

THE WALL STREET JOURNAL.

DOW JONES | News Corp

FRIDAY - SUNDAY, SEPTEMBER 15 - 17, 2017 - VOL. XLII NO. 11

WSJ.com

ASIA EDITION

What's News

Business & Finance

The BOE signaled that officials are preparing to raise interest rates within months to restrain accelerating inflation, a sign that its ultraloose monetary policy is slowly drawing to a close. A1

♦ Lotte Group plans to sell stores in China after heavy losses brought on by diplomatic tensions between Seoul and Beijing. B1

♦ Volkswagen and its Chinese joint-venture partners are recalling 4.86 million vehicles in China to replace faulty Takata air bags. B1

♦ Equifax said criminals exploited web-server software in the data breach that affected potentially 143 million Americans. B5

♦ A widening political scandal in South Africa is engulfing international firms that have worked with a business family with close ties to President Zuma. B1

♦ Questions are surfacing over how antitrust authorities will treat the tie-up between United Technologies and Rockwell Collins. B3

♦ Canadian regulators are questioning whether trading in the stock of cannabis companies with U.S. operations violates U.S. law. B5

♦ Trump blocked a Beijing-backed fund's attempt to buy a U.S. chip maker. B4

♦ Samsung Electronics created a \$300 million fund targeting new investments for automotive software and technology. B4

World-Wide

♦ Trump said he and congressional leaders were close to an agreement to give legal status to undocumented immigrants brought to the U.S. as children. A1

♦ The paucity of insurance adjusters in Florida could delay the state's rebuilding efforts post Irma. A1

♦ Florida's economy is suffering after the storm hit citrus groves and shut down beach hotels and restaurants. A5

♦ Trump said the emerging Republican tax proposal won't cut taxes for the wealthy; they may go up. A5

♦ Islamic State militants have reached their destination in eastern Syria, after the U.S.-led coalition heeded Russia's request to cease airstrikes on the convoy's route. A3

♦ Russia formally kicked off military exercises in the Baltic region that have sparked months of Western warnings. A3

♦ The Kremlin said it sent Trump's administration a plan aimed at restoring ties between Moscow and Washington, but the U.S. didn't respond in kind. A3

♦ Saudi Arabia is stamping out traces of internal dissent in a campaign targeting influential clerics and liberal thinkers. A4

♦ The EU is pursuing free-trade agreements to negotiate with Australia and New Zealand. A4

CONTENTS Markets B8
Books A7-9 Off Duty W1-8
Business News B3 Opinion A10-11
Crossword A12 Technology B4
Heard on Street B8 U.S. News A5
Life & Arts A12 Weather A12
Mansion W9-16 World News A2-4

China: RMB28.00; Hong Kong: HK\$23.00;
Indonesia: Rp25,000 (incl PPN);
Japan: Yen620 (incl JCT); Korea: Won4,000;
Malaysia: RM750; Singapore: \$5.00 (incl GST)

KDN PP 9315/10/2012 (031275); MCI (P)
NO. 066/01/2017; SK MENPEN RI NO. 01/
SK/MENPEN/SCJ/1998 TGL 4 SEPT 1998

ISSN 03779920 4.20.1.1
9 770377992000

© Copyright 2017 Dow Jones & Company. All Rights Reserved

As of 12 p.m. ET DJIA 22169.28 ▲ 0.05% NIKKEI 19807.44 ▼ 0.29% STOXX 600 381.79 ▲ 0.12% BRENT 55.69 ▲ 0.96% GOLD 1324.00 ▲ 0.05% EURO 1.1879 ▼ 0.05% DLR \$110.70 ▲ 0.19%

Trump: Deal on 'Dreamers' Close

President says there is progress on protecting immigrants; says the wall 'will come later'

By LAURA MECKLER AND KRISTINA PETERSON

WASHINGTON—President Donald Trump said Thursday that he and congressional leaders were "fairly close" to an agreement to give legal status to undocumented immigrants brought to the U.S. as children, saying the protec-

tions would be paired with "massive border security" but not funding for a wall on the U.S.-Mexico border.

"We're working on a plan, subject to getting massive border controls," he said at the White House before departing on a trip to Florida. "The wall will come later."

The president's comments followed a White House dinner Wednesday with the top two congressional Democrats, who said afterward that they had reached the outlines of an agreement. Democrats strongly oppose the wall but aren't gen-

erally against additional border security measures.

Speaking to reporters and in a series of Twitter posts on Thursday, the GOP president repeated his desire to aid young illegal immigrants who are currently protected by the Deferred Action for Childhood Arrivals program, which last week he moved to end.

"Does anybody really want to throw out good, educated and accomplished young people who have jobs, some serving in the military? Really?" Mr. Trump wrote on Twitter. "They have been in our coun-

try for many years through no fault of their own - brought in by parents at young age. Plus BIG border security."

Later, after landing in Florida to view hurricane damage, Mr. Trump said the wall funding doesn't have to be part of this agreement, but that Democrats cannot obstruct the project later on. "If there's not a wall, we're doing nothing," he said.

Democrats have said they made it clear that they will continue to oppose the wall.

Mr. Trump also said in Florida that "we're not looking at

"citizenship" for the young undocumented immigrants. But Rep. Nancy Pelosi of California, the House Democratic leader, said their discussion with Mr. Trump involved taking action on the Dream Act, which provides a path to citizenship for this group.

Rep. Mark Meadows (R., N.C.), chairman of the House Freedom Caucus, a group of conservative lawmakers, suggested the most problematic part of a deal could be providing the young immigrants a path to citizenship.

Please see TRUMP page A2

Dozens Killed in Iraq in Islamic State Attack



AFTERMATH: More than 50 people were killed as Islamic State gunmen stormed a restaurant after blowing up a car bomb outside. A4

BOE Sees Rate Rise Within Months

By JASON DOUGLAS AND PAUL HANNON

LONDON—The Bank of England signaled Thursday that officials are preparing to raise interest rates within months to restrain accelerating inflation, a fresh sign that a decade-long era of ultraloose central-bank policy is slowly drawing to a close.

The BOE's step toward tighter monetary policy comes as the Federal Reserve is poised to start the process of reducing its \$4.5 trillion in securities holdings, while the European Central Bank is likely to announce plans next month for phasing out its bond-buying program amid a buoyant eurozone economy.

If all three deliver, it would be the first time since before the financial crisis that they have moved together to withdraw stimulus measures.

The BOE held its benchmark interest rate steady at 0.25% following its September policy meeting, but the rate-setting Monetary Policy Committee said in a statement that a majority of officials on the nine-member panel believe borrowing costs soon will need to rise to bring annual inflation back to its 2% goal.

Such a move, which would mark the first interest-rate increase in the U.K. in almost a decade, is likely "over the coming months," the panel said, if the economy performs broadly in line with officials' expectations.

Sterling rallied 1.2% against both the dollar and euro, climbing to \$1.336 and €1.124, respectively.

Please see RATES page A2

♦ Swiss central bank tweaks view on value of franc..... B8

♦ Heard on the Street: BOE's talk of rate rise may be real..... B8

THE CONTRACTOR'S LIFE: GROUND DOWN AND STUCK

For millions of Americans who work as contractors, real careers are out of reach

By LAUREN WEBER

Michael Preiss was happy to escape the corporate grind after being laid off by International Business Machines Corp. in 2001. He became a contractor, earning more than \$100,000 a year from steady assignments helping companies figure out how to do things faster and cheaper.

That work eventually dried up. The past decade has been a revolving door of outsourced jobs for shrinking pay, fear that any day at a company could be his last, and reminders that full-time

employees live in a different world, even though they often sit at the next desk. Mr. Preiss says one manager reprimanded him because co-workers complained that he laughed too loudly.

"My career is shot," says Mr. Preiss, 59 years old, who lives in Atlanta.

"There just is no career anymore."

Millions of contractors now do heavy lifting, paper pushing and other jobs for American companies that have replaced employees with outside workers. Within the next four years, nearly half of the private-sector workforce in the U.S. will have spent at least some time

as a contractor, temporary employee or other type of outside job, estimates MBO Partners, a provider of support services to self-employed professionals.

The contractor model offers compa-

nies lower costs, more flexibility and fewer management headaches. Workers get far less from the arrangement.

Interviews with dozens of current and former contractors, as well as more than 150 responses to a Wall Street Journal survey, reveal costs that hit home in every paycheck—and every day on the job.

Please see WORK page A6

Dearth of Adjusters Stalls Florida Efforts

By LESLIE SCISM AND NICOLE FRIEDMAN

After Irma, Florida residents are lacking in many necessities. One of the more frustrating is the paucity of insurance adjusters, which is threatening to anger policyholders and potentially delay the state's rebuilding efforts.

Many of the state's adjusters are 1,000 miles away,

working on claims made after Hurricane Harvey hit Texas.

Insurers are scrambling to get more adjusters to Florida, creating a bidding war for those who are available. Some Florida home insurers have increased fees paid to adjusters by about 30%, insurers and adjusters say.

Citizens Property Insurance Corp., a state-run insurer of last resort, has boosted adjuster

Please see IRMA page A5

EU Launches Free-Trade Offensive

The European Union is seeking to slash tariffs and boost commerce with some of its top trading partners, tapping a leadership vacuum in the wake of protectionist U.S. policies. A4

TRADE PARTNER	START OF NEGOTIATIONS	ANNUAL VALUE OF TRADE WITH EU in billions of euros	SHARE OF EU TRADE
Japan	2013	€125	3.6%
Mercosur*	2000	85	2.5
Mexico	2016	54	1.6
Singapore	2010	51	1.5
Australia	Pending	46	1.3
Vietnam	2012	42	1.2
New Zealand	Pending	8	0.2

*South American trade bloc Note: €1=\$1.19 Sources: European Commission; Eurostat

THE WALL STREET JOURNAL.

INSIDE

WSJ. MAGAZINE

JARED LETO



Who's Hacking Your Phone to Track You? Your Kids

* * *

Cheeky children use tracking apps to turn the tables on parents

By KATHERINE BINDLEY

It was the anticipation of nagging that led Christy Spitler to spy on her parents.

The 21-year-old University of Alabama senior was home on break in Maryville, Tenn., when her parents left for a July weekend, telling her to keep the house clean.

Instead, "I left dishes out, and I would just leave my

clothes on the floor," she says.

No worries—she was tracking her parents on an iPhone app that showed their whereabouts on a map. An hour before the app suggested they would return, she vacuumed, did the dishes and mopped.

Otherwise, "I really just sat



Find My Friends

around and watched Netflix and YouTube the whole weekend."

Parents have always snooped on their children, and smartphones have given them a new way to do it. A Pew Research Center survey published last year found 16% of parents of chil-

Please see TRACK page A6

WORLD NEWS

A Thawing in Uzbekistan After Dark Decades



MIDDLE EAST CROSSROADS

By Yaroslav Trofimov

TASHKENT, Uzbekistan—Step after tentative step, Uzbekistan—one of the world's most closed societies—is beginning to open up.

The most populous post-Soviet nation in Central Asia had become increasingly repressive during the quarter-

century rule of President Islam Karimov, who died a year ago. Freedom House, which ranks countries by political rights and civil liberties, has consistently put Uzbekistan among the planet's five worst offenders, alongside North Korea.

In the year since Shavkat Mirziyoyev became president, a thaw of sorts has begun in Uzbekistan, a regional heavyweight that now says it seeks to improve ties with the U.S. and help Washington in neighboring Afghanistan.

The government in recent months freed several high-profile political prisoners, and removed some 16,000 other Uzbeks from a "black list" of people barred from jobs or



Under President Shavkat Mirziyoyev, Uzbekistan is still far from democratic but change has begun.

VACHELSV OSELEKO/AGENCE FRANCE PRESSE/GETTY IMAGES

travel. The once-soporific Uzbek media was allowed to explore some topics previously considered taboo.

On the economic front, Uzbekistan this month floated its currency, among other changes. In a personnel purge, a cadre of young technocrats—many educated in the West—have pushed out Soviet holdovers in key ministries.

In foreign policy, Uzbekistan has moved to repair hostile relations with its Central Asian neighbors, opening borders that had been closed for more than a decade and urging closer cooperation and trade.

"After the first year of the

new presidency, you are visiting what is to some degree a different country," Foreign Minister Abdulaziz Kamilov said. "We are discussing our problems today, and that makes us stronger."

Uzbekistan is far from being a democracy, and the changes carried out so far are neither systemic nor irreversible.

Still, the mood has shifted in the capital, Tashkent. "This is a real moment of hope for the human rights of the Uzbek people," said Steve Swerdlow, Central Asia researcher for Human Rights Watch, which

was allowed to visit Uzbekistan this month for the first time since being expelled in 2010. "The key is for the Uzbek government to transform the modest steps it has taken thus far into institutional change and sustainable improvements."

Bakhtiyor Nishanov, deputy director for Eurasia at the International Republican Institute and author of a Freedom House report on changes in Uzbekistan, had a similar view.

"There is no denying that there are good things happening in Uzbekistan," he said. "But it's too early to talk about full-scale reform."

So far, Uzbekistan is managing to reverse parts of Mr. Karimov's legacy while erecting opulent monuments to the late president. Mr. Kamilov, the foreign minister, said the issue of respect for Mr. Karimov is kept separate from state policies.

"It can't be the case that when a leader is in power, everyone is worshiping him and after that they want...to disparage him, as if we hadn't been next to him in the past and hadn't participated in those failed reforms," Mr. Kamilov said.

One of the hallmarks of Mr. Karimov's Uzbekistan was harsh control over religious expression. The Muslim nation of about 30 million people faced a strong Islamist movement as the Soviet Union collapsed, and the bloody quelling of Islamist protests in 2005 led to a breakdown in ties with the West.

Over the past year, however, religious freedom has greatly expanded, said Usmonkhon Alimov, the mufti, or supreme Islamic religious authority, of Uzbekistan.

The winnowing of the "black list," from 17,582 to 1,352 people, was by far the new government's most important achievement, Mr. Alimov added: "The biggest thing that makes all Muslims happy is that the people on the black list have returned to their families and are no longer outside the society. This has united the people of Uzbekistan and has increased their

trust in government."

Hamza Jumayev, a 37-year-old TV journalist, says he was taken off the list in July. He was arrested in 2009 for alleged membership in an Islamist group.

Even after he was freed in 2012, Mr. Jumayev was barred from steady jobs, and had to attend monthly interrogation sessions with local security authorities.

"My neighbors, even my relatives, would avoid me. I understand them: religious crime is a very grave offense, and if you got in touch with someone like me, police would become interested in why," Mr. Jumayev said.

In July, after his application for rehabilitation was fast-tracked, Mr. Jumayev wrote the "virtual reception room" that has processed about a million complaints online over the past year. Two weeks later, Mr. Jumayev says, he got a phone call from the state TV company where he worked before 2009, offering him his old job back.

Not all the changes have gone through. The removal of a Soviet-era legacy, exit visas for Uzbek citizens who want to travel abroad, has been delayed until 2019. Yet the government—aware of the Arab uprisings in 2011—understands the risk of perpetuating stagnation, said Sodiq Safoev, deputy head of the Senate.

"The reforms have a cost, but delaying the reforms would be costlier," he said.

TRUMP

Continued from Page One

"It's a problem for the majority of the Republican conference on citizenship," he said Thursday.

That dispute, in the end, may wind up more difficult to resolve than the question of wall funding. Dream Act supporters have said there is no reason to create a permanent second class of citizens, while opponents have said that citizenship is a step too far.

If a deal materializes, it would mark a significant moment for lawmakers who have been unable to agree on any immigration legislation for many years.

It would also mark a striking step on immigration for Mr. Trump. He promised a hard line against illegal migrants in last year's campaign and he ended last week the program created by his Democratic predecessor that gives about 690,000 young illegal migrants work authorization and protection from deportation. At the same time, he urged Congress to find a solution for those affected before the protections expire in six months.

Even if Mr. Trump reaches an agreement with Democrats, it will be up to Republican congressional leaders to bring it to the floor and sell it to their members. Mr. Trump said he had spoken with House

Speaker Paul Ryan (R., Wis.) and Senate Majority Leader Mitch McConnell (R., Ky.) and they were both "on board" with his plan.

On Thursday, Mr. McConnell said in a statement that the fate of the program's young immigrants should be part of a larger immigration debate. "We look forward to receiving the Trump administration's legislative proposal as we continue our work on these issues," he said.

Some immigration hard-liners in Congress voiced strong opposition.

Some Republicans welcomed what seems to be a bipartisan step forward.

"Before any reform occurs to our immigration system, the wall must be built to keep our promise, restore trust, and secure our borders. Nothing short of a physical wall will suffice," Rep. Andy Biggs (R., Ariz.) said.

Late Wednesday it appeared as if Sen. Chuck Schumer of New York, the chamber's Democratic leader, and Mrs. Pelosi were at odds with the White House. The pair said the framework had been reached, but Mr. Trump's aides said it hadn't.

Mr. Trump began Thursday

morning with a tweet saying that no deal had been reached. Then he said they were "fairly close" and described the agreement in the same terms the Democrats had.

Still to be negotiated are the details of which young people would qualify for the protections and what the border security package will look like.

Mrs. Pelosi and Mr. Schumer said Thursday morning that the border-security measures could include new technology, drones, air support, sensor equipment and rebuilt roads along the border. Mr. Trump said he wants "extreme security, not only surveillance but everything that goes with surveillance."

On Capitol Hill, several Republicans said they wanted to see details of what emerges.

"From what I've heard it sounds like a deal to make a deal," said Sen. John Cornyn (R., Texas). He said an agreement "has to start with border security and enforcing our immigration laws."

Others welcomed what appears to be a bipartisan step forward.

"The word agreement is a good thing around here, and we're not very used to that," said Rep. Jeff Fortenberry (R., Neb.). "We'll work out the details. We'll see where it ends up. But the country is exhausted politically, and sentiments about possibly getting things done are good."

Trump Makes Deal Priority Over Party

WASHINGTON—President Donald Trump's negotiation toward a second agreement with congressional Democrats in a week confirmed his willingness to partner with Democrats to push his legislative agenda and further muddled the political calculus on Capitol Hill.

The emerging immigration deal made clear that Mr. Trump prioritized legislative progress and momentum over party alliance. The new dynamic left congressional Republicans uncertain how Mr. Trump would act in the coming push to over-

haul the tax code, as well as the expected fight when the government's current funding expires in early December.

After an August recess marked by frequent barbs from Mr. Trump aimed at Republican lawmakers, Congress returned to Washington this month to find a president far more eager to work with Democrats after lambasting them as obstructionist earlier in the year. Since his return, the president has sided with the opposing party on a proposal to raise the government's borrowing limit for just three months, signaled he wants a bipartisan approach to tax reform and invited more than a dozen Democratic law-

makers to the White House just this week.

Still, Wednesday night's development marked less of an undermining of congressional GOP leaders than the previous week's accord, when Mr. Trump overrode the objections of his own Treasury secretary and a group of Republican leaders in a meeting in the Oval Office to strike the short-term deal on the debt limit.

Democrats have said their ability to unify their rank-and-file has helped boost their leverage in discussions with Mr. Trump. House Speaker Paul Ryan (R., Wis.) acknowledged that the intraparty divisions within the GOP have weakened his negotiating firepower. "Yeah, that does affect us," Mr. Ryan said in an interview with the Associated Press streamed live Wednesday.

The deal raises questions about the president's relationship with his conservative base. Some Trump supporters were already complaining that the president hadn't vowed to veto any bill that included "amnesty" for the so-called Dreamers.

"Unbelievable!" Rep. Steve King (R., Iowa) tweeted in reply to one of Mr. Trump's tweets on Wednesday night. "Amnesty is a pardon for immigration law breakers coupled with the reward of the objective of their crime."

—Kristina Peterson and Rebecca Ballhaus

RATES

Continued from Page One

U.K. 10-year gilt yields gained too, rising to 1.2% after the announcement from around 1.13% before.

Those movements suggest traders and investors were surprised by the BOE's statement, and now think a first

rise in the key rate since 2007 is a much more likely prospect in the near future.

"The first hike could come somewhat earlier than we had previously envisaged, possibly as soon as the next meeting in November alongside the Inflation Report," said Paul Hollingsworth, an analyst at Capital Economics, referring to a series of elections in the Netherlands, France and Germany that threatened but failed to yield gains for anti-euro na-

central bank.

Though the three major central banks are moving in a similar direction, they are doing so for different reasons.

The eurozone economy has grown more strongly than expected this year, shrugging off the uncertainty created by a series of elections in the Netherlands, France and Germany that threatened but failed to yield gains for anti-euro na-

tionalists. The ECB's economists now believe the eurozone economy is on course for its best year since 2007, reducing the need for support from policy makers. But it isn't all plain sailing, since inflation has yet to show signs of a sustained rise toward the central bank's target of just below 2%.

Fed officials, similarly, are looking out over an economy growing healthily but where inflation remains puzzlingly low.

The BOE's challenge is the opposite: Growth in the U.K. has slowed but inflation is accelerating, twin consequences of voters' decision last year to exit from the European Union.

Though it has made gains since the start of the year, the British pound remains down some 13% against the currencies of its main trading partners from where it was before the Brexit referendum. Sterling's slide has fueled a surge in consumer prices in Britain's import-dependent economy; annual inflation hit 2.9% in August, well in excess of the BOE's 2% target.

Officials had believed the inflation gains would fade, allowing them to hold borrowing costs low to support an economy slowing as consumers cut back spending and businesses hold off invest-

ment. But in recent months they have become increasingly concerned that subdued investment and feeble productivity growth are hurting the economy's capacity to produce goods and services without causing inflation.

BOE Gov. Mark Carney warned last month that this supply-side squeeze means interest rates may have to rise sooner than investors then expected. At the time, investors doubted the BOE would raise interest rates this year or next.

Officials repeated that warning Thursday—even though market expectations now place a rate increase around the middle of 2018.

CORRECTIONS & AMPLIFICATIONS

Tan Cheng Bock was a member of Singapore's parliament for the ruling People's Action Party. A World News article Thursday about Singapore's new president incorrectly said he was a government minister.

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

THE WALL STREET JOURNAL.
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road,
Hong Kong
Tel: 852 2573 7121 Fax 852 2834 5291

Andrew Dowell, Asia Editor
Troy McCullough, Senior News Editor, Asia
Darren Everson, International Editions Editor

Hugo Restall, Editorial Page Editor
Mark Rogers, Advertising Sales
Ben Mackness, Circulation Sales
Toby Doman, Communications
Simon Wan, Technology

Jonathan Wright,
Global Managing Director & Publisher

Advertising through Dow Jones Advertising Sales: Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 269-2701; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176.
Or email: MarkRogers@wsj.com

Printers Hong Kong: Euron Limited, 2/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, Hong Kong; Indonesia: PT Gramedia Pratama, Jl. Palmerah Selatan 22-28, Jakarta 10270; Japan: Mainichi Newspapers Co., Ltd., 1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100-8051; Korea: JoongAng Ilbo, 100 Seosomun-ro, Jung-gu, Seoul, 100-814; Publisher/Printer: Sompil-PH-Malaysia-Dasar Cetak (M) Sdn Bhd, Lot 2, Jalan Sepana 15/3, Off Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor, ROC No: 0488856; Singapore: Singapore Press Holdings Limited, 2 Jurieng Port Road SPH Print Centre Singapore 619088

Trademarks appearing herein are used under license from Dow Jones & Co. ©2017 Dow Jones & Company, All rights reserved. USPS 337-350; ISSN 0377-9920

NEED ASSISTANCE WITH YOUR SUBSCRIPTION?

By web: <http://wsj-asia.com>
By email: service@wsj-asia.com
By phone: Hong Kong: 800 901 216; Australia: 0011 800 322 8482; China: 400 991 1174; India: 000 800 440 1938; Indonesia: +62 21 2970 2702; Japan: 0120 779 866; Korea: 030 844 0063; Malaysia: 1800 804 612; New Zealand: 0800 442 434; Philippines: 1800 144 0033; Singapore: 1800 823 2042; Taiwan: 00801 444 141; Thailand: 001800 441 8323

WORLD NEWS

ISIS Convoy Reaches Militant-Held Syria

The U.S.-led coalition had ceased airstrikes on the jihadists at Russia's request

BY RAJA ABDULRAHIM
AND BEN KESLING

BEIRUT—Islamic State militants stranded in the Syrian desert for two weeks have reached their destination in eastern Syria, opposition activists said, after the U.S.-led coalition heeded Russia's request to cease airstrikes on the convoy's route.

The convoy of buses traveled across Syria as part of a controversial deal brokered in August by the Lebanese militia group Hezbollah that allowed 600 people—Islamic State fighters and their families—to withdraw from the Lebanese border in southwestern Syria and head toward its border with Iraq.

The convoy was able to reach Deir Ezzour province, an Islamic State-held area in eastern Syria, after the coalition ended its aerial surveillance and airstrikes on the group, according to the U.K.-based Syrian Observatory for Human Rights, which has a network of activists across the country.

Col. Ryan Dillon, spokesman for the U.S.-led coalition in Iraq and Syria, said Thursday morning he couldn't confirm that



Buses and ambulances prepared in August to carry 600 Islamic State fighters and their families from Lebanon to Deir Ezzour, Syria.

fight against the group.

"It presented an opportunity for the coalition to strike and remove several ISIS fighters and resources from the battlefield," said coalition spokesman U.S. Army Col. Ryan Dillon.

Deir Ezzour is one of Islamic State's last strongholds, but faces separate offensives by Syrian regime forces and the U.S.-backed Syrian Democratic Forces.

The deal to allow the convoy safe passage was reached after the Lebanese army and Syrian regime forces backed by Hezbollah launched simultaneous offensives to clear Islamic State from a mountainous Lebanese area bordering Syria. In return, Islamic State provided information on the remains of eight Lebanese soldiers who had been kidnapped in 2014 and handed over the bodies of two Hezbollah fighters and an Iranian military adviser.

One Hezbollah prisoner who remained with the convoy as insurance for its safe passage was released once it reached Islamic State-controlled territory, according to the Observatory.

The deal was criticized by both the U.S.-led coalition and Iraqi Prime Minister Haider al-Abadi, who called it "an insult to the Iraqi people."

"We are fighting terrorism in Iraq and we are killing them in Iraq. We don't send them to Syria," he said.

the buses reached their final destination and said that the coalition hadn't had persistent surveillance of them for days.

The U.S. had been preventing Islamic State convoy from moving toward the Iraqi border by bombing roadways and using aircraft to attack fighters who attempted to move forward. But it set aside those efforts and withdrew U.S. aircraft from the area last week at the request of Russian officials who

cited a "deconfliction" agreement between Moscow and Washington, Pentagon officials said in a statement at the time.

The Russian officials said their planes were involved in operations against Islamic State in Deir Ezzour, Pentagon officials said in a statement. At the same time, fighters described as pro-Syrian regime forces advanced past the Islamic State convoy. Pentagon officials said they would con-

tinue to take steps to prevent Islamic State fighters from moving toward Iraq, but haven't specified how they intend to stop them.

"From the start of this situation on Aug. 29, we have placed responsibility for the buses and passengers on the Syrian regime, who in conjunction with Lebanese Hezbollah, brokered a deal with ISIS to move its terrorists into Iraq," Brig. Gen. Jon Braga, director of opera-

tions for the U.S. coalition, said in a statement.

Previously, the coalition had criticized the deal, launching airstrikes that cratered a road and destroyed a bridge, preventing the convoy from continuing its journey.

The coalition then targeted Islamic State fighters trying to reach the convoy to assist it, striking 85 militants and more than 40 vehicles—describing it as an unexpected boon in the

mission for the U.S. coalition, said in a statement.

Previously, the coalition had criticized the deal, launching airstrikes that cratered a road and destroyed a bridge, preventing the convoy from continuing its journey.

The coalition then targeted Islamic State fighters trying to reach the convoy to assist it, striking 85 militants and more than 40 vehicles—describing it as an unexpected boon in the

Russia Kicks Off War Games as West Watches

BY JULIAN E. BARNES
AND THOMAS GROVE

volved will be between 70,000 and 100,000.

Russia says the training exercise is meant to prepare the armed forces to deal with terrorist threats, but military analysts say the operation is being carried out with NATO in mind. The alliance and U.S. officials have warned of the

possibility of an accident or miscalculation by Russian forces.

One of Russia's premier tank units received its first orders to deploy to Belarus while supplies are transported westward by train, the Defense Ministry said.

Paratroopers in Russia's

west have also started preparations to fly to the training grounds, and Russia's air force carried out more than 20 flights to test antiaircraft tracking systems, the military said in a statement.

The NATO surveillance plane was meant to "show the flag," one officer said, and its

mission was expected to be shorter than the typical 12 hours.

The weather was predicted to be difficult, with strong winds and rain, and NATO officers said that could tamp down the number of Russian planes in the air.

NATO's Awacs are equipped with a powerful radar that can detect planes flying up to 400 kilometers away (250 miles), giving the planes the ability to see Russian aircraft operating in Russian territory and if any approach the borders of Lithuania, Latvia or Estonia.

The Awacs planes also communicate with NATO jet fighters, alerting them to the presence of Russian aircraft and sharing the radar picture.

In advance of the Zapad exercises, NATO boosted the number of jet fighters conducting the air policing mission. The U.S. sent seven F-15 fighters to replace four Polish F-16s in Lithuania. In Estonia, Belgium is flying air policing missions.



Belarusian army vehicles on Monday preparing for war games at an undisclosed location in Belarus.

Kremlin Claims Plan for U.S. Ties

BY THOMAS GROVE

MOSCOW—The Kremlin said it had sent President Donald Trump's administration a plan this year aimed at restoring ties between Moscow and Washington, but it said the U.S. didn't respond in kind to its overtures.

Kremlin spokesman Dmitry Peskov said proposals to reopen diplomatic and military channels "were handed over to the American side in various formats."

"Moscow has consistently advocated for a renewal of dialogue, for an exchange of opinions and an attempt to look for joint solutions," Mr. Peskov said. "But unfortunately, we weren't met with reciprocity here."

Mr. Peskov was asked about proposals to re-establish military and intelligence contacts that were contained in a document and sent to the Trump administration, as BuzzFeed first reported on Tuesday. The document, reportedly sent in March, included specific meetings and deadlines to advance a series of

initiatives meant to boost trade and even establish joint working groups on cybersecurity and counterterrorism.

The National Security Council wouldn't confirm or deny the report of a Russian communiqué.

"This administration came into office hoping to be able to improve relations between the U.S. and Russia and it's unfortunate that that hasn't been able to happen," an administration official said.

Early in his presidency, Mr. Trump lauded the prospect of better relations with Russia. Ties sagged to a post-Cold War low during former President Barack Obama's administration, after Russia's annexation of Crimea.

U.S. Expected to Renew Iran Sanctions Waiver

President Donald Trump on Thursday is expected to extend sanctions relief to Iran, U.S. officials said, retaining for now the U.S. commitment to the landmark 2015 nuclear agreement, whose fate nonetheless remains uncertain.

and extend U.S. sanctions relief, he also is nearing another deadline in October to certify to Congress that Iran is in compliance with the terms of the nuclear deal.

Mr. Trump, a severe critic of the nuclear agreement, has twice informed Congress that Iran is meeting its obligations under the deal, but told The Wall Street Journal in July he doesn't expect to certify in October that Tehran is in compliance. He has been briefed on various options, including certifying Iran's compliance and several ways not to.

U.S. officials said a final decision on the certification due in October hasn't been made and that it is unclear what the

president will do. The administration has been conducting a review of its Iran policy that is still under way.

Under the 2015 nuclear deal, Iran agreed with the U.S. and five other powers to curtail its nuclear activities in exchange

As it weighs its options in Washington, the Trump administration also is exploring ways to address its concerns about the accord with European allies. Washington wants tougher inspections of Iranian sites, and wants to address concerns

focus of meetings on the sidelines of next week's gathering of world leaders for the annual United Nations General Assembly meeting. Issues related to Iran also came up during a visit by Secretary of State Rex Tillerson to London on Thursday.

A spokesman for U.K. Prime Minister Theresa May said she discussed Iran in a bilateral meeting with Mr. Tillerson Thursday morning and that Ms. May reaffirmed her commitment to the deal. Mr. Tillerson is also meeting with British and French officials on North Korea and is later attending a meeting on Libya.

—Jenny Gross in London contributed to this article.

for sanctions relief. The United Nations nuclear watchdog, which is in charge of inspecting Iranian activities, said again Monday that Iran is abiding by the agreement.

over Iran's continued missile tests and over the expiration over the next decade of limits on Iran's nuclear activities.

Discussions about the terms of the deal are expected to be a

Flynn Said to Have Pushed For-Profit Deal as Trump Aide

BY CHRISTOPHER S. STEWART
AND ROB BARRY

As President Donald Trump's national security adviser, retired Lt. Gen. Mike Flynn promoted a controversial private-sector nuclear-power project in the Middle East that once involved Russian companies, according to former security council staffers and others familiar with the effort.

While working at the White House, Mr. Flynn advocated for a group of former senior U.S. military officers with whom he had worked while in the private sector. The project, which the ex-military officers were helping

promote on behalf of several U.S. companies, envisions building and operating dozens of nuclear plants in Saudi Arabia and across the Middle East, the people familiar with it said.

The construction project was valued at hundreds of billions of dollars and described as a Marshall Plan for the region, according to the people familiar with it. Mr. Flynn, as a private citizen before entering the White House, had advised U.S. companies that aimed to provide security for the project.

White House disclosure forms show Mr. Flynn's year-and-a-half-long work on the project ended in December

2016, but he remained involved once he joined the administration in January, discussing the plan and directing his National Security Council staff to meet with the companies, the former staffers said. A lawyer for Mr. Flynn declined to comment, as did a White House spokeswoman. The activity continued even after NSC ethics advisers directed Mr. Flynn to remove himself from the project, former and current officials said.

During his brief tenure in office, Mr. Flynn sought to meet with the former military officers, an administration official said. While the official confirmed a meeting between the

former officers and NSC staff did occur, Mr. Flynn "was instructed that it would be inappropriate for him to attend and he did not attend."

Congressional investigators are examining details of Mr. Flynn's relations with companies involved in the plan after he joined the administration, as well as any previous travel.

Mr. Flynn was forced to resign in February for failing to disclose his conversations with Russia's ambassador about U.S. sanctions and is under investigation by special counsel Robert Mueller, who declined to comment. Mr. Flynn's lawyer hasn't commented on the Russia probe.



Former national security adviser Mike Flynn resigned in February.

WORLD NEWS



Saudi soccer fans held up pictures of King Salman and Crown Prince Mohammed bin Salman at a World Cup qualifier this month.

Saudi Prince Firms Power

By MARGHERITA STANCATI
AND SUMMER SAID

Saudi Arabia is stamping out traces of internal dissent in a far-reaching campaign targeting influential clerics, liberal thinkers and even princes as Crown Prince Mohammed bin Salman moves to consolidate power ahead of his expected accession to the throne.

In the past week, Saudi authorities have detained more than 30 people, roughly half of them clerics, according to activists and people close to those who have been detained. The campaign goes beyond many of the government's past clampdowns, both in the scope of those targeted and the intense monitoring of social media posts by prominent figures. It isn't known if any charges have been filed.

"This is unlike anything Saudis have experienced before," said Jamal Khashoggi, a Saudi political commentator who left the kingdom recently and now lives in self-imposed exile in the U.S. "It was becoming so suffocating back at home that I was beginning to fear for myself."

Saudi officials didn't comment about the crackdown.

The detentions are seen by some Saudi and Western observers as part of a wider effort by Prince Mohammed to shore up control over the kingdom.

In recent months, the government has also barred several senior princes from traveling abroad, according to several people close to the royal family. They include a

brother of King Salman. The princes were unreachable for comment.

Prince Mohammed leapfrogged an older cousin in June to become first in line to succeed King Salman, his octogenarian father. Prince Mohammed has become the country's de facto day-to-day ruler.

King Salman is planning to abdicate in his son's favor, say people close to the royal court. But the timing isn't clear.

"Mohammed bin Salman is definitely preparing to become king," said a Saudi adviser to the government. "He wants to tackle the internal debate about him becoming the king and focus on consolidating his power, rather than doing that while being distracted by dissidents."

The government has denied an abdication is planned, but several people close to the royal family say preparations have already started. The transfer of power, which several people close to the royal family had expected to occur this month, is likely to take place late this year or early next year, these people say.

King Salman is due to travel to Russia and the U.S. on official trips, in October and January, respectively.

The clampdown on dissent is symptomatic that the transfer of the throne is nearing, even if it will not be as imminent as we thought," a Gulf-based Western diplomat said.

Most of the people detained in the past week have two things in common: They have a large social-media following

and haven't supported the Saudi government in its monthslong dispute with neighboring Qatar. Many are close to Egypt's Muslim Brotherhood movement.

The Saudi government this week said it had arrested people whose behavior was helping "foreign parties" and harming the nation's interest. It didn't name those people. "This is a very specific network of people who were planning, under the behest of foreign agencies, a grand plan to destabilize Saudi Arabia," said a person familiar with the matter, referring to the people who were detained.

Authorities have detained more than 30 people over the past week.

The clampdown also comes ahead of antigovernment protests that activists based outside Saudi Arabia are planning for Friday.

"They want to give a strong warning to all Saudis: You are either with us or you are against us," said a Saudi activist.

Those detained include 15 Saudi clerics, according to activists. Many are former religious fundamentalists who took part in the antigovernment Islamic Awakening movement in the 1990s and who have ties to the Muslim Brotherhood, a

group banned in Saudi Arabia, and whose views have since moderated. The most prominent among them is Salman al-Odah, who has some 14 million Twitter followers. He couldn't be reached for comment.

The Saudi government crackdown on clerics has drawn the attention of extremist groups, such as al Qaeda. On Wednesday, the group urged the Saudi religious establishment to challenge the Saudi royal family.

"How can the grandsons of the Prophet and his Companions become slaves of the Family of Saud and its fool headed tyrants?" the terrorist group said, according to SITE Intelligence group, which monitors extremist activity.

Some people who spoke out against a program to transform the oil-dependent Saudi economy, which is spearheaded by Prince Mohammed, were also detained.

Among them is Essam Al-Zamil, a popular commentator, who cast doubts on how much the government could raise with a sale of up to 5% of Saudi Arabian Oil Co., the national oil company, according to activists and people who know him. Prince Mohammed has said the sale could value the company at \$2 trillion at least. Mr. Al-Zamil couldn't be reached.

Prince Mohammed has taken care to ensure the pace of economic changes doesn't cause too much pain for ordinary people. The Saudi government has backed away from some measures, such as a planned increase in fuel prices.

IRAQ

ISIS Raid in South Leaves Dozens Dead

Islamic State gunmen stormed a restaurant in southern Iraq after blowing up a car bomb outside, killing more than 50 people, Iraqi officials said, including Iranian pilgrims having a meal.

The attack, along a highway near the southern city of Nasiriyah, was one of the deadliest in the country in recent months. The Sunni Muslim extremist group claimed the assault via its official Amaq news agency, saying it had killed dozens of Shiite Muslims, whom it brands as apostates.

A bomb exploded in the restaurant parking area, an interior ministry official said. Gunmen disguised as members of Iraq's mainly Shiite Muslim paramilitary forces then got out of a second vehicle and entered the building, opening fire on diners, the official said. A second vehicle then blew up.

At least 16 of the victims were Iranians who had stopped for a rest on their way to visit Shiite shrines in southern Iraq, an interior ministry official said, and another 85 people were wounded.

—Ghassan Adnan, Ali A. Nabhan and Isabel Coles

MALAYSIA

Blaze Kills at Least 23 At Boarding School

A predawn fire tore through an Islamic boarding school in the Malaysian capital, killing at least 23 people, mostly students trapped in their bedrooms, officials said.

Initial investigations showed the small, all-boys school was operating without a fire-safety permit, though it had applied for one, fire authorities said. The school started operating three years ago.

The fire left 21 of the school's 36 students dead, along with two of its six teachers, officials said. Students of the school were between 13 and 17 years old. The blaze was the deadliest to hit this Southeast Asian country in many years, fire officials said.

Kuala Lumpur Police Chief Amar Singh said there was no reason to suspect arson.

—Yantoultra Ngui

CHINA

Business Activity Slowed in August

China posted a surprise slowdown in business activity in August, a sign that rising borrowing costs and property restrictions are having a more severe effect on the economy than expected.

The rise in value-added industrial output, a rough proxy for economic growth, slowed for a second straight month, climbing 6% in August, compared with a 6.4% increase in July, the National Bureau of Statistics said. The increase came in lower than the median forecast of 6.6% growth from a poll of economists.

In a potentially even more ominous sign, growth in investments was the slowest in almost 18 years.

Officials blamed August's slowdown on bad weather but economists say a clampdown on credit, a cooling property market and waning effects from previous stimulus measures may have damped domestic demand.

—Liyan Qi and Grace Zhu

UNITED KINGDOM

Officials Open Inquiry On London Fire

The U.K. opened an inquiry into the Grenfell Tower fire that killed at least 80 people, with its chairman pledging to provide answers to how a tragedy of its scale could happen in modern-day London.

Martin Moore-Bick, a retired judge appointed by the government to head the inquiry, said he recognized the anger and betrayal felt by survivors, many of whom lost everything in the June fire in the 24-story low-income apartment block in West London.

The scale of the inquiry highlights the difficulties for the government in deciding how and whether to hold people and corporations to account. The first phase will cover how the fire began and spread and the second will look at how the building design may have exposed it to serious risk.

A focus will be on the flammable exterior cladding that is suspected of contributing.

—Jenny Gross



A man inspects the site of the Iraq attack that killed dozens.

Brazilian Judge Courts Controversy

BY PAUL KIERNAN

BRASÍLIA—In a country where judges and prosecutors have gained celebrity status for tackling corruption, one Supreme Court justice has stood out as a powerful exception.

In recent months, Justice Gilmar Mendes prevented the ouster of conservative President Michel Temer when he faced charges of illegal campaign funding. He called top prosecutor Rodrigo Janot the "most incompetent" attorney general in Brazil's history. And he ordered former billionaire Eike Batista released from jail, allowing the businessman to await the outcome of a bribery trial from the luxury of his mansion in Rio de Janeiro.

"The ethos of a country can't be the fight against corruption," Mr. Mendes said in an interview at his office in Brasília, adding that now the situation "is returning to normality."

Unlike in the U.S., Brazil's Supreme Court serves as an appeals court for many criminal cases and has exclusive authority to try high-level public officials. Each of its 11 justices enjoys broad discretion and can often rule unilaterally.

That gives the court significant power in the so-called Car Wash corruption probe that has roiled Brazil for three years. As some Brazilians grow weary of the scandals, the Supreme Court finds itself in the crossfire of a debate between hawks who favor tough prosecution and doves who long for a return to political stability.

Enter Mr. Mendes. Citing defendants' rights, the 61-



Interim President Michel Temer, right, with Justice Gilmar Mendes at the judge's inauguration last year

year-old has questioned prosecutors' use of tools such as plea bargains and pretrial detentions to extract evidence. He has also suggested he could revisit his support for sending convicts to prison while they appeal their sentences, sparking concern that defendants' once-common practice of using endless appeals to stay out of jail could make a comeback.

"There's a wing of the media and of course the public prosecutor's office that understands the only good ruling to be one that denies habeas corpus," he said in the interview. "There needs to be sense."

Critics say Mr. Mendes's stance makes him a key ally to members of Brazil's elite as they try to declaw Car Wash before it arrives at their front

door. He is frequently seen in public alongside politicians and businesspeople under investigation, including Mr. Temer and top lawmakers.

"He makes judgments based on the person's importance," said José Luiz Maffei, a 57-year-old accountant in São Paulo who created an online petition urging the Senate to impeach Mr. Mendes. It has collected 883,000 signatures.

Begun as a probe into money laundering through a Brasília carwash, the Car Wash investigation has expanded into Brazil's largest-ever corruption dragnet, uncovering a vast network of inflated contracts and kickbacks from firms including state-owned oil firm Petróleo Brasileiro SA, construction giant Odebrecht SA, and meat-

packer JBS SA. The probe has led to convictions against scores of businessmen and politicians.

Mr. Mendes's aides say he strongly believes in due process, including for common criminals who are sometimes jailed for years without trial. They say this stance has sometimes made him appear to be an outlier at a time when Brazilians have lionized judges who have shown an eagerness to tackle corrupt officials.

"A year ago...there was a broad consensus on the court in support of Car Wash," Mr. Glazer said. "The lack of consensus...coincided with the moment it began closing in on the [current] government."

A government representative declined to comment on the Car Wash probe.

EU Boosts Pursuit Of Free-Trade Deals

BY EMRE PEKER
AND VALENTINA POP

BRUSSELS—The European Union is defying protectionist trends and pursuing its most ambitious agenda of free-trade agreements in years.

Senior EU officials on Thursday outlined free-trade agreements they seek to negotiate with Australia and New Zealand, sidestepping the thorny issue of investment protections to fast-track talks.

"The world needs leaders in trade," European Trade Commissioner Cecilia Malmström said. "The EU is at the forefront."

The subtle yet significant shift to the EU's approach also includes proposals to replace controversial tribunals for settling cross-border investment disputes with an international court and screening foreign investments in Europe.

Brussels's trade offensive—a gambit to reassert Europe's global economic prominence that faces internal and external challenges—marks a turnaround. Just last year, the bloc faced profound threats: Britain's decision to exit from the EU, President Donald Trump's election on a protectionist economic platform, and growing support within Europe for nationalist political parties.

Today, the U.S. retrenchment on free trade is aiding EU trade efforts. Mr. Trump abandoned the 12-country Trans-Pacific Partnership trade deal

on his first day in office and threatened to pull the U.S. out of the North American Free Trade Agreement with Canada and Mexico, ultimately deciding to renegotiate the pact.

"We thought we'd do nothing" on trade agreements at the start of European Commission President Jean-Claude Juncker's five-year term in 2014, said his chief of staff, Martin Selmayr. "All this has changed, because of Trump, because of Brexit."

Longstanding U.S. allies from Mexico to Japan scrambled for stronger economic links with the EU to offset Mr. Trump's "America First" policies.

In February, Mexico and the EU agreed to accelerate talks to expand an existing trade accord. In a joint statement, they cited the "worrying rise of protectionism." Tokyo and Brussels reached a political agreement in July to slash almost all bilateral tariffs.

Brussels' new strategy prioritizes transparency and speed, reflecting the EU's desire to overcome pockets of European resistance to free-trade agreements, avoid years-long negotiations and bypass ratification challenges that delay or kill its deals.

Negotiations with Australia and New Zealand are slated to pose the first test of the EU's ambition to rapidly conclude new trade agreements by omitting controversial investment pacts.



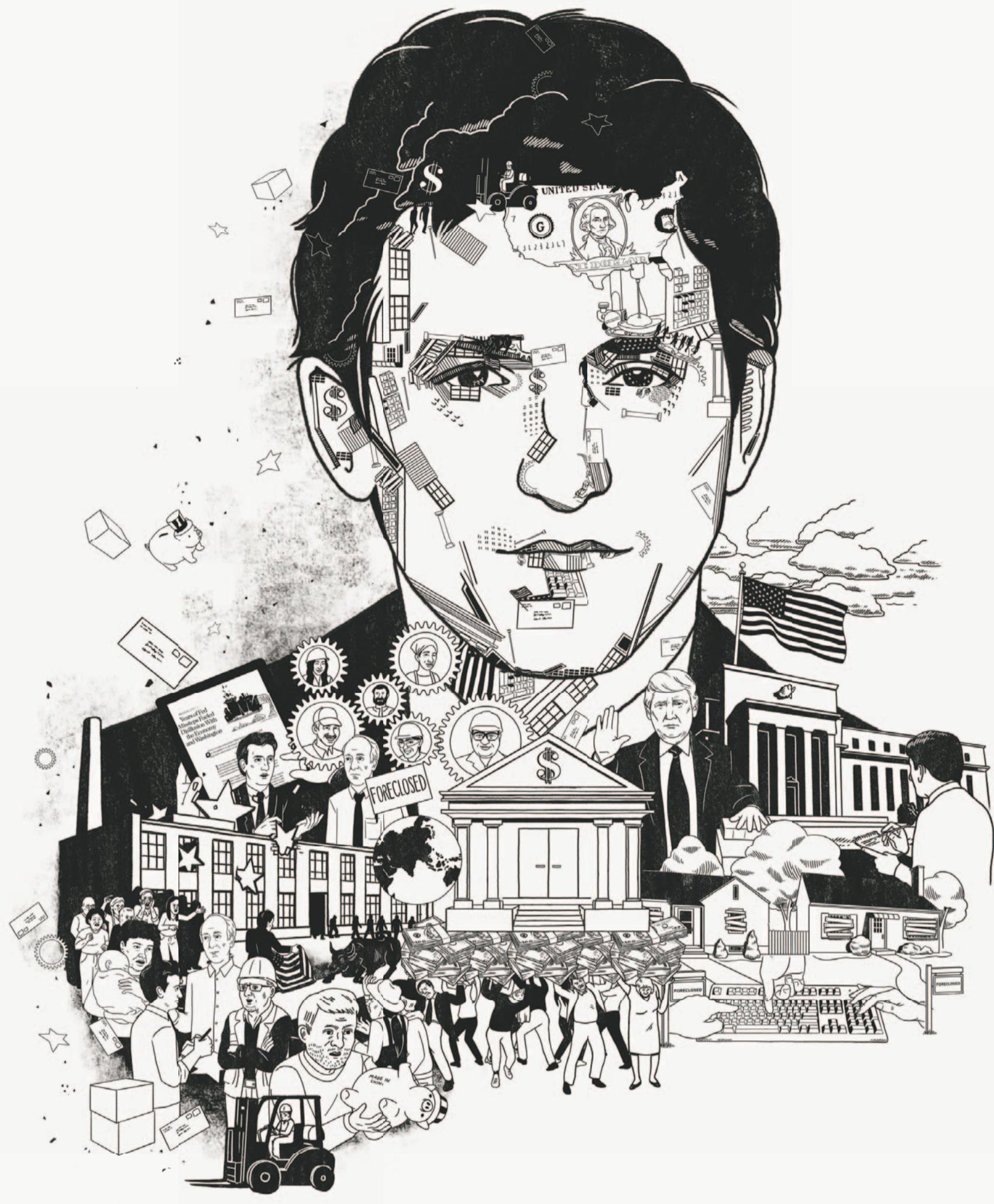
TURKISH
AIRLINES

THERE ARE MANY
EXPERIENCES
WAITING TO UNFOLD
TO HEAR TO SMELL TO SEE
TO TASTE TO TOUCH
CULTIVATING OUR CURIOSITY
AND FINDING DELIGHT WITHIN.
IF YOU ARE ONE OF US.
AND YOU WANT TO EXPLORE
EVEN MORE OF THIS GREAT PLANET

GO BEYOND
— WITH TURKISH AIRLINES —

HKGTICKETING@THY.COM | +852 2861 3111 | THY.COM.HK

A STAR ALLIANCE MEMBER 20 YEARS



JON HILSENRATH ECONOMICS EDITOR

The Face of Real News

Jon Hilsenrath's investigation into the economic workings of America's heartland uncovered the brewing dissatisfaction that led to the election of Donald Trump.

Real journalists and real news from America's most trusted newspaper.

WATCH HIS STORY AT WSJ.COM/JON

#TheFaceOfRealNews

THE WALL STREET JOURNAL.
Read ambitiously

U.S. NEWS

Hurricane's Economic Toll Takes Shape

Florida is feeling the hit, with felled citrus trees and ports just reopening for tourism

BY ARIAN CAMPO-FLORES
AND VALERIE BAUERLEIN

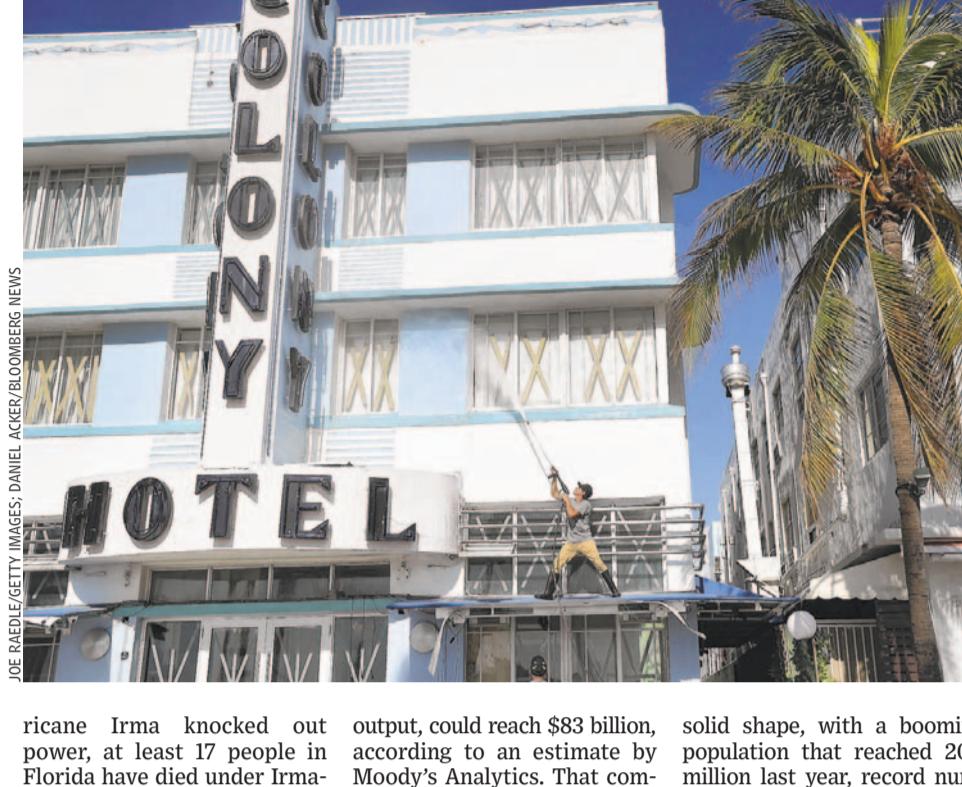
Hurricane Irma left Florida days ago but the state's economy, the fourth-largest in the U.S., is feeling the hit.

Its citrus groves are littered with knocked-down fruit and felled trees. Beach hotels and restaurants are cleaning up after being shut for a week with forced evacuations. After the cancellation of hundreds of flights and numerous cruises, the state's airports and seaports are just reopening. And on the Space Coast, home to the Kennedy Space Center, officials were still assessing potential damage and disruptions to launch schedules.

In the tourism magnet of Miami Beach, where the city's roughly 22,000 hotel rooms stood virtually empty for a week, the lost revenue from that stream alone could top \$25 million, according to city and industry tourism figures.

Irma is "going to be a very significant financial burden on businesses," said Jerry Libbin, chief executive of the Miami Beach Chamber of Commerce.

The state is still struggling with loss of life in the storm's aftermath: Not counting the deaths of eight nursing home patients Wednesday after Hur-



A worker used a pressure cleaner to wash the Colony Hotel on Miami Beach, left. Above, a Florida citrus grove.

ricle Irma knocked out power, at least 17 people in Florida have died under Irma-related circumstances, the Associated Press reported.

Losses in agriculture, the state's second largest industry after tourism, are expected to be in the billions of dollars, according to the Florida Farm Bureau. In Okeechobee County in southern Florida, for instance, an informal evaluation cited by the Farm Bureau pegged the loss at \$16 million.

Overall, the total economic cost of Irma, including property damage and lost economic

output, could reach \$83 billion, according to an estimate by Moody's Analytics. That compares with a toll as high as \$108 billion for Hurricane Harvey, which struck Texas last month, the firm said.

Catastrophe-modeling firm Karen Clark & Co. calculated that insured losses from Irma would be \$18 billion. The storm caused the most structural damage in the Florida Keys, while impacts on the mainland owed chiefly to fallen trees and inland flooding, according to the firm.

Yet Florida's economy is in

solid shape, with a booming population that reached 20.6 million last year, record numbers of tourists and a growing health-care sector, said Sean Snaith, an economist at the University of Central Florida. The state's gross domestic product, a broad measure of goods and services produced, grew 3% last year, compared with 1.5% in the U.S., according to the Board of Economic Advisers.

"It's going to be a bit of a setback, but I don't think it's sufficient to knock us off the trend we've been on growth-wise," he said.

Tourism officials emphasized that attractions were back in business. Busch Gardens Tampa Bay, an amusement park, said it was open for visitors and all of its 12,000 animals accounted for. In Orlando, Walt Disney World opened for normal hours Wednesday, except for its water resorts and a few hotels. The Legoland theme park was set to reopen Thursday, and the Orlando Eye, a 40-story observation wheel, was scheduled to resume operations pending completion of safety checks.

It is rare for Orlando's theme

swift handling of their post-storm claims," said a spokeswoman for the Florida Department of Financial Services.

In addition, many insurance companies employ adjusters full-time and a lot of those will be on the ground, among other types of adjusters who could be available.

Lee Vorcheimer, a longtime adjuster in south Florida, said that "every day for the last two weeks, there have been 10 or 15 emails" from independent-adjuster firms seeking to recruit him to travel to Texas or handle claims for local insurers. He has been offered bonuses, including money for temporary housing.

Independent insurance adjusters are paid according to the size of a claim they assess for a company. For Irma claims, they are earning from about \$500 to about \$30,000 for policyholder claims of \$1,000 to \$1 million, respectively, according to two fee schedules from private insurers reviewed by The Wall Street Journal. Some adjusters can make \$65,000 to \$100,000 in the first month after a major hurricane, people in the industry say.

"When you have a hurricane like Harvey and a hurricane like Irma, everybody loves you," said Mr. Vorcheimer, who



Adjuster Lee Vorcheimer has calls from firms seeking to recruit him.

settled on adjusting Irma claims for Tampa-based HCI Group Inc., in part because he likes their technology.

This week, Mr. Vorcheimer began inspections as early as 7:30 a.m., looking at up to 15

properties a day. In Broward County on Monday, he found trees on roofs, missing shingles, rain damage, and blown-over pool screens and fences. Damage ranged up to about \$65,000, he said. He hauled lad-

ders from his pickup truck and climbed on every roof. He finished his day just after 7 p.m.

Though Irma didn't strike Miami, the state's largest city, as feared, damages from the storm could be large enough to displace Sandy as the nation's third most-expensive hurricane ever. That 2012 storm left \$20 billion in losses, in today's dollars, mostly in the northeast. On Wednesday, catastrophe-risk modeling firm Karen Clark & Co. estimated Irma's U.S. damage at \$18 billion.

The adjuster issues are especially acute in Florida because its home-insurance market is heavily dependent on small and midsize insurers. Over the past 25 years, many of the brand-name national insurers have shrunk their presence in the state to reduce their exposure to hurricanes.

Smaller insurance companies typically rely heavily on independent adjusters, said Joseph Burstone, an insurance analyst with ratings firm A.M. Best. The smaller insurers "have to figure out a way to handle that the best they can," he said. "It will be a challenge."

By comparison, the national insurers employ fleets of adjusters and can send people to Florida from other states.

Many big names, such as American International Group Inc. and Liberty Mutual Insurance, also contract with independent-adjuster firms as needed when disasters occur.

Chubb Ltd. said it relies predominantly on its own staff.

On Tuesday, Tim Barziza, a Texas-based "claim leader" for Chubb, was on the last leg of a drive to Miami to oversee a command center there. It is one of several such centers Chubb has set up across the state for taking care of well-to-do policyholders' homes, fine art, boats and vehicles, as well as business clients.

Roughly 400 Chubb employees are expected to handle claims and adjusting, either in the state or from call centers. Chubb adjusters are arriving "from all corners of the U.S.," Mr. Barziza said, taking a break from driving and watching as utility-truck convoys and vehicles with children, dogs and suitcases returned home. By Wednesday, Chubb had received just over 1,000 Irma claims, the overwhelming majority tied to home policies.

In addition to private insurers, many Florida claims will be processed by Citizens, which at about 450,000 policyholders is one of the state's biggest insurers.

U.S. WATCH

TREASURY SECRETARY

Mnuchin Request for Jet Prompts Inquiry

Treasury Secretary Steven Mnuchin requested the use of a military aircraft to fly him and his wife to several European countries for their honeymoon following their June wedding, but he later withdrew the request, a Treasury spokesman said Wednesday.

Mr. Mnuchin asked to use the government jet to travel with his new wife, Scottish-born actress Louise Linton, to Scotland, France and Italy, ABC News reported. The request has prompted an inquiry from the Treasury's inspector general, which is "looking at all requests

for and use of government aircraft," a spokesman said Wednesday night.

The Treasury said Mr. Mnuchin, a former Goldman Sachs banker, made the request for a military jet during his extended travel because he is a member of the National Security Council, is directly involved in national security issues and needed secure communications while he traveled.

"It is imperative that he have access to secure communications, and it is our practice to consider a wide range of options to ensure he has these capabilities during his travel, including the possible use of military aircraft," a Treasury spokesman said, adding that the Treasury withdrew its request after another secure



Treasury chief Steven Mnuchin speaking in Las Vegas in August.

communications option was identified. The request was withdrawn before the inquiry, a Treasury spokeswoman said.

—Kate Davidson

ECONOMY

Consumer Prices Rose 0.4% in August

U.S. consumer prices rebounded in August, a sign of economic health that could nudge the Federal Reserve closer to raising short-term interest rates.

The consumer-price index, measuring what Americans pay for everything from medicine to home rent, grew 0.4% in August from a month earlier, the biggest jump since January, the Labor Department said Thursday.

Much of the gain was due to a sharp rise in gasoline prices after Hurricane Harvey, which shut Texas refineries, that will likely prove temporary. But prices for other items—particularly housing—also rose. Excluding food and energy, so-called core prices grew 0.2%, the most since February.

The report offered the last major snapshot of inflation before Fed policy makers meet next week. Inflation has been unexpectedly weak for most of this year, raising concerns about the economy's underlying health and giving Fed officials pause.

—Josh Mitchell

Trump: Rich Won't Benefit

BY RICHARD RUBIN

WASHINGTON—President Donald Trump said the emerging Republican tax proposal won't cut taxes for the wealthy, and they may go up, an assurance that appeared to contradict the plan that his administration and GOP leaders are drafting.

Mr. Trump, speaking Wednesday before a meeting with a bipartisan group of House members, said he expects wealthy Americans "will not be gaining at all" under the tax overhaul he wants Congress to pass with a view toward creating new jobs and helping middle-class taxpayers.

"The wealthy will be pretty much where they are," Mr. Trump, a Republican, said. "If we can do that, we'd like it. If they have to go higher, they'll go higher, frankly."

GOP leaders, who are hoping to overhaul the nation's tax code by year's end, signaled they will release a more detailed framework for the high-priority initiative during the week of Sept. 25.

For months, Republican congressional leaders have been negotiating among themselves and with the White House behind the scenes, but their public comments have been vague. The looming announcement of tax details will

set the stage for a series of tough votes pitting industries, geographic regions and GOP factions against one another.

If Mr. Trump insists that the wealthy don't benefit from the tax changes, it would shake up the tax debate. But he made similar comments before without altering the core of his tax proposals. For instance an April statement released by the White House called for lowering top tax rates.

The president's comment comes close to the release of the GOP tax-overhaul plan.

The comments were striking this time because they come so close to the release of the tax plan and on the heels of a narrow deal with Democrats last week on government funding, storm aid and raising the national debt ceiling.

The contradictions point to the broader challenge the White House and congressional leaders face trying to unify a wide range of competing interests over taxes, even within the Republican Party.

Mr. Trump's comment

Wednesday set the stage for a series of tough votes pitting industries, geographic regions and GOP factions against one another.

If Mr. Trump insists that the wealthy don't benefit from the tax changes, it would shake up the tax debate. But he made similar comments before without altering the core of his tax proposals. For instance an April statement released by the White House called for lowering top tax rates.

The president's comment comes close to the release of the GOP tax-overhaul plan.

The comments were striking this time because they come so close to the release of the tax plan and on the heels of a narrow deal with Democrats last week on government funding, storm aid and raising the national debt ceiling.

The contradictions point to the broader challenge the White House and congressional leaders face trying to unify a wide range of competing interests over taxes, even within the Republican Party.

Mr. Trump's comment

IN DEPTH

WORK

Continued from Page One

Outside workers usually aren't surprised when they get no paid holidays, sick days, employee-sponsored health insurance, 401(k) plan or other perks routinely offered to traditional employees at the same companies.

What wounds more deeply are things taken for granted or barely considered at all by regular employees, outside workers often say. The work lives of contractors frequently feel like a series of tiny slights that reinforce their second-class status and bruise their self-worth. Even when contracting jobs are easy to get, they can vanish instantly, and turning a series of contract assignments into a real career remains out of reach.

At many companies, contractors aren't allowed to attend important meetings, go to the company gym or bring their kids to Take Your Child to Work Day. They keep quiet because only full-time employees are expected to speak up. Working harder, smarter or longer offers little advantage when applying for a job directly with the company.

Nothing is loathed more than the nametags or identification badges that advertise the lowly ranking of contractors in the workplace pecking order. Technical writer Don Cwiklowski Jr. worked as a contractor at Mastercard Inc. for four years. He says co-workers often glanced at the badge dangling from his neck, saw the red color that signaled his contractor status and looked right past him.

He got a green badge when he was hired as a full-time employee at Mastercard in St. Louis in 2012. Some of the same people who had shunned him started saying hello in the hallways, says Mr. Cwiklowski, 53.

The company says it "puts our people at the center of everything we do" and isn't aware of the examples cited by Mr. Cwiklowski.

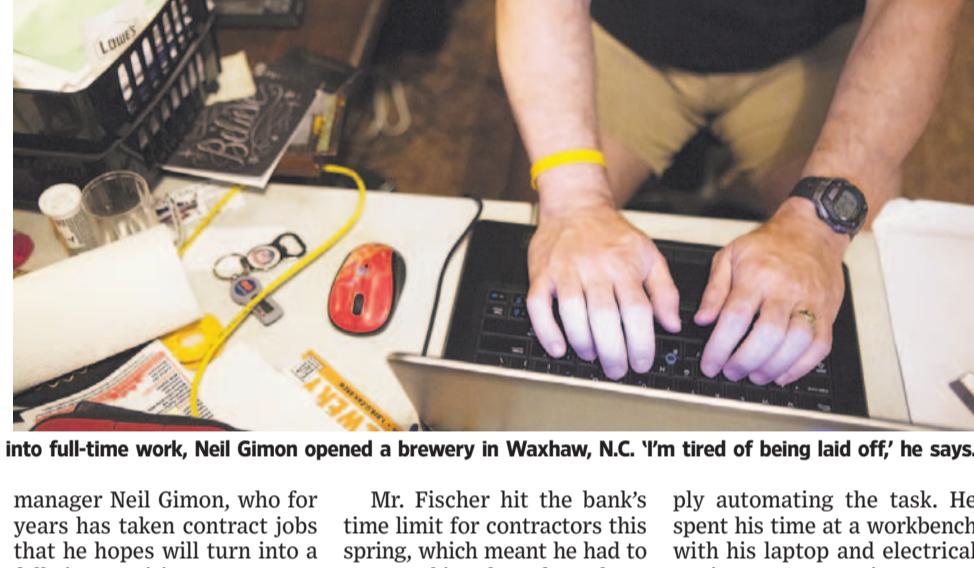
Such experiences are becoming more common as the outsourcing wave moves from less-skilled jobs such as security guard and cafeteria worker to a wider range of corporate tasks. Those include information technology, customer service, research, human resources and sales.

No one knows how many Americans work as contractors, because they don't fit neatly into the job categories tracked by government agencies. Rough estimates by economists range from 3% to 14% of the nation's workforce, or as many as 20 million people. The surge might help explain a riddle of today's labor market—jobs are plentiful, but many Americans feel anxious and insecure about their finances and careers.

Some contract workers say they like contract work for some of the same reasons companies do. Kara Sanders, 36, says it feels like contractors "have control over our destinies by putting ourselves out there and taking risks."

She says she chose contracting after watching round after round of corporate layoffs hit family members and friends, while growing up in upstate New York. She has moved cross-country three times for data-analysis and consulting projects. She also is finishing an online master's degree in data science.

"I don't think it's ever safe to let your skills atrophy or become too tied to one em-



After trying to turn contract jobs into full-time work, Neil Gimon opened a brewery in Waxhaw, N.C. 'I'm tired of being laid off,' he says.

ANDY MCMLAIN FOR THE WALL STREET JOURNAL ©

ployer," says Ms. Sanders.

People usually don't go looking for contract work. It finds them.

Fernando Granthon, 35, saw an outsourced human-relations position at Cisco Systems Inc. in Research Triangle Park, N.C., as a foot in the door. He says a recruiter at staffing agency Manpower Group Inc. told him contractors had a strong chance to get hired as Cisco employees.

At Cisco, Mr. Granthon worked on a team of employees and contractors who answered HR queries. He says he felt valued and trusted.

In 2014, the company split up the team. Outside workers including Mr. Granthon got simpler job duties than employees, he says. Worried that his career was stalling, he asked a Manpower representative about training opportunities and was told nothing was available. The same answer came when he pressed about getting a full-time job.

He left Cisco in 2015. Mr. Granthon didn't receive a pay increase while working there. He is now pursuing an M.B.A. at St. Edward's University in Austin, Texas.

"I realized there was no mobility," he says. While he is grateful for the experience he gained as a contract worker, Mr. Granthon says he wishes bosses had realized that "contractors, like any other employees, want greater experiences, want to learn, and to move on."

Manpower declined to comment on individual employees but says it offers workers free online training programs. Cisco declined to comment.

Just asking about job openings can be risky, says information-technology project

manager Neil Gimon, who for years has taken contract jobs that he hopes will turn into a full-time position.

"The manager says: 'You're unhappy with this position? What's going on?'" says Mr. Gimon, 53.

Last year, Mr. Gimon and his wife, Anita, opened the Dreamchaser's Brewery in an old firehouse in Waxhaw, N.C. If all goes well, he will stop doing contract work. "I'm tired of being laid off," he says.

While job security has ebbed in all walks of corporate life, many employees get a relatively stable paycheck, benefits and often some help to find a new job if they lose the one they had. Contract workers are on their own.

Dan Fischer, 61, says his yearlong contract to install software for health-care provider Kaiser Permanente was abruptly cut short after nine months. "Boom, it was gone," says Mr. Fischer, a contractor since 2013. Contract assignments usually include a clause saying they can be terminated anytime.

In June, he finished a two-year assignment at Bank of America Corp. in Charlotte, N.C., where he worked in a cubicle alongside other outside workers in an area they jokingly called Contractor Row. Most of the hand-me-down swivel chairs at their desks were broken, says Mr. Fischer.

After working from his home in Colorado for a few weeks, he discovered upon returning to Charlotte that his ID badge no longer unlocked the doors. Since there was no manager to agitate on his behalf, he had to work from his apartment until the ID was reactivated a week later.

Mr. Fischer hit the bank's time limit for contractors this spring, which meant he had to stop working there for at least 90 days. After that, he went back to Bank of America doing the same job as before, except he is called a consultant and is on the payroll of a different contracting firm. Bank of America and Kaiser declined to comment.

Bob Zwicker had a 10-week contract in 2015 designing an electronic circuit for a medical-device maker. Officially, he

Not Employees

Estimated percentage of the U.S. workforce that are contract-firm workers, temporary help agency workers or independent contractors



Source: Lawrence Katz (Harvard University) and Alan Krueger (Princeton University)

THE WALL STREET JOURNAL.

was on the payroll of a contracting and recruiting firm near his home in Olympia, Wash. After that, he became an employee of tech outsourcing firm HCL Technologies Ltd. of India, which put him on an 18-month assignment at Microsoft Corp. to test power adapters for Surface laptops and tablets.

He gives Microsoft credit for maintaining a manual testing operation, rather than sim-

ply automating the task. He spent his time at a workbench with his laptop and electrical equipment, running route checks such as testing adaptors.

"I used to design such things," says Mr. Zwicker, 65, an electronics engineer. The adapters are now mostly designed and made in China.

His contract ended in June, a couple of months ahead of schedule. Mr. Zwicker says he was told the position wasn't in the budget for the next fiscal year. A new consulting project involves more design work and is a better fit.

At Microsoft, he missed making decisions on his own and having pride of ownership in his work. Those are the moments "where you realize, if this thing doesn't work, it's my fault," he says. Microsoft declines to comment.

Outside workers say they are leery of doing anything that might backfire into them suddenly losing their contract assignment or hurt their chances at landing a full-time employee job.

Veronica Peinado, a project manager in Raleigh, N.C., says a manager recently asked her to conduct a product analysis, which wasn't part of her contract assignment. She put about 60 hours of her own time into the project. Ms. Peinado, 59, says the manager didn't thank her when she turned in the project. A few months later, her contract ended with less than two weeks notice.

She also was forbidden to ask the company about her compensation or schedule. To take a day off, she was supposed to inform a staffing-agency representative, who then told another outside firm,

which sought approval from the company, even though she spoke every day to the manager who ultimately said yes or no.

"It's very, very weird," says Ms. Peinado.

Ever since Microsoft agreed to pay \$97 million in 2000 to settle an eight-year-old class-action lawsuit filed by "perm-matems" who accused the tech giant of using temps to do the work of employees, companies have tried to keep their outside workers at a distance.

At the large logistics firm where Mr. Preiss, the former IBM employee, was reprimanded for laughing too loudly, contractors were denied access to company email and calendars, making it hard to schedule meetings. The contractors had to use a separate email system, but employees often didn't respond, so Mr. Preiss had to buttonhole them at their desks.

Mr. Preiss recalls spending three weeks trying to set up an important meeting with a company executive who worked in a different building. He finally asked the project's leader to schedule the meeting. The person did but forgot to invite Mr. Preiss or mention the meeting until everyone else was assembled in a conference room, he says.

After the scolding about his laugh, Mr. Preiss felt obliged to train himself to snicker, he says. "Either that or just smile or put my hand over my mouth or whatever I could do to muffle the sound," he says.

On some Wednesday nights, he gathered with friends for trivia night at an Irish pub in Roswell, Ga., near Atlanta. Most of the men work as contractors, so they called their trivia team Outsourced.

Between trivia questions, Mr. Preiss and teammate Rob Jones often swapped stories about work. Among their frustrations: Employers want to essentially rent employees for short periods but then wonder why workers hop from company to company.

Mr. Jones, 59, has held more than a dozen jobs in nearly two decades of project-management contract work. He calls himself "one of those 'forgotten men' you hear about that has not had a raise in 18 years."

The 2001 Toyota 4Runner that Mr. Jones drives has 215,000 miles on the odometer, but he won't buy a new car. Monthly loan payments would be too risky, he says, since he never knows when a job will start or end.

In the late 1990s when companies were panicking about Y2K bugs, Mr. Jones bargained directly with clients and commanded \$65 an hour. Few large companies are willing to manage thousands of self-employed contractors anymore, so they sign high-volume contracts with a handful of staffing or contracting agencies.

Mr. Jones says he now gets take-it-or-leave-it offers from recruiters, and the rate is usually about \$45 an hour, or about \$30 in 1999 terms. Some big projects offered as little as \$24 an hour.

Foreign workers with H-1B visas compete for the types of jobs he used to do, he says. Such workers often are paid less than U.S. workers doing similar jobs.

"What am I doing wrong?"

Mr. Jones asked a former boss, who took him out for a beer but offered no helpful advice.

Mr. Jones says he is now looking for any kind of work he can get, such as a government job, something "with a little bit of a pension to it."

TRACK

Continued from Page One

Parents of children aged 13 through 17 used monitoring tools on their phones to track their movements and shenanigans.

Alexa McDonald of Columbus, Ohio, discovered that her parents fib a bit. The 24-year-old call-center dispatcher's app revealed that, while claiming to be stuck in traffic, they were sometimes at a restaurant. "I never called them out on it, but

inside in my head I was like, 'I'm hungry, I would have loved to have been included in that.'"

"I guess we've done that," says her mother, Claudia McDonald of Mount Vernon, Ohio. One reason: "Whatever the dish is, she always wants shrimp on it," she says. "It's one of the more expensive things on the menu."

Apple declined to comment on children who monitor parents, other than to say Find My Friends lets users control what data is shared. Apple promotional material says it might be used to "notify you automatically when a friend arrives at the airport, a child leaves school, or a family member arrives home safely."

An app similar to Apple's, Life360, lets people agree to track each other on Android devices and iPhones. Children using it often set a 10-minute radius around their houses to

get an alert when a parent is nearing, says Life360 CEO Chris Hulls. Between parents and children, he says, "I would actually say it's almost equal in our situation about who is quote-unquote tracking who."

Get your parents to sign on, and you can monitor their shenanigans.

Jamie Barnhill, a senior at University of California, Davis, keeps an eye on her parents with Life360. One night at school, she saw they were just arriving home in Bakersfield, Calif. It was 1 a.m.

"I just remember seeing it and thinking, 'Wow, this is so sad. My parents were out later

than I was,'" she said.

Her father, Terry Barnhill, says they likely had dinner and maybe saw a late movie or went out for drinks. "It was perfectly legal," he says. "Just because we're older adults, we're not confined to our homes."

Other apps on parents' phones work, too, as Joel Morton found. Mr. Morton, 22, a recent University of North Carolina graduate living at home near Charlotte, N.C., says when he helped his parents set up their iPhones about five years ago, he downloaded Find My iPhone, an app now included in Apple's operating system that helps an owner locate a misplaced phone.

Because he knew the passwords to find his parents' phones, it dawned on him that "I could use this whenever I need it." When his parents left town once this year, he hosted

friends overnight, setting an alarm for 8 a.m. to check their location. He saw they hadn't left the inn and went back to bed.

Later, when he suddenly saw them on the move, "I just frantically ran around trying to clean everything up, making sure everyone had left the house." He says his parents weren't aware of his monitoring until he told them this week.

Phone snooping exposed a parental ruse for a 25-year-old Houston medical assistant. Tired of her parents' unannounced visits to her apartment—and lectures about the mess—she followed them on Find My Friends. She says her parents once told her they were going to San Antonio, about 200 miles away, to celebrate their anniversary. Instead, "we found out they went to a hotel like 30 minutes away."

She suspects they concocted the tale as an explanation for her younger sister, who was around 10 years old. "I really just think they wanted their alone time."

For Ms. Spitzer, the University of Alabama senior, tracking her parents not only helps her procrastinate on chores, it also eases her worries when they don't answer calls and texts. "Sometimes I get a little creative with my imagination and I'm like, 'Oh my gosh, they've been abducted!'

Her mother, Cynthia Spitzer, says she knew her daughter monitored her.

"It really just kind of makes me laugh," the elder Ms. Spitzer says. "If they're mature enough to figure out these devious ways to get around what they're supposed to be doing, they're mature enough to step up and do what they're supposed to be doing."

BOOKS

'In Adam's Fall / We sinned all.' —New England Primer



EXPULSION Masaccio's fresco (1424-28), in the Brancacci Chapel, Florence, emphasizes the nakedness and shame of the original sinners.

When Our Eyes Were Opened

Why a primitive tale of sex, death, taboo, temptation—and snakes—still fascinates and confounds

**Rise and Fall
Adam and Eve**
Stephen Greenblatt
n, 419 pages, \$27.95

BY A.N. WILSON

HE END of his panoramic survey of the effects on humanity of the story of Adam and Eve—from earliest Sumerian folk tales to theological interpretations of civic scholars, from St. Augustine to Islam, from the poetic reconstructions of Milton to the magnificently depictions in Renaissance literature and painting—Stephen Greenblatt arrives in Kibale National Park, Uganda. His back aches, ants crawl at his feet and beautiful butterflies float around his head as he makes his way to the Kibale Chimpanzee Project. Seeing these creatures, in what he calls their edenic state, Mr. Greenblatt says that “they allow us to see for ourselves what the Genesis origin story might have really looked like, had it been real.”

Mr. Greenblatt says that “they allow us to see for ourselves what the Genesis origin story might have really looked like, had it been real.”

“They are in Paradise.”

Eventually the author meets two:

22-year-old alpha male Eslom

and Mrs. Robinson-style partner,

Leona, an ape in her mid-50s with a spectacularly swollen rump that tells she is still game for action.

In another part of the clearing, we encounter 19-year-old Leona, a more sprightly female who uses this

moment to escape the domineering

actions of Eslom and elope with

younger beta male Lanjo.

We knew from the beginning how

to look about Adam and Eve simply

to end, but there is something

mysterious about Mr. Greenblatt’s ap-

peal of the great Miltonic words

Esloma and Lanjo: “The world was

before them.”

Like the original Sumerian tale, fashioned by the Hebraic fashion-

ers of Scripture, Mr. Greenblatt’s su-

ly joke ripples with ambiguities.

Christian readings of the story,

the snake persuades the woman that

she was lying, that the Almighty

had not kill her and her man sim-

ilar to eating the forbidden fruit.

Genesis 3:4-5 has the snake telling

“You will not die. For God

says when you eat of it your eyes

will be opened.”

This declaration is far from sug-

gesting that Adam and Eve were immortal before the fall, or that death itself was one consequence of eating the fruit. Surely it is the snake, in the Bible, who offers the temptation of immortality, not Yahweh? The snake, being a liar, says the opposite of what is true.

In many Genesis passages, the final editor or redactor has collated at least two narratives. Are we to envisage two trees, for instance, or just one? As the narrative stands, there is the Tree of Life and the Tree of the Knowledge of Good and Evil. The tree from which God does not want Adam and Eve to eat will give the man and the woman moral knowledge. It is less clear what the Tree of Life is. Only after they have eaten from the former tree (Genesis 3:6) does the text suggest that eating the fruit of the latter would have given immortality.

Mr. Greenblatt speaks at one point of the serpent who “robs the man and the woman of their hope of eternal life” in the Genesis version. But this can’t be right. For a start, the Adam and Eve myth in Genesis has its origins during the time when the Hebrews were in Babylonian exile. Even if you think that it was edited and written down much, much later, consider that the first shimmering of Jewish belief in life after death arose only in the Hebrew wisdom literature—for instance, in Proverbs, Ecclesiastes and the Song of Solomon—a hundred years or so before Christ. Before that (witness the many psalms to this effect) death is seen as the end in the Bible.

The original story was not about Adam and Eve losing immortality. It could have been, however, even in its Sumerian origin, about the human capacity to kid ourselves that we are not going to die—that is something very different. In other words, this story’s abiding appeal is bound up with the extreme theological ambiguities it explores.

Mr. Greenblatt asks, at the beginning of his quest: “What kind of God would forbid his creatures to know the difference between good and evil?” Good question, and the one with which the Bible bravely kicks off. The answer must be, “a very sensible God,” if by God you mean an absolute cosmic dictator. For, as the snake realized in the story, the minute you developed a moral sense, you would wonder why you need to be “told” what to do by a “God.” Far from worshipping God as the upholder

of the very name for the first five books of the Bible is the Torah, or Law—you would begin to feel morally self-sufficient. You would be like, say, Euripides, whose tragedies question, again and again, the bullying decrees and tricks of the immortals who cause disaster and sorrow to befall us. You would come to sympathize with Antigone or Hecuba or Hippolytus, who try to fashion dignified moral responses to the pickle in which the immortals place them.

The Bible occasionally plays out such dramas, most notably in Job but also in some of the stories about Abraham—for example, the deliberately semicomical tale in which he pleads with Yahweh not to eliminate all the inhabitants of Sodom if he can

sand years after Augustine, Adam and Eve have finally become real” in Milton’s poem.

There are unexpected consequences to this emphasis on the “realism” of Milton. Mr. Greenblatt writes, in several places, as if all the early commentators on the Adam and Eve story—including Augustine, Origen, the Gnostics and others—believed in what we should call the historicity of the story. Indeed, he begins his survey by stating that “an insistence on the story’s literal truth—an actual Adam and Eve in an actual garden—became one of the cornerstones of Christian orthodoxy.” Very many, perhaps a majority, would nowadays agree with Mr. Greenblatt, but I am not convinced.

Jewish tradition speaks of humans as creatures whose sense of good and evil is a torment and a glory.

find 50 honest men among them, and then 45, and 40, and so on.

More usually, however, the Jewish tradition speaks of humanity as creatures whose torment and glory are a sense of good and evil. We are not playthings of the gods; we are the children of Adam and Eve.

Neither the Hebrew version nor the Sumerian original seem to have carried any suggestion that there would some day come a second Adam who would restore immortality to the human race, and Mr. Greenblatt confines to an endnote St. Paul’s idea of Christ as the second Adam. He devotes more space to the reinterpretation of Pauline theology by Augustine, whom in his portrayal originally saw the story as an embarrassingly primitive fable but in time made it central to his sophisticated conception of original sin and ultimate redemption.

Mr. Greenblatt, a professor of the humanities at Harvard University, is especially eloquent on the influence of this story on the early modern imagination. In the future, I know I shall return often to his reflections on the Renaissance painters—Masaccio, Michelangelo, Dürer—and to his masterly exposition of “Paradise Lost,” “the greatest poem in the English language.” Parts of three chapters are devoted to Milton (40 times more space than is devoted to St. Paul!) but that is only proper. What Mr. Greenblatt is writing about here, most of all, is the redeeming and enlightening

How can we be sure that our post-Enlightenment distinction between “literal truth” and symbolism would have been part of, say, Milton’s or Michelangelo’s or even St. Paul’s mental furniture? Dante is often mentioned in this book, but I do not believe that he was writing his journey through hell, purgatory and heaven as a travelogue or that he believed in the “literal” existence of these places in the same way that he believed in the existence of Florence. The concept that Adam and Eve were “historical” characters came about through primitive scientific 17th-century attempts to “date” the Bible, and this led to much muddled thinking.

Darwin, who occupies our attention in the penultimate chapter of Mr. Greenblatt’s story, really did believe, as a young man, in the literal truth of “Paradise Lost,” which was also his favorite reading during his voyage on the Beagle. When he lost this belief, he thought he had lost belief in Christianity. This led, perhaps, to some of his confusion of mind when he came to distinguish between what Christianity does and does not claim about creation.

In common with most Victorian scientists, Darwin had no understanding of the multiple authorship of Genesis. He read the two creation stories as suggestive that species were created as finished products from the hand of God. He therefore thought, as most of his contempor-

ability of species was to challenge the Bible narrative.

But Genesis 1:30, in which God says he has given the breath of life to every living creature, surely allows of the possibility of development and mutation. Darwin on the Beagle and reread Milton, and it is “Paradise Lost,” not the Bible, that gives us an unambiguous story of immortality.

Mr. Greenblatt quotes one passage, a notorious one, from Charles Darwin’s “The Descent of Man” in which Darwin says that he would prefer to have been descended from a baboon than from a “savage.” Indeed, he made Alfred Russel Wallace company from his old comrades in the natural selection was Darwin’s contribution to the discussion in “The Descent of Man” concerning our capacity (as humans) for reason, language and moral judgment is different in degree, not in kind, from that of our cousins, the other primates. Mr. Greenblatt is too kind to quote any of Darwin’s laughable attempts to explain the evolution of language, including his false claim that the peoples of Tierra del Fuego communicated in a few grunts that had almost no vocabulary. (Later editors, compiling a dictionary of language, found a vocabulary of more than 30,000 words.)

The richness of the Adam and Eve story is, in our own day, set against the story created by Darwin of the evolved ape. Both are powerful images in our brains, and most educated people believe, or try to believe, in the latter. What Greenblatt’s wonderfully rich, detailed, humorous and imaginative survey reveals is the sheer weakness of the biblical mythology and how it continues to raise questions that Darwinism doesn’t answer.

The subtlety of the Bible acci-

lives even in the thought of those like Darwin or Nietzsche, who would like to escape it. We feel ourselves strangers in the world, exiles from paradise, morally angst-ridden not only about the human capacity for sin but also about the injustice that appears to be rained upon the innocent by indifferent nature or a divine power.

All of these feelings and ideas, with all their contradictions, are contained in the enduringly compelling story of Adam and Eve.

Mr. Wilson is the author of “The Book of the People: How to Read the Bible” and the forthcoming “Charles

BOOKS

'If one had but a single glance to give the world, one should gaze on Istanbul.' —Alphonse de Lamartine

The Abode of Happiness

Istanbul

By Bettany Hughes

Da Capo, 800 pages, \$40

BY PETER THONEMANN

IN THE 1630S, the Ottoman traveler Evliya Çelebi described a strange talisman that stood in his native city, Islambol, the City of Islam. "A sage named Surendeh, who flourished in the days of error under King Puzentin, set up a bronze image of a triple-headed dragon in the At Meydanı. This was to destroy all serpents, lizards, scorpions and poisonous reptiles. And there was not then a poisonous beast in the whole of Makedoniyah [the Balkans].... It remained uninjured until Selim II the Sot, passing by on horseback, knocked off with a mace the lower jaw of the dragon's head which looks to the west. Serpents then appeared in the west of the city, and since then have become common in every part of it. If the remaining heads should ever be destroyed, Islambol will be completely eaten up with vermin."

The dragon monument still stands where Evliya saw it four centuries ago, at the center of the At Meydanı ("Horse Square"), the old hippodrome of medieval Constantinople. Only the serpentine coils of its body survive today: The remaining 2½ heads snapped off with an ominous crack during evening prayer on Oct. 20, 1700. I can only assume that Evliya's vermin must be biding their time, for the City of Islam remains today—as it has been for most of its history—"the first and last city of Asia and Europe," as Bettany Hughes calls it, the city of the world's desire.

Byzantium, Constantinople, Kostantiniye, Islambol, Istanbul; to the Greeks, simply I Poli, "the City." Over the centuries, countless men have fallen in love with this golden, melancholy city on the Bosphorus—and not just men. Many of the city's finest chroniclers have been women: Anna Commena, the most appealing of all Byzantine historians; Mary Wortley Montagu, playful observer of women's life in 18th-century Istanbul; Elif Şafak, Turkey's greatest living novelist.

As Ms. Hughes rightly points out in her marvelous new book, "Istanbul: A Tale of Three Cities," Ottoman imperial women were responsible for founding many of the city's most resplendent religious buildings, among them the spectacular Yeni Cami (endowed by the formidable Safiye Sultan, mother to Sultan Mehmed III, in the 1590s). In this august company, Ms. Hughes can hold her head up high.

Since her 2003 documentary series on the Spartans, Ms. Hughes has been one of Britain's most successful television historians. She is the author of sparkling biographies of Helen of



GETTY IMAGES

DIVINE The roof of the 16th-century Süleymaniye Mosque in Istanbul, looking toward the 17th-century New Mosque.

Troy and Socrates of Athens, but "Istanbul" is an altogether more ambitious enterprise.

In vivid and readable prose, Ms. Hughes tells the story of the three cities that succeeded one another on the Golden Horn. First came ancient Byzantium, "the armpit of Greece," an "ethnically mongrel place" where Greek settlers mingled with native Thracians. Then there was Constantinople, the New Rome founded in 324 by the emperor Constantine, "a city with both Greek and Near Eastern genetic coding, strengthened by Roman muscle and sinew and wrapped in a Christian skin." And at last there was Istanbul, the "buzzing, polyglot" capital of the Ottoman Empire, transformed by the architect Sinan (perhaps the greatest genius of the European Renaissance) into "one of the world's most memorable and impressive urban environments."

One of the leitmotifs of Ms. Hughes's book is the cultural pluralism that has characterized Istanbul since earliest times. The 11th century saw the Viking Harald Hardrada and thousands of other "pugilistic opportunists" from the wild Baltic serving in the Byzantine emperor's Varangian guard. In 1492, Sultan Bayezid II welcomed thousands of Jewish refugees who had been expelled from Granada by Ferdinand II of Aragon, making early Ottoman Istanbul "the largest

and most flourishing Jewish community in Europe."

Although the Christian Greek population of the city has dropped from 240,000 in the mid-1920s to fewer than 1,000 today, Istanbul remains a true "global city." Leaving aside the hundreds of thousands of Syrian refugees eking out a miserable half-life "on the sides of inner-city roads and trunk-route intersections," perhaps 20% to 25% of the settled population of modern Istanbul is composed of Kurds from eastern Anatolia and Mesopotamia, making Istanbul by far the largest Kurdish city in the world. Throughout its history, as Ms. Hughes writes, "Istanbul has been a city for the Cosmopolitan, for the World Citizen."

If any single object can be said to bind together the histories of Byzantium, Constantinople and Istanbul, it is Evliya Çelebi's triple-headed bronze serpent. This strange creature was originally a Greek victory monument for the Persian Wars, erected at Delphi in 478 B.C. It bears on its coils the names of the 31 allied Greek cities that fought against Xerxes in the first epochal conflict between Europe and Asia. We are told that the Spartan king Pausanias (commander of the Greek forces at the decisive Battle of Plataea) boastfully added his own name to the list of victors on the column, before the flustered Spartans had it erased.

Pausanias, curiously enough, is

also the first foreigner we know of to have fallen in love with the misty city on the Bosphorus. In that same year of 478 B.C., Pausanias set himself up as a rogue tyrant at Byzantium, lured by the vast profits to be had from controlling shipping through the Bosphorus straits. There is a certain

Istanbul is civilization's 'Center City,' the crossroads of Europe and Asia.

neatness in the fact that the serpent column ended up following Pausanias's path from Delphi to Byzantium some 800 years later. As Ms. Hughes puts it, "even if unwittingly, right in its historic heart, the city still honours the Spartan man who so passionately loved her."

It was the Roman emperor Constantine who transferred the serpent column to the Golden Horn, when he founded his new capital city of Constantinople there in the 320s A.D. Constantine's new city was decked out with "bragging pagan statuary" from across the empire, brought to Constantinople to cement the city's status as the new center of the world. A few dozen feet to the northeast of the serpent column there still stands a

magnificently incongruous Egyptian obelisk of the 15th century B.C.

By the end of the first millennium A.D., the original meaning of the serpent column—as a Greek victory monument—had been completely forgotten. As Ms. Hughes notes in a splendidly entertaining chapter, the medieval Constantinopolitans were paranoid that pagan statues were possessed by demons. In 1204, a magnificent bronze Athena in the Forum of Constantine, her right arm elegantly gesturing to the south, was smashed to pieces by a mob who thought she was beckoning to the Crusader army then encamped outside the city.

The serpent column was virtually the only classical monument to survive into the Ottoman period, thanks to its medieval reinvention as a talisman against snakes. As a Russian visitor of 1389 reports, the Greeks believed that touching the column was a cure for snakebite. The column was supposed to rotate of its own accord every solstice, and on festival days the three snakeheads were said to spout water, wine and milk. And so, thanks to Istanbul's limitless capacity for reinvention and historical amnesia, the serpents have survived for 17 centuries precisely where Constantine placed them, on the central spine of New Rome's equestrian racetrack (now several meters below the pavement of the At Meydanı).

Ms. Hughes doesn't conceal the fact that Istanbul's history has often been a bloody one, from the vicious Nika riots of 532 (when the emperor Justinian butchered some 50,000 civilians) to the dark spring of 1915, when "hunched groups of Armenians could be seen being frog-marched to the city's police stations, and not coming home." But Istanbul has also been a place of tolerance and enlightenment, and when one compares its recent history with that of the other great multicultural cities of the Middle East—Aleppo, Baghdad, even Jerusalem—Istanbul can still fairly be called, as it was in Ottoman times, "the Abode of Happiness."

At least for now. Last July, 17 Turkish journalists from the center-left Cumhuriyet newspaper were put on trial in Istanbul on terrorism charges, and the German foreign minister recently cautioned against travel to Turkey on the grounds that "German citizens in Turkey are no longer safe from arbitrary arrest." Nothing could be a greater tragedy than for Istanbul to turn its back on its historical role as an open doorway between Europe and Asia. In the meantime, Ms. Hughes's wonderful evocation of Istanbul's glittering past, snakes and all, should remind us of just how much there is to lose.

Mr. Thonemann is the author of "The Hellenistic Age."

The Hazards of Giving Shelter

Refugee

By Alexander Betts and Paul Collier

Oxford, 268 pages, \$18.95

BY JAMES TRAUB

A REFUGEE CRISIS is what happens when large numbers of people fleeing poor, violent countries seek asylum in rich, peaceful countries, raising agonizing moral and political questions. This of course is what occurred in 2015, when a million refugees from Syria and elsewhere poured across Europe's borders, provoking a backlash that brought nationalist parties to the verge of power and threatened the Continent's liberal order. The refugees were the cause, rather than the victims, of the crisis in question.

What happened in Europe two years ago was profoundly important for Europe but insignificant for most refugees. Sixty-five million people have been displaced from their homes by violence; about a third of those have fled abroad.

The plight of displaced people generally isn't so much a crisis as a global phenomenon that requires a global solution. Displacement, however, chiefly afflicts the displaced and their immediate neighbors, and so provokes little sense of urgency among the world's political leaders—except when the problem laps against the distant shores of Europe.

In "Refugee: Rethinking Refugee Policy in a Changing World," Alexander Betts and Paul Collier note that the current regime of laws and norms that govern states' responsibilities to

ward refugees was devised in the years after World War II, with the Nazis' mass violence fresh in memory and the Soviet Union menacing Europe. Individuals with a "well-founded fear of being persecuted" were given a right to asylum.

But it is not "persecution" that provokes millions to flee Syria or Afghanistan or the Democratic Republic of Congo; it is, rather, the chaos engendered by frail and failing states. And yet the system has barely changed since 1951.

The failure to distinguish between refugees and economic migrants will have catastrophic consequences.

The current refugee ordeal thus points to a systemic failure, one that cries out for rigorous thinking. This is the specialty of Mr. Collier, an Oxford economist who has proposed solutions to extreme poverty (in 2007's "The Bottom Billion") and to the "resource curse" (in 2010's "The Plundered Planet"). His co-author, Mr. Betts, also of Oxford, is a professor of Forced Migration and International Affairs, about as finely tailored an expertise as you can have for the subject in question.

The authors argue that we must both expand and confine our definition of a refugee. They would include anyone who has no recourse except flight to avoid the threat of "serious

physical harm" but not someone who wishes only to flee desperate conditions. Presumably, then, they would have states offer protection to a young couple in Afghanistan who would be killed for eloping but deny it to, say, Afghan farmers whose village has been wrecked by decades of fighting.

Even those who do have a right to refuge, the authors argue, do not have a right to pick a country. They have a right to shelter but not to maximal prosperity or comfort. It is to the benefit of all, and not just nervous Europeans, the authors say, that refugees remain close to home whenever

gees vacant land to farm and allows urbanized refugees to work. And they describe the Jordan Compact, which brought together the U.K., the European Union, the World Bank and the government of Jordan to create employment opportunities for refugees in Jordan as well as aid and investment.

If you're in the business of selling global solutions, you can't be expected to call too much attention to snags in the fabric. Messrs. Betts and Collier do not address the danger that "special economic zones" and the like across the border from a civil war would hasten the pace of flight. Indeed, a recent study of the Jordan Compact concluded that special economic zones have probably done more harm than good and that the overall program may not have done much to achieve its goals. The authors also overargue their case by claiming that, among other things, inculcating autonomy among refugees will help them serve as a force for progress once they return home, about which one can only conclude that it would be wonderful if true.

That said, Messrs. Betts and Collier offer pragmatic insights to an intensely polemicized issue and compel us to confront hard questions. The staggering number of the displaced is not about to diminish any time soon. Until now, the authors say, the response has oscillated between the "heartless head" and the "headless heart." They have performed a precious service by reasoning with their heart and feeling with their head.

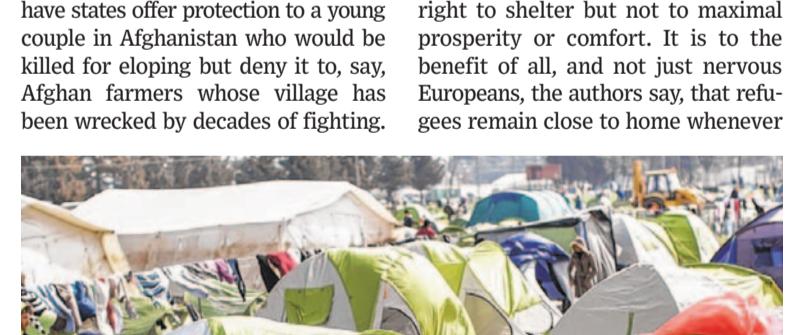
Mr. Traub is currently writing a book on the evolution of liberalism.

That distinction may sound arbitrary or morally flimsy. But what's a better line? In two years of writing about the refugee crisis, I have met innumerable activists who refuse to draw a sharp line between refugees and economic migrants, which can be catastrophic for host countries—and might bring to power leaders who would bar the door to all refugees—seems irrelevant to many refugee advocates. Europe, apparently, has an obligation to commit suicide in the name of principle. Messrs. Collier and Betts, by contrast, insist that the rich have rights, too.

possible, since their country will need them once hostilities end.

Messrs. Betts and Collier argue that all nations have a duty of "solidarity" toward those in flight. For some nations, that will mean providing temporary, and at times permanent, refuge; for others, it will mean paying for other nations to do so.

Critically, the authors argue, the duty of care isn't limited to physical protection but must include opportunities for a decent life, something that Messrs. Collier and Betts summarize as "autonomy." They extol the example of Uganda, which offers refu-



MICHAEL KAPPELER/ZUMA PRESS

BOOKS

'From a certain point onward there is no longer any turning back. That is the point that must be reached.' —Franz Kafka

FICTION CHRONICLE: SAM SACKS

To Each His Own Israel



IN THE 1986 NOVEL

"The Counterlife," Philip Roth's fictional alter ego Nathan Zuckerman is confronted during a trip to Israel by an old man who can't believe that the writer would choose to live in America over the Holy Land. "We are living in a Jewish theater," he bellows, "and you are living in a Jewish museum!"

Zuckerman protested, but he was in the middle of a debate that still raises hackles. More than a decade earlier the critic Irving Howe, who had lambasted Mr. Roth's satires of "newly-rich suburban Jews," wrote that American Jews' assimilation into middle-class society deprived them of the outsider experiences crucial to the best books of writers from Henry Roth to Saul Bellow, leaving them with little beside "literary hand-me-downs"—museum pieces from a once-great immigrant story. In a 2013 lecture, David Bezmozgis, a Latvian-born writer who has lived in Canada and the U.S., echoed Howe's diagnosis, observing that "there is little in Jewish secular life to distinguish it from American secular life at large." What did he propose to escape the slough of the suburbs? "The Jewish future," he said, "is to be found in Israel."

Readers glimpsed that future in Mr. Bezmozgis's crackling 2014 novel "The Betrayers," loosely based on the life of Israeli politician and renowned refusenik Natan Sharansky. But he's not alone trying to remedy the identity crisis of the Jewish-American novel by making Aliyah. In Joshua Cohen's "Moving Kings" (2017), a self-made Queens entrepreneur reaches out to Israeli cousins after a heart attack provokes a yearning for the "primitive significance" of ancestry and ritual. Jonathan Safran Foer's "Here I Am" (2016) follows a jaded screenwriter who flees his disintegrating marriage and bloodless daily routine by enlisting in the Israeli army when a Middle East earthquake is the flashpoint for World War III.

The Israel in these novels is largely an abstraction, a setting whose incarnate ancient mysteries contrast with America's mannered materialism. "I felt comfortable with people here in a way I never did in America," says the narrator of Nicole Krauss's searching and intelligent new novel "Forest Dark" (Harper, 290 pages, \$27.99),



GETTY IMAGES

OLD-NEW LAND Before it was the name of a city, 'Tel Aviv' was the Hebrew title of Herzl's Zionist novel 'Altneuland.'

"because everything could be touched, so little was hidden or held back, people were hungry to engage with whatever the other had to offer, however messy and intense, and this openness and immediacy made me feel more alive and less alone; made me feel, I suppose, that an authentic life was more possible."

"Forest Dark" is Ms. Krauss's attempt to release herself from the conventions of form and rationality—to swim "against the forceful current of understanding." It adapts the themes and the narrative tricks of "The Counterlife," imagining alternate realities while occupying the shadow space between autobiography and fiction. The first of its parallel stories concerns the Park Avenue lawyer Jules Epstein, who, drawn by "an irresistible longing for lightness," follows a charismatic rabbi to Israel and subsequently vanishes.

In the second, an internationally acclaimed novelist named Nicole, fettered by writer's block and a stalled marriage, seeks rejuvenation in an impromptu trip to Tel Aviv. There she

is approached by a stranger who claims to have access to a trove of unpublished fragments by Franz Kafka, which he wants Nicole to finish. Kafka's papers really were brought to Israel by his friend Max Brod (last year the court ordered their zealous executor to give them to the National Library in Jerusalem), but quickly the book veers from the factual to the hallucinatory, as the man unspools an incredible shaggy-dog tale claiming that Kafka faked his death and lived for decades in happy anonymity as a kibbutz gardener.

By design, both of these stories drift and undulate like sand dunes, allowing Ms. Krauss to eloquently ruminate on marriage, memory, scripture, storytelling and of course Kafka. One of the steep pleasures of "Forest Dark" is how unabashedly bookish it is, a tendency that would seem to work against the novel's embrace of uncertainty and intuition. But as Ms. Krauss writes, "Palestine was the only place as unreal as literature, because once upon a time it was invented by literature." The characters create

their own Israel just as they are created by it.

By fits and starts, the novel stages a kind of reverse exodus from civilization back into the wilderness. Epstein's strange journey eventually

The Holy Land of these two novels is a blank slate on which American Jews can write their futures.

lands him in the Judean Desert on a film shoot about the life of King David, while Nicole is led to an isolated house that allegedly belonged to Kafka. By this point "Forest Dark" has almost completely untethered itself from the strictures of realism and plotting and it does not end so much as dematerialize. It seems a fittingly indefinite conclusion to a book that's as slippery as it is impassioned. For what is there to do when one has returned to the desert except wander?

If Israel's wars stay in the background of Ms. Krauss's novel, they are front and center in Nathan Englander's "Dinner at the Center of the Earth" (Knopf, 252 pages, \$26.95). Mr. Englander's previous book, "What We Talk About When We Talk About Anne Frank" (2012), a collection of stories that strained to mash together the styles of I.B. Singer, Woody Allen and Mr. Roth, exemplified the derivative nature of so much Jewish-American writing. (One critic labeled the stories "Jewish minstrelsy.") But he too has found the relocation to Israel restorative, and his new novel tells a moving, if sentimental, story of espionage, disappointed idealism and love across borders.

We are introduced to two men in captivity. Prisoner Z, an American-born Israeli operative arrested for sharing information with Palestinians, has spent a dozen years locked in a cell "that doesn't, on any written record, exist." The man who put him there, a controversial military hero modeled on Ariel Sharon and here called the General, is trapped in a coma. In non-sequential chapters the novel flashes back to the 2002 intifada, tracing Prisoner Z's disillusion with the Israeli intelligence community and his efforts to hide in Paris after his betrayal. Meanwhile the General is fated to relive his vengeful exploits against Israel's adversaries, both military and civilian.

A twisty tale of spycraft and false allegiances unfolds, but what stands out is Mr. Englander's insistence on finding romance amid the violence and deception. Spies fall in love with counterspies, Israelis with Palestinians, Prisoner Z with his guard. During the aborted peace process, the General strikes up a warm rapport with Yasser Arafat ("The Devil so enjoys having us both around," he jokes). The ageless struggle between Jews and Arabs comes to resemble a desperate lover's embrace.

But some of Mr. Englander's most fervent devotionals are to the land itself, with its flowering deserts, "the waterfalls and Nubian sandstone, the great dusty mountains and their spectacular views." That ingrained attachment—and the conflicts it causes—continues to pull Jewish writers from the known world of America to this maddeningly unsolvable puzzle of a nation.

A Life Played by Ear

Good Things Happen Slowly

By Fred Hersch

Crown Archetype, 307 pages, \$28

BY TED GIOIA

FRED HERSH never wanted to be a medical case study. I don't blame him. At the age of 61 he ranks among the finest jazz pianists of our time, and deserves acclaim for his artistry. That said, his return from a near-death experience, described in this newly published memoir, may inspire as many people as his music.

Mr. Hersch survived a health crisis that, if you saw it on a TV medical drama, would elicit disbelief. After being diagnosed HIV-positive in 1986, he maintained an intense schedule of performances and recordings for the next two decades through a winning combination of dedication and meditation. But in June of 2008, Mr. Hersch came down, in short order, with pneumonia, delirium, a collapse in blood pressure, kidney failure and septic shock.

In a last-ditch effort to save his life, doctors put Mr. Hersch into a medically induced coma. For weeks he lingered at the brink of death. His coma lasted almost two months, and when, against all odds, he recovered consciousness, he still couldn't talk, breathe on his own, eat food or even swallow. And, of course, couldn't play piano.

To rebuild a life, let alone a demanding jazz career, from this setback required nothing short of a miracle. At an early stage of rehab, Mr. Hersch asked his partner, Scott Morgan, to push his wheelchair to a piano. He tried to play "Body and Soul," a song he had performed countless times in the past. "My fingers could barely move," he recalls, "and I couldn't remember the chords to the bridge."

Yet Mr. Hersch not only returned to the bandstand but also somehow reached a higher level in his music. I've followed his career ever since I saw Mr. Hersch in Toots Thielemans's band in the 1980s and have long admired his work. But Mr. Hersch's music of the last half-dozen years is at the pinnacle of the jazz idiom. In my opinion, jazz piano doesn't get any better than this.

So I would have read this autobiography, crafted with guidance from music writer David Hajdu, even without the back-from-the-brink drama. Over the last few years, I've wondered how Mr. Hersch reached the peak level of performance demonstrated on albums such as "Alive at the Van-

A brush with death altered the way Hersch plays.

One can hear a new joy and freedom in his music.

guard" (2012), "Floating" (2014) and "Solo" (2015). I hoped this volume would give me a glimpse of that inner process, even more elusive than the hard work of physical rehab.

The glib answer is that Mr. Hersch's near-death experience pushed him on to a higher artistic plateau. That has been my hunch from afar, and the pianist himself seems to share this impression. "I think my playing is better in many ways today than it was before I got so sick. I have found my left-to-right-hand independence to be looser and more interesting, and my general facility is much improved. Most important, I believe I am playing with more freedom and creativity and less judgment," he notes. "After my recovery I took more satisfaction in playing than I had ever taken in my life." You can hear this sense of joy and freedom in the music.

in a Hollywood movie. For better or worse, that's the legacy of the idiom.

So I'm hardly surprised that Bay Area music writer Grover Sales wrote an essay back in 1984 entitled "Why Is Jazz Not Gay Music?" That question seems extremely narrow-minded nowadays, but Sales wrote during a time when no gay jazz star was yet out of the closet. Who can blame Mr. Hersch and others for holding back given the ethos of the idiom, with all its ultra-masculine aggression and ritualized strutting?

Given these dramatic incidents in Mr. Hersch's life, readers might be tempted to skip over the portions of this book dealing with the craft of music. That would be a mistake. Mr. Hersch belongs to that last generation of jazz performers who came of age learning the old-fashioned way, on the job and in the presence of the living masters instead of from a textbook or classroom assignment. In these pages, he tells about gigging

the midst of the AIDS crisis their example toppled stereotypes and changed attitudes. Jazz is still a combative music, but there's more tolerance and slightly less testosterone on display nowadays. That's not only good for the musicians but for the music as well.

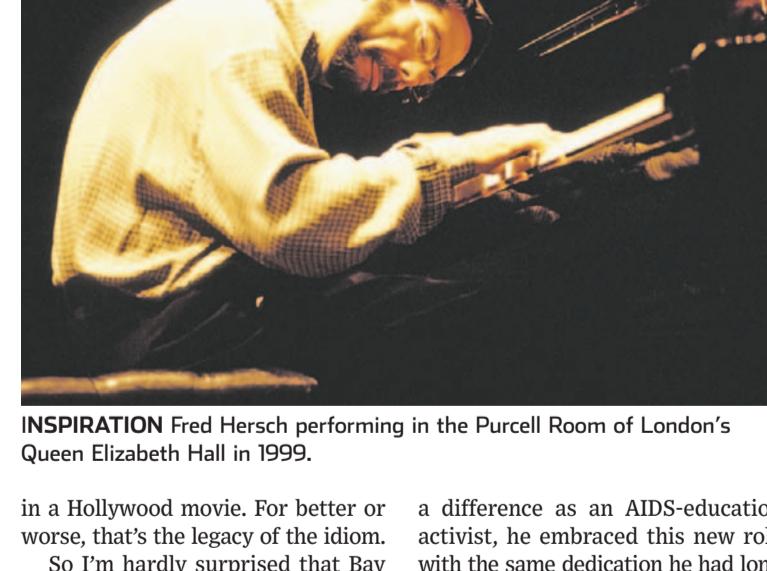
"I never wanted to be the gay jazz poster boy," Mr. Hersch admits. But when he saw the ways he could make

with Jo Jones Jr. in Greenwich Village, traveling on the bus with big-band star Woody Herman, partying with trumpeter Chet Baker and other rites of passage the likes of which do not exist for twenty-somethings nowadays. He also writes splendid impressionist essays on the essence of Thelonious Monk, the importance of rhythm in jazz, and the difference between an eighth note as played by Chick Corea (thin and bright), Herbie Hancock (fat and solid) and Fred Hersch (discrete, with space on each side, and with a distinctive pianistic color all its own).

I must add a warning to music teachers. They will be horrified by this book. "I didn't practice much and never went to my lesson fully prepared," Mr. Hersch explains at the outset. Even in later years, he avoided the rote playing of scales and exercises: "I'm never sure what or how to practice, so I rarely do. But I seem to pull it together when the lights go up." That may seem like a bad attitude for a professional musician, but I have a hunch that much of Fred Hersch's greatness stems from avoiding over-preparation and embracing the risk-taking attitude jazz improvisation demands when played at a high level.

"Great jazz has to have the element of danger," he contends. He has lived that motto to the fullest. And that same attitude propels this powerful autobiography. Again and again, Mr. Hersch shares details—about drugs or sex or the music life—that others might have held back. Yet that raw honesty and immediacy is probably why so many of us find his music so compelling. By the same token, that's why this book earns a place as one of the great contemporary jazz memoirs.

Mr. Gioia is a pianist and a writer on music, literature and pop culture. His most recent book is "How to Listen to Jazz."



GETTY IMAGES

INSPIRATION Fred Hersch performing in the Purcell Room of London's Queen Elizabeth Hall in 1999.

OPINION

REVIEW & OUTLOOK

The Lattice Warning to China

The U.S. on Wednesday blocked the Chinese government's attempt to buy Lattice Semiconductor Corp., a manufacturer of advanced computer chips with military applications. Beijing's American proxy, Canyon Bridge Capital Partners, refused to withdraw its bid even after the Committee on Foreign Investment in the United States, or Cfius, ruled against the deal.

Beijing wants to use the case as an example of Trump Administration protectionism, but that would be a mistake. The decision on Lattice is warranted, and evidence suggests tighter restrictions are needed on the sale of technology to China.

First the big picture. In January the Obama Administration issued a useful report on China's plan to dominate the global semiconductor industry. The effort relies in part on forcing foreign chip makers to move operations to China or transfer technology to joint-venture partners in return for access to the Chinese market.

Last month the Trump Administration opened an investigation of this abuse of international trade law under Section 301 of the Trade Act of 1974, which allows the U.S. to retaliate unilaterally. The World Trade Organization would be a better venue for this dispute, but there is no doubt that Beijing is extorting U.S. intellectual property. China also obtains trade secrets through computer hacking and old-school spying. An FBI survey in 2015 found that China was responsible for 95% of economic-espionage cases, with its caseload growing 56% in a year.

Cfius oversees a third avenue by which Beijing seeks semiconductor technology: buying U.S. firms. Though it is only empowered to restrict deals on national-security grounds, the number of cases is increasing. In December the Obama Administration blocked a Chinese fund's purchase of Aixtron SE, a German semiconductor-equipment supplier with assets in the U.S. State-owned Tsinghua Unigroup's bid for U.S. memory-chip maker Micron Technology Inc. founded in 2015 on doubts over Cfius clearance.

Lattice's technology has been in Beijing's cross-hairs for years. In 2004 the company paid a

The U.S. blocks the purchase of a firm with sensitive technology.

\$560,000 civil fine for illegal exports to China, and in 2012 the FBI caught two Chinese nationals trying to smuggle Lattice chips. Tsinghua Unigroup bought a minority stake in Lattice last year before the Canyon Bridge bid. The American private-equity firm did not initially disclose that the investors in its fund were Chinese government entities.

Beijing wants Lattice's field programmable gate array technology that goes into chips used in missile guidance and radar systems. The U.S. military has bought chips from the firm, and 22 Members of Congress warned Cfius in December that a Lattice sale could give China critical military technology.

This week's rejection of the Lattice deal shows Cfius working as intended. But the scale of China's efforts to acquire sensitive technology, as well as its military ambitions, suggests more scrutiny is needed. A recent Pentagon report warned that Chinese companies have invested in sensitive technology in the U.S. in ways designed to dodge Cfius oversight. For instance, Chinese firms have invested in start-ups that have conducted research with Pentagon grants.

Rep. Robert Pittenger (R., N.C.) and Senate Majority Whip John Cornyn (R., Texas) are drafting legislation to overhaul Cfius, and Treasury Secretary Steven Mnuchin has backed their idea to require added scrutiny of deals involving sensitive countries including China. Joint ventures and technology licensing could also be added to the Cfius purview.

The risk is that Cfius, which is secretive by necessity, will be abused for protectionist ends. The classic case is Senate Minority Leader Chuck Schumer's partisan demagoguery in 2006 over Dubai Ports World buying some U.S. ports. The U.S. benefits from Chinese investment in non-sensitive areas, and Cfius revisions should not define national security too broadly.

But the scope and stealth of China's industrial policy and IP theft require special attention. Beijing should consider the Lattice rejection a warning that predatory behavior will have political consequences.

Americans Get Richer

Americans have received little good news lately, but a new U.S. Census Bureau report offers some economic hope: Last year real median household income rose 3.2%, the second consecutive increase, as 2.5 million Americans rose out of poverty.

These gains might not be notable late in an economic expansion save for the fact that real median incomes declined while poverty increased during most of the Obama Presidency. In 2014 the real median household income was \$54,398, down from \$55,683 in 2009. By contrast, during the Reagan expansion from 1982 to 1988, poverty fell 2.4 percentage-points while real household incomes rose \$4,905.

Only in 2015 and 2016 did Americans experience real income growth. As a result, there are now about six million fewer people living in poverty than in 2014. Minorities have reaped the biggest gains. Between 2015 and 2016, the median income for blacks and Hispanics climbed 5.7% and 4.3%, respectively, compared with 2% for whites. As a caveat, the Census Bureau says a change in its survey methodology in 2014 could have increased incomes.

Liberals can't credit welfare programs whose growth has slowed thanks in part to reforms imposed by Congress. Social Security disability rolls fell by 25,000 in 2015 after growing by 1.3 million between 2009 and 2014. The number of food-stamp recipients dropped by 3.4 million between 2013 and 2015. In 2014, 99 weeks of unemployment benefits finally ceased.

Most of the recent income growth has been due to more Americans working—and Americans

The latest U.S. Census data show economic gains across income groups.

working more. Between 2015 and 2016, the number of people with earnings—i.e., income from employment—rose by 1.2 million. Meanwhile, the number of full-time, year-round workers increased by 2.2 million as many people moved out of part-time jobs.

Labor-force participation hasn't much budged since its nadir two years ago, but unemployment among minorities and less-educated workers has dropped sharply amid a tightening labor market. Job growth is a function of an improving economy and lower inframarginal taxes on work as government welfare has been scaled back.

Liberals are bemoaning that the Gini coefficient, which measures income inequality, didn't post a significant decline last year. But income inequality drops principally during recessions as the wealthy lose a larger share of their earnings than everyone else. As we learned in the Obama years, the preoccupation with inequality leads to economic policies that reduce growth, which leads to more inequality.

The left also overlooks that millions of middle-class Americans are moving into higher income brackets, as Mercatus Center researcher Dan Griswold points out. The share of Americans earning less than \$35,000 (in real 2016 dollars) fell to 30.2% from 38.2% between 1967 and 2016 while the proportion earning more than \$100,000 has roughly tripled to 27.7%.

All of this is worth celebrating, but more business investment and productivity growth will be needed to keep the expansion going and incomes rising. The most effective way would be for Congress to reform the tax code.

Brussels Learns Nothing

Brussels laid out its ideas Wednesday for how the European Union can reform itself after Britain leaves, and it's enough to make you wonder if the goal is to push everyone else toward the exit too. Instead of doubling down on those features that deliver more prosperity, European Commission President Jean-Claude Juncker seems to want to do the opposite.

Even though he didn't mention Britain much in his hourlong address, Mr. Juncker's annual State of the Union speech was partly about taking revenge for Brexit. He promised to reform the EU in ways that would make Britain sorry to be leaving such a wonderful club.

Some elements of his agenda will induce envy in London. He promised to push ahead on trade negotiations with a range of partners "lining up at our door." This includes dusting off long-moribund discussions with Australia and New Zealand.

This is a smart strategy to try to thwart global protectionist impulses emanating from Donald Trump's Washington, and Brussels is negotiating with Mexico and some South American governments. Concluding these deals would be a poke at Britain, which is likely to struggle to sign its own trade agreements by 2019.

Yet much of Mr. Juncker's plan is a head scratcher. He bowed to French and German pressure to give Brussels more power to block foreign investment into the EU, especially by Chinese companies. If London eschews such protectionism, this will become an invest-in-Britain-instead clause.

Mr. Juncker also wants to reinterpret EU treaties to allow the bloc to make more decisions about tax policy and foreign affairs by weighted-majority voting instead of unanimity. This would give France, Germany and Italy free rein to impose their high-tax model on unwilling smaller states such as Ireland, the Netherlands and Mr. Juncker's Luxembourg.

Tax competition from Europe's smaller fish is a major driver of tax reforms in the big economies. But Mr. Juncker's move would spare Paris and Berlin from any need to compete on either tax rates or spending restraint. Majority-voting also sets up toxic arguments about foreign-policy questions such as whether or how to intervene in Middle East hot spots or managing relations with Russia.

Talk about blowing an opportunity. Before Britain voted to leave the EU, Prime Minister David Cameron had negotiated a deal for an EU more geared to trade and economic growth. It would have returned some power over spending and immigration to member states and forced Brussels to focus on economic competitiveness.

If Brussels really wants to exact revenge on Britain for leaving, it should revisit that template, redoubling efforts to promote economic growth through free trade and lighter regulation. EU leaders would be wise to ignore Mr. Juncker, and there's a good chance they will. The fact that Brussels still thinks in these imperial bureaucratic terms even after Brexit won't make the Brits regret leaving.

Sexual Politics in America



WONDER
LAND
By Daniel
Henninger

In the annals of American justice, it will be hard to exceed what the Obama administration tried to do with its Title IX guidance letter in 2011. The letter from the Education Department—most ironically, from its Office of Civil Rights—effectively eliminated centuries of due-process rights at every institution of higher learning in the U.S. That transgression is about to end.

Education Secretary Betsy DeVos is expected to rescind the rules imposed by the 2011 letter in the next week or two. In advance of formal rule-making, according to senior officials, the department will issue interim guidance on handling campus sexual-abuse cases.

On the crucial issue of evidence, the interim guidance will permit schools to immediately adopt the higher "clear and convincing" standard of proof. It will tell schools they should give equal legal treatment to both parties in these cases, as in the calling of witnesses or the presence of attorneys.

Formal rules will emerge after a public notice-and-comment period, which is the federal rule-making requirement President Obama's appointees tossed aside.

By now most institutions want a modus vivendi on this issue to replace what had become a crudely run jihad by left-wing lawyers in the Obama Education Department and the network of ideological enforcers their order created on the nation's campuses.

Indeed, after Mrs. DeVos's speech last week announcing her intention to rescind the rules, it was striking how muted the public opposition was. Among what's left of serious minds in academia, there was an awareness that something here had gone *waaaaay* off the rails. Faculty at both Penn and Harvard law schools had already issued statements decrying the Obama sexual-abuse rules as fundamentally unfair to the accused.

It is difficult to express what a big deal this is—or should be. Basic due process guarantees have existed in English-language law since they were embedded in King John's Magna Carta in 1215. The U.S. Constitution's Sixth Amendment reads: "In all criminal prosecutions, the accused shall enjoy the right . . . to be confronted with the witnesses against him . . . and to have the assistance of counsel."

One has to ask: How in 2011 did this rule roll out of the Obama Educa-

tion Department and become the law of the land in academia without so much as a peep of outrage from them or the American press?

The explanation that the universities caved because the Obama lawyers threatened to withhold their federal-funding fix is persuasive but insufficient. Policy ideas like the 2011 sexual-abuse standards have a provenance, usually among left-wing faculty of the sort that emerged when the Obamas got their degrees in the 1980s. So it was with the Title IX "guidance," which jumped overnight—by fiat—from the outer edge of feminist legal theory to established federal policy.

The DeVos revision of college rules will reveal who stands where on due process.

In testimony presented to Congress in 2014, Nancy Chi Cantalupo of Georgetown Law School's Victim Rights Law Center made a detailed case for the rules. "It is downright dangerous," she wrote, "to conflate civil rights and criminal justice approaches to sexual violence and allow criminal justice responses to dominate our collective imagination regarding how to address this violence." Meaning sexual abuse is a unique, transcendent category of injury, which justifies diminishing due process.

The most definitive criticism of the Obama Title IX enforcement was written in 2015 for the Yale Law & Policy Review by, of all people, Janet Napolitano, who was Mr. Obama's first homeland-security secretary and is now president of the University of California system. Ms. Napolitano's careful but forceful essay described all sorts of compliance problems and dilemmas created by "ambiguous legal requirements" and congressional legislation.

The creation of an atmosphere on campus akin to the Salem witch trials was the result of Mr. Obama's explicit policy choice to manipulate bedrock legal principles for a political goal. After the DeVos speech last week, former Vice President Joe Biden denounced "any rollback of Title IX protections." Demoting due process standards is now Democratic dogma.

After the DeVos announcement restoring widely accepted legal principles to America's campuses, we're going to find out fast who stands where on this subject.

Write henninger@wsj.com.

The 30 U.S. Republicans Holding Up Tax Reform

By Karl Rove

No matter how persuasive President Trump is, it's unlikely he can round up enough Democrats to get 60 votes in the U.S. Senate for tax reform. That means Republicans will need to use the Senate's reconciliation process, which avoids the filibuster, to pass their plan with 51 votes. But first the House and Senate must pass a budget resolution—and soon.

A budget resolution sets spending levels and authorizes congressional committees to prepare bills fulfilling the blueprint. With the reconciliation plan in mind, this year's resolution would set the size of the tax reform and then instruct the House Ways and Means Committee and the Senate Finance Committee to flesh out the provisions.

No more than a handful of lawmakers from the opposition party ever vote for the majority's resolution. It helps that Republicans control both the House and Senate, but the GOP must still resolve its internal philosophical disagreements.

House Republicans tend to insist on resolutions that balance the budget within 10 years. This means resolutions that pledge to slow substantially the growth of entitlement spending. Such promises are rarely fulfilled. But putting them in the budget blueprint fuels Democratic ads claiming Republicans will throw grandma off the cliff and deprive poor children of free school lunches. Knowing this, Senate Republicans tend to want resolutions that reach balance after 10 years. Another GOP tension is between defense hawks, who want increased military spending, and deficit hawks, who want all spending restrained or cut.

Then there are nerdy but important technical arguments, starting with how the resolution's spending baseline is calculated. Beginning with a baseline of "current law" means assuming that a tax break currently authorized for only a year or two will actually expire instead of being reauthorized. But Congress renews some tax breaks annually and probably will keep doing so through the next decade. To account for this, many in the GOP want to calculate the baseline under "current policy."

It sounds technical, but it quickly becomes political. Democrats demand "current law" because a higher baseline would make tax reform appear to raise the deficit more than it actually

would. But a lower baseline would give tax reform more wiggle room: One GOP budget expert tells me that "current policy" would provide, on paper, \$450 billion that could be used to lower rates and make the tax code simpler and fairer.

Dynamic scoring is another fight. A tax reform that generates economic growth will offset some of the government revenue lost from cutting rates. Republicans want their bill evaluated with dynamic scoring because it takes this effect into account and makes reform more attractive. Democrats oppose it for the same reason.

The biggest obstacle is the House Freedom Caucus. This group of just over 30 Republican congressmen has already slowed up the process by threatening to vote with Democrats against the GOP budget resolution unless they can see and approve, in advance, every major provision of the tax-reform bill.

The Freedom Caucus tried in late July to block the House Budget Committee's passage of a resolution unless the border-adjusted tax was taken off the table—which it then was. Now the Freedom Caucus's members say they'll flake on the budget resolution if tax reform includes full, immediate expensing of business investment. But if that's agreed to, they'll have more demands.

These lawmakers say they want Congress to operate in "regular order," with committees grinding away to write legislation instead of leadership handing it down. This is hypocritical bunk. What they want is for their caucus to dictate the details of tax bills to the House Ways and Means Committee, the Senate Finance Committee and the Republican majorities on both sides of Capitol Hill. Their approach is to make demands while threatening to join Nancy Pelosi in opposing the budget resolution unless they get their way.

If the Freedom Caucus acts on its threat, the budget resolution could be voted down, making tax reform impossible. No doubt, following their M.O., the group's members would then blame the GOP leadership. These lawmakers are demonstrating once again that the freedom they most prize is freedom from the responsibility of governing.

Mr. Rove helped organize the political-action committee American Crossroads and is the author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

OPINION

Singapore's Uncontested President

By Garry Rodan

As Singapore created new political institutions in recent decades to increase popular participation, it also added limits on political competition. This paradoxical strategy has helped the ruling People's Action Party (PAP) consolidate its power. But the emphasis on control can be self-defeating.

A good illustration is this week's appointment of PAP-endorsed candidate Halimah Yacob as the country's eighth president. Tough new regulations introduced since the last election left her the only eligible candidate. The walk-over shows how the inherent tension between political control and competition within this institution has intensified over time.

The point was to increase popular participation, but the conditions were far from competitive.

Singapore created an elected presidency in 1991 as a hedge against a "rogue government" that might squander the country's hard-earned reserves. A 13% swing against the PAP in the 1984 general election led the ruling party to worry that a future election could remove it from office.

The government first created new avenues for participation within PAP-controlled institutions to dissuade electors from embracing the opposition. These included nominated members of parliament and policy consultation mecha-

nisms. The government then gave the new post of elected president custodial powers over the city-state's vast financial reserves, as well as veto power over key public-service appointments.

Yet the PAP was just as concerned to avoid a "rogue president." So candidates needed a minimum of three years' experience as a cabinet minister, chief justice, speaker of parliament, attorney-general, auditor-general, chairman of the public service commission, permanent secretary in the civil service, or chairman or chief executive officer of a company with a paid-up capital of at least \$74 million.

Nevertheless, things haven't always gone to plan. The 1993 election was won by Ong Teng Cheong, the PAP-endorsed former secretary-general of the PAP-affiliated National Trades Union Congress (NTUC) and the city-state's deputy prime minister at the time. Yet his opponent, former Accountant-General Chua Kim Yeow, attracted 41.3% of the vote, despite describing Ong as "the far superior candidate." Evidently, some voters wanted to support a candidate not endorsed by the PAP.

In office, Ong proceeded to challenge the PAP. He requested information from the bureaucracy about the reserves and complained about obstacles to obtaining that information.

The 2011 presidential election gave the PAP even more discomfort. Four candidates contested, all with the family name of Tan. Tony Tan, the PAP-endorsed former deputy prime minister, won by a mere 0.35% over Tan Cheng Bock, a former PAP backbencher with grassroots links. The close result was a shot across the bow at the PAP elite and its ideology of meritocracy ra-



WONG MAY-E/ASSOCIATED PRESS

Halimah Yacob and her husband in Singapore on Wednesday. She was the only presidential candidate to have qualified under strict new elections criteria.

tionalizing the tight concentration of political power.

The election was more overtly political, too. Some candidates raised policy issues and agendas beyond the powers of the president, including suggestions on how to use the reserves. There have been online campaigns, public rallies and lively debates.

The government clamped down in preparation for the 2017 election. First, it raised the criteria for private-sector candidates so that only executives of a company with at least \$372 million in shareholder equity were eligible. Second, it stipulated that this year's election would be racially reserved, limiting candidates to members of a particular ethnic group—in this case, Malays—since a president hadn't been elected from that ethnic group for five con-

secutive terms. Third, it required that the president must consult an enlarged government-appointed Council of Presidential Advisers before exercising discretionary powers. Fourth, it introduced new rules to curtail electioneering.

The changes reduced what was already a shallow pool of eligible candidates. Finding interested and qualified private-sector Malays proved especially challenging.

The introduction of the racially reserved election also attracted criticism of the PAP's concept of multiculturalism. The PAP tried to present the reserved election as a far-sighted measure to prevent xenophobic tendencies, racism and tribalism of the sort sweeping many Western countries.

With 74% of the population racially Chinese, the question of ade-

quate representation of Malay, Indian and other minorities is a legitimate issue. PAP leaders are right to insist that race isn't insignificant to voter preferences in Singapore. But whether this is best addressed by further reifying racial categories and concepts of citizenship is another matter.

The racially reserved provision prevented Tan Cheng Bock, who is ethnically Chinese, from contesting again. He mounted an unsuccessful legal challenge over the government's calculation of the five consecutive terms without a Malay president. The blocking of Mr. Tan's candidacy created the impression that the space for loyal opposition—within the PAP as much as outside it—is contracting.

Ms. Yacob thus begins her presidency without having faced an election. Portrayed in the government-controlled media as fiercely independent, she is a blue-ribbon PAP activist and politician who spent 33 years working for the NTUC. She subsequently served as a minister of state and speaker of the house in the PAP-dominated parliament.

That suggests Ms. Yacob is eminently suited for the role of Singapore's president. But because she didn't win the role in a contested election, she has little or no popular mandate to act as a check on the government, and the process by which she was selected is likely to frustrate Singaporeans who want more participation in government.

The restrictions placed on the elected presidency have robbed the institution of its purpose.

Mr. Rodan is professor of politics and international studies at Murdoch University.

Critics of the Equifax Identity Theft

By Amar Bhidé

Outrage in America that Equifax exposed more than 143 million credit records to identity thieves misses the point. We really should worry about what makes impersonation so easy—why do lenders know so little about the people to whom they issue credit?

Because laws meant to ensure fair lending also reduce individuals to anonymous credit scores. Regulators enforcing the 1968 Fair Housing Act and the 1974 Equal Credit Opportunity Act look askance at lenders who rely on judgment instead of scores to screen loan applications.

Even broadly relying on statistical scores doesn't get lenders off the hook. Regulators also frown on "discretionary overrides," especially if lenders allow frontline staff to overrule scores instead of having someone at headquarters do it.

A branch-based banker in direct contact with customers may be better positioned to determine whether an applicant's score reflects true creditworthiness. But regulators

worry that giving branch staffers this authority may invite discrimination, so it's a no-no.

Fairness examiners also worry about "customized" scoring models that can include variables excluded from credit-bureau records, such as education. It isn't entirely forbidden, but regulators worry those variables could correlate with factors like race, ethnicity and sex. Lenders often resort to using a "generic" bureau score, popularly called a FICO score, to mitigate regulatory risk.

U.S. federal agencies, notably Fannie Mae and Freddie Mac, have made FICO scores the main determinant of the creditworthiness of mortgage applicants. In 1994, Fannie and Freddie sought to automate screening—and prevent racial discrimination—by "removing subjective reasoning." Not coincidentally, Fannie Mae had concurrently pledged \$1 trillion in targeted housing finance for disadvantaged groups. Pressed for time, the agencies accelerated automation by relying on FICO scores, which had been designed for consumer lending, not mortgages. Fannie and Freddie's

endorsement then prompted private mortgage lenders to embrace bureau scores as well.

The use of bureau scores itself was predicated on a system of credit reporting and scoring nourished by Washington. In the 1950s and '60s, as Citibank and Bank of America started

Fair-lending laws turned consumers into anonymous credit scores—and a target for identity thieves.

marketing credit cards in states where they weren't allowed to open branches, they used bureau scores to screen applications. This led to increased concerns about inaccurate bureau records.

In 1970 President Nixon signed the Fair Credit Reporting Act, which barred lenders from providing inaccurate information to credit bureaus, required the bureaus to ensure maximum possible accuracy,

and encouraged consumers to correct errors in their reports. The rules helped increase confidence in credit-bureau scores and records. Increased confidence in turn promoted even wider use of the scores by lenders and regulators.

Yet bureau scores don't play a major role in small-business lending. That's because government watchdogs don't nudge small-business lenders for allowing discretionary overrides or customizing credit scoring. The Small Business Administration doesn't mandate the use of bureau scores for the loans it guarantees. And there's no evidence of significant discrimination in small-business loans.

Rules driving consumer lenders to seek the safety of credit FICO scores risk more than large-scale identity theft.

Practical considerations—such as verifying someone's educational background—prevent factors that affect creditworthiness from being part of FICO scores. The scores also rely on "statistical information" that ignores crucial local circumstances.

They don't recognize substance abusers or distinguish judges with life tenure from workers in plants scheduled to close. This allows lenders to mass-produce loans at low cost, but it also increases lending mistakes and the risk of credit bubbles.

Growing anxieties about indiscriminate FICO-enabled credit card, automobile and student lending—while "artisanal" lending to small businesses languishes—have sound foundations.

Fair lending rules may well have reduced unwarranted denials of mortgage and consumer loans, but they have prevented warranted denials of credit. Congress should scale back fairness rules to make consumer lending more like small-business lending. And regulators should relax enforcement of fairness rules. These simple steps could discourage nearly blind lending—and sophisticated identity theft.

Mr. Bhidé, a professor of business at Tufts University, is the author of "A Call for Judgment: Sensible Finance for a Dynamic Economy" (Oxford, 2010).

A New Challenge Looms for Greece's Far Left

By Yannis Palaiologos

Among the casualties of Greece's extended economic crisis has been the country's establishment left. The near-decimation of the center-left Pasok party has meant that in recent years the political space between the governing Syriza party on the far left and the parties of the center-right has had little effective representation. But now, after many false starts, an effort is under way to re-energize the center-left with a new political party, and Prime Minister Alexis Tsipras is concerned.

Pasok governed Greece for 21 of the 30 years between 1981 and 2011, never dropping below 38% in parliamentary elections. Under the weight of its own mishandling of the country's fiscal collapse, however, the party's support nosedived to 12%

from 44% in two-and-a-half years. By the January 2015 election, its support plummeted below 5%. Meanwhile, Syriza won 35% of the vote in 2015, up from less than 5% in the October 2009 election.

Several initiatives since then to regroup and unify the ranks between Syriza and the center-right New Democracy party achieved little. The legacy of fragmentation and conflicting personal strategies that long bedeviled the political center seemed impossible to overcome.

Meanwhile, Mr. Tsipras's abandonment of his radical agenda and his embrace, however half-hearted, of the reform-and-austerity policies of his predecessors, made him a plausible candidate to take up the leadership of Greek social democracy.

For those keen to deny Mr. Tsipras this role, there is suddenly hope on the horizon. After a long period of stalemate, an electoral process

will finally take place, in two rounds on Nov. 5 and 12, to select the leader of a new center-left party. Ten candidates are in the running, though only four or five have a serious shot at winning. Already there are predictions of displacing Syriza and becoming the official opposition.

Such talk is premature. Despite Syriza's precipitous decline in the polls, with almost all surveys placing New Democracy ahead by double digits, few doubt that Syriza will remain one of the two main parties after the next election, to take place by autumn 2019.

Disagreements remain about how open to make the vote, especially whether to include Greeks living abroad. Pasok's president, Fofi Gentilimata, who has the support of the party machine, is less keen on a wider electoral body, and the unpredictability that would entail, than some of her opponents. And the policy direction of the new entity remains hazy at best.

Still, despite Mr. Tsipras's proven political agility, the prime minister is closely watching these developments on the center-left. Several times in the past few months he has even prodded the post-Pasok left to join

with Syriza against the "neoliberal" forces of New Democracy.

But Mr. Tsipras is well aware that the venom he used against the social-democratic establishment to topple it, and the divisive rhetoric that has since been the hallmark of his premiership, have left him with few friends on the center-left.

The country's decimated center-left wants to make a comeback and confront the governing Syriza party.

The implications for Greece's near-to-medium term political stability could be significant. An anti-Syriza center-left party as the third-biggest force in parliament could give Kyriakos Mitsotakis, the liberal leader of New Democracy, safety in numbers. The new party could join in a coalition to form a robust majority (though no candidate is committing to this), and could deliver the votes Mr. Mitsotakis will need in 2020 to elect a new president of Greece and prevent yet another election.

The critical question, however, beyond short-term coalition politics, is whether the leader of the new party can be a credible force for stamping out corruption in Greek public administration and for introducing the necessary reforms to free the private economy of excessive regulatory burdens and barriers to entry. On these criteria, two candidates are the most promising: Giorgos Kaminis, the mayor of Athens, and Stavros Theodorakis, the leader of Potami, a centrist party that has been around for less than four years.

These two are very different men. Mr. Kaminis is a mild-mannered former constitutional lawyer and civil ombudsman. Mr. Theodorakis is a former television journalist from a modest background and has a populist touch. But both are outsiders, politicians who have risen from beyond the confines of party politics and, for this reason, are more persuasive as agents of change.

"My aim is for the center-left to become the backbone of the reformist agenda, and to strengthen reformist voices in both Syriza and New Democracy," Mr. Kaminis told me. Mr. Theodorakis, for his part, says he has "never had any truck with clientelism and populism," and he defines the direction the new party must take as "more Macron."

The precise meaning of these aspirations remains nebulous. No candidate has yet offered a detailed policy agenda. Many challenges remain on the road to November, and unity at the end of it is far from guaranteed. But at least the center-left is trying to get its act together. Mr. Tsipras is watching anxiously in the wings.

Mr. Palaiologos is a journalist at the Kathimerini newspaper in Athens and the author of "The Thirteenth Labour of Hercules" (Portobello Books).

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch
Executive Chairman, News Corp

Gerard Baker
Editor in Chief

Matthew J. Murray
Deputy Editor in Chief

DEPUTY MANAGING EDITORS:

Michael W. Miller, Senior Deputy;

Thorold Barker, Europe; Paul Beckett,

Washington; Andrew Dowell, Asia;

Christine Glancy, Operations;

Jennifer J. Hicks, Digital;

Neal Lipschutz, Standards; Alex Martin, News;

Shazna Nessa, Visuals; Ann Podd, Initiatives;

Matthew Rose, Enterprise;

Stephen Wisniewski, Professional News

Paul A. Gigot, Editor of the Editorial Page;

Daniel Henninger, Deputy Editor, Editorial Page

WALL STREET JOURNAL MANAGEMENT:

Suzi Watford, Marketing and Circulation;

Joseph B. Vincent, Operations;

Larry L. Hoffman, Production

EDITORIAL AND CORPORATE HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES

DOW JONES
News Corp

Robert Thomson
Chief Executive Officer, News Corp

William Lewis
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:
Mark Musgrave, Chief People Officer;

Edward Roussel, Innovation & Communications;

Anna Sedgley, Chief Operating Officer & CFO;

Katie Vannecque-Smith, President

OPERATING EXECUTIVES:
Ramin Beheshti, Product & Technology;

Jason P. Conti, General Counsel;

Frank Filippo, Print Products & Services;

Steve Grycuk, Customer Service;

Kristin Heitman, Transformation;

Nancy McNeill, Advertising & Corporate Sales;

Jonathan Wright, International

DJ Media Group;

Almar Latour, Publisher;

Kenneth Breen, Commercial

Professional Information Business;

Christopher Lloyd, Head;

Ingrid Verschuren, Deputy Head

Notable & Quotable: Burma

Shibani Mahtani and Myo Myo, writing in the Nov. 6, 2014 Asian edition of The Wall Street Journal:

YANGON, Myanmar—Opposition leader Aung San Suu

BUSINESS & FINANCE

© 2017 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Friday - Sunday, September 15 - 17, 2017 | B1

Yen vs. Dollar 110.7020 ▲ 0.19%

Hang Seng 27777.20 ▼ 0.42%

Gold 1324.00 ▲ 0.05%

WTI crude 50.18 ▲ 1.78%

10-Year JGB yield 0.040%

10-Year Treasury yield 2.192%

Lotte Sounds a Retreat in China

Geopolitical tensions prompt South Korean group to consider the sale of retail operation

BY EUN-YOUNG JEONG

SEOUL—South Korea's **Lotte Group** is conceding defeat for its Lotte Mart business in China, with plans to sell stores there after heavy losses brought on by diplomatic tensions between Seoul and Beijing.

The conglomerate said it has selected **Goldman Sachs Group** Inc. to manage a sale that would mark the latest setback for South Korean companies hit by boycotts and bans in China, amid anger over the deployment of a U.S.-made missile-defense system in South Korea.

The sale plan is still in its preliminary stages. A Lotte spokeswoman said the company hasn't decided on whether to sell its entire hy-



A Lotte Mart in Beijing in March. The business is struggling badly after Chinese authorities suspended operations at some stores.

permart and supermarket business or individual stores in China. A spokesman at Goldman Sachs in Seoul declined to comment.

South Korea's government identified last year a golf

course owned by Lotte as a site for the missile-defense system. The disclosure put the country's fifth-largest conglomerate—whose interests include luxury hotels, chemicals, chewing gum and duty-free stores—

in the center of the geopolitical dispute. The battery was installed in April.

Beijing opposes deployment of the missile-defense shield in South Korea, citing its radar's ability to reach into Chinese territory. Seoul and Washington say the system, known as Terminal High-Altitude Area Defense, or Thaad, is needed to defend South Korea and the 28,500 U.S. troops based there from North Korean leader Kim Jong Un's expanding weapons program.

Since March, Lotte has closed 87 of its 99 hypermarket stores in China. The business suffered after Chinese officials began suspending operations at some Lotte stores in the country—citing violations of fire and safety codes—and halted construction on new projects.

The company estimates it has lost 500 billion won (\$441.7 million) from the business suspensions. It has injected 700 billion won as emer-

gency-operation funds to quell the situation.

Aside from its hypermart business, Lotte operates in China more than 20 affiliates, which run shopping malls, confectioneries and chemical plants. The Lotte Mart business is the largest, and makes up about 30% of the company's revenue in China, its largest overseas market. The Lotte spokeswoman said the company's other businesses will continue to operate as before.

In an interview in March, Lotte Group Chairman Shin Dong-bin said China was too important a market to give up. "We definitely want to continue our business in China," said Mr. Shin.

Auto maker Hyundai Motor Co. is another South Korean company hard hit by tensions between Seoul and Beijing, suffering temporary production halts and poor sales. For its latest quarter, Hyundai reported a 29% drop in car sales in China, compared with a year earlier.

VW Sets Recall of Takata Air Bags

BY TREFOR MOSS

SHANGHAI—Volkswagen AG and its Chinese joint-venture partners are recalling 4.86 million vehicles in China to replace faulty air bags supplied by bankrupt Japanese supplier **Takata Corp.**, the German auto maker said Thursday.

It is the second massive recall Volkswagen has faced in China in the space of 10 days. Earlier this month, the Chinese quality watchdog said Volkswagen would recall more than 1.8 million vehicles to fix defective fuel pumps.

Volkswagen is heavily dependent on the China market: last year the country accounted for four million of the 10.3 million vehicles VW delivered globally. The company builds cars locally with state-run partners Shanghai Automotive Industry Corp. and FAW Group Corp.

The setbacks aren't likely to seriously damage VW's prospects in China, said Gerwin Ho, senior analyst at Moody's Investors Service. "China's auto market is evolving into a developed market, and recalls are common and standard procedure in developed auto markets," Mr. Ho said.

Though the diesel-emissions scandal of 2015 dented Volkswagen sales elsewhere, its business held strong in China last year. VW remains by far China's most-popular auto brand: it sold 1.5 million passenger cars in the first half of 2017, more than double the volume of its closest rival, Honda, according to LMC Automotive, an auto-intelligence company.

China's General Administration of Quality Supervision, Inspection and Quarantine said it had been investigating potential air-bag defects since 2014, and had pushed for the recall based in recent discussions with Volkswagen and its Chinese partners.

The watchdog said in June that it had asked several auto makers that hadn't already conducted large-scale recalls relating to defective air bags to do so as a matter of urgency. Those companies included Volkswagen. At that stage 24 auto makers in China had already recalled 10.6 million cars over the air-bag issue, it said.

Volkswagen Group China said in a written statement that it was acting on the watchdog's conclusion that there is "a potential safety risk" relating to air bags in its vehicles. The recall will be carried out in phases through December 2019, it said.

Faulty Takata air bags have been linked to at least 12 deaths in the U.S. alone. The air bags have been known to explode because of faulty inflators, sending potentially deadly shrapnel into the vehicle's cabin.



The Hi-Crush sand mine near Kermit, Texas. Drillers need large quantities of sand to extract oil and gas from shale formations.

New Texas Gold Rush: Buying Sand

BY RYAN DEZEMBER

There is a new land grab going on in the oil-rich fields of West Texas. This time it is over sand.

Big oil-field sand suppliers, Wall Street firms and other investors have been buying up swaths of the West Texas desert. These investors aim to mine and sell the sand to drillers in the region's booming Permian Basin, which need large quantities of sand to extract oil and gas from shale formations.

Texas energy producers have typically bought the millions of pounds of sand that each well requires from mines located far from their drilling fields. After oil prices collapsed in late 2014, though, cost-conscious drillers reconsidered their well designs and recipes for the slurries they blast un-

derground to unleash fuel from shale formations. Many West Texas drillers discovered that they could replace sand they had been shipping from mines 1,300 miles away in Wisconsin with finer grades found in dunes nearby. Doing so eliminates rail costs that sometimes are equal to or more than the sand itself.

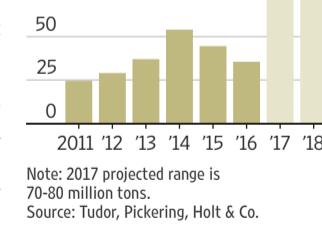
Now investors are lining up to supply local sand to West Texas drillers.

"Local sand is a huge disrupter that is beneficial to the shale producers," said Ben "Bud" Brigham, an Austin geophysicist who built and sold two oil companies and now is plowing some of his profits into sand pits.

Mr. Brigham is using proceeds from his recent \$2.55 billion sale of Brigham Resources to fund a Permian mining operation called **Atlas Sand Co.**,

Sand Blasting

U.S. energy producers are boosting the amount of sand used in their fracturing operations.



Note: 2017 projected range is 70-80 million tons.
Source: Tudor, Pickering, Holt & Co.

THE WALL STREET JOURNAL

which he expects to begin sand production in next year's second quarter.

The Atlas mine is one of at least 18 under way or proposed

for the desert outside Midland, Texas, according to Jefferies analyst Brad Handler. The first, Hi-Crush Partners LP's 3-million-ton-a-year facility, began operations in July. More than a dozen plan to open over the next year.

The prospect of tens of millions of tons of Permian sand coming to market could drive down sand prices that have been rising nationally, Mr. Handler said. Analysts say that prices rose to as much as \$45 a ton earlier in the year, from as little as \$15 a ton last year.

With competition heating up in West Texas, analysts say it is unlikely that all the planned mines will get built.

"There'll likely be many losers who jumped into the game a bit late," said George O'Leary, an analyst at energy investment bank Tudor, Pickering,

Please see SAND page B2

South African Political Scandal Buffets Foreign Firms

A widening political scandal in South Africa that has already felled one of the U.K.'s biggest public-relations firms is engulfing other international corporations that have worked with a business family with close ties to President Jacob Zuma.

Auditing firm **KPMG LLP**, software maker **SAP SE** and consultancy **McKinsey & Co.** have all launched internal reviews and put some staff on leave after a massive email leak and other investigations

prompted embarrassing allegations over their dealings with the Gupta family, a family that built a corporate empire in South Africa with President Zuma's 35-year-old son, Duduzane.

This week, South African civil-society groups and several business people urged companies with operations in the country to cut their ties with entities implicated in the escalating controversy, which has sent shock waves across Africa's most developed economy and President Zuma's African National Congress.

Potential findings that companies violated tax, money-laundering or bribery laws in South Africa could not only lead to lost business, but also

fines in other jurisdictions, such as the U.S. and Europe.

The more than 100,000 leaked emails from one of the Gupta company servers, many of which were published in full by South African media and political groups, appear to show how the Guptas and Duduzane Zuma—often working with or on behalf of foreign corporations—received billions of rand from state-owned companies and launched public attacks on opponents of President Zuma.

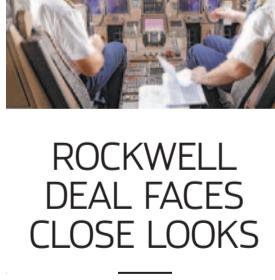
"It is increasingly clear that the Gupta family was only able to do this with the assistance of multinationals such as McKinsey, SAP and KPMG,"

Please see GUPTA page B2



President Jacob Zuma's 35-year-old son, Duduzane, whose ties to a South African business empire are under scrutiny.

INSIDE



ROCKWELL DEAL FACES CLOSE LOOKS

BUSINESS, B3



MONITORS SET TO TRACK TRUCKERS

TECHNOLOGY, B4

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	
Amazon.com	B1
Apple	A6
Atlas Sand	B1
Autoliv	B3
B	
Bank of America	A6
Bank of England	A1, B8
Barclays	B2
C	
Canaccord Genuity Group	B5
Canyon Bridge Capital Partners	B4
Cisco Systems	A6
Credit Suisse Group	B8
D	
Darden Restaurants	B8
Dell Technologies	B8
Dreamchaser's Brewery	A6
F	
Facebook	B3
FireEye	B5
G	
Glenview Capital	

A	
Management	B2
Goldman Sachs Group	B1, B5
H	
HCL Technologies	A6
I	
International Business Machines	A1
J	
JBS	A4
J.P. Morgan Chase	B5
K	
KPMG	B1
L	
Lattice Semiconductor	B4
Lazard	B2
Life360	A6
Lotte Group	B1
M	
ManpowerGroup	A6
MasterCard	A6
MBO Partners	A1
McKinsey	B1
Mercosur	A4
Wells Fargo	A6
Microsoft	B8

INDEX TO PEOPLE

A	
Abedian, Iraj	B2
B	
Billerbeck, Darin	B4
Bradley, Karen	B3
Brigham, Ben	B1
Buckham, Mike	B2
C	
Carleton, Richard	B5
D	
Dimon, James	B5
F	
Fetter, Trevor	B2
H	
Hayes, Greg	B3
L	
Linton, Bruce	B5
M	
Muihlenburg, Dennis	B3
R	
Rasmus, Robert	B2
S	
Slattery, John	B2
Sohn, Young	B4
T	
Truman, Paul	B4

Tenet Eyes Options, Weighs Possible Sale

BY DANA MATTIOLI
AND DANA CIMILLUCA

Tenet Healthcare Corp., facing shareholder-activist pressure, is exploring strategic options including a possible sale of the hospital company, according to people familiar with the matter.

Tenet is working with investment banks **Lazard** and **Barclays** PLC on a range of options and has started to arrange meetings with possible buyers, the people said.

Tenet, one of the largest for-profit hospital chains in the U.S., had a market value of \$1.6 billion before The Wall Street Journal reported the news Wednesday, and more than \$15 billion in debt, giving it an enterprise value of nearly \$20 billion. It had \$19.6 billion in revenue last year.

In part because of the size of Tenet's debt, the universe of buyers for the whole company is

small, some of the people said.

Tenet, which operates more than 500 hospitals and outpatient centers in the U.S., has been hurt by uncertainty over the fate of Medicaid programs and insurance exchanges under the Affordable Care Act. Over the past year, the company's stock has fallen about 30%. After the Journal report Wednesday, Tenet's shares rose 12% in aftermarket trading.

In August, Tenet said Chief Executive Trevor Fetter would step down by March.

The announcement followed a board shake-up earlier that month, with the resignation of two officials from **Glenview Capital Management** LLC. Their departures started a countdown to end a standstill agreement between the hospital operator and Glenview, which has pushed the company for a sale or new leadership.

—Melanie Evans contributed to this article.

ADVERTISEMENT

Legal Notices

PUBLIC NOTICES

NOTICE TO CREDITORS of MAPLE BANK GmbH, TORONTO BRANCH (also known as Maple Bank – Toronto Branch) (hereinafter referred to as "Maple Bank")

RE: NOTICE OF DISTRIBUTION FOR MAPLE BANK PURSUANT TO THE WINDING-UP AND RESTRUCTURE ACT (the "WURA")

PLEASE TAKE NOTICE that this notice is being published in order to give notice that on September 26, 2017, KPMG Inc., in its capacity as Court-appointed Liquidator of the business in Canada of Maple Bank and its related assets, will be requesting an order from the Ontario Superior Court of Justice (Commercial List) to approve a distribution by the Liquidator to the General Insolvency Administrator on or after September 26, 2017, in respect of a portion of the estimated surplus of funds, which have been realized from the liquidation and/or sale of the assets and the business in Canada of Maple Bank by the Liquidator.

DATED at Toronto this 15th day of September, 2017.

KPMG Inc., in its capacity as Court-appointed Liquidator of the business in Canada of Maple Bank GmbH, (Toronto Branch) and its related assets Bay Adelaide Centre 333 Bay Street, Suite 4600 Toronto, ON M5H 2S5, Canada

Attention: Nick Brearton
email: nbrearton@kpmg.ca
Fax: (416) 777-3364

ADVERTISEMENT

The Mart

ANNOUNCEMENTS

NICHE MEDICAL CLINIC

Non-doctor partner needed to run small office in your city staffed by local physician providing unique medical service. Net \$4,000 per patient cash, no insurance. Proven track record. FDA registered life-changing treatment. No competition. Exclusive territory. Inv. req. (800) 241-1070

BUSINESS OPPORTUNITY

FINANCE IN EUROPE

Business financing at the Bankers Institute. Deal direct with the World's top Financial Institutions. Qualified Agents needed now. Contact us:

<http://www.thebankersinstitute.com>

Healthcare Investment 30-75% ROI Per Year!

Our healthcare solution lowers costs. No deductibles. Big market need. Repeat biz. Very large ROI. \$15k-600k investment.

Jeff Roberts 800-845-7720
jroberts@atsmidwest.com

THE WALL STREET JOURNAL.

LEGAL NOTICES

ADVERTISE TODAY

(852) 2831-2553

or

(65) 6415-4279

For more information visit:

wsj.com/classifieds

© 2017 Dow Jones & Company, Inc.
All Rights Reserved.

BUSINESS FOR SALE

Rare Agerwood (Oud) plantation in Vietnam,

Well established, 50 hectares, mature trees, 30,000 trees 15 years & older. 20,000 trees 10-15 years. Excellent steady yield. Includes processing plant. Contact: Dong Bach, Phone +849 6628 6676 or dong.bach@gmail.com

TRAVEL

Save Up To 60%

First & Business

INTERNATIONAL

Major Airlines, Corporate Travel

Never Fly Coach Again!

www.cooktravel.net

(800) 435-8776

Businesses For Sale.

Call (852) 2831-2553,

(65) 6415-4279

or (813) 6269-2701

THE WALL STREET JOURNAL.

BUSINESS & FINANCE

Embraer Considers a Turboprop

BY ROBERT WALL

LONDON—One of the world's biggest plane makers, **Embraer** SA, is in talks with airlines about potentially developing a turboprop regional airliner amid signs demand in the U.S. for such aircraft may be ready to rebound.

The company this week hosted two days of talks in Europe with airlines from around the world to gauge their interest in a new plane to satisfy demand for the next 20 to 30 years, said John Slattery, president of Embraer Commercial Aviation. "We are at the early stages of assessing what the business case could be," he said Thursday.

The plane principally would compete with Canada's Bombardier Inc. and ATR, the European turboprop maker owned by **Airbus SE** and Italy's **Leonardo** SpA.

Mr. Slattery said current turboprop designs being sold are "decades old," potentially opening the door for a plane featuring a new airframe, engines and other enhance-



DAVID GARDNER/LOMBERG NEWS

The Brazilian aircraft maker held talks to gauge airlines' interest.

ments. "We are serious about it," he told the Aviation Club in London.

The Brazilian aircraft maker is best known for making 70-seat to 100-seat regional jets heavily used on routes without sufficient demand to warrant operating larger Boeing Co. or Airbus planes.

Mr. Slattery said the feedback from the so-called airline advisory board was instructive. Plane makers typically

hold such meetings to get customer feedback and refine their aircraft concepts before formally offering new aircraft designs for sale.

Embraer would likely introduce more than one version to handle different passenger numbers. The exact sizes haven't been defined yet. He wouldn't say when Embraer might decide whether to introduce a new turboprop plane.

Turboprops tend to fly

off. Shares of such companies soared until the second half of 2014 when they collapsed along with oil prices, and concerns about too much supply.

Even as oil prices have stabilized and sand prices have risen, these stocks have continued to falter. The five big listed sand companies are each down more than 35% this year.

Hedge-fund manager Daniel Loeb is among those betting that sand stocks will fall further. In an April letter to his Third Point LLC investors, Mr. Loeb cited the "important shift" from special sand mined in the Midwest to abundant sand within drilling basins, including West Texas.

Miners with Midwestern operations say they are confident that the types of sand produced there will remain in demand in Texas and other drilling regions, such as those in North Dakota and Appalachia.

The cost of transporting grains by rail from the Midwest typically makes up about a third of the total cost of sand. Permian oil producers estimate they will chop roughly 5% from

water pressure that cracks open the shale and the sand that props open the fissures to allow oil and gas molecules to seep out.

Many drillers have preferred coarser grades of sand that are better able to withstand pressures miles deep beneath the surface and can hold cracks open wider than finer grains.

In response to low oil prices, however, producers such as Mr. Brigham were able to boost wells output by using larger quantities of finer sand.

"People started looking around saying, where can we find this smaller mesh sand? And it was in the Permian Basin," said Hi-Crush finance chief Laura Fulton.

Hi-Crush, which operates four Wisconsin mines and ships roughly half of its sand to Permian customers, in March bought 1,226 acres of dunes near Kermit, Texas, for \$275 million in cash and stock.

On a popular spot for dune buggies, the Houston company built a facility to mine, sort, wash and dry the sand and made its first delivery in late July.



JAMES DURBIN / THE OILFIELDPHOTO FOR THE WALL STREET JOURNAL

GUPTA

Continued from the prior page said Chris Davis, a campaigner for Save South Africa, a political group opposed to President Zuma.

On Wednesday, two South African banks said they were reviewing their relationship with KPMG, which audited and provided tax advice for several Gupta-linked companies until March 2016, and other companies said they were awaiting the results of the Netherlands-based firm's investigation into the allegations.

KPMG—which also is being probed by South Africa's audit regulator over allegations it helped the Guptas disguise the origin of a 30 million rand (\$2.3 million) payment for a lavish family wedding—said it hasn't found any evidence that it supported tax evasion or money laundering.

The Guptas and Duduzane Zuma have denied wrongdoing. They say they are victims of a coordinated attack by South Africa's established, and mostly white-owned, companies.

President Zuma, who is facing calls to resign from his own party as a result of his ties to the Guptas, has said he would appoint a commission to probe the allegations.

The email leaks seemingly show a web of apparent influence peddling and suspicious payments.

Germany-based SAP initially pushed back on allegations that it paid 99.9 million rand to a company controlled by the Guptas for helping it gain lucrative contacts with South African state companies.

BUSINESS NEWS

Deal Faces High-Pressure Review

Intense regulatory scrutiny is expected for tie-up of United Tech and Rockwell

By DOUG CAMERON

Questions are surfacing over how antitrust authorities will treat the tie-up between United Technologies Corp. and Rockwell Collins Inc. amid a broader debate over whether the combination will drive up costs in the aerospace industry.

Regulators, especially in Europe, are likely to be sensitive to the repercussions from the proposed takeover announced last week because it represents a culmination of years of smaller-scale consolidation. United Technologies agreed to purchase Rockwell Collins for \$23 billion in the biggest all-aerospace deal in history, creating a powerhouse making everything from cockpit electronics to landing gear and engines.

Share-price moves since the deal's announcement indicate investors are putting a 70% probability on the transaction closing as planned by the third quarter of 2018.

Industry experts say Europe's antitrust watchdog represents the biggest potential obstacle to the deal.

There is relatively little overlap between the two companies—which would have combined annual aerospace revenues of \$40 billion a year—in terms of products manufactured, a primary focus of regulators in the U.S. Other countries take nontangible considerations, such as the extent of a company's dominance in a sector or segment of a supply chain, into account.

"If there is an issue, we expect it would be in Europe and/or China, because scope, rather than just scale, matters," said Sanford C. Bernstein & Co. analyst Doug Harned.

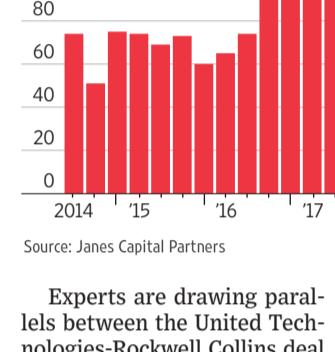


Industry experts say the companies' greatest regulatory hurdles could come from Europe.

Taking Off

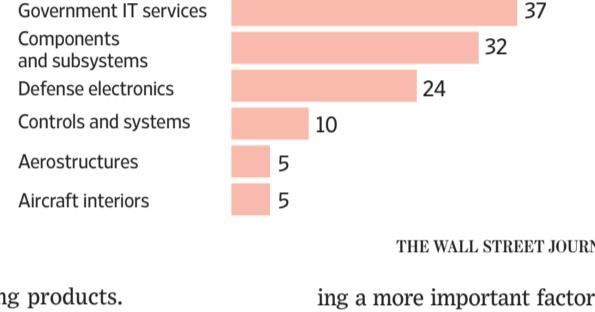
Deal making in the aerospace sector is picking up as suppliers seek more leverage over plane makers.

Quarterly aerospace deals



Source: Janes Capital Partners

Top deals categories (2016)



THE WALL STREET JOURNAL

ing products.

Experts are drawing parallels between the United Technologies-Rockwell Collins deal and the planned combination of Honeywell International Inc. and General Electric Co., which the European Commission blocked in 2001. The commission's rationale was that the deal would stifle competition.

United Technologies Chief Executive Greg Hayes said last week that the companies don't expect antitrust problems given that there are only a "few hundred million dollars" in product overlap. This includes cabin interior and light-

ing a more important factor in aerospace deals. The country accounts for around 20% of Boeing and Airbus orders, and is also developing its own commercial airliners.

Last year, Honeywell's high-profile bid for United Technologies didn't move forward, in part because United Technologies executives didn't think a deal would pass antitrust muster.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China, whose regulators are becoming

more involved in aerospace deals.

United Technologies and Rockwell Collins may make few of the same parts, but could leverage their combined buying power to squeeze their own suppliers and demand higher prices from Airbus SE and Boeing Co., as well as airlines. Mr. Harned said this could attract the European regulator's attention.

The deal requires approval from 17 regulators, reflecting the global nature of the aerospace industry. Each regulator has its own set of priorities.

Attention is also on China,

TECHNOLOGY

WSJ.com/Tech

Trump Blocks China Fund's Chip Deal

White House says
Lattice transaction
raised concerns over
U.S. national security

BY KATE O'KEEFFE

WASHINGTON—President Donald Trump on Wednesday blocked a Beijing-backed fund's attempt to buy an American chip maker, signaling his administration will closely scrutinize Chinese efforts to invest in U.S. semiconductor technology.

Mr. Trump rejected the transaction after the would-be deal makers—Chinese government-backed **Canyon Bridge Capital Partners** and **Lattice Semiconductor Corp.**—made a rare, direct appeal to him. They had hoped he would overrule an earlier negative recommendation by the Committee on Foreign Investment in the U.S., a multiagency panel that reviews deals for national-security concerns.

Instead, the White House

said Wednesday Mr. Trump believes the \$1.3 billion transaction could have risked U.S. national security because of "the potential transfer of intellectual property to the foreign acquirer, the Chinese government's role in supporting this transaction, the importance of semiconductor supply chain integrity to the United States Government, and the use of Lattice products by the United States Government."

Companies typically withdraw deals that can't win CFIUS approval before they reach the president's desk to avoid a likely White House rejection, but Canyon Bridge and Portland, Ore.-based Lattice waged an unusually public and fierce fight to try to save their deal, including the request to Mr. Trump to overrule his own national-security officials.

The deal became a lightning rod in a broader battle between the U.S. and China over chip technology and foreign direct investment more generally.

Following record levels of

Chinese investment in the U.S.—which last year tripled to \$46 billion, according to New York consulting firm Rhodium Group—the Treasury Department and lawmakers from both parties began mounting efforts to bolster the federal government's scrutiny of certain Chinese deals that they believe could risk national security. China's repeated attempts to invest in the semiconductor industry, which powers computers, mobile phones and much military hardware, have particularly alarmed U.S. officials.

Canyon Bridge and Lattice sought—and failed—three times to win approval from CFIUS, with executives from both entities alleging in interviews with The Wall Street Journal that anti-China politics in the U.S. were scuttling the deal as opposed to legitimate national-security concerns.

Lattice Chief Executive Darin Billerbeck, who had invited Mr. Trump to Portland to discuss the deal and talked up

its job-creation potential, said in an interview earlier this week that Lattice and Canyon Bridge tried to address all possible national-security issues through an agreement to give the U.S. government control over Lattice's intellectual property and technology if the tie-up were approved.

Executives from both entities have alleged anti-China politics thwarted the deal.

"You're basically saying that the government itself can't control IP that they're in charge of. I don't understand that," Mr. Billerbeck said of the foreign-investment committee's decision. "It has to be—it has to be—that they don't want to do a deal with China."

In a statement after the president's decision, Treasury

Secretary Steven Mnuchin, who is chairman of CFIUS, emphasized that the panel's process "focuses exclusively on identifying and addressing national security concerns."

Mr. Billerbeck had argued that blocking the deal would heighten national-security risks, as Lattice wouldn't have to honor the terms of the agreement they proposed on intellectual property and technology and they could pursue joint-venture and licensing deals abroad that are outside the panel's purview.

Following Mr. Trump's decision, Lattice issued a statement confirming it would terminate the deal and reiterating its belief that it was in "the best interests of our shareholders, our customers, our employees and the United States."

Canyon Bridge said in a Wednesday statement: "We are obviously disappointed in today's decision by the President of the United States to forgo what we believe to be an excellent deal for Lattice's

shareholders and its employees by expanding the opportunity to keep jobs in America."

Lawmakers were watching the deal closely. A bipartisan group of 22 House members led by Rep. Robert Pittenger (R., N.C.)—who plans to soon introduce a CFIUS overhaul bill along with Senate Majority Whip John Cornyn of Texas—wrote to CFIUS in December to flag the transaction. The group expressed concern that the deal could provide China with critical technology and accused Canyon Bridge of initially trying to obscure its Chinese-government backing.

An article published last week in China's Global Times said that a rejection from Mr. Trump "may further intensify the tension surrounding Sino-US trade relations."

CFIUS, which includes representatives from the Defense, State, Justice and Commerce departments, among others, has been toughening its reviews of certain Chinese deals since last year.

Truckers Log Issue With Monitors

BY BOB TITA

Electronic logs are taking fuzzy math out of trucking.

Federal and state officials in the U.S. have given truckers until December to install electronic monitors that track their time on the road. The new devices are meant to make highways safer by keeping drivers from overshooting the hours they can drive.

But some truckers who get paid by the mile could see their incomes drop without being able to round down the time it took them to make a delivery. Lower pay could exacerbate a driver shortage in an industry with a reputation for high turnover.

"You'll see smaller carriers leave the business," said Rod Nofziger, chief operating officer for the Missouri-based Owner-Operator Independent Drivers Association, which has 158,000 members.

Since 2003, truckers have been limited to 11 hours of driving during a 14-hour on-duty stretch. Waiting at a loading dock or getting stuck in traffic counts against that time. That tempts truckers to say in their logs that deliveries happened faster than they did. Driving-log violations are the largest share of citations that police issue during truck inspections, according to the Federal Motor Carrier Safety Administration.

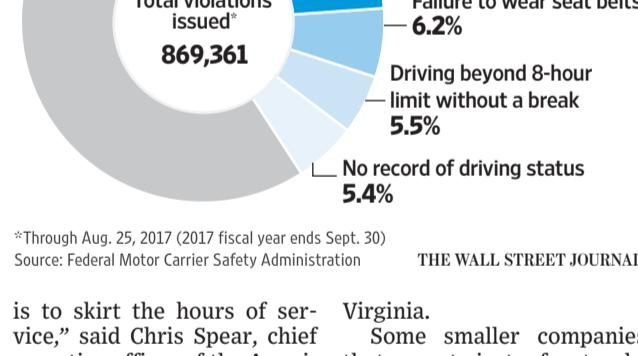
Even modest fudging can add up to hundreds of hours of unlawful driving. Road-safety advocates say off-book driving pushes up highway accident rates. The motor-safety agency estimates electronic logs will save 26 lives and prevent 562 injuries annually.

"The only reason anyone would oppose this technology



Mile Markers

Truck drivers pulled over by law enforcement are most often cited for infractions related to their records of time on the road.



*Through Aug. 25, 2017 (2017 fiscal year ends Sept. 30)

Source: Federal Motor Carrier Safety Administration

THE WALL STREET JOURNAL.

is to skirt the hours of service," said Chris Spear, chief executive officer of the American Trucking Associations in

Virginia.

Some smaller companies that operate just a few trucks and independent drivers are

resisting the switch.

"I don't plan on it until the last minute," said Monte Wiederhold, president of **B.L. Reever Transport Inc.**, a six-truck fleet in Ohio.

He and other smaller fleet operators say allegations of cheating on paper logs are exaggerated and the safety benefits overstated. With drivers paid an average of 40 cents a mile, small operators say the \$1,000 cost for an electronic log and the monthly service fees of about \$40 a truck to process the data is a financial burden. Small fleets and owner operators account for half of one million heavy-duty trucks for-hire in the U.S.

Acknowledging those concerns, the consortium of state and federal law enforcement agencies overseeing the change said last month that they will fine truckers found without electronic logs starting in December, but won't force their trucks off the road until April. Fines for log violations are based on state statutes and vary from state to state.

Paul Truman, president of Truline Corp., a larger trucking company in Las Vegas, has experienced a 12% drop in weekly miles traveled since most of the company's 220 trucks were converted to electronic logs. He says he hopes the reduction will be offset by higher shipping rates if there is less off-log driving and some owner-operators leave the industry.

"If you reduce the capacity and demand is the same, then pricing should go up and hopefully it makes the trucking industry more profitable," he said. "To make this work, we need everybody to be compliant."

Like many of its Silicon Valley peers, Samsung doesn't plan to manufacture its own vehicles but sees vast poten-

Samsung Invests In Auto Software

BY TIMOTHY W. MARTIN

SEOUL—Samsung Electronics Co. has created a \$300 million fund targeting new investments for automotive software and technology, the latest sign of the world's largest smartphone maker's desire to diversify beyond traditional electronics.

Samsung said Thursday that it had secured the first investment from the automotive-innovation fund, spending €75 million (\$89 million) to create a strategic partnership with **TTTech**, a company that specializes in safeguarding the real-time computer systems used in connected cars. **Audi AG** is also a major investor in the Austria-based TTTech.

The South Korean technology giant has identified the automotive sector as a critical area for growth, as cars are increasingly outfitted with multimedia platforms and high-tech software—a potential windfall for Samsung's displays and semiconductor businesses.

Samsung has been accelerating investments and other efforts into the automotive space over the past year, following last year's announcement of an \$8 billion deal to buy U.S. auto-parts supplier Harman International Industries Inc. Since then, Samsung has won regulatory approval in South Korea and California to test cars using its self-driving technology on public roads.

Beyond Harman, Samsung has other auto-tech bets on several startups that focus on automated driving, sensors or high-performance computing.

tial to create autonomous-driving software it could one day sell to traditional car makers. Samsung's tests in South Korea install its deep-learning algorithms and other software onto a vehicle made by **Hyundai Motor Co.**

The \$300 million investment, called the Samsung Automotive Innovation Fund, will target bets on smart sensors, machine vision and artificial intelligence that get used by connected cars, the company said. The firm is "excited to play a leadership role in supporting and shaping the future of smarter, more connected vehicles," said Young Sohn, a chief strategy officer at Samsung Electronics, in a statement.

The fund also serves as a statement that Samsung plans to continue making new investments following last month's conviction of the company's de facto leader, Lee Jae-yong. A Seoul court sentenced Mr. Lee, the company's vice chairman and the Samsung heir, to five years in prison for bribing South Korea's former president. Mr. Lee's lawyers have filed an appeal contesting the court verdict.

Three days after Mr. Lee's conviction, Samsung announced a fresh \$2.3 billion investment in semiconductors. Chips and auto technology are areas Mr. Lee has signed off on as pillars for Samsung's direction.

Beyond Harman, Samsung has other auto-tech bets on several startups that focus on automated driving, sensors or high-performance computing.

YouTube Yanks Channels

BY JACK NICAS

YouTube removed channels that broadcast North Korean state television because of legal concerns, angering North Korea experts who have used the channels for years to monitor the secretive country.

In recent days, YouTube, owned by **Alphabet Inc.**'s Google, pulled two prominent channels, saying they might be controlled by the North Korean government and thus violate U.S. sanctions against the country.

A message posted by YouTube on one channel's page said it was removed because of a legal complaint, while another said the channel violated the site's "community guidelines."

"We love that YouTube is a powerful platform for documenting events and shining light on dark corners around the world, but we must comply with the law," a YouTube spokeswoman said in an email.

Some researchers questioned whether the U.S. sanctions law applies to the videos, which didn't have ads and thus didn't earn money.

YUAN

Continued from page B1
the west, Xi'an in the north and Changsha in the south—are competing for the same people and companies.

Dozens of companies have headed Wuhan's appeal and set up operations, including smartphone maker **Xiaomi Corp.** and bike-sharing startup **Ofo Inc.**

For Beijing-based **Xiaomi**, Wuhan pulled out all the stops.

The city, along with the provincial government, in May announced a 12 billion yuan (\$1.83 billion) joint investment fund with **Xiaomi**—to lure hardware startups and nurture local tech companies.

The local Communist Party chief showered attention on **Xiaomi** co-founder and chief executive Lei Jun, a graduate of one of Wuhan's universities. The pair met three times in one month—an unusual gesture in a country where officials almost always outrank business executives.

Other incentives weren't announced, though there should be plenty more, according to executives whose companies have received such benefits. The city and company are discussing developing an industrial park.

As a result, **Xiaomi** will open a regional headquarters, base its retail-store operations in Wuhan and develop high-tech products there, according to the government. **Xiaomi** declined to comment.

Wuhan's zeal illustrates the resources and political will that authoritarian governments can muster to meet an objective—in this case moving up the value chain.

American cities offer incentives, too. Amazon can expect to receive breaks on property, state and local taxes, as well as tax rebates and other possible sweeteners such as grants for training employees and expedited permit approvals. To get electronics maker **Foxconn Technology Group** to locate a \$10 billion plant in Wisconsin, the state promised \$3 billion in tax credits, spread out over 15 years.

While Wisconsin has to defend the deal against criticism and concerns about taxpayer giveaways, the Wuhan government faces no meaningful opposition.

Wuhan's main press office declined to comment. A business-development official at the East Lake High-tech Development Zone—the city's tech-industry center—says Wuhan is very conscientious about not wasting taxpayers' money. The city, he says,

needs to spend now, even if the payoff isn't imminent.

"If we don't take the first step, we won't be able to build up a high-quality talent reserve. Then we'll never have the opportunity to move up the value chain," he says. "We will be completely irrelevant."

And so the spending continues. Live-streaming video company **Wuhan Douyu Internet Technology**, for example, received five million yuan last year for locating its headquarters in the city, even though it did so three years ago, says Douyu's vice president, Yuan Gang. The company gets an office rent sub-

sidy of about 10 million yuan a year and a 15% tax rate on profits, lower than the 30% to 40% common for Chinese businesses. Then there are grants for R&D, for equipment, for top personnel and more, so many in fact that Mr. Yuan hired two full-time staff to file grant applications.

The business development official at East Lake High-tech Development Zone says many incentives are focused on people. He says while a company relocation will bring in many talented people, some will quit to look for other jobs or start their own companies. When they do, he says, Wuhan wants



Wuhan's incentives have attracted companies like **Xiaomi** and **Ofo**.

them to stay.

"With headquarters comes top talent. Only when you've got top talent, can it be a virtuous cycle," he says.

"That is why we pay more attention to talent than tax at the moment."

Wuhan subsidizes moving, rent and other housing costs for those identified as top-tier talent, and helps them find schools for their children, according to Wuhan East Lake High-tech Development Zone's website. The development zone has a 10 billion yuan budget each year to attract companies and talent.

With housing prices soaring in Shenzhen, drone maker **Shenzhen Simtoo Intelligent Technology Co.** moved its 20-member software R&D team to Wuhan and, says founder Aaron Zhang, was rewarded with government largess. His best coders are awarded 100,000 yuan to 300,000 yuan "talent" grants, as well as stipends to cover personal income taxes. The team received an 800,000 yuan R&D grant.

As for the rest of his company, Mr. Zhang is looking to relocate to a small city near Shenzhen. Smaller cities, he says, offer even better incentives than Wuhan.

Follow Li Yuan on Twitter @LiYuan6 or write to li.yuan@wsj.com.

FINANCE & MARKETS

Exchanges Weigh Marijuana Companies

Focus is on whether stock in firms active in U.S. can keep trading in Canada

BY DAVID GEORGE-COSH

TORONTO—As dozens of cannabis companies have flocked to raise capital on Canada's stock exchanges in recent years, the country's regulators are starting to question whether trading in their stock would run afoul of U.S. law.

The parent of the **Toronto Stock Exchange** and an umbrella organization of Canadian securities regulators are looking at cannabis companies with U.S. operations—including growers, medical-marijuana distributors and pharmaceutical firms whose products include marijuana ingredients—to determine whether trading their shares should be allowed to continue on Canadian exchanges.

The regulatory attention comes as the Toronto Stock Exchange and its smaller rival, the **Canadian Securities Exchange**, have been actively courting marijuana-company listings from around the world. Currently, roughly half the trading activity on the Canadian Securities Exchange is from marijuana-based businesses, a high-growth sector.

Medical marijuana has been



Drying marijuana plants are inspected at a Canadian company in Ontario in 2014.

Highfliers

Total market value of Canadian-listed marijuana companies, by exchange

C\$5 billion



Note: C\$1 = US\$0.822

Source: the exchanges

THE WALL STREET JOURNAL.

Canadian Securities Exchange. These companies include more than a dozen fledgling U.S. marijuana entities that have turned to Canada to raise money, according to Mr. Carleton.

Canopy Growth Corp., a Smiths Falls, Ontario-based grower and seller of medical marijuana, is the world's largest publicly-traded cannabis company, with a market valuation of C\$1.7 billion on the Toronto Stock Exchange. Chief Executive Bruce Linton said he has turned down opportunities to invest in the U.S. because of the uncertain legal repercussions back in Canada.

Regulatory clarity, Mr. Linton said, would help be "one of the last check boxes" to get institutional investors engaged in the cannabis market. "When a sector works in an unclear way, serious capital pools avoid that sector," he said.

Canadian investment bank **Canaccord Genuity Group** Inc. said it is considering stepping in to provide clearinghouse services if TMX's Canadian Depository unit decides to stop processing trades of publicly-traded cannabis companies with U.S. exposure. Canaccord has raised about C\$415 million of capital in the cannabis sector as an adviser and underwriter since January 2016.

—Alexander Osipovich
contributed to this article.

legal in Canada since 2001 for patients with valid prescriptions, and Canada is expected to formally legalize marijuana by July 2018. In the U.S., while eight states plus the District of Columbia have legalized marijuana and an additional 20 states have legalized it for medical purposes, it remains illegal under federal law.

U.S. exchanges list shares of some companies indirectly involved in the pot business, such as real-estate firms that lease sites to marijuana growers. But neither the New York Stock Exchange nor Nasdaq Stock Market will allow trading of shares in companies that profit directly from growing or selling marijuana in the U.S., lawyers say.

TMX Group Ltd., parent of both the Toronto Stock Exchange and a clearinghouse unit, the Canadian Depository for Securities Ltd., a platform where Canadian exchanges settle equity, debt and money-market transactions, has sought clarity from Canadian regulators on the question of whether settling stock trades of cannabis companies with U.S. operations amounts to a violation of U.S. law, accord-

ing to a TMX Group statement.

"This is a complex matter which touches multiple aspects across our capital market system, and as such requires close examination and careful consideration," said a TMX spokeswoman. The company is cooperating with Canadian Securities Administrators, the umbrella group of provincial and territorial securities regulators.

Any action by Canadian regulators is likely to be closely watched by other countries grappling with how to treat

the trading and clearing of marijuana stocks. Exchanges in Germany and Israel, for example, two countries that recently legalized medical marijuana and have publicly listed cannabis firms, have also been weighing listing standards for such companies.

"The industry wants clarity," said Richard Carleton, chief executive of the Canadian Securities Exchange.

In all, there are 69 cannabis-related companies, representing a combined market value of about 7.8 billion Canadian dollar (US\$6.4 billion), trading on the Toronto Stock Exchange, the smaller **TSX Venture Exchange** and the

Equifax Addresses Hack

BY ANNAMARIA ANDRIOTS

Equifax Inc. said criminals exploited web-server software in the data breach that affected potentially 143 million Americans, but the credit-reporting company didn't offer further details on who may have been behind the hack.

The company confirmed late Wednesday, in what it called a progress report, that hackers exploited a vulnerability with a U.S. website application called Apache Struts CVE-2017-5638. The Wall Street Journal had earlier reported that Apache Struts was a possible source of the breach.

Equifax also shared information that suggests the company doesn't know the full extent of the breach. The company said it "has been intensely investigating the scope of the intrusion" with help from a cybersecurity firm to determine what information was accessed and who has been affected.

The Journal has said Equifax had engaged **FireEye** Inc.'s Mandiant cyber-investigations division when it uncovered the hack in late July.

Equifax said it continues to work with law enforcement as part of its criminal investigation of the hack.

Equifax is one of the big three credit-reporting firms in the U.S. and maintains credit reports on more than 200 million U.S. adults. The other two companies are TransUnion and Experian PLC. Credit reports compiled by such companies include personally identifiable information as well as records of the credit cards and loans consumers have, their spending limits on cards and whether they are on time with their debt payments.

The information exposed in the attack is generally needed for consumers to apply for consumer credit. Swindlers who have this data could have an easier time getting credit in other people's names.

Banks and other financial firms that do business with Equifax privately have expressed frustration about a lack of information about the hack from the company, the Journal has reported, citing people familiar with the firms.

Earlier this week, James DiMon, chief executive officer of **J.P. Morgan Chase & Co.**, said

at a conference that he is interested in understanding more about whether the hack is the sort of attack that could have happened to any company or if there was something specific that Equifax didn't do correctly.

An Equifax spokesman has said the company's primary focus is to support consumers. He added that it is also "engaged in ongoing discussions" with its lending customers.

In response to the hack, an increasing number of consumers have enacted a credit freeze, which typically prevents lenders from accessing a potential borrower's credit report, making it unlikely a firm would immediately extend new financing.

In addition, Equifax is facing political and regulator heat: Two congressional committees are planning hearings into the hack, and the **Senate Finance Committee** on Monday sent the company a list of requests for information about the attack. The **Federal Trade Commission** Thursday said it is investigating the breach.

—Jacob Gershman and Emily Glazer contributed to this article.

ACCOUNTING

Deloitte's Revenue Increases by 5.5%

Deloitte Touche Tohmatsu recorded \$38.8 billion in global revenue in its latest fiscal year, up 5.5% in U.S. dollar terms from the previous year, the Big Four accounting firm said.

Revenue for the year that ended May 31 was up 7.1% in local-currency terms. Last year, revenue rose 4.4% in dollar terms and 9.5% in local-currency terms.

Deloitte said its growth was aided by companies' need for assistance in revamping their business models to cope with the rapid pace of change, as well as by the firm's investments in advanced technology and its acquisitions and strategic alliances.

Major accounting firms are international networks of private partnerships that disclose only their revenue, not their earnings.

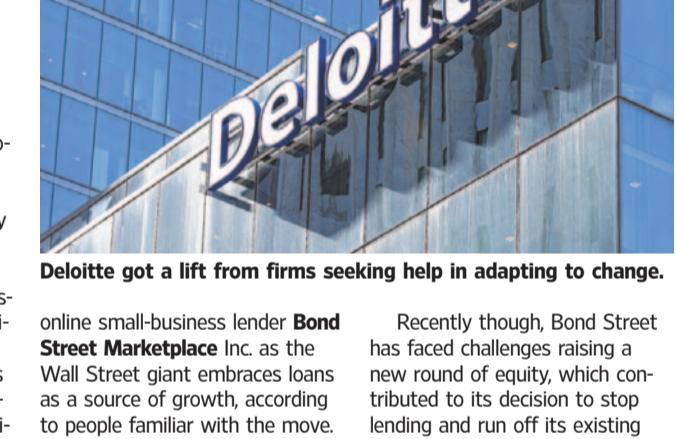
—Michael Rapoport

GOLDMAN SACHS

Bank Hires Staff From Bond Street

Goldman Sachs Group Inc. is hiring about 20 employees from

FINANCE WATCH



Deloitte got a lift from firms seeking help in adapting to change.

online small-business lender **Bond Street Marketplace** Inc. as the Wall Street giant embraces loans as a source of growth, according to people familiar with the move.

The group—a mix of engineers, product developers and risk and marketing specialists—will join Goldman's growing consumer bank in the wake of Bond Street's recent decision to stop making new loans, according to the people.

Founded in 2013, Bond Street offered companies one- to three-year loans of up to \$1 million. It grew to about 35 employees and raised at least \$10 million through share sales to investors.

Recently though, Bond Street has faced challenges raising a new round of equity, which contributed to its decision to stop lending and run off its existing portfolio, one of the people familiar with the matter said.

The company's outstanding loan portfolio will continue to be serviced as it pursues its next steps.

On Tuesday, Goldman said it expects lending to account for nearly half of \$5 billion in revenue growth by 2020—a shift for a firm that long shied away from credit businesses.

—Peter Rudgeair and Liz Hoffman

BY JACOB GERSHMAN

Equifax Inc. could face a tougher challenge in court than other corporate giants that have dealt with the legal fallout of data breaches, according to legal experts.

Unlike earlier retailer hacks, such as those suffered by Home Depot Inc. and Target Corp., the Equifax breach is bigger in scope, potentially compromising the personal information—including Social Security and driver's license numbers—of roughly 143 million U.S. consumers.

The legal terrain, meanwhile, has become bumpier for hacking defendants. A few years ago, consumer litigation over data breaches had trouble even getting onto the docket. But as the number of hacking cases rises, judges have been increasingly willing to let data-breach plaintiffs have their day in court.

"Five or six years ago, it was much easier to simply get lawsuits dismissed," said Amy Mushawar, a data-privacy and security attorney at Davis Wright Tremaine LLP in Washington, D.C.

Since Equifax disclosed that hackers accessed some of its systems, more than 100 lawsuits have been filed in federal courts across the country, according to a review by The Wall Street Journal.

"Equifax's only job in life was to safeguard data," said Marc Dann, whose Ohio law



Courts have increasingly been willing to hear breach plaintiffs.

firm and co-counsel have brought lawsuits against Equifax in at least seven states.

Finding aggrieved plaintiffs wasn't hard, Mr. Dann said. "I couldn't take out the garbage without someone asking me to represent them in this case," he said.

An Equifax spokesman didn't respond to a request for comment. The company said last week that it is offering free identity-theft protection and credit-monitoring to U.S. consumers.

Many of the Equifax lawsuits allege the company was a negligent custodian of personal data that millions rely on to establish their identity and creditworthiness.

Until recently, courts have generally declined to hear data-breach lawsuits trying to hold a company responsible for the havoc wrought by

hackers. The reason: Plaintiffs in federal court generally must allege they suffered a concrete injury and that the injury can be redressed.

But more courts are warming to the idea that even the threat of identity theft—and the aggravation, distress and cost of containing the risk—can cause harm.

Last month, the U.S. Court of Appeals for the District of Columbia Circuit overturned the dismissal of a lawsuit against health insurer CareFirst BlueCross BlueShield over a 2015 data breach. The appellate judges disagreed with a lower court finding that the injury claims were too speculative.

The breadth of the Equifax breach could make it harder for the company to win the cases in court or settle them cheaply, say legal experts.

INTERNATIONAL INVESTMENT FUNDS

[Search by company, category or country at asia.wsj.com/funds]

MORNİNGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

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

Chartered Asset Management Pte Ltd - Tel No: 65-6835-8866 Fax No: 65-6835-8865, Website: www.cam.com.sg CAM-GTF Limited OT MUS 09/08 USD 31147.91 3.1 -2.5 7.9

Value Partners Investing through discipline

Website: www.valuepartners-group.com Tel (852) 2143 0688

China A-Share Fund Cls A AUD H OT HKG 09/13 AUD 13.63 15.6 15.9 10.3

China A-Share Fund Cls A CAD H OT HKG 09/13 CAD 12.50 14.4 14.9 5.2

China A-Share Fund Cls A EUR H OT HKG 09/13 EUR 12.53 14.7 14.3 8.6

China A-Share Fund Cls A EUR H OT HKG 09/13 GBP 13.13 14.3 13.5 8.1

China A-Share Fund Cls A GBP H OT HKG 09/13 HKD 12.75 10.6 13.9 NS

China A-Share Fund Cls A GBP H OT HKG 09/13 SGD 13.13 14.0 13.2 9.9

China A-Share Fund Cls A HKD H OT HKG 09/13 GBP 13.52 14.5 14.2 20.3

China A-Share Fund Cls A HKD H OT HKG 09/13 HKD 13.52 14.5 14.1 8.5

China A-Share Fund Cls A NZD H OT HKG 09/13 SGD 14.08 24.3 21.8 8.3

China A-Share Fund Cls A NZD H OT HKG 09/13 NZD 12.53 15.8 16.2 10.4

China A-Share Fund Cls A NZD H OT HKG 09/13 SGD 11.99 20.4 22.3 4.4

China A-Share Fund Cls A SGD H OT HKG 09/13 NZD 14.76 17.7 18.5 12.2

China A-Share Fund Cls A USD H OT HKG 09/13 SGD 13.97 25.5 21.2 11.2

China A-Share Fund Cls A USD H OT HKG 09/13 NZD 13.37 15.1 14.9 9.0

China Greenchip A Units AS EQ CYM 09/13 HKD 12.65 26.3 22.5 14.9

China Greenchip A Units AS EQ CYM 09/13 AUD 12.65 26.3 22.5 14.9

China Greenchip A Units AS EQ CYM 09/13 CAD 12.65 26.3 22.5 14.9

China Greenchip A Units AS EQ CYM 09/13 EUR 12.65 26.3 22.5 14.9

China Greenchip A Units AS EQ CYM 09/13 GBP 12.65 26.3 22.5 14.9

China Greenchip A Units AS EQ CYM 09/13 HKD 12.65 26.3 22.5 14.9

China Greenchip A Units AS EQ CYM 09/13 SGD 12.6

MARKETS DIGEST

Nikkei 225 Index

19807.44 ▼58.38, or 0.29%

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

Year-to-date
52-wk high/low
All-time high

20230.41 16251.54
38915.87 12/29/89

STOXX 600 Index

381.79 ▲0.45, or 0.12%

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

Session high
Session open
Close
Session low

20500
20250
20000
19750
19500
19250

65-day moving average

June July Aug. Sept.

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

19500

19250

19000

FINANCE & MARKETS

Activists Ramp Up in Asia

Investors are targeting more of the region's companies and finding success in China

BY GREGOR STUART HUNTER

Activist investors are descending upon Asia in greater numbers than ever before and scoring hits against some of the region's biggest listed companies.

But it is at companies based in China, rather than market economies such as Japan or South Korea, that activists have had the most success.

Activist investors have successfully pushed for change in 40% of the companies they have taken up arms against in Asia since 2013, according to data from research firm Activist Insight. That compares with a 56% success rate in the U.S. over the same period, with success defined as occurring when a company concedes fully or partially to an investor's demands.

And while the frequency of campaigns by activist investors in Asia remains far behind that in the U.S., it is accelerating. Some 38 companies in Asia were targets of activist investors in the first half of 2017, already more than the total in 2013 and on track to eclipse 2014's tally, according to the report.

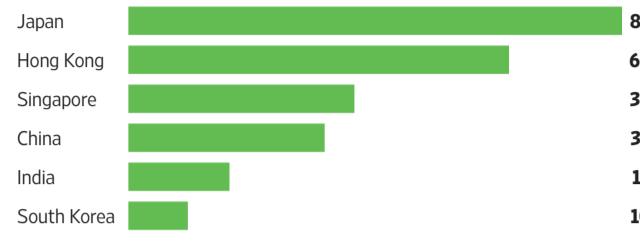
Activist investors in Asia can find it hard to break down resistance to change from big family owners of companies and other substantial shareholders, as with Elliott Management Corp.'s long-running battle to force change at Hong Kong's family-owned **Bank of East Asia** Ltd. The presence of the state as a big investor in countries such as China can be another hindrance.

Moreover, some governments are pursuing policies that may make it harder for activists to succeed. In South Korea, a plan to raise the capital-gains tax could make it too expensive for some activist in-

Following the Money

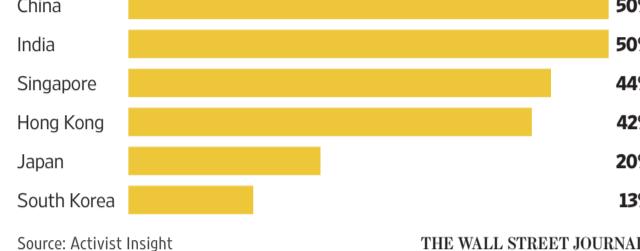
Activism Is Big in Japan...

Number of companies facing activist demands



...But More Successful in China

Percentage of firms that acceded to those demands



Source: Activist Insight

THE WALL STREET JOURNAL

vestors to operate there.

Activist investing globally has generated returns of 6.6% through the end of August, according to data from eVestment, better than the 5.5% return from the average hedge fund.

China has emerged as a happy hunting ground. Half of all activist campaigns mounted there in the past four years have been successful, according to Activist Insight.

Many of these changes have been sought by domestic investors. **Baoneng Group**, an insurance conglomerate, last year forced resignations of top executives at Shenzhen-listed glass producer **CSG Holding** Co. and blocked a share issuance at **China Vanke** Co., one of the country's largest property developers.

Beijing's push for overhauls at big state-owned companies is bringing benefits. For example, more state-owned enterprises are paying special dividends, said Jonathan Garrick, who manages the Neutron Asia Absolute Return Fund.

"If the central government and the [securities regulator]

are giving deliberate directives to improve corporate performance with a focus on shareholder value, that's a step in the right direction," he said.

Still, some fear corporate-governance overhauls in China are heading backward. This summer, dozens of companies changed their corporate charters to embed internal Communist Party committees within their corporate charters.

In Japan, activist investors have carried out 83 campaigns against companies in the past four years, taking their cue from Prime Minister Shinzo Abe's calls for better corporate governance. Still, activists have successfully pushed for change in just 20% of the campaigns launched in the country.

In South Korea, where family-owned conglomerates known as *chaebols* control vast chunks of the economy through often opaque webs of cross-shareholdings, change has also been slow. Just 10 activist campaigns have been launched over the past four years, with only 13% proving successful, the lowest level in the survey.

The election of Moon Jae-in

as president in May has raised hopes. The government has appointed a shareholder-rights activist, dubbed the "chaebol sniper," to be the country's antitrust regulator.

Activist investors say they are biding their time. **Oasis Management** Co., a Hong Kong-based multistrategy hedge fund that has successfully advocated change at Japanese companies, including **Nintendo** Co. and **Panasonic** Corp., has been looking for opportunities in South Korea and is among the first foreign signatories to a new stewardship code that seeks to promote corporate governance. But it is awaiting the outcome of a parliamentary vote this month, which would increase the capital-gains tax on disposals by large shareholders from 20% to 25%.

Any tax increase could make taking a large position in a company's shares prohibitively expensive in some cases, said Seth Fischer, Oasis's chief investment officer.

Elliott Management achieved some success in South Korea this year, after pushing for management at **Samsung Electronics** Co. to adopt a simplified corporate structure, continue share buybacks and cancel some of its treasury shares. The electronics company agreed to the latter move but held its ground on the other requests.

In Hong Kong, activist campaigns are also increasing. Last month, **PAG**, an alternative asset manager that manages \$18 billion, attempted to force the resignation of the management of **Spring REIT**, a Hong Kong-listed real-estate investment trust, after it conducted a sale and lease-back arrangement for 84 properties owned by **Kwik Fit** Ltd., an auto-repair company based in the U.K.

PAG claims the deal represents a move into a market where the REIT, which mostly invests in mainland China, doesn't have much experience. Spring REIT hasn't responded to the criticisms.

Buyout Company HgCapital Looks At Selling Ullink

BY BEN DUMMETT

HgCapital, a Europe-based buyout firm, is eyeing the possible sale of **Ullink** in a deal that could value the provider of electronic-trading software at about €700 million (\$832.7 million), according to people familiar with the matter.

The potential sale comes as investors and brokers come under pressure to cut trading costs and meet new regulatory requirements to boost transparency and mitigate risk taking.

Traders increasingly rely on technology to connect directly to an exchange and seek out the best price to buy and sell different types of securities across trading venues. They also rely on technology to publish more trading information in real time.

Ullink, based in Paris, offers an electronic network that links about 1,500 investors and brokers, providing access to about 90 trading venues globally, according to the company's website. Its technology is also used in trade execution and to try to guard against market abuse.

The coming introduction in January in Europe of the Markets in Financial Instruments Directive is an example of the opportunity that regulatory changes create for Ullink and other technology providers.

The rules, which arose out of the financial crisis, range from regulating commodity derivatives trading to toughening rules on governing payment for investor research and bringing greater transparency to bond trading.

To help the financial community address the new regulations, Ullink in April launched an automated sys-

tem designed to collect, validate and consolidate trade data for reporting to the required regulatory authority.

Ullink, which was founded in 2001, isn't the only trading-technology company on the market. Intercontinental Exchange Inc., owner of the New York Stock Exchange, is selling Trayport Ltd., a London-based energy software trading company, after U.K. competition authorities ruled earlier this year that the acquisition could limit competition in wholesale energy markets.

The U.S.-based exchange operator had originally agreed to acquire Trayport from BGC Partners Inc., a New York- and London-based brokerage company, in 2015 for \$650 million.

The deal could value the provider of trading software at about \$830 million.

HgCapital acquired a majority stake in Ullink in 2014 for an undisclosed amount. Then that same year the company acquired two businesses from ICE to expand its customer base and extend its geographic reach.

One business, Nyfix, provides trading services to broker-dealers and institutional investors and the other, Metabit, offers investors connections to Asian markets.

Up-to-date financial figures for Ullink weren't available.

At the time of the Nyfix and Metabit acquisitions from ICE, Ullink said that the two purchases would increase its annual revenue to \$130 million from about \$50 million.

WSJ TALK / EXPERIENCE / OFFER / GETAWAY



Sail the Mekong River as a VIP

Explore one of the world's most legendary waterways. Board the luxury cruise ship Aqua Mekong and sail the historic river between timeless Cambodia and contemporary Vietnam. WSJ members enjoy special room rates, on-board credit, a complimentary stay at the Rosewood Hotel and more.

WSJ+
INVITES • OFFERS • INSPIRATION

AQUA EXPEDITIONS
PERU CAMBODIA VIETNAM

EXCLUSIVE TO WSJ MEMBERS
BOOK NOW AT WSJPLUS.COM/AQUAMEKONG17

MARKETS

Swiss Sing a New Note on Value of Franc

Central bank cites a welcome decline versus euro as it recalibrates language

By BRIAN BLACKSTONE

ZURICH—Switzerland's central bank softened its long-standing warning about the strong franc but still said that it was "highly valued," suggesting officials aren't fully satisfied yet with the franc's depreciation against the euro.

The franc weakened against the euro Thursday despite the Swiss National Bank's more upbeat view on the local currency, suggesting the central bank was able to alter its language without signaling any imminent shift in its monetary policy that could have spooked investors.

In a policy statement accompanying an announcement that it would keep its key deposit rate at -0.75%, the SNB noted that the franc has weakened against the euro and strengthened against the U.S. dollar since its last meeting three months ago.

"Overall, this development



Thomas Jordan heads the Swiss National Bank.

AGENCE FRANCE PRESSE/GETTY IMAGES

is helping to reduce, to some extent, the significant overvaluation of the currency," the SNB said. "The Swiss franc nevertheless remains highly valued, and the situation on the foreign-exchange market is still fragile," it said.

The "highly valued" assessment is a departure from the SNB's longstanding warning that the franc was "significantly overvalued." The language tweak was noteworthy because the SNB's concerns over the franc's strength have formed the bedrock of its monetary policy, which includes negative interest rates and large-scale currency inter-

ventions.

Currency investors shrugged off the change, suggesting that a stronger European economy and expectations for reduced stimulus from the European Central Bank will continue weakening the franc. The euro traded at 1.15 francs on Thursday morning, up about 0.3% from late Wednesday's quote and near the highest level against the franc in two-and-a-half years.

The franc has weakened by about 6% since the SNB's last meeting in mid-June. And while it has strengthened some against the U.S. dollar, the euro exchange rate is

much more important for Switzerland because the euro-zone is by far its largest trading partner.

"Maintaining the unqualified significant overvaluation statement would not have been credible," said Oliver Adler, head of economics at Credit Suisse.

Still, the SNB said it remains willing to intervene in markets if needed.

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years



Note: Through 6:00 a.m. ET Thursday

Source: Thomson Reuters

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

Thursday

After calling franc 'significantly overvalued' for over two years, SNB says it's 'highly valued'

Aug. 3, 2011

SNB says franc is 'massively overvalued' and later caps its value for more than three years

<

For oenophiles
on a budget:
15 great \$15
wines
W4



OFF DUTY



Expedition
cruises have
never been
cushy...until now
W7

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

© 2017 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Friday - Sunday, September 15 - 17, 2017 | **W1**

Fall Will Be Revealed

The most insistent fashion trends. The latest autumn tastes. The go-to gear.
The design arrivals. And the least likely place for staring wistfully at leaves.
Fifty ideas in all—in this preview of the season

OFF DUTY

Turn a Double Into a Triple

The lean double-breasted suit—minus the big shoulders and stiff inner lining—is fall's top pick. Here, three ways to wear it.

BY JACOB GALLAGHER

YEAR AFTER YEAR, a debate rages among the staff at A.K. Rikk's, a boutique in Grand Rapids, Mich.: Is the double-breasted suit cool? Opposed are those employees who feel it has a cheesily aggressive swagger right out of "Miami Vice." More supportive are staffers who say the suit packs the panache of a Milanese industrialist. "It's a constant back and forth," said A.K. Rikk's president Jim Murray, who admits he currently sides with the panache contingent: "A solid wool flannel double-breasted suit can be an amazing thing to break out."

The suits are impeccably tailored yet still have 'the comfort of a cardigan.'

The din at the store is quieter this fall, because a positive consensus has emerged. What's different about the new double-breasted suits is a sense of ease. Designers took a typically uptight silhouette and shook it free of the usual linings, ditching the macho padded shoulders and stiff canvas panels from the inner body of the jacket. Suits have "the elegance of an impeccably tailored double-breasted jacket with the comfort of a cardigan," said Elisabetta Canali, the group communication director of 83-year-old Italian menswear label Canali.

A flexible fit means you can wear the suit more flexibly, too. "Because the jacket is [unstructured], it lends itself to casual pairings, like a cable knit sweater, jeans and loafers," said Mr. Murray. Yet the cut is still office-ready, when formalized with leather cap-toe shoes and a smart striped tie.

To prove our point, we styled a Canali suit three ways, but don't let us box you in: The slouchier double-breasted suit gives you a Rubik's Cube of options. There's no debate about that.



ONCE, TWICE,
THREE TIMES
A LAD Suit (used
throughout),
\$2,495, *Canali*,
212-752-3131.

Nice, Not 'Vice'

It's time to reappraise one of menswear's most underappreciated combos: the T-shirt and double-breasted jacket. Done right, it's a cool and commanding look. Done wrong, it's Detective Sonny Crockett reporting for duty on "Miami Vice." Fortunately, the big shouty shoulder pads of the '80s have gone to shoulder-pad heaven, so you can pull off this casual pairing without its looking forced. Finish things off with gray wool trousers and black-and-white sneakers for a high-low combo. T-Shirt, \$25, *jcrew.com*; Pants, \$550, *Canali*, 212-752-3131; Falke Socks, \$28, *clubmonaco.com*; Sneakers, \$80, *adidas.com*.

The Dignity of the Office

The eagle-eyed will note that this suit is not merely double-breasted but subtly patterned with classic menswear checks—appropriate for work but not dully so. "The check creates an eye-catching look without being too showy," explained Ms. Canali. Go for a small-scale Prince of Wales pattern or houndstooth check in a neutral palette—nothing that "runs the risk of looking like a picnic blanket," she said. Keep the rest quiet: solid shirt, solid tie. Those familiar with Savile Row savant Tommy Nutter will detect your nod to him. Shirt, \$165, *drikes.com*; Tie, \$245, *Giorgio Armani*, 212-207-1902; Shoes, \$1,340, *John Lobb*, 212-888-9797.

Bottoms Up

"You wouldn't break apart a double-breasted suit that is very dressy," said A.K. Rikk's Mr. Murray. That's not an issue with this relaxed design: The trousers can play backup for a sport coat on Friday and further loosen up come Saturday. What creates this versatility is the suit fabric itself—soft wool, lightly brushed and less formal than traditional gabardine. So play up the texture with a chunky knit sweater when the temperature dips below 50°. Befriending it: a pair of unassuming leather loafers and a cozy plaid scarf. Sweater, \$995, *Ermengildo Zegna*, 212-421-4488; Scarf, \$355, *drikes.com*; Loafers, \$275, *grenson.com*



Elevate the Sweatshirt

A sweatshirt sans jacket has a finite window of wear: anything chillier than 55° and you may as well be out in a tank top. Not so with this burly Italian pullover from Noah, the New York City label known for its wryly detailed functional garb. Stitched from 19-ounce, water-resistant wool—the sort you'd find on an urban duffel coat—this hoodie-like "sweatshirt" provides a meaty amount of coverage when worn with a T-shirt underneath. The regimental stripe gives it a surprising dose of dignity: Think Beau Brummel sophistication by way of hipster Brooklyn. Hoodie, \$628, *noahny.com*



Ditto the Sweatpants

Menswear today is ruled by a king named Comfort. So it's no surprise that track pants are being given the royal treatment. These plush polyester ones by Swedish upscale-skate label Polar Skate Co., in partnership with Très Bien, a Malmö-based fashion brand, have the sharp cut of a dress trouser and a shiny ribbon stripe down the leg. They're fancy but not precious, like tuxedo pants you needn't send to the cleaners. Skip the matching track jacket and wear them with a navy or tan merino crewneck to avoid becoming a "Suburban Soccer Dad-in-Waiting." Pants, \$180, *openingceremony.com*

If you could go back to school for another degree, what would it be?

"Heaven forbid! Life itself is the best school of all if one is always hungry for knowledge."

Grace Coddington
author of *Grace: A Memoir*,
who just launched
sketchbooks for Smythson,
the British leather
goods line



MAKE ROOM FOR DESERT

The iconic suede-topped desert (or chukka) boot beloved by sockless surfers and nerdy Ivy Leaguers gets a suave update this fall by Parisian menswear label Lemaire. It's a neatly done revision that purists won't hate; Lemaire is known for its self-consciously austere tailored suits. The boot's textured, bark-toned gumsole runs the entire length of the shoe, traveling from the top of the heel down and across the sole, then swooping smoothly up the front of the toe. This uninterrupted line gives the chunky chukka a sophisticated upgrade, making them wearable with nearly any kind of attire, self-consciously austere or otherwise. Shoes, \$585, *lemaire.fr*



Punctuate with Plaid

At first glance, these cocky chapeaus could be an imaginative upcycling of your Uncle Milty's tweed sportcoat collection. But these bucket hats and ball caps are original creations by the Milanese label Missoni in partnership with Larose, the Parisian-based milliner. Done in Missoni's Italian-loomed wool, they'll punch up a sweater-and-jeans combo, or keep your noggin warm when worn with your boiled-wool topcoat. Not recommended: Nestling an incontinent puppy in one for an Instagram photo op. Hats, \$495 and \$445, *missoni.com*

OFF DUTY

Behold the Blouse

Look beyond its prim 19th-century lines and you'll see there's nothing at all bashful about this feminine statement piece for fall

BY KIMBERLY
CHRISMAN-CAMPBELL

WHEN DID THE blouse get a bad name? In all of the fuss over the crisp tailored white shirt, what's been lost is just how beautiful blouses can be. Our favorites for fall exhibit a streak of Brontë-era romanticism, but there's nothing retrograde about them. With high necklines and long, full sleeves, rendered in fluid fabrics like silk georgette and crêpe de chine, these are not prudish throwbacks but blank canvases for designer whimsy.

In fetching hues or embellished with ladylike appliqués and embroidery, these blouses will make your wardrobe of office skirts and trousers sing a roundelay, repeating the refrain of "how pretty, how pretty!" throughout the workday.

Candy-colored patterns are a signature of Valentino's fall 2017 collection, and none is sweeter than the playful "Counting" print by Milan-based textile designers Nathalie du Pasquier and George Sowden, illustrating mathematical equations with images of slender fingers. The design duo were co-founders of the Memphis Group collective, whose sunny, 1980s-era graphics served as a touchstone for Valentino creative director Pierpaolo Piccioli.

A darker mood prevailed in the blouses from the Red Valentino line, on which embroidered eyes lent sinister overtones to girlish ruffles.

Worn tucked into a sweeping midi skirt or as a tunic over skinny pants, this kind of statement blouse is fueling conversation among the



NECKLINE NEWS Above, clockwise from right: Flower Blouse, \$840, Sonia Rykiel, 212-396-3060; Valentino Counting Print Blouse, \$1,490, matchesfashion.com; Ruffle Blouse, \$1,390, dereklam.com

fashion crowd this fall. "From Op Art geometrics to crazy 'Beetlejuice' stripes, prints were everywhere this season," said Natalie Kingham, buying director at online luxury emporium Matches Fashion.

Her advice? Go bold, pairing a boisterous blouse "with a pleated print skirt for an explosive hybrid of pattern and color." Alternatively, keep things well-mannered, subduing the top with a solid-colored midi skirt or wide-leg wool trousers.

At Sonia Rykiel, artistic director

Julie de Libran was inspired by pieces from her grandmother's wardrobe dating back to the '70s, when the flower power generation rediscovered Victorian romanticism. With its flounced collar and sleeves, her buttoned-up floral smock is unabashedly pretty and proves to be exceptionally versatile. "The sunshine yellow hydrangea print on this feminine silk georgette works as an unexpected accent with so many fall colors and fabric textures, from velvet to denim," Ms. de Libran said.

Many statement blouses are office-appropriate, but they willingly work overtime on weekends. "It can be dressed up in a more formal way, or dressed down simply with jeans," said New York-based designer Derek Lam. On the runway, he showed a vibrant heliotrope-hued blouse with high-waisted, black twill wide-leg pants. Though the mock-turtleneck silhouette is classically understated, "the color provides that bolt of unexpectedness, which makes a blouse desirable and special this

fall," Mr. Lam said.

His demure blouse holds a few other surprises, too. Though it's sweet and innocent in the front, with lettuce-edge frills tracing the seams of the sleeves from the cuffs up, it plunges into an enticingly deep V in back, held closed by a scarflike tie at the neck. Valentino's version similarly ties behind the neck. We suggest you loosely knot these ties, leaving the long ends trailing, so the blouses look exceptional, either coming or going.



Honor Cher Horowitz

Every self-respecting fashion lover knows at least one line from "Clueless," the 1995 high-school dramedy: "This is an Alaia!" So whines Cher Horowitz (Alicia Silverstone), referencing her body-hugging dress by designer Azzedine Alaïa, when a gun-wielding attacker demands she lay face down on concrete, potentially sullying her frock. This fall, similarly devoted fans of the Parisian designer are happily counting up their loose coinage to spend on one of his fanciful new handbags. Our favorite? This mini bucket bag in studded black suede. Small enough to elegantly transition from day to night, it can still easily hold the tech essentials so necessary to a modern woman's survival. Defend it with your life. Bag, \$2,390, net-a-porter.com —Rebecca Malinsky

MEET THE LIZARD KING

"Of course!" said film director Sofia Coppola when asked via email if she recalled her first pair of Manolos: "Black kitten heels!" The question could easily be an initiation into a Manolo Blahnik fan club, one with members such as Rihanna, Karlie Kloss and Bianca Jagger. And that circle is sure to widen with the release of "Manolo: The Boy Who Made Shoes for Lizards," a new documentary by Michael Roberts. The curious title refers to the shoe designer's childhood in Santa Cruz de la Palma, where he dreamed up fantasy footwear for the reptilian population. A special collection marks this month's premiere, including a patent leather brogue (shown) and a sexy stiletto replete with snakeskin lizards slithering up the leg. Agatha Heels, \$765, manoloblahnik.com —D.B.



Tap into a Collaboration

Set a calendar reminder now: Next week Uniqlo will release its premiere collaboration with the British brand J.W. Anderson. While it's not the first time the Japanese retail goliath has partnered with a fashionable significant other (recent notables include Lemaire, Carine Roitfeld and Inès de la Fressange), this one has an edgy charm with designer Jonathan Anderson's signature quirkiness all over it.

The 33-piece men's and women's collection plays on essentials with twists of tartan and reworked denim. We'll be poised to snag this ruffly wrap skirt but everything from the Fair Isle knits (\$50) to Mr. Anderson's take on the ubiquitous ultralight down puffer (\$100) will disappear in a poof, starting Sept. 19 (U.K. only), before going global on Sept. 21. Skirt, \$50, uniqlo.com

—Lauren Ingram

Groom a Can't-Beat Brow

Look to the frames of the face for autumn's defining beauty trend: Well-defined brows go a long way to highlighting your peepers. But that doesn't mean you need to book a brow-shaping session with a meticulous microblading pro or spend a tiresome hour at the salon having your brows tinted an unlikely color. We've run across a new tool that makes

pencil combines a twisty spiral brush to shape and tame unruly hairs and a spongy triangular color tip to heighten your natural hue. Tucked into this multitasking pencil as well is a gleaming ivory highlighter you apply just below the arch of the brow. That's the bit that makes this a real find. Phyto-Sourcils Design Brow Pencil, \$62, Sisley Paris, 212-645-1013 —L.I.

OFF DUTY

Find Your Wine Store's Sweet Spot

Looking for the best values? Focus on the \$15 range. **Lettie Teague** found some of the season's finest buys there



YOU CAN'T GET TOO far on \$15 these days—a soda and sandwich, maybe, or a movie ticket for one (hold the popcorn). But \$15 can still get you a nice bottle of red, white, rosé or even sparkling wine. The price-quality ratio of wine is particularly high at the moment. If you know where to look, you can find plenty of good \$15 bottles from regions all over the world.

It might mean exploring a grape or a style of wine you've never tasted before (sparkling rosé from South Africa?), but it might also mean buying a type of wine that's tried-and-true, such as Oregon Pinot Gris or Argentine Malbec. Italy is currently a particularly fertile source of great buys for the buck. The \$15 bottles I tasted came from around the world and the following 15 met my criteria of deliciousness and drinkability. They may not be profound, but they're definitely pleasurable—not to mention highly affordable.

A. 2015 Gianni Gagliardo "Falle-gro" Bianco

The Gagliardo family were some of the biggest champions of the white Favorita (Vermentino) grape, which had all but disappeared from the Piedmont region of Italy when they took on the task of bringing about its revival. The wine they make from it is charming and slightly frizzante (partway between still and sparkling.)

B. 2015 Luigi Pira Dolcetto d'Alba

Marked by juicy red-berry fruit, the Luigi Pira estate's Dolcetto is truly delicious. There are plenty more serious wines made in Piedmont but this one is a full-out pleasure to drink.

D. 2015 Zorral Malbec Terroir Unico

You can find lots of simple, high-alcohol Argentine Malbec fruit bombs on the market; this is thankfully not one of them. Produced in a high-altitude Mendoza vineyard, it's a much more subtle, earthy, minerally Malbec and great with food.

D. 2016 Château Riotor Côtes de Provence Rosé

Here's a textbook example of a Provençal rosé. From its pale-salmon color to its lively acidity and fragrant red-berry nose, this Grenache- and Cinsault-dominant blend is a terrific last-rosé-of-the-summer choice.

E. 2016 Whitehaven Marlborough Sauvignon Blanc

The Marlborough region of New Zealand is home to many reliably



good Sauvignon Blancs, including this approachable, medium-bodied wine from Whitehaven.

F. 2016 Gini Soave Classico

There is an ongoing renaissance of Soave, the once-scorned commercial white wine from Italy's Veneto region, and Gini is among the producers who have restored its reputation. Their basic Soave Classico is a crisp, fragrant delight.

G. 2013 Gregorina Sangiovese di Romagna Superiore

Though the Sangiovese grape is most often associated with Tuscany, it's grown successfully in other regions of Italy too. This appealing, slightly earthy example comes from the Gregorina winery in Emilia-Romagna.

H. Graham Beck Brut Rosé Western Cape Non Vintage

This sparkling blend of Pinot Noir and Chardonnay was made by the same process as Champagne by top South African producer Graham Beck. Marked by lively notes of raspberry fruit, it's a luscious and easy drink.

I. 2015 Valle dell'Acate Il Frappato

Producer Valle dell'Acate produces one of my favorite renditions of the native Sicilian red grape Frappato. A bright and toothsome red with a pleasingly bitter note, it's best served with a bit of a chill, like Beaujolais.

J. 2015 Willamette Valley Vineyards Pinot Gris

Though Oregon's Pinot Noir gets most of the attention, Pinot Gris, the state's workhorse grape, regularly delivers ripe, sometimes slightly



tropical and eminently drinkable wines like this one from Willamette Valley Vineyards.

K. 2015 Bortoluzzi Pinot Grigio

With a bit more body and weight than the typical Pinot Grigio, this one from the Friuli-Venezia Giulia region in northern Italy is a dry, well balanced wine with surprising persistence and length.

N. 2014 Beckmen Vineyards Cuvee Le Bec Santa Ynez Valley

This Rhône-style red from Beckmen Vineyards is simply a terrific wine for the price. A soft, approachable, Syrah-dominant blend from California's Central Coast, it's marked by lush dark-red fruit and notes of pepper and spice.

O. 2016 Collestefano Verdicchio di Matelica

Verdicchio is a key white grape in the Marche region of Italy. Matelica produces some of its best examples—in particular, those from winemaker Fabio Marchionni of Collestefano. This 2016 is a delightfully bright, zingy expression of the grape.

Take the Toast Trend to a Whole New Level



It's a bird, it's a plane. Actually, it's a toaster. And a convection oven, dehydrator, dough proofer and air fryer. The Smart Oven Air is the largest and most multifunctional of Breville's do-it-all models. The super-convection capacity of this machine will air-fry chicken to a crisp or, at a low temperature, produce first-class jerky. Come November, this countertop oven can even roast a 14-pound turkey. \$400, brevilleusa.com —G.G.



JOIN THE MOROCCAN TEA SET

Hospitality in a box: That's the idea behind this kit, all you need to pull off a gracious Moroccan-style tea service. Created by Ron and Leetal Arazi, owners of New York Shuk, a Brooklyn-based maker of Middle Eastern pantry staples, it includes glass cups; a brass teapot; a bespoke herbal tea made with fennel seeds, sage and cinnamon; Turkish delight and pistachio halvah to nosh on; and a tray to hold it all. Ms. Arazi based her tea blend—brewed the traditional way, along with fresh mint—on one she serves at home. "The sage and the fennel aid digestion," she said, "which makes people feel good after a meal." \$275, nyshuk.com —G.G.



Shake On It (Your Pizza, That Is)

There's no such thing as bad sex or bad pizza, or so the saying goes. But why not shake things up? The La Boîte x Martina Pizza Spices trio combines the palate-pleasing panache of La Boîte's master spice blender Lior Lev Sercarz with the pie prowess of Nick Anderer of Manhattan's Martina Pizzeria. Far tastier than what's in the shakers at your average pizza joint, the Chili Flakes deliver a balance of smoky ancho, hot Calabrian and fragrant Aleppo peppers. Parmigiano-Garlic Salt packs a serious savory punch. And the Finocchio, made with fennel and mushroom, adds floral and umami notes to each bite. \$49 for the set, shop.laboiteny.com —G.G.



She's a fan.



OFF DUTY

Plant Some Berried Treasure

To ensure you hear your share of songbirds—and shore up their dwindling numbers—cultivate fruit-yielding trees and shrubs this fall

BY BART ZIEGLER

THIS AUTUMN, cardinals and blue jays will snatch orange crab apples from twisted branches. Robins and catbirds will compete for plump, vermillion winterberries. And warblers will make entrees of waxy blue berries hanging from feathery junipers.

These are the lucky birds—those that find forage as temperatures drop. In recent decades, as development and agricultural clearing have eaten up fields and forests, the populations of some common songbirds have fallen dramatically. Purple finches, a dusky-rose habitué of backyard bird feed-

ers, have declined by half over the past 50 years, while wood thrushes, famed for their flutelike tunes, are down by more than 60%, according to the North American Breeding Bird Survey.

A huge percentage of birds don't make it through migration.'

in place. A chickadee, which doesn't migrate, can lose up to 60% of its body fat during a moderately cold winter night as its metabolism works to stay warm, said Rhiannon Crain of the habitat network at the Cornell Lab of Ornithology. Some evergreens, such as dense, bushy cedars and thorny-leaved hollies, offer birds a twofer: berries as well as protection from weather and predators. And for us humans, evergreens give otherwise bare winter gardens aesthetic oomph.

Southerners have a role to play, too. Though temperatures stay mild in their states, their yards can give birds en route to Central or South America both shelter and berry buffets. "Many migratory birds go through areas that are developed," Mr. Winston said, so their ability to find food can be compromised. The outcome can be grim. "A huge percentage don't make it through migration," Ms. Crain said.

Bird-friendly plants that grow well in the South include American beautyberry, whose clusters of bright lavender-pink berries attract colorfully plumed finches, mellifluous thrashers and sparrow-like towhees; flowering dogwoods, whose delicate springtime blooms lead to fire-engine-red fruit favored by mockingbirds, bluebirds and others; and a viburnum called rusty blackhawk, whose dark blue berries satisfy many kinds of songbirds.

Wildlife groups advise growing native trees and shrubs that have evolved with the birds in a region. Mr. Winston called non-native species "junk food for birds" because their seeds or berries often deliver less nutritional value than native plants.

The websites of the Audubon Society, Cornell Lab of Ornithology and National Wildlife Federation provide searchable databases of native plants suitable for each region to make avian guests feel at home.

If you plant trees and shrubs now—when many are on sale, and cool wet weather helps them establish—even Northerners can enjoy fruits and berries this autumn, and help migrating birds as well as those that tough out the winter



Evergreens such as eastern red cedar, or eastern juniper, offer cedar waxwings and other birds juicy berries and dense sheltering greenery. Some varieties grow 65 feet tall, though smaller versions of this conifer abound. Junipers are hardy from most Northern states through the South.

FOR THE BIRDS // FRUIT-BEARING FLORA—AND THE WINGED FAUNA THEY FEED



The brilliant red, yellow or orange fruit of the winterberry—a deciduous holly at home in a wide range of climates—stands out against the bush's bare branches. To ensure berries, plant male and female plants in proximity; the fruit feeds robins, bluebirds and mockingbirds well into winter.



Crabapple trees, famed for their spring display of pink or white blooms, bear colorful autumn fruit that woodpeckers, pine grosbeaks, cardinals and others feast on. Experts advise planting a variety with smallish fruit, such as Adirondack or Prairifire, to attract birds. Large apples won't fit in their beaks.



Gray catbirds, towhees and bobwhite quails flock to the clusters of vibrant amethyst fruits on the American beautyberry bush. Though hardy throughout the Southeast, Texas and lower Midwest, these native shrubs can't tolerate the Northern winters that Asian varieties can withstand.



Get Schooled in Design History

When home furnishings retailer Rejuvenation caught wind of authentic Thonet chairs being sold by a hotel in New York's Hudson Valley, it promptly scooped up 700 to bring to the masses. Merging the venerated German manufacturer's traditional bentwood techniques with a midcentury aesthetic, this notably affordable 1950s design evokes early classroom chairs—fitting for back-to-school season. "That synthesis of style, along with the amazing patina of the wood, makes these wonderful relics for everyday use," said Nigel Barnes, Rejuvenation's manager of antiques and vintage. The molded plywood pieces come in amber or dark-stain finishes. Thonet Side Chair, \$220; rejuvenation.com. —Sheila Kim

Hang Fire

Lather on the SPF 35. These shimmering wall hangings make the most of fall's diminishing daylight. Sean Dougall, half of California design duo Dougall Paulson, said the textile's "sole function is to play with light." The nickel, brass and steel creations can weigh 15 pounds, and shine like a second sun. "They're woven entirely with jewelry wire, so they can be quite monumental," he said. Spectrum Textile Art, from \$5,500 for a 30-inch square, ateliercourbet.com —Tim Gavan



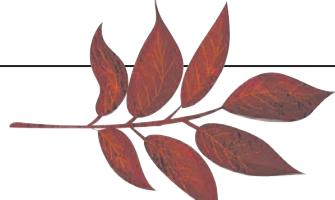
CUSHION THE FALL

"Deep, sumptuous colors and velvety textures are the perfect layering tool to transition interiors into fall," said New York designer Tamara Eaton, who plans to transition with Gucci's new throw pillows. Adorned with the fashion house's puckish embroidery, the velvet cushions sport flowers topped by snake, wild-cat and bee insignia—soft to the touch with just enough bite. Gucci Décor Snake Pillow, \$1,250; Bee Pillow \$1,150, bergdorfgoodman.com —T.G.

Pull Up a Poof

Outdoorsy types might observe fall foliage while seated on a mossy stump. Lazier sorts can pull the Thing Stool, from Pennsylvania-based Konekt, in front of a large window or tuck it under a vanity, depending on the preferred view. With velvety green mohair upholstery and horsehair fringe separated by a ring of brass, the 18-inch-high seat combines the natural and domestic in a way that's comfy—and won't dirty your slacks. Thing Stool 3, from \$2,665, konektfurniture.com —T.G.





Don't Miss the Boat

Thanks to upscale expedition cruises—the biggest trend afloat—the Arctic just got a lot cozier

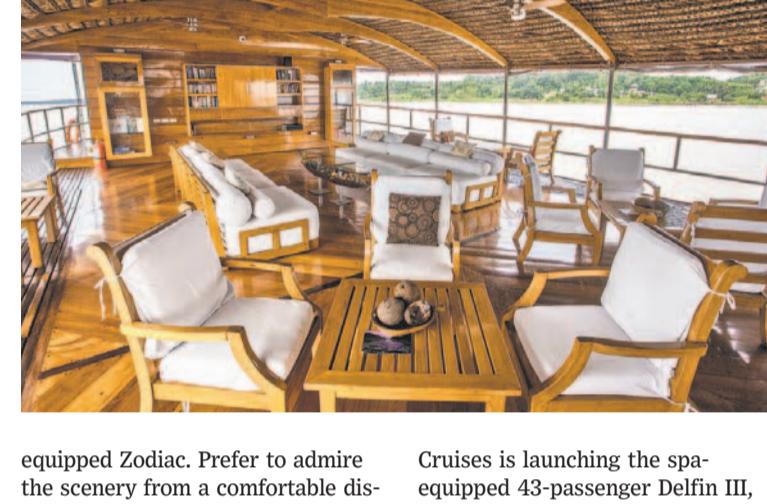
BY SUSAN HACK

NOT LONG ago, the only way to sail to Antarctica and the Arctic was aboard charmless research vessels and icebreakers, while plying the Amazon and Mekong meant public ferries with dubious plumbing and no air conditioning. But now adventurous cruisers needn't freeze, swelter or hit the public head: Several top-line cruise companies are spinning out rugged ships outfitted for remote locations and the expectations of a luxury-addicted clientele.

Is photographing the giant tortoises of Aldabra Atoll on your bucket list? Silverseas' 120-passenger Silver Discoverer, extensively spruced up last year, explores the remote islands in the Seychelles, offering guests 12 Zodiac inflatable boats and a glass-bottom vessel to explore Indian Ocean beaches, reefs and sea life up close. Back onboard, butler service awaits. Meanwhile, her newly remodeled sister ship, the famously plush Silver Cloud, has set her sights and strengthened hull on chillier climes—she now motors around Antarctica and the Arctic, with a Relais & Châteaux restaurant daintily poised on one of her decks.

(silversea.com). Next summer, the luxury French cruise line Ponant plans to launch two new ice-class expedition ships of its own: Le Lapérouse and Le Champlain. Each will offer 92 cabins, a spa and a boatload of French wine and cheese, as well as a futuristic underwater observation lounge. Screens will project live images from submerged cameras, as you sip a digestif, ensconced in a vibrating "body listening sofa" to which hydrophones transmit sounds of the sea (us.ponant.com). More modestly, Norwegian line Hurtigruten is also planning a big reveal next year: the hardy 530-passenger MS Roald Amundsen, another exploration class ship purpose-built for the Polar waters and able to sail on hybrid electric power in total engine silence (hurtigrutencruiseline.com).

When it comes to more intimate expedition vessels, consider the 50-cabin National Geographic Quest, which launched in June. Swankier than the others in the National Geographic-Lindblad fleet, the Quest was built to cruise around Alaska's Inside Passage, British Columbia, the San Juan Islands and the Meso-American reef off Belize. Its shallow draft enables the ship to access coves and fast-moving channels where guests can set out by kayak, paddleboards or snorkel gear—



equipped Zodiac. Prefer to admire the scenery from a comfortable distance? Twenty-two balconied cabins ensure fine views with zero exertion (expeditions.com).

Farther afield, Delfin Amazon

Cruises is launching the spa-equipped 43-passenger Delfin III, crafted specifically for the remote northern Peruvian Amazon. Like its smaller sister ship, the 14-cabin Delfin II, it's a replica steamer with

AN UNCOARSE COURSE From top: The National Geographic Quest, one of many new high-end expedition ships, at work in Alaska; the well-appointed Delfin II on the Amazon.

picture windows, five-star hotel service and, crucially, air conditioning (delfinamazoncruises.com). In October, the 31-cabin RV Indochine II, furnished with tropical hardwood interiors, sets out on the Mekong for voyages between Cambodia's Siem Reap and Vietnam's Ho Chi Minh City. And in December, the same company plans to introduce the 16-passenger RV African Dream along southern Africa's Chobe and Zambezi Rivers with eight staterooms, a pool and roof terrace for sundowners. If only Stanley and Livingstone had it this good (croiseuroperrivercruises.com).



Go On the Lam With a Llama

The Great Western Trail, an old indigenous trade route later used by settlers, runs from Mexico to Canada through five western U.S. states. Never heard of its greatness? Don't feel bad. Much of the trail was abandoned, overgrown or motorized long ago. Trekking outfitter, Wilderness Ridge Trail Llamas (named for its pack animals), recently cleared a 45-mile stretch on U.S. Forest Service land in Utah so it's again passable for hikers. The trail winds through alpine desert, alongside Capitol Reef National Park. You can go it alone, but for a more civilized approach, book a Wilderness Ridge multiday trek, where guides serve gourmet meals at lakeside camps and the llamas carry all the stuff. From \$1,120 per person for two nights, wildernessridgetrailllamas.com —B.M.

Let Paper (Yes, Paper) Be Your Guide

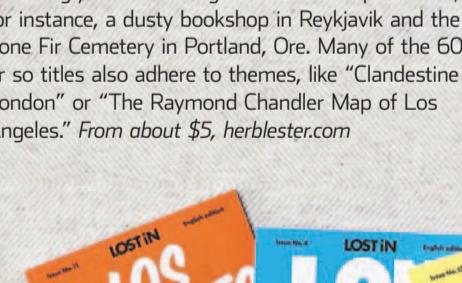
While the smartphone has become the millennial globetrotter's Alexandrian Library of resources (loaded up with Instagram, TripAdvisor and Google Maps), many travelers are reverting to good, old-fashioned guidebooks. According to Nielsen BookScan, which analyzes book-publishing data, travel-guide sales inched up 6% in the U.S. for the first half of 2017, compared with the same period last year, thanks in part to fledgling imprints. Among the more innovative newbies are these eye-catching volumes dedicated to favorite cities near and far. —S.H.



Neighborhood Heavyweights Photo-packed books, organized by neighborhood, Precincts guides are heavy on shopping, dining and boozing intel, and lighter on standard sights (like historic monuments). Each section offers top picks of a local shopkeeper, chef or, in Tokyo, a toy sculptor. But be warned: Most Precincts are textbook-like hardcovers, which makes them better for planning than packing. About \$30, hardiegrant.com



Lyrical Locals Like the Precincts guides, the "Lost In" series intersperses traditional listings with local guidance. But in these guides, the natives—artists, writers, musicians—lead the way, with detailed interviews and essays. The result is meant to simulate the experience of feeling lost in a strange city and of being taken under a resident's wing. The slender volumes are easily packable, but they also come as an app. About \$12, lost-in.com



Oddball Collectors Inspired by the poppy aesthetic of 1960s travel magazines, the Herb Lester series of pocket maps (pictured) and slim travel guides offer charmingly offbeat listings. Must-see stops include, for instance, a dusty bookshop in Reykjavik and the Lone Fir Cemetery in Portland, Ore. Many of the 60 or so titles also adhere to themes, like "Clandestine London" or "The Raymond Chandler Map of Los Angeles." From about \$5, herblester.com



Get Ingrained In the African Art Scene

Cape Town becomes a point of convergence for Africa's booming creative scene with the Sept. 22 opening of the Zeitz Museum of Contemporary Art Africa. Not that the South African city needed a reinvention: The V&A Waterfront, where the Zeitz MOCAA occupies a century-old grain silo building, is already the most visited site in Africa. But a new breed of travelers is expected to descend on the Mother City to scope out British architect Thomas Heatherwick's massive undertaking: a lofty atrium carved from 100-foot-tall cement cylinders and topped with sinuous glass windows. Art aficionados who've been keeping an eye on new African talents will finally have a place to see the most notable ones—including South African Lungiswa Gqunta, Angolan Edson Chagas and Madagascan Joël Andrianomearisoa—under one roof. To beat the lines, check in to the opulent Silo hotel, embedded into six floors atop the building, zeitzmocaa.museum; Silo rates from about \$920 a night, royalportfolio.com. For more about the Zeitz MOCAA, see this week's WSJ Magazine. —Sarah Khan



LAY LOW IN LONDON

We're calling it: London's hottest fall hangout will be Laylow, a music venue and restaurant, opening in October a short stroll from Portobello Road. Unlike the British capital's other live music joints, where refreshments are generally limited to beer on tap and bags of crisps, and the most notable décor is the sticky carpets, this one is all glam. Fashion designer Bella Freud oversaw the velvet-and-brass-laden interiors and Adam Rawson, 2016's Young British Foodie Chef of the Year, helms the restaurant. Laylow will be members-only, but anyone can try their luck for dinner in the first couple of months: Expect small plates inspired by Mr. Rawson's recent globe-trotting, plus his award-winning sliders. Then, if you can infiltrate the basement, you'll find live acts cherry-picked by producers moonlighting from XL Recordings, who count Adele, Radiohead and the XX as clients. And don't forget to gaze up at Brutalist icon Trellick Tower as you leave—it's right opposite. 10 Golborne Rd.; laylow.co.uk —Kate Maxwell





OFF DUTY

Stream Must-See TV

Netflix doesn't have it all: A guide to the best fall shows and movies on niche streaming services you haven't heard of—yet

BY JOSHUA FRUHLINGER

AT A CERTAIN point in your binge-watching life, Netflix, HBO Go and Amazon Prime no longer cut it. Sure, they offer thousands of excellent options, but they tend to keep things safe: similar concepts, similar actors and similar season-ending cliff hangers that ultimately lead nowhere.

If you want more adventurous (and brag-worthy) fall viewing, look beyond the usual suspects to the myriad specialized, niche streaming services offering everything from Korean soap operas to B-horror.

To tune in, you'll need a smart TV or a streaming device like Apple TV or Google Chromecast. (A game console, like an Xbox or PlayStation, will work, too.) Of course, you can also watch on a computer, tablet, or smartphone.

Here are a few services that will keep you glued to your couch this fall.

FOR HORROR **Shudder**

Shudder has an impressive back catalog of classic horror films, like the original "Pulse," directed by Kiyoshi Kurosawa (much better than the American version), and the amazing 1986 haunted-home classic "House." Shudder also offers a generous selection of B-horror, like "Zombie Holocaust" from 1982.

Must-see show: "The Valley," a suspenseful Shudder-original series about a man who wakes up with amnesia and a dead woman hanging over his head. Shocking in a good way. *\$5 a month, shudder.com*

FOR BRITISH TV **Britbox**

This service is loaded with original and classic programs from the U.K. You'll find all seven (uncensored) seasons of the outrageous comedy "Absolutely Fabulous" as well as "Are You Being Served?" the show from the 1970s and '80s that epitomized British innuendo.



STEPHAN SCHMITZ

Must-see show: The latest season of "Cold Feet," a dramedy about several 50-something best friends from Manchester who are dealing (or not dealing) with entering middle age. *\$7 a month, britbox.com*

FOR ANIME **Crunchyroll**

Anime—the animation genre from Japan—has tackled a wide range of topics, from teenage angst to the supernatural. Crunchyroll offers a broad cross-section to sample, supplemented with a few live-action television shows from Japan and other parts of Asia.

Must-see show: Even if you have never been drawn to anime, the series "Attack on Titan" is worth checking out. It combines an otherworldly vibe with deep, humanistic

writing. The series "Black Clover," based on a popular graphic novel, has been generating a lot of buzz online and premieres next month. *\$7 a month, crunchyroll.com*

FOR FEEL-GOOD FILMS **Hallmark Movies Now**

You won't find any downers or gratuitous violence here. Founded by Academy Award-winning producer Rob Fried, Hallmark Movies Now promises programming that will leave you feeling uplifted about life, love and the world as a whole—no easy task if you've looked at cable news lately.

Must-see show: "At Home in Miford," an original movie for the service, features the winsome Andie MacDowell. Based on the novel by Jan Karon, it's a story about second

chances and finding happiness that even the jaded can begrudgingly enjoy. *\$6 a month, hallmarkchannel.com*

FOR MELODRAMA **DramaFever**

Asian soap operas—especially those from Korea—are now a world-wide phenomenon. Typically lasting a single season of 12 to 20 episodes, K-Dramas are surprisingly addictive tear-jerkers—and DramaFever is the best way to binge on them (with subtitles).

Must-see show: "Goblin," about a (you guessed it) goblin who falls in love with a human priestess. He's immortal, his roommate is the Angel of Death, and the priestess is a quirky young lady who steals any scene she's in. It is hard to imagine

this strange set up coming from anywhere but Korea. Watch a couple of episodes and see if you don't get hooked. *Free or \$5 a month to remove ads, dramafever.com*

FOR CURATED ART-HOUSE HITS **MUBI**

Rather than bombard you with thousands of options, MUBI features just 30 acclaimed indie or foreign films at any given time. The service adds one—and takes one away—every day, creating a movie-festival feel.

Must-see show: Just last week, MUBI ran a mini John Carpenter festival with faves "The Fog" and "Escape From New York." Both titles will be available until the end of the month. *\$6 a month, mubi.com*

Get a Vroom

Cargo bikes may offer ample room for hauling home your latest reckless investment at Whole Foods or a flea-market plant stand, but the station wagons of the two-wheel world can be a chore to pedal. Enter the Riese & Müller Packster 40, a German-made cargo bike outfitted with a Bosch electric motor that does the bulk of the heavy lifting for you. Zipping up a hill past other bikers, even with your rig fully loaded, it's easy to convince yourself you have minor superpowers. To better accommodate city dwellers, the Packster's proportions have been slimmed down: At roughly 6 feet long with a 16-inch-wide cargo box, the Packster can maneuver tight spaces. Yet the box, shown here with upgraded padded Cordura side walls, is still large enough to transport multiple cases of beer—or offspring up to around 8 years of age in the optional rear-facing child seat. From \$5,829, r-m.de



Go Forth and Amplify

Bluetooth speakers come in many styles these days, but few exude the old-school charm of this new tabletop number from Klipsch. With gunmetal knobs, real-wood veneer (available in blonde walnut, shown, or ebony) and a textured grill cover that harks back to the megaspeakers from which your ancestors once blasted Jethro Tull, this 30-watt model will sit as handsomely next to vintage hardcovers as it will on your modernist kitchen's counter. And while the look may skew retro, the sound quality does not: Two bi-amped 2 1/4-inch drivers deliver stereo sound; a capable 4 1/2-inch woofer supplies ample bass. A built-in rechargeable battery lets you stream completely wire-free for up to 8 hours at a time. Klipsch Capitol One Special Edition, \$299, klipsch.com



Slip Into Some Svelte Felt

Finding a cozy house shoe for fall: Simple, right? Not entirely. A slipper that's fur-lined can make feet sweat and feel clammy; one that's too thin can leave you unintentionally cooling your heels. But this pair from Danish maker Glerups encases your feet in a thick swath of (non-itchy) felted wool—a breathable material that absorbs moisture and keeps toes dry, even when you wear them without socks. This new model, available Nov. 15, is Glerups's first with a rubber (instead of a soft calf-skin) sole, so feel free to roam the woods in them. And don't worry about their getting sullied; you can simply vacuum them or—in a pinch—launder in a washing machine on the "wool" setting. Glerups Low Boot Rubber Sole, \$755, glerups.com

If you could go back to school for another degree, what would it be?

"Architecture. Great architects meld art and science in a way that stirs emotion; like great musicians, they create enduring works."



Andy Mooney
CEO, Fender Musical Instruments Corp.

PICK 'STICKS WORTH SAVORING

Want to elevate your takeout dining experience while keeping dozens of those splintery disposable chopsticks out of the landfill? This elegant pair, from the Japanese outdoor brand Snow Peak, has stainless-steel handles and polished bamboo tips that can unscrew from each other—and then tuck tidily into an included compact carrying case. Lightweight yet sturdy, these are an ideal bring-along when you've packed dragon rolls for an autumn picnic or simply want to make the experience of eating overpriced airport ramen a little less bleak. Wabuki Chopsticks, \$40, snowpeak.com





HOMES | MARKETS | PEOPLE | UPKEEP | VALUES | NEIGHBORHOODS | REDOS | SALES | FIXTURES | BROKERS

© 2017 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Friday - Sunday, September 15 - 17, 2017 | W9

FOOD & WINE AT HOME

The Time Is Ripe in Bordeaux

Luxury-home sales in southwestern France have emerged from the cellar of the recession, thanks to its culinary and cultural offerings and a high-speed train to Paris.



ANTOINE DOYEN FOR THE WALL STREET JOURNAL

CHATEAU IN BORDEAUX Le Château Pardaillan, above, one of the many vineyards surrounding the city of Bordeaux. The average price of a property in Bordeaux was up 21% in January compared with a year ago. Luxury-home buyers here have options: from city-center apartments in buildings that are 300 to 400 years old, to farmhouses, châteaux and hobby wineries on its fringes.

BY RUTH BLOOMFIELD

IN BORDEAUX, the wine cellar of France, 2017 is shaping up to be a vintage year for luxury property.

Median real-estate prices are up 15.5% in the first quarter of the year compared with the same period in 2016, according to the Notaires de France, which tracks national price trends. The increase is notable for a country that has barely recovered from the recession.

The bump has been helped by the launch of a new high-speed train in July, which has cut travel times for the 360-mile journey to Paris

(where prices increased 5.5% in the same period) to just over two hours.

"There is, of course, the new high-speed train, but the city has also completely changed in the last 10 years, in terms of architecture, culture and nightlife and people want to live here," said Etienne Delpech, a broker at Sotheby's International Realty.

Bordeaux's global fame stems from its wine industry, which dates back to the third century. It has around 287,000 acres of vineyards and produces almost a million bottles a year, ranging from table wines to some of the finest labels in the world: Châteaux Margaux, Lafite-Rothschild, Latour, Haut Brion and Mouton-Rothschild.

But as Mr. Delpech suggests, this city on the Garonne River in southwest France is more than a giant winery. It is a Unesco World Heritage city, with some magnificent 18th-century buildings and no fewer than 362 historic monuments.

Alongside all that wine, Bordeaux has a thriving gastronomic scene. Some of the world's best-known chefs, including Joël Robuchon and Gordon Ramsay, have restaurants in the city.

Property buyers can take their pick from city center apartments in buildings that are 300 to 400 years old, to farmhouses, châteaux and hobby wineries on its fringes.

According to research from Knight Frank, the *Please turn to page W16*

AT THIS CHEF'S HOME, DINNER IS SERVED

From the forests of southern Ontario, Michael Stadtlander and his wife, Nobuyo, host multicourse dinners at their eclectic farmhouse; bartered meals (and a Texas Red Wattle pig) helped cover the costs of renovations.

BY NANCY MATSUMOTO

WHEN CHEF Michael Stadtlander and his wife, Nobuyo, bought their Victorian redbrick farmhouse in Ontario, they named it "Eigensinn," a German word that means obstinate. It signaled, says Mrs. Stadtlander, their intention "to do things our way."

Every inch of their 3,000-square-foot home in Singhampton bears their creative imprint. Since purchasing the property in 1993—along with 100 acres of forested land—for about \$250,000, the couple has continuously

worked on making improvements, spending another \$140,000. These include the addition of a professional kitchen with commercial-grade appliances. From here, they prepare multicourse dinners served to customers at the farmhouse throughout the year.

The couple's path to the forests of southern Ontario was circuitous. They met in the early 1980s when he was chef at the landmark Toronto fine-dining restaurant Scaramouche and she was a newly arrived pastry chef

there. A stint in Japan studying with natural-farming guru Masanobu Fukuoka in the early '90s confirmed their desire to buy a farm of their own. They chose southern Ontario, where Mr.

Stadtlander, 60, says the lakes and rivers remind him of his childhood home in Lübeck, Germany.

Upon moving into the 1904 farmhouse, the couple immediately began hosting

farmhouse dinners, even though the house wasn't yet equipped with a kitchen and they had a 2-week-old son to care for. "With no stove and no fridge, we cooked for 16

Please turn to page W16



JENNIFER ROBERTS FOR THE WALL STREET JOURNAL (2)

WINE AND DINE In the kitchen, above left, plates are prepared for a recent dinner for 14. Above, Nobuyo Stadtlander pours wine in front of a stone hearth made by the home's previous owners.

HOUSE OF THE DAY
wsj.com/houseoftheday

REN NICKSON



Washington, Conn.
A New England country retreat



Big Sky, Mont.
A mountainside apartment for skiers



Kelowna, B.C.
A Canadian mansion hits the auction block

PLATINUM LUXURY AUCTIONS

CHRISTIE'S
INTERNATIONAL REAL ESTATE

*Cherry Hill: a British Modernist Masterpiece,
The Wentworth Estate, Surrey, England*



For properties as unique as an artist's brushstroke.

At Christie's International Real Estate, we specialize in realizing the full value of fine properties worldwide—an expertise you can access only through our exclusive Affiliate network of the world's top brokerages.

This unique property is listed by Strutt & Parker, an exclusive Affiliate in the United Kingdom. Our local Affiliates ensure your property is in expert hands by combining their discreet, personal service with the unique global real estate knowledge of Christie's International Real Estate. Together, we provide unparalleled access to the world's most qualified buyers, for whom your property will be the perfect match.

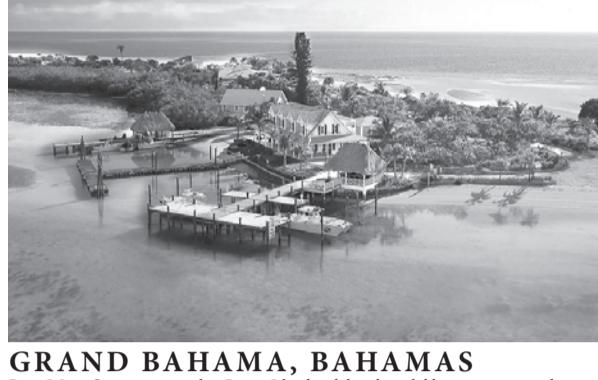
Contact:

Christie's International Real Estate
Charlotte Delaney · +44 20 7389 2551
c.delaney@christies.com

www.christiesrealestate.com
Strutt & Parker
James Mackenzie · +44 20 7318 5190
james.mackenzie@struttandparker.com
www.struttandparker.com

Sotheby's
INTERNATIONAL REALTY

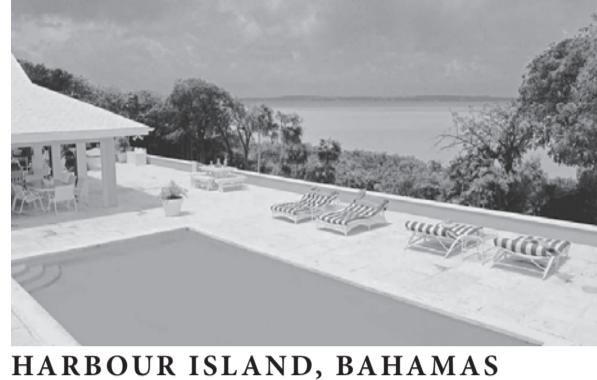
UNIQUE IMPRESSIONS WORLDWIDE SOTHEBYSREALTY.COM



GRAND BAHAMA, BAHAMAS

Deep Water Cay. 91 acre turnkey Resort Island with beaches, clubhouse, marina, welcome center, 3 homes + 7 guest rooms. 52 lots, 4,200 ft. airstrip, electricity and water. World-class bone fishing and diving. WEB: 8V74VY. \$25,000,000 US. George.Damianos@SIR.com

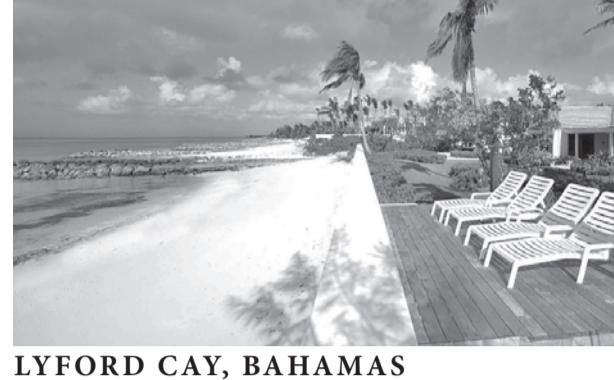
Damianos Sotheby's International Realty
+1 242.424.9699 | SIRbahamas.com



HARBOUR ISLAND, BAHAMAS

Private harbour front community estate home with panorama views and elevations. This 4 bedroom, 4 bath home includes guest cottage and large pool, sits on 1.4 acres. WEB: 9F9TBX. \$5,750,000 US. James.Malcolm@SIR.com

Damianos Sotheby's International Realty
+1 242.376.9858 | SIRbahamas.com



LYFORD CAY, BAHAMAS

Casually chic courtyard-style house situated on a 1-acre lot with 180 ft. of private beach frontage. 5 bedrooms, 5.5 baths, pool and sundecks. Within easy walking distance of the Lyford Cay Club. WEB: 3MLSY2. \$12,500,000 US. Nick.Damianos@SIR.com

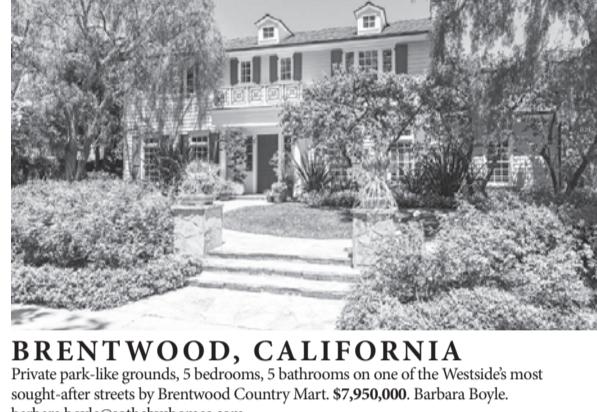
Lyford Cay Sotheby's International Realty
+1 242.376.1841 | SIRbahamas.com



ST. BARTH, CARIBBEAN

St. Barth's most spectacular estate. 9 bedrooms including a caretaker residence. Panoramic views including the islands of Saba and Statia and year round sunsets. Private five bedroom main residence, two bedroom guest house, and two pools. \$46,000,000. tom@stbarth.com

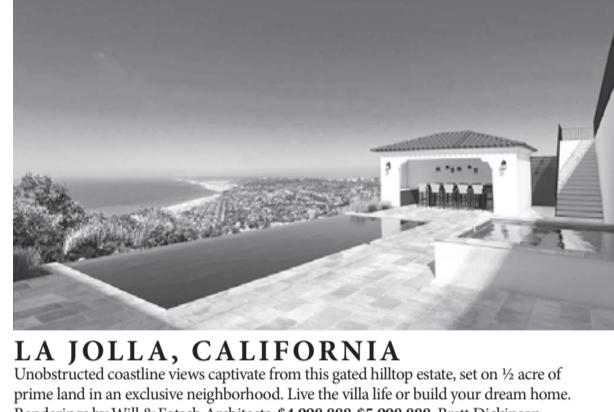
St. Barth Properties Sotheby's International Realty
+1 508.570.4481 | sothebysrealty-stbarth.com



BRENTWOOD, CALIFORNIA

Private park-like grounds, 5 bedrooms, 5 bathrooms on one of the Westside's most sought-after streets by Brentwood Country Mart. \$7,950,000. Barbara Boyle. barbara.boyle@sothebyshomes.com

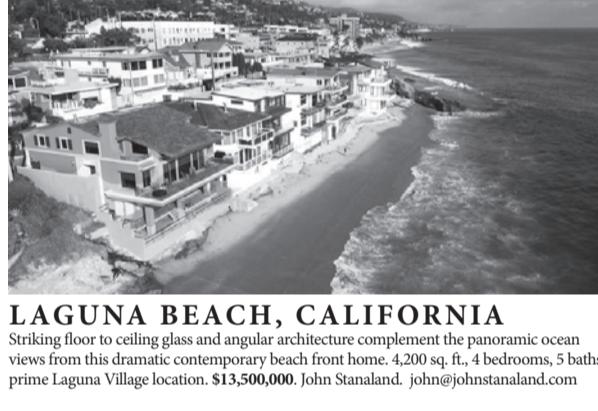
Sotheby's International Realty Pacific Palisades Brokerage
+1 310.255.5403 | 536Moreno.com



LA JOLLA, CALIFORNIA

Unobstructed coastline views captivate from this gated hilltop estate, set on ½ acre of prime land in an exclusive neighborhood. Live the villa life or build your dream home. Renderings by Will & Fotsch Architects. \$4,998,888-\$5,998,888. Brett Dickinson.

Pacific Sotheby's International Realty
+1 858.204.6226 | pacificsothebysrealty.com



LAGUNA BEACH, CALIFORNIA

Striking floor to ceiling glass and angular architecture complement the panoramic ocean views from this dramatic contemporary beach front home. 4,200 sq. ft., 4 bedrooms, 5 baths, prime Laguna Village location. \$13,500,000. John Stanaland. john@johnstanaland.com

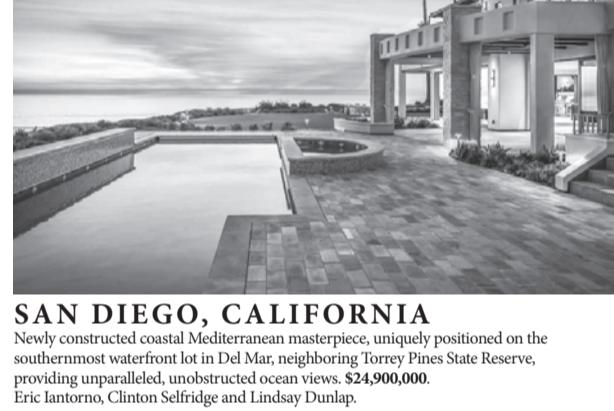
HOM Sotheby's International Realty
+1 949.689.9047 | homgroup.com



LOS ALTOS HILLS, CALIFORNIA

The 20,000 sq. ft. home on 8+ acres is designed for entertaining on a corporate or personal level. Indoor swimming pool, massage room, theatre, vineyard and wine room. Freestanding office building for business needs. Easy access to airports make the home a perfect West Coast hub. \$68,000,000. Michael Dreyfus.

Golden Gate Sotheby's International Realty
+1 650.485.3476 | ggsir.com



SAN DIEGO, CALIFORNIA

Newly constructed coastal Mediterranean masterpiece, uniquely positioned on the southernmost waterfront lot in Del Mar, neighboring Torrey Pines State Reserve, providing unparalleled, unobstructed ocean views. \$24,900,000. Eric Iantorno, Clinton Selfridge and Lindsay Dunlap.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA

Private, oceanfront Midcentury style on nearly half an acre. Incredible courtyard complete with pool and spa. Impressive interiors boasting natural layers of wood, stone, beams and floor to ceiling windows framing a 60 ft. waterfront deck. \$19,950,000. Eric Iantorno, Kathy Herington and Clinton Selfridge.

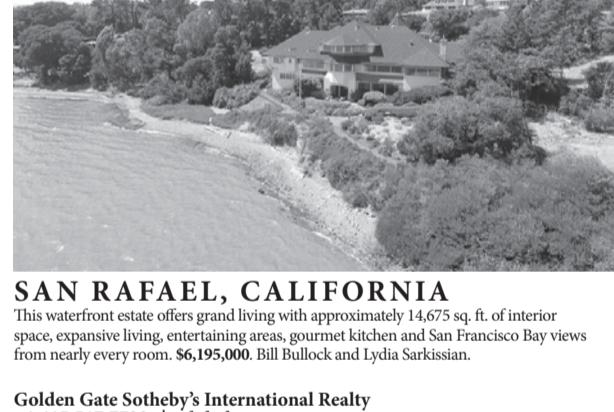
Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA

A gorgeous, waterfront three building estate overlooking the San Diego harbor and offering one of the best views of the city's skyline. During the day enjoy harbor activity and when the sun sets, the quiet, magical glow of downtown. \$13,900,000. Clinton Selfridge and Eric Iantorno.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN RAFAEL, CALIFORNIA

This waterfront estate offers grand living with approximately 14,675 sq. ft. of interior space, expansive living, entertaining areas, gourmet kitchen and San Francisco Bay views from nearly every room. \$6,195,000. Bill Bullock and Lydia Sarkessian.

Golden Gate Sotheby's International Realty
+1 415.517.7720 | globalestates.com



ATLANTA, GEORGIA

Built in 1940, this almost 6-acre estate is rich in history. The privacy this home affords is a rare find in Atlanta's Buckhead community. A true entertainer's delight with lush gardens, pool and guest house. \$3,800,000. Ally May. ally@atlantafinehomes.com

Atlanta Fine Homes Sotheby's International Realty
+1 404.874.0300 | atlantafinehomes.com



RINGGOLD, GEORGIA

A rare find on 48 ± acres, this elegant four-sides brick home offers a desirable combination of luxury, comfort and privacy. Immaculate, tranquil and moments from historic Chattanooga, Tennessee. Michelle Pittman. michelle.pittman@atlantafinehomes.com

Atlanta Fine Homes Sotheby's International Realty
+1 770.442.7300 | atlantafinehomes.com



CHICAGO, ILLINOIS

This urban oasis defines modern luxury. Completely redesigned in one of the city's most sought after addresses, this condo features over 3,000 sq. ft. of sleek, open design living with 180 degree views. This turn-key residence is enhanced with cutting-edge technology and furnished to entertain. \$4,750,000. Kelly Angelopoulos.

Jameson Sotheby's International Realty
+1 312.636.5652 | jamesonsir.com



CHICAGO, ILLINOIS

Extraordinary brand new condo boasts breathtaking, panoramic lake and city views, an incredible 72 ft. wall of windows and dramatic 13+ ft. ceilings. Over 4,300 sq. ft. of perfection, thoughtfully designed with the finest materials available. \$4,450,000. Nancy Tassone.

Jameson Sotheby's International Realty
+1 312.215.9701 | jamesonsir.com



CAPE ELIZABETH, MAINE

Oceanfront estate. This magnificent home has it all: 16+ generously proportioned rooms, breathtaking views, a private beach, separate 4 bedroom guest house, pool, tennis court and much more - all on 600+ ft. of bold Atlantic frontage. \$11,000,000. Anne Bosworth and Chris Lynch.

Legacy Properties Sotheby's International Realty
+1 207.233.3175 | legacysir.com



GIBSON ISLAND, MARYLAND

This breathtaking, designer shingle house features 1.43 acre lot with beautiful views of the Magothy River, 3-level floor plan with 5 bedrooms, 5 baths, exquisite finishes throughout, high ceilings, gourmet kitchen, gorgeous outdoor spaces. \$2,990,000. Sarah Kanne and Corey Burr.

TTR Sotheby's International Realty
+1 410.255.1341 | ttrsir.com

Sotheby's
INTERNATIONAL REALTY

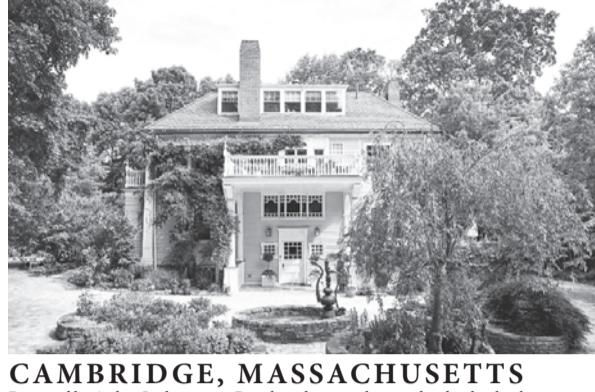
UNIQUE IMPRESSIONS WORLDWIDE SOTHEBYSREALTY.COM



GIBSON ISLAND, MARYLAND

Private, gated, enchanting island in Chesapeake Bay with 200 homes (11 presently for sale), freshwater lake, one hour from Washington, 20 minutes from BWI/Amtrack, private country club (by invitation) with yachting, golf and more. Prices upon request.
Sarah Kanne and Corey Burr:

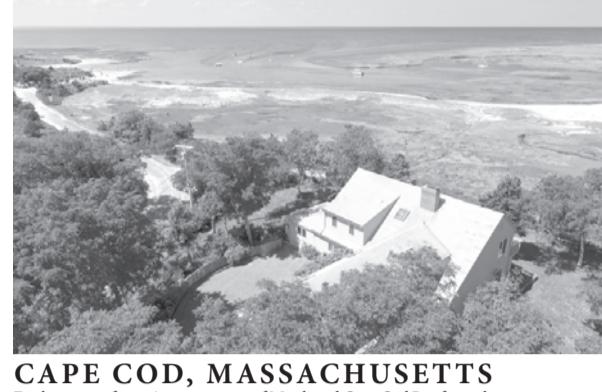
TTR Sotheby's International Realty
+1 410.255.1341 | ttrsir.com



CAMBRIDGE, MASSACHUSETTS

Designed by Arthur Little in 1888. Details and intricately carved teak salon by the American Aesthetic Movement's Lockwood de Forest. With a sympathetic nod to the Queen Anne style, asymmetry abounds, yet all facades are active with Neo-Classical elements. \$7,900,000. Susan Condrick:

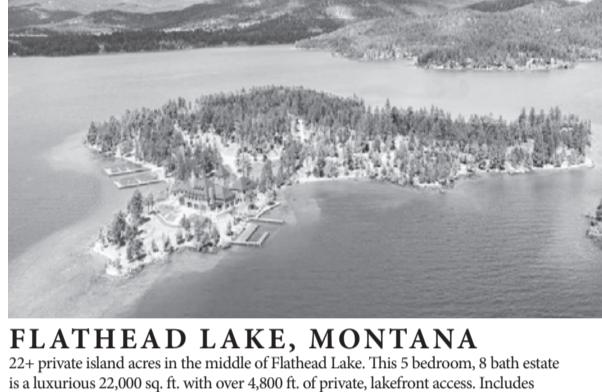
Gibson Sotheby's International Realty
+1 617.842.4600 | 168BrattleStreet.com



CAPE COD, MASSACHUSETTS

Eastham waterfront. Amazing views of Marsh and Cape Cod Bay from almost every room. 4,100+ sq. ft., 4 bedrooms, 5 baths. Gourmet kitchen with 6 burner gas top, grill top, wok burner. Boat Meadow Beach out your door for swimming and kayaking. \$1,895,000. Team Alberti:

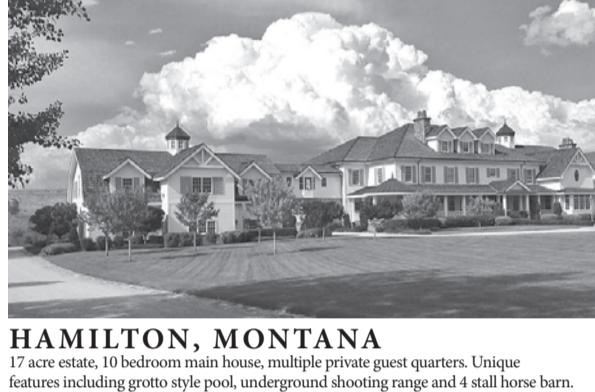
oldCape Sotheby's International Realty
+1 508.776.7002 | oldcape.com



FLATHEAD LAKE, MONTANA

22+ private island acres in the middle of Flathead Lake. This 5 bedroom, 8 bath estate is a luxurious 22,000 sq. ft. with over 4,800 ft. of private, lakefront access. Includes guest/boathouse. Exquisite finishes throughout. \$22,750,000. Dawn Maddux:

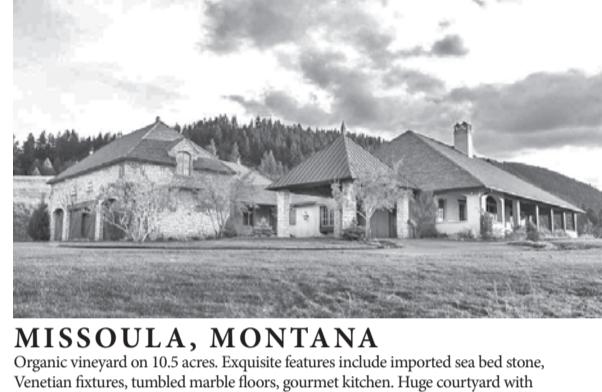
Glacier Sotheby's International Realty
+1 406.550.4131 | glaciersir.com



HAMILTON, MONTANA

17 acre estate, 10 bedroom main house, multiple private guest quarters. Unique features including grotto style pool, underground shooting range and 4 stall horse barn. Exclusive/private Stock Farm amenities include Tom Fazio golf course. \$27,500,000. Dawn Maddux:

Glacier Sotheby's International Realty
+1 406.550.4131 | glaciersir.com



MISSOULA, MONTANA

Organic vineyard on 10.5 acres. Exquisite features include imported sea bed stone, Venetian fixtures, tumbled marble floors, gourmet kitchen. Huge courtyard with stone pigeonnier, adjacent to designated wilderness land. \$2,990,000. Dawn Maddux:

Glacier Sotheby's International Realty
+1 406.550.4131 | glaciersir.com



NEW YORK, NEW YORK

Over 25 ft. in width, the Emily Trevor mansion has over 10,000 sq. ft. of space and a gorgeous rooftop terrace. Designed by Mott Schmidt, constructed in 1928 and thoroughly renovated in 2010. Elevator to all floors. \$23,500,000. Randall Gianopoulos and Stan Ponte:

Sotheby's International Realty East Side Manhattan Brokerage
+1 212.606.7622 / 212.606.4109 | 15e90.com



NEW YORK, NEW YORK

Enjoy breathtaking views of Central Park and the city skyline from the terraces of this high-floor corner apartment with 7 gracious rooms perched over 5th Avenue. 1 East 66th Street is a premier full-service building. \$12,950,000. Meredith Hull Smith:

Sotheby's International Realty East Side Manhattan Brokerage
+1 212.606.7683 | sothebyshomes.com/00111244



NEW YORK, NEW YORK

The façade and layout of this 20 ft. Art Deco townhouse is unique in every way. Built in 1905, this spacious home has an elevator and is flooded with light. A rare gem in the city. \$8,900,000. Eva J. Mohr and Greg Schriefer:

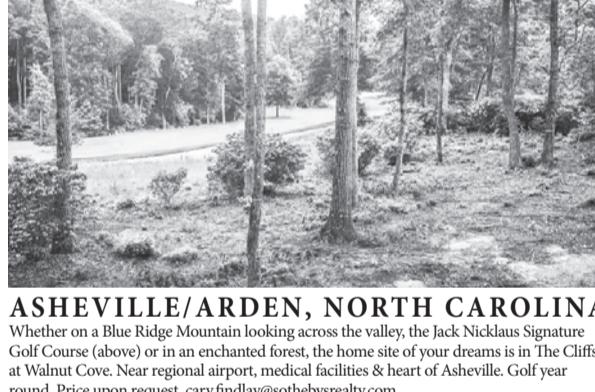
Sotheby's International Realty East Side Manhattan Brokerage
+1 212.606.7736 / 212.606.7788 | sothebyshomes.com/00111719



NEW YORK, NEW YORK

Sun-flooded high floor corner Classic 6, 2 bedroom plus staff/home office with open city views and terrace is in the heart of the Upper East Side. Low maintenance of \$2,439 includes parking and utilities! New to market. \$4,350,000. Cathy Taub:

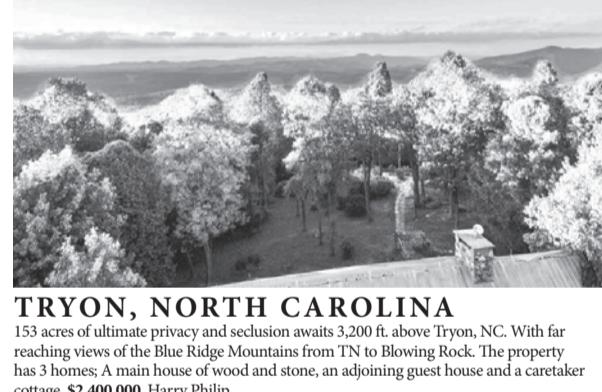
Sotheby's International Realty Eastside Manhattan Brokerage
+1 212.606.7772 | sothebyshomes.com/00111677



ASHEVILLE/ARDEN, NORTH CAROLINA

Whether on a Blue Ridge Mountain looking across the valley, the Jack Nicklaus Signature Golf Course (above) or in an enchanted forest, the home site of your dreams is in The Cliffs at Walnut Cove. Near regional airport, medical facilities & heart of Asheville. Golf year round. Price upon request. cary.findlay@sothebysrealty.com

Premier Sotheby's International Realty
+1 828.808.4473 | premiersothebysrealty.com



TRYON, NORTH CAROLINA

153 acres of ultimate privacy and seclusion awaits 3,200 ft. above Tryon, NC. With far reaching views of the Blue Ridge Mountains from TN to Blowing Rock. The property has 3 homes: A main house of wood and stone, an adjoining guest house and a caretaker cottage. \$2,400,000. Harry Philip:

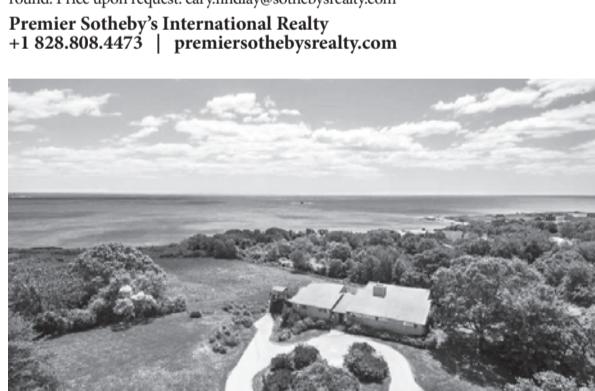
Premier Sotheby's International Realty
+1 828.808.9404 | premiersothebysrealty.com



BARRINGTON, RHODE ISLAND

Magnificent English Tudor full of architectural treasures blended with today's amenities. 1.75 acre property includes carriage house with bedroom, bath, garages and horse stalls. Near golf, boating, beaches and an easy commute to Providence and Boston. \$2,588,000.

Mott & Chace Sotheby's International Realty
+1 401.245.3050 | mottandchace.com



NARRAGANSETT, RHODE ISLAND

Oceanfront post and beam home with large open rooms, soaring ceilings, 5 bedrooms, and 5 baths on nearly 5 private acres. Oversized glass doors and windows provide panoramic views of the picture-perfect coast. \$3,100,000.

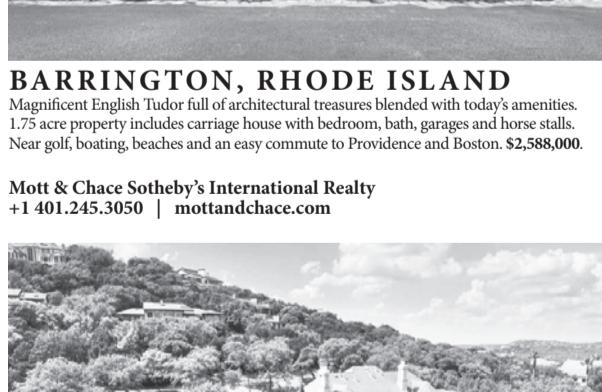
Mott & Chace Sotheby's International Realty
+1 401.789.8899 | mottandchace.com



KIAWAH ISLAND, SOUTH CAROLINA

This beautiful ocean front "Nantucket Style" home is situated on a very private, nearly two-acre homesite in Kiawah's prestigious Vanderhorst Plantation. 8 bedrooms, 9 baths, 7,482 sq. ft. \$12,500,000. Middleton Rutledge. MRutledge@danielravenslir.com

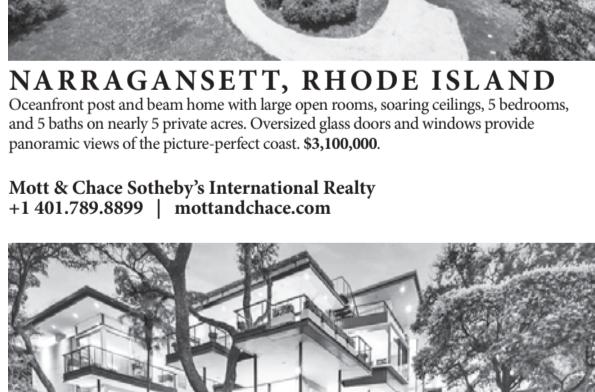
Daniel Ravenel Sotheby's International Realty
+1 843.723.7150 | DanielRavenelSIR.com



AUSTIN, TEXAS

The Milburn Estate offered privately for the first time. Situated on 5 beautifully manicured acres with towering oaks and English gardens in the hills of Westlake overlooking Austin's gorgeous skyline. \$10,000,000. Kumara Wilcoxon. kumara@sothebysrealty.com

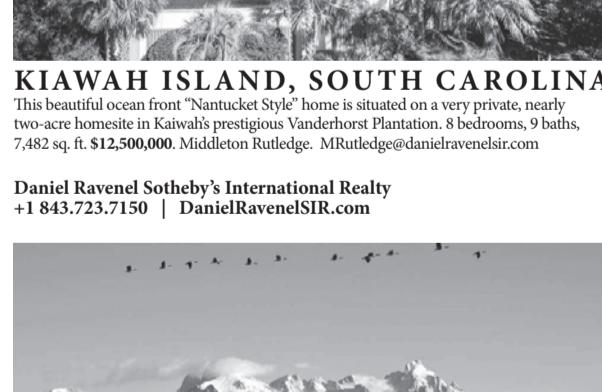
Kuper Sotheby's International Realty
+1 512.423.5035 | milburnestate.com



AUSTIN, TEXAS

Exquisite contemporary designed to showcase unparalleled views of Downtown Austin and Lady Bird Lake and provide gracious space for entertaining. Extremely private with beautifully landscaped grounds. \$6,950,000. Kumara Wilcoxon. kumara@sothebysrealty.com

Kuper Sotheby's International Realty
+1 512.423.5035 | 1404WildCatHollow.com



JACKSON HOLE, WYOMING

In tax friendly Wyoming, near Grand Teton and Yellowstone NP, the exclusive Bar BC Ranch offers privileged Snake River blue-ribbon fly-fishing and exquisite Teton views. Select elevated or meadow 35+ acre parcels, close to Jackson. Prices from \$7,950,000. TomEvansRE@JHSIR.com

Jackson Hole Sotheby's International Realty
+1 307.739.8149 | JHSIR.com

FOOD & WINE AT HOME



ILLUSTRATION BY ROBIN DAVEY / ENNIE ROBERTS FOR THE WALL STREET JOURNAL (6)

CREATIVE TOUCHES Michael Stadtlander and his wife, Nobuyo, on their 100-acre property in Singhampton, Ontario. Top left, the outside of the farmhouse. Left, in the recently added sunroom, family and friends helped with the graffiti on the walls.

AT THIS CHEF'S HOME, DINNER IS SERVED

Continued from page W9
people out of the pantry,
washing dishes between
courses," recalls Mrs.
Stadtlander, 50.

In 1996, they removed the Jacuzzi from what would become their kitchen, installing a 10-burner Garland stove they purchased at auction from a nearby culinary school for \$2,800, and a Salamander, walk-in refrigerator, cooler and under-counter fridge for \$3,500. They spent another \$20,000 on labor, installing electrical outlets and converting the gas stove to a propane-fueled model. For the rest of the kitchen, "we did a lot of trades," recalls Mr. Stadtlander, including bartering a Texas Red Wattle pig for the installation of wall and floor tile by "an Italian guy who liked to butcher pigs."

Mr. Stadtlander constructed a 16-seat dining table and gazebo out of cedar wood rescued from the dump, and chairs made with remnants of pinewood left over from an earlier project. Though never formally trained in carpentry, he explains, "When you live on a farm, it's kind of like arts and crafts. You can't always hire someone, so you learn by doing and by observing other people."

In 2000, the Stadtlanders embarked on another round of renovations, adding a 275-square-foot log cabin-style breakfast room using pine harvested from their forest as well as redwood planks previously used in the sub-floor of the Ontario Parliament building. The tongue-and-groove floorboards had been removed during a renovation, landing in the yard of a friend. Again, a bartered dinner was all it took to make the boards theirs.

Serendipity also played a role in bringing them carpenters for the log-cabin project. A year earlier, Mr. Stadtlander had spotted several itinerant German carpenters at the Hamburg airport, recognizing their



FARM TO TABLE On a wood and stone island, top, the chef and his apprentices prepare the appetizers. Above left, the cheese course features all Quebec cheeses. Above right, another course is garnished with wildflowers from the garden.

signature black hats, black vests and trousers. A medieval throwback, German

craft guilds offer free apprenticeships to young people, after which, Mr. Stadtlander explains, "they must travel at least 50 kilometers away from home for three years, three months and three days in search of work."

The carpenters were on their way to Canada, so Mr. Stadtlander told them he needed a barn door fixed. Three days later one of the carpenters showed up at the farm and fixed the door. A year later, he brought another German carpenter to build Eigensinn Farm's log cabin breakfast room in exchange for room and board. "No money changed hands," says Mr. Stadtlander proudly, though he nearly had to set up "a pipeline to Creemore [a local beer brewer] because they drank like fish."

Last year, the Stadtlanders took down a small, poorly insulated family room and constructed a new one, cutting ash floorboards from trees

on the farm that had fallen prey to an invasive pest. For one wall, Mr. Stadtlander used a jigsaw to cut wavy-edged panels from elm wood, also from his forest. The couple sprang for a \$4,000 Blaze King wood-burning stove that heats the entire house. The final components were a breezeway that

off the dining room. One wall of the sunroom is covered with graffiti by the Stadtlanders and their friends, ranging from political and philosophical slogans to one line from Mrs.

Stadtlander expressing her exasperation with certain unreliable millennial apprentices: "Fly by night—no

ing aperitifs and canapés in the garden, but they happily dined in on sautéed pickerel with lobster tarragon sauce, Eigensinn Farm barbecue piglet with garden vegetables, and Canadian Black Forest cake with Lübecker marzipan strawberry ice cream.

With cooler weather on the way, the kitchen staff has been making jams out of the last of summer peaches and apricots, pickling green beans and cellaring root vegetables. Down the road, Eigensinn's sister restaurant, Haisai, is planning its fall menu as well.

Renovation, especially in wintertime is disruptive and difficult, says Mr. Stadtlander, but worth it in the end. "Our farmhouse is old, so we need to look after it like an old body and make it as comfortable as we can. At some point, we would like to renovate the kitchen. But Eigensinn Farm is and always will be a work in progress."



They chose southern Ontario because Mr. Stadtlander says the lakes and rivers remind him of his childhood home in Lübeck, Germany.

connects the room to Mrs. Stadtlander's small office and a bedroom on the second floor.

Also in 2016, Mr. Stadtlander's dairy supplier connected him with local Amish craftsmen, who handled construction of a new sunroom

thanks!"

The Amish craftsmen also built a sturdy treehouse in the forest that the chef incorporates into his 10- to 12-course indoor and roving outdoor feasts.

At a recent dinner for 14, rain kept guests from enjoy-

ADVERTISEMENT

Distinctive Properties

UNITED STATES

PASADENA, CALIFORNIA

Rebuilt, redesigned and renovated!
Elegant traditional with
4 bedrooms, 4 baths, family room,
office, gourmet kitchen on
a huge 10,000 sq. ft. lot.
\$1,750,000.

John Fairbanks
626.398.9000

Marion Fairbanks
626.390.1000
est8homes@aol.com

COLDWELL
BANKER

GLOBAL
LUXURY

Distinctive Properties.

Select Residential Listings on Friday.

List Your Property Today in

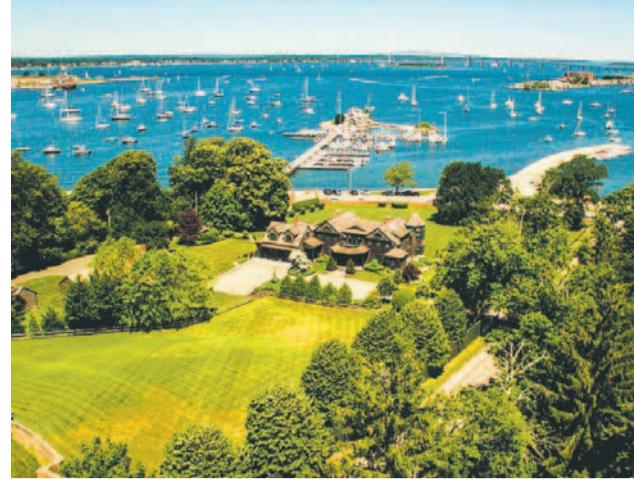
The Wall Street Journal Asia.

Call (852) 2831-2553,

(65) 6415-4279 or (813) 6269-2701

THE WALL STREET JOURNAL.

ADVERTISEMENT



NEWPORT, RHODE ISLAND

"Harbor Watch" Spectacular water views from custom shingle-style perched directly across from Newport Harbor. Four en suite bedrooms, including luxurious master, with balconies. Almost 3 acres of beautifully landscaped private grounds with 3-bedroom guest cottage. Close to downtown Newport.

\$6,950,000 GustaveWhite.com

Gustave White Sotheby's International Realty
phone: 401.849.3000



KIAWAH ISLAND, SOUTH CAROLINA

With 4,594 square feet, 6 bedrooms, and 5 ½ baths, the beautifully renovated home at 211 Sand Fiddler is a short stroll away from Kiawah's lovely 10-mile beach and The Beach Club. Towering light-filled windows create an open, airy space, and the dining room, open to the gourmet kitchen, seats 12 comfortably. Available furnished. A Kiawah Island Club Membership is also available.

\$3,995,000 kiawahisland.com/real-estate

Kiawah Island Real Estate
phone: 866.312.1780 info@kiawahisland.com



WHITETAIL CLUB - MCCALL, IDAHO

The Shore Lodge Cottages at Whitetail Club. Four spectacular cottage models ranging in size from 1369–2490 sq. ft. plus 1-car & 1 cart garage. The ultimate weekend getaway. The lakefront clubhouse, the single-track mountain bike trail system, Nordic ski trails, indoor tennis & fitness center, & the championship golf course are all outside your doorstep.

Priced from \$689,000 - \$889,000 WhitetailClub.com

Whitetail Club Realty, LLC.
Joe Carter
phone: 877.634.1725 Email:jcarter@whitetailclub.com



GREENSBORO, NORTH CAROLINA, USA

Premiere gated Equestrian Facility, 117 ac. turnkey operation: 150'x250' lighted arena, bleachers, 60' round pen, two barns, tack-rooms, three bathrooms, 10 run-in sheds, 5 w/hay lofts. Multiple pastures for rotation, two wells, gorgeous trails, hay-fields. Horse capacity: 30-45. Renovated farmhouse. Central to Pinehurst, Tryon & WEG. 3 mi to I-73 exit

\$5,450,000 www.fiorefarms.com

Fiore Farms, LLC
Lori Greene
phone: 502.888.7855 email: bestroad2horse@gmail.com



FREDERICKSBURG, TEXAS

Premier 175 acre hill country ranch with 6,000 sq ft residence, 3,000 sq ft guest house, insulated barn with quarters and an original farmhouse. Top of the line construction, gym, heated pool, 6 garages, 8 acre lake, 2-30 gpm water wells and 80 kw generator. This one-of-a-kind estate is nestled in rolling terrain with expansive views, and is just 15 minutes from Fredericksburg.

\$7,250,000 www.fredericksburgestate.com

Fredericksburg Realty
Justin Cop
phone: 830.998.2895 Justin@fredericksburgrealty.com



AUSTIN, TEXAS

Your Lakeside Hideaway Awaits. This 5 bed/4.5 bath custom home is a contemporary & edgy approach to a traditional farmhouse in a private, gated community with direct access to Lake Travis. Luxury home features include chef's kitchen, three living areas, butler's pantry, oversized pool/spa with outdoor living & dining, and one-of-a-kind bunk room.

\$1,800,000 PeninsulaLakeTravis.com

The Peninsula at Rough Hollow
phone: 512.456.3756 info@PeninsulaLakeTravis.com



AUSTIN, TEXAS

Your Lakeside Farmhouse Awaits. This spacious one-story is situated on a 1+ acre lot in a private, gated community on the Lake Travis shoreline. Boasting 3 bedrooms plus casita, 4.5 bathrooms, exquisite pool/spa, outdoor kitchen & high-tech conveniences, this home blends the comfort of the Texas Hill Country with the sophistication of a custom home.

\$1,690,000 PeninsulaLakeTravis.com

The Peninsula at Rough Hollow
phone: 512.456.3756 info@PeninsulaLakeTravis.com



NEWPORT BEACH, CALIFORNIA

Vue Newport is collection of 27 Waterfront Villa-style homes featuring 2 - 3 bedrooms, 3 baths and up to 3,050 square feet. Most residences offer stunning harbor views while presenting a carefully curated collection of contemporary finishes. Additional Vue luxuries include boutique retail, gourmet restaurants, creative office space, onsite fitness center and boat slips up to 75 feet available for lease.

From the \$2,350,000s VueNewport.com

Vue Newport
Presented by Coldwell Banker
phone: 949.467.3418



GUILFORD, CONNECTICUT

Luxury Residences, CT "Project of the Year" by HBRA. 16+ acres, 1884 Mill has 2-BR loft units with garages. New construction of (3) 4-story buildings with 2-BR ranch units, underground parking, views of L.I. Sound, River, Marsh. Walk to the Historic Town Green, Shops, Restaurants, Train Station, Yacht Club and Beach. Proposed Pool/Clubhouse/Fitness Ctr.

Priced from \$719,000 www.66highst.com

Horton Group
Kenny Horton
phone: 1.203.499.8994

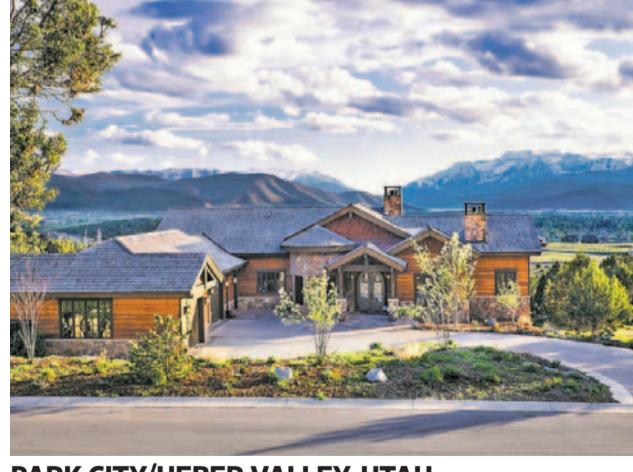


KIAWAH ISLAND, SOUTH CAROLINA

With 5,500 square feet, 5 bedrooms, 5 baths and 2 half baths, the home at 106 Raynor Lane offers exceptional craftsmanship in the tradition of a British manor house. With soaring ceilings, custom windows, hand-scraped oak floors, and a cast-limestone fireplace among its features, its grand master suite with fairway views and guesthouse are just the icing on the cake. A Kiawah Island Club Membership is available.

\$2,995,000 kiawahisland.com/real-estate

Kiawah Island Real Estate
phone: 866.312.1780 info@kiawahisland.com

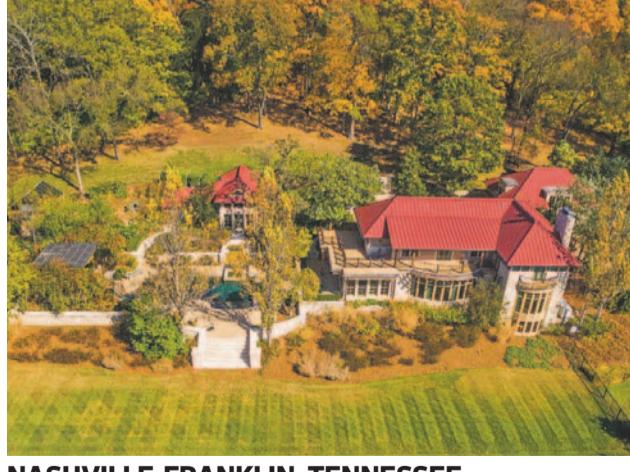


PARK CITY/HEBER VALLEY, UTAH

Red Ledges' 2180 E Flat Top Mountain Dr offers Wasatch Mountain views from a huge heated deck, 5 en-suite BRs and the fun of a home theater, game room and sports bar. As the most successful private community in the Park City area, Red Ledges has great access to world class mountain, valley, water and trail activities 45 minutes from a major hub airport.

Exceptionally priced at \$2,895,000

Red Ledges Realty
Chris Maddox
phone: 877.733.5334 email: info@RedLedges.com



NASHVILLE-FRANKLIN, TENNESSEE

Sitting on 48 private gated acres, this hilltop property includes a 4-bedroom main house, 2-bedroom guest home, office/studio, pool, barn, greenhouse and native plantings. Great views, thoughtful design, quality craftsmanship and natural materials. Hiking and horse trails. View virtual tour <https://vimeo.com/212080249>

\$6,500,000 www.relocationtennessee.com

Jones Properties
Mike Jones
phone: 615.566.5001 email: joneswm@realtracs.com

To Advertise Call: +852-2831-2552

FOOD & WINE AT HOME

TIME IS RIPE TO BUY IN BORDEAUX



CAFE CULTURE Al fresco drinks at a bar near the Dijeaux Gate, one of the city's medieval gates.



SCENIC STROLL A woman walks her dog near the docks in the center of the city.



COBBLESTONE CHARM Place de la Bourse, a popular square in Bordeaux, was built between 1730 and 1775 and is located near the Garonne River.

ANTOINE DOYEN FOR THE WALL STREET JOURNAL (3); ILLUSTRATION BY ROBIN DANEY; MAP BY JASON LEE

Continued from page W9
average price of a property in Bordeaux stood at €366, or \$439, per square foot in January. That's a 21% increase from the year before, when the average value was \$361 per square foot.

The most exclusive neighborhood in downtown Bordeaux is known as the Golden Triangle, a network of historic streets bounded by three elegant boulevards (Cours Clemenceau, Cours de l'Intendance, and Allées de Tourny).

Buyers come from all over

the world, said Dorothée Homberg, a broker at Groupe Mercure, but she notes an influx of buyers priced out of Paris. Many are entrepreneurs who can simply shift their businesses to the city.

Mr. Delpech estimates that apartments within the Golden Triangle's historic stone houses cost between \$780 and \$900 per square foot. Just north of the triangle and close to the city's public gardens, an almost equally desirable location, DPP Real Estate is listing a modern, three-bedroom, two-bathroom apartment measuring 1,572 square feet for \$1.127 million—or just under \$718 per square foot.

Kim Poole-Wright, who lives in London's Chelsea neighborhood, bought a two-bedroom apartment in the Golden Triangle for about



\$550,000 last year. "I wanted a foothold in Europe," she explained. "I do not want to live in London when I am older, and France is really convenient."

Ms. Poole-Wright, 53, plans to spend the next few years making regular visits to Bordeaux, learning French, as well as continuing to study for a doctoral degree in psychological medicine. She opted for Bordeaux over the French Riviera, saying that resorts like Nice are simply too "crazy busy" in summer time. She hasn't given up on the beach altogether, however; she will be able to make day trips to France's east coast from Bordeaux.

Just over a mile north of the Golden Triangle is Chartrons. It's close to the city's port, where international wine merchants once based themselves. The area fell into disrepair toward the end of the 20th century, and few buyers were interested in living there.

But over the past decade, Chartrons has enjoyed a quiet renaissance with antiques shops, cafes and restaurants springing up, pushing property values upward. Property costs have risen to about \$558 per square foot, compared with \$336 just four years ago, Mr. Delpech said.

Currently listed with Sotheby's International Realty for \$1.66 mil-

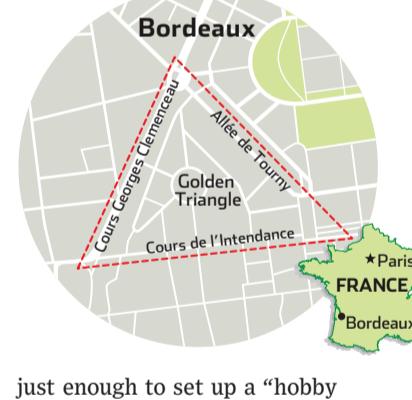
lion is a two-bedroom, two-bathroom apartment in Chartrons, with views of the Garonne River. The 1,786-square-foot property is in a 19th-century building and has been recently renovated.

Mr. Delpech believes the next neighborhood to pop will be Saint-Michel, just north of the Golden Triangle. The area has seen revitalization in recent years. "It is in the old part of Bordeaux, so you have got the old buildings which people love," said Mr. Delpech, estimating that property prices are around \$446 per square foot.

The countryside around Bordeaux draws buyers, too. Jane Vernon, an agent with Leggett, said many gravitate toward the small town of Saint-Emilion, around 30 miles west, where some of the world's finest wines are produced. The surrounding countryside features hills, woodland, and farmland growing everything from sweet corn to sunflowers.

Ms. Vernon's most recent clients have traveled from Switzerland and Sweden, and buyers are a global crew. "We get quite a few from Dubai, Spain, the U.S.A., and a lot from Paris because of the new trains," she said. "We also get quite a lot from England."

These buyers are typically seeking a maison de maître (master's house), a period country home with perhaps 5 to 7 acres of land,



just enough to set up a "hobby vineyard" producing several dozen cases a year.

In southwest France, Rory Ramsden, a property finder with Home Hunts, said his buyers typically have a budget of up to \$3.5 million and want a vacation home located where they might one day retire.

While immaculately presented properties are unusual in this region, they are not impossible to find. Some 30 miles southeast of Bordeaux, near the village of Sauternes, Sotheby's International Realty is listing a former hunting estate on about 277 acres. The main house is 5,381 square feet, with six bedrooms and five bathrooms, and is fully renovated. There is also a guesthouse, stables, a renovated barn and swimming pool. It is listed for offers above \$2.4 million.

While central Bordeaux's property market is booming, its sub-

urbs and surrounding towns and villages are still playing catch-up from the recession. "Prices which have been going down, are just beginning to solidify," said Mr. Ramsden. President Emmanuel Macron "has given the French more confidence to invest for the first time in a long time."

Of course Bordeaux is all about wine, and at the top end, buyers want a vineyard.

Most come with a château attached, plus at least 35 acres for grape growing, plus winery, and cost from around \$2.4 million.

"Chinese buyers often want a vineyard," said Ms. Vernon. "They just love their wine and they have got the budget. Sometimes they buy two or three."

Currently listed with Leggett is a large 12-bedroom château dating from the 18th century, which comes with 247 acre, just over half of which are under vine. The 11,840-square-foot property, near the town of Langorain and 18 miles southeast of Bordeaux, is listed for \$4.66 million, recently reduced from \$5.29 million.

These wine enthusiasts tend to be somewhat hands-off after buying a vineyard, usually keeping existing staff and selling their wines through the same suppliers.

"There is not a lot of money in it," said Ms. Vernon. "But what there is, is prestige."



RIVER VIEWS A two-bedroom apartment in the popular Chartrons neighborhood is listed for \$1.66 million. The 1,786-square-foot property has views of the Garonne River.



COUNTRY HOUSE Currently listed for \$2.1 million is a country house that's about 10 miles from the center of Bordeaux. The seven-bedroom, five-bath house measures 6,458 square feet.



MODERN DÉCOR In central Bordeaux, this three-bedroom, two-bathroom apartment is listed for \$1.13 million. The 1,572-square-foot apartment is located close to the city's public gardens.