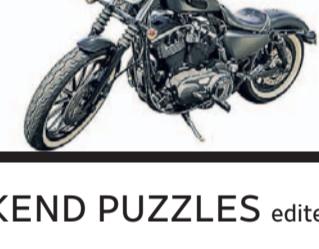
- A. 60% didn't know which countries the U.S. fought in World War II
- B. 37% thought Ben Franklin was famous for inventing the light bulb
- C. 57% couldn't say how many Justices are on the Supreme Court
- D. All of the above

7. Indonesia was coping with the aftermath of a deadly earthquake and tsunami—on which island?

- A. Sikuai
- B. Sumatra
- C. Sulawesi
- D. Sangiang

8. Which of these has been a drag on Harley-Davidson sales?

- A. A surfeit of used Harleys
- B. Tariffs on Harleys made in China
- C. Gen Xers' growing preference for bicycles
- D. Customer concerns about global warming

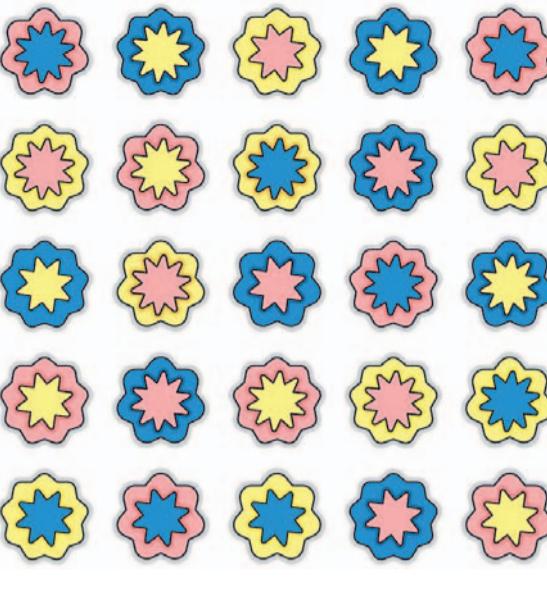


WSJ BRAIN GAMES

Provided by Serhiy and Peter Grabarchuk (grabarchukpuzzles.com)

1. ★★★★☆

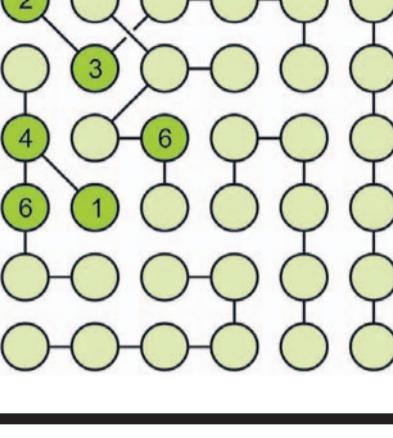
The floral field hides two exactly identical starry flowers. Can you find those twins?



2. ★★★★★

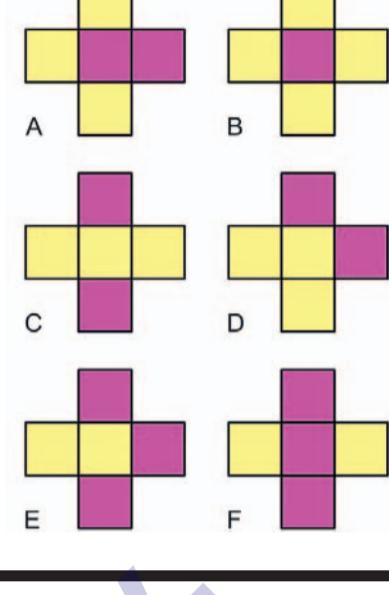
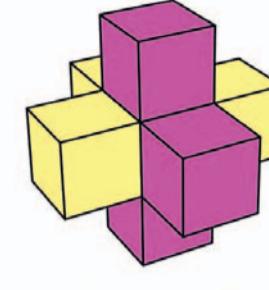
By Tanya Grabarchuk

Fill in the grid with missing numbers so that each row, column and stream contains different numbers (1 through 6).



3. ★★★☆☆

The 3D shape consists of six color cubes, three light and three dark ones. Which of the six shown 2D views of the shape (A-F) are correct?



SOLUTIONS TO LAST WEEK'S PUZZLES

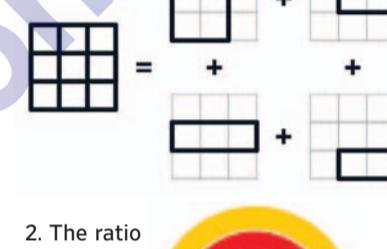
Frequent Stops

Riding the Waves



For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

WSJ Brain Games

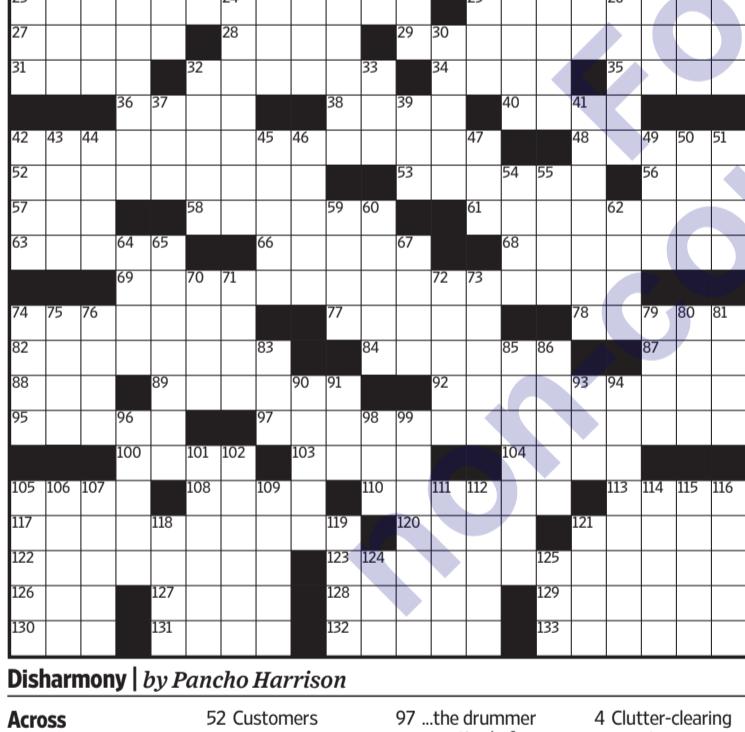


2. The ratio between the two colors is 1:1
7 5 3 1

3. B & C

Answers are listed below the crossword solutions at right.

THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



Disharmony | by Pancho Harrison

- Across**
- 1 Less fresh
 - 2 Scholars' collars
 - 3 ...but the trombonists were willing to ...
 - 4 End of some company names
 - 5 Special Forces headgear
 - 6 Cyan's kin
 - 7 Horace collection
 - 8 Way over yonder
 - 9 "Norma" number
 - 10 "We have divided in three our kingdom" speaker
 - 11 ...the violinists were in favor of ...
 - 12 ...the flock members
 - 13 ...the organist wouldn't ...
 - 14 ...the pianist was ...
 - 15 ...the guitarist was constantly ...
 - 16 ...the brass section kept ...
 - 17 ...the governing board decided the situation called for ...
 - 18 ...the Underworld parties
 - 19 ...the organist wouldn't ...
 - 20 Egypt's Sadat
 - 21 Cattle driver
 - 22 George's songwriting partner
 - 23 The orchestra was in turmoil; the conductor didn't ...
 - 24 Earthquake or flood, e.g.
 - 25 Scholars' collars
 - 26 Diner on "Alice"
 - 27 ...but the trombonists were willing to ...
 - 28 End of some company names
 - 29 Special Forces headgear
 - 30 Cyan's kin
 - 31 Horace collection
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 - 86 ...the flock members
 - 87 ...the organist wouldn't ...
 - 88 ...the brass section kept ...
 - 89 ...the governing board decided the situation called for ...
 - 90 Egypt's Sadat
 - 91 Cattle driver
 - 92 George's songwriting partner
 - 93 The orchestra was in turmoil; the conductor didn't ...
 - 94 Earthquake or flood, e.g.
 - 95 ...the organist wouldn't ...

49 Marty's "Young Frankenstein" role

50 Benedictine's wear

51 "Jeopardy!" producer

52 Notre Dame honoree

53 On __ (commensurate)

54 Foot part

55 Record exec's drawerful

56 Lucy's love

57 Make clearer, maybe

58 Harness race entrant

59 Equinox mo.

60 Atlas section

61 Confession count

62 Asteroids source

63 Philosopher Kierkegaard

64 Goods producers: Abbr.

65 Shrunken sea

66 Org. in post-Katrina news

67 Misty Copeland costume

68 Ness's crew

69 Half a fathom

70 Team VIPs

71 Adds at the last minute

72 Croats and Serbs

73 "Right back __!"

74 Never to Nietzsche

75 Before, poetically

76 Juicers

77 Diplomatic doings

78 Euro divs.

79 Like a velvet Elvis

80 Pooh's pessimistic pal

81 Disinclined

82 Time off, slantly

83 Comes out

84 Botanist's field

85 Story in une maison

86 Inflexible

87 Destroy bit by bit

88 With bated breath

89 Line crosser

90 ...the pianist was ...

91 Blood pressure raiser

92 ...the organist was constantly ...

93 ...the brass section kept ...

94 ...the governing board decided the situation called for ...

95 ...the organist wouldn't ...

96 ...the organist was constantly ...

97 ...the drummer was tired of ...

98 ...the organist was constantly ...

99 ...the drummer was tired of ...

100 Neighborhood

101 Elusive Himalayan

102 Holiday lead-ins

103 Schnitzel base

104 Rachael Ray cooking staple, for short

105 Macadam ingredient

106 Blood pressure raiser

107 Hurler Hershiser

108 Line crosser

109 ...the organist was constantly ...

110 ...the brass section kept ...

111 ...the governing board decided the situation called for ...

REVIEW

ICONS

Weaving The Twentieth Century

The textile art of Anni Albers comes to London's Tate Modern

BY SUSAN DELSON

When Anni Albers first arrived at the Bauhaus, the visionary German school of modern art and design, in 1922, textiles were not on her agenda. She was determined to make her mark as a painter. But as a female student, she was nudged into the weaving workshop, known as the "women's class." Reluctantly, she took her place at the loom—only to discover the medium that would occupy most of her career.

"Anni Albers," a new exhibition at Tate Modern in London, presents Albers (1899–1994) as an artist for whom textiles were both expressive material and a means of rethinking modern art. Opening October 11, the exhibition features more than 350 objects, from small-scale studies to large wall hangings and textiles intended for mass production. It traces Albers's career from the Bauhaus to Black Mountain College—the experimental, art-centered school in North Carolina where she and her husband, artist Josef Albers, taught in the 1930s and 1940s—to the architectural commissions, artworks, and writings of her later years.

For Albers, textiles were both a tactile and a visual form—a radical idea in an art world that, even now, usually considers weaving a craft rather than an art. "She didn't want to be making pictures out of wool," said Ann Coxon, curator of international art at Tate Modern and a co-curator of the exhibition. "She was exploring the possibilities of weaving—a form of making which has at its heart this grid structure" of warp and weft.

That structure, added co-curator Briony Fer, a professor at University College London, "corresponds to the structure of the modernist grid"—a form explored by artists like Piet Mondrian, Sol LeWitt and Agnes Martin. "In that sense," Ms. Fer said, "weaving is at the very heart of the modern project."

At Tate Modern, the show's introductory space is dominated by a loom—"a big one, of the type Anni Albers used at the Bauhaus," said Ms. Coxon. The fabric scrim walls are inspired by Albers's 1957 essay "The Pliable Plane," which explored textiles as a form of architecture. A section on her Bauhaus period showcases the striking geometric wall hangings that Albers made there, such as "Black White Yellow" (1926)—along with preparatory studies that bear a certain kinship to the work of one of her more influential instructors, the artist Paul Klee. (Works by Klee and by two of Albers's weaving workshop colleagues are also on view.) Designing products for manufacture was a cornerstone of the Bauhaus philosophy, and another section focuses on the works that Albers created, throughout her career, for industrial production and architectural commissions.

In 1933, after Hitler rose to power, the Alberses left Germany for the U.S. Two years later, they made their first trip to Mexico, to the recently excavated ruins of Monte Albán in Oaxaca. There, Albers



connected strongly with traditional weaving. Over the years, she and her husband made several trips to Mexico, where their modernist circle included Diego Rivera, designer Clara Porset, and architect Luis Barragán, as well as to Peru, Chile, and other parts of Latin America. An avid textile collector, Albers was known to pick apart ancient fragments to better understand their underlying struc-



Top: Anni Albers, "Under Way" (1963). Middle: Albers in her weaving studio in 1937. Bottom: a necklace made by Albers from ribbon and aluminum washers.

tures. She used traditional techniques as springboards for modern works, such as the 1936 weaving "Ancient Writing." Around 1940, she did the same for jewelry, working with a former Black Mountain student to create a series of surprisingly chic necklaces inspired by pre-Columbian treasures—made from dime-store finds. "She's using washers from taps, and paper clips," said Ms. Coxon. "There's a sink drainer. Things that are very modern America, and very everyday."

A similar sense of play permeated Albers's textile work. "What's interesting is how experimental she is," said Ms. Fer. "Using cellophane, for instance, mixing it with jute and linen. Lurex, metallics—using a lot of artificial fibers and mixing them with natural." Beyond materials, said Ms. Coxon, "she was really interested in the qualities of light, transparency, opacity, and what you could do with light and textile in an architectural context." One such experiment is the curtain fabric she created for the Midtown Manhattan guesthouse that the architect Philip Johnson designed for Blanchette Rockefeller, wife of John D. Rockefeller III. Speaking about the project in the late 1950s, Albers said that by daylight, the material resembled a sack of potatoes. But at night it came alive, the metallic threads

glimmering under artificial light—a glamorous touch in a space used largely for entertaining.

For much of her career, Albers was fascinated by the relationship between writing, drawing and threadwork, which she explored in deeply textured works like "Haiku" (1961), "Code" (1962) and "Under Way" (1963). "It's not quite writing, it's not quite drawing," said Ms. Fer; these works reflect "a real preoccupation with the fundamentals of language" not unlike the work of Cy Twombly and other artists of the postwar era. This not-quite-language also figures in "Six Prayers" (1966–67), the work widely regarded as Albers's masterpiece.

Commissioned by the Jewish Museum in New York as a memorial to the six million Jews killed in the Holocaust, it consists of six hanging panels, each just over 6 feet high, woven in a subdued palette of gray, beige and silver. Presented at Tate Modern in a quiet setting, it is a work made for contemplation.

Late in life, Albers found she'd had enough of the strenuous labor that loom-weaving entailed. In 1970, she set it aside for printmaking, which she pursued for the rest of her career. The exhibition includes more than a dozen of Albers's prints, but ends with a consideration of weaving guided by her essay on "Tactile Sensibility," with weaving samples, inspired by Albers's work, that visitors can actually touch. It's a fitting finale for an artist who understood art in terms of the hand as well as the eye.

MASTERPIECE | 'A TREE GROWS IN BROOKLYN' (1943), BY BETTY SMITH

A Tale of Roots and Resilience

BY ALLIE SPENSLEY

SOME PEOPLE called it the Tree of Heaven. It had branches like green umbrellas and it grew out of sidewalk cracks and piles of trash. It flourished in the places where poverty rankled, because "it liked poor people."

This tree will be familiar to readers of "A Tree Grows in Brooklyn," celebrating its 75th anniversary this year. It is not only the source of the novel's title but also a metaphor for its young protagonist, Francie Nolan. Introverted and observant, Francie grows out of her neighborhood—the tenement Brooklyn of the early 1900s, mostly immigrant and mostly impoverished—toward her lifelong ambition of becoming a writer. Betty Smith's story covers the full scope of Francie's childhood, reaching back to the moment her parents met and ending when she is 16 and about to move to Michigan. It's both a thoughtful coming-of-age tale and a case study of the making of an artist, where Brooklyn is the crucible of creative development and Smith herself is an approximate Francie-in-the-future (Smith grew up poor in Brooklyn, and she gave her heroine her own birthday, albeit five years later: Dec. 15, 1901).

The cast of characters consists mainly of Francie's family. There's her parents: Katie, the janitress breadwinner, her hands scarred from soda-and-lye wash, and Johnny, a part-time singing waiter prone to spontaneous waltzes and bursts of whistling—boyishly handsome, and hopelessly alcoholic. Then there's her youn-

ger brother, Neeley, who inherits his father's easy charm without his vices.

Meanwhile, two of Katie's sisters drift in and out of the action—one of whom, the ebullient, illiterate and unabashedly sexual Aunt Sissy, is the center of some cheerfully scandalous set pieces. Later, Francie acquires a baby sister and (after Johnny's tragic-but-inevitable death, huddled gracelessly in a doorway) a stepfather, the pipe-puffing, gentle-giant police sergeant Michael McShane.

The story is as firmly rooted in Brooklyn as its titular tree. It's built from layers of local detail, richly described and almost excessively specific: the wax-and-incense scent of the churches, the "gaunt scavenging cats" who slink around street corners, the delicatessen selling rye bread and sliced tongue. For most of the book Francie's world doesn't extend beyond a few blocks, so for her—and for us—her neighborhood simply is the world, a self-contained universe where banalities take on the mystical significance of childhood.

Francie offers frequent, reflective tributes to the small beauty mined from everyday life: She's as delighted by the bright nasturtiums tangled in a bowl at the local library as she is by the starlit spires of Brooklyn's churches after dark. For Francie, sentimentality—along with nostalgia, and an imagination so hyperactive it threatens to slide into a pathological mending—serves as a necessary survival mechanism.

Because for each moment in the book that celebrates urban beauty, there's another that pares down tenement life to its grimdest realities, plunging Francie into a world populated with tyrannical teachers, starving spinsters, and

child molesters who lurk in dark stairwells or beguile young girls with smiles and candy. Francie is bullied and spat upon; she grapples with constant hunger; in one of the novel's most dramatic scenes, she's accosted by a rapist with "wet-looking eyes" whom her mother shoots in the stomach. Katie, for her part, treats that incident with a characteristically unflinching lack of sympathy for her daughter (and herself). She's a devoted parent and a tenacious worker, but the pressures of raising a family whittle her into a cold realist with a "crisp hard way." Her barely concealed favoritism for Neeley is an almost un-

endurable torment to Francie.

Smith is able to describe the good and the bad with equally lavish care and attentive realism: She shows us the grim streets and cramped classrooms of a Jacob Riis photograph, and then excavates the fully dimensional stories within. Near the end of the book, when the windfall of their mother's marriage to semi-wealthy McShane is about to transform the family, Francie remarks to Neeley that their baby sister will never have to face the hard times they had to. "And she'll never have the fun we had, either," Neeley replies. They share a silent moment of pity for their privileged sister.

But Smith's real achievement, and what makes "A Tree Grows in Brooklyn" the great work that it is, is her ability to describe extreme hardship without mawkishness, hope and aspiration without sentimentality. Without those qualities it would never have enjoyed the wide readership it has—which at one time included American GIs.

It was released in an Armed Services Edition, a hardy paperback sized to fit in a uniform pocket, as one of over 1,300 titles distributed to battlefields from Germany to Guadalcanal. For many war-worn soldiers, the story of a plucky young girl and her indomitable Tree of Heaven became both refuge and inspiration, and Smith received waves of ardently appreciative letters.

"I can't explain the emotional reaction that took place in this dead heart of mine," one Marine wrote to Smith. "A surge of confidence has swept through me, and I feel that maybe a fellow has a fighting chance in this world after all."

Ms. Spensley, an undergraduate at Princeton University, was a 2018 Robert L. Bartley Fellow at the Journal.



CHRISTOPHER SERRA



A Knack for Knickknacks
Design pros on their collections—in their childhood and today D8

OFF DUTY

THE WALL STREET JOURNAL.

A Costly Proposition
Revamping vintage Jaguars as electric cars D12



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THE CHALLENGE OF OPTING OUT

Sixty percent of Americans admit to feeling stressed when their phones are off or unavailable, according to a 2017 study by Asurion, a tech insurance company.



STEVE SCOTT

Far From The Madding Co-Workers

In our 'Always On' culture, colleagues text and email us at all hours, expecting a quick response. But with these strategies, you can be happily out of reach—and not out of a job

By MATTHEW KITCHEN

I HAVE A MASOCHISTIC need to please bosses, so I'm never more than a few feet from my iPhone (notifications humming at all hours) and I never leave home without a MacBook in tow. Just in case. My manager, who once mentioned pointedly that he has a "perverse respect for workaholics," recently emailed me a question at 11:11 p.m. When I responded seven minutes later, he shot back: "You = Always On."

Whether it was a joke or a compliment, I'll take it. Different generations might debate which technological advance launched the "always on" work culture that keeps us chained to our devices, and who's most guilty of perpetuating it. As a millennial, I'd argue that it sprang up in the mid-1980s, when doctors first clipped on pagers and Michael Douglas introduced the world to car phones in "Wall Street," that cautionary tale

about work/life balance (which famously declared that "lunch is for wimps").

Today always-on is the default work setting for most of us. Ubiquitous smartphones, slim computers and innovative apps make every response a snap—quicker, easier, seemingly less painful. It just takes a second, right? But those rapidly accumulating seconds are just technology's version of death by 1,000 cuts, expanding the workday's boundaries until it seamlessly blurs with the rest of civilian life.

According to a 2016 study by the Academy of Management, employees tally an average of 8 hours a week answering work-related emails after leaving the office. Echoing that, a 2015 Harris Poll for the American Psychological Association found that 30% of men and 23% of women regularly bring work home. Similar percentages admitted to working on vacation and to bringing

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Modern riffs on the four-poster bed let you slumber in splendor D8

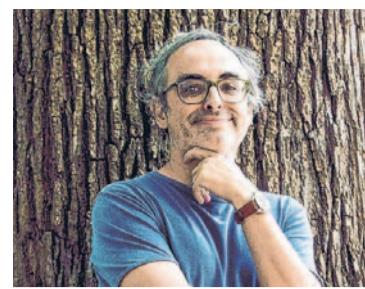


A ROLEX ODYSSEY
Novelist Gary Shteyngart explores his vintage watch's ties to the space age D2

STYLE & FASHION



PAST THE HOUR
Gary Shteyngart's
precious watch nestled
in ephemera of its era.
Right: the author.



houses would have it. How did I get this guy? (Yes, watch collectors will often refer to one of their cherished pieces as a "guy.") The key to everything is building a relationship with a watch dealer you can trust, and in Eric Wind, formerly of Christie's and now the proprietor of his own e-commerce site Wind Vintage, I have found one of the smartest, most well-read and curious people in the business.

When I told Eric I was looking for a GMT, I expected something in excellent condition, but he went beyond the call of duty and got me a piece that not only had history but the documents to prove

My Rolex GMT is a watch of nostalgia and of parallel lives.

it. My GMT came with all of the paperwork one could hope for, including its original chronometer certificate, showing the results of its accuracy tests in Switzerland. According to Eric, watches that come with "papers," are worth a premium of about 25% over those without. "What is notable about the watch is the condition," Eric told me, "the glossy dial with 'gilt' or gold text is absolutely flawless while the steel case has also never seen a polishing wheel and can be given the rare and highly desirable term 'unpolished' by serious collectors." On the occasions that I've taken my GMT out for a spin to horological events (yes, they exist, along with secret watch meetups in clandestine locations) the recognition my "guy" receives from fellow WIS, or Watch Idiot Savants, has been pleasing.

But collecting watches should not be a status game. I love the GMT for my own personal reasons, such as its beautiful "Pepsi" bezel, so nicknamed because of its red and blue Pepsi colors, which is used to tell the second time zone. Between Pan Am, NASA and Pepsi, the GMT is truly an All-American watch. And because I travel incessantly, I find myself constantly looking up the time back home, picturing my son dispatching his favorite hot dog at lunch, even as I'm wrestling down a nasi lemak in some tropical clime. My Rolex GMT is a watch of nostalgia and of parallel lives. It has seen humanity's journey into space and now must content itself with merely being this writer's muse.

LOVE STORY

The Wrist Is History

Novelist Gary Shteyngart on how his latest book, 'Lake Success,' led him to a beloved Rolex with a NASA pedigree

I AM A WATCH COLLECTOR. There, I've said it. While I've always thought that "collecting" of any sort was the province of geeky children (yes, I collected stamps for about nine months as an eight-year-old) or adults with too much time on their hands, I have now become one of these people, the ones with a safe, an insurance policy and a favorite dealer. Watches relax me. Thinking about watches relaxes me. Sometimes, on a long plane ride, I'll look at a photo of a watch on my phone while wearing another watch on my wrist. Is that sick? Feel free to judge me.

It all started three years ago, as I was writing a novel entitled "Lake Success" about a hedge-fund manager who was also a watch collector, and who would try to use watches as a way to communicate with his autistic son. The more I wrote about these watches, the less ironic I felt about the idea of owning them. I bought one, and then another, and another, and well, nearly a dozen watches later, here we are. My favorite watch of the brood? A Rolex GMT 1675 with a gilt dial that once belonged to a storied NASA official.

What makes this particular

watch so special to me? The GMT, which can track two time zones, was originally used in 1955 by Pan Am pilots. As a young immigrant from the former Soviet Union arriving in the U.S. in 1979 at the age of seven, I promptly fell in love with everything Pan Am, from the gorgeous 747s that seemed to symbolize the essence of America itself to the towering Pan Am building at the base of Park Avenue (it now belongs to the formerly Snoopy-affiliated insurance company people). I lived in Queens, a borough with two airports, and while I was in love with planes, I was also in love

with the space program.

My Rolex GMT originally belonged to one Charles "Chuck" Friedlander, former chief of NASA's Astronaut Support Office, a space consultant to Walter Cronkite at CBS News, and a NASA liaison to Richard Nixon's White House. When I put on this watch, I think of the intense history its owner must have experienced—all that American history that I have missed by dint of being born too late and an ocean away. After reading a fascinating interview with Friedlander on the internet, I can imagine him pulling pranks with Buzz Aldrin, chatting it up with Walter Cronkite and trying to squeeze more funds out of Spiro Agnew, who, according to Friedlander, was not terribly supportive of the space program.

This man and this watch—first purchased at a Rolex retailer in Cocoa Beach, Fla.—were privy to some of our country's proudest moments. The very act of strapping it on to my wrist gives me hope for the future.

OK, perhaps you're now a little interested in the idea of a watch with history and pedigree, or "provenance" as the auction

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STYLE & FASHION

AT MY VANITY

Tyler Haney

The founder and CEO of a booming athletic-wear company on her rather original beauty routine

OUTDOOR VOICES'S founder Tyler Haney calls Barton Springs, a natural pool in Austin, a "fountain of youth." When she first visited the Texas capital, she went for a dip and had a presentiment that the hippie-haven city would be the ideal home for her budding fitness-apparel company. Two years later, Ms. Haney, 30, has moved all operations to Austin. "Time moves slower here," she said. "It drives creativity." Given the city's outdoorsy nature, it's also an ideal place for this sporty entrepreneur to test new gear. (Ms. Haney runs 3 miles every day at a "recreational pace.")

Her brand of fitness is inclusive. "Not everyone is trying to be Serena Williams," said Ms. Haney. "We are breaking down the barrier to entry to an active lifestyle." So rather than overly intense black and neon active wear, the company offers casual pieces in color-blocked combinations like dark blue and green. Just like the clothes, the brand's motto "doing things" (which can be spotted on its trendy totes and hats from Venice Beach to Vero Beach) spurs its acolytes to get out and enjoy even low-key activities like walking the dog. That accessible approach to fitness carries over to Ms. Haney's beauty routine.



CHRISTINA FALLARA (PORTRAIT)

The first thing I do when I wake up is: take 30 grateful breaths; it sets the tone for the day.

Post-workout I take: a 3-minute cold shower. It's a challenge, but you'll feel more alert.

My morning beauty-potion ingredients include: bentonite clay. And I started taking Four Sigmatic's 10-mushroom blend four months ago for clarity.

My mom says: to consciously smile. It helps lift everything up.

My low-maintenance beauty

hack is: Dr. Hauschka's bronzing tint. I mix it with Embryolisse moisturizer. It adds color in a natural way and just brings me to life in one step.

I'm secretly high-maintenance about: exfoliation. I exfoliate in the shower and then use Nuxe hair, face and body oil which I get in Paris.

My ultimate essential product is: Vintner's Daughter [face oil]. It smells fantastic and it absorbs into the skin nicely.

I combat oily skin with: witch

hazel. Just the regular stuff from the drugstore.

My theory on brows is: the more natural the better. Mine are a bit 'Where the Wild Things Are.' I use Glossier Boy Brow in clear to keep them in place.

My favorite supposedly beautifying food is: miso soup. I went to Esalen, a spiritual retreat in Big Sur, Calif., and they served it for breakfast which seemed weird at first, but now I love it.

I always carry: D.S. & Durga 'El Cosmic' perfume. And CBD oil.

On the plane, I must: brush my teeth with Davines natural toothpaste and put on eye patches by Equal Beauty as soon as I'm allowed to recline the seat.

I wash my hair: every other day with Davines shampoo. But the most important thing you can do for your hair is take Biotin [capsules], something I learned from riding horses growing up. I take BioSil. At Outdoor Voices, when we are casting models we talk about "Biotin girls" meaning girls with vibrant and abundant hair.

—Edited from an interview
by Rebecca Malinsky



SPORTY SPICE Clockwise from left: Tyler Haney photographed at the Outdoor Voices HQ in Austin, Texas; Davines shampoo; Thayers Witch Hazel, Miso soup; 'El Cosmic' by D.S. & Durga; Davines Toothpaste; Dr. Hauschka Bronzing Tint; Four Sigmatic 10 Mushroom Blend; Glossier Boy Brow

HEIGHTS OF FASHION

The Rise and Fall of Plaid

Whether you're a highlands or a lowlands kinda gal, there's a Scots-inflected boot for you this autumn



The Blocky Boot
Though it's sky-high, a chunky build makes this boot stable for city streets.
Kyoto Boots, \$695, 3.1 Phillip Lim,
212-334-1160



The Socky Boot
A slim, glovelike profile makes for an elegant, less-elevated silhouette.
Amina Muaddi Boots, \$790, *Forward, by Elyse Walker*, 866-434-3169



The Cocky Boot
The mirrored, confident, modest heel on this tweedy take sparkles.
Short Boots, \$1,200, *Chanel*,
800-550-0005



The Talky Boot
With its in-your-face "BB" logo this kitten-heel shoe speaks for you.
BB Boots, \$1,450, *Balenciaga*,
212-206-0872

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STYLE & FASHION

THE ONE SHEET / WOMEN'S SPRING 2019 TREND REPORT

SPRING THEORIES

At runway shows in New York, London, Milan and Paris, designers posited bold style ideas

WHAT IS REAL is what lasts," said Oprah Winfrey in her toast to Ralph Lauren at his recent anniversary event in Central Park. After 50 years as a pivotal fashion figure with an unwavering American aesthetic, Mr. Lauren has outlasted his contemporaries like Donna Karan and Calvin Klein, both of whom no longer design for their namesake companies. At the close of a season marked by change, Mr. Lauren's consistency stands out in a mutable fashion landscape. While some brands are still defined by their core DNA, others have been reinvented by a revolving-door procession of creative directors.

At the label Mr. Klein launched in 1968, originally known for its beige-y minimalism, Belgian designer Raf Simons proposed inventive, postmodern clothing for spring with references from prom to "Jaws." It was heart-pounding fun, and relevant, but bore little resemblance to Mr. Klein's blueprint. At Celine, which former creative head Phoebe Philo turned into a brand beloved by women for its professional yet comforting shapes, Hedi Slimane divisively pulled the accent off the first "e" and sent sharp, very-Slimane tailoring and abbreviated dresses down the runway. The renegade designer Demna Gvasalia continued his sleight of hand at Balenciaga, combining elements from the brand's past (like architectural waistlines) with technical fabrics. More faithfully, Pierpaolo Piccioli drew gasps for his gowns at Valentino, many in the brand's signature scarlet color. And as one of the few designers who rivals Ralph Lauren's longevity, Miuccia Prada unveiled delightfully (and characteristically) eccentric efforts at both Prada and Miu Miu. A variation on Ms. Winfrey's sentiment seems likely to be chewed over in seasons to come: Do women want consistency or evolution?

—Rebecca Malinsky and Rory Satran



TO DYE FOR This season proved that tie-dye, against all odds, can be refined. From left: An acid-washed interpretation on the cool girls at **Proenza Schouler**; a ladylike, deconstructed, shibori-style skirt at **Prada**; hints of a Bali summer gone absolutely right by **Paco Rabanne**; a silken slip dress at **Christian Dior**; a showstopping, full-tie-dye jumpsuit (on Kaia Gerber, Cindy Crawford's daughter) at **Stella McCartney**.



SEEING SPOTS That Betty Boop-ish vintage standby, polka dots, was given new life. From left: a sweet minidress at **Carolina Herrera** (care of a new designer, Wes Gordon); a sheer frock (slip required) at **Prada**; volume play at **Celine**; va-va-voom mega-dots at **Dolce & Gabbana**; a baby-doll at **Burberry** (newly designed by Riccardo Tisci).



PRACTICAL MAGIC Refined utility looks will make phone storage a cinch in spring. From left: Sheer pocket play at **Fendi**; **Givenchy**'s luxe cargo pants are wish list-worthy; **Hermès** nailed the pocket-y jumpsuit; at **Loewe** the pockets were almost as big as the garment; **Louis Vuitton**'s futuristic woman uses old-school utility tricks.



NOIR HOUR Inky, gathered, voluminous dresses were a novel idea for evening. From left: Thick navy knots show Rei Kawakubo's mastery at **Comme des Garçons**; an off-the-shoulder gown at **Valentino**; **The Row**'s sheer layers of chicness; **Simone Rocha**'s silk taffeta garment, topped off with a lacy veil.



SHORE THING Retro beach vibes harked back to more glamorous summer travel. From left: patterned splendor at **Etro**; that Goa lifestyle at **Chloé**; a fringed ensemble at **Valentino** for SPF-50 types; the ultimate embroidered caftan at **Tory Burch**; a yé-yé-girl shift at **Chanel**, where the models walked barefoot on a 'beach.'

Things We (Mostly) Loved



Divas know how to work a show, and this season had fab performances: Jane Birkin (above) at Gucci and Christina Aguilera at Opening Ceremony.



Makeup master Pat McGrath wrought magic at Valentino, including bling-y red sparkling lips (with actual crystals) that added to the drama.



Emporio Armani somehow made the unthinkable—going to the airport on purpose—semi-fun with its show staged at Milan's Linate.



The city of Paris honored the late designer Sonia Rykiel, a fixture of Saint-Germain-des-Prés, by renaming a prominent walkway after her.



Ralph Lauren celebrated his golden jubilee with a star-studded dinner and show at the refashioned Bethesda Fountain in Central Park.



Photographer Tommy Ton, who's working on a film about fans of Phoebe Philo's designs, organized a Paris meetup of her acolytes (shown).

EATING & DRINKING

Our Future Tastes Fresh

BY JANE BLACK

MATT Weingarten is the lucky kind of chef who gets to spend time outside the kitchen, on the farms that supply his produce. One day this summer, Mr. Weingarten, chief culinary officer for the Northeastern fast-casual chain Dig Inn, lingered over a harvest of beautiful baby lettuces, some with ruffled leaves, others speckled with crimson and plum. One was sweet, almost succulent; another had a citrusy edge. On the spot, he dreamed up a wedge salad with at least three different varieties, the heads halved or quartered "so that they looked like little jewels" and topped with a buttermilk-herb dressing. "It's a dish that really celebrates the lettuce," he said. "Sounds like spring to me."

The leaves that captured Mr. Weingarten's imagination were coaxed from the dirt by Larry Tse, farm manager of the 12-acre operation in New York's Hudson Valley that Dig Inn maintains to supply its 23 restaurants. In partnership with Seedshed, a nonprofit dedicated to strengthening seed biodiversity in the Northeast, the farm is growing lettuce varieties bred for heat resistance and for flavor, too. Their experiments don't involve any high-tech genetic modification, just old-fashioned crossbreeding. But their goal—truly delicious produce—is nothing short of revolutionary.

In the modern era, fruits and vegetables have been bred almost exclusively for yield (which makes sense for farmers paid by the pound) and to transport and store well (which makes sense for retailers). Taste has been mostly an afterthought.

Seedshed's Kitchen Cultivars program is part of a wave developing new vegetables to please the palates of chefs and consumers. Earlier this year, chef Dan Barber, of the acclaimed Blue Hill restaurants in Manhattan and Westchester County, N.Y., launched his own seed company, Row 7, with the goal of encouraging chefs to "write recipes from the ground up."

For years, Mr. Barber sought out heirloom varieties to cultivate on the acres that



ILLUSTRATION BY BETH HOECKEL; DAVID CHOW FOR THE WALL STREET JOURNAL (SQUASH)

supply his own restaurants. Though often finicky to grow, they had the distinctive flavors he craved. Then, about a decade ago, he was chatting about the challenges of growing flavorful varieties with Cornell University plant breeder Michael Mazourek. Mr. Mazourek took up the challenge to breed flavor into a new variety. The result was the honeynut: a tubby, mini version of the common butternut squash with a thinner skin, so it doesn't have to be peeled, and a natural sweetness that intensifies as you cook it.

With Mr. Barber as its evangelist, the honeynut took off. Today, it's available at many Whole Foods and farmers' markets around the country. And that was only the beginning. "We need to think of seeds like an Apple iPhone," said Mr. Barber. "We don't just introduce new vegetables. We improve on what we've done."

To that end, Row 7, in which Mr. Mazourek is a partner, has introduced a new version of the honeynut, currently dubbed 898. The caramel sweetness is still there, but the plant now produces a better yield and has a slightly thicker skin so it can be stored through the winter.

Breeder-chef collaborations are bearing fruit (literally) on the West Coast too. In 2010, Lane Selman, an agricultural researcher at Oregon State University, invited a few local

chefs to taste a gypsy pepper a breeder was working on. The cooks had thoughts on the flavor but also on how the size, shape and color would work on the plate. "It was then that I realized plant breeders needed to hear this, since they are the decision

'We need to think of seeds like an Apple iPhone.'

makers, determining which traits to keep and which to discard," Ms. Selman said.

The next year, Ms. Selman established the Portland-based Culinary Breeding Network to connect chefs and breeders. Each year, it hosts a Variety Showcase in which chefs pair up with plant

breeders to demonstrate the deliciousness of new varieties in tastings open to the public.

Last month, plant breeders and chefs gathered in Manhattan for Variety Showcase NYC. Some 400 hundred people attended, visiting tables featuring varieties such as blue fenugreek, which smells of maple syrup and tastes almost buttery. The menu included an eggplant taco splashed with hot sauce made from the new "Primero Red" chile, and a callaloo-coconut bake featuring the leaf of a new variety of amaranth. Chef Weingarten served variations on his wedge salad—one with a grapefruit "lacquer" and shallots, another with a smoked butter dressing and bread crumbs.

Working in tandem, chefs, breeders and growers hope to show that qualities such as high yield and storeability

needn't come at the cost of flavor. Last fall, the salad chain Sweetgreen began to

collect data on the conditions that produce the most flavorful cherry tomatoes. There were 80 variables, from moisture content and soil type to harvest and usage dates. (Contrary to common expectations, tomatoes didn't taste best right off the vine. If stored correctly, they tasted sweeter five days after harvest.)

This year, Sweetgreen is doing similar tests on the Badger Flame Beet, another new variety bred for flavor. "It's an investment for us, but we think it's a competitive advantage" said Nic Jammet, Sweetgreen's co-founder and co-CEO. "It's a way to show our customers that when you source a certain way and prioritize where and how something is grown, there's data to show that it tastes better."



Honeynut Purée and Crumble

Active Time: 20 minutes **Total Time:** 9½ hours (includes overnight baking) **Serves:** 2

Blue Hill chef Dan Barber was integral to developing the sweet, thin-skinned honeynut squash. His radically simple recipe is designed to let its pure flavor shine through.

2 honeynut squashes**Sea salt**

- Preheat oven to 375 degrees. Split honeynuts horizontally and remove seeds. Lay face up on a sheet tray lined with parchment paper. Cover with foil and roast in oven until flesh is soft enough to scoop with a spoon, 45 minutes-1 hour. Remove foil and continue cooking to reduce moisture, 15 minutes more.
- Scoop all flesh from skins and pass through a fine-mesh sieve. Put puréed squash into a nonstick pan over low-medium heat. Cook, stirring constantly using a spatula until all liquid
- is cooked out, about 5 minutes. Add a generous pinch of salt. If not serving immediately, store in an airtight container in refrigerator and sauté to heat before serving.
- Make the crumble (optional): Heat oven to 200 degrees. Scrape any remaining flesh from cooked honeynut skins, remove stems and arrange skins on a baking sheet. Bake in oven until fully dry, 8 hours. (Alternatively, use a dehydrator.) Break into small pieces and grind to a rough powder in a spice grinder.
- Serve warm purée with crumble sprinkled on top or absolutely plain.



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EATING & DRINKING

The New Brown

Long overshadowed by bourbon, American brandy is claiming its place at the cocktail bar

BY KARA NEWMAN

AFTER YEARS of watching bourbon sales soar, American brandy distillers are ready to get in on the action. The first step: education.

Brandy encompasses a whole range of spirits: Cognacs and Armagnacs, distilled from (grape) wine; Calvados and other apple brandies, made from cider; and fruit brandies derived from berries and tree fruits. The most sought-after brandies are barrel-aged, yielding a liquor as brown and aromatic as any bourbon.

Traditionally, American brandy has been "a bit of an underdog," according to Thomas Pastuszak, executive wine director for the NoMad Hotel chain. In August, along with Jeff Bell, bar manager of PDT in New York and Hong Kong, Mr. Pastuszak launched Bertoux, a new California brandy intended for mixing into cocktails.

The word premium has long been attached to French brandies, particularly luxe, highly regulated Cognac. By comparison, American-made brandy has been pigeonholed as an unremarkable "value" spirit—a reputation long deserved, on the whole, especially among the largest producers.

In recent years, however, American distillers have been turning out excellent brandies made from a variety of fruits, often in regions not traditionally known for brandy. In Texas, for example, Chip Tate, best known for building the Balcones brand of whiskies, is designing and assembling his own stills and producing brandy made with grapes from the Texas Hill Country wine region. In North Carolina, High Wire Distilling is experimenting with old-



BRANDY, YOU'RE A FINE DRINK / AMERICAN BOTTLES TO SUIT A RANGE OF TASTES

1. Osocalis XO Alambic Brandy (40% ABV, \$120)

An outstanding choice to sip straight, fireside. This velvety mix of fresh-cut apple and orange zest mingled with honey, vanilla and sweet spices has a super long finish.

2. Bertoux Brandy (40% ABV, \$45)

This bartender-blended brandy intended for mixing into cocktails is relatively light on the palate, melding oak and apricot, and finishing with a flurry of ginger sparks.

3. Argonaut Speculator (43% ABV, \$38)

From California brandy giant E. & J. Gallo, this very mellow brandy offers layers of dried fig, caramel and spice. A versatile choice for either sipping or mixing.

4. Germain-Robin XO (40% ABV, \$120)

Think elegance and finesse. This is aged longer than most American brandies—about 17 years—yielding a silky sipper accented with vanilla, coconut and roasted nuts. An ideal dessert drink.

5. Copper & Kings American Craft Distilled Brandy (45% ABV, \$35)

This robust brandy made in Louisville, Ky., hints at honey and baking spice, with lots of toasty oak tannins providing a dry, puckery finish.

school peach and watermelon brandies, made with fruit grown in state.

Even in bourbon central, Louisville, Ky., Joe Heron, co-founder of Copper & Kings, has been garnering attention with his line of grape- and apple-based brandies. Mr. Heron—who founded the popular Crispin Cider and then sold it to MillerCoors—has injected a youthful rock 'n' roll personality into a category often considered fusty. He names stills after characters in Bob Dylan songs and blasts

Queen, David Bowie and Kanye West in the aging cellar (at least, that's what was playing when I visited), so the pulse of the bass agitates the liquid in the barrels, a technique called "sonic aging." In January, beer, wine and spirits giant Constellation Brands took a minority stake in Copper & Kings.

"The resurgence is built on the shoulders of an increasingly adventurous consumer within a brown spirits palate preference," said Mr. Heron. In other words, he said, brandy is "slipstreaming" bourbon. Mr. Heron also credits crossover between wine and brandy—most often made with wine grapes—with helping to introduce the spirit to wine drinkers. Bartenders, too, have played an enormous role" in raising consumer awareness, he said, and bringing brandy to a place where it is "not traditional and boring."

In California, America's most established brandy-making center, a coalition of producers met in April to brainstorm the promotion of the state's considerable stocks of "America's other brown spirit." Participating distilleries at the inaugural California Brandy Summit in Fresno included E. & J. Gallo, F. Korbel & Bros., and smaller pro-

ducers such as Germain-Robin (since acquired by Gallo), Charbay Distillery & Winery and Osocalis.

Brandy "needs to get out of the commodity box," lamented Paul Ahvenainen, Korbel's director of wine-making and master distiller at the summit. "If brandy isn't sexy, it's because we're not making it sexy."

He names stills after characters in Bob Dylan songs and blasts Queen, David Bowie and Kanye West in the aging cellar.

Ansley Coale, co-founder and principal of Germain-Robin, a craft producer noted for exquisite small-batch brandies, echoed Mr. Ahvenainen's sentiments. "People don't know enough about brandy to understand how good it can be, to really believe in it," he said.

Among the ideas floated for rebranding California brandy: Emphasize the "terroir" of brandy, similar to that of California wine. Create a "straight brandy" category similar to straight bourbon, with additional legal requirements

regarding production, to help drive the premium association. Push more brandy into the cocktail world, where drink recipes are currently far more likely to call for, say, whiskey or rum.

The cocktail push has gained the most traction. Over the last year, Gallo has been touting its Argonaut line intended for mixing into cocktails. The most recent entrant to the fray, Bertoux—named for the inventor of the motorcycle sidecar, an oblique reference to the brandy-based drink of the same name—is a versatile blend of brandies aged three to seven years, sourced from a contract distillery in Parlier, Calif.

Compared to more rigidly defined styles from France (Cognac, Armagnac, Calvados), premium American brandy has yet to find its limits. Expressions range widely, from Copper & Kings' muscular brandies to the elegance of Germain-Robin to light, easy drinking Bertoux. Among the diverse list of bottles above, any lover of brown spirits should find a winning way into this category.

American brandy "doesn't have a unique style, so there's room to play and develop new ones," said Mr. Pastuszak. "It's the Wild Wild West appeal there."



Sidecar

An artifact of an era when brandy was a bartender go-to, this cocktail makes a great showcase for the new wave of American brandies.

Combine 1½ ounces Bertoux Brandy, ¼ ounce lemon juice, ½ ounce Cointreau and ¼ ounce simple syrup in a shaker with ice. Shake well. Strain into a chilled coupe. Garnish with a lemon twist.

—Adapted from Jeff Bell of PDT, New York/Hong Kong

SLOW FOOD FAST / SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

Sirloin With Carrot-Habanero Salsa and Mango Pico de Gallo

A QUALITY STEAK calls for nothing more than salt and a good sear. But the smoky flavor of the meat really pops when paired with a little sweetness and acidity.

In this recipe from chef Fermín Nuñez of Suerte in Austin, Texas, a velvety carrot-habanero salsa provides the sweet element plus heat. A fresh pico de gallo of mango, chiles, shallots and cilantro contributes the crucial acid zing. "It's a party," Mr. Nuñez said. "It dances in your mouth."

Of course, none of that matters if you don't nail the cooking of the steak. The pan

must be good and hot to achieve a proper sear and a rosy interior. Seconds count, so give the sizzling steak your full attention.

It helps that the other elements are so simple. The pico requires no cooking and the salsa calls for little more than simmering the carrots, charring a shallot for added smoky depth, and then a quick blender blitz. You might want to round out the plate with a side of pan-roasted potatoes, as Mr. Nuñez does at Suerte. "I'm in the business of delicious," he said. "And when I tasted it all together it was obvious." —Kitty Greenwald

Total Time: 35 minutes
Serves: 4

2 (1-pound) sirloin steaks

Kosher salt

4 carrots, thinly sliced

2 cloves garlic

6 cups chicken stock

2 dried habanero chiles

2 shallots

5 tablespoons olive oil

Juice of 1 lime

1 large mango, diced

3 tablespoons chopped cilantro

1 small red chile, minced

2 tablespoons butter

Roasted potatoes, to serve (optional)

1. Season steaks generously with salt and set aside.

2. Make carrot-habanero salsa: In a pot over medium-high heat, combine carrots, garlic, stock and habaneros. Simmer until carrots are very tender, 20 minutes. Meanwhile, in a dry large sauté pan, cook 1 whole shallot over medium-high heat until charred all over, about 5 minutes. Drain carrots, garlic and habaneros, reserving cooking liquid, and transfer to a blender. Add charred shallot and purée. With motor running, stream in 3 tablespoons oil. Salsa should be loose but not watery. If necessary, blend in some cooking liquid. Season with half the lime juice and salt to taste.

3. Make mango pico de gallo:

Mince remaining shallot and toss with mango, cilantro, red chiles and remaining lime juice. Season with salt and 1 tablespoon olive oil.

4. Heat remaining oil in large

sauté pan over medium-high

heat. Melt 2 tablespoons butter.

Lay in steaks and cook,

undisturbed, until charred on

underside, 3-5 minutes. Re-

peat on reverse side until

meat reaches desired done-

ness, 3-5 minutes for me-

dium-rare. Let steaks rest at

least 5 minutes before slicing.

5. Cut steaks against the

grain into ½-inch slices.

Smear salsa over four plates.

Top with sliced steak and pico de gallo. Serve with roasted po-



RAISE THE STEAKS Simmering the carrots for the salsa that's served with the sirloin draws out sweetness and makes for a velvety puree.



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



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DESIGN & DECORATING



WINNER TUBES Part of architect David Rockwell's kaleidoscope collection.

F. MARTIN RAMIN/THE WALL STREET JOURNAL; ILLUSTRATIONS BY THE ELEPHANT IN THE ROOM

A Call to Collect

Design pros on the objects they gathered obsessively as children and those they can't get enough of today

BY CATHERINE ROMANO

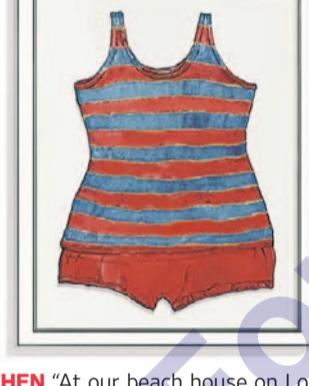
NOT SURPRISINGLY, architects and designers tend to amass visual artifacts early. New York artist and landscape designer Paula Hayes made snowballs and tiny snowmen that she stored year round in a corner of her family's freezer "like a little town." Nunturat Robbamrung, now associate design director at Wilson Associates' New York studio, accumulated fruit seeds—fascinated by their shape—and organized them by size. Here, eight design pros on their youthful hoarding habits, and the collections they focus on today.



THEN ▲ "I collected little fur mice with very specific outfits," said **Lora Appleton**, founder of kinder Modern, a children's furniture gallery in New

York. "There was a king and queen, bride and groom, one in a yellow gingham dress.... I still have them. I loved the diminutive quality, how all the detail in their attire and their faces was so real."

NOW "Vintage children's furniture is amazing," said Ms. Appleton. "I love the discovery, bringing it home, cherishing and then displaying."



THEN "At our beach house on Long Island, we put on bathing suits in the morning, wore them all day and emptied them of sand at night," said New York designer **Susan Petrie**. "At 5, I began saving the suits I wore year to year, and they became a collection."

NOW ▲ "I found a 1920s wool infant's bathing suit that fascinated me. Who would put an infant in a

wet wool suit?" said Ms. Petrie. "I mounted it in a shadow box and hung it. I still collect antique suits—the fabric, pattern, color, weight interest me—and use them in projects."

THEN "At around 9, I started collecting silver spoons from places I'd go on vacation. I loved the designs on the handles and bowl, with little icons and charms unique to each place," said **Allison Spampinato**, SVP of Product Design at Pottery Barn Kids and PBteen.

NOW ▼ "A groom would give his bride-to-be a bracelet at engagement, and a matching one on their wedding day," said Ms. Spampinato of the Victorian wedding bracelets she seeks out and wears every day. "I think of the woman who wore them and what her life was like."



THEN "My family would gift silver to me: my baby cup, filigree baskets, trays," said **MA Allen**, a designer in

Raleigh, N.C. "I would display them all on my bookshelves, as I've always been drawn to having odds and ends mixed together with books."



NOW ▲ "Italian brass bug ashtrays. I love brass objects and since they were once a functional object, it makes them interesting."

THEN "I collected stamps, the most curious of which were from countries like Nigeria that idolized American cultural icons—Graham Bell, JFK—by putting them on their stamps," said designer **Michael Suomi**, a principal with New York firm Stonehill Taylor.

"I imagined I would be worshiped as a god if I ever visited those lands."

NOW "Antique door pulls that I install, Russell Wright midcentury American pottery that I eat off. Early 20th-century art I reframe."

THEN "I loved to arrange my Muffy Bears and Madame Alexander dolls in creative ways," said New York designer **CeCe Barfield Thompson**.

"One of my best arrangements was a talk-show seating tableau I created on top of my armoire. I was about 8 and obsessed with talk shows even though they weren't allowed. I

watched Ricky Lake every day after school on a tiny TV in my armoire before my mom got home."

NOW "I've become enamored of

19th-century Lustre- and Transferware, beautiful vessels with interesting historical connections and narratives."

THEN "I always had a lot of building toys and blocks," said New York architect **David Rockwell**. "I even made Lincoln Log houses for my hamsters. Our family moved around quite a bit, and this allowed me to have control over creating something and to mediate the world."

NOW "Since my 30s, I've amassed a collection of more than 35 kaleidoscopes," said Mr. Rockwell. "They are objects of art in their own right but are meant to be used and enjoyed. The endless shifting patterns they form are a personal mini spectacle."



THEN ▲ "As a teenager, I became obsessed with these very odd little figurines they sold in Chinatown. The term of art is Chinese Baby-doll Pencil Sharpeners," said architect **M. Brian Tichenor**, of Tichenor & Thorp, in Los Angeles. "Some bemused child festively arrayed on a giant peach with a cheap pencil sharpener glued into a cavity below, or a cartoon domestic mammal looking surprised to be so cojoined."

NOW "My wife and I just keep building more buildings to house our out-of-print garden and architecture books, as well as stringed instruments. It's now six libraries, each focused around a general area of interest. This is probably a problem, but we are unrepentant."

Never a Dull Spindle

New takes on the four-poster bed invoke the romance of canopies but liven things up with chic carving techniques

IN A MODERN Manhattan apartment, Los Angeles designer Kerry Joyce was faced with a blank-slate bedroom sadly lacking in architectural charisma. He had introduced vintage pieces in other rooms, so Mr. Joyce decided to design a bed (right) that recalls the past without bowing to it. His cast-bronze, finely articulated four-poster bed rekindles the charm of wooden spindles and, said Mr. Joyce, "anchors the room with a little bit of heart."

After a decade or so of minimalist beds that forgo any draping but delineate volume with the barest of posts and rails, decorators are returning to the romance of the canopy bed without resorting to the festooning you'd encounter at a doily-dotted bed-and-breakfast. The reimaged four-posters replace overwrought Victorian spindles with unconventional, totem-like columns.

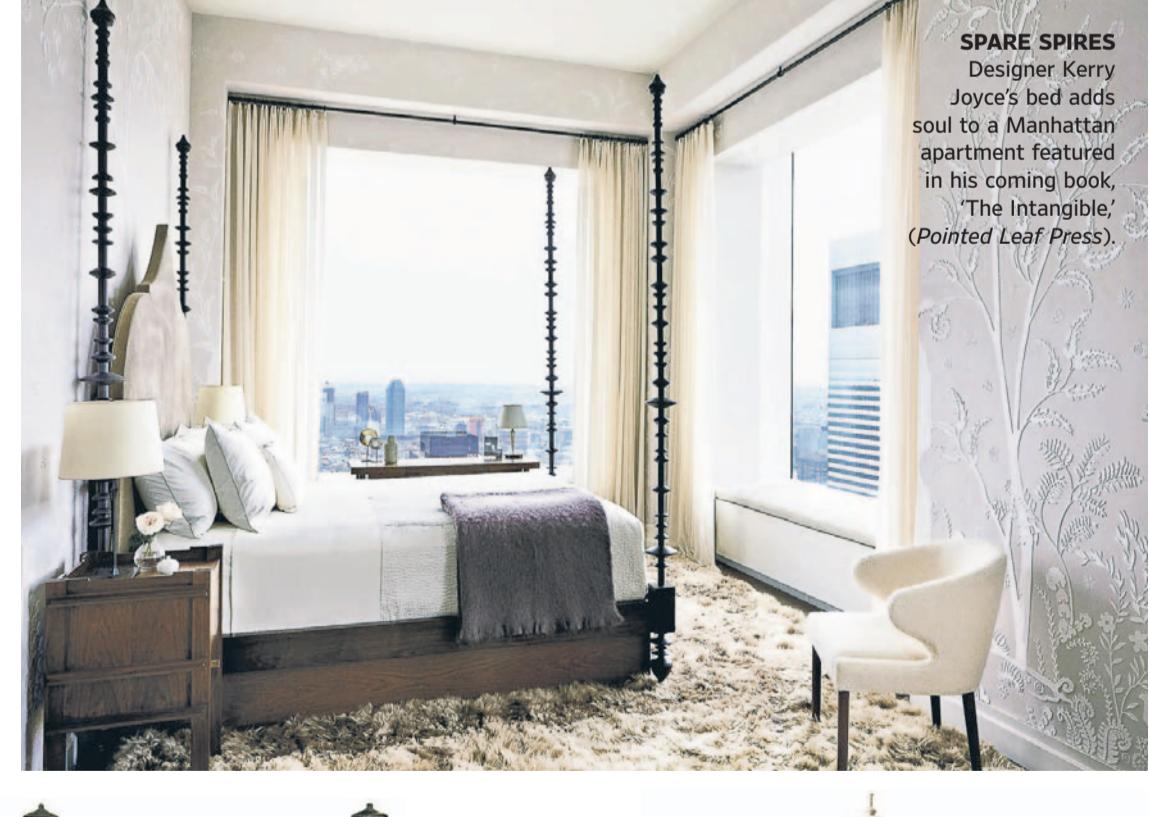
As the unnerving theory goes, canopied beds appeared in 13th-century Europe to keep rats from dropping upon the slumbering well-to-do, said Wolf Burchard, furniture research curator for London's National Trust. Americans in the sweltering South dispensed with the insulating canopies and draperies in the early 20th century, said Alexis Barr, instructor of design history at the New York School of Interior Design, to mini-

mize germiness. The canning of canopies also reflects the general "stripping down of the American interior."

Yet today's designers wistfully admire the four-posters' suggestion of cocooning. Under a client's soaring exposed-beam ceilings, Jessica Helgerson, who works in Portland, Ore., recently installed a bed by Los Angeles's Noir furniture (below left), with stanchions like upended polygraph-test lines. "It creates the feeling of a room within a room without closing things in," said Ms. Helgerson, who avoids canopied beds as too fussy and "decorator-y." Los Angeles-based Jeff Andrews, who stationed a similar bed in reality-TV star Kylie Jenner's former bedroom, finds approachable whimsy in these newfangled posts. Without a shrouding canopy, he said, they work with most décor styles and don't look "over-the-top or too commanding."

New woodcarving technology, namely computer numerical control (CNC) routers, make possible fanciful beds like London designer Geoff Hawkes's for Restoration Hardware (right), a svelte take on Baroque hardwood spindles. "It's trying to catch people's imagination," Mr. Hawkes said. "People walk in and go, 'That's interesting.'"

—KATHRYN O'SHEA-EVANS



QS Ferret Bed by Noir, \$3,540 for queen, Mecox Gardens, 212-249-5301

18th C. Spindle Turned Bed, from \$3,395, RH.com



SPARE SPIRES
Designer Kerry Joyce's bed adds soul to a Manhattan apartment featured in his coming book, 'The Intangible,' (Pointed Leaf Press).

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DESIGN & DECORATING

Fall's Best Blade Plans

Ornamental grasses more than live up to their name in autumn, giving the turning leaves a run for their money

BY AMY MERRICK

THE UNCULTIVATED eye might miss the subtle charms of grasses in fall, seduced instead by the overt allure of dinner-plate dahlias and blazingly bright foliage. But as the days shorten, the botanically aware know that the indefatigable ornamental grasses—in countless colors, sizes and textures—are primed to steal the spotlight and hold it straight through winter.

"Grasses give the garden its opulence and structure in the fall, when there are fewer blooms," said Patrick Quibel, who with his wife created Normandy's bewitching Jardin Plume, or feather garden.

The Quibels' generous, naturalistic use of grasses among delicate perennials throughout the garden creates contemporary combinations that treat grasses as equals, not just a framework for other blooms. Billows of lavender asters float among *Miscanthus sinensis* 'Saturnia' (a Le Jardin Plume introduction), whose green blades explode into gold, amber and bronze come fall. White *Anemone japonica* dapple *Achnatherum brachytrichum*, an ethereal plume



HUE KNEW? October at Le Jardin Plume, near Rouen, France. Grasses *Miscanthus sinensis* 'Gracillimus' and *misanthus sinensis* 'Saturnia' shimmer amid *Anemone japonica* 'Honoree Jobert' and *Aster* 'Little Carlow.'

GRASS ACTS / FIVE SPECIES TO ADD SHIMMER AND COLOR TO YOUR FADING PLOT



The Upright Citizen

Think vertically with *Calamagrostis x acutiflora* 'Karl Foerster', whose architectural, reed-like posture reaches 4 to 5 feet, making it a strong statement when its narrow spikes bleach to a golden straw.



The Billowy Bunch

Nassella tenuissima, or Mexican feather grass, grows low, finely tufted green ponytails that flower into fluffy, feathery strands of 2 feet. A potentially prolific self-seeder, it behaves best within its native Southwestern range and in well-managed gardens.



The Fringe Element

A variegated example, the striped and stately *Miscanthus sinensis* var. *condensatus* 'Cosmopolitan' boasts arching, cream-and-green foliage that reaches upward of 7 feet. As an added bonus, it bursts pink-toned tassels in the autumn.



The Leggy Blonde

Tall, effervescent, towheaded—*Stipa gigantea* turns heads in midsummer when, from a 2- to 3-foot clump, it sprouts a crown of golden flower heads topping 8 feet. After seeding, the flowers retain their structure for late-season interest.



The Changeling

Scene-stealing *Schizachyrium scoparium* 'Blue Heaven' is a low-clumping little blue-stem whose 3-foot stature makes it suitable for front-of-the-border drama, especially in fall when it chameleons from steely gray to shades of fuchsia.

whose downy flower heads, Mr. Quibel noted, glitter in the early morning dew. The changing leaves seem garish in comparison.

Schizachyrium scoparium 'Blue Heaven' transforms from a steely blue to a brilliant burgundy in the fall, perfect for front-of-the-border frippery. In summer, *Miscanthus sinensis* var. *condensatus* 'Cosmopolitan' arches tall in ribbons of white and green variegation. Later it crowns itself with rosy tassels pretty enough to distract eyes from perennials in their withered late-season condition. The hardworking *Nassella tenuissima*'s upright green tufts turn to feathery cascades perfect for softening up stone paths.

Like Le Jardin Plume, the grass garden at Kew, the Royal Botanic Gardens in Richmond, England, avoids forcing ornamental grasses into rigid, symmetrical grids, a tired modern trope. The Kew grass garden forgoes flowers completely. The forms and textures of its more than 390 grass species, from towering to tiny, combine to create a frothy, undulating effect. In fall, "grasses maintain their structure, capture sunlight and provide graceful movement in the garden," said Crissy Mulrain, the garden's supervisor.

Ms. Mulrain also noted that because of the breadth in varieties, grasses are a solid answer to questionable corners, be they drought-prone, nutritionally depleted or even dry and shaded. "No matter where in your garden, there is a grass that will do well," she said.

Ornamental grasses that aren't evergreen require only a yearly haircut with a hedge trimmer, when the garden transitions from winter to spring, advised Neil Lucas, author of "Designing with Grasses" (Timber Press).

Establish new plants in spring, and because you spend no time watering, deadheading, feeding or staking, grasses will yield a generous yearlong return, from their early-summer fullness to the sparkle under the first frost. "The best plants do all of the hard work for us," said Mr. Lucas.

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JOURNAL CONCIERGE / AN INSIDER'S GUIDE

Napa Valley

How to hack a trip to the most popular wine country in the country? Soak up the advice of locals

THOSE WHO'VE never been to Napa Valley—or haven't been in a while—assume this California wine region is a series of clichés: hills draped in grapevines, Cabernet connoisseurs holding court in fancy tasting rooms, fine dining at every turn. The reality can be a little different, however: bumper-to-bumper traffic and throngs of tourists wedged shoulder-to-shoulder on winery tours. Those fine meals ring true, but they usually come with a grisly bill. To sidestep the stampede and the searing price tags, you'll need the guidance of shrewd locals. We've asked four insiders to divulge their favorite places, from old-school hideaways to worthy newcomers. Unsurprisingly, many of the new spots they recommend are in the town of Napa, at the entrance to the valley. Once a drab county seat, it's now a cliche-free destination in itself. —Merritt Watts



ALLIE FORAKER FOR THE WALL STREET JOURNAL

VALLEY PROPOSITION Clockwise from top: 1. Gargiulo Vineyards. 2. Wild salmon at the Charter Oak. 3. Erin Martin Design Showroom. 4. Sky & Vine Rooftop Bar. 5. Cameo Cinema. 6. Miminashi. For additional photos of Napa Valley, visit wsj.com/travel.

THE BAR OWNER
Colleen Kretchmer
Co-owner of Cadet Beer & Wine Bar



LATE BLOOMER / Miminashi [6] This Japanese izakaya has a really cool design and an awesome cocktail program. It's open until 11 p.m. on weekends, which would have been unheard of just a few years ago. 821 Coombs St., Napa, miminashi.com

BEER ME / Mad Fritz Brewing The owner sources his hops and wheat from a lot of small farms nearby and makes wonderful wild ales and farmhouse-style ales. 393 La Fata St., St. Helena, madfritz.com

GET SCHOoled / The Culinary Institute of America at Copia At this campus next to the Napa River you can take classes on wine, baking or pasta-making, or just grab a sandwich at the deli. 500 1st St., Napa, ciatcopia.com

TALL ORDER / Sky & Vine Rooftop Bar [4] This bar at the Archer Hotel has a great view of the valley—a rarity since there aren't many tall buildings in Napa. Go at sunset. 1230 1st St., Napa, archerhotel.com

THE CHEF
Christopher Kostow
Executive chef of the Restaurant at Meadowood, chef-owner of the Charter Oak



SERIAL MILLER / Bale Grist Mill Historic State Park. On weekends, you can watch flour-milling demonstrations. It's fascinating to see the craftsmanship that goes into the process. 3369 St. Helena Hwy., parks.ca.gov

SCREEN TIME / Cameo Cinema [5] Originally built in 1913, the theater has love-seats and sells wine and beer. Sometimes I take over the concession stand and do the food. 1340 Main St., St. Helena, cameocinema.com

HERBAL SUPPLEMENT / Bothe State Park The trails run alongside creeks and remnants of an old apple orchard. You'll see wild plums, bay leaves, lemon balm and mint. 3801 St. Helena Hwy., calistoga.parks.ca.gov

PLAY DOUGH / Redd Wood The menu is always changing, but I really like the chorizo and pineapple pizza. It's also pretty kid-friendly—the staff will give children a ball of dough to occupy themselves. 6755 Washington St., Yountville, redd-wood.com

THE ENTERTAINER
Dave Graham
CEO of Latitude 38 Entertainment, producer of BottleRock Napa Valley music festival



PLUCK AND POUR / Oenotri This husband-and-wife-owned place serves southern Italian cuisine made with ingredients from their garden. The sommelier can guide you to great affordable wine. 1425 1st St., Napa, oenotri.com

IN A JAM / Blue Note Napa You can see world-class jazz musicians in this intimate, small-town venue. 1030 Main St., Napa, bluenotenapa.com

FUN HOUSE / Erin Martin Design Showroom [3] You never know what you're going to see in the eccentric showroom of this cutting-edge interior designer. Right now it's a Tyrannosaurus rex skeleton. 1350 Main St., St. Helena, erinmartindesign.com

GAINING PERSPECTIVE / Gargiulo Vineyards [1] This boutique winery abuts the legendary Screaming Eagle vineyards, but their wines are much less expensive and the views are stunning. 575 Oakville Crossroad, Napa, gargiulovineyards.com

THE WINEMAKER
Deneen Brown
Co-owner and president of Brown Estate Vineyards and Brown Downtown Tasting Room



GO GREEN / Hudson Greens & Goods This produce purveyor at Napa's Oxbow marketplace has the most dazzling market-fresh produce I've seen anywhere in the Bay Area. 610 1st St., Napa, oxbowpublicmarket.com

NOTES OF OAK / Whetstone Wine Cellar Outside of downtown Napa, the tasting room is in a French-style château set amid giant oak trees. It has a laid-back vibe; you feel like you're visiting a fancy friend's home. 1075 Atlas Peak Rd., whetstonewinecellars.com

CALL TO CHARM / Pennyweight It's an artfully curated gallery of gifts like corkscrews, wine keys, candles and charms. 1337 Main St., St. Helena, pennyweightnapavalley.com

OLD-WORLD LARDER / Napa Valley Olive Oil Company A true time capsule, this must-see market has been around since the 1930s and is exactly how I remember it as a kid. It's perfumed by cheeses and salamis. 835 Charter Oak, St. Helena, nvaliveoilmfg.com

PLUS, DON'T MISS...

Meadowood Napa Valley On 250 acres, the hotel offers a three-star Michelin restaurant, hiking trails, golf, tennis and a spa. For assured privacy, reserve one of the secluded Esate rooms or suites. From \$750 a night, meadowood.com / **Addendum** Tucked behind Thomas Keller's Ad Hoc restaurant is a fried-chicken shack that also serves ribs and pulled pork sandwiches. Take a boxed lunch to go or dig in at one of the outdoor tables. 6476 Washington St., Yountville, thomaskeller.com / **Napa Valley Bike Tours** Rent wheels at one of the two shops, in Napa or in Yountville, and spin car-free along the paved 12.5 mile path between the two towns. napavalleybiketours.com / **The Charter Oak** [2] Brunch family-style at this new spot in a historic building, where the open-hearth cooking is modern and hyper-seasonal. 1050 Charter Oak Ave., St. Helena, thecharteroak.com



GEAR & GADGETS



The Allure of Being Utterly Off Duty

Continued from page D1

"work materials" along on social outings (we hope they don't mean accordion folders). All of this, many experts in psychology agree, causes stress, ruins sleep habits and cripples our ability to stay active and engaged during actual office hours.

In 2017, France instituted a new labor law that supports a new frontier in human rights, the "Right to Disconnect." Backed by unions advocating that employees disengage from electronic work communications once free of the office, the law stems from a 2004 French Supreme Court ruling affirming that an employee who is unreachable by cell outside of work can't be dingy for misconduct.

Similar rights have been extended in Italy and the Philippines, are being explored in Germany and Luxembourg and were proposed in New York City. And in July, the South Korean legislation began limiting weekly work hours to just 52, down from a max of 68. Surprise: America has no legal maximum.

"Always-on culture is weird. It's not how humans thrive. It's not how productive people break through. We have to dismantle it before it dismantles us."

denied by FOMO—the fear of missing out, or in this case the fear of missing opportunity, of being seen as less hardworking and less reliable than co-workers and thus expendable. According to a 2016 Harvard Business Review study, 43% of those surveyed "sacrifice or significantly suppress other meaningful aspects of who they are" and give in to always-on.

So rather than using technology to augment our work, speeding us out the door in 6 hours instead of 10, or cutting down to an ideal four-day workweek, we've misused technology to bolster antiquated workaholic habits. Then again, what's two minutes to draft a quick email so the folks upstairs know they can always count on you?

"We have to dismantle always-on before it dismantles us," Mr. McKeown warned. How to actually achieve that dismantling is complicated. Much like that electronic cummer-

'Always-on is weird. It's not how humans thrive. It's not how productive people break through. We have to dismantle it before it dismantles us.'

bund that promises to zap your stomach into a six-pack but only burns you in the end—financially and in my case literally—there's no quick fix. While Big Tech brands have put in two decades of yeoman's work to constantly and persistently connect people across all platforms, at all hours, they're just now creating systems to help place healthy restrictions on communications.

Google Calendar's new "Working Hours" function lets you automatically reject colleagues who send invites for meetings or calls outside set time windows, and conspires with your inbox to streamline the crafting of painless "out of office" replies.

Apple's new iOS 12 features enhanced Do Not Disturb settings, letting you quiet notifications for a set time or even at a set location so incoming communications are withheld

until you physically leave your home or favorite dinner spot, depending on your self-imposed parameters. It also lets you toggle on auto-reply texts, which you can customize to keep people at bay. For me, "Sorry, I'm busy but I'll shoot you a note when I'm back" gets the message across.

If you have an iPhone, you also have a VIP inbox you're probably not using, which lets you tweak notifications so your screen only flashes when you receive emails from those you deem worthy—a husband or manager but not Rick in accounting. Just tap the circled "i" next to "VIP" in your mail app to add preferred addresses, and then you can set custom alerts and notifications. That said, it's often best to turn off most notifications as soon as you download a new app, letting you control when you check your phone and respond to messages rather than reacting immediately to a chiming or rumbling phone.

Harking back to the good old days of AOL when "You've Got Mail!" was a thrilling welcome, not an existential crisis, some platforms are adopting AOL Instant Messenger's red light/green light system that lets people know you're online. Slack, a powerful and popular workplace communication tool, lets you customize a status so people know when you're unavailable and what you might be doing. Slack also automatically sets you to "snooze" at 10 p.m., blocking notifications until 8 a.m. (the times can be customized to suit your needs and schedule).

By far the boldest method I've heard for shutting out work, however, is refusing to install work email on your phone. If you dare.

While wondering how I might employ these tactics to steal some of my life back, a serendipitously stupid thing happened: An overnight iOS update disabled my iPhone entirely. What started as panic morphed quickly into a feeling of freedom. I couldn't check emails in the lunch line or be distracted by texts, DMs or gchats. I was utterly unreachable at times and it didn't seem to matter. And I was more rested and more productive.

I got a new phone later that week, but in that short window I realized the ultimate key to work-life balance was—actually wait. Can you hold on a second? I gotta take this.

THE DEVIL IS IN THE EMAILS / FILMS THAT REFLECT ALWAYS-ON CULTURE



OVERLY BUSY SIGNAL Anne Hathaway in 'The Devil Wears Prada.'

MOVIE CHARACTERS aren't immune to the grind. In satires, dramas and comedies, always-on culture has enabled their work-related downward spirals.

The Player (1992) Studio executive Griffin Mill (Tim Robbins) sometimes greenlights, but more often rejects, movie pitches he's subjected to at glamorously dull Hollywood parties. But real-life drama swamps him when a disgruntled screenwriter sends him threats, including one via mobile fax machine, which drive Mill to murder. When studio security asks if something is wrong, Mill replies no. "Business as usual."

The Devil Wears Prada (2006) Plucky journalism grad Andy Sachs (Anne Hathaway) languishes as an assistant to cold fashion editrix Miranda Priestly, who commands Sachs's every waking moment via her cell. When her co-assistant (Emily Blunt) is hit by a car while prattling on her phone, Sachs is poised to climb the ladder—a job she's told that "a million girls

would kill for"—until she regains her senses and throws her T-Mobile Sidekick in a Paris fountain, exchanging her chic career for a shot at happiness.

Up in the Air (2009) HR consultant Ryan Bingham (George Clooney) spends so many days traveling for work he doesn't have time to adorn his drab apartment, much less commit to someone. Things look dire, until he meets another hopeless workaholic in an airport and the two turn their always-on condition into a positive, flirting long distance over the (once-revolutionary) BlackBerry Messenger.

Set It Up (2018) Overworked, ambitious assistants Harper and Charlie (Zoey Deutch and Glen Powell) reach a breaking point as long hours and weekend work threaten their personal lives. The two conspire to hook up their bosses, drafting romantic chats in hopes that an upper-management liaison might distract the bosses from torturing the dutiful assistants. —Paul Schrot

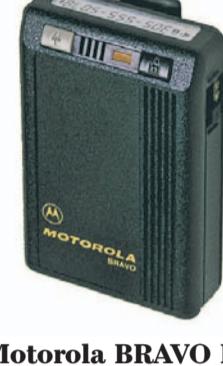


I'M ALWAYS ON IT! /

A HISTORY OF TECH'S INVASION OF PRIVATE LIFE

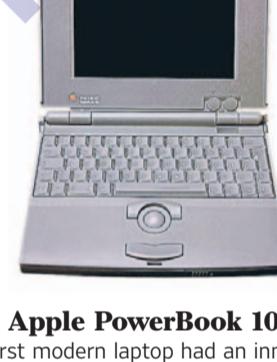
1984 Motorola DynaTAC

Costing a cool \$3,995 upon its release, the first commercial cellphone—dubbed the "Brick"—weighed 2.5 pounds, lasted 30 minutes on a 10-hour charge and couldn't order Seamless. But it made us accessible on the road, transforming work interactions.



1986 Motorola BRAVO Pager

Beeper had existed more than 60 years by the mid-80s, but most were short range for emergency services. Motorola's Bravo popularized long-distance paging among eager professionals and by 1994 more than 61 million devices chimed insistently world-wide.



1991 Apple PowerBook 100

The first modern laptop had an innovative trackball mouse and slid the keyboard up to the screen, giving traveling businesspeople a place to rest their wrists while punching out spreadsheets. The PowerBook series earned over \$8 billion in revenue through 1992.



1997 AOL Instant Messenger

AIM helped millennials learn to type and effectively created the way we all "chat" today, popularizing emojis and modern shorthand (lol). Users created profiles, curated buddy lists and set away messages. It was social media and text in one.



2002 BlackBerry Phones

After innovating pagers, RIM released its first smartphone, nicknamed "Crackberry" due to its addictive nature. Sure, you could make calls or text on its QWERTY keyboard but most important was the arrival of push email. Family dinners were never the same.



2009 Smartphone Notifications

Email, text, chat, news, voice mail, Twitter, Facebook and Instagram, Fantasy-Football trash talk, all blinking your phone awake. It's hard to remember what boardroom meetings were like before Apple first pushed out iPhone notifications.

GEAR & GADGETS



RETROFITTED ROADSTER
The Zero runs 0-62 mph in 5.5 seconds, 18% quicker than its gas-burning ancestor.

JAGUAR
RUMBLE SEAT / DAN NEIL

Jaguar Goes Electric: Can You Improve on an Icon?

THE HOTTEST TICKET of Monterey's classic-car weekend in August is an event called, in all seriousness, "The Quail, A Motorsports Gathering." Hundreds of rare historic cars on emerald-green fairways, gourmet-food tents, corporate sponsors, helicopter rides. In Carmel Valley, Calif., they call it Friday.

It's also the annual roosting of the species *obnoxious millionarius*. So there I was, having a chat with Jaguar Land Rover Classic Works director Tim Hannig, when he was accosted by this old blowhard in aviator sunglasses. This dude began by listing—no, orating—his C-Types and D-Types and E-Types, starting back in high school.

"What's this?" the stranger demanded, pointing to a car on the stand. This, Mr. Hannig engaged politely, is a Jaguar E-Type Zero: a 1968 E-Type Series 1.5 roadster sympathetically converted by the factory to an electric car. Under that famous louvered hood is a 40-kWh battery pack sized to fit the space vacated by the 4.2-liter inline six. In the space where the four-speed Moss gearbox used to live is a compact 295-hp, 332-lb-ft AC electric motor (the voltage inverter is in the back, in the previous spare-tire well). A single reduction gear drives a prop shaft to the

E-Type's original differential.

Mr. Hannig noted that clients can either buy a Zero fresh from the factory—the new JLR Classic Works facility in Coventry, Warwickshire—for about \$375,000; or owners can retrofit their own pristine examples, starting at a mere \$75,000.

"Why the f--- would you want to do that?" the man scoffed. Mr.

Hannig smiled. He had prepared for blowback. Of course, he too loves petrol power and the roar of classic Jags, he said, but times are changing, especially in Europe. He asked his loutish interlocutor to consider that within a generation it may be illegal to drive any internal-combustion vehicle in European city centers—bans applying first to older vehicles, irrespective of their collectible status.

The Zero is the first step in a program to future-proof classic Jags and Jag collectors against such tailpipe bans. In theory, this tech could be used to retrofit any vintage Jaguar powered by an inline-six engine, including '50s-era stunners like Mark II saloons and XK120's.

Holy hell. Elderly Tom Cruise was not listening, but I definitely was.

The Zero is visionary, and that vision is about keeping beautiful cars on the road in a post-petroleum world. Setting aside tailpipe

bans, the problem is that automobiles were never designed to last the centuries. They are made of materials—glass, rubber, steel, paper gaskets, IC circuits—that decay, erode, corrode, and die from disuse. Especially the engine. Remember the Alfa Romeo Club's motto: "If you start them occasionally, they occasionally start."

And who's going to replace that head gasket or balance those triple carbs a century hence? Go ahead, Google "blacksmiths in my area."

The Zero resto-mod process re-

tains the original double-wishbone front suspension, unassisted rack-and-pinion steering, and hydraulic disc brakes, including the rear in-board brakes. Surprisingly, the car's tubular front subframe required little extra bracing. The Zero weighs the same as the donor E-Type (about 2,900 pounds) and retains the 50/50 weight distribution.

But with the 30-something bump in horsepower and extra 50 lb-ft of torque, the Zero is quicker off the line: 0 to 62 mph in 5.5 seconds, besting a stock E-Type by

about a second. The original E-Type was, famously, the fastest production car of its time, with a top speed of 150 mph; but in the interests of increased range, the Zero is limited to 125 mph.

The most astonishing part of the E-Type Zero program? The process is reversible. Classic Works will pull the donor car's engine and transmission, ignition, exhaust and fuel system, crate it all up and store it, thereby effectively preserving even the exhaust note. When it comes time for the owner to sell it, he or she can either restore the car to original or simply sell it along with the crate of spares.

The E-Type Zero is visionary, and the vision is about keeping classic cars on the road in a post-petroleum world.

Jaguar took me to a hangar in Monterey to meet the E-Type Zero, painted a swimming metallic bronze and fettled to a straightness that is itself wildly anachronistic. This particular car, then in opalescent blue, had its star turn at the wedding of Prince Harry and Meghan Markle, to bring attention to the Palace's commitment to fight urban air pollution.

From a distance the Zero is indistinguishable from any other concours-quality, drop-dead gorgeous Series 1.5 roadster (with the covered headlamps), except for the absence of the low-slung dual exhaust pipes. Without this metal underbrush, the roadster's fuselage is even tapered and torpedo-like.

This first Zero had been fitted with a dial-mimicking LCD screen instrument panel, as well as a center touch screen. Mr. Hannig said his people could, with some effort, re-use a car's original Smith tach and speedo, as well as the machine-turned dash of the Series I models.

The Zero's mahogany-rim steering wheel is also a bit smaller than original, a fact that came through when I tried to crank the steering at low speed. Oof.

Other vintage feedback included the rangy brake pedal, the stiff-legged wobble over rough pavement at slow speed, the outrageous view behind that outrageous hood. All that's the same.

Behold, the world's most beautiful electric vehicle, as if that weren't a low bar to clear.



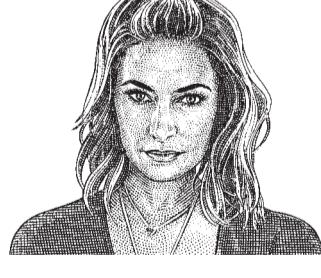
1968 JAGUAR E-TYPE ZERO

Price \$375,000 (est)
Powetrain All-electric, rear-drive; front-mounted air-cooled 40 kWh lithium battery pack; mid-mounted AC synchronous traction motor; single-speed reduction gear; open rear differential
Power/Torque 282 hp/332 lb-ft
Length/Width/Height/Wheelbase 175.3/65.3/46.5/96.0 inches
Weight 2,900 pounds
0-62 mph 5.5 seconds
All-Electric Range 170 miles (est)
Recharge Time 6-7 hours at 240V

MY TECH ESSENTIALS

Mädchen Amick

The fiery mom from 'Riverdale,' set to return Oct. 10, on her love of vintage trucks, thumping tunes and big screens



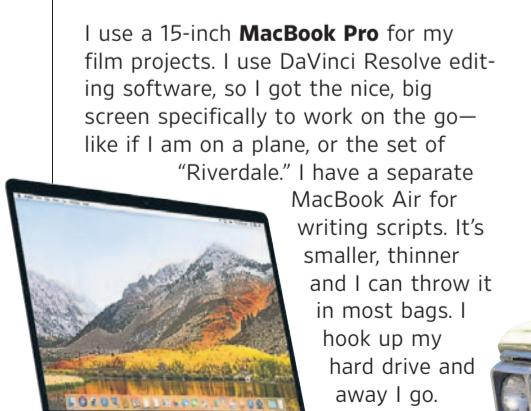
WhatsApp is great for communicating when you travel. I discovered when I was on a publicity tour in Paris and in London for a festival that WhatsApp is universal. I use it for texting as much as I can.



I have a Spotify playlist going all the time. Since I'm constantly listening to it I'm always adding to it or changing the lineup. Right now it has Kendrick Lamar and Frank Ocean on repeat. If I'm in my trailer on set or when I'm at home, I usually sync it to my **Samsung Soundbar**. It has a really great subwoofer that helps get the bass pumping.



The Tesse Café and Bakery at Fred Segal is one of my favorite eateries. But it's one of those spots I don't think I'd ever get up and go to. Luckily, thanks to **Postmates**, you can get the best food in L.A. and it just shows up at your doorstep so quickly. You feel like a queen. There's an almond salad that's my go-to order.



I use a 15-inch **MacBook Pro** for my film projects. I use DaVinci Resolve editing software, so I got the nice, big screen specifically to work on the go—like if I am on a plane, or the set of "Riverdale." I have a separate MacBook Air for writing scripts. It's smaller, thinner and I can throw it in most bags. I hook up my hard drive and away I go.

I bought an **iPhone 8 Plus** because of its nice big screen. I can easily pull up a script if I need to see the latest revisions for "Riverdale" right before we film.



I love keeping my **vintage trucks** (similar vehicle shown) as original as possible including the engine, the interior—everything down to the knobs and windows. The one thing I will always put in is a state-of-the-art Pioneer stereo system. But I still keep the look of the old radio face.

—Edited from an interview by Haley Velasco