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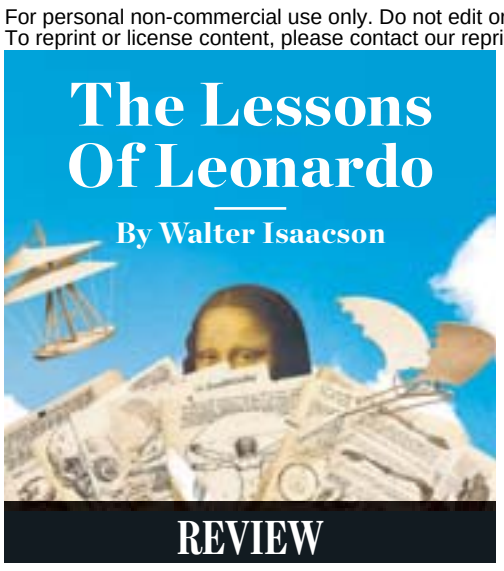

THE WALL STREET JOURNAL.
WSJ

VOL. CCLXX NO. 77 * * * * * * * * WEEKEND ★★★★ $5.00
DOW JONES | News Corp SATURDAY/SUNDAY, SEPT. 30 - OCT. 1, 2017 WSJ.com

What's News

World-Wide

HHS Secretary Price resigned over his extensive use of private-jet and military flights, ending a rocky tenure. **A1**

◆ **Republicans are** conflicted in how far their tax plan should go in reducing the amount paid by the rich. **A4**

◆ **Senate Republicans** released their budget blueprint for fiscal 2018, signaling a shift in focus. **A4**

◆ **Google is conducting** an internal probe to determine if Russian-linked entities used its ads to try to manipulate voters before the election. **B1**

◆ **The White House counsel** this summer was frustrated about the lack of protocols surrounding meetings between Trump and Kushner. **A4**

◆ **The State Department** is cutting staff from the embassy in Havana, as Washington investigates a mysterious spate of illnesses. **A9**

◆ **Catalan separatists** vowed to press on with an independence referendum Sunday despite government efforts to block the ballot. **A8**

◆ **Iraq imposed** a flight ban on its Kurdish region, retaliating against the Kurds' vote for secession this week. **A7**

Business & Finance

◆ **The "Trump trade"** is making a comeback, reflecting investors' renewed belief in the strength of the economy and fresh hopes for business-boosting policies. **A1**

◆ **Major stock indexes** gained in the third quarter. The Dow rose 23.89 points to 22405.09 on Friday. **B10**

◆ **U.S. officials voted** to remove federal oversight of AIG, one of the most tangible steps yet in the administration's push to re-evaluate financial regulations. **A1**

◆ **Uber's ousted chief** is appointing two new directors to the ride-hailing firm's board, a surprise move that would bolster his clout. **A1**

◆ **Trump's search** for the next Fed chair ramped up this week when he interviewed a current and a former central-bank governor for the job. **A2**

◆ **Proxy-advisory firm ISS** is recommending P&G shareholders put Nelson Peltz on the board. **B1**

◆ **Hudson River Trading** is exploring a deal to buy rival Sun Trading amid low volatility and rising costs. **B3**

◆ **Equifax could announce** in coming days that it will claw back compensation from some top executives. **B3**

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Partisanship Is Breaking Both Parties

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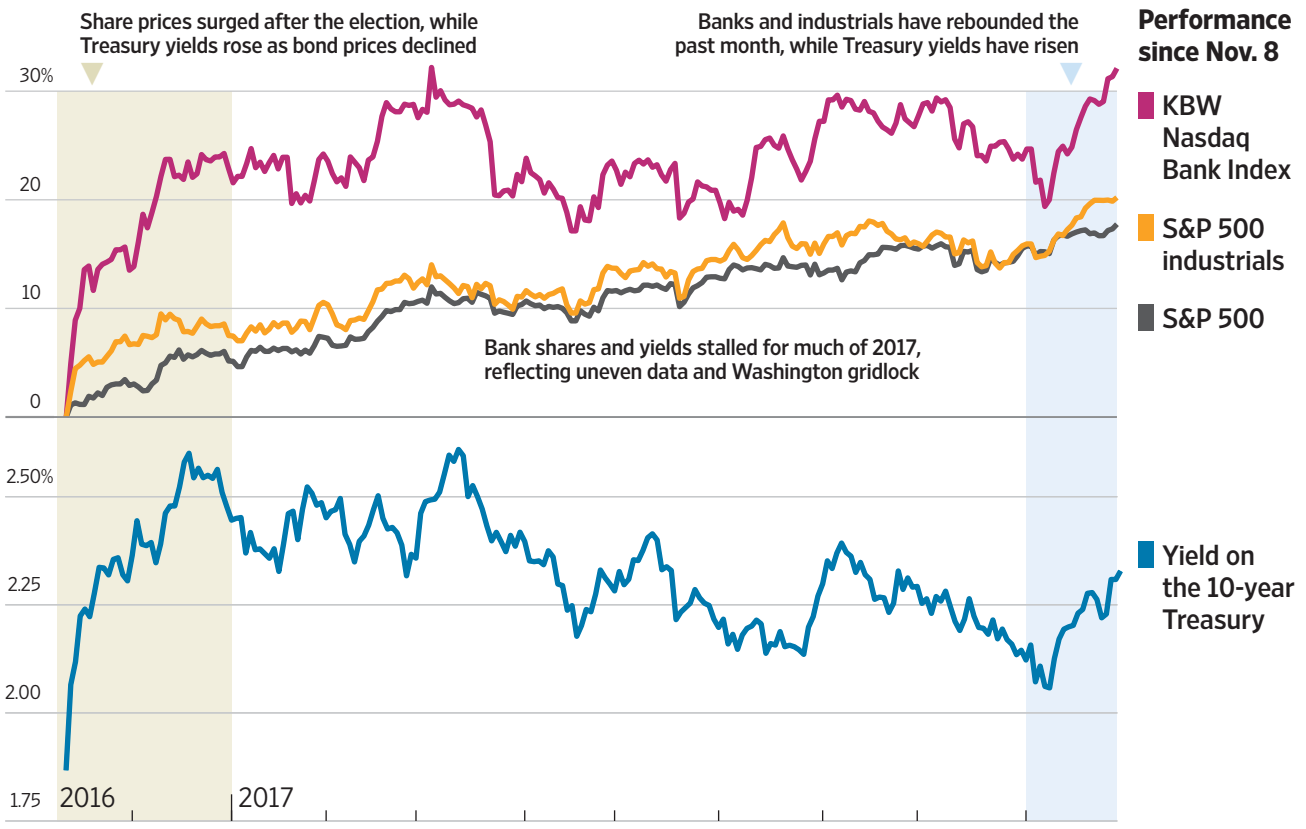
Investors Bet on an Economic Revival

Gains in shares of industrial firms and banks have driven the S&P 500 to fresh records, while declining bond prices have sent Treasury yields to their highest level since July. The action reflects stronger global growth, along with expectations a tax overhaul will boost corporate profits and U.S. borrowing.



Sources: FactSet (indexes); Ryan ALM (Treasurys) THE WALL STREET JOURNAL.

'Trump Trade' Rebounds

By Akane Otani

The "Trump trade" is making a comeback, reflecting investors' renewed belief in the strength of the U.S. economy and hopes for business-boosting policy from Washington.

U.S. stocks keep chugging higher. The S&P 500 has risen 4% since June 30, notching its eighth consecutive quarterly advance. The Dow Jones Industrial Average added 4.9% in the third quarter, posting its longest streak of quarterly advances—eight—since 1997. The blue-chip index is up 13% this year.

In a throwback to the early days after President Donald Trump was elected, shares of U.S. banks and industrial companies are climbing and small-capitalization stocks are in record territory, while Treasury bonds and their stock-market proxies have fallen out of favor. The U.S. dollar, beaten down for much of 2017, is rebounding.

Underlying those trades are a combination of business fundamentals, economic data and policy expectations. Corporate earnings remain strong, and some say such results support a rally regardless of policy changes. But renewed expectations that the Federal Reserve will continue to raise interest rates are making bank stocks more attractive to investors. And while there is some skepticism that the Republicans' tax overhaul plan will pass, the fact that a proposal was put forth this week has tantalized investors with the prospect of improved earnings.

The developments could give investors fresh reason to believe stocks trading at or near records can keep rallying, despite concerns over pricey valuations and rising bond yields. Still, nascent signs of an inflation uptick and the outline of tax changes are no guarantee

Please see TRADE page A5

◆ President confers with two hopefuls for Fed chairman..... A2
◆ Jason Zweig: Stocks won't stampede with bulls forever... B1

Price Resigns Amid Jet Uproar

By Stephanie Armour And Michelle Hackman

WASHINGTON—Health and Human Services Secretary Tom Price resigned Friday over his extensive use of private-jet and military flights, ending a rocky tenure during which the Trump administration failed in its push to get Congress to repeal the Affordable Care Act.

President Donald Trump had no immediate comment following the resignation, but earlier on Friday he expressed his displeasure with the flights and signaled a decision was imminent.

"He's a very fine man," Mr. Trump told reporters. "I was disappointed because I didn't like it cosmetically or otherwise."

In his resignation letter, Dr. Price referenced his work on health care and said: "I regret that the recent events have created a distraction from these important objectives."

Dr. Price told Mr. Trump he was resigning "in order for you to move forward without further disruption."

Late Friday, the administration announced a revised travel policy that will require prior approval by the White House chief of staff for travel on non-commercial flights.

The controversy over the flights and sudden departure of Dr. Price come as the Trump ad-

Please see PRICE page A4

◆ How to tax the rich is a test for the GOP..... A4
◆ Trump-Kushner meetings upset White House counsel..... A4

Death Stalks Refugees Fleeing Myanmar Army

FRED DUFOUR/AGENCE FRANCE-PRESSE/GETTY IMAGES

JOURNEY'S END: A Rohingya Muslim refugee on Friday mourned beside the bodies of his three children in Cox's Bazar district, Bangladesh. At least 500,000 people have fled to Bangladesh from Myanmar. **A6**

U.S. Drops AIG's Federal Oversight

By Leslie Scism And Ryan Tracy

WASHINGTON—U.S. officials voted Friday to remove federal oversight of American International Group Inc., an insurance company now about half the size it was when it was on the brink of collapse and became a poster child of the global financial crisis.

The move is one of the most tangible steps yet in the Trump administration's push to re-evaluate financial regulations, which has included a top-to-bottom review of rules put in place in response to the crisis. Friday's move frees the insurance company of stricter oversight by the federal government, such as tighter capital rules, federal approval for large mergers and placement of government examiners at the firm.

The Financial Stability Oversight Council, a group of senior financial regulators, voted 6-3 to rescind the global insurer's designation as a "systemically important financial institution," indicating they no longer view AIG as a threat to the broader economy.

The action came earlier than many analysts expected. Although the Trump administration has recommended dozens of changes to financial rules, it has so far taken action incrementally, in part because of the slow pace of installing personnel at key regulators.

Please see RISK page A2

Uber Ex-CEO Names Directors in Power Play

By Greg Bensinger

Uber Technologies Inc.'s ousted chief executive, Travis Kalanick, is appointing two new directors to the ride-hailing firm's board, a surprise move that would bolster his clout as the company faces several critical decisions including a possible multibillion-dollar investment from SoftBank Group Corp.

Mr. Kalanick appointed former Xerox Corp. CEO Ursula Burns and former CIT Group Inc. CEO John Thain as the 10th and 11th Uber directors, effective Friday, according to a statement from him to The Wall Street Journal.

The Uber co-founder, who resigned as CEO in June, made the appointments without consulting the rest of the board. He was granted control of three board seats as part of $3.5 billion investment from a Saudi wealth fund in 2016.

The appointments could serve as an effort to push back against one of Uber's largest investors, Benchmark Capital, which is suing Mr. Kalanick over control of those two seats. The venture firm, which also holds a board seat and led an investor coup to push Mr. Kalanick out, has proposed a new voting structure for shareholders allowing them to vote based on the size of their stake, rather than the current system which rewards the earliest investors with greater

Please see UBER page A8

Gerrymandered Into A Giant Court Fight

The tradition of redrawing voting maps to increase electoral clout, in often contorted ways, faces a test at the Supreme Court next week. **A10**

Bold Eagles: Angry Birds Are Ripping Drones Out of the Sky

* * *

Australia's wedge-tailed eagle uses crack aerial skills to attack pricey machines

By Mike Cherney

SYDNEY—Daniel Parfitt thought he'd found the perfect drone for a two-day mapping job in a remote patch of the Australian Outback. The roughly $80,000 machine had a wingspan of 7 feet and resembled a stealth bomber.

There was just one problem. His machine raised the hackles of one prominent local resident: a wedge-tailed eagle.

Swooping down from above, the eagle used its talons to punch a hole in the carbon fiber and Kevlar fuselage of Mr. Parfitt's drone, which lost control and plummeted to the ground.

Wedge-tailed eagle

"I had 15 minutes to go on my last flight on my last day, and one of these wedge-tailed eagles just dive-bombed the drone and punched it out of the sky," said Mr. Parfitt, who believed the drone was too big for

Please see BIRDS page A9

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U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

Building Boom Yields Billion-Dollar Disasters

More than 200 cyclones, floods, droughts and other weather calamities have run up tabs of at least $1 billion apiece since the National Oceanic and Atmospheric Administration started keeping track in 1980—and this year, hurricanes Harvey, Irma and Maria will join the list.

But a billion-dollar disaster ain't what it used to be.

A dollar doesn't stretch as far as it once did. Building in coastal areas and other economic growth have increased the potential for damages. And NOAA's disaster estimates account for only one of those two factors.

"NOAA adjusts for inflation, which is wonderful, but it doesn't make an adjustment for the amount of physical assets in the country," said Jay Zagorsky, an economist at Ohio State University. "There are twice as many bridges, homes, factories and cars for a hurricane to destroy."

In a way, that observation is a no-brainer, but Dr. Zagorsky came up with a simple way to estimate the effect.

He applies an additional adjustment to NOAA's numbers using something called the chained fixed asset index from the Bureau of Economic Analysis to estimate how many fewer events would exceed the billion-dollar threshold if economic development had held steady at 1980 levels.

By his count, 77 fewer disasters would have made the cut.

It's a rough measure that doesn't account for loss of life or environmental harm. It captures only damages to fixed assets, and even then it uses a national measurement, not a regional adjustment, and it doesn't account for offsetting measures, such as updated building codes that reduce damages.

Some experts think even more adjustments should be made. The calculation "is a start, but it doesn't fully address the problems with the time series," said Roger A. Pielke Jr., a professor of environmental studies at the University of Colorado in Boulder who has studied the economic damages of hurricanes and adjusted for additional factors such as changes in population.

Still, it's an easy way to get a sense of how development has contributed to economic losses when the weather turns ugly.

"NOAA estimates suggest the numbers are going up very quickly," Dr. Zagorsky said. "I'm just disagreeing with how fast it's going up."

His calculation is similar to applying the consumer-price index to adjust costs for inflation.

"If the CPI is 100 one year, and then it's 110 in a later year, you know prices went up 10%," Dr. Zagorsky said. "Without adjusting for inflation, disasters would consistently look more expensive over time and constantly shatter records for damage."

To calculate the adjustment for economic growth, each year's BEA value for fixed assets is divided by the 1980 value and multiplied by $1 billion. The results represent the annual figure that is the minimum amount of damage needed to be economically equivalent to $1 billion of destruction in 1980.

"For example, the figure for 2007 is $2.1 billion," he said. "This means any storm in 2007 that caused less than $2.1 billion in damage would not have been economically important enough to make the billion dollar list using the 1980 standard."

Here's another way to think of it:

Assume all houses in an area have the same inflation-adjusted price of, say, $1 million in 2017 dollars. If disasters of equal size and intensity strike the area in 1980 and in 2017, destroying 10% of the housing stock each time, Total Damage = Number of Houses x 10% x Price.

In 1980, if there were 10,000 homes, the loss would equal $1 billion. In 2017, if there were twice as many homes, the loss would equal $2 billion.

"Subtract the first from the second, and this yields the extra damage caused by new construction," said Matthew Kahn, chairman of the economics department at the University of Southern California, who reviewed the approach.

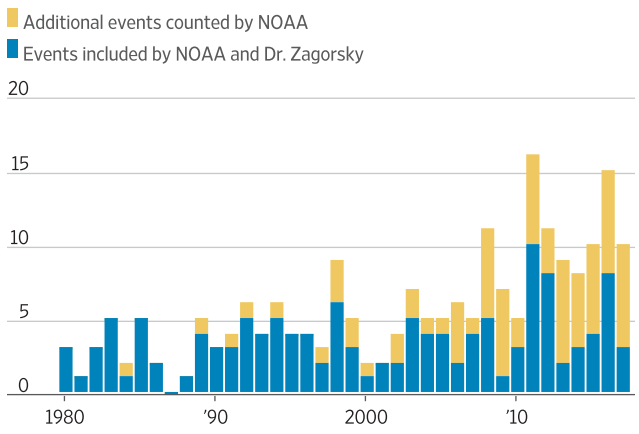
That kind of change isn't an exaggeration. According to the U.S. Census Bureau, Miami went from 654,800 housing units in 1979 to 2 million in 2015. Houston went from 1.1 million to 2.2 million. And New York City from 4.2 million to 7.4 million. Understanding how economic growth contributes to disaster damages could help policy makers decide whether to strengthen building standards, provide more disaster assistance or take other steps.

"Once we agree on the true scope of the problem, it's a political question on what the optimal response should be," Dr. Zagorsky said.

NOAA says it will update the billion-dollar disaster list on Oct. 6, when hurricanes Harvey, Irma and Maria will be added. And—for what it's worth—those disasters will likely rank among the costliest to hit the U.S.

Growth Factor

Number of storms and weather-related events with at least $1 billion in damage, according to calculations by the National Oceanic and Atmospheric Administration, and how many of those would be included under economist Jay Zagorsky's formula, which adjusts for economic growth



Sources: NOAA; Jay Zagorsky

THE WALL STREET JOURNAL.

President Meets With Two Hopefuls for Fed Chairman

By Michael C. Bender

WASHINGTON—President Donald Trump's search for the next Federal Reserve chair ramped up this week when he interviewed a current and a former central bank governor for the job, and he said Friday he would make a decision within three weeks.

Mr. Trump and Treasury Secretary Steven Mnuchin met with Fed governor Jerome Powell on Wednesday and with former Fed governor Kevin Warsh on Thursday to discuss their possible nomination to run the world's most powerful central bank, according to administration officials.

Other names said to be in contention include current Fed Chairwoman Janet Yellen, whose term expires in early February, Stanford University economist John Taylor and John Allison, the former BB&T Bank chief executive, according to people familiar with the process. Mr. Allison was offered a position on the central bank's board of governors earlier in Mr. Trump's tenure, but turned it down, said people familiar with the offer.

Mr. Powell joined the Fed's board of governors in 2012. He was a partner at the Carlyle Group, a private-equity firm, from 1997 to 2005 and a lawyer and investment banker in New York. He served as an undersecretary and assistant secretary for domestic finance at the U.S. Treasury from 1990 to 1993.

He has emerged as a reliable ally of Ms. Yellen's on monetary policy, while also calling for easing some of the bank rules put in place following the financial crisis. This puts him largely in sync with Mr. Trump's positions favoring low interest rates and financial deregulation.

Mr. Warsh served as Fed governor from 2006 to 2011, during the financial crisis, and was an economic adviser to President George W. Bush from 2002 to 2006. He was a member of President Trump's Strategic and Policy Forum, a group of business leaders that disbanded in August in protest over what they said was Mr. Trump's failure to sufficiently condemn racism. He was also an economic adviser to 2016 Republican presidential candidate Jeb Bush, who was considered the front-runner for the nomination before Mr. Trump's rise surprised the political establishment.

Mr. Warsh is married to Jane Lauder, granddaughter of cosmetics icon Estée Lauder. His father-in-law, businessman Ronald Lauder, has been pushing the White House to have the president name his son-in-law to the central bank's highest post, said people familiar with those conversations. Mr. Lauder declined to comment.

The search for a new Fed chairman has been largely informal until now. Several White House officials had described the short-list of candidates as existing only in Mr. Trump's mind. But the president has started to interview candidates in recent days, one White House official said.

Mr. Trump told reporters Friday, "I've had four meetings for Fed chairman," without specifying whether he saw four candidates and without identifying the participants. "I'll be making a decision over the next two or three weeks," he added.

White House spokeswoman Natalie Strom confirmed the Warsh meeting occurred, but declined to make any additional comment. Mr. Warsh didn't immediately return a request for comment.

Mr. Trump told The Wall Street Journal in July he was considering nominating Ms. Yellen to a second term. She met with White House adviser Ivanka Trump, the president's daughter, in July and had a 15-minute meeting with Mr. Trump in February. She said at a news conference last week that she hadn't met with Mr. Trump since then.

Mr. Trump also expressed interest in nominating Gary Cohn, the director of the National Economic Council, during his July interview with the Journal.

The Fed declined to comment on Mr. Powell's interview and whether Ms. Yellen had been interviewed or was scheduled to be interviewed for the job. Mr. Powell, through a spokesman, declined to comment.

—David Harrison contributed to this article.

Inflation Gauges Send Mixed Signals

The Federal Reserve is facing mixed signals on U.S. inflation as it weighs whether to raise short-term interest rates one more time in 2017.

The Fed's preferred price gauge, the personal-consumption expenditures price index, rose 0.2% in August from a year earlier, the Commerce Department said Friday. Excluding volatile food and energy prices, the index rose a modest 0.1% for the month, less than economists had expected.

Compared with a year earlier, headline prices rose 1.4% and so-called core prices were up just 1.3%—well below the Fed's long-elusive 2% annual target and showing little evidence of an incipient pickup.

The Fed needs to see "some firming" in the coming months to stay on track for a rate increase in December, said Gregory Daco, chief U.S. economist at Oxford Economics.

Another gauge of U.S. inflation, the Labor Department's consumer-price index, showed stronger growth in August.

Price growth has been subdued in recent months even with the unemployment rate hovering below 4.5%, surprising central-bank officials who expect price and wage pressures to build in response to a tightening labor market. Some have blamed one-off factors, such as a sharp decline this spring in prices for cell-phone plans, while other policy makers have worried that the slump may reflect more fundamental forces.

"My colleagues and I currently think that this year's low inflation is probably temporary, so we continue to anticipate that inflation is likely to stabilize around 2% over the next few years," Fed Chairwoman Janet Yellen said Tuesday. "But," she added, "our understanding of the forces driving inflation is imperfect."

—Ben Leubsdorf

RISK

Continued from Page One

AIG Chief Executive Brian Duperreault said in a statement that the council's "decision reflects the substantial and successful de-risking that AIG's employees have achieved since 2008. The company is committed to continued vigilant risk management and to working closely with our numerous regulators to enable a strong AIG to continue to serve our clients."

The practical impact of Friday's action was limited because many of the rules for insurance companies have yet to be written.

The council applied the label to AIG in July 2013 and previously had affirmed its findings annually. This year, regulators appointed by President Donald Trump reversed course, pushed along by new leaders at AIG who were more aggressive about disputing the systemically important tag.

"This action demonstrates our commitment to act decisively to remove any designation if a company does not pose a threat to financial stability," Treasury Secretary Steven Mnuchin said in a statement.

Two Obama-era appointees, Fed Chairwoman Janet Yellen and Roy Woodall, the council's insurance expert, joined four Trump appointees in approving the action. Three Obama appointees opposed the move, and none commented on why. Securities and Exchange Commission Chairman Jay Clayton recused himself.

Ms. Yellen declined to comment through a spokesman.

AIG "has changed dramatically since the start of the financial crisis," said National Credit Union Administration Chairman Mark McWatters, a council member who voted in favor of removing the label. "It's time to let them go back to traditional insurance regulators."

Freeing AIG of the "SIFI" label is steeped in significance. AIG received one of the government's biggest bailouts during the crisis as regulators feared its collapse would have far-reaching and unpredictable repercussions. It had extensive and complex financial dealings with big banks and other financial firms in the U.S. and Europe.

Its rescue package, which ultimately topped $182 billion, upset many people, including homeowners who were struggling to keep up mortgage payments. The missteps that brought AIG to the brink played heavily into lawmakers' decision to create the new oversight council in the 2010 Dodd-Frank financial regulatory law and give it the authority to pull in firms such as AIG for tougher regulation.

"AIG got a $180 billion taxpayer bailout less than a decade ago and, without proper oversight, it will remain a huge and interconnected company that could bring down the financial system again," said Sen. Elizabeth Warren (D., Mass.).

AIG fully repaid its bailout by the end of 2012 by selling off businesses and other assets to roughly halve its size. Months later, the oversight council determined stress at AIG could threaten the economy and designated it as systemically important. It was the first time the council had used its main Dodd-Frank power.

The label subjected AIG to potentially onerous oversight, including supervision by the Federal Reserve. AIG and other insurers are primarily regulated by state insurance departments.

Entering 2008, AIG had $1.048 trillion in assets on its books, though their true value was unknown at that point. Many government and insurance officials expected a liquidation.

As of June 30, 2017, the company had $499.76 billion of total assets. That makes it smaller than other insurers not labeled significantly important, including Warren Buffett's Berkshire Hathaway Inc., which has $666 billion in assets.

AIG remains one of the world's biggest sellers of property-casualty insurance to businesses world-wide and is also a major seller of life insurance and retirement-income products in the U.S., along with home and car insurance to wealthy households.

Removal of the label leaves Prudential Financial Inc. as the sole nonbank firm with the label, for now. Regulators rescinded it for General Electric Co.'s financing arm in June 2016.

Another insurer, MetLife Inc., successfully challenged its designation in federal court, though the matter was appealed and is now on hold while the Treasury Department reviews the designation process.

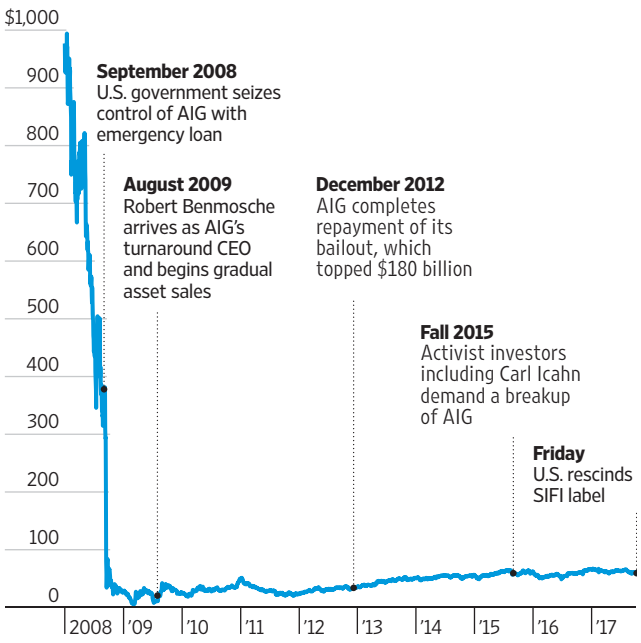
Some Wall Street analysts think Prudential will be freed of its label soon. In a statement Friday, Prudential said it "will consider our options while contesting our designation through the review process. Prudential has long maintained that we do not meet the standard for designation."

Analysts said AIG's share price in recent weeks has reflected a high probability that it would get out of the label.

AIG's lead regulator will once again be New York's Department of Financial Services, widely considered one of the strictest and most well-staffed insurance departments in the country. Superintendent Maria T. Vullo said in a statement that the department "will continue to conduct in-depth and rigorous supervision of AIG's insurance companies to ensure their financial soundness and compliance with law."

AIG's Path

After a near collapse, AIG has faced a bumpy road in its recovery.



Source: WSJ Market Data Group

THE WALL STREET JOURNAL.

CORRECTIONS & AMPLIFICATIONS

The Department of Commerce ruled in favor of a complaint from **Boeing** Co. over alleged price subsidies for the **Bombardier** Inc. CSeries jetliner. A Business News article about Bombardier in some editions Wednesday incorrectly said the International Trade Commission made the ruling.

Readers can alert The Wall Street Journal to any errors in news articles by emailing **wsjcontact@wsj.com** or by calling 888-410-2667.

THE WALL STREET JOURNAL
(USPS 664-880)
(Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935)
(Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices. Regular one-year U.S. subscription rates: print/digital edition $525.00.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

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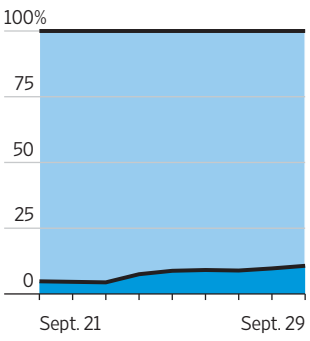
Disconnected

Cell sites offline in Puerto Rico



Source: Federal Communications Commission
THE WALL STREET JOURNAL.

Phone Outages Hamper Recovery

By Drew FitzGerald And Daniela Hernandez

Most of Puerto Rico remained cut off from cellphone and internet services more than a week after Hurricane Maria tore through the territory, a communications outage that has hampered other relief efforts.

According to the Federal Communications Commission, 89% of Puerto Rico's cellphone sites were offline Friday, mostly because of electricity blackouts across the island. The same high winds that ripped down power lines also took out copper and fiber-optic lines that link cell towers to the outside world, which could make restoring service especially hard in the days ahead.

About three-quarters of cell sites were offline in San Juan, home to about 350,000 of Puerto Rico's 3.4 million residents. Several telecommunications carriers said a shortage of power generators were complicating efforts to power the cell towers still able to broadcast.

Manpower was another concern for repair workers, many of whom lost their homes and are "down to their socks and shoes," said Bernard Borghei, executive vice president of Boca Raton, Fla.-based Vertical Bridge LLC, which operates cell towers in Puerto Rico.

At San Juan's airport on Friday, people waiting to leave the island said telecommunications were "intermittent" and "fatally bad."

Archer Lebrón, a representative for the Puerto Rico Manufacturers Association, said it was unacceptable that cell service was still down. "We have a world-class telecommunications system—supposedly."

"There's people dying and they can't communicate," said Mr. Lebrón, who was headed to Chicago to meet his parents, who left Puerto Rico earlier in the week.

The island's landline service was also largely out, according to the FCC, with one local internet provider saying all its customers were disconnected due to power outages. A 911 center on nearby St. Croix in the U.S. Virgin Islands was also offline Friday.

A spokeswoman for América Móvil SAB subsidiary Claro, Puerto Rico's main landline operator, said the company restored voice, data and long-distance service to 52 of the island's 78 municipalities. Its wireless service is also undergoing repairs.

U.S. wireless companies reported delays getting new equipment to the island because of the damage and logistical jams at airports and docks.

An AT&T Inc. spokesman said the wireless carrier over the past few days landed four cargo planes laden with more than 50 generators and other equipment. Additional equipment had to take a multiday trip by sea because of a lack of runway capacity.

A T-Mobile US Inc. spokeswoman said the company sent generators and personnel by air, though planes could land only during the day. A Sprint Corp. spokeswoman said the company sent helicopters to survey the damage to its cell towers, most of which were standing and intact.

An FCC spokesman said its response team was "packed and ready to go and awaiting FEMA approval to deploy."

Texas Towns Struggle to Rebuild

Harvey leaves communities without municipal waste services devastated

By Quint Forgey

QUINT FORGEY/THE WALL STREET JOURNAL (2)

Austin Lutrick of Dickinson, Texas, has been working with residents of his town to clean up the devastation left by Hurricane Harvey.

DICKINSON, Texas—For weeks, Austin Lutrick has been helping neighbors in this Gulf Coast town haul sodden Sheetrock, moldy furniture and appliances to curbs, after Hurricane Harvey's devastating landfall in late August.

The house where he lives, which is elevated 3 feet above the ground on cinder blocks, was mostly spared by the flood, but he was one of the lucky few: The flooding in Dickinson was among the worst in the state, inundating 80% of the town, and destroying nearly half of the homes. Thousands of locals haven't yet returned to their residences.

"We've just been working our asses off," said Mr. Lutrick, 22 years old. "They've just now started picking it up this past week."

As federal and state agencies and nonprofit groups work to rebuild flooded homes and infrastructure, small towns like Dickinson are facing different challenges from the ones in larger cities.

Many trash haulers have abandoned this community to work in Houston, 30 miles north, where the pay is better. Unlike Houston, Dickinson doesn't have its own municipal solid waste crew, and relies on a private waste-services and debris-removal contractor.

"That's our biggest challenge—getting the debris trucks in here and keeping them here," said Ron Morales, Dickinson's emergency management coordinator, interim city administrator and police chief. Speaking of the debris, he added, "The longer it sits there, the more irritated people get."

The lack of resources—from trash collectors to housing for displaced families—is stalling efforts to resume regular activities in towns up and down the Texas coast.

In Rockport, a city of roughly 10,000 people 170 miles south of Houston, elementary school is scheduled to resume the first week of October. But the community is facing a housing crisis, said Mayor C.J. Wax, which could keep students away from class still longer.

Roughly 35% of homes and businesses in the community were destroyed by Harvey, he said, and there are no operating hotels in Rockport. Many of the town's residents are scattered, staying with friends, relatives and strangers.

Mr. Wax said the city was exploring a number of options to help families move back, including FEMA trailers and any rental properties that may still be functioning, but there is no clear answer yet.

"I have no facilities where I can place displaced people," he said. "I got to find alternative solutions. That always requires support from outside my city. I don't have assets to provide housing for 3,500 people."

Small communities aren't the only ones facing such problems. Despite its greater resources, Houston residents are also frustrated about piles of trash on the sidewalks that haven't been picked up, which are gathering mold and creating health hazards.

Annie Jones, 55, said Monday was the first time she saw trucks picking up heavy debris in her northeast Houston neighborhood, where trash has accumulated in piles as tall as 6 feet.

"It smells," she said. "It's like musty, decaying-pond scummy."

State and federal officials say the areas outside Houston haven't been forgotten.

Texas Gov. Greg Abbott in September extended disaster declarations for the 60 counties affected by Harvey, ensuring those communities will be eligible for assistance for another 30 days.

The Texas Department of Transportation has cleared roughly 432,000 cubic feet—eight football fields—of debris from roadways across the state.

More than a dozen lawyers have been trained by the state to assist people in small towns who are applying for federal relief, a spokesman for the governor's office said.

Meanwhile, FEMA opened a disaster recovery center in Dickinson last week at an old bank in the middle of town where residents can register for assistance and ask questions.

"Those smaller communities are not being overlooked," said Rita Egan, a FEMA spokeswoman. "We're trying to get to all of them as quickly as we can."

Dickinson Requests Help From State In Clearing Debris

The cost of recovery in Dickinson, Texas, could total up to eight times the town's annual budget of $17 million, Mayor Julie Masters said. She is asking the state to provide further assistance with debris removal and to implement programs to physically elevate businesses for flood prevention.

In the small town, which lacks some of the recovery resources of bigger cities like Houston, many locals have stepped in to try to provide the services that the government, so far, hasn't, with local churches bringing sandwiches and Gatorade to victims of Hurricane Harvey.

Damon Brown (pictured left), a 43-year-old home remodeler in Dickinson, said he and his family have distributed bottled water and helped transform the local high school into a makeshift emergency medical center and shelter.

Mr. Brown's own property was knee-deep in water, and he has set up a blue tarp tent in his driveway where he keeps items he salvaged from his garage, including the antique cradle he slept in as a child and photographs of his four sons.

Though more resources are trickling into town, Mr. Brown said recovery is still a far-off concept. "It ain't going to happen overnight," he said.

—Quint Forgey

California Targets Affordable-Housing Shortage

By Alejandro Lazo

SAN FRANCISCO—California will enact new fees on real-estate transactions and ask voters to approve a $4 billion bond measure on next year's ballot, among other measures aimed at creating more affordable housing.

The bond measure and the new fees—intended to pay for new affordable-housing units and homes for veterans—are part of a package of 15 bills that California Gov. Jerry Brown signed into law Friday to address the state's housing shortage. California rents and home prices have soared, and homeownership has plummeted.

Other measures in the package include a provision to streamline housing requirements in cities that aren't building to state-mandated goals, incentives for cities to plan new neighborhoods and prod local governments to get shovels into the ground.

Experts say California's high housing costs have crimped economic productivity, increased poverty rates, increased crowding and lengthened commute times.

California has long been considered by home builders and developers one of the most difficult places to build because of lengthy and complicated permit processes.

Mr. Brown acknowledged the role local and state regulations have played on the state's housing shortage, saying efforts to improve building safety, increase environmental standards and shape neighborhood character has resulted in "a lot of rules."

The slow pace of construction in the city's major coastal markets—where demand for homes is highest—has led to prices soaring in recent years, as low inventory has fueled bidding wars.

In Los Angeles County, the median home price for a single-family home was $575,130 in August, while in San Francisco the median home price was $1.38 million, according to data from the California Association of Realtors.

The median home price for a single-family home in California hit $565,330 in August, according to the association's data. That is a 131% increase from the bottom, hit in February 2009, during the depths of the last housing downturn.

Record Fine Set for Undocumented Worker Hires

By Alicia A. Caldwell

A Pennsylvania-based tree-trimming company was ordered to pay $95 million in the largest fine against a company for hiring thousands of immigrants who didn't have permission to work in the U.S., according to federal officials.

Asplundh Tree Expert of Willow Grove, Pa., pleaded guilty in federal court in Philadelphia on Thursday to illegally hiring the immigrants. Some of the immigrants were in the U.S. illegally, none had authorization to work in the country, according to court documents.

A federal judge ordered the family-owned company to pay $80 million and adhere to an Administrative Compliance Agreement from U.S. Immigration and Customs Enforcement, or ICE. The details of the agreement weren't made public.

In a separate civil settlement, ICE said, the company agreed to pay $15 million related to its violation of immigration law.

ICE said Asplundh decentralized hiring so the company's senior management could "remain willfully blind" as lower-level mangers hired and rehired workers they knew weren't allowed to work in the U.S. The agency also said the lower-level managers knowingly accepted false or fake identification documents.

In a statement posted on the company's website on Sept. 19, Chairman and CEO Scott Asplundh said the company, which has more than 30,000 employees, took "immediate corrective action" after being told of the federal investigation in 2015. The company declined to comment further on Friday.

GREG JENSON/THE CLARION-LEDGER/ASSOCIATED PRESS

The U.S. says Asplundh decentralized hiring so senior managers could 'remain willfully blind' to hiring of undocumented workers.

Policy changes, Mr. Asplundh said in the statement, included reviewing the identity of every employee using a photo ID system based on the face-recognition software used by ICE.

The company's guilty plea and civil settlement were the result of a six-year investigation by ICE's Homeland Security Investigations division.

Since 1986, employers have been required by federal immigration law to verify an employee's legal right to work in the U.S. They also must maintain records of each worker's employment verification and identification documents.

ICE routinely audits a business's employment verification records and has levied tens of millions of dollars in fines since 2007. It is unclear what the largest fine was before this week's against Asplundh.

However, in 2014, the latest figures available from the Department of Homeland Security, the government opened 2,022 workplace-enforcement cases and levied fines totaling more than $16 million.

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How to Tax the Rich Is a Test for GOP

By Richard Rubin

Republicans, long champions of tax cuts for higher earners, are conflicted in just how far their latest plan should go in reducing the amount paid by the rich.

The party's tax-plan framework, unveiled this past week, jettisoned some tax cuts Republicans have long supported for high-income households, leaving rates on capital gains and dividends untouched. The party also has shown an openness to keep the top tax rate for individuals near its present level of 39.6% and has proposed to cut deductions on state and local taxes that could leave some wealthy households paying more. President Donald Trump, for his part, has said the party's tax plan wouldn't benefit the wealthy, including himself.

ALEX WONG/GETTY IMAGES

Rep. Kevin Brady (R., Texas) spoke as House Speaker Paul Ryan looked on this week at the Capitol in Washington.

Those moves would all help the GOP defend itself against attacks that its tax policy tilts toward the top of the income scale. The problem, so far, is that core features of the plan do just that. As the party turns that outline into legislation over the next few months, it will be repeatedly confronted with the challenge of reconciling Republicans' desire for rate cuts with their claims about who should pay less.

Under the framework, the top 1% of households would reap significant benefits from the plan, including the proposed repeal of the estate tax, the elimination of the alternative minimum tax and lower tax rates on corporations and businesses that pay taxes through their owners' individual returns.

There are benefits for the middle class, too, but they are less specific and subject to change. Many households, especially in the upper middle class, may end up experiencing tax increases.

The top 1% of households would get an average tax cut of $129,030 in 2018, boosting their after-tax incomes by 8.5% and lowering the share of U.S. taxes they would pay, according to an analysis by the Tax Policy Center. Overall, Americans would get a 2.1% increase in after-tax income.

"The top income groups will receive the biggest tax cuts," said Eric Toder, co-director of the center.

Republicans called the analysis speculative because it didn't consider the pieces of the plan that legislators haven't written yet, including the income thresholds where the tax brackets hit and the size of the child tax credit. Under Friday's assumptions, the plan would raise taxes on 12% of households in 2018, with the biggest concentration of losers in the upper middle class.

Households in the bottom half of the income scale—who often pay payroll taxes used to fund Social Security and Medicare but little or no income tax—would get average tax cuts under $1,000.

Republicans argue that cutting top marginal income-tax rates has the biggest benefit, creating greater incentives for people to work, save and invest.

"It is the highest rates that cause the most damage," said Chris Edwards of the libertarian Cato Institute.

Many economists say there is little link between lower tax rates and economic growth.

The challenge for Republicans is that politically, tax cuts at the top are unpopular. In a Wall Street Journal/NBC News poll this month, just 12% of Americans said they wanted to cut taxes on the wealthy, while 62% favored higher taxes on that group. That is a point Mr. Trump's speeches reflect.

The heirs of Mr. Trump, who says his net worth exceeds $10 billion, would benefit from estate-tax repeal. The president, as the owner of numerous pass-through businesses, would also likely gain from the 25% top rate on those firms, down from 39.6%. Unlike past presidents, Mr. Trump has refused to release his tax returns, making even a rough calculation challenging.

GOP Releases Budget Blueprint

WASHINGTON—Senate Republicans released their budget blueprint for fiscal year 2018 on Friday, signaling that GOP leaders are shifting their focus to reducing taxes by $1.5 trillion over a decade and overhauling the tax code after the collapse of their effort to roll back the Affordable Care Act.

The budget resolution for the year ending September 2018 serves chiefly as the necessary first step for Republicans to pass a rewrite of the tax code without Democratic support. The budget document will be debated in the Senate Budget Committee next week, with a floor vote expected later in October.

"This budget is especially important because it will allow us to get to work on our pro-growth, pro-family, pro-jobs tax reform plan," Senate Majority Leader Mitch McConnell (R., Ky.) said in a statement.

GOP leaders hope to use a special process called reconciliation, tied to the budget, to pass tax legislation with just a simple majority. Under reconciliation, Republicans could pass legislation with just 50 votes, with Vice President Mike Pence then providing a tiebreaker.

The new budget's most important component is that it instructs the Senate Finance and House Ways and Means committees to come up with a package of tax changes and rate cuts that can add up to $1.5 trillion to the federal budget deficit over 10 years. The budget tasks the tax-writing panels with delivering tax legislation by Nov. 13, though there is no penalty for failing to hit the deadline.

Democrats criticized Senate Republicans for being willing to add $1.5 trillion to the federal budget deficit to cut tax rates.

"The Senate Republican budget is the clearest sign yet that Republicans are intent on pursuing a tax plan that would blow a huge hole in the deficit and stack up debt, leading to cuts in programs that middle-class Americans rely on," Senate Minority Leader Chuck Schumer (D., N.Y.) said in a statement.

—Kristina Peterson and Richard Rubin

Trump-Kushner Meetings Upset White House Counsel

By Peter Nicholas, Michael C. Bender and Rebecca Ballhaus

WASHINGTON—White House Counsel Don McGahn this summer was so frustrated about the lack of protocols surrounding meetings between President Donald Trump and Jared Kushner, his son-in-law whose activities are under scrutiny in the Russia probe, that West Wing officials expressed concerns the top lawyer would quit, according to people familiar with the conversations.

Mr. McGahn expressed concern that meetings between Mr. Kushner and Mr. Trump could be construed by investigators as an effort to coordinate their stories, said three people familiar the matter.

Two senior White House officials—then-Chief of Staff Reince Priebus and former chief strategist Steve Bannon—urged Mr. McGahn not to resign, according to people familiar with the conversations. One person characterized Mr. McGahn's frustration as, "Fine, you're not taking my advice? Why stay?"

POOL/GETTY IMAGES

President Trump's son-in-law, Jared Kushner, shown here in July, is under scrutiny in the Russia probe.

Mr. McGahn stayed, reassured in part by the White House's hiring of a legal team specifically to manage the probe of Russian meddling in the 2016 election. Attorney Ty Cobb was hired to lead that group.

A White House official said Mr. McGahn "did not consider resigning, and he was not concerned about any one individual. He was focused on implementing the proper processes and structures to protect the White House and its staff, including Jared."

Mr. McGahn's concerns from earlier in the summer illustrate the disruption and tension that special counsel Robert Mueller's probe is causing in the West Wing and how the White House's legal strategy has evolved to try to respond to the probe.

Mr. Mueller is examining U.S. intelligence agencies' findings of Russian interference in the 2016 U.S. presidential election and whether Trump associates colluded in that effort. Mr. Trump has called the probe a "witch hunt," and both he and Mr. Kushner have said they didn't collude with Russia. Moscow has denied meddling in the election.

Some members of Mr. Trump's legal team in June concluded Mr. Kushner should step down and aired their concerns to the president, The Wall Street Journal has reported. Their concern was that if Mr. Kushner were to speak to the president or White House colleagues about the Russia investigation, Mr. Mueller could seek testimony about what was said.

Mr. Kushner's role has caused particular concern among some White House officials as federal investigators examine meetings he held with Russian officials and businesspeople during the campaign and transition, said people familiar with the matter.

Federal investigators are examining a meeting during the transition that included Mr. Kushner and the Russian ambassador, and another one that he held with the head of a Russian-run bank that has faced U.S. sanctions. Mr. Mueller is also probing a June 2016 meeting at Trump Tower with a Russian lawyer tied to the Kremlin, which was attended by Mr. Kushner and other campaign aides, said people familiar with the matter.

The fallout from the probe continues to reverberate in the White House. Mr. Trump has spoken to aides about his concerns over the effect the investigation is having on Mr. Kushner; Mr. Trump's questions about Mr. Kushner spring partly from family considerations, said people familiar with the matter.

Newly installed Chief of Staff John Kelly has recently tightened access to the president, requiring aides, including Mr. Kushner, to schedule appointments in order to meet with Mr. Trump.

—Brody Mullins contributed to this article.

WASHINGTON WIRE

PRESIDENT TRUMP

Christians Leaders: Denounce Alt-Right

Dozens of evangelical Christian leaders have sent an open letter to President Donald Trump, asking him to more clearly denounce the "alt-right movement."

Signed by an array of conservative Christian pastors, the letter acknowledges statements Mr. Trump has already made condemning white supremacy and the Ku Klux Klan. Still, it says the president should more directly condemn the alt-right movement, which the letter calls "racist, evil and antithetical to a well-ordered, peaceful society."

"This movement has escaped your disapproval," the letter says. "We believe it is important for this movement to be addressed, for at its core it is a white identity movement and the majority of its members are white nationalists or white supremacists."

"Alt-right" is a catchall phrase for far-right groups that embrace tenets of white supremacy or reject mainstream conservatism. The letter, which was earlier reported by CNN, was emailed to the president on Friday morning, said Keith S. Whitfield, dean of graduate studies at Southeastern Baptist Theological Seminary.

A White House spokesman said that the president had made clear that he opposes hatred, bigotry and racism in all forms.

—Ian Lovett

AFL-CIO

Convention Won't Invite Politicians

America's largest federation of labor unions is sending a message to Washington politicians: You're not welcome.

The AFL-CIO, which has said it is seeking more political independence, announced Friday that no Washington lawmakers or members of President Donald Trump's administration will be invited to speak at the federation's once-every-four-year convention, to be held in St. Louis in October.

That is a major departure from past conventions, which have featured senators, labor secretaries and presidents, including Barack Obama and Ronald Reagan. The AFL-CIO has typically endorsed Democrats for president, including Hillary Clinton last year, even as many union members support Republicans. Mrs. Clinton won 56% of union members, but that was sharply narrower than Mr. Obama's 65% mark four years earlier, according to AFL-CIO surveys.

Union President Richard Trumka has spoken this year about the need for his organization to have political independence. Mr. Trumka backs Mr. Trump's effort to renegotiate trade agreements on more favorable terms to American companies and workers, but his organization has opposed the administration's tax-overhaul and immigration plans.

—Eric Morath

PRICE

Continued from Page One

ministration's efforts to repeal the ACA are at a standstill. After another effort to overturn the law failed Tuesday in the Senate, Republicans now must choose whether to work with Democrats on health care, or continue their efforts to repeal the ACA. If the administration favors regulations to change the ACA, those changes would be spearheaded by HHS.

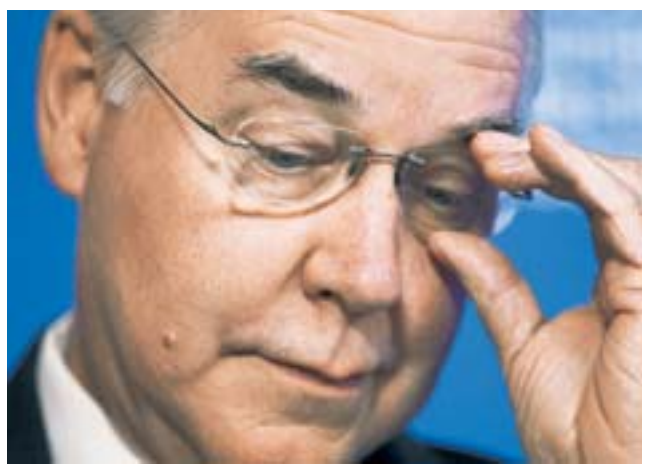
Dr. Price kept a low profile at times during the long legislative fight to undo the ACA, as such officials as Seema Verma, head of the Centers for Medicare and Medicaid Services, sometimes took on a more visible role in talking to lawmakers. Some health experts have suggested Ms. Verma could succeed Dr. Price.

Other potential candidates for the post include former Pennsylvania Sen. Rick Santorum, former Louisiana Gov. Bobby Jindal, Veterans Affairs secretary David Shulkin and John Fleming, currently HHS's deputy assistant secretary for health technology reform, according to lawmakers, health officials and congressional aides.

HHS didn't respond to a request for comment.

Dr. Price was a central force behind administrative steps the department has taken to roll back the health law known as Obamacare. He oversaw a decision to scale back millions of dollars in outreach and advertising for the ACA's coming open-enrollment period.

HHS and CMS were considering first-ever requirements on some state Medicaid programs that may require enrollees to work to keep or get benefit. HHS and CMS were also had backed moving away from a central Obama-era push under the ACA to pay providers based on patient outcomes instead for each service performed.



MICHAEL REYNOLD/EPA/SHUTTERSTOCK

The exit of HHS Secretary Tom Price, above, comes as Trump administration efforts to repeal the health law are at a standstill.

Mr. Trump has asked Don Wright, the department's acting assistant secretary of Health, to serve as interim secretary.

Dr. Price's repeated use of a chartered jet and military aircraft raised the ire of Mr. Trump and other White House officials, who felt his actions contradicted their campaign promise to "drain the swamp" of Washington and save taxpayers money.

Politico reported that Dr. Price had chartered at least 24 planes to domestic events and flown on military jets for trips in Europe and Asia, with a total price tag exceeding $1 million.

On Thursday evening, Dr. Price pledged to end private jet travel and reimburse the government more than $50,000 for his seat on chartered flights since May. "I will take no more private charter flights as secretary of HHS," Dr. Price said. "No exceptions."

HHS didn't state the overall cost of the flights.

Republicans praised Dr. Price in the wake of his resignation.

"He has spent his entire adult life fighting for others, first as a physician and then as a legislator and public servant," said House Speaker Paul Ryan (R., Wis.). "He was a leader in the House and a superb health secretary."

"Secretary Price's loss will be felt," said Rep. Mark Meadows (R., N.C.), head of a conservative bloc of lawmakers that negotiated changes to the GOP health-care bill with the Trump administration.

Democrats, however, had united in opposition to Dr. Price's Senate confirmation in February and said the decision was overdue and suggested they would fight any nominee they found unacceptable.

"The next HHS secretary must follow the law when it comes to the Affordable Care Act instead of trying to sabotage it," said Senate Minority Leader Chuck Schumer (D., N.Y.).

The revelations had already kicked up a political storm, with the House Oversight Committee announcing an investigation into the taxpayer-funded travel of senior Trump administration officials, and several Democratic lawmakers calling for the health secretary's resignation.

Dr. Price's departure comes as other cabinet officials, including Treasury Secretary Steven Mnuchin, have faced questions over their travel expenses.

The administration late Friday revised its travel policy to require that all travel on government-owned, rented, leased or chartered planes get prior approval from the White House chief of staff.

The memo Friday from Mick Mulvaney, director of the Office of Management and Budget, came at the direction of Mr. Trump, Mr. Mulvaney said.

The memo noted that, with few exceptions, commercial aircraft is appropriate. "Put another way, just because something is legal doesn't make it right," the memo said.

Before his tenure as secretary, Dr. Price was long a familiar Republican face on Capitol Hill. He served in the House of Representatives since 2005 until taking over at the helm of HHS.

—Eli Stokols and Louise Radnofsky contributed to this article.

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OBITUARIES

NICOLAAS BLOEMBERGEN
1920 — 2017

Nobelist Won Prize for Work on Lasers, MRI

Nicolaas Bloembergen recalled eating boiled tulip bulbs to survive during World War II in his native Netherlands. He found them bitter and hard to digest.

After the war, eager to escape his ravaged homeland, he applied for graduate school in physics at three American universities. The University of Chicago never replied. The University of California, Berkeley, informed him that it wasn't admitting foreign students at the time. Harvard accepted him.

After a 17-day crossing of the Atlantic on a Liberty cargo ship, he found his new home in Boston. "I had arrived at the right place at the right time," he later wrote.

As a professor and researcher at Harvard, he helped create much of the science behind high-tech apparatus now taken for granted, from optical communications to lasers and magnetic resonance imaging, or MRI, scans. He was one of three scientists who shared the 1981 Nobel Prize in physics.

He devised a more practical way to make lasers used in surgery, computer storage, shaping of materials and printing, among other applications. His research also led to MRI scans producing crisp images inside the body.

Dr. Bloembergen grew up near Utrecht in the Netherlands. His father was a chemist. In a biographical note, Dr. Bloembergen said his parents lived below their means.

As a child, he was initially considered a slow learner. Relatives dubbed him "Dumb Nick." The nickname was retired when, at age 4, he defeated an uncle at checkers.

He died Sept. 5 at his home in Tucson, Ariz. He was 97 and had recently suffered a heart attack.

—James R. Hagerty

DANIEL YANKELOVICH
1924 — 2017

Market Researcher Became Pollster, Writer

As a Harvard University undergraduate in the late 1940s, recently returned from U.S. Army service in Europe, Daniel Yankelovich considered pursuing an academic career in philosophy. Then he discovered that academic philosophy had little to say about how people should live their lives. He needed another plan.

A knack for asking questions—and listening to the answers—led Mr. Yankelovich to what he called his "accidental profession" of market research. He later set up his own firm and helped companies including Ford Motor Co., General Mills Inc. and the brewers of Schlitz beer figure out what people would buy. He warned clients not to segment consumers into rigid types: A buyer of cheap watches might have expensive taste in wine.

Mr. Yankelovich's firm was sold to the advertising giant Saatchi & Saatchi for $13.5 million in 1984. By then, he had established himself as a public-opinion pollster, working with publications including the New York Times and Time magazine, and as a "public intellectual," as he put it, who eventually wrote more than a dozen books.

In 1975, he and Cyrus Vance founded Public Agenda, a policy research organization. He later provided funding for the Yankelovich Center for Social Science Research at the University of California, San Diego.

Mr. Yankelovich died Sept. 22 at his home in La Jolla, Calif. He was 92.

"It would be a far more convenient world for journalists if the public wasn't so ornery about how it goes about making up its mind," he wrote in his 2015 book "Wicked Problems, Workable Solutions."

—James R. Hagerty

HICKS WALDRON
1923 — 2017

Executive Oversaw KFC, Smirnoff, Avon Lady

By James R. Hagerty

After earning an engineering degree and serving in the U.S. Navy during World War II, Hicks Waldron wanted to design jet engines. Instead, his job at General Electric Co. led him into sales and general management.

With his GE pedigree, he was recruited in the 1970s and 1980s to run companies selling brands including Smirnoff vodka, Kentucky Fried Chicken and Avon cosmetics.

When he joined Avon in 1983, profit was falling as fewer American women wanted to sell cosmetics door to door. Mr. Hicks pursued a diversification started by his predecessors, buying nursing homes and other health-care businesses. At first, Wall Street cheered, but the acquisitions flopped. By the time Mr. Waldron retired at the end of 1988, Avon was reverting to a tight focus on direct sales of lipstick and perfume.

Mr. Waldron died Sept. 22 at home in Naples, Fla. He was 93.

His triumphs and trials as a chief executive are better documented than most because in 1985 he allowed Sonny Kleinfield, a reporter at the New York Times, to shadow him for 10 months.

Mr. Kleinfield's book, "Staying at the Top," depicts the Avon CEO as often distracted by minor issues, such as the design of corporate name tags and faulty vacuuming of a lobby, as he struggled with the bigger picture of a company that had lost its way.

He worried about some Avon employees' preference for a makeup-free look. "I think some of our women could be better advertisements of our cosmetics business," he groused. "We're not running a steel mill or a bank. We're running a beauty company."

Anxious about kidnapping risks, he devised a secret code to communicate with his wife in an emergency and advised his daughter not to use the family name.

He recognized the dangers of a fixation on short-term stock price movements. "I have the sickness," he confessed, adding that it could lead to "some pretty stupid judgments," such as slashing needed investments or offering quarter-end discounts "that will steal money out of the next quarter."

For all his worries, Mr. Waldron retained an optimistic nature. Mr. Kleinfield wrote that the CEO had an "intoxicating personality and knack for persuasion."

Hicks Benjamin Waldron was born Oct. 31, 1923, in Amsterdam, N.Y. His father owned a small factory. Young Hicks was a so-so student. In his senior year, he fumbled a football in the end zone in the final game of the season. "So if you ask me when did I learn humility, that was when," he told Mr. Kleinfield.

He attended Green Mountain College and the University of Michigan before transferring to the University of Minnesota and earning his mechanical engineering degree. Before marrying, he had to borrow from his fiancée to buy her a ring.

He played fullback for his university football teams in both Michigan and Minnesota. While he was at Michigan, the team lost 50-0 to Minnesota. After he transferred to Minnesota, his new team was crushed 52-6 by Michigan. "The common denominator was Waldron," he liked to quip.

After he graduated, the Navy sent him to Cornell University for officer's training. He served aboard ships during World War II but was never sent into combat. The one time he was given a chance to dock a ship, he collided with the pier.

In a 27-year career at GE, he moved 17 times and worked his way up to group vice president for consumer products. In 1973, he became president of Heublein Inc., whose brands included Smirnoff, A1 steak sauce and Kentucky Fried Chicken. He rose to become CEO of Heublein two years later.

His first wife, Peg, died of cancer in 1975. The next year, his teenage son, Ben, died in a car accident. Mr. Waldron found himself overindulging in alcohol, fatty foods and cigars. Soon he was diagnosed with pancreatitis and forced to adopt healthier habits.

While recuperating, he had to give up his CEO job at Heublein. He earned it back by helping lead a turnaround at KFC. Among other things, the chain repaired relations with its founder, Harland Sanders, who had likened KFC's gravy to wallpaper paste.

When R.J. Reynolds Industries Inc. took over Heublein in 1982, Mr. Waldron became head of the combined food and liquor units of that cigarette company. He missed being a CEO. "Once you get chief executive in your blood," he said, "it's hard to get it out."

So he grabbed the opportunity to become CEO of Avon in 1983. He bought companies operating nursing homes and providing supplies for people recuperating at home. When results in the health-care units faltered, the company changed course and began selling those operations. Mr. Waldron gradually came to see the Avon ladies as the company's best bet. Instead of selling everything door to door, they sold more to working women in the office.

Mr. Waldron is survived by his second wife, the former Evelyn Rumstay, as well as a daughter from his first marriage and two grandchildren.

He liked golf and the occasional surprise: His wife, Evelyn, sometimes arranged vacations and told him the destination only at the last minute.

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FROM PAGE ONE

TRADE

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the bets will pay off.

Such wagers helped drive major U.S. stock indexes to records following the November election, but they faltered early this year. Uneven economic data cast doubt on the strength of the U.S. recovery, while congressional gridlock led many investors to downgrade expectations for policy change in Washington. By the end of the president's 100th day in office, the Trump trade looked done, many investors and analysts said.

"In the last month, the market seems to have completely changed its mind about what's going to happen," said Omar Aguilar, chief investment officer for equities at Charles Schwab Investment Management. He said sectors that tend to do well in stronger economic conditions, like industrial and financial stocks, are poised to outperform.

Those who are buying stocks now say a tax cut could prompt investors to sell bonds to buy other things.

Bank shares have gained due to expectations of rising rates, with the KBW Nasdaq Bank Index of large U.S. commercial lenders rising 6.8% in September compared with the S&P 500's 1.9% increase. Shares of industrial companies in the S&P 500 have risen 3.8%. The Russell 2000 index of small-capitalization companies, perceived to be some of the biggest beneficiaries of a tax overhaul because of their relatively heavy tax burden, climbed 6.1%.

That follows a period of underperformance for the Russell 2000. After rising for 15 consecutive trading days in November, notching several highs, the index fell behind the S&P 500 for months and is now back at records. The rally in bank and industrial stocks also lost some steam in early 2017 following sharp gains after the election.

BRYAN R. SMITH/AGENCE FRANCE-PRESSE/GETTY IMAGES

The Russell 2000 small-cap index rose 6.1% in September.

Goldman Sachs Group Inc. said in a research note Monday that its economists believe a tentative Senate budget deal has increased the likelihood that a tax overhaul will be passed by 2018. Every percentage point reduction in the tax rate could boost the per-share earnings of the S&P 500 by a dollar, according to Goldman. The bank said its basket of stocks with the highest tax rates rallied in the two weeks ended Sept. 22 after underperforming the S&P 500 for most of the year.

'In the last month, the market seems to have completely changed its mind.'

J.P. Morgan Chase & Co. analysts opined similarly, saying in a research note earlier in September that "now is a good time to position for tax reform." The bank's analysts added that they expect investors to move from emerging-market stocks to U.S. stocks, from multinational to domestic companies and from large- to small-capitalization companies if Congress makes headway on taxes.

Others attribute the market's about-face to a consensus that the Fed will raise interest rates once more this year.

A measure of U.S. consumer prices jumped in August at the fastest pace since January, the Labor Department said, a report some analysts said should reassure the Fed after a string of muted inflation readings.

In September, a gauge used by central bankers to project where they think interest rates will go showed 12 of 16 officials expected at least one more rate increase this year and most expect at least three more next year.

The revelation surprised some investors who thought the central bank would delay rate increases. Investors now see a 78% chance of one or more additional rate increases by the end of the year, according to federal-funds futures tracked by **CME Group** Inc., up from about 50% before the September Fed meeting.

That put pressure on government bonds, whose fixed returns are worth less in a higher-rate environment. The yield on the 10-year Treasury note, which rises as bond prices fall, climbed to 2.328% Friday from 2.122% at the end of August. Shares of utilities companies in the S&P 500, considered bondlike because of their relatively hefty dividends, lost 3% over the same period.

Meanwhile, the U.S. dollar, which typically rises on prospects of higher rates and a stronger economy, has rebounded, with the WSJ Dollar Index—a measure of the U.S. currency against a basket of 16 others—up 0.7% in September following six consecutive months of declines.

Despite the market's reversal over the past few weeks, signs of skepticism abound. Some say the shift is merely a rotation, a chance for investors to cheaply scoop up stocks that had fallen behind this year, while selling areas of the market in which they fear other traders have large and similar positions, possibly reducing potential returns.

"We're still in a slow-growth, low-rate and tame-inflation environment," said Michael Arone, chief investment strategist at State Street Global Advisors. Mr. Arone said he believes central banks will keep rates lower for longer, despite hinting otherwise in recent months.

In another sign of wariness, fund flows show investors are continuing to pour money into technology companies, which are thought by some to offer the best returns in a sluggish economic environment.

Mutual funds and exchange-traded funds that invest in technology stocks drew in about $1 billion of inflows for the week ended Sept. 20, the second largest inflows for the sector on record, according to data from fund tracker EPFR Global.

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WORLD NEWS

Myanmar Child: 'A Soldier Cut His Throat'

Rohingya refugees tell of terror as military raids villages, forces thousands to flee

By Syed Zain Al-Mahmood

CATHAL MCNAUGHTON/REUTERS; SYED ZAIN AL-MAHMOOD FOR THE WALL STREET JOURNAL (BELOW)

Rohingya refugees from Myanmar arrived on Thursday at a camp in Cox's Bazar, Bangladesh. Below, 12-year-old Sukhutara recounted the violent killing of her family.

TEKNAF, Bangladesh—Twelve-year-old Sukhutara said she watched her family's final moments from a hiding place in the bushes.

She had just finished taking the cows to pasture that morning when soldiers in olive-green uniform stormed her village in Myanmar's Rakhine state. She said her absence saved her life.

"The military shot my father, and then as he lay on the ground a soldier cut his throat," she said.

In a refugee camp on the border, Sukhutara, who goes by one name, sobbed as she described how troops dragged her mother and several other women into a hut. She heard screams from inside. Then the soldiers came out and set the hut ablaze.

In recent weeks, Myanmar's army has launched a counter-insurgency in Rakhine, clearing villages inhabited by the Rohingya Muslim minority and prompting at least 500,000 people to flee into Bangladesh, the United Nations said Thursday. The military and army-backed militias have killed about 3,000 people, according to Bangladesh's government and rights groups.

The U.N. Security Council met Thursday to debate the crisis as a bipartisan group of senators in Washington urged the Trump administration to help resolve it. "Despite international condemnation, the Burmese authorities incredibly continue to deny the atrocities," they said in a letter.

Aung San Suu Kyi, who leads the government of Buddhist-majority Myanmar, says troops have been hunting militants of the Arakan Rohingya Salvation Army who attacked police posts and an army base Aug. 25.

Myanmar rejects survivors' accounts that the military committed rape, murder, and torched villages. "We did not do any kind of their accusations," Col. Phone Tint, Myanmar's border affairs minister, said in an interview.

Reports of atrocities have pressured Ms. Suu Kyi, who in a speech last week defended Myanmar's treatment of Rohingya.

A spokesman for Ms. Suu Kyi said the military had conducted "clearance operations" in accordance with its code of conduct and rules of engagement. Anyone who wished to file a case against the military could do so and it would be investigated in accordance with the law, he said.

Sukhutara's account was verified by other survivors from her village who spoke to The Wall Street Journal. Human Rights Watch and Amnesty International say there is evidence of such atrocities. The United Nations' human-rights chief has described the army's clearances as "ethnic cleansing."

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Close observers of Myanmar say the army's operation was modeled on the "Four Cuts" strategy former dictator Gen. Ne Win employed against rebels in the 1970s: targeting civilian areas to deny insurgents food, funds, recruits and information.

"The army didn't want to be bogged down in a counterinsurgency in Rakhine, taking casualties over a number of years," said Richard Horsey, an independent political analyst in Myanmar. "They were perfectly willing to destroy entire villages to deny safe haven to the fighters of ARSA."

Tulatoli, the village where Sukhutara lived, was home to between 4,000 and 5,000 people before the massacre. It was victim to among the worst violence in the military's campaign, with witnesses saying that at least several hundred people were killed.

Sukhutara said she lost eight close relatives: her parents, grandparents and four brothers. Her uncle, Jahur Alam, with whom she now lives in the refugee camp, said there were no militants in Tulatoli when the army swept in on Aug. 30.

"If there were militants in the village, we would have fled as soon as the troops approached," he said at a camp in Bangladesh, his arm in a sling after he was shot. "The military killed the men, raped the women, they threw little children into the water."

The numbers of Rohingya pouring into Bangladesh have overwhelmed aid services.

Bangladesh says the refugees won't be allowed to integrate into the community and that Myanmar must take them back.

Political analysts and human-rights activists say the Rohingya face a bleak future in the overcrowded camps where there will be little prospect for employment or education.

Bali Anxiously Watches a Volcano

By Jon Emont

AGOES RUDIANTO/NURPHOTO/ZUMA PRESS

Indonesia's Mount Agung last erupted in 1963. Scientists fear another eruption may be imminent.

Mount Agung, a giant stratovolcano that dominates northern Bali's landscape, is likely to blow, according to Indonesia's national volcano monitor. But nobody knows when.

The volcano last erupted in 1963, when local scientists lacked the technology to predict volcanic outbursts, killing more than 1,000 people. This time, Indonesia is using modern seismic and satellite equipment to monitor the mountain.

Even with such technology, volcanologists say it is impossible to predict exactly when the volcano will blow. Meanwhile, the risk of an eruption keeps farmers from their fields and threatens to squeeze Bali's tourism industry.

Indonesia's national volcano monitor has said that an eruption may be imminent but that the current seismic activity could continue for weeks. It is difficult to estimate timing, in part because modern equipment wasn't available to measure the last eruption, so scientists don't know how current activity compares with the lead-up to past eruptions.

"Managing the crisis at Agung is a new thing," said Devy Syahbana of Indonesia's Center for Volcanology and Geological Hazard Mitigation. "There was no instrumental documentation before the eruption of Agung in 1963."

When Agung began belching steam and sulfuric gas a week ago, prompting the evacuation of more than 130,000 Balinese, the island's volcanologists had already begun detecting tremors beneath the base of the volcano.

Recent seismographic measurements indicate earthquakes are rising closer to the base of the volcano, suggesting that red-hot magma is coursing up through the mountain. Satellite data tell a similar story, showing new thermal areas in the summit crater, again implying that magma is pushing upward.

Meanwhile, tiltmeter data, which measure deformation in the volcano's shape, suggest the mountain is inflating with magma. As magma and sulfuric gases push toward the peak, pressure builds, eventually leading to an explosion.

Scientists say an eruption of Agung would lead to pyroclastic flows that would kill anyone in their path and devastate farmland, as happened in 1963. Such flows—made up of gas, ash and rock—are produced by composite volcanos like Agung.

The most recent official notice warns that the magnitude of earthquakes beneath the volcano is increasing and that "the probability of an eruption is higher than the probability of no eruption."

Independent experts, less cautious, say that an eruption is imminent. "It's much more likely to keep going now then to stop," said Richard Arculus, an emeritus professor of geology at Australian National University.

But scientists say they lack the tools to predict precisely when an eruption will occur, even in situations like the current one, where they believe an eruption is likely.

Because of the uncertainty about timing, some Balinese farmers are entering the eruption zone during the day to tend to their land, according to Hevy Umbara, a geologist volunteering near Mount Agung to warn locals of the dangers of returning to their fields. "I worry farmers will become victims," he said. "We need a solution so that farmers don't enter the danger zones."

Shaking Up History

Though Agung's eventual eruption isn't expected to be felt much beyond the island, some Indonesian eruptions have altered the course of history.

Toba, some 75,000 years ago: A volcano in North Sumatra released 2,000-3,000 cubic kilometers of ash into the air, in what is thought to be the largest eruption in human history.

Samalas, 1257: A volcano on Lombok island, just east of Bali, erupted, sending sheets of ash as far as Antarctica. The eruption was recently linked to widespread famine the following year in England.

Tambora, 1815: A volcano erupted on the Indonesian island of Sumbawa, creating a tsunami that killed nearly 100,000 people. Ash from the eruption led to a gloomy summer in Europe, inspiring Mary Shelley to begin writing 'Frankenstein.'

Krakatau, 1883: A massive series of eruptions destroyed the small island of Krakatau and turned European sunsets bright red for months, lowering global temperatures by more than 2 degrees Fahrenheit the next year.

Stampede at Station Kills 22 in Mumbai

By Corinne Abrams And Vibhuti Agarwal

MUMBAI—A stampede on a pedestrian overpass at a train station in India's financial capital killed at least 22 people and injured more than 35 others Friday.

The accident occurred as a throng of commuters pushed their way through the narrow bridge and stairways of an overpass connecting Mumbai's busy Parel and Elphinstone Road train stations about 10:45 a.m., railway authorities said.

"The stampede occurred due to overcrowding and heavy rainfall," said Anil Kumar Saxena, spokesman for Indian Railways, adding that the panic may have been triggered after someone yelled that the path was falling.

TV footage showed a tangle of fallen victims—piled at least four people deep—stuck on the stairs, and people carrying bodies away from the crush.

The two stations are among Mumbai's busiest. They sit in the middle of one of the most rapidly developing areas of the city. The neighborhood, once defined by abandoned textile mills, has in the past decade transformed into a business and entertainment hub full of office towers, condominiums, malls, bars and restaurants.

As with most of the country, public infrastructure such as roads, sidewalks and train stations has struggled to keep up with the demand that has sprouted up in small pockets of new wealth. India's fast-paced growth in recent years has brought new jobs and people to Mumbai, a megacity of more than 18 million people.

So many people are stuffed onto trains in Mumbai that officials coined a term to describe the crowds—often at 2.5 times capacity—that now ride at peak hours: superdense crush load. The same overcrowding happens at the station platforms and stairwells.

The result is that Mumbai trains kill thousands of people a year. Hundreds are run down scrambling across the tracks or falling off trains and platforms bursting with people.

Friday's accident, however, was a rare example of a mass death. Piyush Goyal, India's railways minister, tweeted that he ordered an inquiry. Mr. Goyal took over as railways minister in September after a series of train derailments led to his predecessor's departure.

Prime Minister Narendra Modi has pledged to modernize India's rail network. In September, he launched construction of India's first bullet train.

BI XIAOYANG/XINHUA/ZUMA PRESS

A man injured by the stampede at the Mumbai station Friday.

WORLD WATCH

CANADA

Police Seek Arrest Of Vatican Diplomat

Canadian police issued an arrest warrant for a Vatican diplomat who was recently recalled from a posting at the Holy See's U.S. Embassy after allegedly uploading child pornography to a social network while in Canada last year.

Police in Windsor, Ontario, said they have issued a nationwide warrant for the diplomat, Msgr. Carlo Alberto Capella, 50.

The Vatican has said Msgr. Capella is in Vatican City. He has submitted to house arrest, according to a person familiar with the situation.

—David George-Cosh

ASIA

Trump Plans 12-Day Trip Through Region

President Donald Trump will travel to South Korea, Japan and China in a 12-day swing through Asia later this year, his first trip to the continent as president, the White House said Friday.

Mr. Trump and first lady Melania Trump will also visit Vietnam, the Philippines and Hawaii, the White House said, adding that Mr. Trump will discuss the North Korean nuclear threat and trade.

—Rebecca Ballhaus

MEXICO

Building Practices Probed After Quake

Mexico City Mayor Miguel Ángel Mancera said local authorities are investigating more than 80 cases linked to defective construction in collapsed or damaged buildings in the wake of a deadly earthquake on Sept. 19.

At least 355 people, including more than 200 in Mexico City, were killed in the quake. Hundreds of buildings in the capital and nearby states were damaged.

—Dudley Althaus

Iraq Imposes Flight Ban After Kurd Vote

Iraq imposed a flight ban on its semiautonomous Kurdish region on Friday, retaliating against a landmark referendum this week in which the Kurds voted overwhelmingly to secede from the rest of the country.

*By **Isabel Coles** in Erbil, Iraq, and **Ghassan Adnan** in Baghdad*

OLIVER WEIKEN/DPA/ZUMA PRESS

Kurdish soldiers recently outside Hawija, Iraq, one of ISIS's remaining strongholds in the country.

THE WALL STREET JOURNAL.

Prime Minister Haider al-Abadi's office said the ban was aimed at reimposing federal government authority there after the referendum, not at blockading the region.

The Kurdish government refused to comply with the ban. But it wasn't clear what practical measures Kurdish officials could take. Baghdad controls the airspace around the Kurdish region's airports and international airlines already canceled flights to the regional capital of Erbil at Baghdad's request. The ban doesn't apply to domestic flights.

The flight ban is the first concrete retaliatory measure against the referendum after Baghdad threatened to isolate and economically cripple the Kurdish region in response to what it called a threat the country's stability.

Baghdad's military also said on Friday it would take control of borders with Iran and Turkey that the Kurds currently control. It has also urged other countries not to buy oil produced and exported unilaterally from the Kurdish region. The Iraqi parliament on Wednesday authorized Mr. Abadi to deploy troops to retake disputed territories held by the Kurds.

The U.S. also warned the referendum was undermining the final stages of Iraq's war against Islamic State, in which Kurdish forces have played a primary role.

Monday's vote didn't automatically confer statehood. Kurdish leaders now claim a mandate to start negotiations with Baghdad and neighboring countries to form an independent nation.

Kurds protested the ban outside the Erbil airport Friday. A day earlier, flights were full as people scrambled to get home before the ban started.

The longstanding dispute between Kurdish leaders and Baghdad over autonomy has heated up as the war against Islamic State enters its final stages in Iraq.

Iraqi forces began an assault on the city of Hawija in a dawn offensive on Friday, part of an effort to rout Islamic State militants from their two remaining strongholds in the country. The military has already retaken more than 100 villages on the approach to Hawija, Iraq's military said.

Islamic State's only other major stronghold in the country is in the western province of Anbar, where Iraqi forces recently began to drive the militants out.

"The end of Daesh gangs is very soon," Mr. Abadi said in announcing the start of the offensive on Hawija, using an Arabic acronym for the Sunni Muslim extremist group.

Up to 85,000 civilians remained trapped in Hawija and the surrounding area without access to adequate food, drinking water or medicine, the Norwegian Refugee Council said last week.

Even if Islamic State loses all of its territory, cooperation between the myriad forces fighting it will be critical as the militants are expected to go underground and morph into a more conventional insurgency.

Hawija is near the city of Kirkuk, which lies at the heart of disputes between the Baghdad government and the Kurds. Kurds took full control of oil-rich Kirkuk in 2014, when Iraqi forces abandoned their positions there as Islamic State blitzed through the country.

—Ali Nabhan contributed to this article.

Bomber Targets Kabul Mosque on Eve of Shiite Holy Day

By Habib Khan Totakhil And Craig Nelson

KABUL—Just days before Afghanistan's Shiite Muslims mark the most important event on their sect's religious calendar, a man wearing an explosives vest blew himself up near a crowded Shiite mosque in central Kabul on Friday, killing at least six people and wounding 14 others, Afghan authorities said.

The Taliban, which has waged a 16-year insurgency against the central government and its foreign supporters, denied responsibility for the bombing, which occurred in the run-up to the commemoration of Ashura on Sunday.

Islamic State, another militant Sunni fundamentalist group operating in Afghanistan, didn't comment on the attack.

The carnage could have been worse. A spokesman for Afghanistan's Interior Ministry, Najib Danish, said the attacker was headed for the crowds flooding from the Hussainia mosque at the end of Friday prayers when he was stopped at a checkpoint 200 yards away. Blocked from his destination, he triggered his vest, Mr. Danish said.

The government of President Ashraf Ghani had no immediate response to Friday's bombing. The attack is likely to escalate calls by the country's minority Shiite community for more police and army protection or, failing that, lead to the formation of more Shiite militias.

Amid fears the Taliban or Islamic State would carry out attacks to coincide with Ashura observances, authorities ordered more security around Shiite neighborhoods and mosques across the country. Shiites represent an estimated 15% of Afghanistan's overwhelmingly Sunni population of around 30 million.

The bombing follows an attack by militants this week on Kabul's international airport, an assault the Taliban said had targeted U.S. Defense Secretary Jim Mattis, who was visiting to discuss President Donald Trump's South Asia strategy. The Pentagon chief had already departed the airport at the time of the attack.

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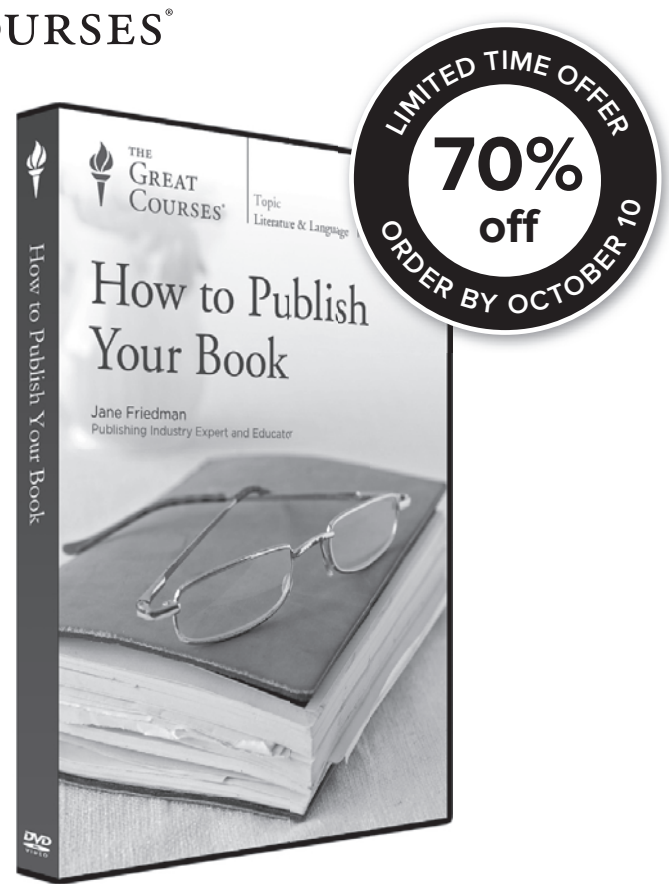

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Strife Looms Over Catalan Referendum

By Jeannette Neumann

BARCELONA—Catalan separatists on Friday vowed to press on with an independence referendum despite government efforts to block the ballot, setting the ground for a potentially chaotic vote on Sunday and bringing to a head a confrontation that has been looming for years.

Dreams of independence many Catalans have sustained for decades will be tested in the referendum that reflects the deep fault lines in Spanish identity and the centrifugal forces still at play in Europe.

If the fissures widen further and tip into mass civil disobedience, they could overwhelm Prime Minister Mariano Rajoy's fragile government and sap confidence in Spain as one of Europe's brightest postcrisis economic stars.

The Spanish government deems Catalonia's vote illegal because it violates the constitution's promise of "indissoluble unity." It has arrested pro-independence leaders, frozen the regional government's spending authority, and sent thousands of police officers to the northeastern region to ensure schools and other public places aren't used as polling stations.

2,315

Number of polling stations that Catalan officials say will be open

Catalan officials said voters would still be able to cast their ballots on Sunday at 2,315 polling stations by placing paper ballots into plastic ballot boxes. "Have no doubt there are alternatives," Catalan Vice President Oriol Junqueras told reporters with a sly smile.

The standoff over Catalonia's status has moved from the margins of political debate to center stage only in recent years. Secession became more alluring to Catalans during Spain's economic downturn, when resentment over the distribution of tax revenue from the wealthy region to poorer areas melded with long-held grudges over the place of Catalan language and culture in Spain.

In June, about 35% of Catalans backed independence, the most recent figures available from the region's survey agency. Around half then supported holding a referendum, even if Madrid opposed it.

Some 5.3 million Catalans are eligible to vote, regional officials say. But the ballot is likely to lean toward voters willing to defy the government's blockade. Opponents of independence have said they would boycott the vote.

Mr. Rajoy, head of the conservative Popular Party, has steadfastly repudiated demands from Catalonia, where he is deeply unpopular.

"That which is not lawful is not democratic," Mr. Rajoy said in September. "We are defending a fundamental principle of our coexistence: the will to decide the future of our country among all of us."

Critics say Mr. Rajoy could have stalled the independence movement's momentum by making Catalan an official language of Spain, not just of Catalonia, for instance, or supporting a way to allow Catalonia to legally hold a vote. He says the secessionists' determination to hold a referendum has made talks impossible. There have been no formal negotiations between Madrid and Barcelona, Catalonia's capital, since Mr. Rajoy took power in 2011.

Spanish authorities' heavy-handed tactics are fanning the flames of independence sentiment, some say.

Josep Batet, a 49-year-old automotive worker, said the central government's response reminds him of the crackdown his region faced under Francisco Franco, Spain's longtime dictator. "I thought it would never happen again," Mr. Batet said. An independent Catalonia "is the only solution I see."

Even if Spanish authorities manage to suppress turnout, Catalan separatists could declare independence soon after. They have threatened to hold a general strike, and hundreds of thousands of protesters could spill out into the streets, possibly for days on end.

Spanish officials have said they could remove the region's leader and other officials, effectively taking control of decision making in Catalonia. Elections would likely follow and pro-independence parties could gain ground—keeping secession on the table for years to come, analysts say.

Some Catalans are fed up with what they see as exaggerated claims on the part of separatists that the rest of the country disregard their finances and culture.

"I don't feel oppressed. Catalonia is part of a democratic state," said Carlos Rivadulla, an entrepreneur in Barcelona. "Imagine the congress of Texas saying the American Constitution no longer exists in Texas."

Unionists emphasize that the Spanish kingdom has existed since the 15th century, but Spain has long struggled to respond to regionalist demands coming from some of its 17 autonomous regions.

Franco tried to forge a unified Spanish identity through repression, but separatist sentiment has been an Achilles' heel since the country returned to democracy in the late 1970s.

PAU BARRENA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Police try to stop people from occupying a Barcelona school designated as a polling station for a secession vote Madrid has barred.

Leader Gambles On Secession Vote

Carles Puigdemont was about 20 years old when Spanish police stopped his car. He addressed them in Catalan, the tongue of his home region of Catalonia and an official language in Spain, so instead of one ticket, he recalls, they gave him two.

"They said to me, 'If you hadn't spoken Catalan, this wouldn't have happened,' " Mr. Puigdemont said.

Now 54, Mr. Puigdemont heads Catalonia's campaign to break free of Spain. A former journalist, Mr. Puigdemont is a deep believer in the uniqueness of Catalonia's heritage and history. He burst onto the national stage last year after pro-independence parties won a majority of seats in Catalonia's regional legislature and chose him as president of the region to break a deadlock among the groups, even though he was seen as far down in the line of succession to lead his party.

He has since then defied the Spanish state by pressing toward a vote it has deemed illegal and is actively trying to block. The once-marginal political cause he espouses has propelled Spain into a full-blown institutional and political crisis.

Since the ballot will be skewed toward pro-independence supporters willing to brave police blockades, a vote for secession is likely. Mr. Puigdemont has promised to unilaterally declare Catalonia an independent republic within 48 hours after the vote.

The president hasn't flinched in the face of authorities' efforts to stop the balloting, including threats that Madrid could remove or jail him. "He has talked with his wife and daughters about the possibility of being imprisoned," said Carles Porta, a longtime friend.

Critics say Mr. Puigdemont's push has riven Catalan society and unnecessarily spun the region into an institutional crisis that could lead not only to Catalonia failing to achieve independence, but ultimately jeopardize its prized autonomy.

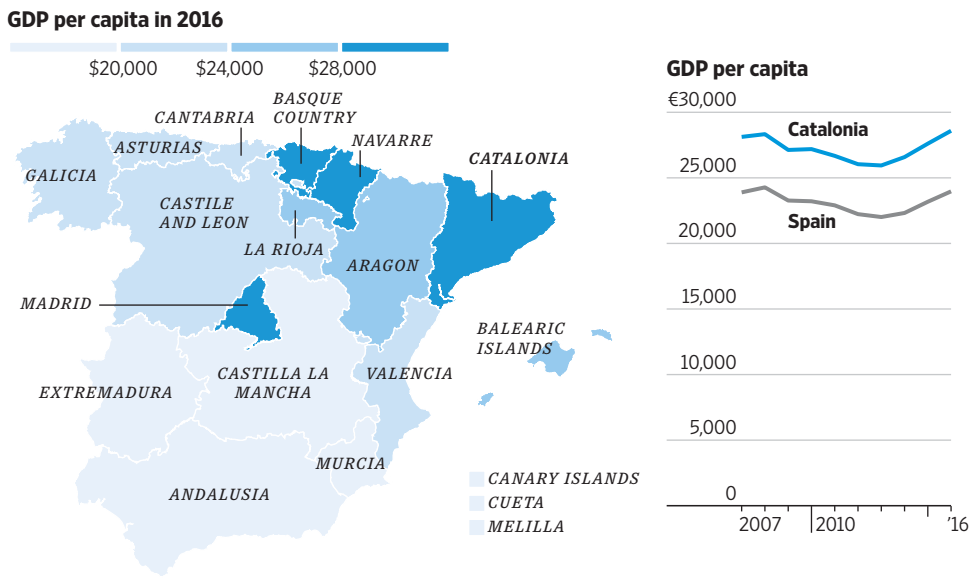
Spain took control of Catalonia's finances in September to prevent the government from using public funds for the referendum, and could take further action to curtail the region's powers if it declares independence.

Amid the firestorm he has help spark, Mr. Puigdemont remains staunch in his conviction that Catalonia's future is as an independent republic. "Independence motivates me because it allows me to be that which I am," he said.

—Marina Force

Head of the Pack

Catalonia has been an economically strong area when compared with the rest of Spain.



Note: €1 = $1.18
Source: Spain's National Statistics Institute

THE WALL STREET JOURNAL.

After Years of Crises, EU Leaders See Confidence, Unity

By Valentina Pop

TALLINN, Estonia—The European Union is officially out of crisis mode, EU leaders signaled at a summit in the Estonian capital on Friday, where they addressed overhauls to reshape the bloc once Britain leaves.

Over the past seven years, EU leaders have stumbled from emergency summit to emergency summit, initially caused by the global financial crisis and later, by Russia's intervention in Ukraine, terrorist attacks and the unprecedented wave of migrants and refugees from the Middle East who entered the bloc in 2015.

Last year, the U.K.'s vote to leave the bloc and the rise of nationalist, anti-EU politicians seemed to leave the EU on the brink.

But at a four-hour dinner on Thursday night and discussion Friday on fostering the bloc's digital innovation, the mood had visibly changed even if different views remained on the bloc's future.

Leaders "were pretty much all on the same page, so I was very pleased with the debate," said European Commission President Jean-Claude Juncker.

The re-election of German Chancellor Angela Merkel and the recent speeches of Mr. Juncker and French President Emmanuel Macron setting out post-Brexit visions gave a new impetus to leaders to think beyond the next few months.

There are ideas already in the works, such as an increase to the common EU defense budget that countries would be able to tap when jointly purchasing military hardware, harmonizing asylum procedures and expanding the EU's border protection force.

There are also more far-reaching changes: a eurozone budget with its own finance minister, a European Monetary Fund for debt crises and a prosecutor able to fight terrorism and organized crime.

Mr. Juncker has proposed scrapping the double-headed leadership of the EU and creating a single EU president while Mr. Macron is talking of halving the number of EU commissioners.

Leaders agreed in Tallinn to hold monthly summits through the rest of this year to work on these ideas.

Even Brexit didn't sour the mood in Tallinn. Unlike other recent EU gatherings to think about the future, British Prime Minister Theresa May was invited—and she came, hammering home her promise the U.K. will remain a close partner on security and defense issues.

Mrs. May abided by suggestions from Brussels that she avoid using Thursday's dinner to push her proposals on Brexit although the British prime minister held a number of bilateral meetings on the sidelines.

UBER

Continued from Page One

voting power.

"I am appointing these seats now in light of a recent board proposal to dramatically restructure the board and significantly alter the company's voting rights," Mr. Kalanick said in the statement. "It is therefore essential that the full board be in place for proper deliberation to occur, especially with such experienced board members as Ursula and John."

Benchmark sued Mr. Kalanick in August to return to board control the two seats he oversees and his own, arguing he reneged on an agreement to relinquish them when he stepped down in June. Mr. Kalanick was pushed out by a group of investors who backed a resignation letter for him drafted by Benchmark.

EDUARDO MUNOZ/REUTERS

PATRICK T. FALLON/BLOOMBERG NEWS

Uber's newest directors: Former Xerox CEO Ursula Burns and former CIT Group CEO John Thain.

Uber said in a statement that the appointments of Ms. Burns and Mr. Thain to the board "came as a complete surprise," adding: "That is precisely why we are working to put in place world-class governance to ensure that we are building a company every employee and shareholder can be proud of."

A representative for Benchmark didn't immediately respond to a request for comment.

While Benchmark and Mr. Kalanick face off, Uber's board and new chief executive, Dara Khosrowshahi, are weighing an investment from a consortium led by Japanese tech investor SoftBank that could total $10 billion, according to people familiar with the matter. SoftBank is seeking to obtain two board seats of its own and a 17% to 22% stake through a tender offer to existing Uber shareholders and at least a $1 billion direct investment, the people said.

But the tender offer would represent a discount of 30% or more from Uber's last valuation of almost $70 billion, the people said.

A SoftBank spokesman declined to comment.

Benchmark, which owns 13% of Uber, has pushed the new voting structure as a means to limit Mr. Kalanick's grip on the board and empower later-state shareholders, viewing it as a critical first step before it weighs the SoftBank deal, according to people familiar with the matter. Uber's early investors, including Benchmark, First Round Capital, Menlo Ventures and Lowercase Capital hold outsize voting power relative to their stakes.

Ms. Burns, 59 years old, was CEO of Xerox for seven years until last year when she stepped down. One of the most prominent African-American businesswomen in the U.S., she spent more than three decades with the company and helped orchestrate its split into two companies earlier this year, resulting in the new Conduent Inc. focused on business services. She is a director for American Express Co., Nestlé SA, Exxon Mobil Corp. and Datto Inc.

Mr. Thain, 62, who helmed CIT for five years, was formerly CEO of the New York Stock Exchange and Merrill Lynch leading up to the latter's $50 billion sale to Bank of America Corp. in 2008. At CIT, he oversaw the $3.4 billion acquisition of OneWest Bank NA's parent and serves now on the board of the endowment of the Massachusetts Institute of Technology.

The appointments fill out the board to 11 seats, leaving open the question of where Uber will place a new independent chairman. It was mandated to do so as part of a report from ex-U.S. Attorney General Eric Holder whose law firm conducted a monthslong probe after a former software engineer accused Uber with allowing a culture of sexism and sexual harassment.

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Cuba Health Mystery Leads to U.S. Pullout

Embassy staff is cut as Washington probes cluster of illnesses from 'targeted attacks'

By Felicia Schwartz

WASHINGTON—The State Department is cutting more than half of its staff from the U.S. Embassy in Havana and warning Americans against traveling to Cuba, as Washington investigates a mysterious rash of illnesses that has left more than 20 diplomats with dizziness, concussions, hearing loss and other symptoms.

The embassy cut comes as investigators scramble to figure out what and who is behind what officials are describing as "targeted attacks" in hotels and residences that have affected the health of at least 21 U.S. government employees. The U.S. hasn't blamed Cuba for the illnesses.

"Until the government of Cuba can ensure the safety of our diplomats in Cuba, our embassy will be reduced to emergency personnel in order to minimize the number of diplomats at risk of exposure to harm," Secretary of State Rex Tillerson said in a statement.

The warning advising Americans not to travel to Cuba was issued because officials said they have no way to guarantee travelers' safety.

"The department doesn't have definitive answers on the cause or source of the attacks and is unable to recommend a means to mitigate exposure," Mr. Tillerson said.

U.S. officials are referring to the illnesses as targeted attacks because all of the Americans who have been stricken are affiliated with the embassy. A small number of Canadian diplomats have reported similar symptoms. No American travelers have been affected, officials said.

Cuban officials expressed dismay over the U.S. decision.

"We consider that the decision announced by the Department of State is hasty and that it will affect the bilateral relations," Josefina Vidal, the general director for U.S. affairs in Cuba, said in a statement.

Some U.S. officials have suggested a sonic device might be responsible for the attacks, but no such device has been found. The combination of symptoms makes it unclear that such a device could be the cause.

ADALBERTO ROQUE/AGENCE FRANCE-PRESSE/GETTY IMAGES

The U.S. Embassy in Havana, Cuba, on Friday. At least 21 staff members have fallen ill with dizziness and other symptoms.

State Department officials said that they haven't ruled out the possible involvement of a third country and that Cuba is cooperating in the investigation. Cuban officials said earlier this week that they haven't identified a source or cause of the attacks.

Sen. Patrick Leahy (D., Vt.) said the attacks appear aimed at disrupting the effort to normalize ties between the U.S. and Cuba.

"Someone or some government is trying to reverse that process," Mr. Leahy said. "We should do all that is possible to minimize the effects of these protective steps on our diplomacy and on our ability to assist Americans in Cuba."

Sen. Tom Cotton (R., Ark.), who opposed normalizing ties with Cuba, said the drawdown shows "just how untrustworthy and malicious the Castro regime is" and urged the State Department to take further steps.

Cuba and the U.S. reopened embassies in each other's capitals in the summer of 2015 after they had been closed for more than 50 years. President Barack Obama loosened trade and travel restrictions as part of the normalization push, though President Donald Trump moved earlier this year to tighten them.

Some career diplomats in Havana and Washington opposed the decision announced Friday, saying American diplomats take risks all over the world and want to continue their work.

"To say, 'Oh well, let's just take the flag down,' that's just a recipe for abdicating America's global leadership role....That is not a good idea," said Ambassador Barbara Stephenson, president of the American Foreign Service Association, the union that represents foreign-service officers.

Mr. Trump, speaking to reporters outside the White House on Friday, said, "They did some bad things in Cuba."

The attacks could be the work of hard-line elements of the Cuban regime opposed to the rapprochement between the two countries, said Brian Latell, a retired CIA analyst who wrote a book about Raúl Castro, Cuba's president.

"It could be a rogue element in the Cuban intelligence services," said Mr. Latell, who now teaches at Florida International University. "The hardliners are not happy with Raúl's policy and want to undermine the relationship."

A Cuban American businessman with ties with the regime agreed.

"Nothing happens in Cuba without the intelligence service knowing about it," he said, adding the incident could be tied to a behind-the-scenes struggle over who will succeed Mr. Castro if, as he has announced, he steps down as head of state in February.

The health episodes began late last year, as the Obama administration was moving to solidify a normalization of ties.

—Aruna Viswanatha and José de Córdoba contributed to this article.

A Security Puzzle Rises to the Sky Above Beijing

By Dominique Fong

BEIJING—Construction at the top of the tallest building in China's capital has stalled because of government security concerns, according to people involved in its design and construction, in a new example of how China's passion for skyscrapers is cooling.

Government officials have halted work on the planned observation deck on China Zun Tower's 106th floor because of concerns that visitors would be able to see into the compound where Communist Party leaders live and work, according to the people involved.

The security push goes beyond China Zun. The city said on Wednesday that it would limit the height of buildings in its center—offering no details but citing the need to "safeguard the security of the central-government environment." The plan includes the district where China Zun sits.

Security measures have increased in the capital ahead of the Communist Party Congress that starts Oct. 18, a twice-a-decade conclave at which President Xi Jinping is expected to consolidate his authority. The Congress takes place near the leadership compound, at the Great Hall of the People.

The 528-meter (1,732-foot), hourglass-shaped China Zun Tower was designed by New York-based **Kohn Pedersen Fox Associates** with a local partner, state-owned **Beijing Institute of Architectural Design** (Group) Co. Renderings include an observation deck with floor-to-ceiling windows wrapping the top floor.

The Beijing party secretary who approved the tower left office in May. In the past few months, government officials have started to rethink the top level, studying whether to put film over the windows, bulletproof the glass or remove the observation deck altogether, the people involved said.

The final steel beam was hoisted atop China Zun in August, according to the Beijing government's website. In a departure from industry practice, the developer, state-owned banking and investment firm Citic Group, didn't have a topping-out ceremony.

The tower's structure is complete. Windows wrap around the bottom two-thirds of the building, but above it is bare bones and the building's interior has yet to be fitted out.

Vincent Tse, a China managing director for WSP Global Inc., which is in charge of China Zun's gut interior, said he couldn't comment because of a nondisclosure agreement with Citic. "What they're going to do at the top, we don't know," he said.

Neither Citic Group nor Beijing's city government and planning agency responded to requests to comment. A representative at Beijing Institute of Architectural Design said he wasn't able to comment.

China Zun can be seen from almost anywhere in Beijing, including the Forbidden City, a tourist destination just east of the closed-off government compound, Zhongnanhai.

The complex, whose name means "central and southern seas," was an imperial garden in ancient times.

JASON LEE/REUTERS

Work on China Zun Tower, seen here rising above Beijing in August, has stalled as officials fret about what can be seen from the top.

While China once gushed over trophy towers that helped put its fast-growing megacities on the world map—including ones shaped like eggs, coins and teapots—their popularity has waned.

Mr. Xi in late 2014 issued a call to stop the construction of "strange-looking" buildings.

China Zun was designed to look like an ancient wine vessel, a zun, used in rituals such as honoring the dead and to symbolize the character's meaning, "to respect." It sits across from the iconic headquarters of state broadcaster China Central Television, nicknamed "Big Pants" for its resemblance to two entangled trouser legs.

Safety has been another concern around skyscrapers. Last year a glass panel fell off Shanghai Tower and injured a driver. A few weeks later, the developer of the building, which has had trouble attracting tenants, warned against "ghost towers" and an oversupply of skyscrapers.

China Zun sits among a cluster of other tall buildings about 5 miles from Zhongnanhai. Visitors can enjoy expansive views of the Beijing cityscape from some of these towers, including the bars on the 65th floor of the Park Hyatt hotel and on the China World Trade Center's 80th floor. From these two vantage points, even on a clear day, the grounds of Zhongnanhai are out of view.

—Liyan Qi contributed to this article.

Party Purges Official Ahead of Congress

BEIJING—China's Communist Party expelled a senior official over alleged corruption and abuses of power just weeks before a pivotal conclave where President Xi Jinping plans to bolster his authority.

State media said Friday's expulsion of Sun Zhengcai, the 54-year-old former top official in the megacity of Chongqing, was ordered by the party's governing Politburo—ending the career of a party stalwart once seen as a possible successor to Mr. Xi before being placed under probe in mid-July.

Mr. Sun's downfall echoes the 2012 purge of a predecessor, Bo Xilai, who was Chongqing's party chief when he fell from grace amid corruption allegations and a murder scandal involving his wife.

Party investigators accused Mr. Sun of accepting bribes, misusing his powers to enrich his relatives, laziness and inaction, and trading power for sex, among other wrongdoing, according to the official Xinhua News Agency. Mr. Sun's case will be handed over to prosecutors, Xinhua said. He couldn't be reached to comment and it wasn't clear if he had legal counsel.

"The timing of Sun's expulsion is meant by Xi to send a message, that he won't trust and promote any official whose loyalty to him is in doubt," said Willy Lam, an expert on elite Chinese politics at the Chinese University of Hong Kong.

—Chun Han Wong

BIRDS

Continued from Page One

a bird to damage. "It ended up being a pile of splinters."

Weighing up to nine pounds with a wingspan that can approach eight feet, the wedge-tailed eagle is Australia's largest bird of prey. Once vilified for killing sheep and targeted by bounty hunters, it is now legally protected. Though a subspecies is still endangered in Tasmania, it is again dominating the skies across much of the continent.

These highly territorial raptors, which eat kangaroos, have no interest in yielding their apex-predator status to the increasing number of drones flying around the bush. They've even been known to harass the occasional human in a hang glider.

Birds all over the world have attacked drones, but the wedge-tailed eagle is particularly eager to engage in dogfights, operators say. Some try to evade these avian enemies by sending their drones into loops or steep climbs, or just mashing the throttle to outrun them.

AUSTRALIAN UAV

A picture of a wedge-tailed eagle taken by an Australian drone.

A long-term solution remains up in the air. Camouflage techniques, like putting fake eyes on the drones, don't appear to be fully effective, and some pilots have even considered arming drones with pepper spray or noise devices to ward off eagles.

They are the "ultimate angry birds," said James Rennie, who started a drone-mapping and inspection business in Melbourne called Australian UAV. He figures that 20% of drone flights in rural areas get attacked by the eagles. On one occasion, he was forced to evade nine birds all gunning for his machine.

The birds are considered bigger bullies than their more-docile relatives, such as the bald and golden eagles in the U.S. Wedge-tailed eagles are the undisputed alpha birds in parts of Australia's interior but it's not entirely clear why they're so unusually aggressive towards drones. Scientists say they go after drones probably because they view them as potential prey or a new competitor.

"They're really the kings of the air in Australia," said Todd Katzner, a biologist and eagle expert at the U.S. Geological Survey in Boise, Idaho. "There's nothing out there that can compete with them."

The problem is growing more acute as Australia makes a push to become a hot spot for drones. One state, Queensland, recently hosted the "World of Drones Congress" and last year gave about $780,000 to Boeing Co. for drone testing. Amazon.com is expanding in Australia and could try using drones for deliveries, and the machines are increasingly favored by big landowners such as miners and cattle ranchers.

The eagles will often attack in male-female pairs, and they aren't always deterred if their first foray fails. Sometimes they will come from behind, attack in tandem from above, or even stagger their assault. A drone operator may evade one diving eagle with an upward climb, but the second eagle can then snatch it, Mr. Rennie said.

"If you take your eye off that aircraft even for a couple of minutes, the likelihood is it will end up in pieces on the ground," he said.

In 2015, Andrew Chapman, a co-owner at Australian UAV, was mapping a quarry and landfill site near Melbourne, and figured it was close enough to the city that an eagle attack was unlikely. But when the drone was about half a mile away, an eagle "materialized out of thin air and knocked out the drone," Mr. Chapman said. He spent two days looking for the machine, worth about $35,000 at today's retail price, and had to ship it to the manufacturer in Switzerland for repairs.

Mr. Chapman said arming drones with pepper spray was discussed but quickly discarded, out of concern it could harm the birds. "It's a relief to be planning for jobs overseas because we know the wedgies aren't there," he said, using the local nickname for the bird.

Rick Steven, a survey superintendent at the St. Ives gold mine in Western Australia, who uses drones to survey the pits, debated using something like a ShuRoo—a device mounted on cars that makes noise, which humans can't hear, to keep kangaroos off the road. But he was concerned it would be cumbersome on the drone and may not ward off eagles anyway.

Instead, Mr. Steven and other drone operators make use of another weapon: time. The eagles are less active in the early morning, because the thermals—columns of rising air—they use to fly don't develop until later in the day after the sun has warmed the ground.

In his first 2½ years flying drones at the mine, Mr. Steven said he lost 12 drones to eagle attacks, which cost his employer, South Africa-based Gold Fields Ltd., some $210,000. During the past year, when he focused his flying in the morning, he has lost two—with two more close calls.

Mr. Parfitt, who began his drone business Aerial Image Works about three years ago, remains vigilant. Each of his last three jobs attracted an eagle attack. Other birds will "fly at the drone and they'll act in a very aggressive manner, but they don't actually touch you," he said. "I'm not scared of anything else attacking my drone except the wedge-tailed eagle."

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IN DEPTH

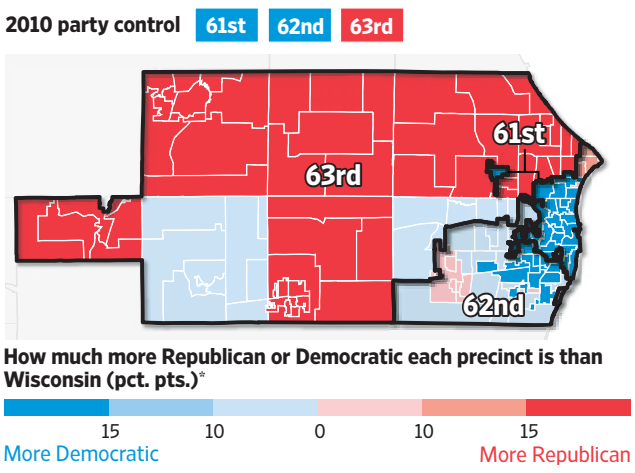
Gerrymandering Faces a Reckoning

Contorted voting maps drawn by Republicans and Democrats to cement power might finally have gone too far. The Supreme Court will hear arguments Tuesday in a case that could force both parties to restrain their partisan motives.

By Brent Kendall and Jess Bravin
Graphics by Renée Rigdon, Brian McGill, Max Rust and Angela Calderon

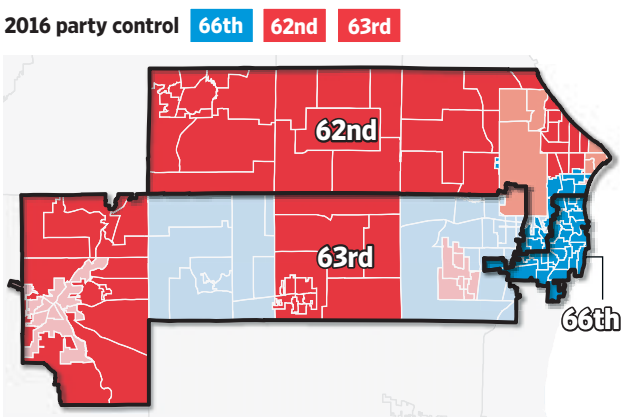
Democrat Cory Mason won a seat in the Wisconsin Assembly by fewer than 1,000 votes in 2006.

District 62 was sandwiched between one heavily Democratic district and another that strongly favored Republicans. The districts are outlined in black in the map to the right.



In 2010, a nationwide Republican wave swept the GOP into the Wisconsin governor's mansion and legislature, giving the party the power to redraw the state's electoral map for the first time in half a century.

The new District 62 separated Mr. Mason from most of his old constituents in Racine, Wis., and swept in rural and conservative precincts. He was stuck in a red district. To stay in office, Mr. Mason moved to District 66, a new island of Democratic strength, shown at far right.



*Based on the two-party vote in the 2008 presidential election
Source: WSJ analysis of Wisconsin State Legislature and Harvard Election Data Archive data

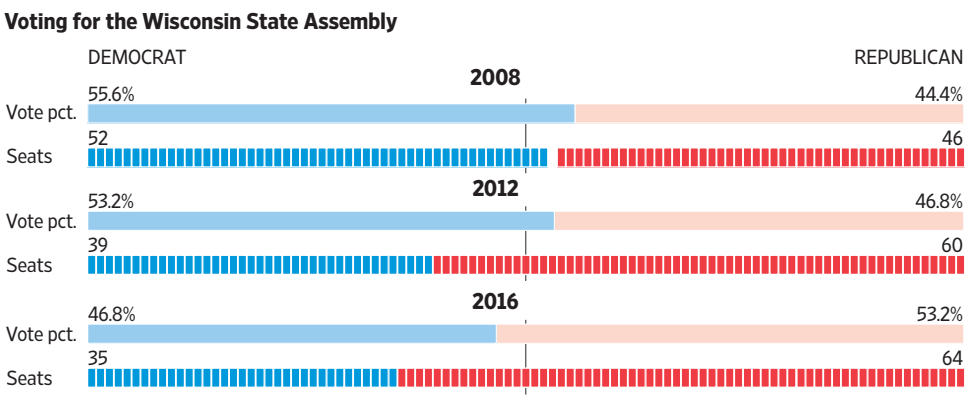
Republicans engineered similar moves across Wisconsin, erecting a firewall that helped protect the GOP's majority of 60 seats in the 99-member Assembly. The new lines withstood a shift of more than 400,000 votes to Democrats in the 2012 state elections.

What happened to Mr. Mason is now part of a Supreme Court case that will decide the future of political gerrymandering, a phenomenon with a rich, bipartisan tradition. Since the founding of the republic, Democrats and Republicans have sought to redraw maps that increase their party's electoral clout, largely by creating a greater number of winnable seats.

The Supreme Court is in a position, if it chooses, to create the first nationwide definition of how much partisanship in redistricting is too much. The high court has never found a partisan gerrymander unconstitutional, partly because the justices haven't been able to agree on a method to determine what too much looks like.

Lately, most of the gains nationally from redistricting have gone to Republicans due to their election successes in 2010. The rise of computer-powered voter analysis, which allows electoral maps to be redrawn with more precision than ever, has supercharged both parties' efforts.

In Wisconsin, nearly two-thirds of state assembly seats were won by Republicans last year when the party won 53% of votes statewide. There was almost no such gap in 2008, as these charts show.



Note: Percentages exclude third-party votes. Percentages don't add up to 100 due to rounding. 2008 Assembly seats include one Libertarian.
Source: Wisconsin Elections Commission

In November, federal judges in Madison, Wis., ruled the new maps unconstitutional and "intended to burden the representational rights of Democratic voters...by impeding their ability to translate their votes into legislative seats."

Wisconsin appealed, and the Supreme Court is scheduled to hear arguments in the case Tuesday. A ruling against Wisconsin could lead to major changes in how political maps are drawn, forcing both parties to restrain their partisan motives. Much of the impact would be felt in the next round of redistricting after the 2020 census, a process that will shape the balance of power in federal, state and local districts across the country.

Wisconsin's Republican attorney general, Brad Schimel, says GOP lawmakers followed traditional practices in producing the current map, such as making districts compact, tidy and with normal-looking shapes.

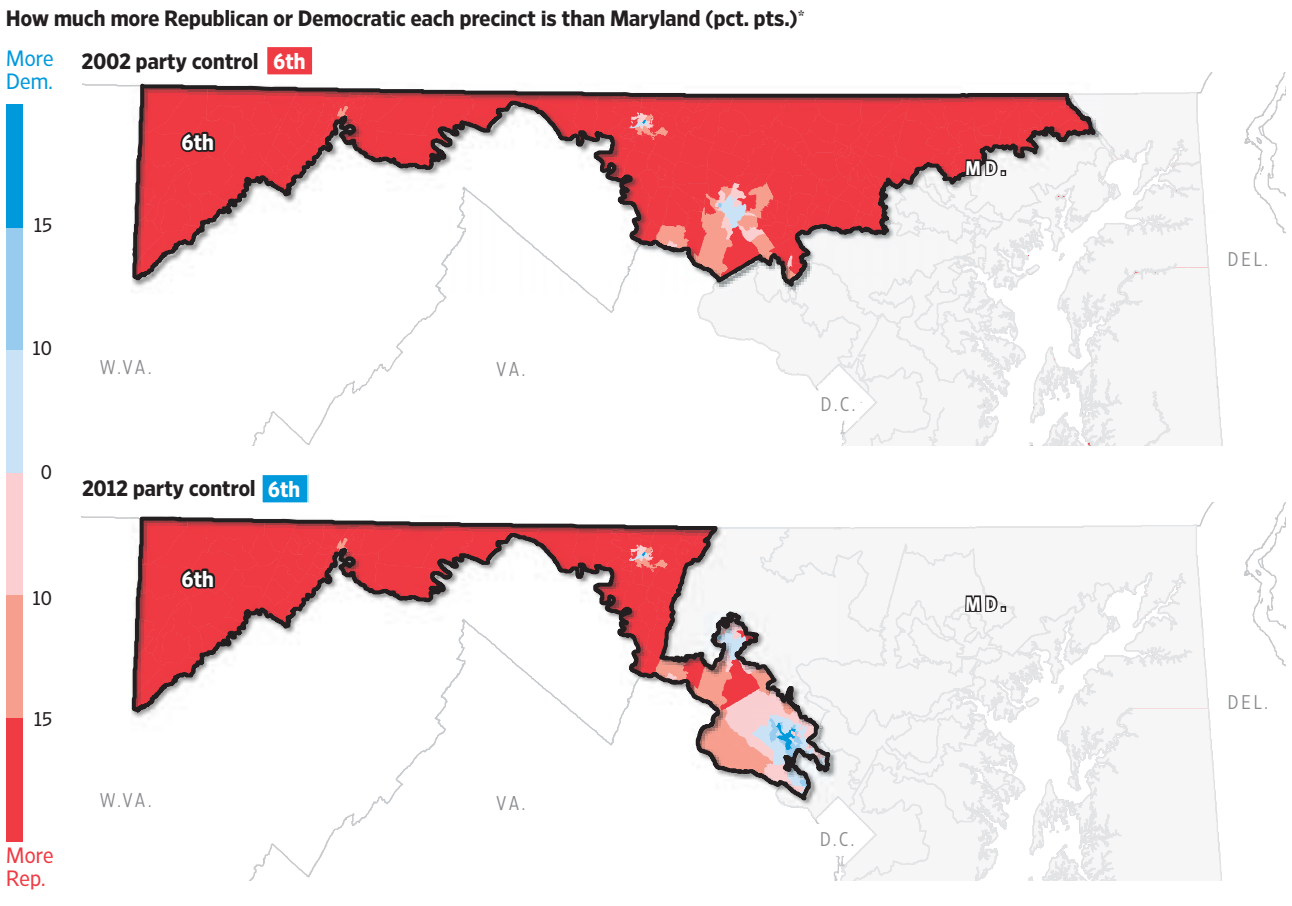
The November ruling cited evidence Republican leaders were presented with several options and chose the one that was the most partisan. "That's their prerogative," Mr. Schimel said. "It's a political process."

Mr. Schimel says using the challengers' legal arguments as a constitutional test nationwide would invalidate a third of the legislative maps drawn in the past 45 years.

Running alongside the Wisconsin case is one from Maryland involving House districts. Two years ago, the Supreme Court ordered a three-judge panel to consider whether a 2011 redistricting drafted by Gov. Martin O'Malley, a Democrat, disenfranchised Republicans.

The map resulted in Democratic majorities in seven of Maryland's eight congressional districts and helped cost Republicans one of their two House seats. The case is on hold until the Supreme Court decides the Wisconsin case.

Before the redistricting, Maryland's Sixth Congressional District was anchored by rural, western Republican strongholds that, as the top map shows, stretched across the West Virginia border.



*Based on the two-party vote in the 2008 presidential election
Source: WSJ analysis of Wisconsin State Legislature and Harvard Election Data Archive data

The impact was clear in the 2014 election, says Sharon Strine, a seventh-generation Wolfsville resident and one of the Republican plaintiffs. She ran the campaign of GOP challenger Dan Bongino.

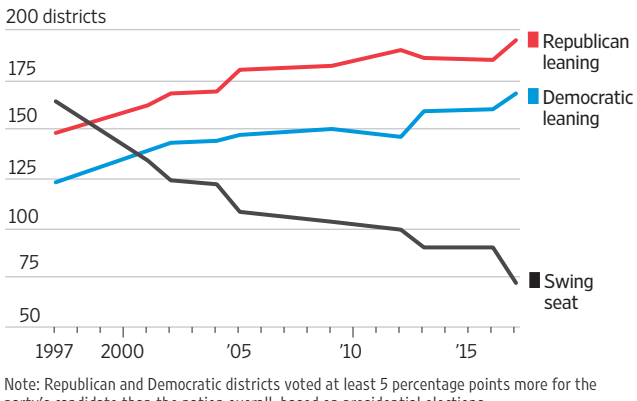
"We were ahead on election night, when every precinct was in except for three precincts in Montgomery County," a heavily Democratic suburb of Washington, she says. When those votes were counted, Mr. Bongino lost by less than 3,000 out of a total of 190,000.

Ms. Strine says the district's western end is "just a different breed of people" from those tacked onto the district by Mr. O'Malley.

Mr. O'Malley, who left office in 2015, said in a deposition he acted "constitutionally and legally" under the system he inherited. Still, he added, "Let me state unequivocally, categorically. I believe that our whole country needs to develop a better process for congressional redistricting."

The case against gerrymandering contends the process violates the idea that voters should get to choose their representatives, rather than the other way around. Redrawing the lines to maximize partisan gains, the argument goes, allows parties to win seats in numbers that disproportionately reflect their popular support and can turn voters into voiceless minorities.

The increasing homogeneity can be seen in the decline of competitive House districts. Such districts are defined in the chart below as "swing seats" that vote roughly in line with the U.S. as a whole.



Note: Republican and Democratic districts voted at least 5 percentage points more for the party's candidate than the nation overall, based on presidential elections.
Source: Cook Political Report

The Supreme Court has been reluctant to interfere in the process. It wasn't until 1962, faced with districts not revised in decades, that the court ruled political maps could be challenged in court. The court has struck down maps designed to disenfranchise African-Americans and other minorities, but hasn't ruled against either party for using redistricting power to undermine the other.

In 2004, conservative Supreme Court justices came one vote short of closing the door to challenges of partisan gerrymandering. The pivotal vote belonged to Justice Anthony Kennedy, who rejected the claim against Pennsylvania's congressional map but left open the possibility that voters might bring a successful claim someday.

Some historians credit the first congressional gerrymandering to Patrick Henry for drawing Virginia's Fifth District in 1788 to hurt James Madison's election chances. Mr. Madison won anyway. The term comes from a salamander-shaped Massachusetts state Senate district approved in 1812 by Gov. Elbridge Gerry.

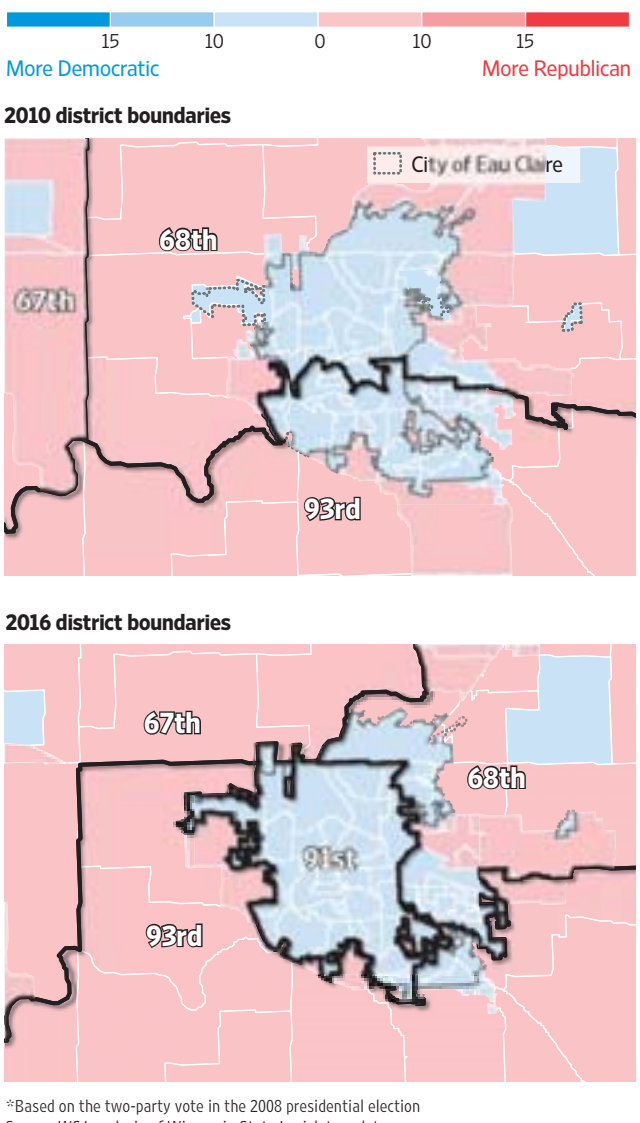
Political scientists Bernard Grofman and Ronald Keith Gaddie told the Supreme Court in a brief filed in the Wisconsin case there is "compelling evidence that the 2010 redistricting cycle yielded partisan gerrymandering of a magnitude that is qualitatively and quantitatively different from what we have seen in the past." Mr. Gaddie was a consultant to Wisconsin Republicans during the redistricting.

There are two common redistricting strategies. "Packing" crams the minority party's voters in one district to weaken their influence in other districts nearby. Parts of Eau Claire used to be in two competitive districts with a mix of GOP and Democratic voters, shown in the top map on the right.

Since 2011, Eau Claire has been largely lumped into one Assembly district, marked as the 91st in the bottom map and filled with Democrats. All the districts around it are now Republican.

"Cracking" divides the minority party's voters into more than one district to dilute their voting power. In Sheboygan, about 250 miles from Eau Claire, a new line along Superior Avenue split the city into two new districts, held by Republicans.

Mr. Mason, the Democrat who moved to stay in office, says he had trouble working with Republicans to accomplish much beyond small issues. In 2013, he made a successful proposal to name the kringle the official state pastry of Wisconsin. After seven years in the minority, he decided to run for Racine mayor instead. "I'd like to try governing," he says.



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OPINION

THE WEEKEND INTERVIEW with Ryan Zinke | By Kimberley A. Strassel

A Return to the Conservation Ethic

Washington

Amid legislative failure and Twitter tumult, President Trump's supporters could be forgiven for thinking he's failed to fulfill his promise of bringing radical change to Washington. But he also appointed a cabinet full of reform-minded conservatives. Ryan Zinke, the former Montana congressman who was confirmed as interior secretary in March, is getting high marks for the speed and scope of his overhaul.

"My first goal is to restore trust with America that we are in fact using our public lands 'for the benefit and the enjoyment of the people'—not for the very few and the elite," he told me Monday, using language from the Yellowstone National Park Protection Act of 1872. The Interior Department oversees 500 million acres nationwide—more than one-fifth of the country's land area—mostly in the West. "We are going to be great stewards of these treasures," Mr. Zinke says, "but we are also going to restore access to the people and to industry—and be a partner."

The interior secretary wants to restore the vision of Gifford Pinchot and use public lands 'for the benefit and enjoyment of the people.'

The Interior Department has positioned itself at the forefront of Mr. Trump's energy revival. It is eliminating or preparing to reverse more than 150 Obama regulations, including those curtailing coal mining and hydraulic fracturing, better known as fracking. It has reopened Alaska's Cook Inlet for business, made 76 million acres in the Gulf of Mexico available for offshore oil-and-gas exploration, and turbocharged pipeline permitting.

On Mr. Trump's order, the department has reviewed 27 national monuments, which by virtue of that designation can be off-limits to development and to activities such as hunting and fishing. Mr. Zinke has recommended shrinking at least four of them, in line with the Antiquities Act of 1906, which limits the designations to federal land and to the smallest area necessary to protect an actual historical or scientific object.

"I'm grateful the president had the courage to ask the question," Mr. Zinke says. His review found past administrations had scooped up private land and relied on bogus historical "objects"—in one case, a World War II-era test bombing crater—to justify new designations. "The Antiquities Act has been used not to protect, but to prevent public access and to prevent public use," Mr. Zinke says. "To make it hard on local cattlemen, who could no longer use machinery to scoop out a pond, or on cross-country skiers, who can't have trails groomed."

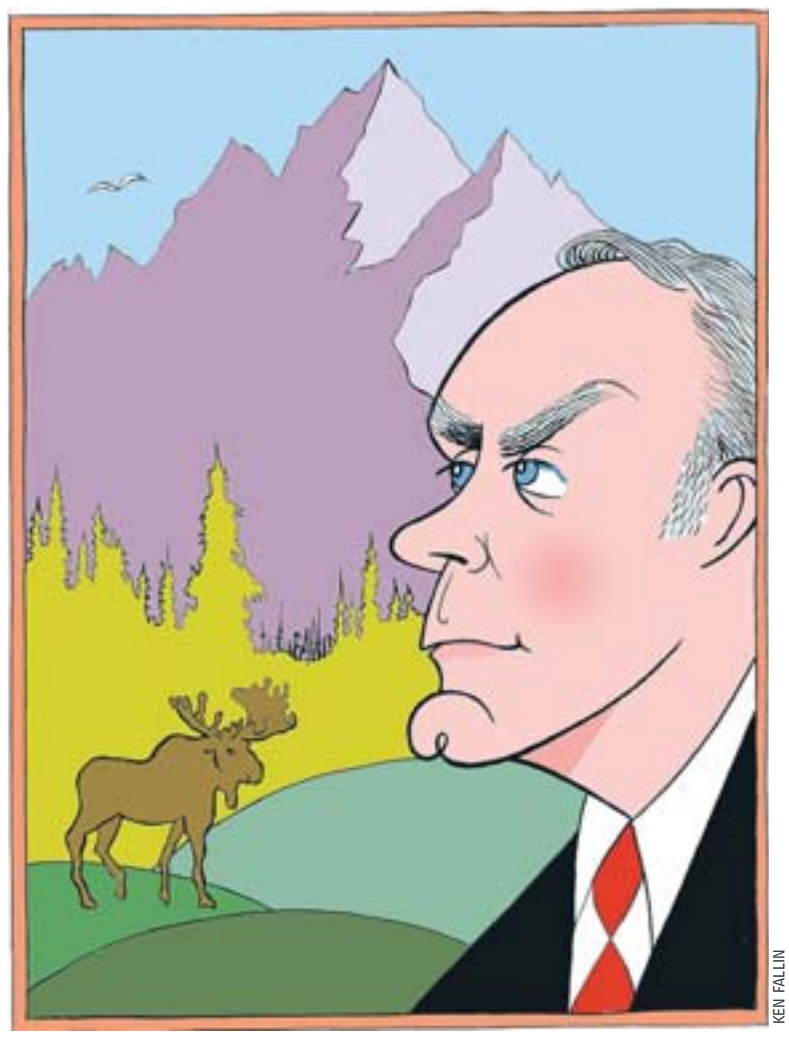
Mr. Zinke's office in Washington is a testament to his own lifelong love of the outdoors. In one corner looms a massive stuffed grizzly bear. Two heads, a buffalo and an elk, are mounted over the fireplace. Cowboy hats litter the place, and a sign behind his desk reads: "Yep." Mr. Zinke arrived for his first day on horseback, instituted a bring-your-dog-to-work day, installed the arcade game Big Buck Hunter in the cafeteria, and even personally shoveled snow at the Lincoln Memorial. But he spends much of his time on the road, exploring federal lands on horseback, in planes and on plows. "As Interior Secretary Swaggers Through Parks, His Staff Rolls Back Regulations," the New York Times sniffed in a recent headline.

When Mr. Zinke talks policy, he strikes a distinctly populist tone. On his first day in office, he reversed the Obama administration's last-minute ban on using lead ammunition and fishing tackle on federal lands, an edict he saw as an assault on hunters and anglers of ordinary means, who rely on affordable gear. "This was, again, part of a goal to make hunting and fishing elite, an experience only for the person who can pay for a guide or go a whole week," Mr. Zinke says. "But it means you limit grandpa, you limit the disabled veteran, you limit the family that goes out for a day to enjoy our public lands."

Similarly, he sees energy development as a basic way for public lands to benefit the nation. "I never want our children to have to fight overseas for a commodity that we have here," he says, "especially knowing that we have an energy industry that is the world standard for safety and environmental regulations." Cheap American energy, he adds, is crucial to lowering U.S. manufacturing costs and boosting workers' wages.

"Access to our public lands has been limited for industry, even in areas where it is absolutely appropriate," Mr. Zinke says. "It's called the National Petroleum Reserve for a reason." The reference is to the 23 million acres in Alaska that Interior is investigating reopening for drilling after Obama-era restrictions. The department is also working on a new five-year plan for oil-and-gas development in the Outer Continental Shelf, 94% of which is currently off-limits to energy producers. It is issuing coal leases in Wyoming and Utah and streamlining approvals for the construction of the Berwind coal mine on the Virginia-West Virginia border.

"Our regulatory scheme has to be one that holds industry accountable, but that isn't arbitrary," Mr. Zinke says. In the past, "not only has our federal government been arbitrary, it has been punitive." He cites the example of Shell, which spent $10 billion on an Arctic drilling plan "only to be forced into a regulatory box that almost guarantees failure." Mr. Zinke is unequivocal: "That's wrong." His department is trying to prove its good faith by clearing backlogged permit applications and streamlining future projects. Mr. Zinke is also implementing a strictly market-based approach to energy plays, rather than subsidizing costly renewables. "We are for all-of-the-above energy, but the energy itself has to be competitive," he says. "It isn't Interior's role to pick and choose winners."



KEN FALLIN

All this will generate more revenue that the federal government can use to preserve national treasures for future generations. The Obama administration's crackdown on energy leases slowed royalties and left the Interior Department with an $11.5 billion infrastructure backlog in the national parks alone. In 2008, Mr. Zinke says, the department pulled in $18 billion in offshore revenue. Last year Interior's offshore revenues were only $2.6 billion. Even with the drop in oil prices, Mr. Zinke estimates that had drilling continued apace, Interior would have no maintenance backlog today and would instead be making capital investments of $3 billion to $4 billion a year.

Under Mr. Zinke's leadership, the department has already held more onshore lease sales in six months than in all of last year. From January to June of 2016, Interior generated just $11.5 million from onshore oil and gas. For the same period this year, the figure is $146 million. And Mr. Zinke insists he drives a hard bargain. "We have a royalty committee that we established to make sure the American public is getting value," he says. "If you are doing commercial work on our public lands, the No. 1 stakeholder is the American public, and they need a fair return."

Mr. Zinke says his longer-term goal is to make his department a better steward. He brings up President Theodore Roosevelt's famous 1903 camping trip to Yosemite National Park with the preservationist John Muir: "They went out on this wonderful ride, a ride that you could not even replicate today because of the dead and dying trees." Mr. Zinke has ordered all his agencies to put a priority on active management against wildfires. "We are spending $2 billion a year fighting fires, money that could be going to far better conservation efforts," he says, visibly annoyed.

Such mismanagement is what drives Western frustration, which threatens to become a new Sagebrush Rebellion. "Some of the anger is that our grand bargains have been broken, and those bargains said that you had wilderness, but you also have grazing; you could also hunt and fish," Mr. Zinke says. Now Westerners "watch these catastrophic fires, and they've lost any faith that the federal government is capable of being a good steward."

Mr. Zinke believes the only way for Interior to improve its performance is through a radical overhaul. He plans to devolve far more authority and resources to front-line park and land managers, allowing them to make decisions more quickly and efficiently. "You end up with a park superintendent of 47 years who apparently can't be trusted with making the grand decision of whether and when locals can collect fiddleheads," a type of fern, he says. "They're spending more time behind a desk, less in the field, and they are getting micromanaged."

The federal bureaucracy also makes it hard for on-site staff to work with state authorities, Indian tribes, and private landowners on solutions that take account of local needs. Mr. Zinke is thinking about moving the headquarters of the Bureau of Land Management, the Fish and Wildlife Service, and the Bureau of Reclamation to somewhere out West, perhaps Colorado. "I'm a military guy, so I'm all about putting your assets closer to the fight," he says with a laugh.

Mr. Zinke's ambitions extend to the daunting challenge of reforming the way the entire federal government manages its property. "We've got to start looking at our lands in terms of complete watersheds and ecosystems, rather than isolated assets," he says. "We need to think about wildlife corridors, because it turns out wildlife doesn't just stay on federal lands."

Even when it does, there often are overlapping jurisdictions. The management of a single stream may involve endangered salmon (overseen by the National Marine Fisheries Service), trout (Interior's Fish and Wildlife Service), a dam (the Army Corps of Engineers), irrigation (Interior's Bureau of Reclamation), and a nearby forest (the Agriculture Department's Forest Service). "We can have, and frequently do have, multiple biological opinions that are irreconcilable," Mr. Zinke says. "That's us mismanaging our core mission."

One of Mr. Zinke's first trips as secretary was to Yellowstone National Park. His first stop was the Roosevelt Arch, whose cornerstone was laid by Theodore Roosevelt in 1903. It is inscribed with that phrase from the law that created the park: "For the Benefit and Enjoyment of the People."

As a vision, that's pure Gifford Pinchot, who became the first chief of the U.S. Forest Service in 1905, during TR's presidency. Pinchot was a founder of the conservationist movement, an ardent believer in market forces, and an aggressive proponent of controlled but profitable use of natural resources for the benefit of citizens. Today's environmental movement—which measures the success of government land management by the number of acres locked away from public use—has largely excised Pinchot from history in favor of Muir.

"But here's the difference," says Mr. Zinke. "TR went on a nice ride with Muir. He *hired* Pinchot. And that's because Pinchot advocated using science and best practices for management."

The conservation ethic is where the similarity with Mr. Zinke ends. Pinchot was a scion of a wealthy East Coast family, a Yale Skull and Bones man. Mr. Zinke is all blue-collar Montana—the son of a plumber, an Eagle Scout, a college football player, a geologist, and the first Navy SEAL elected to Congress. His broader political outlook is more libertarian than that of the progressive Pinchot. "I've only ever thought there are two things our government should fund absolutely: our military and our parks system," Mr. Zinke says with a laugh. "The rest is up for discussion."

Ms. Strassel writes the Journal's Potomac Watch column.

Why Housing Is Unaffordable in California

CROSS COUNTRY
By Allysia Finley

Los Angeles

Democrats in Sacramento celebrated earlier this month when they passed a raft of bills intended to redress California's so-called housing crisis. Sorry to spoil the party, but their legislation will do little to address the real problem and could even make things worse for poor and middle-income residents.

Like so many of the state's problems, the crisis has political and regulatory origins. California's housing prices have always been high, but the gap has grown amid an increasing mismatch between supply and demand. Between 1950 and 1970, home prices were about 30% above the national average. By 1980 that had widened to 80%. In 2015 it was 150%.

In Silicon Valley the median home costs $1.2 million, about 2.5 times as much as in Seattle. Houses are less expensive inland—about $350,000 in Riverside and Sacramento—but living there often means a long commute. The weather also isn't much better than in Phoenix or Dallas, so why not move to another state? A net 800,000 people did just that between 2005 and 2015, and many of them earned less than $30,000.

The core problem is that over the past four decades California added only about half as many new housing units as it needed to keep up with population growth, and most of that construction was inland where there is less demand. As a result, real-estate prices in coastal counties have gone through the roof.

California's Department of Housing and Community Development estimates that home construction needs to increase 80% to meet demand. Achieving this would require bulldozing regulatory barriers, which Democratic politicians are loath to do.

The state Legislative Analyst Office notes that in California's coastal metros more than two-thirds of cities and counties have policies explicitly aimed at restricting housing growth, such as limits on density. When a developer wants to break ground, local governments impose multilayered reviews that can mean getting approval from the municipal building department, health department, fire department and planning commission as well as elected officials.

Neighbors can delay or block projects using the state's 1970 Environmental Quality Act. It isn't coincidental that California's housing prices soared during the 1970s. Getting a building permit in San Francisco takes about three times as long as in the typical American metro.

What could really help is deregulation, but residents aren't likely to get it from Democratic lawmakers.

There are more-direct costs, too: Local governments tack on hefty development fees, which run about three to four times as high in California as in the rest of the country. Politicians often attach conditions to projects requiring developers to pay workers "prevailing wages," determined by local unions. This is one reason the cost of construction labor in California is about 20% higher than nationwide. Stringent building codes and energy-efficiency standards can add tens of thousands to the price of a house—even though low-flow appliances often cause people to use more water.

All told, it costs between $50,000 and $75,000 more to build a home in California than in the rest of the country. Building a low-income housing unit costs $332,000—about $80,000 more than the median home in Dallas or Phoenix.

One bill the Legislature passed asks voters to issue $4 billion in general-obligation bonds to subsidize construction of low-income housing. If approved by voters next November it would finance a whopping 750 new homes each year. By the way, taxpayers are already on the hook for $10.7 billion—$350 million in debt service this year—from previous housing bonds.

Another bill would require local governments that aren't meeting state-determined housing targets to streamline permitting for low-income housing. That could help some, but developers still could be forced to pay prevailing wages, and projects still would have to comply with building and zoning codes.

Zoning is generally the biggest obstacle to development in coastal areas. In Orange County's foothills, local residents have protested rezoning 4.4 acres of barren land to allow 22 homes to be built on 10,000-square-foot lots—half the size of the current requirement. Opponents accuse developers of being greedy, but their real gripe is that subdividing the lots would increase the housing stock and thereby diminish the value of their own homes.

California's housing policies are intrinsically regressive. Limiting the supply drives up home values in well-to-do coastal communities, while pricing everyone else out of the market. Households in the lowest quartile in California spend about two-thirds of their incomes on housing; those in the top quartile spend just 16%.

The conundrum California's landed gentry face is they want to boost their home values—and at the same time to have an abundant supply of low-wage workers to mow their lawns and clean their pools too.

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

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OPINION

REVIEW & OUTLOOK

The GOP's First Reform Test

So long to low tax rates if Congress blinks on the state tax deduction.

The Republican tax "framework" is attracting the perennial criticism from the left, but the bigger question is whether competing clans on the right can hang together to pass reform that grows the economy. The GOP is already showing cracks on eliminating the state and local tax deduction, but surrendering on this hoary carve-out could dilute the final product and compromise its growth impact.

Republican Rep. Pete King of New York tweeted this week that any tax package "must retain" the state and local deduction, which allows filers who itemize to deduct taxes paid to lower governments. The GOP framework didn't single out the state and local deduction for execution, though everyone knows the intention is to eliminate the special treatment and plow the more than $1.25 trillion savings over 10 years into lower rates.

This is good tax policy. The deduction is a classic example of a tax preference that adds complexity to the code and subsidizes some Americans at the expense of others. The prime beneficiaries are folks who live in states with high tax burdens like California, New York and New Jersey—or, respectively, the 48th, 49th and 50th tax climates in the U.S. in the Tax Foundation rankings. Six states swallow more than half the cost, and the credit runs the federal fisc $100 billion a year in lost revenue.

And zoom in closer: The credit tends to benefit the wealthiest people living in the most affluent parts of progressive outposts, not least because nine in 10 filers earning north of $500,000 a year itemize. Some 88% of the benefits flowed in 2014 to households earning more than $100,000, according to Congress's Joint Committee on Taxation. A puny 1% went to filers who earn less than $50,000, as the Tax Foundation's Jared Walczak noted in a March paper.

In New York County, N.Y., home to Manhattan, the average deduction is more than $24,000, according to Tax Foundation county analysis. In the Bay Area's San Mateo County the write-off tops $15,000. Yet further inland in California's Merced County the average deduction plummets to less than $1,700. Taxpayers in Florida, which doesn't inflict an income tax on residents, can take a typically much smaller write-off for their sales tax payments.

Mr. King said in his tweet that "hard working New Yorkers must not be taxed twice," but state and federal budgets are distinct. Federal taxes pay for the military, for example, while state and local taxes finance public education—or in New York and California's case, teachers unions and public-pension liabilities.

That's why Democrats like Minority Leader Chuck Schumer have been on a tour of rhetorical excess about preserving the state and local deduction. They fear the wealthy, including many of their campaign donors, would suddenly feel the full pain of what they owe.

That exposure could make state tax increases more difficult to pass and blowout spending less sustainable. Some of Mr. Schumer's benefactors may decamp for Florida, but the hope is that states would be forced to confront their spending addictions. Call it a last-ditch effort to save New Jersey.

The press has noted that 33 House Republicans hail from the top nine states for the deduction as a share of income, but not all of them are as parochial as Mr. King. Devin Nunes on the tax-writing Ways and Means Committee represents parts of California's Central Valley, where the average deduction is much lower than in L.A. or San Francisco. Mr. Nunes's constituents like taxpayers everywhere would benefit far more from lower rates and faster economic growth.

The reality is that Republicans cannot preserve the deduction and pass pro-growth reform that satisfies the arcane procedural requirements of Congress. The GOP is looking to pay for cuts by streamlining preferences, and the $1.25 trillion over 10 years from eliminating the state and local deduction would finance a more than 10-point cut in the corporate rate.

No other loophole would save as much money. Killing or capping the mortgage-interest deduction would bring in a good haul, but that sop to the housing lobby has been classified as politically untouchable. The GOP will also have to buy off conservative redistributionists like Utah Senator Mike Lee, whose King Size child tax credit could cost another $1 trillion.

If the GOP can't kill the entire state and local deduction, perhaps a compromise is possible. Since the deduction so overwhelmingly flows to the affluent, Republicans could work up a solution that produced most of the revenue while protecting low and middle-income taxpayers on some portion of their property taxes.

* * *

All of this gives the GOP an opening to turn the class-war argument in their favor: Since when do Mr. Schumer and Elizabeth Warren oppose raising taxes on the 1%? But more important, Republicans must eliminate the deduction if the party wants to deliver on its stated goals of simplifying the code and unleashing growth. The alternative is a limp tax cut that doesn't lift the economy. The state and local fight is a crucial test of the GOP's political sincerity.

Paying for Standing Rock

Dakota Access Pipeline protesters cost taxpayers $43 million.

The Standing Rock protests ended seven months ago, but the saga is far from over. On Monday North Dakota's Department of Emergency Services announced that taxpayers will have to pay about $43 million in expenses accrued as the state struggled to respond to protesters.

Between 8,000 and 10,000 people camped out to protest the Dakota Access Pipeline, many from outside the state. Locals frequently reported protesters who had trespassed on their land or stolen property. At state offices the phones rang off the hook; throughout the 233-day protests almost 90,000 people called to discuss the pipeline. A large portion of these calls were hostile or abusive, and state employees had to listen, screening for threats.

The Morton County Sheriff's Department recounted how rioters threw stones, feces and Molotov cocktails at cops, obstructed roads, set fires and even rode on horseback behind a herd of bison, "attempting to stampede them toward law enforcement." Protesters significantly outnumbered local authorities, who had to summon law enforcement from 11 states for backup. More than 750 protesters were arrested, and at least 107 of those charged have pleaded guilty or been found guilty, some on multiple counts.

North Dakota's state court administrator said the number of criminal cases filed in Morton County surged by some 14%, at a time when the clerk of court's office was already understaffed. To this date 323 protest-related cases are still open and pending. The state had to put aside $2.4 million to provide public defenders for protesters, though not all of that money has been spent.

All of this undermines the Standing Rock protesters' claims that they were "peaceful and prayerful." The left threatens democracy when it embraces violence and vandalism, and the government has to spend money to keep rogues under control. North Dakotans will cover most of these costs, but the Department of Justice also provided the state with a $10 million grant, leaving taxpayers nationwide on the hook for these criminal antics.

Trump's Latest Casualty

The President doesn't like cabinet members who get bad press.

Loyalty for Donald Trump too often is a one-way escalator—up but not down—and the latest to discover this is Tom Price, who resigned late Friday as Health and Human Services Secretary. Mr. Trump had all but run him out Friday afternoon by saying "I'm disappointed in him" and that he would determine Mr. Price's fate "sometime tonight." The cabinet member took the message and got out before he could hear "you're fired."

Mr. Price has been taking media heat for flying on private jets, and he surely should have known better than to give his enemies a sword. Yet Mr. Price had said he would reimburse the government for the cost of his private air travel, cutting a check for nearly $52,000. Mr. Trump shoved him out the aircraft door anyway, saying "I was disappointed because I didn't like it cosmetically or otherwise."

Perhaps the President thinks dumping Mr. Price will send a populist message, but we wonder. Mr. Price is merely a political appetizer. His resignation is motivation for the swamp denizens to go after others in the Trump Administration on whatever issue they can find. Mr. Trump can expect to be answering questions soon about how this or that cabinet travel differs from Mr. Price's.

And if taking private jets is a firing offense, there will soon be many empty first-class seats in Washington. A 2013 Government Accountability Office report found that then Attorney General Eric Holder and FBI Director Robert Mueller used government jets to take personal trips, which they reimbursed at a rate comparable to commercial flight prices.

Our guess is that Mr. Trump was sore at Mr. Price over the failure of ObamaCare repeal, and he saw the travel flap as an excuse to send him packing. Mr. Price was recommended to Mr. Trump as a veteran of the House who could maneuver repeal through Congress. Repeal did pass the House, only to fail in the Senate.

Now Mr. Trump will have to find a replacement even as HHS faces crucial regulatory decisions on ObamaCare. Mr. Price knows the law and had invested nine months trying to figure out the bureaucratic traps. Mr. Trump in particular will need a nominee who already understands the waiver power that the executive branch has under the Affordable Care Act.

Perhaps he can coax former Oklahoma Senator and medical doctor Tom Coburn to take the job. But if Mr. Trump keeps treating his cabinet officers like "The Apprentice" cast, he might find that no one wants to work for him.

LETTERS TO THE EDITOR

Older Workers Face Mistaken Discrimination

There is no getting around the fact that people are living longer and are healthier and therefore can contribute their skills and experience long past the age at which their parents and grandparents left the workforce ("Let's Agree on An Age to Retire," Review, Sept. 23). This is a win for employers and employees alike. Age-discrimination laws aren't the barrier to hiring older adults; the barrier is ageism. Outdated assumptions about older workers' abilities and energy levels get in the way of hiring, even interviewing, older candidates for jobs. The result is that any job search for an individual over 55 takes an average of 20 weeks longer than for a person under 55. And employed older adults are disproportionately pushed out before they are ready to retire. The Age Discrimination in Employment Act is a toothless tiger and should be strengthened, not further watered down.

ANN MACDOUGALL
New York

I am in the same age group as our recent presidential candidates, and I am fighting to work as an educator, attorney or at anything else I can find that uses my skills from those prior careers. Please don't tell me to retire or threaten me with Social Security reform. I want to work.

EILEEN FERRIS
Newington, Conn.

As an executive coach, I know dozens of senior-age leaders who could replace their income were they to retire tomorrow, but who couldn't afford, or in some cases couldn't get, individual health insurance to "bridge" them until they are eligible for Medicare. Companies used to offer "retiree medical" that made it possible for well-paid older employees to retire early, creating opportunities for younger employees. Perhaps the authors should write their congressmen and suggest they make "retiree medical" part of their new health-care plan.

KRISTI DINSMORE
Centerville, Ohio

The authors propose to encourage the employment of younger people by implementing mandatory retirement ages. The good professors would be well advised to consult with their university's economics department, where they would learn that the "lump of labor" theory that forms the premise to their argument is widely regarded as a fallacy by economists.

If workers in their 60s are truly less productive, as the authors suggest, then the answer is simple: adjust their pay and responsibilities as appropriate. Let's focus on policies that create jobs, rather than policies that trade one worker for another under the dubious assumption that employment is a zero-sum game.

RAYMOND KUBIAK
Boston

As an older worker who has recently been hired, I can tell you that the notion that older workers start at a high salary and are guaranteed both continued employment and regular increases is nonsense. The market determines starting pay, and results determine any increases and continued employment—as with anyone else.

Corporate America has mastered the art of getting rid of older workers who aren't as sharp or don't justify their pay, no matter what age-discrimination laws there are. I'm not saying that is right or wrong, it just is.

KIRK SCHLUP
Woodbury, Conn.

Abbas Shows No Sign of Wanting Real Peace

In their op-ed "How Do Palestinians Define 'Terrorism'?" (Sept. 12), Jonathan Schanzer and Grant Rumley call on the Palestinian Authority to define terrorism as a first step toward discouraging it and comply with the soon-to-be-enacted Taylor Force Act.

The flaw in their proposal is that it presumes "moderate" Palestinian Authority President Mahmoud Abbas actually wants to rein in terrorism. Yet it was Mr. Abbas, himself, who incited the current wave of deadly Palestinian stabbings and car rammings of Israelis, Americans and others that included the murder of Taylor Force. On Sept. 16, 2015, during that year's Jewish High Holy Days, Mr. Abbas declared: "We welcome every drop of blood spilled in Jerusalem. . . . With the help of Allah, every shaheed [martyr] will be in heaven, and every wounded will get his reward." This was an unabashed endorsement of terrorism. He also dehumanized Jews in his address, saying that the Temple Mount, the Church of the Holy Sepulcher and "everything [in Jerusalem] is ours, all ours," and Jews "have no right to desecrate them with their filthy feet and we won't allow them to."

And lest one forget, Mr. Abbas's history of supporting terrorism goes back decades.

STEPHEN A. SILVER
San Francisco

The Truth Is Ever Green, but Not at Evergreen

Regarding Jillian Kay Melchior's "Inside the Madness at Evergreen State" (op-ed, Sept. 22): I'm unable to understand how our government institutions became incubators of hate, but after reading the commentaries about Evergreen College and "bourgeois norms," I can't escape that conclusion.

When someone speaks the inconvenient truth that people are generally more successful if they follow a pattern of education, marry before having children and avoid drugs and crime, one wouldn't expect it to generate a hysterical backlash about racism, bias and white supremacy. These markers of success apply universally and certainly didn't warrant the completely over-the-top condemnation of law school deans supposedly speaking in defense of those fragile students who may have been traumatized by hearing such obviously beneficial advice.

In a similar vein, when a respected professor questions the value of identity politics, the massive overreaction of the student body and faculty is reminiscent of Mao's Red Guards. Those who don't exactly conform to the students' orthodoxy need to be shamed, vilified and physically threatened for daring to speak truth to power. All that's missing was Mao's "Little Red Book" being brandished by the students. I can only imagine that the self-loathing expressed by the white students for their culture has been inculcated by the schools, and now those teachings are coming back in the form of virulent hate for any who disagree.

GEORGE HARRISON
La Selva Beach, Calif.

The Rescue Boat Decision Wasn't Mine, but Was Right

I am the subject of the article "A Doctor's Hard Decision" (page one, Sept. 16). I fear that readers will misinterpret the moral dilemma we faced. We didn't choose to save one life over many. The Golfo Azzurro didn't leave those refugees to drown in an effort to save just one man. That wouldn't have been morally defensible. The GPS coordinates of that drifting life raft were known to other rescue vessels in the vicinity besides ours, vessels equally competent to effect rescue.

Please note that the decision to sail north to Lampedusa was taken by Proactiva's head of mission, not me. It was a carefully considered, professional and in my view utterly proper decision. The commitment with which the entire crew of the Golfo Azzurro accepted the challenge was moving.

The questions to consider are: Should our vessel have been on standby off the Libyan coast in the first place? Having stationed ourselves there, should we have taken a 20-hour leave of absence to take this one bloke up to Lampedusa?

JOHN R. VALLENTINE
Sydney

Family Has Its Own Tempo

Regarding the Pepper . . . And Salt cartoon of Sept. 22: Lethargy may run in some families, but it walks in mine.

BILL DUTCHER
Norman, Okla.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"I usually only fist-bump on the first deal."

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OPINION

Partisanship Is Breaking Both Parties

DECLARATIONS
By Peggy Noonan

The subject is realism. It involves seeing clearly your moment in time and where you are within it. We have a heck of a time with this. Our dreams, hungers and illusions get in the way.

But I've never seen such a lack of reality among our two great political parties in Congress.

Their own survival as parties requires bipartisanship—concrete achievements and progress. They have to work together and produce! Nobody likes them. The biggest "party" in America is those who call themselves independent. Gallup has the Democrats' and Republicans' favorability each at about 40%. Both parties are internally riven, warring and ideologically divided. Neither is as sure as it's been in the past of its philosophical reason for being. Both have to prove they have a *purpose.* Otherwise they will in time go down, and it may not take that long.

Republicans fail again on health care, while Democrats refuse to get serious about taxes.

Both parties go forward as if they are operating in a pre-2016 reality. But the election, now almost a year ago, should have changed so many assumptions. For instance, when the Republican nominee promised not to cut entitlements, his crowds—Republicans, Democrats and independents—cheered.

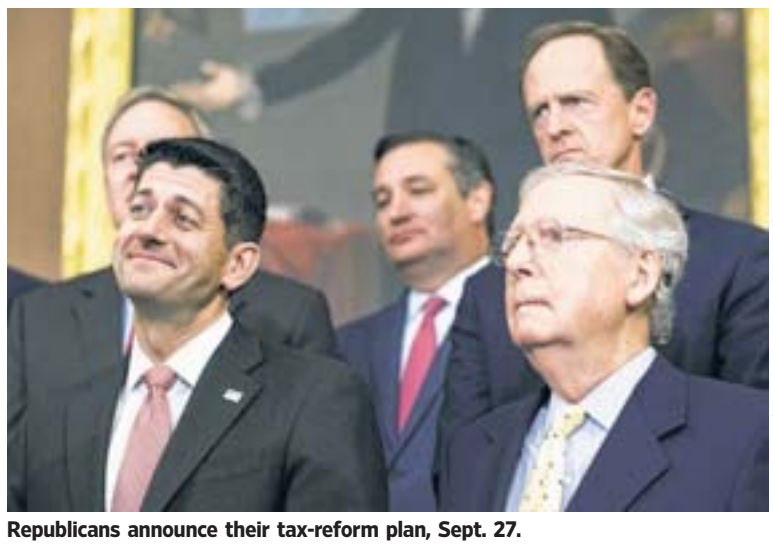
Health-care reform this week went down, again. The Republicans did not have the votes in the Senate, again. How they tried to get the bills through suggests they are living in a dream. The dream was that once they held the House, the Senate and the White House, they would be able to call the shots, crush the foe, bully their way through. They thought they would finally be able to do what the Democrats did when President Obama and the Democratic Congress bullied through Obamacare.

That was a mistake. What the Democrats did shouldn't be emulated.

Sen. John McCain, who basically killed the two Republican bills, did it based on a central insight as to the facts of the moment and the issue: The path to a new health-care law runs through the Democrats. The path to a bill better than ObamaCare—and it would have to be bad indeed to be worse than ObamaCare—runs through the Democrats. Changing one-sixth of the American economy cannot be successfully done without them. The American people will never accept a health-care law that is not backed by both parties. That means regular order—hearings, debate, negotiations—as Mr. McCain has said.

The Republicans failed because they tried to do what Mr. Obama, Speaker Nancy Pelosi and Majority Leader Harry Reid did, passing ObamaCare on a party-line vote. But bills that make great changes in how Americans live, such as Social Security and Medicare, must always have broad, two-party support. The Democrats pushed ObamaCare without fully understanding what the bill even contained. "We have to pass the bill so that you can find out what is in it," said Mrs. Pelosi, mindlessly and in a way accurately: They were content to let regulators and administrators figure out the implications of everything.

But fierce pushback followed—the tea party uprising grew; the Democrats lost the House in 2010. Then came the failure in 2013 of the website on which the entire program depended, the admission by one of its architects that it was marketed to take advantage of "the stupidity of the American voter," and the revelation that the central promise—"If you like your doctor you can keep your doctor"—was a lie.



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Republicans announce their tax-reform plan, Sept. 27.

The bill failed on its own terms, and it is still the law of the land. When Republicans tried to replace it, they tried to do just what the Democrats did—hold party-line votes on bills that few in the electorate fully understood. The difference is the electorate had previously been scalded. They're not in a trusting mood.

Health care is experienced now as a fully national issue, and there are signs America is tilting left on it. (A bipartisan health-care bill might help blunt the coming movement for single payer.)

Democrats have to be part of fixing ObamaCare. And though they should be in a weak position, having lost the congressional majorities and the White House, they're holding strong cards. The Republicans have crashed and burned twice, and there's no reason to think they'll magically succeed next time.

Health-care reform will have to come from both parties or it will not be accepted by America. It will have to be a compromise that comes from both parties or it will not pass the Kimmel test, the nonsensical but powerful showbiz bar such a bill must now clear. That means it will be more liberal than the Republicans want, and more expensive.

The Democrats will be hellish in negotiations. They will not call it "repeal and replace"; they'll call it "repair and reinforce." They'll be demanding. And this is unjust. They caused the problem in the first place! They should be feeling chastened; they should be desperate to create a fix. Instead they've been amusing themselves watching the hapless Republicans blow it again. They should amuse themselves less.

Now the Republicans turn to tax reform. Again they move from a weakened position. They're going forward without the momentum of victory, without the confidence of recently demonstrated skill. As he unveiled the plan this week, Speaker Paul Ryan wore a weirdly triumphant smile. "Today," he said, "we are taking the next step to liberate Americans from our broken tax code." He compared this moment to 1986, when Ronald Reagan won tax reform. But that was another world—a broadly popular president, both parties strong, each working, however reluctantly, with the other.

As strange as Mr. Ryan's enacting of a happy warrior's joy was the Democrats' response. They reverted to their own antique playbook, taking potshots, being unserious. The Republican plan is "a massive windfall for the wealthiest Americans," said Minority Leader Chuck Schumer. "It seems that President Trump and Republicans have designed their plan to be cheered in the country clubs and the corporate boardrooms." It should be called "wealth-fare." Sen. Bernie Sanders said the plan is "morally repugnant and bad economic policy."

But the tax code *is* too big and too complicated, as Mr. Ryan said. It would do the country good to see it improved.

Both parties are breaking and broken. They *both* need a win. They could recover some of their standing with a bipartisan victory. It would show America the two-party system itself can win and produce something needed. This would reinforce the position of both parties. It would suggest *they're* needed! If they can't produce something big together, more Americans will become certain they are not.

Meanwhile, thousands of K Street tax lobbyists will be crawling the halls trying to affect the shape of the bill for their clients.

Everyone is acting as if they don't know what time it is, or what position they themselves are in.

America is in trouble, with huge problems. The people need improvements in health care, in the tax code. They're desperate for is a sense that improvement is actually possible.

This is no time for Democrats to be small, tatty and cheap, to do the old class warfare, to issue one-liners instead of thoughts. They should wake up and get serious.

It's weird to see everyone going through the old motions, dream-like.

A Yankee Visits Charlottesville, Where Gen. Lee Is Under Cover

By Allen C. Guelzo

Charlottesville, Va.

This city seems to be in mourning. On the campus where Thomas Jefferson planted the "academical village" that grew up to be the University of Virginia, the university's statue of Jefferson was briefly swathed in black plastic. In nearby Emancipation Park, a 26-foot-high equestrian statue of Robert E. Lee remains swathed in black, mostly to prevent defacement. In the wake of the Aug. 12 riot between fanatics of the neo-Nazi right and the new Red Guards of the Antifa left, an uneasy atmosphere prevails throughout Charlottesville, as if awaiting, like Pompeii, yet another eruption.

Image-smashing undoubtedly has its satisfactions, but they tend to be short-lived.

As a Yankee I find it a little difficult to grasp why monuments to Lee are here in the first place. He lost, and if there is one sin American culture still prefers to bury from sight, it's losing. Worse, Lee committed treason against the flag and the Constitution. And behind that is the ugly truth that the Confederate cause was, when all the rhetorical chaff is swept away, designed to protect chattel slavery, the singular birth defect of the American republic.

But statues of Lee don't baffle me more than the Whiskey Rebellion statue in Washington, Pa., or the Dorr Rebellion Museum in Chepachet, R.I., or the bust of Aaron Burr in the U.S. Senate Chamber. They all remember treasons committed in the past, but I pass them by with a shrug. Time has rendered them harmless.

Monuments can also be deceptive. Because the Charlottesville Lee went up in 1924, at the apex of Jim Crow, it is easy to suppose that it was designed to reinforce white supremacy. But the dedication ceremonies featured high-school bands, cadets from the Virginia Military Institute, university faculty and the American Legion—not the Ku Klux Klan.

One of the dedication speeches celebrated Lee for surrendering at Appomattox and averting "scattered guerrilla warfare for many years" and for pointing Southerners "in the shadows of the defeat of war" toward "the star of hope with its radiant promise and prophecy of the triumphs of peace." Those words came from the Rev. M. Ashby Jones, a Baptist minister whose opposition to lynching made him a target of the Klan. The pedestal read only "Robert Edward Lee," and the statue itself was sculpted by Italian-born Leo Lentelli and cast in Brooklyn, N.Y.

There is a difference between monuments and memorials. Monuments invite us to see exemplars. Memorials are simply remembrances that something happened in this place. Often memorials are statements of mourning, occasionally of repentance, but they are not about power or approval. That's why we don't take the Donner Party Monument in Donner Memorial State Park as an incitement to cannibalism.

The line between memorials and monuments is not always clear. The Union statuary that populates the Gettysburg battlefield was originally intended as a monument to the righteousness of the Union cause. At the dedication of the monument to the 84th Pennsylvania Infantry in 1889, the speaker described the Civil War as "the greatest of rebellions against the grandest of governments." By the middle of the 20th century, visitors were more inclined to regard the monuments as memorials of a great and tragic sacrifice. Today they are mostly used by tourists and history buffs as markers of unit positions during the battle.

Image-smashing undoubtedly has its satisfactions, but they tend to be short-lived. Pulling down statues of George III, Stalin and Saddam Hussein was understandable when done by those who actually lived through their outrages. Otherwise, we look with shudders on past iconoclasts—the ones who burned the Library of Alexandria, or who smashed religious statues during the Protestant Reformation—as puritanical idiots.

David Rieff, in his book "In Praise of Forgetting," suggested that "a decent measure of communal forgetting" about historical offenses may be "the sine qua non of a peaceful and decent society." Sometimes the best revenge is living well. Hitler's refuge in the Obersalzberg today functions as a tea room, and Berlin's Olympic Stadium, which the Nazis used as a propaganda theater in 1936, has survived to host the World Cup—all without much more notice than the occasional historical footnote.

There have been times and places where monuments really were assertions of white Southern defiance, like the cemetery obelisk in Colfax, La., celebrating the perpetrators of the 1873 Colfax Massacre who were "fighting for white supremacy," as the monument proclaims unashamedly.

But does the Lee monument serve the same purpose? The answer would be yes only if we believed that 1865 and 1873 were yesterday, and that everything about the past is a statement of power (or a clever concealment of power) in the present. This is what links the monument-smashers to the campus deniers of free-speech: They understand monuments and speech solely as manifestations of power, which only can be confronted and silenced by power.

On a recent humid evening in Charlottesville, I walked past the Lee statue, huddled in its improvised burqa. He fought for a cause that rankles me to the soles of my abolitionist boots. But the armies that marched at his orders also melted away at his orders a long time ago; and the statue is immobilized, solitary, powerless. As Jefferson once said about the religious dissenter, he neither picks my pocket nor breaks my leg. So with Lee. I can let him alone.

Mr. Guelzo is a visiting professor at Princeton's James Madison Program in American Ideals and Institutions.

Trump Bullies the NFL Because It's Easy

BUSINESS WORLD
By Holman W. Jenkins, Jr.

Many worry that Donald Trump's tweets might inflame the North Korea conflict. Maybe his critics should step back with renewed admiration for the man and his subtle arts. Just notice how thoroughly his tweets have reduced the mighty NFL to impotence.

Indeed, a bystander wonders with what whimsical malice this aged man-child, blessed with superpowers, decided the league should be the newest target to be emasculated and confounded by his 140-character missiles.

Actually one doesn't wonder: It was Roger Goodell. Mr. Trump knows weakness when he smells it.

Mr. Trump landed a smart bomb on Tuesday with his tweeted suggestion that the league should ban protests during the national anthem—thereby making it impossible for Mr. Goodell to enact such a ban and thus reverse the league's plummet toward the abyss.

Mr. Goodell could have fairly said, It's time to get back to football. Everyone had their say last Sunday. The Cowboys knelt before the anthem and then stood, the Steelers and Seahawks chose to stay off the field, etc.

Players have every right to express their opinions in all the venues open to them, *but not here.* This league cannot afford to become an obligatory weekly stage for the divisive political cause of the moment.

A different NFL commissioner, with a less embarrassing history, might have been able to play this role without appearing to truckle to the Twitter-bully of the White House. As it is, NFL players would do the league a favor by informally agreeing among themselves to end the politicization of the anthem. Let the anthem go back to being a non-event.

Alas, Sports Illustrated this week supplied a metaphor for the league's hopeless search for the right political correctness to make its problems go away. Its "unity" cover only provoked criticism—for the presence of Mr. Goodell, the absence of Colin Kaepernick, a dearth of females, an excess of whites.

Ditto Aaron Rodgers's invitation to Green Bay fans on Thursday night to link arms in the stands. It fell almost as flat as an Odell Beckham Jr. end-zone antic.

Mr. Trump is disdained for low cunning, but low cunning beats no cunning. Mr. Trump said nothing at his Alabama rally or in his tweets about race or police shootings.

He said only that football players should stand for the anthem, a sentiment widely supported in polls. First Amendment rights also apply to the league and team owners. They are under no obligation to subsidize a platform for player political expression. It is not censorship. The NBA requires *its* players to stand respectfully for the anthem.

Mr. Trump wins this argument hands down, which is why critics resort to attacking straw men. "Yes, Trump's True Aim Is to Inflame Racial Tensions," insists the headline over an Al Hunt column at Bloomberg.

CNN reporter Coy Wire, himself a former NFL player, claimed on-air (emphasis added): "President Trump urged NFL owners to fire or suspend any NFL player who kneeled during the anthem *in protest of racial injustice.*"

In order to get the better of Donald Trump, they must put words in his mouth.

Black Americans may have reason to fear the police, but the issue is complicated. Reconcile these statements: Blacks are nearly three times as likely as whites to be killed by police, yet a white homicide victim is 2.6 times as likely as a black homicide victim to have been killed by police.

The explanation: A black person is so much more likely to be a homicide victim in the U.S.—nearly seven times as likely—that police shootings are a smaller proportion of black homicides than white homicides.

Not that the politics of race relations is a special competence of the NFL—any more than North Korea policy or health-care policy, though players have opinions on these matters too.

The most deadly omen for the league, however, the one that should strike fear in Mr. Goodell, owners and players alike, was an article by Roxanne Jones, a founding editor of ESPN magazine and former vice president of the ESPN network. She declared, "I found a reason to feel good about watching football again," as if the salvation of the game lies in picking political fights with large chunks of its fan base.

A mystery without an answer, of course, is how this Trumpian sally actually advances any national interest that Mr. Trump was elected to advance. A president referring to fellow citizens as SOBs in a televised speech is also a new low that hopefully won't soon be surpassed.

Still, with trepidation, the world awaits to see which power or principality the colossus of the White House Twitter account decides to confound and humiliate next. We begin to feel sorry for Kim Jong Un.

* * *

A version of Wednesday's column confused Douglas Durst with his brother Robert. Apologies for the error.

THE WALL STREET JOURNAL.
PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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Executive Chairman, News Corp

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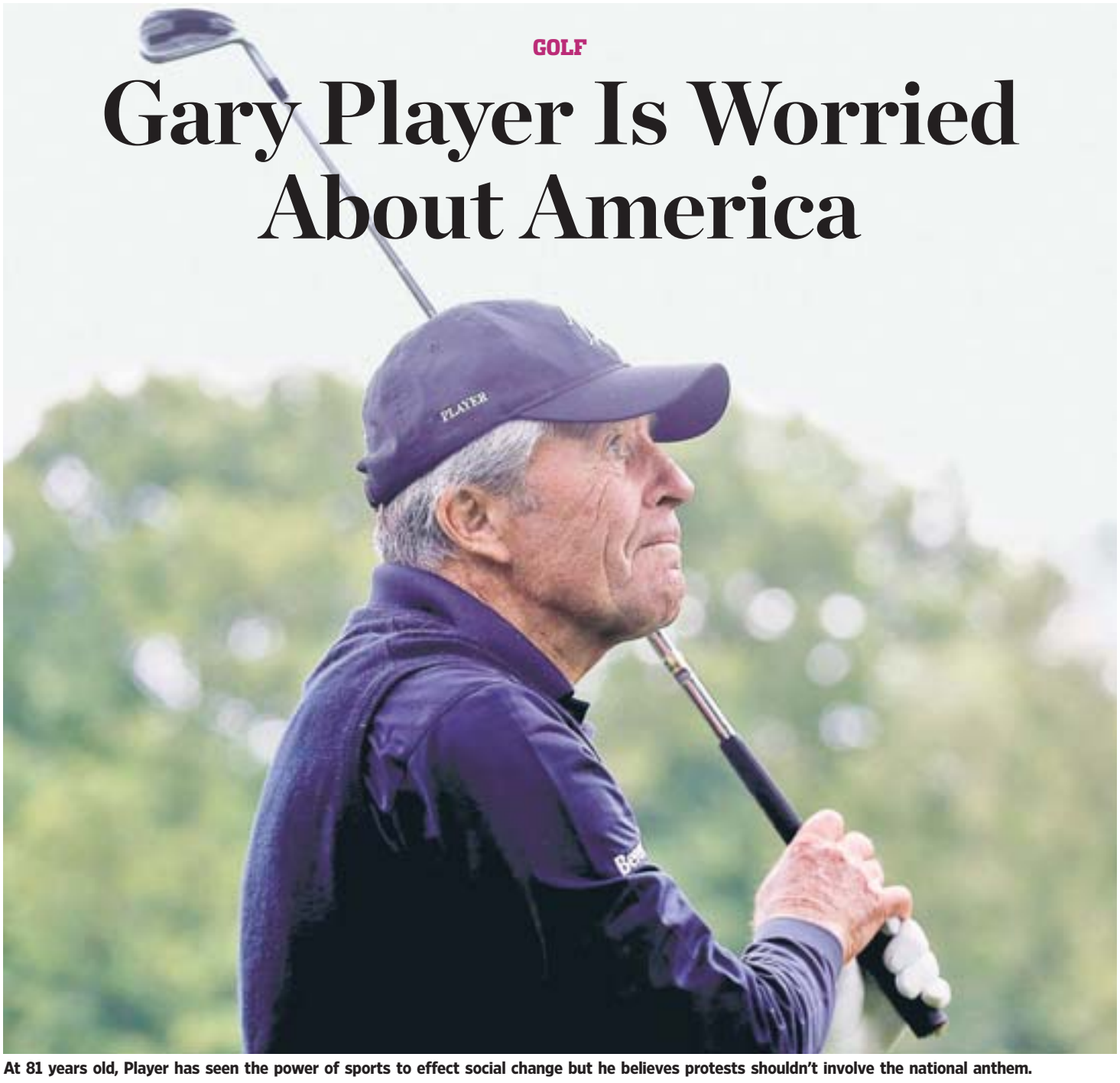
SPORTS

GOLF

Gary Player Is Worried About America



At 81 years old, Player has seen the power of sports to effect social change but he believes protests shouldn't involve the national anthem.

BY BRIAN COSTA

New York

"THE REST OF THE WORLD is laughing at you," Gary Player said, and he was only getting started.

The nine-time major champion was sitting on a bench at the driving range at Chelsea Piers, where Manhattan meets the Hudson River, late Thursday afternoon. A few hours earlier, he had sat alongside former presidents Bill Clinton, George W. Bush and Barack Obama to watch the opening tee shots of the Presidents Cup.

Now, still playing at 81 years old, he was taking a break from hitting balls. But golf was not foremost on his mind. More than anything, he wanted to talk about America, the closest thing to home for him outside his native South Africa.

"I pass by the great Statue of Liberty in a ferry today, and I say, 'The French gave it to you for a reason: freedom of speech and respect,'" he said. "And I see that dying. I see it dying."

This was not the kind of conversation people in the golf world like to have, at least in public. In the wake of President Donald Trump's spat with the NFL over demonstrations during the national anthem, coupled with his spat with the NBA's Golden State Warriors, most notable golfers avoided saying anything that could offend anyone.

T-B: JULIAN HERBERT/GALLO IMAGES/GETTY IMAGES; CHRIS CONDON/PGA TOUR/GETTY IMAGES

Tiger Woods said he hoped that "things can be healed." When the national anthem was played Thursday before the start of competition, the players stood at attention—to absolutely no one's surprise.

Their collective decision was so widely expected not because golf is a conservative sport, which it is by and large, but because its leading figures for so long have shied away from making statements of any sort that make its fans uncomfortable.

In this regard, the perpetually-outspoken Player has always been an outlier. And lately, he said, he fears there is even less room for individual expression in sports.

"There's only freedom of speech if it's politically correct," he said. "If you say the wrong thing today, your career is ruined. The things America stood for when I first came here are gradually vanishing."

Player joined the PGA Tour in 1957. He went on to become an all-time great golfer, a fitness evangelist and the first truly international golfer. From his earliest days as a professional, he traveled the world to play in tournaments. Now, still constantly on the move for various business and charitable ventures, he says he has traveled more miles than any human in history.

But his life has also been shaped by racial strife and how he responded to it. When he was younger, he made statements in support of the apartheid government in South Africa, which he said were the result of him being "brainwashed" growing up. He became a target of anti-apartheid demonstrators in the U.S., who frequently heckled him at tournaments.

At the 1969 PGA Championship, which he lost by one stroke, he said demonstrators threw ice in his face and threw a phone book at him during his backswing.

"These guys haven't got to deal with a quarter of what I dealt with," he said, referring to today's athletes.

Player later lobbied the South African government to allow Lee Elder, a black American golfer, to play in the 1971 South African PGA Championship, making it the first racially integrated event in the country's history. He visited Nelson Mandela in prison, kissing his feet upon meeting him, and went on to become a favorite of the iconic leader.

Writing about Player in an essay for Golf Digest in 2000, Mandela wrote, "Few men in our country's history did as much to enact political changes for the better."

Player has seen the power of sports to effect social change, but said protesting during any country's national anthem is misguided at best.

"I am a big believer that you should demonstrate for your causes, but the flag and the anthem are ours—everybody's," Player said. "Demonstrate against your cause, against that particular cause. People get confused—why are they demonstrating?"

That stance was echoed earlier in the week by Davis Love III, an assistant U.S. captain at the Presidents Cup, where the Americans built an early lead Friday as they sought to win for the seventh time in a row. Love said NFL players chose the wrong time to protest. "I think President Trump is right," Love said on Golf Channel, adding that anyone who wants to protest can send a letter to his or her member of Congress.

Player said he is most baffled by public antipathy toward Trump in general.

"You have a man who is a duly elected president of America and I hear a man on television saying we will never recognize him as president. I can't comprehend it," Player said. "The lack of respect."

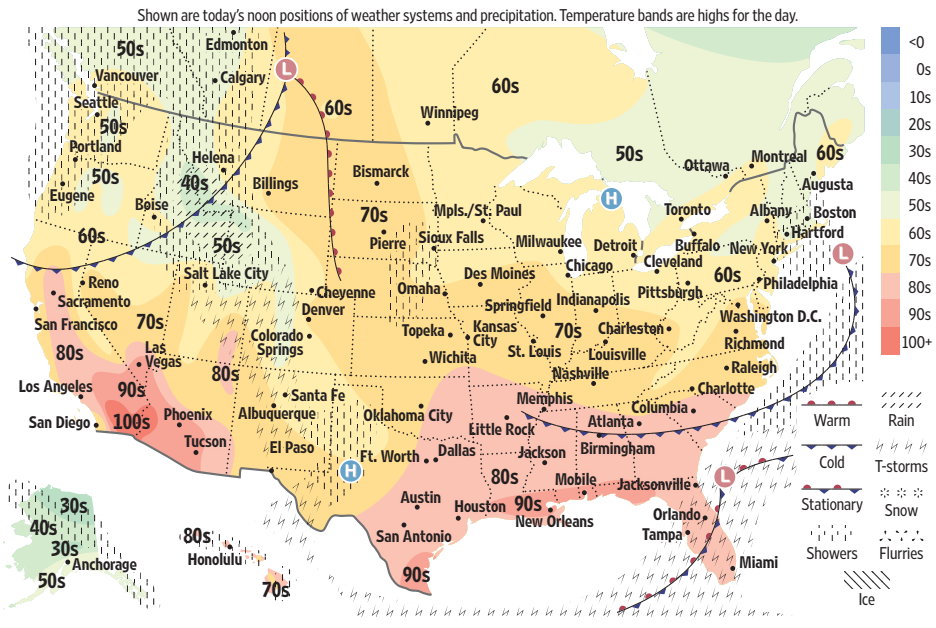
Trump enjoys a closer relationship with golf than with any other sport. In addition to owning a portfolio of 18 golf clubs, the president has played casual rounds with prominent golfers including Woods, Rory McIlroy, Ernie Els and Lexi Thompson since the election. But Player said his message was less about politics than about unity.

"I hear from people all the time who can't believe what they see on television," he said. "They can't believe that Americans are condemning their own country." He added, "Anybody who lives in this country should kiss the ground every day."

Weather

AccuWeather.com

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



U.S. Forecasts

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

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	51	39	pc	52	43	pc
Atlanta	81	60	pc	76	59	pc
Austin	85	61	pc	88	64	pc
Baltimore	69	48	pc	71	48	s
Boise	65	42	sh	57	38	c
Boston	58	48	r	66	49	s
Burlington	62	36	pc	67	44	s
Charlotte	79	51	s	74	53	s
Chicago	68	50	s	74	58	s
Cleveland	66	46	s	74	51	s
Dallas	86	63	s	88	68	s
Denver	72	47	t	71	40	t
Detroit	65	46	s	68	52	s
Honolulu	87	72	sh	88	74	sh
Houston	88	67	pc	90	72	pc
Indianapolis	71	48	s	74	56	s
Kansas City	74	57	pc	74	63	pc
Las Vegas	93	68	s	91	66	s
Little Rock	81	57	s	82	66	s
Los Angeles	84	64	s	80	63	pc
Miami	89	79	t	89	80	t
Milwaukee	64	50	s	69	58	s
Minneapolis	69	54	s	67	55	sh
Nashville	79	54	s	81	57	pc
New Orleans	90	74	s	86	74	pc
New York City	66	50	pc	70	54	s
Oklahoma City	78	57	pc	78	61	s
Omaha	72	59	pc	72	59	t
Orlando	86	74	t	84	74	t
Philadelphia	67	52	pc	71	53	s
Phoenix	99	72	s	98	70	s
Pittsburgh	65	41	s	70	46	s
Portland, Maine	58	43	pc	69	48	s
Portland, Ore.	64	51	sh	63	47	sh
Sacramento	85	57	s	85	57	s
St. Louis	76	52	s	77	64	s
Salt Lake City	68	46	pc	59	41	pc
San Francisco	74	57	pc	75	59	s
Santa Fe	67	49	c	72	43	pc
Seattle	62	51	sh	60	48	sh
Sioux Falls	67	56	sh	67	54	t
Wash., D.C.	71	53	pc	72	55	s

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	61	51	pc	61	56	r
Athens	71	62	pc	71	63	c
Baghdad	106	72	s	98	71	s
Bangkok	88	78	t	90	78	t
Beijing	81	61	pc	78	49	c
Berlin	68	51	pc	59	51	sh
Brussels	59	50	pc	60	55	r
Buenos Aires	72	55	c	63	48	r
Dubai	101	83	s	102	84	s
Dublin	56	50	pc	64	50	r
Edinburgh	58	44	pc	63	48	r
Frankfurt	68	48	t	63	53	pc
Geneva	67	47	t	66	52	pc
Havana	85	72	t	89	72	t
Hong Kong	90	83	sh	91	83	t
Istanbul	69	62	sh	68	60	t
Jakarta	90	74	c	90	76	sh
Jerusalem	76	60	s	79	61	s
Johannesburg	76	55	t	74	55	c
London	63	57	pc	67	55	r
Madrid	85	59	pc	82	59	pc
Manila	91	80	t	89	79	t
Melbourne	59	45	pc	61	46	c
Mexico City	69	57	pc	70	57	pc
Milan	71	56	pc	68	54	pc
Moscow	49	33	c	48	31	pc
Mumbai	91	80	pc	92	80	sh
Paris	64	53	pc	62	56	r
Rio de Janeiro	79	72	r	87	73	s
Riyadh	101	69	s	103	70	s
Rome	74	58	pc	72	57	sh
San Juan	85	80	sh	89	78	sh
Seoul	79	59	s	74	59	r
Shanghai	75	71	r	88	74	r
Singapore	88	78	t	86	78	t
Sydney	75	53	pc	73	55	s
Taipei	94	80	s	97	80	pc
Tokyo	76	64	pc	76	68	pc
Toronto	61	42	s	66	50	s
Vancouver	61	48	pc	60	43	pc
Warsaw	60	40	pc	60	42	s
Zurich	71	47	t	64	49	pc

NBA

BIG DEAL: WESTBROOK STAYS PUT

BY BEN COHEN

They traded for Paul George, added Carmelo Anthony and now the Oklahoma City Thunder are strutting into the NBA season knowing they can build around a player they already had.

Russell Westbrook, the league's most electrifying talent, most stylish dresser and most valuable player, agreed to a five-year, $205 million extension on Friday afternoon that became the richest deal in NBA history, kept him under contract through 2023 and completed an extraordinary off-season for the Thunder.

Westbrook won last year's MVP award by averaging a triple-double, but that was in part because he needed to average a triple-double for Oklahoma City to make the playoffs. Once the Thunder lost in the first round, though, general manager Sam Presti got to work upgrading the roster around Westbrook. He made a stunning deal for George on draft night. He pulled off a trade for Anthony last week. And with the upcoming season quickly approaching, Westbrook finally agreed to the contract extension that eliminated any uncertainty about his long-term commitment to the team that drafted him.

But what makes his signing even more remarkable is the person who helped make it possible: Kevin Durant.

Oklahoma City entering this season with George and Anthony while planning for a future with Westbrook was all but unthinkable on the day that Durant left the Thunder last summer to solidify the Golden State Warriors as the best team in basketball. But here's the thing: It was exactly that decision that helped shape an important clause in the collective-bargaining agreement the league struck in December. And that clause gave the Thunder the huge advantage they used to keep Westbrook.

LAYNE MURDOCH/NBAE/GETTY IMAGES

NBA salary-cap experts spotted it as soon as they dug into the highly technical language of the deal.

Some even call it "The KD Rule" because it's widely believed to have been written in response to his departure.

This bylaw sets the criteria for the handful of star players who qualify for the biggest contracts teams can offer. They have to have been in the NBA for a certain amount of time. They have to have won the league's premier individual awards. And they have to be on the teams that drafted them or traded for them early in their careers—a reward for shrewd judgment that incentivizes the game's best players to stay in their current markets no matter the size.

And the upshot of Westbrook finally signing it Friday—which happened to be Durant's birthday—was put into context by his town's mayor. "High-profile millennial chooses OKC as home," Mick Cornett wrote in a tweet.

Westbrook confirmed the deal in a statement ending with the two words that have served as his life's mantra: "Why not?"

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BUSINESS & FINANCE

TOMOHIRO OHSUMI/BLOOMBERG NEWS

BITCOIN WIN SOME, LOSE SOME B9

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DJIA 22405.09 ▲ 23.89 0.1% NASDAQ 6495.96 ▲ 0.7% STOXX 600 388.16 ▲ 0.5% 10-YR. TREAS. ▼ 6/32, yield 2.328% OIL $51.67 ▲ $0.11 GOLD $1,281.50 ▼ $4.00 EURO $1.1814 YEN 112.50

Peltz Wins Support in P&G Fight

Proxy adviser ISS says company would gain by having activist investor on its board

By Sharon Terlep

Less than two weeks before the largest proxy vote in history, activist Nelson Peltz got a big boost in his high-profile fight against **Procter & Gamble** Co.

Institutional Shareholder Services Inc., the largest proxy-adviser firm, recommended on Friday that P&G shareholders put the 75-year-old investor on the board over the company's protests. Another proxy adviser, **Glass Lewis** & Co., came out in favor of Mr. Peltz last week.

"There are several signs that the board could benefit from additional shareholder perspective," ISS wrote in its 25-page report, which mutual funds and other institutional investors can use to guide their voting.

The two sides have traded barbs for weeks about whether Mr. Peltz deserves a seat on the consumer-products giant's board. Mr. Peltz's **Trian Fund Management** is one of P&G's biggest shareholders with a 1.5% stake valued at $3.5 billion.

Trian has been amassing support in recent weeks. Another top shareholder, Yacktman Asset Management, which owns about 15 million shares of P&G, or a 0.6% stake, said earlier in September it was backing Mr. Peltz. Five former board members of H.J. Heinz Co. wrote a letter to P&G's board in support of Mr. Peltz, who won a seat on the ketchup-maker's board in 2006 after a proxy fight.

$3.5B

Value of Trian Fund's 1.5% stake in Procter & Gamble

ISS's recommendation was largely a criticism of P&G's current board, which is stacked with current and former leaders of blue-chip companies like American Express Co., Home Depot Inc., Hewlett-Packard and Boeing Co.

While noting positive results since Chief Executive David Taylor took over P&G nearly two years ago, ISS blamed directors for ill-advised acquisitions and CEO turnover. It criticized the company for failing to consider outside candidates following the troubled tenure of Mr. Taylor's predecessor.

"The board's handling of CEO succession during the better part of a decade left a lot to be desired, and subjected the company, and shareholders, to years of underperformance," the proxy firm said.

ISS said the fact that all but one of P&G's 10 nonexecutive directors lacked previous consumer-products experience may have contributed to P&G's inability to spot key trends. "Considering Peltz's extensive background with consumer companies, particularly his directorships at Heinz and Mondelez, many shareholders might not readily agree with the board's dismissiveness of his potential contribution as a director," ISS said.

P&G has argued that Mr. Peltz's experience with food and beverage companies doesn't equate to expertise with consumer-packaged

Please see PROCTER page B2

Google Probes Russian Activity On Sites

By Jack Nicas And Robert McMillan

Google is conducting a broad internal investigation to determine whether Russian-linked entities used its ads or services to try to manipulate voters ahead of the U.S. election, according to a person familiar with the matter, a move that comes after **Facebook** Inc. and **Twitter** Inc. said Russian actors used their sites.

Google, part of **Alphabet** Inc., is also talking with congressional officials who are investigating Russian efforts to influence the election, and plans to share its findings with them once completed, this person said.

Congressional leaders have scrutinized Facebook and Twitter for Russian activity on their sites—and criticized the companies for their lack of disclosure of such information.

Google, pending a potential meeting with lawmakers, has said little. Earlier in September, the company said it found no evidence that it sold election-related ads to Russian actors. But it didn't say how deeply it was investigating the issue, or whether there were other types of Russian interference on its platform.

On Friday, the company said, "We will of course cooperate with inquiries; we're looking into how we can help with any relevant information."

It is unclear what sort of activity, if any, happened on Google's sites. But Google runs the world's largest advertising business and the largest online-video site, YouTube, making it an obvious place for investigators to look.

Rep. Adam Schiff, the top Democrat on the House Intelligence Committee, which is investigating Russian influence on the election, said that lawmakers want to speak to Google "given their dominant force online that has an advertising component."

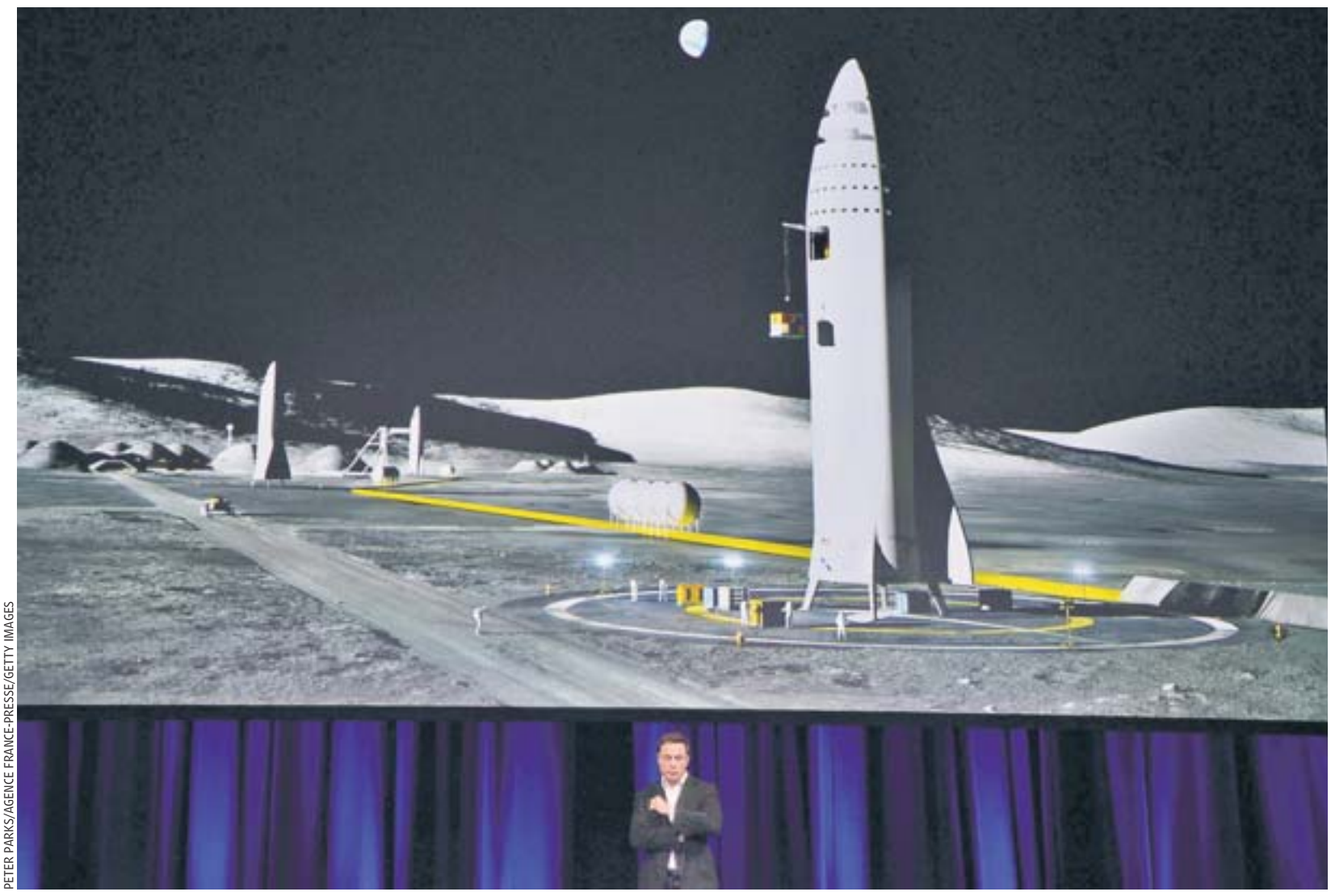
Google sells ads above its search results, before YouTube videos and on third-party websites and apps. Google even offers a specific ad tool for political campaigns that it says will help advertisers "win the moments that win elections." Google's YouTube site is also one of the world's largest social-media communities, with more than 1.5 billion monthly users.

The site is also a hotbed for highly partisan political videos, including misleading and false content. And it is a primary way Russian media with direct links to the Russian government reach viewers, particularly in the Western world.

Russian state media RT, which a U.S. intelligence report said aimed to meddle in the election, has 2.2 million subscribers and 2.1 billion views on its English-language YouTube channel.

Twitter on Thursday singled out RT as an advertiser that was part of Russian interference on its site. RT spent $274,100 to advertise on Twitter during the campaign, the company said.

RT couldn't immediately be reached, but in a note sent earlier Friday, RT's editor in chief, Margarita Simonyan, said RT had been "spending money on our advertising campaigns, just like every media organization in the world." The Russian broadcaster has previously disputed the U.S. intelligence report.



PETER PARKS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Elon Musk said Friday that SpaceX aims to build the world's most powerful rocket to carry a reusable manned spacecraft to Mars well ahead of any government timetable.

Musk's Mars Shot: To Red Planet by 2024

By Andy Pasztor

Elon Musk unveiled plans to build the most powerful rocket ever and use it to launch a giant, reusable manned spacecraft to Mars—potentially in less than a decade—in the billionaire's most aggressive expression yet of his vision for privately funded space exploration.

Mr. Musk sketched out new ambitions for his company, **SpaceX**, including technical details of capsules larger than superjumbo airliners and the kernel of a business plan to pay for it, at an international astronautics conference in Australia on Friday.

Projecting the first trips to Mars in 2022 or 2024—more than a decade before the U.S. or any other governments anticipate coming close—Mr. Musk's latest plans are built around a business model he hadn't publicly broached before.

Space Exploration Technologies Corp., as his company is formally called, seeks to create a single fleet of super-powerful rockets and spacecraft able to serve commercial satellite operators, U.S. government customers and Mr. Musk's own dreams of deep space exploration.

By applying technology from his current boosters and vehicles to build much larger, more-capable versions, Mr. Musk aims to use cash flow from ongoing operations to finance his Mars ambitions. The existing hardware would be phased out and replaced by the multipurpose systems.

"I think we have figured out how to pay for it," he told the crowd of scientists, industry officials and space aficionados gathered in Adelaide. "We think we have a way to do it."

Mr. Musk, who is also the co-founder of Tesla Inc., stayed away from cost estimates—even though industry officials over the years have questioned some of SpaceX's internal revenue and profit projections. The company's Falcon Heavy is four years late

Please see MUSK page B2

THE INTELLIGENT INVESTOR | By Jason Zweig

Stocks Won't Stampede With the Bulls Forever

With U.S. stocks hitting highs this past week and the calendar just about to flip to October, think 30 years back with me to Friday, Oct. 16, 1987.

The stock market is up more than 30% for the year. But traders are jittery: Interest rates are rising, tax rates are in flux and the U.S. is bickering with international trade partners and skirmishing with Iran.

James O'Shaughnessy, a young investor in St. Paul, Minn., has made a "five-figure" bet on stock-index put options, a way of profiting from a sharp fall in price on a basket of big U.S. stocks. Plugging his phone into a modem that dials up a stock-quotation service, he becomes more nervous as the day goes on and the Dow Jones Industrial Average falls a record 108.35 points on unprecedented volume of nearly 339 million shares.

The selling is "completely overdone," he thinks: Stocks are bound to bounce back big on Monday "and then I'll get killed" for hanging on to the bearish bet. "A feeling of panic washed over my entire body," Mr. O'Shaughnessy says. "I've just got to get out." He calls his broker a half-hour before the market closes and sells it all.

That weekend, Mr. O'Shaughnessy feels "greatly

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Unwanted Diesel Production Vexes Europe's Oil Refiners

By Christopher Alessi

A backlash against diesel sparked mostly by the Volkswagen AG emissions scandal has upended Europe's big oil refiners, which invested roughly $10 billion in recent years to equip plants to churn out more of the fuel and now are bracing for plummeting demand.

Total SA of France, **Repsol** SA and **CEPSA** of Spain, and **Saras** SpA of Italy are planning to use facilities built to produce diesel mostly for passenger cars to instead provide chemically similar products like container-shipping fuel and jet fuel. They hope to at least minimize the latest blow to an industry that was already being squeezed by competition from Asian and Middle Eastern refiners.

Friday, reverberations continued from the 2015 scandal, as Volkswagen said it would take a fresh charge of €2.5 billion ($2.94 billion) due to higher-than-expected costs of fixing cars in the U.S. The charge brings to nearly $30 billion the total fines, penalties and compensation Volkswagen has paid since it admitted as many as 11 million of its diesel vehicles world-wide contained software that helped the cars appear to meet standards for toxic emissions.

Oil refiners had pinned their hopes on European diesel as the Continent's fleet of personal diesel-powered vehicles grew to 45% by 2015, compared with 2% in the U.S., according to the International Energy Agency.

The Volkswagen scandal sent sales of diesel vehicles plummeting, particularly in the company's home country of Germany, where politicians threatened to restrict diesel cars in some cities. Diesel, which emits nitrogen oxide, is now considered a much more serious pollutant than it was just a few years ago, when European governments were promoting the fuel as a cleaner alternative to gasoline.

"Diesel was the darling and has become the devil," said Dario Scaffardi, executive vice president at Saras.

Total had poured more than $2.4 billion into diesel-friendly upgrades at its two largest European refineries. Repsol and CEPSA invested $4.76 billion

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DIESEL

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and $2.4 billion, respectively, on similar upgrades and modernization projects. Even independent refiners like Saras that aren't tied to big oil-exploration companies shelled out hundreds of millions of dollars.

Between 2005 and 2017, European refiners invested a total of around $10 billion equipping their plants to churn out diesel, a capacity increase of nearly 60%, according to IHS Markit.

The European refining industry was already under pressure. Amid greater competition from Asian and Middle Eastern refiners, two dozen refineries closed between 2009 and 2016, leaving the Continent with roughly 105 active refining operations, according to IHS Markit. More are likely to close in the coming years, said Carlos Navarro, vice president for refining development at Compania Espanola de Petroleos SAU, or CEPSA.

"I see in 20 years less than 50 [refineries] will be in operation," Mr. Navarro said.

Europe still remains one of the world's biggest consumers of diesel. European demand is estimated at 6.4 million barrels a day this year, over a fifth of global diesel consumption, according to the IEA. About 30% of that demand is for personal vehicles.

Yet demand is going to be increasingly hard to sustain. In the U.K. and France, leaders have announced plans to ban all gasoline- and diesel-powered vehicles after 2040, while the French government recently unveiled plans to raise taxes on diesel by 10% next year. At the same time, the Continent's big car makers, including VW, BMW AG, Daimler AG and Volvo, are accelerating efforts to manufacture electric vehicles.

Berta Cabello, head of refinery planning and analysis at Repsol, said big companies like hers should be able to shift their production to growth areas like jet fuel, regardless of the rise of electric passenger vehicles. "It's very difficult to see commercial electric planes," Ms. Cabello said.

A spokeswoman for Total said the company didn't question its investments in diesel, in part because "trucks and commercial vehicles are likely to remain diesel-powered in Europe."

"Refineries that invested in complexity will have the ability to modify output toward heavier distillates [like marine and jet fuel]. They are well prepared," said John Cooper, the head of refining industry group Fuel Europe. Switching to shipping fuel or jet fuel is easier for upgraded refineries because they are diesel-related distillates.

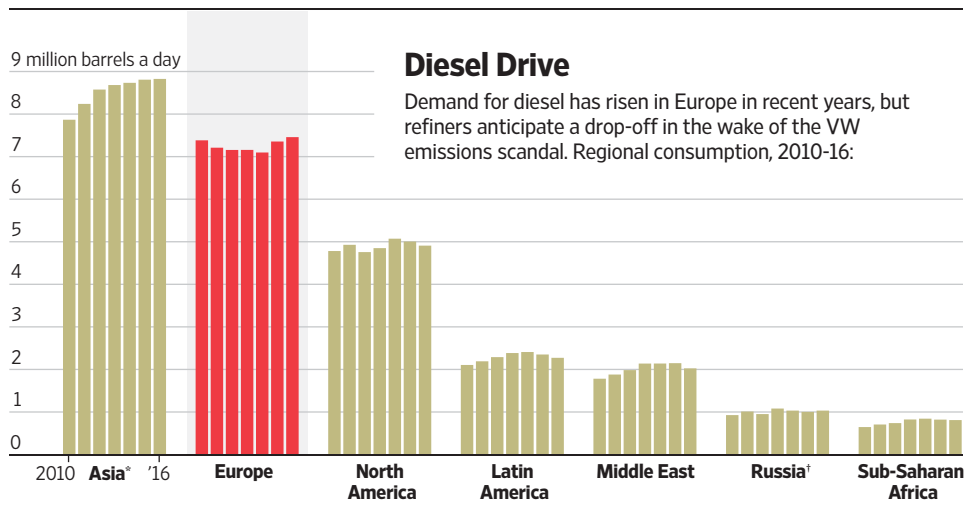
By pumping out shipping fuel, the refiners can take advantage of new emissions curbs that cut the amount of sulfur allowed to be used in marine fuel starting in 2020. Diesel-related distillates are low in sulfur.

But not all refiners in Europe have invested in the complex upgrades needed to make such a shift, Mr. Cooper said.

Mr. Scaffardi of Saras said his refineries and those of competitors invested heavily in "hydrocrackers," high-tech units that increase the amount of distillates like diesel or jet fuel that can be extracted from a barrel of crude oil. Even in Asia and the U.S., where gasoline is more common, refineries ramped up their ability to produce diesel for commercial and export purposes, said Kristine Petrosyan, a senior energy analyst at the IEA.

Those investments, Mr. Scaffardi said, are now the industry's greatest challenge. "I'm not trying to downplay the fact that there are changes on the horizon," he said. "There is a strong push against fossil fuels."

—William Boston contributed to this article.



Diesel Drive

Demand for diesel has risen in Europe in recent years, but refiners anticipate a drop-off in the wake of the VW emissions scandal. Regional consumption, 2010-16:

*Includes Pacific islands; †Includes ex-Soviet states in Caspian Sea region Source: Wood Mackenzie THE WALL STREET JOURNAL.

MUSK

Continued from the prior page

and its manned Dragon capsule, intended to carry astronauts to the international space station, is even tardier and hasn't yet flown.

Outside experts estimate the price tag to reach Mars at $10 billion, raising questions about the company's ability to generate that level of free cash flow over the next few years. SpaceX's primary business today is lofting satellites for commercial customers and the Pentagon. Yet internal company projections from early 2016 showed that at best total launch revenue would continue climbing and still remain below $3.3 billion by 2019. Mr. Musk's plans for a multibillion-dollar satellite operating company are at an early stage.

Mr. Musk didn't mention the price of a ticket to Mars, either. Last year, while discussing a different rocket-spacecraft combination, the SpaceX chief said initially a voyage to Mars could cost a person roughly $200,000.

During his speech Friday, Mr. Musk said a one-way trip to Mars would take three to six months. Independent space scientists have estimated it would take at least twice that long with current rocket technology, depending on the position of the planets.

Critics have said Mr. Musk's goals are overly ambitious and have noted SpaceX's fewer-than-planned launches and revenue shortfalls partly due to a pair of accidents.

On Friday, Mr. Musk acknowledged the 2022 target was largely "aspirational," but said he was "fairly confident" that by 2024 SpaceX could fly as many as four spacecraft, including two with crews, to the Martian surface to start building a fuel depot.

The billionaire, who has shaken up the space business and notched several historic firsts with his reusable rockets, was poised to counter naysayers who have called his grand plan a sci-fi dream.

His updated vision of a public-private partnership relies less on major new federal programs supporting Mars exploration and more on repurposing SpaceX's own cash flow from commercial ventures.

Mr. Musk's comments are likely to fan a debate over the role of entrepreneurial initiatives in championing exploration deeper into the solar system.

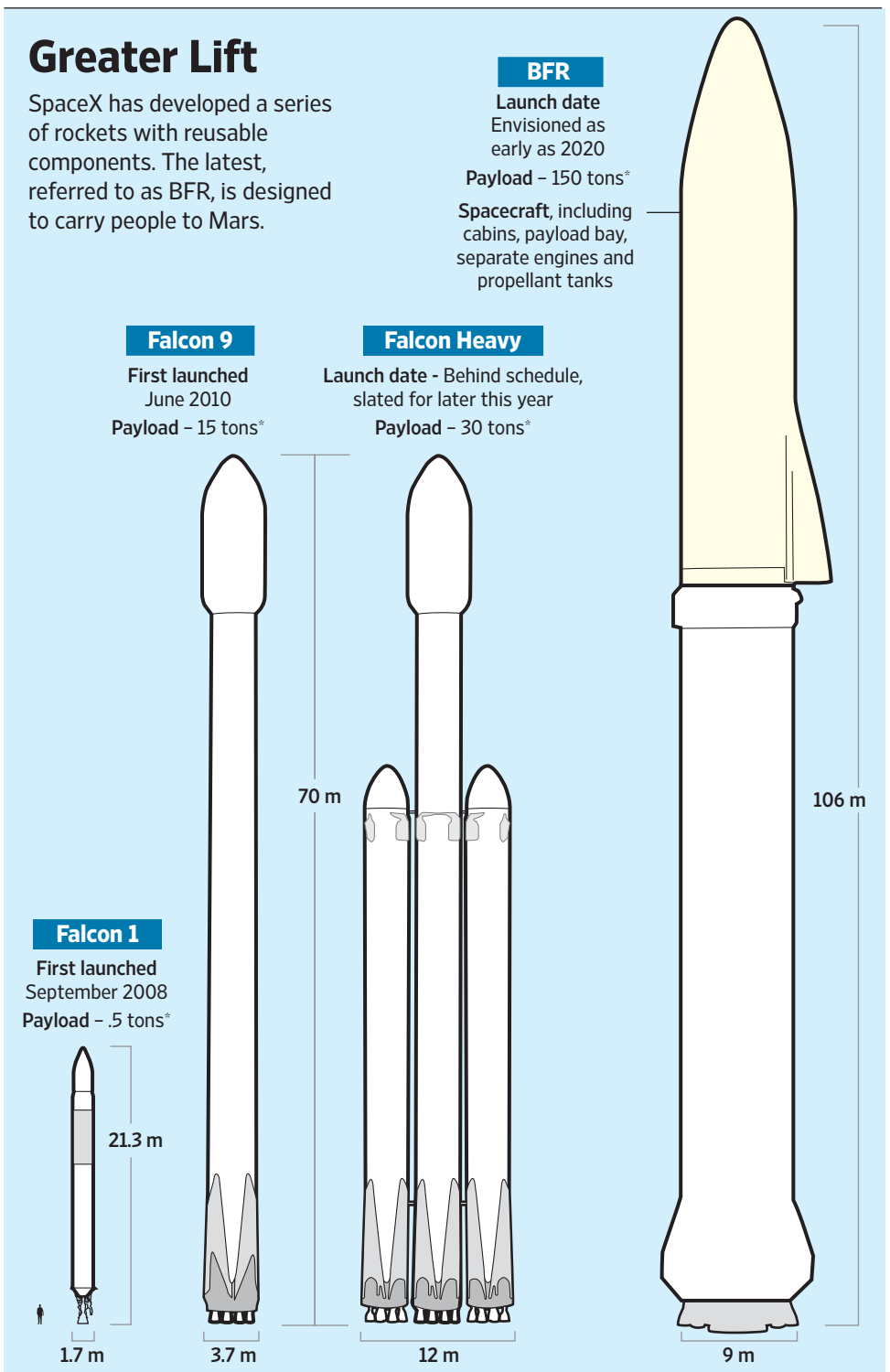
The engineering underpinnings of the latest plan differ from earlier incarnations, including a revised heavy-lift rocket more powerful than the Saturn V that blasted the first U.S. astronauts to the moon half a century ago.

SpaceX's next-generation rocket is now expected to be somewhat smaller than originally conceived, featuring 31 methane-fueled engines rather than the 42 Mr. Musk announced roughly a year ago. It is still slated to carry up to 150 tons into low-earth orbit.

It would be roughly 10 times more powerful than the Southern California company's flagship Falcon 9 rocket and significantly more capable than the long-delayed Falcon Heavy derivative expected to blast off for the first time later this year.

Unlike previous, more general presentations about Mars exploration, Mr. Musk set some specific milestones. "We are now beginning serious development" of the new rocket family and "should start building the first ship" by the second half of 2018, he said. Under Mr. Musk's most optimistic scenario, the initial launch to the international space station could come four years later.

Advanced versions of spacecraft slated to take astronauts and, later, passengers on voyages to Mars are expected to have capacity of roughly 100 people.



Greater Lift

SpaceX has developed a series of rockets with reusable components. The latest, referred to as BFR, is designed to carry people to Mars.

Source: the company *Estimated THE WALL STREET JOURNAL.

PROCTER

Continued from the prior page

goods like paper towels and razors.

On Friday, P&G said its case against Mr. Peltz is bolstered by ISS observations that the company has produced positive results amid efforts to shrink its product portfolio and streamline management. "Change is not warranted when a highly engaged board is overseeing a plan that is working," P&G said.

The recommendations of ISS and Glass Lewis aren't insurmountable in a proxy fight. Both firms sided with Mr. Peltz in his failed attempt in 2015 to win a seat on the DuPont Co. board. In that contest, the three largest shareholders—Vanguard Group, BlackRock Inc. and State Street Corp.—voted in favor of the company. The three firms are also the largest holders of P&G stock. They didn't respond Friday to requests for comment.

Likely working against Trian is among the most widely held stocks, with 2.55 billion shares outstanding. An estimated 40% of those shares are held by individual retail investors who are more likely to favor the company.

P&G has rejected Mr. Peltz's attempt to get a board seat, saying his ideas are either ill-informed or retreads of work that is already under way. Its executives have warned that adding the outsider to the board could disrupt the company's progress.

Trian has said the company should organize itself into just three business units, down from 10, by combining businesses, such as beauty, grooming and health care. The units, Trian said, would operate autonomously and have total control over sales, marketing, manufacturing and other major functions.

Shareholders are set to vote on Oct. 10.

—Joann S. Lublin contributed to this article.

Lawmaker Takes On China's U.S. Deals

Robert Pittenger wants to curb investments here by the economic and military rival

By Kate O'Keeffe

WEEKEND PROFILE

When a Beijing-backed fund tried to buy an American chip firm, Rep. Robert Pittenger (R., N.C.) fired off a letter urging the government to block it.

After lobbyists for a Chinese e-commerce giant came to the congressman's office to get support for their affiliate's attempt to buy a U.S. money-transfer firm, he wrote an op-ed blasting the deal instead.

And when a Chinese group struck a tiny deal to buy the Chicago Stock Exchange, Mr. Pittenger mounted a broad effort to block it.

Through the steady application of public and private pressure on his colleagues in Washington and on would-be deal makers, the Texas-born Christian missionary-turned-businessman-turned-politician has become Capitol Hill's most prominent anti-China voice.

The 69-year-old lawmaker's focus is timely. Chinese investment in the U.S. tripled to a record $46 billion in 2016, according to New York consultancy Rhodium Group. The figure is still small compared with investment from places such as the U.K., Canada and Japan, but the sharp increase has raised concerns in Washington because China is an economic and military rival. The Committee on Foreign Investment in the U.S., or CFIUS, which is made up of Trump cabinet officials, reviews deals for national-security risks and has held up a number of China-backed deals.

Mr. Pittenger says he took note of China in the 1970s while traveling in Asia with Cru—then called the Campus Crusade for Christ. In the ensuing decades, he said, he watched in dismay as China's rapid increase in trade with the West transformed it from a minor player into an economic and military powerhouse, all while Beijing rejected values such as human rights and religious freedom.

"We've rebuilt their economy through our consumption. And we took a garden snake and made it into a boa constrictor," said Mr. Pittenger.

The congressman says Americans need to be wary of what he characterizes as Beijing's systematic efforts to use targeted, state-subsidized acquisitions to challenge U.S. dominance in sectors such as technology and finance.

Mr. Pittenger is leading campaigns to stop a potential $1.2 billion deal in which **Ant Financial Services Group** would buy Dallas-based payments firm **MoneyGram International** Inc. and one in which conglomerate **Chongqing Casin Enterprise** Group is leading a group seeking to buy the Chicago Stock Exchange. He was one of the main opponents of a $1.3 billion plan by Chinese-government-backed **Canyon Bridge Capital Partners** to take over Portland, Ore.-based **Lattice Semiconductor** Corp., which was blocked by President Donald Trump on national security grounds.

Mr. Pittenger, alongside Senate Majority Whip John Cornyn of Texas, is planning soon to introduce bipartisan legislation to overhaul the CFIUS national-security review process and further increase scrutiny of Chinese investment in the U.S.

Mario Mancuso, a former CFIUS member who now leads Kirkland & Ellis LLP's CFIUS practice, says Mr. Pittenger's voice is part of a larger global debate over how countries should approach Chinese investment.

TOM WILLIAMS/CONGRESSIONAL QUARTERLY/ZUMA PRESS

He is wary of challenges to U.S. dominance in tech and finance.

"He's been vocal, persistent and bipartisan, and all the while has maintained an earnest, 'Mr. Smith goes to Washington' quality about him," Mr. Mancuso said.

Not everyone sees it that way, particularly people who are losing money because of the lawmaker's efforts. After Mr. Pittenger's bipartisan letter blasting the Lattice-Canyon Bridge deal, Paul Wick, a Silicon Valley-based portfolio manager at **Seligman Investments**, wrote to Mr. Pittenger's office to say his actions could hurt thousands of U.S. investors, according to correspondence reviewed by The Wall Street Journal. He added that he thought the lawmaker's team was "flat-out wrong" in its assessment of the deal's national-security risks.

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Equifax Board Weighs Clawbacks

By Emily Glazer And AnnaMaria Andriotis

Equifax could announce in coming days that it will claw back compensation from some top executives over its massive data breach, a person familiar with the matter said.

The embattled credit-reporting company's board has been in discussions about the best approach for clawbacks, such as what time frame to use when calculating what to include, this person said. For instance, affected executives are likely to not get paid this year, and Equifax could also claw back money that hasn't yet vested from key executives, this person said.

The board has yet to determine whether other years' compensation could be affected since the breach occurred this year, the person added.

Equifax didn't respond to a request to comment.

Potentially affected executives could include former Chief Executive Richard Smith and Susan Mauldin, the company's former chief security officer, this person said. Mr. Smith this past week announced he was stepping aside as chairman and CEO; Ms. Mauldin retired a week after the company disclosed the data breach on Sept. 7.

When announcing Mr. Smith's departure, the company said it had yet to officially characterize his exit and that that would be based upon the board's investigation of the breach.

An Equifax spokesman at the time said that certain of Mr. Smith's pay awards "are still outstanding," and the disposition of those awards will await the outcome of the investigation. That appeared to leave the door open for clawbacks.

Equifax's disclosure of the hack sparked a public and political uproar since it disclosed vital personal information of potentially 143 million Americans.

In an opinion-editorial article in The Wall Street Journal Thursday, interim Equifax CEO Paulino do Rego Barros apologized for the hack and said the company would provide a new service by Jan. 31 that would allow consumers to lock and unlock access to their Equifax credit reports free of charge for life.

Equifax has been trying to take steps to contain the crisis, especially since Mr. Smith next week will testify before three congressional committees. In the hearings, Mr. Smith is expected to defend Equifax's security measures by pointing to its IT spending directed at security, which falls "within the range" of other companies' expenditures, this person said. Already, some legislators have asked why the company hasn't clawed back compensation from executives.

—Michael Rapoport contributed to this article.

High-Speed Traders in Deal Talks

Consolidation trend continues in a sector under pressure amid rising costs

By Alexander Osipovich

Hudson River Trading LLC, one of the largest U.S. high-speed traders, is exploring a deal to buy rival Sun Trading LLC, people familiar with the situation said, as the once-lucrative industry is pressured by low volatility and rising costs.

New York-based Hudson River, which has said it trades around 5% of U.S. equities volume each day, was among several firms that showed interest in Sun after the Chicago-based firm put itself up for sale in recent months, the people said.

No deal has been finalized, and it is possible that talks between the companies could fall through. Sun Chief Financial Officer Michael Deaton declined to comment.

High-frequency trading, or HFT, firms make money by using computer algorithms to zip in and out of stocks, futures and other assets in fractions of a second.

The industry has suffered because of a slump in volatility, which has fueled a series of consolidation deals. Revenues at HFT firms from U.S. equities are projected to be $850 million this year, compared with $7.2 billion in 2009, according to Tabb Group LLC.

Hudson River and Sun, like many firms in the secretive industry, are privately held and reveal little about their trading strategies.

Founded in 2002 by five graduates of elite universities with degrees in mathematics, physics and computer science, Hudson River now has around 180 employees globally.

Sun was founded in 2003 by Jeff Wigley, a former floor trader at the Chicago Board Options Exchange. The firm trades stocks in North America, Europe and Asia, as well as currencies, bonds and futures, according to its website.

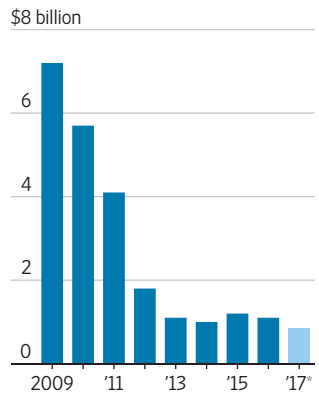
It was among the first HFT firms to connect to the off-exchange platforms called "dark pools," people close to the firm said. One of its most lucrative strategies involved exploiting tiny price differences between prices in dark pools and exchanges, said one of those people, a former executive.

Sun was mentioned in a 2014 lawsuit filed against Barclays by New York State Attorney General Eric Schneiderman, who accused the bank of misleading customers about how much "predatory" HFT was allowed in its dark pool. An analysis cited in the lawsuit called Sun's trading activity in the pool "very toxic."

Barclays last year admitted wrongdoing and paid $70 million to settle the suit and a parallel action by the Securities and Exchange Commission. Sun wasn't accused of any violation.

Sinking Fast

High-speed firms' U.S. stock-trading revenue



*Projected
Source: Tabb Group estimates
THE WALL STREET JOURNAL.

Amazon Gives Whole Foods Sales a Boost

By Heather Haddon

CARLO ALLEGRI/REUTERS

A Whole Foods store in New York City. The grocer's private-label products are finding a new sales outlet through Amazon's website.

Amazon.com Inc. has sold about $1.6 million in Whole Foods beans, breakfast cereal and other store-brand products in the first month since taking over the organic chain, one of the first infusions of cash the e-commerce giant has delivered to the natural grocer through its site.

Amazon completed $500,000 in online sales in the first week after it started offering Whole Foods' "365 Everyday Value" products, according to the One Click Retail, an e-commerce data analytics firm that focuses on the site's transactions. Weekly sales fell to about $300,000 for the next two weeks after Amazon ran low on some products but rebounded in the fourth week, the analysis found.

During the past month, 19% of Whole Food's sales on Amazon were of snacks and candy, followed by frozen fruit and vegetables, One Click found. Condiments and health and beauty items drew the least share of sales. Deli turkey breast and coconut water were the most popular individual items.

Whole Foods brand pasta, packaged meats and other goods already had a loyal following among customers of the chain's 470 stores, with exclusive products accounting for 15% of the company's annual revenue.

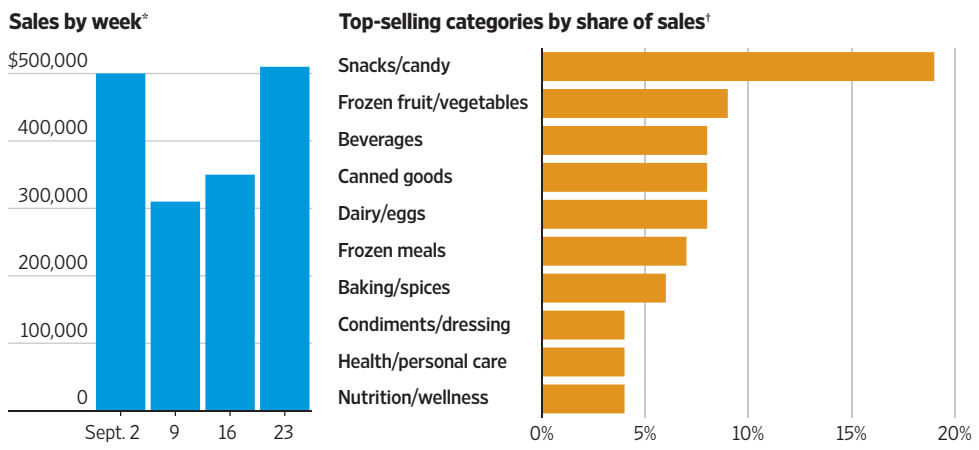
But Amazon gives Whole Foods products the potential for a new mass-market platform, providing new revenue to the struggling grocer, grocery analysts said. "When they blow it out, it'll be a much bigger number," said Bob Goldin, partner for the Pentallect Inc. food consultancy.

The sales at present amount to a tiny portion of the roughly $8 billion in retail sales Amazon averages a month.

A Whole Foods spokeswoman declined to comment. Amazon didn't respond to requests to comment.

In the Cart

Since its purchase, Whole Foods has sold an estimated $1.6 million in store-brand items on Amazon's website.



*For weeks ending date shown †For Aug. 28 through Sept. 26. Source: One Click Retail
THE WALL STREET JOURNAL.

The online private-label sales are among the changes Amazon made after taking over Whole Foods on Aug. 28. The online retailer also permanently reduced prices on eggs, milk, bananas and other high-volume items across stores, trying to undo the chain's "Whole Paycheck" image.

Third-party data showed an increase in traffic as curious shoppers flocked to Whole Foods stores several days after the price cuts took effect, but the surge subsequently subsided. It will take additional measures to turn around Whole Foods' two years of steady sales declines, Mr. Goldin said.

Spurred by Amazon's entry, August traffic at Whole Food stores was up 10% from the year's monthly average through July, according to location-based data compiled by the in-Market mobile analytics firm. Traffic is projected to be 4% below average in September, it found.

"I've bought a bit more salmon," said Howard Levy, a 67-year-old retired financial worker, as he left a Whole Foods store in Chicago. Mr. Levy said he is buying more of the grocer's newly discounted fish but still goes to Kroger Co'.s Mariano's chain in the area for many items at less expensive prices.

Amazon and Whole Foods executives have said they planned to institute more discount offers in the months to come. The chain had experienced more than two years of declining same-store sales—a key retailer metric—prior to Amazon's deal for Whole Foods in June.

Grocers across the country are fiercely competing on price to lure shoppers to their stores.

Merck Joins Industry Retreat From Hepatitis C Competition

By Cara Lombardo

Merck & Co. is halting development of new hepatitis C treatments after reviewing their effectiveness and determining there is already an abundance of treatments, including its own Zepatier drug.

The market to treat the liver disease afflicting 3.5 million Americans has become increasingly competitive, prompting Merck and others to focus their attention elsewhere.

Johnson & Johnson's Janssen unit earlier in September discontinued development of its own hepatitis C treatment, which analysts said had good but not competitive results. The company said it would focus on hepatitis B treatments, an area where there are fewer options.

Merck said Friday it made its decision after Phase 2 trials of two combination regimens.

The company recently recorded a $2.9 billion impairment charge related to research and development of uprifosbuvir, the antiviral used in the abandoned regimens, after lowering its value to $240 million due to competition.

Merck had acquired the drug-development program through its purchase of Idenix Pharmaceuticals Inc. for $3.9 billion in 2014.

Zepatier was approved in the U.S. in early 2016 as a once-daily, single-tablet combination of two drugs, grazoprevir and elbasvir, to treat adults with two types of hepatitis C. Merck said on Friday that it would study Zepatier, which had global sales of $555 million in 2016, in an effort to bring it to more patients.

The drugmaker cites an abundance of treatments in pulling the plug on a project.

Gilead Sciences Inc., the market leader in hepatitis C, derived 40% of revenue in its latest quarter from hepatitis C treatments. Those sales have been declining since 2015 because of pricing pressures.

AbbVie Inc. in August said it had received Food and Drug Administration approval to sell its next-generation hepatitis C treatment, Mavyret.

The company said up to 95% of hepatitis C patients will be eligible for the drug, which at $24,600 for a standard course of treatment will cost less than older drugs from AbbVie, Merck and Gilead.

Analysts at Leerink said Merck's announcement, combined with J&J's plan, "changes everything" in terms of new treatments for the virus.

"The commoditization of the category is likely to stop almost immediately, and AbbVie and Gilead should establish some sort of stable duopoly in this still massive disease indication," Leerink said in a research note.

In Friday trading, shares of Merck and AbbVie fell less than 1%, while those of Gilead rose less than 1%.

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U.S. Urges Price Shift for Energy

By Timothy Puko

WASHINGTON—The Trump administration is urging independent energy regulators to change how electricity is priced, proposing new rules that would bolster revenue for coal-fired and nuclear power plants.

The Energy Department is mandating that the Federal Energy Regulatory Commission consider new rules that would effectively raise power prices to pay more to plants considered more resilient. The department suggests nuclear and coal-fired plants as potential recipients, and charges FERC with tweaking electricity markets so they give more of a reward to plants that have at least three months of fuel on site and can run uninterrupted through extreme weather, disasters or other emergencies.

Nuclear and coal-burning technologies are probably the only ones able to meet the requirements, experts said. Under the proposal, eligible plants would get paid enough to cover their costs and a "fair return on equity" whenever they run, even though they sell into competitive markets.

FERC, which regulates wholesale power markets, is under no obligation to make these changes, only to consider them. FERC officials are reviewing the proposal, a spokeswoman said. Any changes made would likely be implemented by the grid operators that run deregulated power markets under FERC's oversight.

BRANDEN CAMP/ASSOCIATED PRESS

New proposals seek to help coal-fired and nuclear power plants. A coal-fired facility in Georgia.

This type of intervention from the Energy Department is rare, according to energy lawyers and analysts. It appears the department hasn't made a similar request since 1979 when, at the height of that decade's oil crisis, it encouraged FERC to help transition the country to natural gas and away from fuel oil, said David Doot, a lawyer at Day Pitney LLP, which has been researching the topic.

The move is the administration's latest attempt to support fossil-fuel businesses. It has worked to roll back or delay rules its officials say were unwieldy and unfair attempts by the Obama administration to promote renewable power.

But environmentalists and other critics see the trend as a political effort to follow up a Trump presidential campaign heavy on promises to the fossil-fuel industry and denials of climate change. Some critics claimed it is a bailout for failing nuclear and coal businesses, and criticized the proposal for blocking out options like batteries and smart-grid technologies that also could increase reliability.

Nuclear and coal-fired plants have become an urgent target because dozens have closed nationwide and others are threatened. Those plants, often referred to as baseload, have been the country's primary source of power for decades, raising questions about how reliably the nation's grid would function if those plants shrink to become only a minor source of power.

Cheap natural gas from the shale boom has been the primary culprit, fueling a new generation of much more efficient competitors to coal and nuclear plants, according to a study the department finished last month.

"Distorted price signals...have resulted in undervaluation of grid reliability and resiliency benefits provided by traditional baseload resources, such as coal and nuclear," Energy Secretary Rick Perry wrote in a letter to FERC. "As a first step, it is especially urgent to prevent premature retirements of the resources that have these critical attributes."

Intense lobbying efforts from power companies in financial trouble or faced with closing money-losing plants have already led to changes.

Two states have passed new laws that effectively subsidize nuclear power while other states are considering similar measures and grid operators are pursuing changes to how they set the price of power.

The new chairman of FERC, Neil Chatterjee, has expressed an interest in finding a way to bolster coal and nuclear power plants. FERC recently returned to a quorum of commissioners after several months without one, and several observers expect this issue to be one of the new commission's major agenda items in the months to come.

Nuclear Project Gains Support

By Miguel Bustillo

The Trump administration offered an additional $3.7 billion in loan guarantees to a nuclear-power-plant project in Georgia that is billions over budget and years behind schedule, raising the total federal guarantees to $12 billion.

Energy Secretary Rick Perry said Friday that it was important for the U.S. government to support the Alvin W. Vogtle Electric Generating Plant, which would be the first new nuclear reactors built in the country in more than three decades.

"I believe the future of nuclear energy in the United States is bright and look forward to expanding American leadership in innovative nuclear technologies," Mr. Perry said in a statement, adding that nuclear power was important to the stability of the nation's power grid.

The Vogtle project involves adding two new reactors to a plant that currently contains two older reactors. The costs of the expansion have ballooned to more than $25 billion, according to **Southern Co.**, chief owner of the plant. The company disclosed the financials in August, adding that the project would likely be delayed by at least another 18 months until February 2021.

Vogtle's price tag is set to be split by Southern, several regional power companies, and **Toshiba** Corp., whose subsidiary, Westinghouse Electric Co., went bankrupt this year while building the plant.

It is the only nuclear plant under construction in the U.S., after Scana Corp. in July pulled the plug on a similar project using Westinghouse reactors in South Carolina. That facility also encountered delays and cost increases, which raised its projected completion costs above $25 billion.

Southern's Georgia Power Co. subsidiary is set to receive $1.67 billion of the $3.7 billion in additional loan guarantees being offered.

Wal-Mart Pushes Jet.com Strategy

By Sarah Nassauer

One year after **Wal-Mart Stores** Inc. bought Jet.com for $3.3 billion, shoppers will get a better idea of how the retailer aims to use the startup to battle **Amazon.com** Inc.

Jet plans to start selling apparel from niche online sellers that Wal-Mart has acquired over the past year, according to people familiar with the matter. It is expected to add clothes from ModCloth in coming months and Bonobos men's apparel next year, one person said.

Ahead of the winter holidays, the website also plans to introduce a new line of private-label food and other grocery items.

The moves are part of a broader effort by Wal-Mart U.S. e-commerce head Marc Lore to offer shoppers specialty goods that can't be bought elsewhere and to differentiate Jet from its parent brand. They also shift Jet, which launched in 2015, away from its roots as a discount retailer.

Jet will start selling about 60 food and household products over the next two months, later adding baby, beauty and pet products that aim to give shoppers a more-premium option than Wal-Mart's existing store-brand selection, one of these people said. The items will use shipping-friendly packaging, not packaging designed for products sold primarily from store shelves.

A spokeswoman for Jet confirmed that a line of private-brand products called Uniquely J would be released, designed with the "metro millennial consumer" in mind. The items will include coffee, olive oil, laundry detergent and paper towels, she said.

The Hoboken, N.J., unit is also developing a bed-in-a-box brand, said another person familiar with the plans, similar to the compressed mattresses touted by a growing group of startups. The mattresses are mainly sold online and shipped to consumer's homes.

As Jet embraces private and specialty brands, it has pulled back on some costly experiments, like delivering fresh food to homes

Wal-Mart said Wednesday it would expand its baby brand Parent's Choice, adding bedding, baby food and a stainless-steel sippy cup.

Amazon is boosting its private-brand selection as well. After it acquired Whole Foods, it quickly added the grocer's store brand, 365, to its online offerings.

—Telis Demos contributed to this article.

NATIONAL TRANSPORTATION SAFETY BOARD

The safety of lithium batteries for use in aircraft drew intense scrutiny in the wake of several incidents on board Boeing planes.

Boeing Disputes Battery Testing

By Andy Pasztor

Four years after fire-prone batteries temporarily grounded **Boeing** Co.'s 787 airliners, the company is clashing with U.S. regulators over how to prevent similar hazards in the future.

Building for many months, the dispute erupted last week in Washington during a public meeting of the policy-making committee of the Federal Aviation Administration's top technical advisory group, known as RTCA. It highlights nagging questions about the safety of ubiquitous lithium power cells and engineering arguments over the best way to protect aircraft from associated fire dangers.

The dispute threatens to hold back more-advanced rechargeable lithium batteries, which on top of supplying backup power in big jets could be used in various other aircraft to help start engines or for different applications. Lithium batteries are lighter, more potent and generally require less maintenance than the traditional power sources they replace, but they also are more flammable and prone to internal short-circuits.

The FAA wants the new-generation batteries to be tested to ensure they will remain safe even under the most extreme overheating conditions.

The agency years ago concluded that the only foolproof way to demonstrate that smoke, flames and explosive gases won't escape from lithium batteries is to replicate a worst-case scenario, with the temperature of every cell inside a battery rising uncontrollably around the same time. The FAA reiterated that stance during last week's meeting.

But Boeing, along with European plane maker Airbus SE and two other companies, strongly objected to such tests as excessive, unnecessary and scientifically flawed.

Boeing engineers advocated for alternative testing procedures that simultaneously heat up or overcharge separate pairs of cells, which they argued would produce more realistic battery reactions. Boeing contends that safety measures should be based on accurately replicating and therefore understanding the spread of internal failures.

The aircraft maker contends that new standards under review are excessive.

James Russell, a Boeing battery expert who spoke at last Thursday's session, said that for next-generation battery systems, it no longer would be "feasible to test all the cells at once."

When the alternative testing procedures, backed by Airbus, Bombardier Inc. and Total SA's battery-maker unit Saft Groupe, were released last week and presented to the RTCA committee, the FAA refused to go along.

"We would still like to have a standard, just not this one," said Lou Volchansky, the agency's representative to the panel. FAA officials favor standards allowing them "to look and analyze the worst case" failure modes that will produce "the most severe outcome," he said during the meeting.

Some of the participants opposing Boeing's arguments contend a more conservative approach is required because battery technology is still evolving. Embracing the company's position "would certainly represent a step backward" for safety, one Boeing critic said.

The RTCA committee, which recommends safety standards for FAA adoption, deferred final action and will attempt to find consensus in coming weeks. But both sides appear dug in and, according to committee members, there hasn't been noticeable progress over the past few months.

The row "is particularly perplexing because there are battery manufacturers on both sides of the issue," said Robert Grove, who also spoke at the meeting as a representative of avionics supplier Garmin Ltd.

Following the meeting, an Airbus spokesman didn't have any comment.

In the past, officials of the European plane maker have butted heads with FAA decision makers about certification requirements for batteries installed on some Airbus A350 jetliners.

The squabble over testing partly reflects the troubled history of lithium batteries initially installed on Boeing's 787 Dreamliners. At the outset, the FAA and Boeing determined that a catastrophic battery failure was virtually impossible. Based on engineering analyses and limited testing, they concluded the chances of such an event were tantamount to a wing falling off a modern jetliner in mid-air—something that has never happened.

But once Dreamliners entered service, the safety and reliability of their lithium batteries, used for backup power, proved to be much different. They experienced two major fire or smoke events in roughly 55,000 flight hours, prompting the FAA in January 2013 to take the highly unusual step of temporarily grounding the entire fleet.

The planes resumed operations four months later after Boeing and the FAA agreed on a retrofit that surrounded the batteries with a rugged metal, fireproof container. But U.S. accident investigators criticized the FAA for years of testing and certification lapses, including undue reliance on Boeing and its industrial partners.

The National Transportation Safety Board also called on the FAA to look to independent battery experts in developing new safety standards.

Mr. Volchansky indicated that embracing a common testing standard was essential to comply with some outstanding safety-board recommendations.

George Ligler, an industry consultant and longtime member of the policy committee, said at the meeting: "I have never seen us approve a document that either Boeing wouldn't support, or the FAA wouldn't support."

Eli Lilly Reshuffles Top Ranks

By Austen Hufford

Eli Lilly & Co. named a new finance chief and announced a number of other executive changes, as the drugmaker contends with layoffs and patent expirations.

The company said Friday that Joshua Smiley would be its next CFO, promoting an insider into the role. Mr. Smiley, who has been with the company for more than 20 years, was previously treasurer and senior vice president of finance. He will begin his new role Jan. 1. The Indianapolis drugmaker said in June that longtime CFO Derica Rice would retire at the end of the year after more than a decade in the position.

The company also appointed new senior leaders overseeing science and technology and manufacturing operations who will report to Chief Executive David Ricks.

Dr. Dan Skovronsky has been promoted to senior vice president for science and technology and president of Lilly Research Labs. Myles O'Neill is becoming senior vice president and president of manufacturing operations. The appointments follow the retirements of Maria Crowe, president of manufacturing operations, and science and technology leader Dr. Jan Lundberg.

This past month, the company said it would cut roughly 8% of its global workforce, citing the need to lower costs and raise investment ahead of patent expirations.

Messrs. Smiley, Skovronsky and O'Neill, as well as Aarti Shah, Eli Lilly's chief information officer, will join the company's executive committee.

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TAX REPORT | By Laura Saunders

A Taxing Question About Medical Deduction

More than nine million Americans deducted roughly $87 billion in medical expenses on tax returns in 2015, according to the latest Internal Revenue Service data.

If President Donald Trump's proposed tax changes become law, that write-off could be repealed.

One of those using the write-off is Paul Gregory, a 57-year-old resident of Plano, Texas, who was diagnosed with amyotrophic lateral sclerosis five years ago. Mr. Gregory says that despite having insurance, he is spending $130,000 a year out of pocket for round-the-clock care, which has consumed all of his retirement savings and a large part of his wife's.

One cushion to the financial blow has been that these costs are tax-deductible.

Hearing of the potential change "was a real body blow," said Mr. Gregory, who communicates via email because he can no longer speak.

Both the tax framework proposed by Mr. Trump and its predecessor, issued in April, call for ending all itemized deductions on Schedule A other than those for mortgage interest and charitable donations. That puts medical-expense write-offs in lawmakers' crosshairs.

For many Americans weighing Mr. Trump's efforts to simplify the tax code, broaden the tax base and lower rates, the idea of ending medical deductions has created the largest emotional reaction.

Not surprisingly, when The Wall Street Journal asked readers to send us their questions about Mr. Trump's plan, questions about health care were prominent.

Removing the deduction wouldn't raise as much revenue as ending deductions for state and local taxes, which are also on the endangered list. Some 45 million filers deducted more than $550 billion in these levies in 2015.

Some 45 million filers deducted more than $550 billion in these levies in 2015.

That's because write-offs for medical expenses have a high hurdle. In 2017, taxpayers can deduct only unreimbursed expenses that exceed 10% of their adjusted gross income.

Above the threshold, however, a wide variety of out-of-pocket costs is deductible, including many that may not be covered by insurance. These include nursing-home costs, insurance premiums paid with after-tax dollars, prostheses, eyeglasses, and even a wig, if needed after chemotherapy, among others. (For details, see IRS publication 502.)

The upshot is that taxpayers who do qualify for medical deductions are often facing serious and costly health issues requiring services or treatments not covered by insurance.

Often they aren't eligible for Medicaid.

It's too early to know what will happen in the end to the medical expenses deduction. Moreover, even if it's removed, sick Americans could benefit from other changes such as lower tax rates.

Kyle Pomerleau, an economist with the Tax Foundation, a think tank, says that in addition to practical considerations, lawmakers must consider whether it's appropriate to use the tax code to deliver health-care benefits.

A spokeswoman for the American Health Care Association, a trade group representing long-term care providers, says it is still "studying the implications of the proposal."

For those who are worried the deduction may end, tax specialists caution against prepaying 2018 medical expenses this year to take a deduction.

The IRS could disallow such write-offs entirely instead of postponing them. Courts have sided with the IRS on this issue.

There is an exception. Under current law, the part of the entrance fee to a "life-care" facility or retirement home applicable to medical care could be deductible in 2017 even if the person doesn't enter until 2018.

This is a complex topic and taxpayers who want to take such write-offs should seek professional advice.

In the meantime, expect many Americans to lobby for the benefit to remain.

Among them is Rod Bean, a retired aerospace engineer living in Orange County, Calif., who says the deduction enables him to "barely afford" the nearly $40,000 cost of a group home for his 70-year-old wife, who has early-onset dementia.

He is astonished that lawmakers are thinking of ending the write-off, given the large and expanding segment of the population that's aging.

"These expenses aren't a choice, like taking out a mortgage or giving to charity," he said.

INVEST

Continued from page B1

relieved," as if "I had just dodged being hit by a bullet." All the negative talk among investors has convinced him that stocks will have a "relief rally" on Monday; by selling his puts, he has surely averted a huge loss.

Then comes Monday. In New York, the Dow drops 208 points in the first 90 minutes, triggering a wave of selling by institutional investors using a technique called portfolio insurance to minimize losses. Futures traders in Chicago, who would normally buy, step back, expecting a further fall.

By day's end, the Dow has fallen 23%, "the worst day in Wall Street history," as journalist Diana Henriques calls Oct. 19, 1987, in her excellent new book, "A First-Class Catastrophe." An equivalent drop in 2017 would hack more than 5,000 points off the Dow in a day.

You can't survive a market crash if you think it can't happen. And something like Oct. 19, 1987, will happen again. In fact, it already has: On May 6, 2010, many stocks dropped 60% or more in a flash, although they bounced right back. On Aug. 24, 2015, the Dow fell more than 1,000 points, or 7%, in six minutes, before closing down nearly 4% for the day. Between the market's peak in October 2007 and its bottom on March 9, 2009, the S&P 500 fell 55%, even after counting reinvested dividends.

Ms. Henriques's book, and the story Mr. O'Shaughnessy told me, are a reminder that "human nature can't be repealed," as she says. "Historical amnesia leaves us doomed to repeat our past disasters, and the only antidote is to remember accurately what happened."

Take it from Mr. O'Shaughnessy, who today manages nearly $6 billion at **O'Shaughnessy Asset Management** LLC in Stamford, Conn. Even though he based it on factors he no longer believes in, his original analysis was absolutely right: The stock market was overvalued. Between September 1986 and the end of August 1987, stocks had gone from trading at 16 times earnings to a price/earnings ratio of 21.4, a 33% rise that put the market's P/E at its highest level since the end of 1961.

CHRISTOPHE VORLET

His emotional reaction, however, was dead wrong. Had Mr. O'Shaughnessy held his ground for one more day, he would have made roughly 10 times his money, he recalls.

Ms. Henriques attributes the crash of 1987 to ineffectual regulation and breakdowns in the complex mechanics of trading. But no one knows for sure what caused it or the far more devastating crash of 1929 either, says financial historian and retired **Goldman Sachs Group** Inc. partner Barrie Wigmore.

History does offer a few clear lessons. Stocks have been overvalued, by long-term standards, for most of the past three decades. So, on average, you were more likely to have missed consistent gains than to have dodged a crash if you got out of the market entirely.

Investors today who hold large positions in the hottest stocks of the past few years—the so-called FANGs, or **Facebook** Inc., **Amazon.com** Inc., **Netflix** Inc. and the parent company of Google—should consider trimming their positions, however. In 1987, as in 1929, the stocks that had previously gone up the most tended to fall the furthest.

Above all, says Staley Cates, vice chairman of **Southeastern Asset Management** Inc. in Memphis, Tenn., "don't be afraid to hold cash." On Oct. 19, 1987, he and his young colleagues clustered around a Quotron machine putting in buy orders as they watched the market crash, "and the ultimate comfort we had that day was holding 25% to 30% of our portfolios in cash."

Without it, "we couldn't have bought stocks," he says. Having the cash to buy when others are selling is the surest source of courage in a crash.

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE MKT and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Friday, September 29. 2017

NYSE highs - 205

Stock	Sym	52-Wk Hi	52-Wk Lo	% Chg
AdamsDivEquityFd	ADX	15.25		0.4
AerCap	AER	51.27		0.9
AffiliatedMgrs	AMG	191.98		0.2
AlamoGroup	ALG	107.75		0.3
AlbanyIntl	AIN	57.95		-0.3
Albemarle	ALB	137.48		3.0
Alere	ALR	50.99		0.5
Allegion	ALLE	86.89		0.8
AllianzGlEqtyConv	NIE	20.80		0.2
AllyFinancial	ALLY	24.32		1.5
AlpineTotDynDiv	AOD	9.02		0.3
AmEqtyLf	AEL	29.43		-0.7
AmericanExpress	AXP	90.77		0.4
Amphenol	APH	84.87		2.9
AnnalyCapPfdF	NLYpF	25.73		0.7
ArcosDorados	ARCO	10.35		3.1
AvenueIncmCrStrat	ACP	14.90		-0.1
BRT Apartments	BRT	11.01		3.5
BancoMacro	BMA	117.71		4.1
BancorpSouth	BXS	32.70		-0.8
BankofButterfield	NTB	36.70		0.6
BaringsGlbShtDurHY	BGH	20.65		...
BeazerHomes	BZH	18.75		1.7
BerkshireHills	BHLB	39.00		1.7
BlkRkCapEnincoFd	CII	15.63		0.7
BlckRkEnDivTr	BDJ	9.08		0.3
BlackRock	BLK	448.53		0.2
BlkRkDurInco Tr	BLW	16.16		0.2
BlkRkMultiIT	BIT	18.77		-0.1
BorgWarner	BWA	51.55		1.9
BrightHorizons	BFAM	86.30		0.5
Brink's	BCO	84.40		1.7
Bristol-Myers	BMY	63.75		1.2
BrookfieldMgt	BAM	41.57		1.4
CRH	CRH	38.06		1.6
CSS Industries	CSS	29.43		-0.5
CVR Energy	CVI	26.35		-0.4
CallawayGolf	ELY	14.49		1.8
CampingWorld	CWH	41.27		2.5
CantelMedical	CMD	94.57		3.5
CarMax	KMX	76.40		-0.2
CarpenterTech	CRS	48.19		1.4
Carters	CRI	99.36		0.6
CatchMarkTimber	CTT	12.81		-0.5
Caterpillar	CAT	125.55		-0.4
ChimeraFixFltPfdB	CIMpB	26.47		1.8
CityOfficeREIT	CIO	13.81		0.1
Comerica	CMA	76.76		1.0
ComericaWt	CMA/WS	47.01		1.8
DE InvDivInco	DDF	10.76		0.7
DeutscheHlncmOpps	DHG	15.19		0.2
DigitalRealtyPfdJ	DLRpJ	25.09		0.6
Dividend&IncomeFd	DNI	12.87		0.5
DollarGeneral	DG	81.30		1.3
DominionDiamond	DDC	14.21		...
DominionEnerMid	DM	34.85		-0.3
EPAM Systems	EPAM	88.18		3.0
EastmanChem	EMN	90.97		0.6
EmergentBiosol	EBS	40.60		1.5
EmpresaDisCom	EDN	40.48		3.7
EnelGenChile	EOCC	26.36		2.3
EnPro	NPO	81.32		0.1
FederalSignal	FSS	21.40		0.7
FedEx	FDX	226.34		0.6
Ferro	FOE	22.30		0.5
FirstAmerFin	FAF	49.99		0.6
FirstRepBank	FRC	104.99		0.8
FirstCash	FCFS	63.60		-0.5
Fortive	FTV	71.07		1.2
FortBrandsHome	FBHS	67.77		...
GP Strategies	GPX	31.05		0.5
GabelliDividend	GDV	22.50		0.2
GabelliEquity	GAB	6.52		0.2
GabelliGlbSmall&MC	GGZ	13.25		0.6
GardnerDenver	GDI	27.65		0.7
GenAmInv	GAM	36.02		0.8
GeneralMotorsWt19	GM/WS/B	22.74		-0.9
GeorgiaPwrNt77	GPJA	25.19		...
GlMedREIT PfdA	GMRPzA	25.10		0.9
Graco	GGG	124.86		0.2
GrayTelevision	GTN	15.75		2.6
GreenDot	GDOT	50.25		-0.4
GpoSupervielle	SUPV	24.82		5.7
HFF	HF	39.76		-0.1
Haemonetic	HAE	44.97		3.7
HollyFrontier	HFC	36.46		-0.1
HomeDepot	HD	163.61		0.7
DR Horton	DHI	40.01		2.4
HubSpot	HUBS	84.15		2.6
HuntingtonIngalls	HII	227.03		1.5
ICE	ICE	68.88		0.2
JapanSmlCap	JOF	12.58		1.1
JohnBeanTech	JBT	101.40		0.9
KAR Auction	KAR	47.95		1.5
KB Home	KBH	24.61		8.6
KKR Pfd B	KKRpB	27.24		0.7
KKR	KKR	20.43		1.7
KKR IncomeOpps	KIO	18.06		-0.4
Kadant	KAI	99.58		1.0
Kaman	KAMN	56.38		2.0
Kemper	KMPR	53.05		0.3
KimcoRealtyPfdL	KIMpL	25.00		0.7
Koppers	KOP	46.55		0.4
Kraton	KRA	40.75		9.4
KronosWorldwide	KRO	23.12		-1.2
Lear	LEA	174.66		-0.5
LibertyAllStar	USA	6.06		0.5
LibertyASGFd	ASG	5.24		1.6
LionsGate B	LGF/B	31.88		1.8
LionsGate A	LGF/A	33.49		2.1
LithiaMotors	LAD	120.48		1.4
MGIC Investment	MTG	12.65		-0.2
MSCI	MSCI	118.59		-0.1
MagnaIntl	MGA	53.74		0.4
Manitowoc	MTW	9.14		0.2
Manpower	MAN	120.90		-1.8
Materion	MTRN	43.43		0.8
Medifast	MED	60.18		-0.4
MeritageHomes	MTH	44.90		2.0
MillerHowardHilncm	HIE	14.17		2.0
MiXTelematics	MIXT	10.04		-0.2
MyersIndustries	MYE	21.30		2.9
MyovantSciences	MYOV	15.74		2.1
NVR	NVR	2891.43		-0.6
NatlRetailPropPfdF	NNNpF	25.10		1.0
NavistarIntl	NAV	44.68		-0.7
Navistar pfD	NAVpD	15.00		9.7
NewAmFd	HYB	9.98		0.4
NewGermanyFund	GF	18.59		1.6
NortelInversora	NTL	39.85		4.7
NorthropGrumman	NOC	287.81		1.1
NuvEMDebt2022	JEMD	10.07		0.2
NuvTaxAdvTR	JTA	13.72		2.2
NuvEMDebt2022	JEMD	10.07		0.2
NuvTaxAdvTR	JTA	13.72		2.2
NuvTaxAdDivGr	JTD	16.89		1.0
OasisMidstream	OMP	17.07		-0.2
OmnovaSol	OMN	11.15		8.4
Oshkosh	OSK	83.49		-0.2
Owens-Illinois	OI	25.25		-0.2
PGT Innovations	PGTI	14.98		0.7
PNC Fin	PNC	135.73		0.2
PNC Fin Wt	PNC/WS	68.32		0.5
PSBusParksPfdX	PSBpX	25.31		0.5
PembinaPipeline	PBA	35.59		-1.2
Praxair	PX	141.88		-0.9
ProtoLabs	PRLB	80.40		1.8
PublicStoragePfdG	PSApG	25.31		0.6
PulteGroup	PHM	27.51		1.3
Q2Holdings	QTWO	41.80		1.6
QuanexBldg	NX	23.00		1.1
RPC	RES	25.00		0.9
RYBEducation	RYB	28.50		14.2
Raytheon	RTN	186.70		1.4
Rockwell	ROK	179.50		0.5
Rogers	ROG	133.85		1.3
Rollins	ROL	46.22		0.8
RoyalBkCanada	RY	77.78		0.2
RoyceGlbValueTr	RGT	10.35		1.2
RoyceMicroCap	RMT	9.42		1.3
RoyceValue	RVT	15.80		0.8
SafeBulkersPfdC	SBpC	22.48		-0.8
SelectMedical	SEM	19.60		1.9
SensataTech	ST	48.52		1.3
SherwinWilliams	SHW	363.98		0.3
SiteOneLandscape	SITE	58.12		1.2
SourceCap	SOR	41.24		0.5
SpecialOpFd	SPE	15.88		1.3
Steris	STE	88.43		0.8
SuncorEnergy	SU	35.16		0.6
SutherlandNts23	SLDA	25.92		...
SynovusFin	SNV	46.42		1.1
TCF Fin PfdC	TCFpD	25.54		0.6
TeekayOffshrPfB	TOOpB	24.48		2.5
Telaria	TLRA	4.43		4.3
Teradyne	TER	37.47		0.6
Terex	TEX	45.10		0.3
ThorIndustries	THO	127.12		2.3
TierReit	TIER	19.50		-0.7
Toll Bros	TOL	41.60		1.2
TopBuild	BLD	65.44		1.3
Torchmark	TMK	80.30		0.4
TransportadGas	TGS	20.57		2.3
Trex	TREX	90.09		0.9
Tri-Continental	TY	25.60		0.4
TrinityIndustries	TRN	32.30		2.3
TwoHarborsPfdB	TWOpB	26.15		0.6
UMHPropPfdC	UMHpC	26.75		0.5
Unifi	UFI	36.10		-0.6
UnitedRentals	URI	139.98		0.6
ValeroEnergy	VLO	77.77		0.2
VersumMaterials	VSM	39.19		0.8
Viad	VVI	61.65		-0.7
VirtusGlbMulti	VGI	18.25		-0.3
Vishay	VSH	18.85		0.5
VishayPrecision	VPG	24.45		1.5
VoceraComm	VCRA	31.82		-0.7
VoyaGlbAdvantage	IGA	11.52		0.6
VoyaGlbEquityDiv	IGD	8.14		0.7
Watsco	WSO	161.86		0.4
Welbilt	WBT	23.46		-0.2
Westwood	WHG	68.48		0.3
Winnebago	WGO	45.90		0.6
WolverineWwide	WWW	29.20		-0.1
Workiva	WK	21.05		-0.2
WW Ent	WWE	23.57		2.1
XPO Logistics	XPO	68.15		2.3

NYSE lows - 12

Stock	Sym	52-Wk Hi	52-Wk Lo	% Chg
AmCampus	ACC	43.98		-0.7
AquaVenture	WAAS	13.45		-0.7
AvonProducts	AVP	2.29		-2.5
BrookdaleSrLiving	BKD	10.57		-2.0
CONE Midstream	CNNX	15.82		-4.9
CheetahMobile	CMCM	8.38		-4.4
CobaltIntlEner	CIE	1.42		-4.7
GabelliMultPfdE	GGTpE	24.86		0.2
Kellogg	K	62.11		-0.7
LSC Comm	LKSD	15.05		-7.1
RiteAid	RAD	1.93		-3.4
Scana	SCG	48.32		-4.9

NYSE Arca highs - 249

Stock	Sym	52-Wk Hi	52-Wk Lo	% Chg
ARKGenomicRev	ARKG	26.25		0.7
ARKIndlInnovation	ARKQ	31.85		1.1
AdvShCornerSC	SCAP	34.13		1.2
AdvShWilshireBuybk	TTFS	67.95		0.5
AlphaCloneAltAlpha	ALFA	41.64		0.7
ArrowQVMEquityFact	QVM	26.31		0.3
BarcETNFIEnhEur50	FEEU	129.22		1.2
BarclaysETN FI Enh	FLEU	154.90		1.2
S&PVEQTOR	VQT	150.21		0.3
Barrons400ETF	BFOR	39.75		0.5
BluStrTABIGIlsIsrael	ITEQ	31.57		0.3
CambriaShareholder	SYLD	35.56		0.2
ColumbiaSustGlb	ESGW	30.14		0.3
CS FI LC Grwth	FLGE	197.12		1.3
DeutscheXMSCIAWxUS	DBAW	27.15		0.6
DeutschexRuss1000	DEUS	30.22		0.3
DeutschexRuss2000	DESC	33.59		0.4
DiamondHillVal	DHVW	29.90		0.5
DirexESTOXX50Bl3x	EUXL	29.92		3.4
DirexFTSEEurBull3x	EURL	36.77		2.5
DirexFinlBull3	FAS	55.99		1.0
DirexHmbldrBull3	NAIL	56.35		3.1
DirexMcBull3	MIDU	40.53		0.4
DirexS&P500Bl3	SPXL	38.30		0.9
DirexS&PBiotechBl3	LABU	85.76		2.4
DirexS&P500Bl1.25	LLSP	33.42		0.4
DirexSemiBl3	SOXL	115.53		2.5
DirexSCBull2	SMLL	47.99		0.6
DirexSCBull3	TNA	65.30		0.6
DirexTransportBl3	TPOR	31.29		0.8
ETF Exposure	TETF	17.44		0.7
ETRACSZxLevxEn	LMLP	16.05		2.7
EthoClimateLeader	ETHO	32.23		0.3
IFhnancedEur50ETN	FIEU	133.41		1.3
FIEnhEurope50ETN	FIEE	173.66		2.5
FidelityDivRising	FDRR	29.08		0.1
FidelityMSCIFnncl	FNCL	38.07		0.3
FidelityMSCIIndls	FIDU	36.57		0.2
FidelityMSCIMatls	FMAT	33.05		0.1
FidelityQualFactor	FQAL	29.90		0.3
FidelityValFactor	FVAL	30.37		...
FinSelSectorSPDR	XLF	25.86		0.5
FT ConsDscAlpDx	FXD	38.49		0.2
FT DJ Internet	FDN	102.43		0.8
EqCompassRiskMgr	ERM	21.12		0.2
FT DJ SelMicro	FDM	46.45		-0.1
FT FinlsAlpDx	FXO	29.71		0.4
FT IndlsAlpDx	FXR	37.17		0.3
FT Long/Short	FTLS	37.16		0.6
FT MatAlpDX	FXZ	40.42		...
FT TechAlphaDEX	FXL	47.98		0.7
FT USEqutyOpp	FPX	63.87		0.5
FlexShMDevMktxUS	TLTD	67.01		0.2
FlexMrnUSMktFrTlt	TILT	105.72		0.4
FlexShQualDivDef	QDEF	41.55		0.1
FlexShQualDivDyn	QDYN	41.64		0.1
FlexShQualityDiv	QDF	42.44		0.1
GlbX ChinaEner	CHIE	11.51		1.1
GlbX GuruIndex	GURU	28.25		0.3
GlbXMSCIPortugal	PGAL	12.53		0.9
GlbXSciBetaEurope	SCID	28.38		1.2
GlbXSciBetaUS	SCIU	29.57		0.5
GSAccessHYCorpBd	GHYB	50.13		0.2
GSActiveBetaJapan	GSJY	31.32		0.2
GS Active US SC	GSSC	42.15		0.3
GuggBS2027CorpBd	BSCR	20.00		0.2
GuggDefEqty	DEF	44.14		0.3
GuggS&P500EEW	RSP	95.55		0.3
GuggS&P500EWFin	RYF	41.37		0.4
GuggS&P500EWIndl	RGI	112.30		0.6
GuggS&P500EWMat	RTM	103.90		0.1
GuggS&P500EWTech	RYT	135.05		0.6
GuggS&P500PureGr	RPG	100.05		0.7
GuggS&P400PrGrwth	RFG	144.52		0.3
GuggS&P600PrGrwth	RZG	110.19		0.6
GuggInsider	NFO	59.13		0.5
GuggMC Core	CZA	62.89		0.3
GuggRayJamesSB1	RYJ	41.50		0.3
GuggS&PMC400EW	EWMC	61.48		0.6
GuggS&PSC600EW	EWSC	52.55		0.4
GuggS&PSpinOff	CSD	50.73		0.5
GuggUltraShrtDur	GSY	50.38		...
HartfordMultiGlbSC	ROGS	30.40		0.5
HartfordMultiUSEqu	ROUS	28.76		0.6
HullTacticalUS	HTUS	27.55		0.2
IQ50%HdgFTSEEur	HFXE	19.97		0.6
IQHedgeEventDriven	QED	21.19		0.1
InspireGlblHope	BLES	27.42		1.0
iShCoreMSCIEurope	IEUR	49.70		0.8
iShCoreS&PMdCp	IJH	179.36		0.1
iShCoreS&PSmCpETF	IJR	74.31		0.3
iShS&PTotlUSStkMkt	ITOT	57.68		0.3
iShCurHdgMSCIEAFE	HSCZ	29.75		0.7
iShUSFinlServices	IYG	120.09		0.4
iShUS Finls	IYF	112.15		0.3
iShEdgeMSCIIntlMom	IMTM	30.14		0.5
iShEdgeMSCIMultif	ACWF	29.06		0.9
iShEdgeMSCIMultInt	INTF	28.06		0.4
iShEdgeMSCIMlntSC	ISCF	31.04		-0.1
iShEdgeMSCIMultUSA	LRGF	29.97		0.1
iShEdgeMSCIUSASC	SMLF	38.28		-0.1
iShEuropeETF	IEV	46.94		0.8
iShIntRtHdgCorpBd	LQDH	96.19		0.1
iShJPX-Nikkei400	JPXN	60.47		...
iShMSCIAllPeruCap	EPU	38.95		0.3
iShMSCICanadaETF	EWC	29.04		...
iShMSCIGermanyETF	EWG	32.45		1.3
iShMSCIIrelandCap	EIRL	46.38		1.2
iShMSCIJapanSC	SCJ	74.18		0.4
iShMSCIKLD400Soc	DSI	92.90		0.3
iShMSCISwedenETF	EWD	35.89		0.8
iShMSCIUSAEqWeight	EUSA	52.47		0.4
iShMSCIWorldETF	URTH	84.20		0.4
iShMorningstarMC	JKG	174.83		0.4
iShMornMCGrowth	JKH	189.67		0.6
iShMorningstarSC	JKJ	166.77		0.2
iShMornSCGrowth	JKK	169.67		0.3
iShRussell1000ETF	IWB	139.96		0.3
iShRussell2000Gwth	IWO	179.07		0.4
iShRussell2000ETF	IWM	148.43		0.2
iShRussell2000Val	IWN	124.45		...
iShRussell3000ETF	IWV	149.33		0.3
iShMicro-CapETF	IWC	94.71		0.4
iShRussellMid-Cap	IWR	197.32		0.4
iShS&PMC400Growth	IJK	202.73		0.2
iShGlobIFinancials	IXG	66.74		0.5
iShGlobIIndustrial	EXI	88.93		0.3
iShS&PMC400Value	IJJ	153.00		0.1
iShS&PSC600Value	IJS	148.63		0.1
iShDowJonesUS	IYY	126.03		0.4
iShRussellMCGrowth	IWP	113.28		0.5
iShUSBrokerDealers	IAI	57.31		0.4
HancockMultFinls	JHMF	34.40		0.5
HancockLC	JHML	32.83		0.3
HancockMatls	JHMA	33.07		1.3
HancockMC	JHMM	32.29		0.4
HancockTech	JHMT	38.40		0.6
JPM DivRetInt	JPIH	29.26		0.7
JPM DivRetUS Eq	JPUS	67.30		0.3
JPM Div US SC	JPSE	28.68		0.3
MadronaDomestic	FWDD	50.46		0.3
MadronaIntl	FWDI	30.25		1.0
MeidellTactical	MATH	32.13		0.8
OppenheimerLgCpRev	RWL	47.95		0.3
PIMCOEnhShMaturity	MINT	101.83		...
PIMCO DynMultIn	MFDX	25.78		0.5
PwrShCleantch	PZD	41.31		0.4
PwrShDynBldg&Con	PKB	31.38		0.4
PwrShDynMkt	PWC	90.92		0.3
PwrShDynSemicon	PSI	49.49		0.9
PwrShDynSoftware	PSJ	61.93		0.6
PwrShFTSE US1000	PRF	107.17		0.2
PwrShDynLC Grwth	PWB	38.98		0.5
PwrShDevMkt xUS	PXF	44.17		0.7
PwrShRussMC EW	EQWM	45.41		0.7
PwrShRuss1000EqWt	EQAL	29.55		0.3
PwrShRuss Top200	EQWL	49.97		0.3
PwrShRuss2000EW	EQWS	42.30		0.2
PwrShRuss2000Grw	PXSG	30.86		0.4
PwrShS&P500EnhVal	SPVU	32.76		0.1
PwrShS&P500xRate	XRLV	31.68		0.3
PwrShS&P500HiBeta	SPHB	39.47		0.4
PwrShS&P600LowVol	XSLV	46.09		...
ProShHdgReplic	HDG	44.80		0.4
ProShShtVIXST	SVXY	93.98		1.8
ProShUltFTSEEurope	UPV	56.50		2.4
ProShrUltraFnl	UYG	112.95		0.5
ProShrUMdCp400	MVV	110.28		0.2
ProShrUltraRus	UWM	67.06		0.4
ProShrUltraS&P	SSO	96.80		0.7
ProShrUlSmC600	SAA	93.27		1.3
ProShUltraProFin	FINU	84.02		0.7
ProShUltMC400	UMDD	97.94		0.5
ProShUltRus2000	URTY	76.60		0.6
ProShUltS&P500	UPRO	116.68		1.0
RenaissancePOETF	IPO	26.60		0.8
SPDRMSCICAStrat	QCAN	59.91		0.2
SPDRMSCIDEStrat	QDEU	63.24		1.6
SPDRMSCIJapanStrat	QJPN	74.65		0.6
SPDRMSCIUSAStrat	QUS	72.33		0.4
SPDRMSCIWorldStrat	QWLD	72.25		0.4
SPDRRussell2000ETF	TWOK	87.83		...
SPDRRussell3000ETF	THRK	187.90		0.5
SPDRRuss1000Mom	ONEO	72.41		0.7
SPDR S&P500MidGr	MDYG	147.71		0.2
SPDR S&P600SmallCap	SLY	130.41		0.1
SPDR S&P600SCpGr	SLYG	228.42		0.3
SPDR S&P600SCapVal	SLYV	126.50		0.1
SPDRS&PCapitalMkts	KCE	52.45		0.5
SPDRS&P500Fossil	SPYX	60.93		0.3
SPDRS&P1000ETF	SMD	95.81		0.7
SPDRS&PSft&Svs	XSW	65.75		0.5
SPDRS&PTransport	XTN	60.21		0.5
SPDRGenderDivers	SHE	69.83		0.2
SchwabFundIntLrgCo	FNDF	29.89		0.5
SchwabFundIntSmCo	FNDC	34.89		0.5
SchwabFundUSBrd	FNDB	35.06		0.2
SchwabFundUSLrgCo	FNDX	35.16		0.2
SchwabFundUSSmCo	FNDA	36.30		0.3
SchwabUS BrdMkt	SCHB	60.91		0.3
SchwabUS LC	SCHX	60.04		0.3
SchwabUS LC Val	SCHV	51.82		0.2
SchwabUS MC	SCHM	50.13		0.3
SchwabUS SC	SCHA	67.49		0.2
SPDR EurSTOXX	FEZ	41.31		1.1
SPDR S&PMdCpTr	MDY	327.06		0.1
SPDR S&P 500	SPY	251.32		0.4
SPDR S&P Biotch	XBI	86.69		0.8
SPDR S&P Div	SDY	91.52		...
SPDR S&P Home	XHB	39.92		0.6
SPDR STOXX Eu50	FEU	35.62		0.9
UBS FIEnhLCGrw	FBGX	196.10		1.2
VanEckEnvironSvcs	EVX	89.00		-1.4
VanEckFalAngHYBd	ANGL	30

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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

22405.09 ▲23.89, or 0.11%

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

	Last	Year ago
Trailing P/E ratio	20.61	20.30
P/E estimate *	18.89	17.66
Dividend yield	2.28	2.56
All-time high	22412.59, 09/20/17	

Current divisor 0.14523396877348

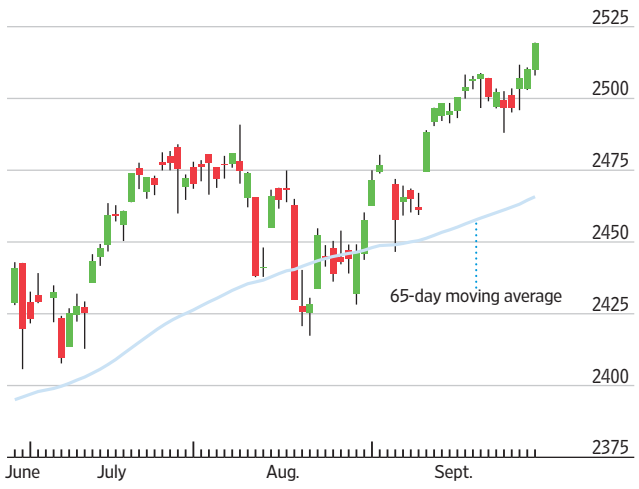
Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2519.36 ▲9.30, or 0.37%

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

	Last	Year ago
Trailing P/E ratio	24.22	24.45
P/E estimate *	19.19	18.52
Dividend yield	1.98	2.13
All-time high:	2519.36, 09/29/17	

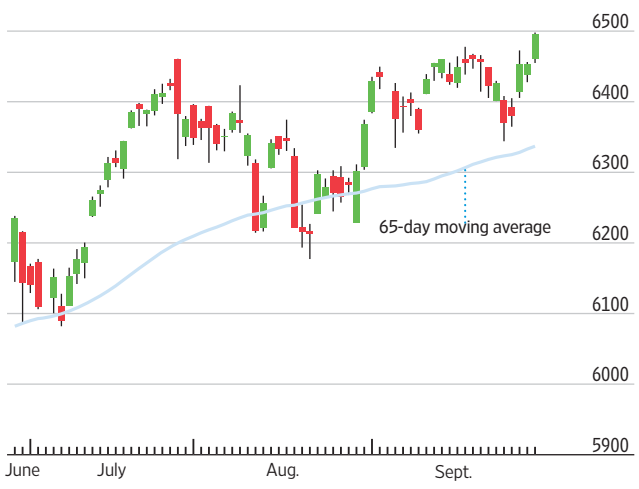


Nasdaq Composite Index

6495.96 ▲42.51, or 0.66%

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

	Last	Year ago
Trailing P/E ratio *	25.69	24.32
P/E estimate *	21.32	20.18
Dividend yield	1.10	1.20
All-time high:	6495.96, 09/29/17	



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	52-Week % chg	YTD % chg	3-yr. ann.
Dow Jones										
Industrial Average	22405.63	22332.96	**22405.09**	23.89	0.11	22412.59	17888.28	22.4	13.4	9.5
Transportation Avg	9934.81	9891.32	**9914.35**	27.53	0.28	9914.35	7967.02	22.7	9.6	5.3
Utility Average	725.88	720.43	**723.60**	-0.19	-0.03	754.80	625.44	8.3	9.7	9.5
Total Stock Market	26148.62	26041.31	**26148.54**	89.99	0.35	26148.54	21514.15	16.4	12.3	8.4
Barron's 400	679.01	675.77	**678.27**	2.50	0.37	678.27	521.59	23.1	12.7	9.1
Nasdaq Stock Market										
Nasdaq Composite	6497.98	6454.86	**6495.96**	42.51	0.66	6495.96	5046.37	22.3	20.7	13.0
Nasdaq 100	5980.22	5930.82	**5979.30**	46.23	0.78	6004.38	4660.46	22.6	22.9	13.9
Standard & Poor's										
500 Index	2519.44	2507.99	**2519.36**	9.30	0.37	2519.36	2085.18	16.2	12.5	8.4
MidCap 400	1799.04	1792.71	**1795.94**	2.31	0.13	1795.94	1476.68	15.7	8.2	9.1
SmallCap 600	905.51	900.96	**903.98**	2.03	0.23	903.98	703.64	19.4	7.9	12.0
Other Indexes										
Russell 2000	1493.56	1488.80	**1490.86**	2.08	0.14	1490.86	1156.89	19.1	9.9	10.1
NYSE Composite	12209.45	12172.12	**12209.16**	29.85	0.25	12209.15	10289.35	13.9	10.4	4.3
Value Line	539.96	538.17	**539.31**	1.14	0.21	539.31	455.65	11.5	6.5	3.8
NYSE Arca Biotech	4207.64	4154.83	**4203.32**	21.52	0.51	4232.90	2834.14	24.7	36.7	10.3
NYSE Arca Pharma	544.91	541.21	**544.89**	2.66	0.49	549.20	463.78	6.6	13.2	0.6
KBW Bank	99.60	98.55	**99.26**	0.58	0.59	99.33	70.61	40.1	8.1	11.4
PHLX§ Gold/Silver	85.77	84.64	**84.65**	-1.04	-1.21	96.72	73.03	-9.9	7.3	0.7
PHLX§ Oil Service	142.35	140.30	**142.17**	0.61	0.43	192.66	117.79	-13.1	-22.6	-19.3
PHLX§ Semiconductor	1172.89	1160.39	**1171.74**	10.04	0.86	1171.74	802.88	40.2	29.3	22.1
CBOE Volatility	9.83	9.36	**9.51**	-0.04	-0.42	22.51	9.36	-28.4	-32.3	-15.9

§Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 5,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	24,568.5	251.35	0.12	0.05	252.22	250.36
iShares MSCI Emg Markets	EEM	10,022.4	44.81	...	unch.	44.87	44.64
Sterling Bancorp	STL	9,782.6	24.65	...	unch.	24.70	24.60
Oil States Intl	OIS	3,897.1	25.35	...	unch.	25.35	25.33
Cnsmr Staples Sel Sector	XLP	3,820.3	54.04	0.06	0.11	54.09	53.95
Six Flags Entertainment	SIX	3,297.3	60.93	-0.01	-0.02	60.94	60.88
iShares Russell 2000 ETF	IWM	3,114.4	148.18	...	unch.	148.25	147.87
iShares MSCI EAFE ETF	EFA	2,858.8	68.48	...	unch.	68.49	68.42

Percentage gainers...

Trinity Industries	TRN	159.9	34.75	2.85	8.93	35.70	31.18
AcelRx Pharmaceuticals	ACRX	33.0	4.90	0.30	6.41	4.90	4.70
iShares MSCI China ETF	MCHI	7.3	66.87	3.78	5.99	66.87	62.92
Extraction Oil Gas	XOG	18.5	16.15	0.76	4.94	16.15	15.34
Viking Therapeutics	VKTX	9.7	2.00	0.09	4.71	2.00	1.91

...And losers

Tonix Pharmaceuticals	TNXP	5.5	4.30	-0.26	-5.70	4.50	4.30
Celldex Therapeutics	CLDX	5.5	2.76	-0.10	-3.50	2.89	2.76
Vail Resorts	MTN	26.3	221.69	-6.43	-2.82	228.15	221.69
Ryanair Holdings ADR	RYAAY	18.8	102.63	-2.79	-2.65	105.42	102.63
Atlassian Cl A	TEAM	9.4	34.49	-0.66	-1.88	35.15	34.49

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	935,650,395	9,680,086
Adv. volume*	515,415,954	5,708,924
Decl. volume*	405,151,617	3,608,613
Issues traded	3,069	334
Advances	1,784	150
Declines	1,160	163
Unchanged	125	21
New highs	205	5
New lows	12	6
Closing tick	139	75
Closing Arms†	1.16	0.66
Block trades*	7,147	119

	Nasdaq	NYSE Arca
Total volume*	1,948,821,701	220,203,056
Adv. volume*	1,352,354,874	149,621,496
Decl. volume*	546,573,932	63,525,123
Issues traded	3,061	1,268
Advances	1,675	934
Declines	1,235	310
Unchanged	151	24
New highs	283	249
New lows	21	28
Closing tick	256	86
Closing Arms†	0.55	1.32
Block trades*	7,332	1,331

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**The Global Dow**	**2907.67**	11.83	0.41	14.9
	DJ Global Index	**376.53**	1.67	0.45	15.5
	DJ Global ex U.S.	**254.05**	1.37	0.54	18.7
Americas	**DJ Americas**	**608.28**	2.10	0.35	12.6
Brazil	**Sao Paulo Bovespa**	**74293.51**	726.26	0.99	23.4
Canada	**S&P/TSX Comp**	**15634.94**	16.69	0.11	2.3
Mexico	**S&P/BMV IPC**	**50346.06**	209.06	0.42	10.3
Chile	**Santiago IPSA**	**4055.19**	24.65	0.61	25.8
EMEA	**Stoxx Europe 600**	**388.16**	1.80	0.47	7.4
Eurozone	**Euro Stoxx**	**388.99**	2.60	0.67	11.1
Belgium	**Bel-20**	**4017.75**	16.44	0.41	11.4
France	**CAC 40**	**5329.81**	36.04	0.68	9.6
Germany	**DAX**	**12828.86**	124.21	0.98	11.7
Israel	**Tel Aviv**	**1421.04**	...	Closed	–3.4
Italy	**FTSE MIB**	**22696.32**	108.65	0.48	18.0
Netherlands	**AEX**	**537.06**	3.67	0.69	11.2
Russia	**RTS Index**	**1136.75**	11.19	0.99	–1.4
Spain	**IBEX 35**	**10381.50**	53.00	0.51	11.0
Sweden	**SX All Share**	**585.67**	4.91	0.84	9.6
Switzerland	**Swiss Market**	**9157.46**	45.30	0.50	11.4
U.K.	**FTSE 100**	**7372.76**	49.94	0.68	3.2
Asia-Pacific					
Australia	**S&P/ASX 200**	**5681.60**	11.20	0.20	0.3
China	**Shanghai Composite**	**3348.94**	9.30	0.28	7.9
Hong Kong	**Hang Seng**	**27554.30**	132.70	0.48	25.2
India	**S&P BSE Sensex**	**31283.72**	1.24	0.004	17.5
Japan	**Nikkei Stock Avg**	**20356.28**	–6.83	–0.03	6.5
Singapore	**Straits Times**	**3219.91**	–7.23	–0.22	11.8
South Korea	**Kospi**	**2394.47**	21.33	0.90	18.2
Taiwan	**Weighted**	**10329.94**	33.49	0.33	11.6

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Zogenix	ZGNX	35.05	22.18	**172.23**	37.55	7.50	**206.6**
Capricor Therapeutics	CAPR	3.03	0.83	**37.50**	3.99	0.63	**-6.6**
TDH Holdings	PETZ	16.80	4.19	**33.23**	16.80	6.02	...
Acer Therapeutics	ACER	18.67	3.97	**27.01**	45.36	5.18	**-43.1**
Veritone	VERI	45.45	8.57	**23.24**	74.92	7.76	...
SMART Global Holdings	SGH	26.78	4.28	**19.02**	27.08	11.50	...
Chanticleer Holdings	HOTR	2.61	0.41	**18.77**	9.00	1.90	**-52.5**
Helios Matheson Analy	HMNY	12.69	1.82	**16.74**	14.17	2.20	**55.9**
Comtech TeleComm	CMTL	20.53	2.92	**16.58**	21.40	9.52	**60.3**
Aehr Test Systems	AEHR	4.09	0.57	**16.19**	6.10	2.15	**27.4**
IZEA	IZEA	7.10	0.93	**15.07**	7.63	1.37	**21.0**
PTC Therapeutics	PTCT	20.01	2.55	**14.60**	22.00	4.03	**42.8**
RYB Education ADR	RYB	28.50	3.55	**14.23**	28.50	24.00	...
Ryerson Holding	RYI	10.85	1.35	**14.21**	16.85	7.65	**-3.9**
NuCana ADR	NCNA	18.37	2.22	**13.75**	19.95	15.00	...

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
ITUS	ITUS	2.63	-0.87	**-24.86**	6.82	0.60	**-32.4**
Ominto	OMNT	4.50	-1.32	**-22.68**	23.05	2.57	**38.0**
Nightstar Therap ADR	NITE	19.20	-4.80	**-20.00**	24.94	14.00	...
Nature's Sunshine	NATR	10.15	-1.75	**-14.71**	16.45	8.40	**-36.6**
W&T Offshore	WTI	3.05	-0.45	**-12.86**	3.69	1.31	**73.3**
Synlogic	SYBX	19.02	-2.78	**-12.74**	23.00	7.84	**37.9**
Takung Art	TKAT	2.30	-0.33	**-12.66**	10.50	2.15	**-65.5**
Zynerba Pharmaceuticals	ZYNE	8.36	-1.08	**-11.44**	25.95	5.42	**-35.9**
Revlon Cl A	REV	24.55	-2.95	**-10.73**	37.43	15.60	**-33.3**
Oxbridge Re Holdings	OXBR	3.90	-0.45	**-10.34**	6.90	3.75	**-22.0**
EnviroStar	EVI	27.65	-3.15	**-10.23**	36.00	6.66	**239.7**
GW Pharmaceuticals ADR	GWPH	101.49	-10.78	**-9.60**	137.88	92.65	**-23.5**
Pingtan Marine Enterprise	PME	2.88	-0.29	**-9.15**	5.18	0.84	**166.7**
Alliance MMA	AMMA	2.20	-0.20	**-8.49**	5.47	0.85	...
IamGold	IAG	6.10	-0.56	**-8.41**	7.25	3.14	**50.6**

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Bank of America	BAC	**62,367**	-7.7	25.34	**-0.43**	25.80	15.17
SPDR S&P 500	SPY	**60,702**	-1.7	251.23	**0.35**	251.32	208.38
iShares MSCI Emg Markets	EEM	**60,522**	24.9	44.81	**1.15**	45.96	33.94
Rite Aid	RAD	**55,065**	69.2	1.96	**-3.45**	8.77	1.93
Micron Technology	MU	**45,833**	55.5	39.33	**3.61**	39.36	16.17
Oracle	ORCL	**44,492**	250.3	48.35	**0.56**	53.14	37.62
Roku Cl A	ROKU	**43,770**	122.9	26.54	**12.94**	29.80	14.00
PwrShrs QQQ Tr Series 1	QQQ	**40,731**	17.0	145.45	**0.72**	146.59	113.45
Finl Select Sector SPDR	XLF	**40,114**	-25.9	25.86	**0.47**	25.86	19.11
BlackBerry	BBRY	**37,580**	675.8	11.18	**6.78**	11.74	6.65

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Bay Bancorp	BYBK	2,273	**7724**	11.35	**0.89**	11.50	5.20
Zogenix	ZGNX	29,106	**5642**	35.05	**172.23**	37.55	7.50
WisdomTree Emerg Currency	CEW	203	**3046**	18.97	**0.08**	19.39	17.22
SPDR Bloomberg 1-10Y TIPS	TIPX	409	**2188**	19.53	**-0.18**	20.17	19.21
Astoria Financial	AF	14,208	**2187**	21.50	**-0.60**	21.90	14.11
Sterling Bancorp	STL	26,589	**2077**	24.65	**-0.60**	25.85	16.75
PS DB Opt Yd Div Cmdty	PDBC	3,751	**1920**	16.85	**-0.35**	18.45	14.95
ProShares Inflation Exp	RINF	628	**1858**	27.08	**-0.62**	29.80	26.66
PS Variable Rate Inv Grd	VRIG	506	**1445**	25.22	**0.08**	25.35	24.97
Exa Corp.	EXA	1,745	**1415**	24.18	**0.00**	24.42	12.34

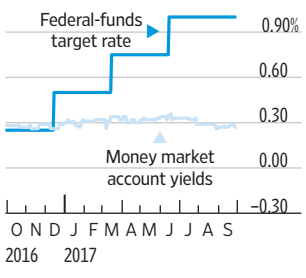
* Common stocks priced at $5 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS & CURRENCIES

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Money market accounts

Bankrate.com avg†:	**0.27%**
Ally Bank	**1.20%**
Midvale, UT	877-247-2559
Barclays	**1.20%**
Wilmington, DE	888-720-8756
Capital One 360	**1.20%**
Glen Allen, VA	877-464-0333
Goldman Sachs Bank USA	**1.20%**
New York, NY	855-730-7283
American Express Bank, FSB	**1.25%**
New York, NY	866-215-8754

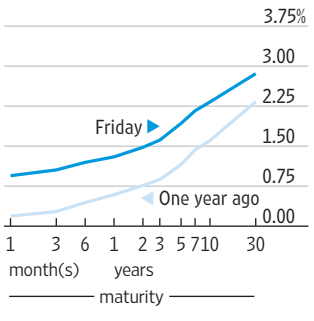
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**1.00-1.25**	1.00-1.25	0.25	1.25	**1.00**
Prime rate*	**4.25**	4.25	3.50	4.25	**1.00**
Libor, 3-month	**1.33**	1.33	0.85	1.34	**1.10**
Money market, annual yield	**0.27**	0.29	0.26	0.36	**-0.15**
Five-year CD, annual yield	**1.44**	1.43	1.19	1.47	**-0.04**
30-year mortgage, fixed†	**3.90**	3.87	3.46	4.33	**-0.34**
15-year mortgage, fixed†	**3.16**	3.12	2.72	3.50	**-0.21**
Jumbo mortgages, $424,100-plus†	**4.41**	4.36	4.22	4.88	**-0.20**
Five-year adj mortgage (ARM)†	**3.41**	3.37	3.13	4.03	**-0.36**
New-car loan, 48-month	**3.05**	3.06	2.85	3.36	**-0.17**
HELOC, $30,000	**4.74**	4.76	4.57	5.22	**0.35**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

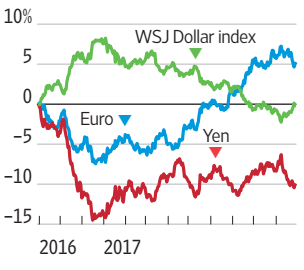
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

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



Sources: Ryan ALM; Tullett Prebon; WSJ Market Data Group

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1459.707	**2.062**	2.009	2.237	1.360	**–2.644**	2.425
10-yr Treasury, Ryan ALM	1733.460	**2.328**	2.262	2.609	1.605	**0.268**	2.417
DJ Corporate	n.a.	**n.a.**	2.992	n.a.	n.a.	**n.a.**	n.a.
Aggregate, Barclays Capital	1938.340	**2.550**	2.530	2.790	1.960	**–0.168**	2.682
High Yield 100, Merrill Lynch	n.a.	**n.a.**	5.077	n.a.	n.a.	**n.a.**	n.a.
Fixed-Rate MBS, Barclays	1986.550	**2.800**	2.790	3.120	2.060	**0.225**	2.432
Muni Master, Merrill	n.a.	**n.a.**	1.834	n.a.	n.a.	**n.a.**	n.a.
EMBI Global, J.P. Morgan	n.a.	**n.a.**	5.400	n.a.	n.a.	**n.a.**	n.a.

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0578	17.3130	**9.1**
Brazil real	.3162	3.1627	**–2.8**
Canada dollar	.8019	1.2471	**–7.2**
Chile peso	.001562	640.10	**–4.4**
Colombia peso	.0003405	2936.90	**–2.2**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0548	18.2542	**–12.0**
Peru new sol	.3063	3.265	**–2.6**
Uruguay peso	.03427	29.1800	**–0.6**
Venezuela b. fuerte	.098465	10.1559	**1.6**
Asia-Pacific			
Australian dollar	.7833	1.2767	**–8.1**
China yuan	.1507	6.6366	**–4.4**
Hong Kong dollar	.1280	7.8114	**0.7**
India rupee	.01532	65.285	**–3.9**
Indonesia rupiah	.0000742	13472	**–0.4**
Japan yen	.008889	112.50	**–3.9**
Kazakhstan tenge	.002939	340.30	**2.0**
Macau pataca	.1243	8.0443	**1.6**
Malaysia ringgit	.2368	4.2225	**–5.9**
New Zealand dollar	.7210	1.3870	**–4.0**
Pakistan rupee	.00949	105.410	**1.0**
Philippines peso	.0197	50.888	**2.6**
Singapore dollar	.7366	1.3576	**–6.2**
South Korea won	.0008731	1145.30	**–5.2**
Sri Lanka rupee	.0065325	153.08	**3.1**
Taiwan dollar	.03297	30.330	**–6.5**
Thailand baht	.03000	33.330	**–6.9**
Vietnam dong	.00004399	22730	**–0.2**
Europe			
Czech Rep. koruna	.04546	21.999	**–14.4**
Denmark krone	.1588	6.2984	**–10.9**
Euro area euro	1.1814	.8465	**–11.0**
Hungary forint	.003789	263.94	**–10.3**
Iceland krona	.009425	106.10	**–6.1**
Norway krone	.1256	7.9635	**–7.9**
Poland zloty	.2739	3.6505	**–12.8**
Russia ruble	.01738	57.548	**–6.1**
Sweden krona	.1228	8.1465	**–10.5**
Switzerland franc	1.0331	.9680	**–5.0**
Turkey lira	.2806	3.5637	**1.1**
Ukraine hryvnia	.0376	26.5875	**–1.8**
UK pound	1.3399	.7463	**–7.9**
Middle East/Africa			
Bahrain dinar	2.6514	.3772	...
Egypt pound	.0567	17.6425	**–2.7**
Israel shekel	.2830	3.5335	**–8.2**
Kuwait dinar	3.3110	.3020	**–1.2**
Oman sul rial	2.5968	.3851	**0.03**
Qatar rial	.2691	3.716	**2.1**
Saudi Arabia riyal	.2667	3.7502	**–0.01**
South Africa rand	.0738	13.5566	**–1.0**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	86.30	0.03	0.03	**–7.14**

Sources: Tullett Prebon, WSJ Market Data Group

COMMODITIES

	Close	Friday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	**585.74**	-0.84	**-0.14**	591.05	527.06	**10.06**	3.26
TR/CC CRB Index	**183.09**	0.10	**0.05**	195.14	166.50	**-1.73**	-4.89
Crude oil, $ per barrel	**51.67**	0.11	**0.21**	54.45	42.53	**7.11**	-3.82
Natural gas, $/MMBtu	**3.007**	-0.010	**-0.33**	3.93	2.56	**3.48**	-19.25
Gold, $ per troy oz.	**1281.50**	-4.00	**-0.31**	1346.00	1127.80	**-2.42**	11.43

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE MKT and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq OMX BXSM (formerly Boston), Chicago Stock Exchange, CBOE, National Stock Exchange, ISE and BATS.
The list comprises the 1,000 largest companies based on market capitalization.
Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.
Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
i-New 52-week high.
l-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, September 29, 2017

NYSE

YTD %Chg	52-Week Hi	Lo	Stock	Sym	Yld %	PE	Last	Net Chg
17.47	25.83	20.26	ABB	ABB	3.1	23	24.75	0.07
1.24	40.72	26.46	AECOM	ACM	...	22	36.81	-0.20
-5.16	13.01	10.60	AES	AES	4.4	dd	11.02	-0.06
16.94	84.51	66.50	Aflac	AFL	2.1	12	81.39	-0.91
27.50	74.40	48.11	AGCO	AGCO	0.8	32	73.77	0.29
-7.90	43.03	35.10	AT&T	T	5.0	18	39.17	0.13
38.92	54.80	37.38	AbbottLabs	ABT	2.0	74	53.36	-0.28
41.90	90.95	55.06	AbbVie	ABBV	2.9	22	88.86	-0.10
15.32	138.70	112.31	Accenture	ACN	2.0	25	135.07	-1.25
-25.81	267.08	153.28	AcuityBrands	AYI	0.3	24	171.28	3.15
43.33	86.42	39.66	Adient	ADNT	1.3	dd	83.99	-0.11
-41.34	177.83	82.21	AdvanceAuto	AAP	0.2	20	99.20	-0.30
22.62	6.70	4.89	AdvSemiEngg	ASX	3.7	14	6.18	0.13
4.70	6.06	3.80	Aegon	AEG	5.3	16	5.79	-0.06
i22.83	51.27	37.83	AerCap	AER	...	9	51.11	0.46
28.22	164.52	104.59	Aetna	AET	1.3	35	159.01	1.71
i30.65	191.98	130.48	AffiliatedMgrs	AMG	0.4	21	189.83	0.44
40.91	66.45	42.92	AgilentTechs	A	0.8	33	64.20	0.22
7.64	56.08	35.05	AgnicoEagle	AEM	0.9	41	45.21	-0.40
6.62	111.88	87.78	Agrium	AGU	3.3	26	107.21	-0.69
5.15	152.26	129	AirProducts	APD	2.5	29	151.22	-0.12
-14.04	101.43	65.29	AlaskaAir	ALK	1.6	12	76.27	0.40
i58.35	137.48	76.32	Albemarle	ALB	0.9	32	136.31	3.99
66.03	47.95	20	Alcoa	AA	...	dd	46.62	0.54
7.05	123.89	101.51	AlexandriaRealEst	ARE	2.9	298	118.97	1.49
96.69	180.87	86.01	Alibaba	BABA	...	60	172.71	2.47
-8.90	667.19	510.52	Alleghany	Y	...	18	554.01	4.74
i35.11	86.89	61.47	Allegion	ALLE	0.7	33	86.47	0.71
-2.41	256.80	184.50	Allergan	AGN	1.4	7	204.95	0.87
-3.04	266.25	197.69	AllianceData	ADS	0.9	25	221.55	0.94
3.62	26.15	20.40	AllianceBernstein	AB	8.1	11	24.30	-0.05
9.71	43.69	34.88	AlliantEnergy	LNT	3.0	24	41.57	-0.13
24.00	95.25	66.55	Allstate	ALL	1.6	14	91.91	0.62
i27.55	24.32	16.68	AllyFinancial	ALLY	2.0	12	24.26	0.37
-16.51	35.29	26.11	AlticeUSA	ATUS	...	...	27.31	0.31
-6.21	77.79	60.01	Altria	MO	4.2	8	63.42	-0.77
117.14	**23.46**	**9.14**	**AlumofChina**	**ACH**	**...**	**87**	**22.17**	**1.10**
34.22	6.86	4.70	Ambev	ABEV	...	28	6.59	0.03
10.26	60.91	46.84	Ameren	AEE	3.0	20	57.84	-0.52
41.21	19.05	11.02	AmericaMovil	AMX	1.9	24	17.75	-0.03
44.31	18.89	10.83	AmericaMovil A	AMOV	1.9	24	17.75	0.06
l-11.29	52.53	43.98	AmCampus	ACC	4.0	90	44.15	-0.31
11.56	74.59	57.89	AEP	AEP	3.4	60	70.24	-0.26
i22.11	90.77	59.50	AmericanExpress	AXP	1.5	18	90.46	0.32
17.40	105.58	73.38	AmericanFin	AFG	1.2	12	103.45	-0.46
3.48	23.98	19.62	AmerHomes4Rent	AMH	0.9	dd	21.71	-0.05
-6.00	67.47	57.35	AIG	AIG	2.1	dd	61.39	0.42
29.33	148.71	99.72	AmerTowerREIT	AMT	1.9	66	136.68	0.58
11.82	83.14	69.41	AmerWaterWorks	AWK	2.1	31	80.91	-0.20
-6.22	50	42	Amerigas	APU	8.5	128	44.94	0.49
33.87	149.99	86.25	Ameriprise	AMP	2.2	17	148.51	0.76
5.83	97.85	68.38	AmerisourceBrgn	ABC	1.8	22	82.75	1.76
35.88	66.70	43.98	Ametek	AME	0.5	29	66.04	0.49
i25.95	84.87	62.63	Amphenol	APH	0.9	28	84.64	2.36
-29.94	73.33	39.96	AnadarkoPetrol	APC	0.4	dd	48.85	-0.03
17.95	105.63	75.11	Andeavor	ANDV	2.3	37	103.15	0.67
13.14	131.91	98.28	AB InBev	BUD	3.7	60	119.30	0.30
22.27	12.73	9.83	AnnalyCap	NLY	9.8	4	12.19	-0.05
2.10	35.74	25.86	AnteroMidstream	AM	4.1	21	31.53	0.42
-15.86	28.30	18.23	AnteroResources	AR	...	398	19.90	0.01
32.07	198.98	114.85	Anthem	ANTM	1.5	18	189.88	0.10
31.00	147.66	107.19	Aon	AON	1.0	37	146.10	-0.85
-27.84	69	38.14	Apache	APA	2.2	dd	45.80	...
-3.50	46.96	39.66	ApartmtInv	AIV	3.3	243	43.86	0.02
55.48	31.69	17.38	ApolloGlobalMgmt	APO	6.9	12	30.10	-0.29
10.49	34.66	28.03	AquaAmerica	WTR	2.5	25	33.19	-0.06
13.69	41.72	32.73	Aramark	ARMK	1.0	30	40.61	0.16
17.63	28.11	17.85	ArcelorMittal	MT	...	4	25.76	0.28
-6.88	47.88	40.22	ArcherDaniels	ADM	3.0	18	42.51	-0.24
34.20	30.69	16.75	Arconic	ARNC	1.0	dd	24.88	-1.14
95.94	193.24	78.82	AristaNetworks	ANET	...	49	189.61	2.06
12.78	84.53	58.52	ArrowElec	ARW	...	15	80.41	-0.09
24.01	35.60	25.55	AstraZeneca	AZN	2.7	24	33.88	0.40
12.19	55.10	43.25	Athene	ATH	...	9	53.84	-0.17
13.07	89	68.51	AtmosEnergy	ATO	2.1	23	83.84	-0.46
137.66	67.69	22.07	Autohome	ATHM	...	39	60.08	-0.89
9.24	127.72	93.31	Autoliv	ALV	1.9	20	123.60	0.17
-24.65	813.70	491.13	AutoZone	AZO	...	13	595.11	7.82
0.72	199.52	158.32	Avalonbay	AVB	3.2	25	178.42	-0.18
25.18	49.04	35.42	Avangrid	AGR	3.6	22	47.42	0.23
40.05	100.10	68.55	AveryDennison	AVY	1.8	23	98.34	-1.59
6.32	34.10	24.27	AxaltaCoating	AXTA	...	dd	28.92	-0.01
-0.17	49.88	37.34	BB&T	BBT	2.8	18	46.94	0.64
8.30	48.27	41.83	BCE	BCE	4.9	19	46.83	-0.09
13.28	44.62	33.31	BHPBilliton	BHP	4.2	18	40.53	0.04
12.68	39.12	28.73	BHPBilliton	BBL	4.9	16	35.45	0.05
2.81	38.68	32.53	BP	BP	6.2	35	38.43	0.01
-2.37	18.12	10.60	BRF	BRFS	...	dd	14.41	0.12
-16.46	25.58	18.06	BT Group	BT	7.1	19	19.24	0.01
41.11	57.45	36.16	BWX Tech	BWXT	0.8	30	56.02	-0.04
-1.69	40.82	32.43	BakerHughes	BHGE	1.9	dd	36.62	-0.41
10.03	43.06	35.65	Ball	BLL	1.0	81	41.30	-0.12
31.76	9.35	5.79	BancoBilbaoViz	BBVA	4.8	14	8.92	0.11
32.85	93.66	64.05	BancodeChile	BCH	2.8	18	91.17	0.18
i82.36	117.71	61.12	BancoMacro	BMA	0.6	16	117.35	4.58
35.85	30.63	20.22	BcoSantChile	BSAC	3.5	18	29.71	0.02
33.98	6.99	4.23	BancoSantander	SAN	4.1	14	6.94	0.03
24.84	48.74	31.98	BanColombia	CIB	2.9	11	45.79	0.11
14.66	25.80	15.17	BankofAmerica	BAC	1.9	15	25.34	-0.11
5.27	78	62.32	BankofMontreal	BMO	3.8	13	75.71	0.11
11.90	54.59	38.68	BankNY Mellon	BK	1.8	16	53.02	0.01
15.39	64.93	51.21	BkNovaScotia	BNS	3.9	13	64.25	-0.12
-5.91	12.05	8.02	Barclays	BCS	2.1	dd	10.35	0.01
42.66	324.58	203.63	Bard CR	BCR	0.3	42	320.50	1.12
0.69	20.78	13.80	BarrickGold	ABX	0.7	8	16.09	-0.11
41.52	64.75	43.13	BaxterIntl	BAX	1.0	38	62.75	0.41
18.36	206.63	161.29	BectonDickinson	BDX	1.5	56	195.95	2.35
0.35	73.17	55.55	Berkley	WRB	0.8	14	66.74	0.01
12.54	275945	213030	BerkHathwy A	BRK/A	...	21	274740	-30.00
12.48	184	141.92	BerkHathwy B	BRK/B	...	21	183.32	0.11
16.25	58.95	42.46	BerryGlobal	BERY	...	24	56.65	0.39
33.49	63.32	37.10	BestBuy	BBY	2.4	15	56.96	0.13
21.91	242.79	154.89	Bio-RadLab A	BIO	...	444	222.22	-0.16
13.89	45.25	34	BlackKnightFin	BKFS	...	69	43.05	-0.55
i17.49	448.53	336.84	BlackRock	BLK	2.2	21	447.09	0.98
23.46	35.09	23.33	BlackstoneGroup	BX	6.5	15	33.37	0.04
15.18	31.80	19.85	BlockHR	HRB	3.6	14	26.48	-0.76
-15.32	18.95	14.50	BoardwalkPipe	BWP	2.7	13	14.70	0.10
63.29	259.30	130.74	Boeing	BA	2.2	22	254.21	-0.06
i29.89	51.55	33.09	BorgWarner	BWA	1.1	58	51.23	0.94
-2.31	140.13	113.69	BostonProperties	BXP	2.4	42	122.88	0.11
34.86	29.40	19.67	BostonScientific	BSX	...	50	29.17	0.43
26.07	28.78	14.88	Braskem	BAK	2.9	56	26.74	0.21
i 9.07	63.75	46.01	Bristol-Myers	BMY	2.4	23	63.74	0.73
10.85	73.41	52.71	BritishAmTob	BTI	2.4	11	62.45	-0.05
-23.01	28.45	17.35	BrixmorProp	BRX	5.5	19	18.80	-0.11
21.90	82.02	59.86	BroadridgeFinl	BR	1.8	30	80.82	0.20
i25.11	41.56	32.04	BrookfieldMgt	BAM	1.4	32	41.30	0.59
28.89	44.91	30.76	BrookfieldInfr	BIP	4.0	92	43.14	0.19
7.42	48.97	36.05	Brown&Brown	BRO	1.1	26	48.19	-0.11
20.41	60.28	45.17	Brown-Forman A	BF/A	1.3	31	55.69	-0.07
20.88	59.71	43.72	Brown-Forman B	BF/B	1.3	30	54.30	-0.11
-13.85	73.01	54.33	BuckeyePtrs	BPL	8.9	16	57	1.14
-3.85	83.75	58.19	Bunge	BG	2.6	21	69.46	-0.08
12.64	104.07	68.94	BurlingtonStores	BURL	...	26	95.46	0.46
43.02	25.72	14.08	CBD Pao	CBD	0.1	143	23.67	0.12
20.29	38.99	25.40	CBRE Group	CBG	...	18	37.88	0.01
-9.85	71.07	54.85	CBS A	CBS/A	1.2	177	58.43	0.93
-8.83	70.09	54.11	CBS B	CBS	1.2	176	58	1.08
11.69	37.17	22	CF Industries	CF	3.4	dd	35.16	0.32
8.00	53.65	45.73	CGI Group	GIB	...	19	51.87	0.22
14.93	50.40	35.14	CIT Group	CIT	1.2	dd	49.05	0.29
11.29	49.11	38.78	CMS Energy	CMS	2.9	23	46.32	-0.03
21.08	53.67	33.97	CNA Fin	CNA	2.4	12	50.25	0.25
4.63	138.36	108.05	CNOOC	CEO	3.9	16	129.70	3.13
11.43	17.69	13.27	CPFLEnergia	CPL	1.6	38	17.16	0.14
i10.12	38.06	31.55	CRH	CRH	1.2	22	37.86	0.58
3.05	89.91	69.30	CVS Health	CVS	2.5	16	81.32	0.06
14.51	27.14	20.02	CabotOil	COG	0.7	dd	26.75	-0.07
8.78	96.39	75.36	CamdenProperty	CPT	3.3	20	91.45	-0.08
-22.57	64.23	44.99	CampbellSoup	CPB	3.0	16	46.82	-0.23
7.25	92.22	72.62	CIBC	CM	4.7	11	87.52	-0.19
22.92	84.48	61.72	CanNtlRlwy	CNI	1.6	23	82.85	-0.25
5.05	35.28	27.52	CanNaturalRes	CNQ	2.6	33	33.49	-0.61
17.69	169.58	139.29	CanPacRlwy	CP	1.1	20	168.03	-0.31
21.96	35.91	27.76	Canon	CAJ	4.1	21	34.32	0.13
-2.96	96.92	70.50	CapitalOne	COF	1.9	12	84.66	0.54
-7.02	84.88	62.70	CardinalHealth	CAH	2.8	17	66.92	0.41
-9.07	116.40	92.09	Carlisle	CSL	1.5	28	100.29	-0.23
i17.74	76.40	47.50	CarMax	KMX	...	21	75.81	-0.12
24.03	69.89	45.92	Carnival	CCL	2.5	18	64.57	0.20
25.96	70.56	46.07	Carnival	CUK	2.5	17	64.48	0.12
i34.47	125.55	80.33	Caterpillar	CAT	2.5	831	124.71	-0.52
32.42	104.75	63.02	Celanese A	CE	1.8	18	104.27	-0.07
17.60	10.37	6.91	Cemex	CX	...	12	9.08	0.07
-33.77	16.82	6.76	CenovusEnergy	CVE	1.6	6	10.02	-0.12
71.24	98.72	50	Centene	CNC	...	21	96.77	0.93
18.55	30.45	21.83	CenterPointEner	CNP	3.7	21	29.21	0.06
-9.62	7.70	3.49	CentraisElBras	EBR	...	3	6.20	0.10
-20.52	33.45	18.17	CenturyLink	CTL	11.4	27	18.90	-0.31
129.11	52.15	14.41	Chemours	CC	0.2	34	50.61	0.20
-0.17	119	99.61	Chevron	CVX	3.7	38	117.50	-0.12
9.35	30.90	21.38	ChinaEastrnAir	CEA	...	10	24.44	-0.25
16.94	16.61	12.16	ChinaLifeIns	LFC	1.2	29	15.05	0.14
-3.55	63.26	50.45	ChinaMobile	CHL	4.1	13	50.57	-0.01
6.67	84.88	67.82	ChinaPetrol	SNP	4.0	11	75.76	1.49
33.68	43.35	25.60	ChinaSoAirlines	ZNH	2.1	10	34.37	-0.01
10.82	53.61	45.58	ChinaTelecom	CHA	2.6	16	51.12	0.18
21.47	16.55	10.84	ChinaUnicom	CHU	1.9	139	14.03	0.13
-18.42	499	295.11	Chipotle	CMG	...	65	307.83	-8.70
7.89	150.28	121.48	Chubb	CB	2.0	13	142.55	0.36
8.11	36.37	31.28	ChunghwaTelecom	CHT	4.8	22	34.11	0.27
9.64	54.18	42.55	Church&Dwight	CHD	1.6	29	48.45	0.33
40.15	188.36	115.03	Cigna	CI	0.0	22	186.94	-0.06
-16.36	146.96	89.49	CimarexEnergy	XEC	0.3	39	113.67	-0.58
22.40	72.97	46.06	Citigroup	C	1.8	15	72.74	0.09
6.29	39.75	24.12	CitizensFin	CFG	1.9	16	37.87	0.80
9.91	141.76	111.24	Clorox	CLX	2.5	25	131.91	1.88
15.02	48.85	34.07	Coach	COH	3.4	19	40.28	0.16
8.56	46.98	39.88	Coca-Cola	KO	3.3	47	45.01	0.10
32.55	44.75	30.55	Coca-Cola Euro	CCE	2.4	26	41.62	0.06
21.39	91.84	59.44	Coca-Cola Femsa	KOF	2.3	23	77.13	0.84
11.32	77.27	63.43	Colgate-Palmolive	CL	2.2	27	72.85	-0.30
-15.82	16.09	12.37	ColonyNorthStar	CLNS	8.6	97	12.56	0.01
i11.97	76.76	46.59	Comerica	CMA	1.6	19	76.26	0.74
20.51	11.33	7.75	SABESP	SBS	...	9	10.46	0.20
-14.69	41.68	32.16	ConagraBrands	CAG	2.5	24	33.74	-0.21
-0.66	147.55	106.73	ConchoRscs	CXO	...	32	131.72	-0.13
-0.18	53.17	40.37	ConocoPhillips	COP	2.1	dd	50.05	0.05
9.50	86.16	68.76	ConEd	ED	3.4	20	80.68	-0.03
30.10	205.12	144	ConstBrands A	STZ	1.0	28	199.45	0.15
-25.09	60.30	29.08	ContinentalRscs	CLR	...	dd	38.61	-0.24
35.55	256.39	158.73	Cooper	COO	0.0	34	237.11	5.51
23.28	32.17	22.23	Corning	GLW	2.1	13	29.92	-0.03
-9.72	25.34	15.83	Coty	COTY	3.0	dd	16.53	0.38
29.87	213.82	144.23	Credicorp	BAP	1.8	15	205.02	1.06
10.41	16.17	12.34	CreditSuisse	CS	4.5	dd	15.80	0.08
-4.50	28.30	18.50	CrestwoodEquity	CEQP	9.8	dd	24.40	-0.10
15.22	108.88	79.38	CrownCastle	CCI	3.8	80	99.98	-0.56
13.60	61.39	51.57	CrownHoldings	CCK	...	17	59.72	-0.47
7.58	99.20	69.63	Cullen/Frost	CFR	2.4	19	94.92	0.14
22.95	170.68	121.22	Cummins	CMI	2.6	19	168.03	-0.30
8.98	113.71	89.66	DTE Energy	DTE	3.1	18	107.36	-0.30
24.05	86.29	64.06	DXC Tech	DXC	0.8	dd	85.88	1.09
10.20	88.62	75.71	Danaher	DHR	0.7	27	85.78	0.74
8.33	95.22	60.16	Darden	DRI	3.2	20	78.78	-0.18
-7.49	70.16	54.50	DaVita	DVA	...	9	59.39	0.92
21.88	132.50	84.18	Deere	DE	1.9	21	125.59	1.93
40.46	77.69	46.63	DellTechnologies	DVMT	...	dd	77.21	0.06
46.10	104.09	60.50	DelphiAutomotive	DLPH	1.2	21	98.40	0.66
-1.97	55.75	37.91	DeltaAir	DAL	2.5	10	48.22	-0.09
6.93	19.48	10.77	DeutscheBank	DB	1.2	dd	17.28	0.30
-19.62	50.69	28.79	DevonEnergy	DVN	0.7	8	36.71	0.12
27.12	137.59	99.46	Diageo	DEO	3.1	25	132.13	0.49
20.43	127.23	85.63	DigitalRealty	DLR	3.1	47	118.33	2.17
-10.56	74.33	53.91	DiscoverFinSvcs	DFS	2.2	11	64.48	0.12
-5.42	116.10	90.31	Disney	DIS	1.6	17	98.57	0.52
27.28	59.79	44.98	DolbyLab	DLB	1.0	29	57.52	-0.17
i 9.42	81.30	65.97	DollarGeneral	DG	1.3	18	81.05	1.03
0.44	81.65	69.51	DominionEner	D	3.9	22	76.93	-0.10
24.69	221.58	149.67	Domino's	DPZ	0.9	40	198.55	1.51
9.17	48.91	35.85	Donaldson	DCI	1.6	26	45.94	-0.07
7.82	40.79	33.78	DouglasEmmett	DEI	2.3	67	39.42	0.19
21.97	92.74	65.50	Dover	DOV	2.1	23	91.39	-0.12
3.05	70.70	64.01	DowDuPont	DWDP	...	32	69.23	0.17
-2.43	99.47	81.05	DrPepperSnap	DPS	2.6	21	88.47	0.11
-21.20	50.10	29.83	DrReddy'sLab	RDY	0.9	35	35.68	-0.24
8.12	88.40	72.34	DukeEnergy	DUK	4.2	25	83.92	-0.34
8.51	30.14	22.96	DukeRealty	DRE	2.6	31	28.82	-0.13
2.57	34.62	26.15	ENI	E	5.8	78	33.07	0.22
-4.31	109.37	81.99	EOG Rscs	EOG	0.7	dd	96.74	-0.08
-0.24	75.74	49.63	EQT	EQT	0.2	2175	65.24	0.18
-2.23	82.99	69.20	EQT Midstream	EQM	5.0	15	74.97	1.21
i20.32	90.97	62.70	EastmanChem	EMN	2.3	14	90.49	0.53
14.46	81.63	59.07	Eaton	ETN	2.0	18	76.79	0.70
17.88	50.10	34.44	EatonVance	EV	2.3	21	49.37	-0.20
9.72	134.89	110.65	Ecolab	ECL	1.2	29	128.61	-0.66
4.86	10.36	7.65	Ecopetrol	EC	...	22	9.49	-0.03
7.20	82.82	67.44	EdisonInt	EIX	2.8	18	77.17	-0.40
16.66	121.75	81.12	EdwardsLife	EW	...	33	109.31	0.44
12.72	64.36	49.22	EmersonElectric	EMR	3.1	30	62.84	-0.02
-37.28	26.36	13.87	EnbridgeEnPtrs	EEP	8.8	dd	15.98	0.24
-0.66	45.09	37.37	Enbridge	ENB	4.7	41	41.84	0.31
0.34	13.85	8.01	Encana	ECA	0.5	14	11.78	0.02
24.48	10.80	7.67	EnelAmericas	ENIA	3.5	29	10.22	0.07
31.87	6.07	4.25	EnelChile	ENIC	...	10	6	-0.01
i35.60	26.36	18.35	EnelGenChile	EOCC	7.3	11	26.36	0.60
-9.99	20.05	13.77	EnergyTrfrEquity	ETE	6.6	22	17.38	-0.03
-23.86	28.61	17.85	EnergyTransfer	ETP	12.0	10	18.29	-0.21
-9.01	19.59	14.43	EnLinkMidPtrs	ENLK	9.3	dd	16.76	0.33
3.93	80.61	66.71	Entergy	ETR	4.6	dd	76.36	0.02
-3.59	30.25	24.01	EnterpriseProd	EPD	6.4	21	26.07	-0.05
-10.35	147.02	89.59	Equifax	EFX	1.5	22	105.99	-0.38
18.00	90.80	65.87	EquityLife	ELS	2.3	42	85.08	0.75
2.44	68.83	58.28	EquityResdntl	EQR	3.1	58	65.93	0.09
9.26	270.04	200.01	EssexProp	ESS	2.8	33	254.03	0.98
40.99	110.99	75.30	EsteeLauder	EL	1.3	32	107.84	1.49
5.54	277.17	183.04	EverestRe	RE	2.2	8	228.39	5.51
9.43	64.19	50.56	EversourceEner	ES	3.1	20	60.44	-0.13
6.14	38.78	29.82	Exelon	EXC	3.5	20	37.67	0.27
3.47	83.23	68.09	ExtraSpaceSt	EXR	3.9	28	79.92	0.84
-9.17	93.22	76.05	ExxonMobil	XOM	3.8	30	81.98	-0.21
57.90	93.44	45.77	FMC	FMC	0.7	271	89.31	1.35
10.21	184.20	150.95	FactSet	FDS	1.2	28	180.11	1.03
-12.60	156.59	120.50	FederalRealty	FRT	3.2	40	124.21	-0.24
i21.15	226.34	168	FedEx	FDX	0.9	21	225.58	1.32
90.02	118.10	50.39	Ferrari	RACE	...	40	110.48	0.45
96.38	18.10	6.14	FiatChrysler	FCAU	...	9	17.91	0.32
40.89	14.17	6.94	FibriaCelulose	FBR	...	1830	13.54	0.03
39.75	49.37	31.64	FidelityNatlFin	FNF	2.1	22	47.46	0.42
25.18	17.90	11	FNFV Group	FNFV	...	8	17.15	-0.40
23.47	93.73	73.25	FidelityNtlInfo	FIS	1.2	47	93.39	0.05
125.50	68.85	27.58	58.com	WUBA	...	136	63.14	0.92
27.13	19.20	12.74	FirstData	FDC	...	31	18.04	0.16
i13.37	104.99	72.40	FirstRepBank	FRC	0.7	25	104.46	0.82
-0.45	34.83	27.93	FirstEnergy	FE	4.7	dd	30.83	0.76
9.36	176.42	121.52	FleetCorTech	FLT	...	31	154.77	0.07
-19.84	58.37	37.04	Fluor	FLR	2.0	53	42.10	-0.04
25.35	103.82	73.45	FomentoEconMex	FMX	1.4	31	95.53	-0.48
-1.32	13.27	10.47	FordMotor	F	5.0	13	11.97	0.01
22.41	26.30	17.79	ForestCity A	FCE/A	2.2	dd	25.51	0.13
15.84	37.67	29.14	F

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MUTUAL FUNDS

Explanatory Notes

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes with net assets of at least $500 million each. **NAV** is net asset value. Percentage performance figures are total returns, assuming reinvestment of all distributions and after subtracting annual expenses. Figures don't reflect sales charges ("loads") or redemption fees. **NET CHG** is change in NAV from previous trading day. **YTD%RET** is year-to-date return. **3-YR%RET** is trailing three-year return annualized.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Friday, September 29, 2017

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	NA	...	NA
American Funds Cl A			
AmcpA p	30.90	+0.10	15.1
AMutlA p	40.66	+0.09	12.0
BalA p	27.00	+0.05	10.5
BondA p	12.97	-0.01	3.3
CapIBA p	62.74	+0.15	11.5
CapWGrA	51.22	+0.30	18.7
EupacA p	55.46	+0.38	25.5
FdInvA p	61.81	+0.27	15.7
GwthA p	49.60	+0.23	18.0
HI TrA p	10.48	...	6.3
ICAA p	40.39	+0.09	12.8
IncoA p	23.23	+0.06	9.6
N PerA p	43.54	+0.29	23.2
NEcoA p	45.78	+0.24	27.3
NwWrldA	64.65	+0.54	25.7
SmCpA p	55.60	+0.26	20.9
TxExA p	12.99	...	4.3
WshA p	44.53	+0.16	12.9
Baird Funds			
AggBdInst	10.90	...	3.7
CorBdInst	11.25	...	4.1
BlackRock Funds A			
GlblAlloc p	20.12	+0.05	10.7
BlackRock Funds Inst			
EqtyDivd	22.72	+0.10	10.8
GlblAlloc	20.24	+0.05	10.9
HiYldBd	7.85	+0.01	7.2
StratIncOpptyIns	9.97	+0.01	4.0
Bridge Builder Trust			
CoreBond	10.20	...	3.6
Del Invest Instl			
Value	20.95	+0.08	7.8
Dimensional Fds			
5GlbFxdInc	11.01	-0.01	2.1
EmgMktVa	29.28	+0.27	24.0
EmMktCorEq	21.69	+0.22	26.8
IntlCoreEq	14.01	+0.07	22.3
IntlVal	19.59	+0.11	19.6
IntSmCo	21.19	...	23.4
IntSmVa	23.31	+0.13	23.3
US CoreEq1	21.54	+0.07	13.1
US CoreEq2	20.52	+0.07	11.5
US Small	36.11	+0.04	7.4
US SmCpVal	38.70	+0.01	4.0
US TgdVal	24.98	+0.03	4.9
USLgVa	38.29	+0.15	10.7
Dodge & Cox			
Balanced	108.75	+0.31	8.7
GblStock	13.99	+0.08	17.5
Income	13.81	...	3.9
Intl Stk	46.66	+0.31	22.5
Stock	200.52	+0.96	11.9
DoubleLine Funds			
TotRetBdI	NA	...	NA
TotRetBdN	NA	...	NA
Edgewood Growth Instituti			
EdgewoodGrInst	28.82	+0.18	29.8
Federated Instl			
StraValDivIS	6.42	...	11.6
Fidelity			
500IdxInst	88.52	+0.33	14.2
500IdxInstPrem	88.52	+0.33	14.2
500IdxPrem	88.52	+0.33	14.2
ExtMktIdxPrem r	61.85	+0.16	12.7
IntlIdxPrem r	42.56	+0.21	20.6
TMktIdxF r	73.22	+0.26	14.0
TMktIdxPrem	73.20	+0.25	13.9
USBdIdxInstPrem	11.63	...	3.1
USBdIdxPrem	11.63	...	3.1
Fidelity Advisor I			
NwInsghtI	32.14	+0.20	20.4
Fidelity Freedom			
FF2020	16.50	+0.05	11.8
FF2025	14.26	+0.04	12.6
FF2030	17.82	+0.07	14.8
Fidelity Invest			
Balanc	24.57	+0.05	12.4
BluCh	83.82	+0.55	27.0
Contra	121.20	+0.84	23.9
ContraK	121.19	+0.84	24.0
CpInc r	10.24	+0.01	9.6
DivIntl	40.68	+0.22	22.2
GroCo	175.00	+1.11	27.9
GrowCoK	174.94	+1.10	28.0
InvGB	7.94	...	3.5
InvGrBd	11.31	...	3.8
LowP r	51.86	+0.11	13.2
LowPriStkK r	51.81	+0.11	13.2
MagIn	102.13	+0.55	18.4
OTC	104.16	+0.90	30.7
Puritn	23.19	+0.10	13.5
SrsEmrgMkt	20.60	+0.20	31.2
SrsGroCoRetail	17.16	+0.10	28.4
SrsIntlGrw	15.89	+0.08	24.1
SrsIntlVal	10.77	+0.06	17.6
TotalBond	10.71	-0.01	3.8
Fidelity Selects			
Biotech r	232.77	+2.14	33.7
First Eagle Funds			
GlbA	59.66	+0.13	10.0
FPA Funds			
FPACres	34.58	+0.07	7.3
FrankTemp/Frank Adv			
IncomeAdv	2.37	...	7.7
FrankTemp/Franklin A			
CA TF A p	7.46	...	4.7
Fed TF A p	11.99	...	2.7
IncomeA p	2.39	...	7.5
RisDv A p	NA	...	NA
FrankTemp/Franklin C			
Income C t	2.42	...	7.5
FrankTemp/Temp A			
GlBond A p	12.27	+0.04	4.4
Growth A p	26.94	+0.15	14.3
FrankTemp/Temp Adv			
GlBondAdv p	12.22	+0.03	4.5
Harbor Funds			
CapApInst	72.17	+0.59	27.4
IntlInst r	70.25	+0.64	20.3
Harding Loevner			
IntlEq	NA	...	NA
Invesco Funds A			
EqIncA	11.22	+0.03	7.4
John Hancock Class 1			
LSBalincd	15.76	...	11.6
LSGwth	16.84	+0.07	14.6
John Hancock Instl			
DispValMCI	23.62	+0.08	10.0
JPMorgan Funds			
MdCpVal L	NA	...	NA
JPMorgan I Class			
CoreBond	NA	...	NA
JPMorgan R Class			
CoreBond	NA	...	NA
Lazard Instl			
EmgMktEq	19.13	+0.16	20.5
Loomis Sayles Fds			
LSBondI	14.28	...	7.4
Lord Abbett A			
ShtDurIncmA p	NA	...	NA
Lord Abbett F			
ShtDurIncm	NA	...	NA
Metropolitan West			
TotRetBd	NA	...	NA
TotRetBdI	NA	...	NA
TRBdPlan	NA	...	NA
MFS Funds Class I			
ValueI	40.19	+0.08	12.2
MFS Funds Instl			
IntlEq	24.94	+0.12	23.1
Mutual Series			
GlbDiscA	32.63	+0.15	8.5
GlbDiscz	33.30	+0.16	8.7
Oakmark Funds Invest			
EqtyInc r	33.41	+0.03	9.8
Oakmark	82.85	+0.28	14.3
OakmrkInt	NA	...	NA
Old Westbury Fds			
LrgCpStr	14.61	+0.05	13.9
Oppenheimer Y			
DevMktY	NA	...	NA
IntGrowY	42.45	+0.26	22.4
Parnassus Fds			
ParnEqFd	43.05	+0.03	10.5
PIMCO Fds Instl			
AllAsset	NA	...	NA
TotRt	10.32	-0.02	5.0
PIMCO Funds A			
IncomeFd	NA	...	NA
PIMCO Funds D			
IncomeFd	NA	...	NA
PIMCO Funds Instl			
IncomeFd	NA	...	NA
PIMCO Funds P			
IncomeP	NA	...	NA
Price Funds			
BlChip	92.66	+0.65	27.6
CapApp	29.35	+0.08	12.1
EqInc	34.20	+0.13	10.2
EqIndex	67.64	+0.25	14.0
Growth	67.10	+0.39	26.0
HelSci	74.36	+0.61	25.9
InstlCapG	37.56	+0.24	28.5
IntlStk	18.93	+0.11	23.8
IntlValEq	15.26	+0.10	19.1
MCapGro	90.11	+0.34	19.6
MCapVal	30.85	+0.07	6.2
N Horiz	54.43	+0.37	25.7
N Inc	9.51	...	3.5
OverS SF r	11.18	+0.08	23.3
R2020	22.91	+0.07	12.2
R2025	17.63	+0.06	13.7
R2030	25.92	+0.11	15.0
R2035	18.92	+0.08	16.1
R2040	27.15	+0.13	17.0
Value	37.75	+0.21	12.2
PRIMECAP Odyssey Fds			
Growth r	34.64	+0.24	20.9
Principal Investors			
DivIntlInst	NA	...	NA
Prudential Cl Z & I			
TRBdZ	14.53	+0.01	5.4
Schwab Funds			
S&P Sel	39.31	+0.14	14.2
TIAA/CREF Funds			
EqIdxInst	18.90	+0.07	13.9
IntlEqIdxInst	19.99	+0.12	20.8
Tweedy Browne Fds			
MdCpVal L	NA	...	NA
VANGUARD ADMIRAL			
500Adml	232.57	+0.86	14.2
BalAdml	33.58	+0.07	9.6
CAITAdml	11.82	...	4.6
CapOpAdml r	151.28	+0.75	21.8
EMAdmr	36.09	+0.33	23.6
EqIncAdml	74.69	+0.15	11.4
ExtndAdml	81.25	+0.19	12.7
GNMAAdml	10.53	-0.01	1.9
GrwthAdml	68.34	+0.36	20.3
HlthCareAdml r	90.20	+0.66	19.0
HYCorAdml r	5.99	+0.01	7.0
InfProAd	25.68	-0.07	1.7
IntlGrAdml	92.57	+0.74	37.5
ITBondAdml	11.44	-0.02	3.8
ITIGradeAdml	9.82	-0.01	4.0
LTGradeAdml	10.57	+0.03	8.4
MidCpAdml	182.08	+0.79	12.9
MuHYAdml	11.37	...	6.3
MuIntAdml	14.19	-0.01	4.3
MuLTAdml	11.65	...	5.1
MuLtdAdml	10.99	...	2.6
MuShtAdml	15.80	-0.01	1.4
PrmcpAdml r	131.45	+0.87	20.8
REITAdml r	117.74	+0.16	3.5
SmCapAdml	67.70	+0.15	10.6
STBondAdml	10.46	...	1.5
STIGradeAdml	10.69	-0.01	2.2
TotBdAdml	10.78	-0.01	3.1
TotIntBdIdxAdm	21.77	...	1.2
TotIntlAdmIdx r	29.38	+0.18	21.6
TotStAdml	63.05	+0.22	13.9
TxMln r	13.93	+0.07	21.0
ValAdml	38.95	+0.09	9.5
WdsrllAdml	68.11	+0.22	10.3
WellsIAdml	64.57	+0.06	6.9
WelltnAdml	72.68	+0.18	9.8
WndsrAdml	77.57	+0.39	13.0
VANGUARD FDS			
DivdGro	26.07	+0.02	13.0
HlthCare r	213.82	+1.57	19.0
INSTTRF2020	22.23	+0.06	10.4
INSTTRF2025	22.46	+0.07	11.7
INSTTRF2030	22.61	+0.07	12.8
INSTTRF2035	22.78	+0.09	13.9
INSTTRF2040	22.93	+0.09	15.0
INSTTRF2045	23.05	+0.09	15.4
IntlVal	38.73	+0.26	22.0
LifeCon	19.66	+0.04	8.2
LifeGro	32.55	+0.12	13.9
LifeMod	26.55	+0.08	11.0
PrmcpCor	26.33	+0.13	18.7
SelValu r	32.65	+0.09	13.4
STAR	26.78	+0.10	13.9
STIGrade	10.69	-0.01	2.1
TgtRe2015	15.75	+0.03	8.5
TgtRe2020	31.19	+0.08	10.4
TgtRe2025	18.25	+0.05	11.6
TgtRe2030	32.93	+0.11	12.8
TgtRe2035	20.20	+0.08	13.9
TgtRe2040	34.73	+0.13	15.0
TgtRe2045	21.80	+0.09	15.4
TgtRe2050	35.07	+0.14	15.4
TgtRetInc	13.46	+0.01	6.3
TotIntBdIdxInv	10.89	...	1.2
WellsI	26.66	+0.03	6.9
Welltn	42.09	+0.11	9.8
WndsrII	38.38	+0.13	10.3
VANGUARD INDEX FDS			
500	232.57	+0.87	14.1
ExtndStPl	200.51	+0.49	12.7
SmValAdml	54.89	+0.03	6.9
TotBd2	10.75	...	3.1
TotIntl	17.57	+0.11	21.6
TotSt	63.03	+0.21	13.9
VANGUARD INSTL FDS			
BalInst	33.58	+0.06	9.5
DevMktsIndInst	13.95	+0.07	21.1
DevMktsInxInst	21.81	+0.12	21.1
ExtndInst	81.25	+0.20	12.7
GrwthInst	68.34	+0.36	20.3
InPrSeIn	10.46	-0.03	1.7
InstIdx	229.46	+0.86	14.2
InstPlus	229.47	+0.85	14.2
InstTStPlus	56.56	+0.20	13.9
MidCpInst	40.22	+0.17	12.9
MidCpIstPl	198.37	+0.86	12.9
SmCapInst	67.70	+0.15	10.6
STIGradeInst	10.69	-0.01	2.2
TotBdInst	10.78	-0.01	3.1
TotBdInst2	10.75	...	3.2
TotBdIstPl	10.78	-0.01	3.1
TotIntBdIdxInst	32.66	-0.01	1.3
TotIntlIstIdx r	117.49	+0.74	21.6
TotItlInstPlId r	117.51	+0.74	21.6
TotStInst	63.06	+0.21	13.9
ValueInst	38.95	+0.09	9.5
Western Asset			
CorePlusBdI	NA	...	NA

Borrowing Benchmarks | WSJ.com/bonds
Money Rates

September 29, 2017

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Aug. index level	Chg From (%) July '17	Aug. '16
U.S. consumer price index			
All items	**245.519**	0.30	1.9
Core	**252.460**	0.21	1.7

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**4.25**	4.25	4.25	3.50
Canada	**3.20**	3.20	3.20	2.70
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**0.00**	0.00	0.00	0.00
Switzerland	**0.50**	0.50	0.50	0.50
Britain	**0.25**	0.25	0.25	0.25
Australia	**1.50**	1.50	1.50	1.50

Secondary market

Fannie Mae

30-year mortgage yields

	Latest	Week ago	52-Week High	52-Week Low
30 days	**3.429**	3.418	3.865	2.849
60 days	**3.455**	3.446	3.899	2.877

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective June 15, 2017. **Other prime rates** aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday.

Sources: Bureau of Labor Statistics; SIX Financial Information

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Friday, September 29, 2017

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	**AMLP**	11.22	**0.18**	−11.0
CnsmrDiscSelSector	**XLY**	90.08	**0.38**	10.7
CnsStapleSelSector	**XLP**	53.98	**−0.07**	4.4
DBGoldDoubleLgETN	**DGP**	25.12	**−1.53**	24.9
DBGoldDoubleShrt	**DZZ**	5.54	**0.69**	−19.2
DeutscheXMSCIEAFE	**DBEF**	31.03	**0.49**	10.6
EnSelectSectorSPDR	**XLE**	68.48	**−0.01**	−9.1
FinSelSectorSPDR	**XLF**	25.86	**0.47**	11.2
GuggS&P500EW	**RSP**	95.54	**0.35**	10.3
HealthCareSelSect	**XLV**	81.73	**0.59**	18.6
IndSelSectorSPDR	**XLI**	71.00	**0.30**	14.1
iShIntermCredBd	**CIU**	110.16	**−0.02**	1.8
iSh1-3YCreditBond	**CSJ**	105.35	**−0.02**	0.4
iSh3-7YTreasuryBd	**IEI**	123.51	**−0.15**	0.8
iShCoreMSCIEAFEETF	**IEFA**	64.17	**0.55**	19.7
iShCoreMSCIEmgMk	**IEMG**	54.02	**1.20**	27.3
iShCoreMSCITotInt	**IXUS**	60.98	**0.69**	20.8
iShCoreS&P500ETF	**IVV**	252.93	**0.37**	12.4
iShCoreS&PMdCp	**IJH**	178.90	**0.06**	8.2
iShCoreS&PSmCpETF	**IJR**	74.22	**0.31**	7.9
iShS&PTotlUSStkMkt	**ITOT**	57.63	**0.28**	12.4
iShCoreUSAggBd	**AGG**	109.59	**−0.08**	1.4
iShSelectDividend	**DVY**	93.65	**−0.15**	5.7
iShEdgeMSCIMinEAFE	**EFAV**	71.06	**0.44**	16.1
iShEdgeMSCIMinUSA	**USMV**	50.34	**0.30**	11.3
iShGoldTr	**IAU**	12.31	**−0.40**	11.1
iShiBoxx$InvGrCpBd	**LQD**	121.23	**0.09**	3.5
iShiBoxx$HYCpBd	**HYG**	88.76	**0.15**	2.6
iShJPMUSDEmgBd	**EMB**	116.42	**0.33**	5.6
iShMBSETF	**MBB**	107.10	**−0.07**	0.7
iShMSCIACWIETF	**ACWI**	68.82	**0.56**	16.3
iShMSCI EAFE	**EFA**	68.48	**0.59**	18.6
iShMSCIEAFESC	**SCZ**	62.00	**0.78**	24.4
iShMSCIEmgMarkets	**EEM**	44.81	**1.15**	28.0
iShMSCIEurozoneETF	**EZU**	43.32	**0.98**	25.2
iShMSCIJapanETF	**EWJ**	55.71	**0.02**	14.0
iShNasdaqBiotech	**IBB**	333.59	**0.92**	25.7
iShNatlMuniBdETF	**MUB**	110.87	**−0.01**	2.5
iShRussell1000Gwth	**IWF**	125.06	**0.44**	19.2
iShRussell1000ETF	**IWB**	139.88	**0.34**	12.4
iShRussell1000Val	**IWD**	118.51	**0.15**	5.8
iShRussell2000Gwth	**IWO**	178.96	**0.36**	16.3
iShRussell2000ETF	**IWM**	148.18	**0.24**	9.9
iShRussell2000Val	**IWN**	124.12	**0.02**	4.4
iShRussell3000ETF	**IWV**	149.28	**0.35**	12.3
iShRussellMid-Cap	**IWR**	197.15	**0.36**	10.2
iShRussellMCValue	**IWS**	84.93	**0.22**	5.6
iShS&PMC400Growth	**IJK**	202.36	**0.24**	11.1
iShS&P500Growth	**IVW**	143.42	**0.48**	17.8
iShS&P500ValueETF	**IVE**	107.91	**0.21**	6.4
iShUSPfdStk	**PFF**	38.81	**0.03**	4.3
iShTIPSBondETF	**TIP**	113.58	**−0.22**	0.4
iSh1-3YTreasuryBd	**SHY**	84.45	**−0.02**	...
iSh7-10YTreasuryBd	**IEF**	106.52	**−0.12**	1.6
iSh20+YTreasuryBd	**TLT**	124.76	**0.22**	4.7
iShRussellMCGrowth	**IWP**	113.19	**0.45**	16.2
PIMCOEnhShMaturity	**MINT**	101.80	**−0.01**	0.5
PwrShQQQ1	**QQQ**	145.45	**0.72**	22.8
PwrShS&P500LoVol	**SPLV**	45.79	**0.26**	10.1
PwrShSrLoanPtf	**BKLN**	23.16	**0.09**	−0.9
SPDRBloomBarcHYBd	**JNK**	37.32	**0.08**	2.4
SPDR Gold	**GLD**	121.58	**−0.52**	10.9
SchwabIntEquity	**SCHF**	33.47	**0.63**	20.9
SchwabUS BrdMkt	**SCHB**	60.91	**0.35**	12.4
SchwabUS LC	**SCHX**	60.04	**0.33**	12.7
SPDR DJIA Tr	**DIA**	223.82	**0.10**	13.3
SPDR S&PMdCpTr	**MDY**	326.33	**0.11**	8.2
SPDR S&P 500	**SPY**	251.23	**0.35**	12.4
SPDR S&P Div	**SDY**	91.33	**...**	6.7
TechSelectSector	**XLK**	59.10	**0.68**	22.2
UtilitiesSelSector	**XLU**	53.05	**−0.08**	9.2
VanEckGoldMiner	**GDX**	22.96	**−0.86**	9.8
VangdInfoTech	**VGT**	151.99	**0.63**	25.1
VangdSC Val	**VBR**	127.79	**0.05**	5.6
VangdDivApp	**VIG**	94.79	**0.18**	11.3
VangdFTSEDevMk	**VEA**	43.41	**0.58**	18.8
VangdFTSE EM	**VWO**	43.57	**1.02**	21.8
VangdFTSE Europe	**VGK**	58.33	**0.79**	21.7
VangdFTSEAWxUS	**VEU**	52.71	**0.65**	19.3
VangdGrowth	**VUG**	132.75	**0.52**	19.1
VangdHlthCr	**VHT**	152.28	**0.55**	20.1
VangdHiDiv	**VYM**	81.07	**0.14**	7.0
VangdIntermBd	**BIV**	84.66	**−0.09**	1.9
VangdIntrCorpBd	**VCIT**	88.01	**−0.03**	2.7
VangdLC	**VV**	115.40	**0.33**	12.7
VangdMC	**VO**	147.00	**0.41**	11.7
VangdMC Val	**VOE**	105.64	**0.28**	8.7
VangdREIT	**VNQ**	83.09	**0.21**	0.7
VangdS&P500	**VOO**	230.76	**0.36**	12.4
VangdST Bond	**BSV**	79.82	**−0.10**	0.5
VangdSTCpBd	**VCSH**	80.13	**−0.05**	1.0
VangdSC	**VB**	141.32	**0.24**	9.6
VangdTotalBd	**BND**	81.96	**0.01**	1.4
VangdTotIntlBd	**BNDX**	54.59	**0.09**	0.6
VangdTotIntlStk	**VXUS**	54.73	**0.57**	19.3
VangdTotalStk	**VTI**	129.52	**0.33**	12.3
VangdTotIWrld	**VT**	70.72	**0.55**	15.9
VangdValue	**VTV**	99.82	**0.18**	7.3
WisdTrEuropeHdg	**HEDJ**	64.70	**0.65**	12.7
WisdTrJapanHdg	**DXJ**	54.70	**−0.15**	10.4

Cash Prices

Friday, September 29, 2017

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Propane,tet,Mont Belvieu-g	**0.9246**
Butane,normal,Mont Belvieu-g	**1.0651**
NaturalGas,HenryHub-i	**2.890**
NaturalGas,TranscoZone3-i	**2.800**
NaturalGas,TranscoZone6NY-i	**1.520**
NaturalGas,PanhandleEast-i	**2.410**
NaturalGas,Opal-i	**2.380**
NaturalGas,MarcellusNE PA-i	**0.730**
NaturalGas,HaynesvilleN.LA-i	**2.740**
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**54.250**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**11.550**
Metals	
Gold, per troy oz	
Engelhard industrial	**1289.84**
Engelhard fabricated	**1386.58**
Handy & Harman base	**1283.10**
Handy & Harman fabricated	**1424.24**
LBMA Gold Price AM	***1284.30**
LBMA Gold Price PM	***1283.35**
Krugerrand,wholesale-e	**1333.70**
Maple Leaf-e	**1346.52**
American Eagle-e	**1346.52**
Mexican peso-e	**1554.19**
Austria crown-e	**1260.01**
Austria phil-e	**1346.52**
Silver, troy oz.	
Engelhard industrial	**16.8000**
Engelhard fabricated	**20.1600**
Handy & Harman base	**16.7650**
Handy & Harman fabricated	**20.9560**
LBMA spot price	**£12.5962**
(U.S.$ equivalent)	**16.8600**
Coins,wholesale $1,000 face-a	**12621**
Other metals	
LBMA Platinum Price PM	***918.0**
Platinum,Engelhard industrial	**923.0**
Platinum,Engelhard fabricated	**1023.0**
Palladium,Engelhard industrial	**939.0**
Palladium,Engelhard fabricated	**1039.0**
Aluminum, LME, $ per metric ton	***2102.5**
Copper,Comex spot	**2.9375**
Iron Ore, 62% Fe CFR China-s	**61.5**
Shredded Scrap, US Midwest-s,w	**316**
Steel, HRC USA, FOB Midwest Mill-s	**617**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.6150**
Cotton,1 1/16 std lw-mdMphs-u	**0.6845**
Cotlook 'A' Index-t	***78.80**
Hides,hvy native steers piece fob-u	**n.a.**
Wool,64s,staple,Terr del-u,w	**n.a.**
Grains and Feeds	
Barley,top-quality Mnpls-u	**4.70**
Bran,wheat middlings, KC-u	**n.a.**
Corn,No. 2 yellow,Cent IL-bp,u	**3.1900**
Corn gluten feed,Midwest-u,w	**81.5**
Corn gluten meal,Midwest-u,w	**474.5**
Cottonseed meal

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Axovant Woes Ripple to Wall Street

Some big hedge funds see the value of their investments sink after drug trial goes south

By Juliet Chung

A sudden collapse in **Axovant Sciences** Ltd.'s stock price after the company's Alzheimer's drug failed a pivotal clinical trial has stung some big-name Wall Street investors.

New York hedge-fund firms **QVT Financial** LP and **Viking Global Investors** both invested in private biotechnology company **Roivant Sciences** Ltd., Axovant's biggest shareholder. Roivant's Axovant stake of 75 million shares lost more than $1.3 billion on paper in a day, plunging more than 70% from its value a day earlier. The loss had pared slightly as of Axovant's Friday closing price of $6.88

QVT and Viking still have made significant paper profits on Roivant, said people familiar with the firms, with QVT still making more than 10 times its Roivant investment even after the plunge in Axovant's stock price. That's because of the valuation implied by a $1.1 billion August financing round for Roivant led by **SoftBank Group** Corp.'s Vision Fund.

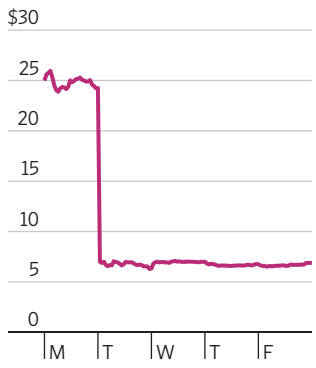
But Tuesday's disclosure of the failed trial of the drug known as intepirdine and the plunge in Axovant's share price mark a setback for the firms. They could also lead to a lower valuation price for Roivant than if the trial had succeeded.

Several Roivant investors described their stake as a bet on a diversified platform of drugs rather than a wager on just the success of intepirdine. Roivant has a portfolio of 16 drugs across both private and public biopharmaceutical companies. Roivant investors could also profit from a possible initial public offering of Roivant down the road, said people familiar with the matter.

QVT is a multistrategy hedge-fund firm founded by Daniel Gold in 2003. It is the biggest backer of Roivant, founded by former QVT employee Vivek Ramaswamy. While working at QVT as a biotech investor in 2014, Mr. Ramaswamy approached Mr. Gold with the idea of creating a biotech company to acquire and develop drugs that were being discarded by pharmaceutical companies. That company became Roivant.

Drug Fail

Axovant's shares lost more than 70% in a day, a setback for some large hedge funds.



Source: WSJ Market Data Group
THE WALL STREET JOURNAL.

Mr. Ramaswamy, who attended and graduated from Yale Law School while still working at QVT, founded Axovant as a subsidiary of Roivant. Axovant went public in 2015.

Axovant was formed around intepirdine, which Axovant bought from **GlaxoSmithKline** PLC for $5 million in 2014.

Axovant said this past week that it would now focus on other programs in development, including using intepirdine to treat another neurodegenerative condition known as dementia with Lewy bodies. Axovant expects those trial results by the end of the year.

SoftBank doesn't plan to mark down the value of its Roivant stake, according to people familiar with the firm, because it had applied a discounted valuation in the first place. One person said the lower valuation was partly due to the high probability of intepirdine's failure given high failure rates in general for experimental Alzheimer's drugs.

Viking invested in Roivant in December 2015, according to securities filings. Its investment is spread over several funds and constitutes a fraction of the roughly $25 billion firm's portfolio. Its flagship hedge fund, which lost 4% last year, gained 10% this year through August, according to a person familiar with the fund.

Roivant comprises a more meaningful investment for QVT, whose assets under management have fallen to $1.8 billion at the end of August from more than $12 billion in early 2008, according to people familiar with the firm. Gains of billions of dollars on profitable bets against subprime mortgages that paid off in 2006 and 2007 helped fuel the rise to QVT's peak size in 2008.

Roivant's Mr. Ramaswamy, 32 years old, said he hoped Roivant would have successes with drugs in its pipeline in the future but expected additional failures, a sign the company was taking enough risk in R&D. "If I feel like I failed anyone this week it wasn't the investors in Axovant and Roivant. It's the patients who didn't get this medication," he said.

—Charley Grant contributed to this article.

HSBC Is Slapped With Big Fine by Fed

By Margot Patrick And Ryan Tracy

The Federal Reserve fined **HSBC Holdings** PLC $175 million for failing to adequately supervise its foreign-exchange trading business and said activities by two senior traders now being prosecuted are examples of the lack of oversight.

Mark Johnson, HSBC's former global head of foreign-exchange cash trading, is on trial in New York for allegedly trading ahead of a $3.5 billion currency transaction for a client. Mr. Johnson denies the charges. His lawyer didn't return a call.

The Fed said the bank's deficient policies and procedures allowed Mr. Johnson and another senior trader, Stuart Scott, to misuse information "in a manner that benefited them and their trading desk" to the detriment of the client. Mr. Scott has also been charged and is contesting extradition from the U.K. to stand trial. He denies the charges.

In 2011, HSBC client Cairn Energy PLC hired the bank to convert proceeds from the sale of an Indian subsidiary into sterling. Prosecutors allege Messrs. Johnson and Scott bought pounds first for HSBC's own accounts, driving up the price. The bank made about $8 million from the trades, prosecutors say.

The $175 million penalty is for a lack of oversight on currency traders.

The Fed said the British bank "failed to detect and address its traders misusing confidential customer information, as well as using electronic chat rooms to communicate with competitors about their trading positions."

An HSBC spokesman said the bank was pleased to have resolved the matter with the Fed and declined to comment on Mr. Johnson's trial. The bank isn't named as a party in the action against Messrs. Johnson and Scott in New York.

The fine comes after other regulators also levied penalties and ordered remedial action at HSBC over activities in the same period from 2008 to 2013 that the Fed studied. But none had explicitly singled out the behavior of Messrs. Johnson and Scott.

Banks collectively have paid billions of dollars in penalties since a global regulatory probe into foreign-exchange market activities started in 2013.

Bitcoin Wins in Japan, Loses in South Korea

By Paul Vigna And Gregor Stuart Hunter

Two leading Asian nations took contrasting measures related to cryptocurrencies Friday, with Japan giving exchanges the green light to operate just as South Korea added its weight to a recent global regulatory crackdown.

Japan's Financial Services Agency handed out its first licenses for digital-currency exchanges, allowing them to operate legally in the country and further solidifying the upstart currency's status in the world's third-largest economy.

BitFlyer, the largest digital-currency exchange in Japan and one of the largest in the world, was among the 11 exchanges receiving a license, as was a smaller exchange called Quoine. Of the 11, nine were existing and two were new, while an additional 17 operators are under examination, the agency said.

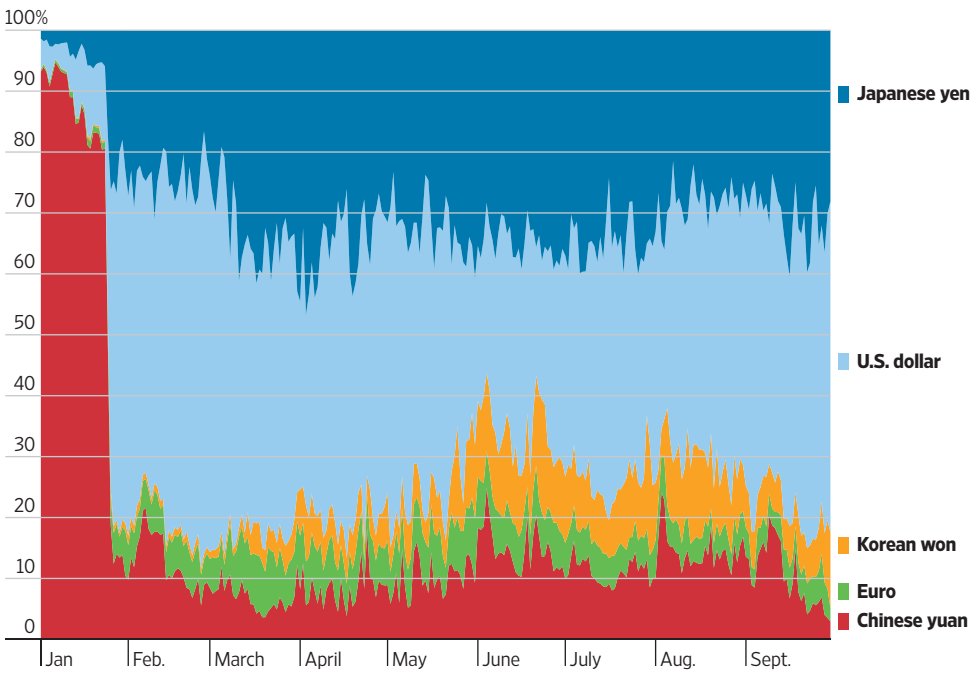
"It has been a long and challenging process, but we are excited and truly grateful," said Quoine Chief Executive Mike Kayamori.

Japan has emerged this year as the largest market for bitcoin trading, at the same time that China has clamped down on its bitcoin industry. Roughly 50% of all bitcoin volume is via the bitcoin/yen trading pair. A year ago, yuan/bitcoin trading made up about 93% of all bitcoin trading.

The emergence of Japan as a major trading center led some Chinese bitcoin traders to shift their investing activities to Tokyo and, to a lesser extent, South Korea. Their emergence as important markets for cryptocurrencies helped bitcoin shrug off Beijing's regulatory crackdown and fueled a year-long rally.

Bitcoin Gets Rushed in South Korea

The Korean won became the third-most popular national currency for bitcoin trading during the summer, as measured by market share.



Source: CryptoCompare
THE WALL STREET JOURNAL.

The price of bitcoin declined 25% after the Chinese clampdown but recently traded at $4,160.

South Korea, meantime, said it would step up inspections of virtual-currency exchanges and join other leading economies in banning so-called initial coin offerings.

Initial coin offerings—the sale of bitcoin-like "tokens" to fund new businesses—have come under intense scrutiny this year from regulators world-wide who see cybersecurity and fraud risks in the red-hot market. Korea's Financial Services Commission cited a rise in criminal cases involving cryptocurrencies. In addition to ICOs, the regulator said it would ban coin margin transactions—buying virtual currencies with borrowed money.

The penalties for illegal acts will be "stern," it said.

"South Korea is following China, the U.S. and Singapore to tighten regulations on ICOs and shares the view of other countries about the risks associated with trading virtual currencies," the regulator said. "The FSC is concerned that ICOs would lead to fraudulent transactions and is concerned about the market becoming overheated."

The U.S. Securities and Exchange Commission said this past week it had established a cyber unit to target internet-related misconduct, including violations of market rules involving ICOs and distributed-ledger technology, also known as a blockchain, which underpins cryptocurrencies.

China banned fundraising through ICOs in September as part of a wider crackdown on bitcoin trading. Financial regulators in Hong Kong and Singapore have said in recent months that they would regulate ICOs like any other fundraising, citing fraud concerns as well as the risk of money laundering and terrorist financing.

The U.K.'s Financial Conduct Authority warned investors in September that ICOs are "very high-risk, speculative investments" and vulnerable to fraud.

Japan, too, has had a rocky history with bitcoin. The first major bitcoin exchange, Mt. Gox, was located in Tokyo. It collapsed and declared bankruptcy amid scandal in early 2014, and authorities are still dealing with the fallout. In 2016, the FSA began planning a set of laws for digital currencies.

The law went into effect on April 1, and exchanges were allowed to operate without a license until Oct. 1.

The rules require exchanges to maintain minimum capital-reserve requirements, segregate customer accounts, and employ anti-money-laundering and know-your-customer practices.

While there is a small application fee, the equivalent of about $2,000, bitFlyer CEO Yuzo Kano estimated it would cost about $1 million for a company to be fully compliant with the regulations.

BitFlyer is the largest bitcoin exchange in the world ranked by volume, with 29% of all bitcoin trading, and the third-largest cryptocurrency exchange globally, according to the research site Coinhills.

The exchange is also expanding overseas. BitFlyer opened up an office in San Francisco this summer, and has already applied for and received money-transmitter licenses from 38 U.S. states, Mr. Kano said. The firm expects to have its U.S. exchange operating by the end of the year, and is planning to open up an exchange for European traders as well.

—Kosaku Narioka contributed to this article.

Treasury Yield Up in September

By Gunjan Banerji

U.S. government bonds weakened Friday as investors responded to strong economic data and the prospect of new Federal Reserve leadership.

CREDIT MARKETS

The yield on the benchmark 10-year Treasury note rose to 2.328% from 2.309% Thursday and 2.122% at the end of August, capping its biggest one-month gain since November. Yields rise as bond prices fall.

Yields gained after data showed the Chicago purchasing manager index hit its highest level in three months, a sign of optimism among companies about business conditions.

That number "caught investors by surprise," said Jeff MacDonald, head of fixed-income strategies at Fiduciary Trust Company International.

Yields extended gains after reports that President Donald Trump and Treasury Secretary Steven Mnuchin met with former Federal Reserve Gov. Kevin Warsh on Thursday to discuss his potential nomination as the next Fed chairman. Investors may perceive Mr. Warsh as more inclined to raise interest rates than other candidates, analysts said.

Mr. Trump and the Treasury secretary also interviewed Fed governor Jerome Powell on Wednesday.

Signs of progress by Republicans in Congress toward a broad overhaul of the tax code have helped buoy yields this past week. While the plan has skeptics, an overhaul could boost growth and inflation and increase the size of the budget deficit, all of which could have a negative impact on bond prices, some analysts said.

Still, signs of weak inflation persist. Early Friday, yields on 10-year Treasurys briefly dipped after new data showed that consumer spending was soft in August.

Personal-consumption expenditures, a measure of spending on everything from food to medical expenses, rose 0.1% in August from July, according to the Commerce Department. Adjusted for inflation, consumer spending fell 0.1% in August from the prior month, the first decline since January.

"This morning's inflation report reminds the market that we still have a pretty muted inflation environment that continues to disappoint investors," Mr. MacDonald said.

ANDREW HARRER/BLOOMBERG NEWS

Part of the Federal Reserve building. The president interviewed two men about the top Fed job.

Dollar's Six-Month Losing Streak Ends

By Chelsey Dulaney

The dollar wavered Friday but rounded out September with its first monthly gain in seven months.

CURRENCIES

The WSJ Dollar Index, which measures the U.S. currency against 16 others, rose less than 0.1% Friday to 86.30. It gained 0.7% in September, snapping a six-month losing streak.

The dollar has risen in recent weeks as investors grow more optimistic about the prospect for U.S. interest-rate increases and tax cuts that some expect to boost the U.S. economy.

Investors are now pricing in a 78% chance that the Federal Reserve raises interest rates again this year, according to CME Group data. That is up from 34% a month ago.

Expectations that U.S. interest rates will rise help support the dollar by making U.S. assets more attractive to yield-seeking investors.

Investors also digested reports Friday that the Trump administration is ramping up the search process for a new Federal Reserve chairman.

The Wall Street Journal reported that President Donald Trump and Treasury Secretary Steven Mnuchin have met with Fed governor Jerome Powell and former Fed governor Kevin Warsh.

0.7%

The dollar's gain in September, based on the WSJ Dollar Index

Mr. Warsh is seen by some on Wall Street as "hawkish," or more willing to tighten monetary policy, said Vassili Serebriakov, a currency strategist at Crédit Agricole. "Markets are reacting to the possibility of having someone in the Fed chair who is more hawkish than Janet Yellen," he said.

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MARKETS

S&P 500 Rises 4% in Quarter to a Record

By Riva Gold
And Corrie Driebusch

The S&P 500 finished September much like it spent the past three months—quietly grinding higher.

Solid earnings and economic data helped support major indexes this past summer, with trading largely remaining calm despite disruptive hurricanes and threats between the U.S. and North Korea.

FRIDAY'S MARKETS

The S&P 500 rose 4% to fresh records in the quarter, but the index's average daily move during the period was 0.3%, the lowest since 1968.

The S&P 500 rose 9.30 points, or 0.4%, Friday to 2519.36, a record, while the Nasdaq Composite added 42.51 points, or 0.7%, to a record 6495.96 as technology stocks extended this year's gains. The Dow Jones Industrial Average gained 23.89 points, or 0.1%, to 22405.09.

Friday's moves leave the Dow industrials up 4.9% since the end of June, its eighth consecutive quarterly advance.

"The path of least resistance seems to be higher for stocks," said Jack Ablin, chief investment officer at BMO Private Bank.

Some of the biggest gainers in the past three months were energy companies, boosted by the rising price of oil. U.S.-traded crude is up 12% since the end of June—to $51.67 a barrel—lifted by unexpectedly strong demand and signs of slowing production. Energy companies in the S&P 500 finished the quarter up 6%.

All but one of the 11 sectors in the S&P 500 ended the quarter higher. Consumer-staples stocks finished in the red.

"The fundamentals are good, we're seeing economic expansion in virtually every country, and as long as we just continue steady, markets should climb," Mr. Ablin said. "Investors are relatively sanguine with fundamentals and appear to be brushing off the big doom and gloom."

October brings the next test of these fundamentals, when corporations report their most recent quarterly results. While they might show a modest slowdown in earnings growth, the fact that Republicans are moving forward with tax cuts could offer a boost to the economy and stock market, some investors said.

The Stoxx Europe 600 climbed 3.8% in September and ended the quarter 2.3% higher, as solid earnings growth and a buoyant global economy have drawn in investors.

Businesses and households across the eurozone were more upbeat about their prospects than at any time in more than a decade during September, data from the European Commission showed Thursday, while the German unemployment rate fell to a record low, data on Friday showed.

Key indexes in the Asia-Pacific region finished the quarter higher, with solid earnings and broadly positive risk sentiment continuing to outweigh the region's geopolitical concerns, in particular the escalation of tensions between North Korea and the U.S.

The Shanghai Composite Index gained 4.9% during the quarter—its best since 2015—while Hong Kong's Hang Seng added 6.9% over the period.

Japan led the way regionally in September, with the Nikkei Stock Average notching its best month of 2017, up 3.6%.

Strength in Asian equity markets will likely continue through the fourth quarter as "there is still massive liquidity in the markets" and "most of the major global economies are still in a stimulus phase," said Gavin Parry, managing director of Parry International Trading in Hong Kong.

But some markets have paused more recently. Taiwan and Hong Kong logged their first monthly declines of 2017, with Taiwan shares hit by recent worry about tech demand, especially for Apple's iPhone.

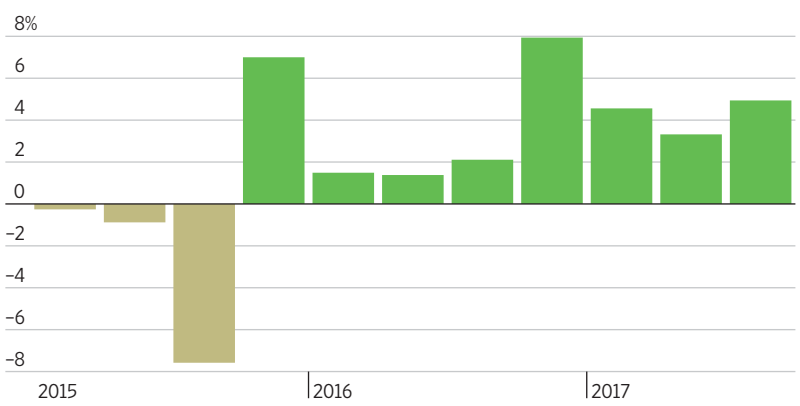
Australia's S&P/ASX 200 recorded its worst run in six years by falling for a fifth straight month. After banks fell in August, a sharp retreat in iron-ore prices the past several weeks has pressured Australian mining stocks.

—Lucy Craymer contributed to this article.

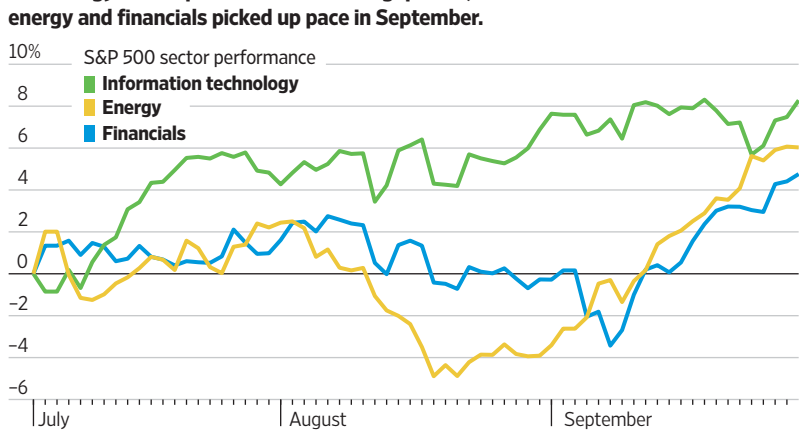
Eight Straight Quarterly Gains

U.S. stocks kept rising over the past three months, as solid earnings and economic data supported shares despite concerns about U.S. tensions with North Korea.

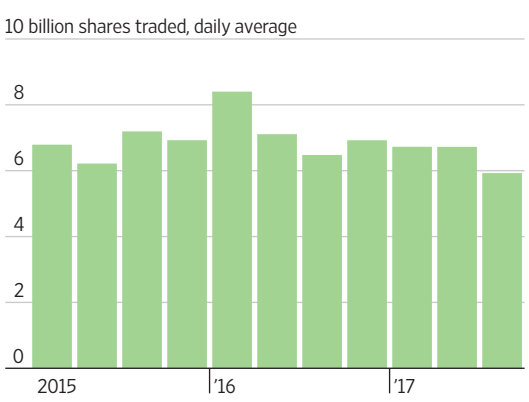
Dow Jones Industrial Average quarterly performance



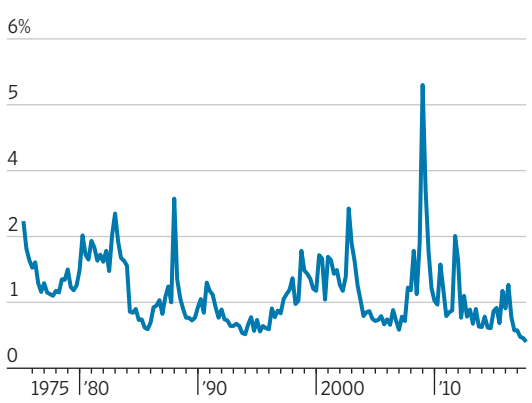
Technology stocks posted another strong quarter, while energy and financials picked up pace in September.



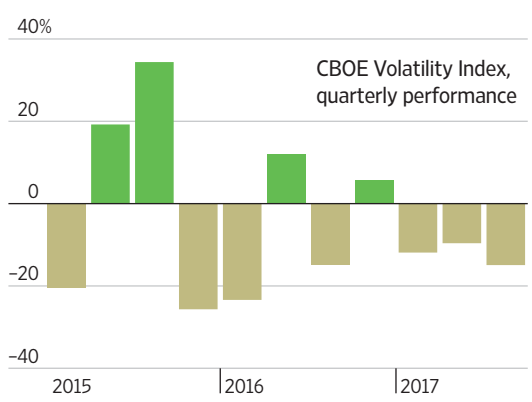
U.S. stock-trading volume posted its slowest quarter in three years*.



By one measure, the S&P 500's moves in the third quarter were the smallest on record†.



Wall Street's 'fear gauge' notched its third straight quarterly decline.



*Includes NYSE, Nasdaq, NYSE American and NYSE Arca volumes

†Trading range is calculated by subtracting the intraday low from the high and making that a percentage of the previous day's close. Available data go back to 1975.

Sources: FactSet (DJIA, sector performance, VIX); WSJ Market Data Group (volume); Thomson Reuters (moves)

THE WALL STREET JOURNAL.

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Vista Is Foggy, Investors See Sun

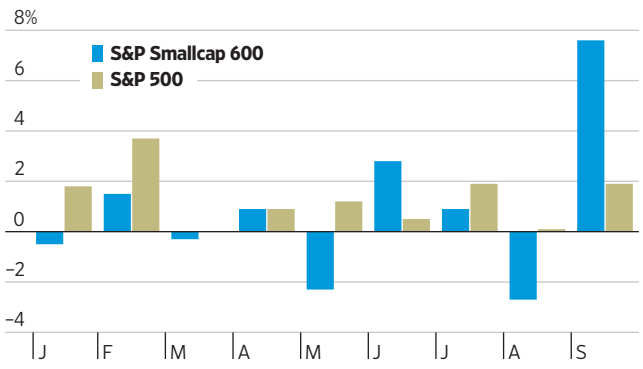
To judge from the stock market, investors think the economy is about to take off. They better hope they are right.

The third quarter comes to a close on Saturday, and to judge from the reports that have been released so far, it was a less-than-stellar period for the economy. In the latest sign of slowing growth, the Commerce Department on Friday reported that consumer spending rose by just 0.1% in August from July and slipped 0.1% adjusting for inflation. Earnings estimates, meanwhile, have hooked lower due to the effects of hurricanes Harvey and Irma.

With little September data available, it is hard to know how much gross domestic product slowed. In any case, most economists reckon that any hurricane effects will be transitory, and that despite its recent choppiness—up at just a 1.2% annual pace in the first quarter, then 3.1% in the second—GDP will keep trending at about 2%.

Small Time

Monthly stock index performance



Source: FactSet

THE WALL STREET JOURNAL.

To surmise from the recent performance of stocks, many investors expect something more from the economy. In addition to being an unusually quiet period for markets, September was, for just the second time this year, a better month for small-cap stocks than for large-cap ones, with the S&P 500 small-cap index rising 7.6% versus the S&P 500's 1.8% gain. It was also a better month for value stocks than growth stocks, with the S&P value index up 3% versus 0.9% for growth.

The small-cap and value outperformance are the sort of thing one would expect to see when investors think that U.S. growth is going to improve. Small-cap stocks tend to be far more domestically focused than large-caps, which often do a substantial share of their business overseas, where growth has been improving. Value stocks are less expensive than growth stocks, but tend to do well when the economy accelerates, and earnings and sales growth are easier to come by.

What might be driving the optimism? One possibility is that economic improvement overseas might begin to bolster growth here. Another is that the Trump administration's lighter touch on regulation could boost economic performance. Then, there is enthusiasm over some sort of tax overhaul getting passed and stimulating growth.

Under normal circumstances, it would take just a month or two to see if the market is right. But recovery efforts from the hurricanes should boost growth at least through early next year. A tax revamp won't be quick and its true impact, rather than any boost it gives to sentiment, won't be known for months.

The time lag gives more space for confidence and complacency to build. When reality hits, watch out.

—Justin Lahart

OVERHEARD

So, you're saying there's a chance?

PTC Therapeutics got some bad news on Thursday. A Food and Drug Administration advisory committee voted, 10-1, that Translarna, the biotech company's experimental drug to treat Duchenne muscular dystrophy, needs more data to show its efficacy before the drug can be approved.

That means the FDA is likely to reject the drugmaker's application by the Oct. 24 deadline.

That ordinarily would be a problem for investors, but its shares ripped 15% higher on Friday.

One possible explanation for the stock's surprise rally: The FDA panelists had the option to vote that the data showed Translarna is ineffective.

No panel member voted for that option. That might leave the door open for a positive result.

A second, more likely explanation: It's a bull market for stocks.

More Debt Isn't Answer At Valeant

Valeant Pharmaceuticals International is considering a new round of borrowing. That is one reason investors should consider cashing in after the stock's big rally.

The drugmaker has done a good job cleaning up after its drug-pricing scandals and debt-fueled share collapse. A round of asset sales has chipped away at the long-term debt burden.

On Friday, Valeant said that its deal to sell its iNova business unit for $930 million has closed successfully. Valeant says it is on track to meet or possibly exceed its goal to pay down $5 billion in debt by February.

That has uncorked a sizable rally. Shares are up more than 60% from a nadir in April. Still, the necessary slimming down could hurt stockholders.

Adjusted earnings before interest, taxes, depreciation and amortization—what Valeant will use to pay down its debt—declined 14% in the first six months of the year. More asset sales will depress that figure further, which means less money available for stockholders. Valeant still had more than $27 billion in long-term debt at the end of the second quarter.

Debt could still increase, despite the focus on deleveraging. Valeant filed for permission with a Canadian regulator to issue up to $1.5 billion in bonds this week. That might be used to refinance existing debt, but private debt placements typically require higher interest rates than debt sold through the public markets.

Memories are short when stocks are rallying. No one should forget how much money was lost by Valeant's investors.

—Charley Grant

Why Merger Bankers Are Rooting for a Tax Overhaul

Every deal banker has a pile of pitches that were rejected by clients who said the tax bill made them too costly.

Bankers will start dusting off those pitches if the Trump tax plan's lower corporate rate becomes law.

Currently, when companies sell units, they pay the 35% corporate tax rate on the sale's profits. This creates a strong disincentive to dispose of assets in this way, pushing companies to opt for tax-free spinoffs instead.

The most notorious recent example has been the state of Yahoo's Asian assets. The company struggled for years to come up with a plan for its equity stakes in **Alibaba Group Holding** and Yahoo Japan. The most simple solution, an outright sale of those stakes back to the two Asian companies, was off the table because it would trigger a big tax bill. Those assets now sit in a rump entity called **Altaba**, which is waiting to see how the potential tax bill will change its circumstances.

Besides this, there were many spinoffs in recent years that could easily have been sales if corporate taxes were lower, says Ernie Perez, head of the tax practice at M&A and restructuring advisory firm Alvarez & Marsal.

He says examples include Hewlett-Packard's split into two companies in 2015, and General Electric's spinoff of credit-card issuer Synchrony Financial in 2014.

The most likely candidates for fast-pitching bankers are the large number of underperforming units sitting within conglomerates that the owners would be thinking more seriously about selling if the tax penalty were lower, according to one M&A banker.

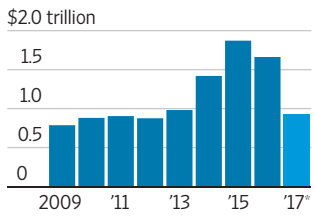
The tax plan, which could eliminate the tax deduction for interest payments, could also hurt deal making that requires a lot of borrowing. Details on this part of the plan are still vague but if they stick, it would be a strong negative for private-equity deals, which are frequently financed through debt. The outline released this past week said merely that the deduction would be limited, without further details.

M&A deals targeting U.S. companies are down 15% this year, according to Dealogic data, partly due to uncertainty over future tax rules. Just getting clarity on the changes could prompt a near-term rebound. But overhauls that significantly lowered corporate tax rates would support deal activity for years to come.

—Aaron Back

Catalyst Needed

M&A deal volume targeting U.S. companies



*Year to date

Source: Dealogic

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THE LESSONS OF LEONARDO

History's most creative genius was not superhuman, writes **Walter Isaacson**, and following his methods can bring great intellectual rewards to anyone.

AROUND THE TIME that he reached the unnerving milestone of turning 30, Leonardo da Vinci wrote a letter to the ruler of Milan listing the reasons why he should be given a job. In 10 carefully numbered paragraphs, he touted his engineering skills, including his ability to design bridges, waterways, cannons and armored vehicles. Only at the end, as an afterthought, did he add that he was also an artist. "Likewise in painting, I can do everything possible," he wrote.

Yes, he could. He would go on to create the two most famous paintings in history, the "Mona Lisa" and "The Last Supper." But in his own mind, he was just as much a man of science and engineering, pursuing studies of anatomy, flying machines, fossils, birds, optics, geology and weaponry. His ability to combine art and science—made iconic by "Vitruvian Man," his drawing of a perfectly proportioned man (possibly a self-portrait) spread-eagled inside a circle and square—is why so many consider him history's most creative genius.

Fortunately for us, Leonardo was also a very human genius. He was not the recipient of supernatural intellect in the manner of, for example, Newton or Einstein, whose minds had such unfathomable processing power that we can merely marvel at them. His genius came from being wildly imaginative, quirkily curious and willfully observant. It was a product of his own will and effort, which makes his example more inspiring for us mere mortals and also more possible to emulate.

More than 7,000 pages of Leonardo's notebooks still exist, and there we find plenty of evidence that he was not superhuman. He made mistakes in arithmetic. He had a deep feel for geometry but was not adroit at using equations to codify nature's laws. He left many artistic projects unfinished and pages of brilliant treatises unpublished. He was also prone to fantasy, envisioning flying machines that never flew and tanks that never rolled.

To some extent, these tendencies were failings. Vision without execution is hallucination. But Leonardo's ability to blur the line between reality and imagination, just like his sfumato technique for blurring the lines of a painting, was a key to his creativity. He envisioned what innovators would invent centuries later, and by refusing to churn out works that he had not perfected, he sealed his reputation as a genius rather than a master craftsman.

Be curious, observe attentively and indulge fantasy.

We will never be able to match Leonardo's talents, but we can try to cultivate, in ourselves and in our children, the skills that he used to put imagination to productive use. All of us have something to learn from him about how to lead a more creative and intellectually satisfying life.

Please turn to the next page

This essay is adapted from Mr. Isaacson's new biography, "Leonardo da Vinci," which will be published in October by Simon & Schuster. His previous books include "Steve Jobs," "Einstein: His Life and Universe" and "Benjamin Franklin: An American Life."

ILLUSTRATION BY DOUG CHAYKA

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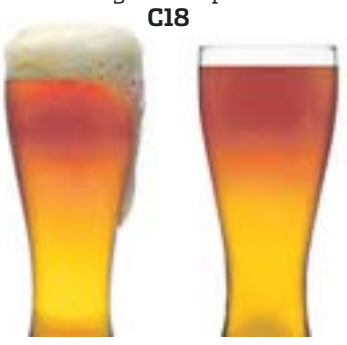

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MIND & MATTER: ALISON GOPNIK

The Potential of Young Intellect, Rich or Poor

INEQUALITY starts early. In 2015, 23% of American children under 3 grew up in poverty, according to the Census Bureau. By the time children reach first grade, there are already big gaps, based on parents' income, in academic skills like reading and writing. The comparisons look even starker when you contrast middle-class U.S. children and children in developing countries like Peru.

Can schooling reverse these gaps, or are they doomed to grow as the children get older? Scientists like me usually study preschoolers in venues like university preschools and science museums. The children are mostly privileged, with parents who have given them every advantage and are increasingly set on giving instruction to even the youngest children. So how can we reliably test whether certain skills are the birthright of all children, rich or poor?

My psychology lab at the University of California, Berkeley has been trying to provide at least partial answers, and my colleagues and I published some of the results in the Aug. 23 edition of the journal Child Development. Our earlier research has found that young children are remarkably good at learning. For example, they can figure out cause-and-effect relationships, one of the foundations of scientific thinking.

How can we ask 4-year-olds about cause and effect? We use what we call "the blicket detector"—a machine that lights up when you put some combinations of different-shaped blocks on it but not others. The subjects themselves don't handle the blocks or the machine; an experimenter demonstrates it for them, using combinations of one and two blocks.

In the training phase of the experiment, some of the young children saw a machine that worked in a straightforward way—some individual blocks made it go, and others didn't. The rest of the children observed a machine that worked in a more unusual way—only a combination of two specific blocks made it go. We also used the demonstration to train two groups of adults.

Could the participants, children and adults alike, use the training data to figure out how a new set of blocks worked? The very young children did. If the training blocks worked the unusual way, they thought that the new blocks would also work that way, and they used that assumption to determine which specific blocks caused the machine to light up. But most of the adults didn't get it—they stuck with the obvious idea that only one block was needed to make the machine run.

A 'blicket detector' gauges a key element in scientific thinking.

In the Child Development study of 290 children, we set out to see what less-privileged children would do. We tested 4-year-old Americans in preschools for low-income children run by the federal Head Start program, which also focuses on health, nutrition and parent involvement. These children did worse than middle-class children on vocabulary tests and "executive function"—the ability to plan and focus. But the poorer children were just as good as their wealthier counterparts at finding the creative answer to the cause-and effect problems.

Then, in Peru, we studied 4-year-olds in schools serving families who mostly have come from the countryside and settled in the outskirts of Lima, and who have average earnings of less than $12,000 a year. These children also did surprisingly well. They solved even the most difficult tasks as well as the middle-class U.S. children (and did better than adults in Peru or the U.S.).

Though the children we tested weren't from wealthy families, their parents did care enough to get them into preschool. We didn't look at how children with less social support would do. But the results suggest that you don't need middle-class enrichment to be smart. All children may be born with the ability to think like creative scientists. We need to make sure that those abilities are nurtured, not neglected.

TOMASZ WALENTA

For the Creative Genius in All of Us

Continued from the prior page

Be curious about everything.

Leonardo's most distinctive trait was his passionate, playful and occasionally obsessive curiosity. He made lists in his notebooks of hundreds of subjects, both marvelous and mundane, that he wanted to explore, from what causes people to yawn to methods for squaring a circle. He instructed himself to investigate the placenta of a calf, the jaw of a crocodile, the muscles of the human face, the glow of the new moon and the edges of shadows.

Some of his curiosity involved phenomena so commonplace that we rarely pause to wonder about them. "Why is the fish in the water swifter than the bird in the air when it ought to be the contrary, since the water is heavier and thicker than the air?"

Best of all are the questions that seem completely random. "Describe the tongue of the woodpecker," he instructed himself on one notebook list. It isn't something that Leonardo needed to figure out in order to paint a picture or to understand the flight of birds. He simply wanted to know. He never outgrew the child's need not just to admire the beauty of a blue sky but to ask why it is that color.

Nor was Leonardo's curiosity constrained by the distinctions we make today among different disciplines and fields. His mind wandered merrily across the arts, sciences, engineering and humanities. His knowledge of how light strikes the retina informed the perspective in "The Last Supper," and a page of his anatomical drawings depicting the dissection of lips is topped by the first sketch of the Mona Lisa's smile. He knew that art was a science and that science was an art. Whether drawing a fetus in the womb or the swirls of a deluge, he blurred the distinction between the two.

Some people are geniuses in a particular arena, such as Mozart in music or Euler in math, but Leonardo's passion was to know everything there was to know about everything that could be known. This gave him a profound feel for nature's crosscurrents and a reverence for the harmony of its patterns. In his notebooks, he would record curls of hair, eddies of water and whirls of air, along with some stabs at the math that might underlie such spirals.

There have been many insatiable polymaths, and even the Renaissance produced other Renaissance Men. But none painted the "Mona Lisa," or did so while at the same time producing unsurpassed anatomical drawings based on multiple dissections, coming up with schemes to divert rivers, explaining the reflection of light from the Earth to the moon, designing musical instruments, choreographing pageants, using fossils to dispute the biblical account of the deluge—and then drawing the deluge.

Observe attentively.

His curiosity was aided by the sharpness of his eye, which focused on things that the rest of us barely notice. One night he saw lightning flash behind some buildings and for that instant they looked smaller, so he launched a series of experiments to verify that objects look smaller when surrounded by light. When he saw four-winged dragonflies hovering over a moat, he observed exactly how their wing pairs alternated in motion. Water flowing into a bowl? He studied how the eddies formed, and then wondered why.

In his notebooks, Leonardo set out his simple method for truly observing a scene: Look separately at each detail. He compared it to looking at the page of a book. It was meaningless when taken in as a whole and had to be examined word by word. "If you wish to have a sound knowledge of the forms of objects," he advised, "begin with the details of them, and do not go on to the second step until you have the first well fixed in memory."

LEONARDO DA VINCI, left, began his lifelong practice of keeping notebooks in the early 1480s. Above, diagrams from his notebook.

Leonardo knew that true observation requires not only the discipline of looking very closely at something but also the patience to process observations and patterns. While painting "The Last Supper," he would sometimes stare at the work for an hour, finally make one small stroke, and then leave. He told the duke of Milan that creativity requires time and patience. "Men of lofty genius sometimes accomplish the most when they work least," he explained, "for their minds are occupied with their ideas and the perfection of their conceptions, to which they afterwards give form."

Most of us don't need to be encouraged to procrastinate. We do it naturally. But procrastinating like Leonardo requires work: It involves gathering all the possible facts and ideas, and only after that allowing the various ingredients to simmer.

As the offspring of a long line of notaries, Leonardo knew that skillful observation was aided by the act of recording it. In the early 1480s, shortly after his arrival in Milan, he began his lifelong practice of keeping notebooks.

Fortunately, he could not afford to waste paper, so he crammed every inch of his pages with miscellaneous drawings and looking-glass jottings that seem random but provide intimations of his mental leaps. The jumble might include math calculations, sketches of his devilish young boyfriend, birds, flying machines, theater props, blood valves, weapons, riddles, to-do lists and studies for paintings. The cross-disciplinary brilliance whirls across every page, providing a delightful display of a mind dancing with nature.

Paper is a wonderful technology for the storage and retrieval of observations. Five hundred years later, many of Leonardo's notebooks are still around to astonish and inspire us. Fifty years from now, our own notebooks, if we work up the initiative to start keeping them, can be around to astonish and inspire our grandchildren, long after our tweets and Facebook posts have been forgotten.

Indulge fantasy.

Leonardo's primary activity for much of his career was conjuring up pageants, performances and plays for his aristocratic patrons. Just as he blurred the boundaries between art and science, he blurred the line between reality and fantasy. He could envision birds in flight but also angels; lions roaring but also dragons.

His designs for the stage taught him the tricks of accelerated perspective, illusory depth and theatrical gesture—and he deployed this knowledge to create "The Last Supper," one of history's most dramatic paintings. For his theatrical productions, he devised ingenious props and mechanisms, some of which he later replicated for the real world.

Many people have seen the famous drawings of his aerial screw contraption, and some think it was a design for a real helicopter. I suspect that it was a piece of fantasy for the theater, intended to propel people's imaginations rather than their bodies. But eventually it led Leonardo to apply himself to designing human-powered flying machines—work that inspired engineers for the next five centuries.

Leonardo was a grown-up who never stopped indulging in the sort of fantasy and speculation that we now associate with childhood. There's a lesson for us in that, amid all the practical demands of our modern lives. We, too, can try to imagine, as he did, how to divert a river, or build a human-powered flying machine, or square a circle using only a ruler and a compass. We are unlikely to solve these problems, but even by failing in the attempt we can stretch our imaginations.

Today we live in a world that encourages specialization, whether we are students, scholars, workers or professionals. We also tend to exalt training in technology and engineering, believing that the jobs of the future will go to those who can code and build rather than those who can be creative.

But the true innovators tend to be those like Leonardo who make no distinction between the beauties of the arts and the beauties of the sciences. When Einstein was stymied in his pursuit of the field equations for general relativity, he would often pull out his violin and play Mozart. The music, he said, helped to connect him to the harmonies of our cosmos. At the end of many of his product presentations, Steve Jobs would display a slide that showed the intersection of streets labeled "Liberal Arts" and "Technology." He knew that at such crossroads lay creativity.

There is a flip side for those of us who love the arts and humanities. Like Leonardo, we must be able to see and embrace the beauty of a mathematical equation or a scientific theory. Cultural critics who complain that today's students fail to learn Shakespeare or civics or history should not be complacent about their own cluelessness when it comes to, say, what a transistor does or how a circuit processes logical sequences. All of these topics are valuable and enriching, especially when we can connect them to one another.

He never outgrew the child's need to ask why the sky is blue.

The best reason to learn from Leonardo, however, is not to get a better job but to live a better life. Having immersed myself in his world for several years, I have resolved to be more observant of phenomena that I used to ignore. When I see sunlight hitting drapes, I push myself to pause and look at the way the shadows caress the folds. I notice how the glint of a lustrous spot on a shiny surface moves when I tilt my head. When I can't understand a math concept, I do the best I can to visualize it.

The rewards have a very real human dimension as well. At a supper with a group of compelling guests, I now try to study the relationship of their motions to their emotions, as if having to capture them on a canvas. And when I see the hint of a smile come across the lips of an acquaintance, I try for a moment, as Leonardo would, to fathom her inner mysteries.

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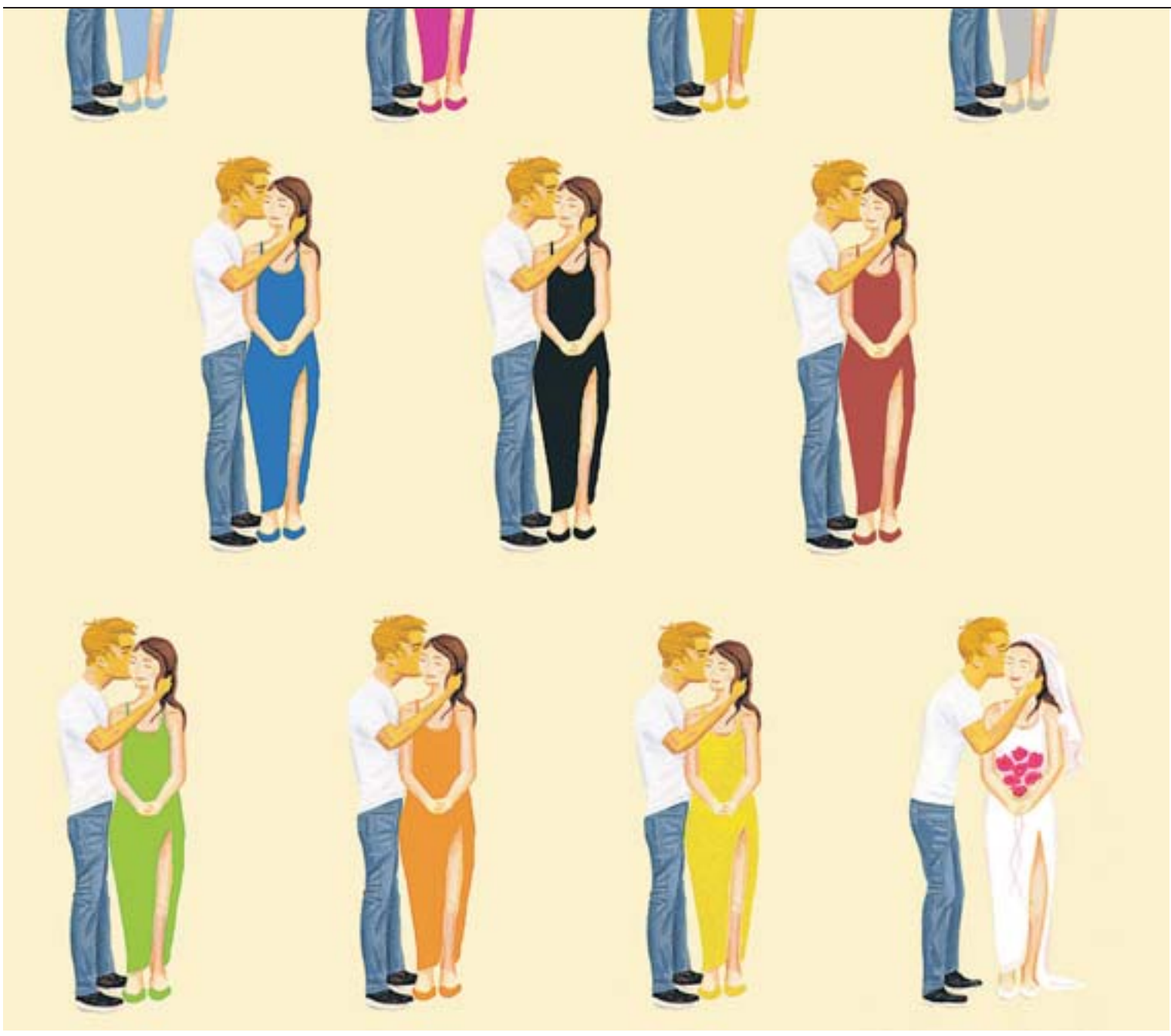
REVIEW



JULIETTE BORDA

Cheap Sex and the Decline of Marriage

When women don't insist on waiting, men behave badly

BY MARK REGNERUS

KEVIN, A 24-YEAR-OLD recent college graduate from Denver, wants to get married someday and is "almost 100% positive" that he will. But not soon, he says, "because I am not done being stupid yet. I still want to go out and have sex with a million girls." He believes that he's figured out how to do that:

"Girls are easier to mislead than guys just by lying or just not really caring. If you know what girls want, then you know you should not give that to them until the proper time. If you do that strategically, then you can really have anything you want...whether it's a relationship, sex or whatever. You have the control."

Kevin (not his real name) was one of 100 men and women, from a cross-section of American communities, that my team and I interviewed five years ago as we sought to understand how adults in their 20s and early 30s think about their relationships. He sounds like a jerk. But it's hard to convince him that his strategy won't work—because it has, for him and countless other men.

Marriage in the U.S. is in open retreat. As recently as 2000, married 25- to 34-year-olds outnumbered their never-married peers by a margin of 55% to 34%, according to the U.S. Census Bureau. By 2015, the most recent year for which data are available, those estimates had almost reversed, with never-marrieds outnumbering marrieds by 53% to 40%. Young Americans have quickly become wary of marriage.

Many economists and sociologists argue that this flight from marriage is about men's low wages. If they were higher, the argument goes, young men would have the confidence to marry. But recent research doesn't support this view. A May 2017 study from the National Bureau of Economic Research, focusing on regions enriched by the fracking boom, found that increased wages in those places did nothing to boost marriage rates.

The big changes: birth control and online porn.

Another hypothesis blames the decline of marriage on men's fear of commitment. Maybe they just perceive marriage as a bad deal. But most men, including cads such as Kevin, still expect to marry. They eventually want to fall in love and have children, when their independence becomes less valuable to them. They are waiting longer, however, which is why the median age at marriage for American men has risen steadily and is now approaching 30.

My own research points to a more straightforward and primal explanation for the slowed pace toward marriage: For American men, sex has become rather cheap. As compared to the past, many women today expect little in return for sex, in terms of time, attention, commitment or fidelity. Men, in turn, do not feel compelled to supply these goods as they once did. It is the new sexual norm for Americans, men and women alike, of every age.

This transformation was driven in part by birth control. Its widespread adoption by women in recent decades not only boosted their educational and economic fortunes but also reduced their dependence on men. As the risk of pregnancy radically declined, sex shed many of the social and personal costs that once encouraged women to wait.

These forces have been at work for more than a half-century, since the birth-control pill was invented in 1960, but it seems that our norms and narratives about sexual relationships have finally caught up with the technology. Data collected in 2014 for the "Relationships in America" project—a national survey of over 15,000 adults, ages 18 to 60, that I oversaw for the Austin Institute for the Study of Family and Culture—asked respondents when they first had sex in their current or most recent relationship. After six months of dating? After two? The most common experience—reported by 32% of men under 40—was having sex with their current partner *before* the relationship had begun. This is sooner than most women we interviewed would prefer.

The birth-control pill is not the only sexual technology that has altered expectations. Online porn has made sexual experience more widely and easily available too. A laptop never says no, and for many men, virtual women are now genuine competition for real partners. In the same survey, 46% of men (and 16% of women) under 40 reported watching pornography at some point in the past week—and 27% in the past day.

Many young men and women still aspire to marriage as it has long been conventionally understood—faithful, enduring, focused on raising children. But they no longer seem to think that this aspiration requires their discernment, prudence or self-control.

When I asked Kristin, a 29-year-old from Austin, whether men should make sacrifices to get sex, she offered a confusing prescription: "Yes. Sometimes. Not always. I mean, I don't think it should necessarily be given out by women, but I do think it's OK if a woman does just give it out. Just not all the time."

Kristin rightly wants the men whom she dates to treat her well and to respect her interests, but the choices that she and other women have made unwittingly teach the men in their lives that such behavior is noble and nice but not required in order to sleep with them. They are hoping to find good men without supporting the sexual norms that would actually make men better.

For many men, the transition away from a mercenary attitude toward relationships can be difficult. The psychologist and relationship specialist Scott Stanley of the University of Denver sees visible daily sacrifices, such as accepting inconveniences in order to see a woman, as the way that men typically show their developing commitment. It signals the expectation of a future together. Such small instances of self-sacrificing love may sound simple, but they are less likely to develop when past and present relationships are founded on the expectation of cheap sex.

Young people in the U.S. continue to marry, even if later in life, but the number of those who never marry is poised to increase. In a 2015 article in the journal Demography, Steven Ruggles of the University of Minnesota predicted that a third of Americans now in their 20s will never wed, well above the historical norm of just below 10%.

Most young Americans still seek the many personal and social benefits that come from marriage, even as the dynamics of today's mating market conspire against them. It turns out that a world in which it is possible to satisfy our sexual desires much more immediately carries with it a number of unhappy and unintended consequences.

Dr. Regnerus is an associate professor of sociology at the University of Texas at Austin. This essay is adapted from his new book, "Cheap Sex: The Transformation of Men, Marriage and Monogamy" (Oxford University Press).

THE CONSCIENCE OF A BRAIN SURGEON

BY HENRY MARSH

I FELL IN LOVE with neurosurgery at first sight, almost 40 years ago, when I first saw an aneurysm operation.

Aneurysms are fragile blowouts only a few millimeters wide, growing off the major cerebral arteries. They can rupture without warning, causing death or a major stroke. The surgeon puts a microscopic clip across the aneurysm to prevent such a rupture. But if the surgeon bursts the aneurysm while trying to clip it—a small but very real risk—the patient can die or suffer a catastrophic stroke, causing the very harm that you are trying to prevent. The operation combined exquisitely difficult, microscopic surgery with all the excitement of bomb-disposal work, without any risk to the surgeon.

A career in neurosurgery appealed to my competitive, alpha-male nature, as well as to my deep intellectual fascination with the brain. What could be more glorious than being a brain surgeon? I signed up for the specialty more or less the next day.

Now, facing retirement, I am still in love with neurosurgery, but my view of it has changed profoundly. I soon came to understand that brain surgery is very crude relative to the microscopic intricacy of the brain. Our main tool is a small sucker, two millimeters in diameter, 50 times as large as the average brain cell—a low-tech device in the face of such complexity.

Worse, the brain has only a limited capacity to recover; it doesn't heal like bone, muscle or other tissues. So brain surgery is particularly dangerous, risking not only death, paralysis or blindness but also changes to our intellect and personality—our very being.

GETTY IMAGES

The difficulty of neurosurgery lies not so much in the operating as in the decision-making. Surgeons must balance the risks and benefits of surgery against the risks and benefits of not operating. These are probabilities, not certainties, and they are easy to misjudge.

Overtreatment is a major problem in modern medicine, especially in the U.S. The patient may be perfectly well after an operation that was actually a mistake—one in which a less biased or emotional assessment would have shown that the probable risks of not operating were less than the probable risks of operating. My worst mistakes—the times patients came to harm at my hands—have almost always stemmed from bad decision-making on my part.

Other people are always better at seeing our blunders than we are. Only toward the end of my career did I fully grasp the importance of having good colleagues willing and able to criticize me.

In a safe surgical department, the senior surgeons get on well and don't feel threatened by each other. This often doesn't happen. Surgical egos are large. One cannot carry out high-risk surgery if one suffers from low self-esteem. Teamwork doesn't—and to some extent shouldn't—come naturally to surgeons.

It is also dangerously easy to become corrupted by your patients' gratitude, which can often verge on adulation (although it is, of course, grounded in fear). You can be rude with patients, but if their operation goes well, they will still think you are wonderful. And if the patient "does badly," we have many ways of exculpating ourselves. We can blame the pathology, the anesthetist, the equipment or the postoperative care, all of which lets us continue to see ourselves as the infallible, Godlike creature that our poor, frightened patients want us to be.

As the French surgeon René Leriche put it, all surgeons carry within themselves an inner cemetery containing the headstones of the patients who came to harm at our hands. The triumphs are triumphant only because disasters also occur.

Complacency, I have learned, is the worst of all surgical sins. All doctors face the central challenge of balancing professional detachment with painful compassion. You can care too much for your patients and become overwhelmed—because however skillful and diligent you are, some of your patients will suffer and die.

But if you fail to suffer with them to at least some extent, you will have lost not only your humanity but also your drive to do better. I still love the struggle to find this balance—and to justify the respect and confidence that our patients have little choice but to place in us.

Dr. Marsh is the author, most recently, of "Admissions: Life as a Brain Surgeon," which will be published by St. Martin's on Oct. 3.

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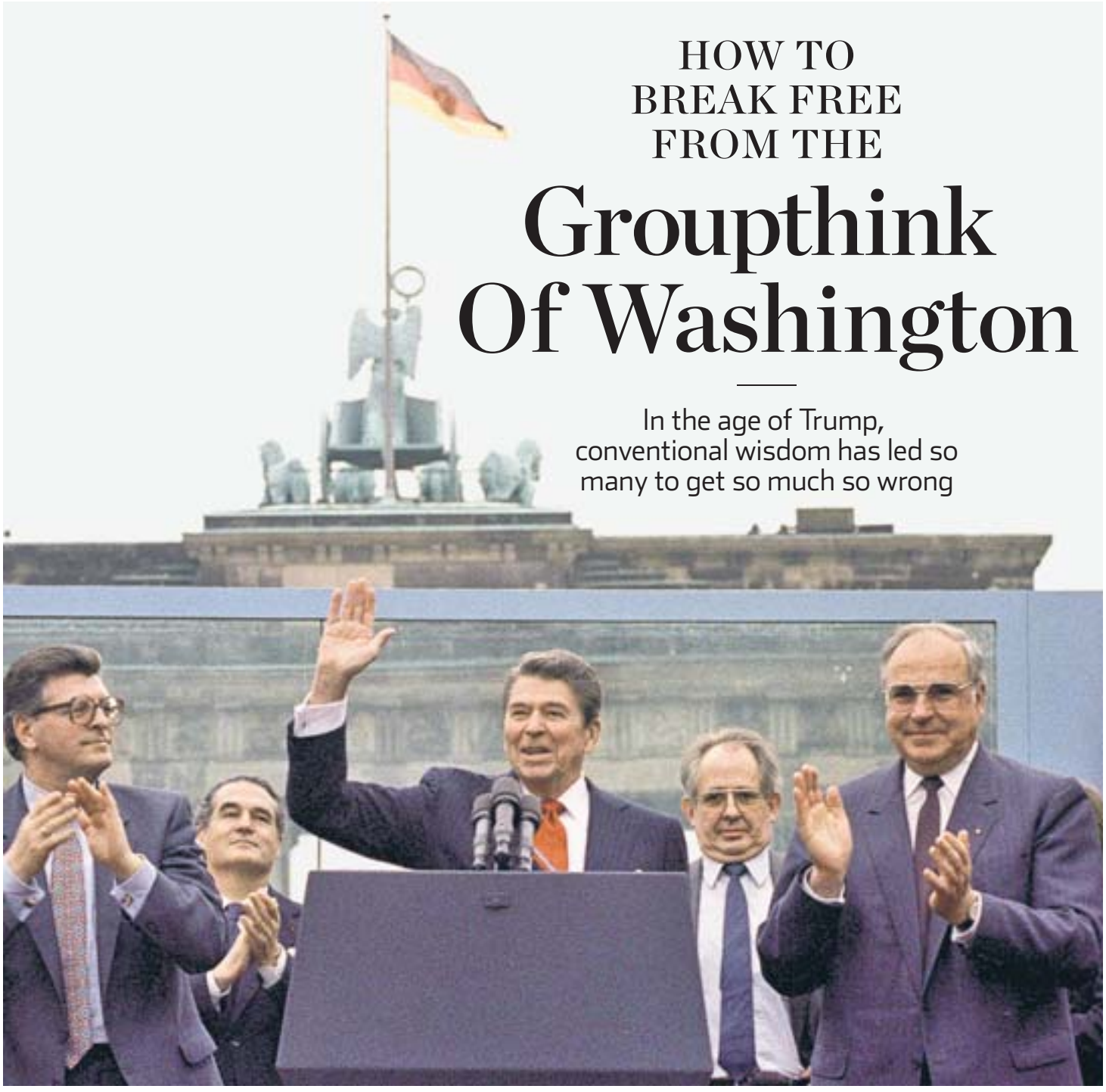

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HOW TO BREAK FREE FROM THE Groupthink Of Washington

In the age of Trump, conventional wisdom has led so many to get so much so wrong

IN 1987, President Ronald Reagan defied Beltway conventional wisdom by urging Soviet leader Mikhail Gorbachev to tear down the Berlin Wall.

BY GERALD F. SEIB

IN FEBRUARY 2016, some nine months before the presidential election that upended American politics, Rahm Emanuel called it.

The Chicago mayor and former White House chief of staff predicted over the phone to me that Donald Trump would not only win the Republican nomination but also beat Hillary Clinton in the fall. I promptly relayed our exchange to a colleague by email. "With this blue-collar, screw-you appeal he has," my email recounted Mr. Emanuel as saying, "why should anybody assume that Rust Belt states like Pennsylvania, Ohio, Wisconsin and Michigan are safe for Hillary?" One of the Democratic Party's wiliest pols, Mr. Emanuel didn't just nail the outcome; he even got the specific states right.

Did I believe him? No.

Why? At least in part because the Washington consensus said that a Trump presidency simply *couldn't* happen. My resistance to Mr. Emanuel's views was a perfect example of the perils of being trapped in conventional wisdom, which has, in the past few years, driven so many to get so much so wrong.

Conventional wisdom emerges with particular ease in Washington—a small, one-industry city in which politicians, journalists, analysts and lobbyists spend a great deal of time talking to one another. "A lot of people in this town spend a lot of time thinking about what other people in this town think," says Jeff Weaver, who ran Sen. Bernie Sanders's decidedly unconventional 2016 Democratic presidential campaign. "Anybody who has a contrary idea runs the risk of being ridiculed by others in the commentator community."

If ever there were a time to be skeptical that something is true just because "everybody" says so, it is the era of Trump, where past practice rather emphatically doesn't guarantee future performance. I know whereof I speak: As a Washington columnist, I am a longtime purveyor of conventional wisdom. Sometimes, I suppose, I help to create it. I'm certainly always swimming in it. And struggling against its tide is uncomfortable.

The CW has gotten plenty wrong in recent years. The consensus held that Mr. Sanders could never get traction because he was an old, rumpled socialist who couldn't possibly raise enough money from small donations to mount a national campaign. The same sachems—myself included—were sure that Mr. Trump's candidacy had been killed off when he sneered at the heroism of Sen. John McCain, a prisoner of war in Vietnam. Then the CW was certain that the "Access Hollywood" tape of Mr. Trump bragging about groping women would bring his run to an end. It was similarly sure that Mrs. Clinton's advisers were safe in presuming that Democratic voters flirting with third-party candidates would "come home" to her in the end—and that the alarms sounded by Mrs. Clinton's team about Russian interference in the election were exaggerated.

Wrong on all counts.

Robert Gates has seen the risks of groupthink firsthand. Mr. Gates was a career analyst at the Central Intelligence Agency who became the director of central intelligence and then secretary of defense for Presidents George W. Bush and Barack Obama. As an intelligence leader, he says, he was wary of insular analyses that seemed safe but could miss unexpected outcomes because all the smart people had told one another it couldn't happen. "The irony," he says, "is that where it bites you most frequently is when you're dealing with experts."

For example, he says, the CIA's top Iran analyst in the late 1970s had handled the portfolio for 20 years and spoke Farsi. But when the 1979 Iranian Revolution came, "he totally missed it," Mr. Gates says.

So what's the best way to escape from the influence of conventional wisdom? Here are four pieces of advice I've gleaned.

CLIFF OWEN/ASSOCIATED PRESS

CHICAGO Mayor Rahm Emanuel predicted Trump's win.

Get out of your bubble. In 1987, President Ronald Reagan defied the Kremlin—and Washington conventional wisdom—by going to the Berlin Wall and declaring to his Soviet counterpart, "Mr. Gorbachev, tear down this wall." The line shocked the capital's foreign-policy establishment, which feared that the Soviets would react badly and that West Berlin would be roiled by new tension. Neither turned out to be true, and the wall would come down in just over two years.

Get out of your bubble, and show some humility.

Peter Robinson, then a junior White House speechwriter, composed the famous line. How could he dare such a thing, knowing that his elders and betters would consider it too provocative? "I did original reporting," he says. "I had gone to the wall. Above all, I had sat down in West Berlin with a bunch of West Berliners. I asked them, 'I've been told you've gotten used to the wall. Is that true?' It wasn't...I like to think I got out of the Washington bubble."

Build a system for hearing different views. The intelligence community, Mr. Gates says, uses a technique called competitive analysis, which directs "a group to go off and challenge the conventional wisdom."

For example, Mr. Gates remembers a debate within the CIA in the 1980s over how much of the Soviet Union's gross domestic product went to military spending. The CIA's in-house experts, he recalls, thought the share was about 15%. But outside the CIA, a Russian émigré was arguing that the correct figure was several times higher. Intrigued, Mr. Gates drew him into the debate—and the outsider turned out to be much closer to the mark than the experts.

In a similar vein, Mr. Emanuel says that he has formed a "kitchen cabinet" of people outside his own staff to offer ideas and advice. One of them is former Education Secretary Arne Duncan, who inspired Mr. Emanuel's program to provide free community college education to graduates of Chicago public high schools who maintain a B average.

It can also help to give yourself time and space to challenge preconceived notions. Matthew Slaughter, dean of the Tuck School of Business at Dartmouth College, says that he advises business leaders to build regular reflection time into their calendars to force themselves to think about unconventional solutions.

Be ready for some discomfort. Countering the conventional wisdom can feel lonely. "You don't want to be the kid sitting by himself in the lunch room who is trying to be different," says John Murray, who was a top aide to former House Republican Leader Eric Cantor.

The discomfort can extend to entire organizations. Robert Kimmitt, a West Point graduate who became a U.S. Army general and later deputy treasury secretary under President George W. Bush, notes that after Vietnam, the Army forced itself through a painful, systematic study to re-examine its practices. "A bunch of young colonels who fought in Vietnam basically just took the Army down to its basest point and asked the tough questions," he says. One of the study's conclusions: The predilection for "trying to achieve consensus in the analysis and reporting of intelligence information must be avoided at all cost; divergent opinions and conflicting analyses should be tolerated, listened to, and even encouraged."

Show some humility. We can all do better in asking questions and actually listening to the answers. That's especially important in Washington, where impressing others with how much you know sometimes gets in the way of finding out what *they* know.

Public-opinion polling, which has been maligned in recent years, remains a crucial tool in gauging feelings outside the D.C. bubble. Focus groups—in-depth discussions with small groups of voters—are even more valuable. But there is no substitute for person-to-person listening.

Consider two small examples from 2016. Early in the campaign, I went to a New Hampshire town-hall meeting with New Jersey Gov. Chris Christie, then a top Republican presidential contender. I expected to hear about the issues then fixating Washington—including the Iran nuclear deal and gay marriage—but was stunned that the first two questions were about opioid abuse. A question that wasn't even on the CW's radar screen was a burning issue in a key state.

Then, late in the campaign, I happened to take a cab in Washington driven by an African immigrant with a thick accent, who had a "Make America Great Again" sticker on the center of his dashboard. I asked: Aren't you scared by Trump's harsh words on immigration? That rhetoric, the driver replied, was directed toward others, not himself. He was voting Trump. I was amused. I should have been listening more closely.

WORD ON THE STREET: BEN ZIMMER

'Hail Mary,' From Pigskin To Politics

THE LATEST ATTEMPT by Senate Republicans to overturn the Affordable Care Act was always a bit of a long shot. Before it was pulled from consideration by the Senate GOP leadership earlier this week, the Graham-Cassidy bill was frequently described in media accounts as a "Hail Mary," borrowing a familiar phrase from football.

From the football field to the Senate chamber, the phrase describes a desperate maneuver when no other options are available. One Republican source told CNN last Saturday that "even a 'Hail Mary' might be too generous to describe the odds at the moment."

How did "Hail Mary" become the go-to sports metaphor for a last-minute bid to beat the odds and scratch out a victory? Football fans know the "Hail Mary play" as a long pass attempt made as a final play by a trailing team. Occasionally the play succeeds, as when the Florida Gators pulled off a Hail Mary earlier this month to send the Tennessee Volunteers packing.

As the name of a devotional prayer, "Hail Mary" dates back to the 14th century in English, a translation from the Latin "Ave Maria," the first two words in a petition directed at the Virgin Mary. For Catholics, reciting the Hail Mary is a key element of Rosary prayers.

A 1922 game between Notre Dame and Georgia Tech brought the phrase into football usage. One of Notre Dame's feared "Four Horsemen," Jim Crowley, later recounted how a Presbyterian player, Noble Kizer, rallied his Catholic teammates by having them say a Hail Mary. Following a prayer in the huddle, they scored a touchdown. Then another Hail Mary led to another touchdown. After the game, Crowley recalled, Kizer marveled that the Hail Mary was "the best play we've got."

But it was Dallas Cowboys quarterback Roger Staubach, half a century later, who popularized the "Hail Mary play." That phrase was first attached to Mr. Staubach in December 1971, when his erstwhile coach at the Naval Academy, Wayne Hardin, shared the story of a miraculous scrambling pass in a game against Michigan. "Let's call it my Hail Mary play," Mr. Staubach told his coach afterward.

Four years later, after a dramatic playoff game between the Cowboys and the Minnesota Vikings, Mr. Staubach revived the expression to describe his game-winning touchdown pass, a long bomb to wide receiver Drew Pearson. "I guess you'd call it a Hail Mary pass," he said. "You throw it up and pray he catches it."

A Cowboys-Vikings game to remember.

That stupendous play solidified "Hail Mary" in football circles, and soon it was being used more generally for desperate acts with limited chances of success—including political acts. When Democrats in Congress were maneuvering against President Ronald Reagan's plan to send a military-aid package to the Nicaraguan Contras in 1987, Rep. David Obey (D-Wis.) was quoted as saying, "You want one last play, even if it's a 'Hail Mary' on either side." And when Sen. Bob Dole, trailing President Bill Clinton in the 1996 presidential race, unveiled a major tax-cut plan, Mr. Clinton's strategist Dick Morris characterized the move as "a Hail Mary pass," adding, "like most Hail Marys, it was intercepted and run back for long yardage."

Whether it's on the gridiron or on Capitol Hill, one thing is clear: It's dangerous to count on divine intervention.

Answers

To the News Quiz on page C19

1.A, 2.B, 3.C, 4.D, 5.B, 6.C, 7.A, 8.C

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CASSANDRE MONTORIOL

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'The only way of discovering the limits of the possible is to venture a little way past them into the impossible.' —Arthur C. Clarke

The Four Horsemen of Big Tech

The Four
By Scott Galloway
Portfolio, 310 pages, $28

BY RANDALL STROSS

GETTY IMAGES

LIGHTING UP THE SKY Apple's flagship store in Shanghai, China, with the Oriental Pearl Tower and the Bank of China Tower visible to the left and right.

TECH IS THE business story of our time. Apple is the most valuable company based in the United States. Google's parent, Alphabet, is the second most valuable, and Facebook and Amazon are fourth and fifth, respectively.

But tech is not merely a business story. As more and more of life has become digital, the giants in tech have become a political story, too, wielding power that our regulatory apparatus, assembled in an earlier era, is ill-suited to oversee. In 2006, when the first, second, fourth and fifth places in the most-valuable list were occupied by ExxonMobil, GE, Citigroup and Bank of America, none of these companies' products or services had been used by a foreign power to disseminate misinformation in the preceding presidential election.

A spate of recent books—including Jonathan Taplin's "Move Fast and Break Things" and Franklin Foer's "World Without Mind," both published earlier this year—have called attention to the dark side of tech's ascendancy. Scott Galloway's "The Four: The Hidden DNA of Amazon, Apple, Facebook, and Google" sits apart.

Mr. Galloway is an experienced entrepreneur and a clinical professor of marketing at NYU's Stern School of Business. He is not unaware of the disturbing power of big tech and is concerned about the small number of employees that these companies need to achieve their outsize valuations. But he is mostly concerned with telling compact stories about how "the Four Horsemen," as he calls them—Apple, Alphabet, Facebook and Amazon—became so successful. He emphasizes the way they have built their brands and the way we consumers are complicit in their acquiring unbounded power, having willingly invited them "into the most intimate areas of our lives."

In the book's introduction, Mr. Galloway makes much of the rapid increase in the market capitalization of the four companies, noting that their aggregate value rose in just four years—from early 2013 to early 2017—by approximately $1.3 trillion, which is equivalent to the GDP of Russia.

If market cap is the starting point, however, it would make more sense to speak of "the Five" and include Microsoft. But at a conference in 2011, Eric Schmidt, then Google's chief executive, wrote Microsoft out of the picture by speaking of "the Gang of Four." Mr. Galloway accepts this number, omitting the fully paid-up member of big tech that just happens to be the third most valuable company in America. Microsoft's market cap has increased more than $250 billion in the past 3½ years, thanks to a turnaround led by Satya Nadella, its CEO.

Amazon is the first company that Mr. Galloway profiles. He covers its shrewd storytelling, which has persuaded its shareholders to be eternally patient; its investment in offline stores, allowing it to provide multichannel distribution; and its nascent deployment of voice-ordering via Alexa, a service that may well move customers from rival-branded merchandise to Amazon-branded products. He also ticks off its accumulation of artificial-intelligence expertise; its build-out of warehouses that are within 20 miles of 45% of the U.S. population; and its acquisition of Whole Foods' 460 stores. At the time the book went to press, Amazon was America's fourth most valuable company (today it is fifth), but Mr. Galloway predicts that it will pass the others and become the first company to achieve a market capitalization of $1 trillion.

As Amazon continues to expand its scope, many industry sectors will be negatively affected. Mr. Galloway chooses the transitive verb "molest" to describe how Amazon will act on the retail ecosystem. This word choice brings out a problem that shows up early in the book: discordant language. Amazon's assets are described in one place with a term composed of a vulgar word for excrement and "loads." When Marc Lore, the founder of the e-commerce company Quidsi, left Amazon two years after joining it (as part of Amazon's $545 million acquisition of Quidsi), he turned around and started Jet.com. Of the move, Mr. Galloway writes: "This must have felt like a half-a-billion-dollar divorce settlement to your husband, who then moves into the house next door and starts—" and here he uses a well-known slang verb for intercourse. What may be the perfectly piquant phrase for David Mamet on stage does not play so well on the printed page.

Less coarsely, Mr. Galloway puts his understanding of retail to good use in his treatment of Apple. He shows the brilliance of Steve Jobs's decision to vertically integrate the company in the form of stores, a decision that did not look brilliant at the time. Mr. Galloway calls our attention to the way Apple prepared for the move, recruiting to its board in 1999—two years before it opened its first store—Mickey Drexler, the man who had made Gap Inc. the outstanding retail story of the 1980s. Having its own stores—and thus the power to insert itself on Fifth Avenue and the Champs-Élysées among Vuitton, Cartier and Hermès—established Apple as a luxury brand. The company's enviably high margins come from what Mr. Galloway describes as a unique combination: "the premium-priced product, and the low-cost producer."

> Amazon, Apple, Facebook and Google—and how they got that way.

The transformation of Apple into a luxury brand is a good story. But Mr. Galloway often mixes the insightful with the ridiculous, sketching a cartoonish version of evolutionary psychology: "Since men are wired to procreate aggressively, the caveman in us hungers for that Rolex, or Lamborghini—or Apple. And the caveman, thinking with his genitals, will sacrifice a lot (pay an irrational price) for the chance to impress." There are many such references to hunter-gatherers and to genitals—and one reference in particular, to Tiger Woods's, that is so offensive that upon reading it one rubs one's eyes in disbelief.

When Mr. Galloway takes up Alphabet, he is interested only in the Google division, but his ability to say much about Google, or Facebook, is limited by the absence of physical stores in their histories. "The Four" is limited in another way as well: It is based almost entirely on accounts written not by principals in the companies but by reporters. Near-complete reliance on secondary sources is forgivable, but misreading them is not.

Mr. Galloway refers to "the most famous 'theft' in tech history," the visit that Steve Jobs made to Xerox's research lab in Palo Alto, Calif., in 1979. It was during this visit that Jobs saw a personal computer with a graphical interface, windows and mouse—the essential things that, once glimpsed, supposedly made the Macintosh possible. But many other lab visitors saw these things, too. At the time, they were merely proofs-of-concept. Much invention and problem-solving had to follow to make the concepts into a commercial product.

The "theft" myth was debunked long ago. A full chapter was devoted to dismantling it in a book published in 1993: "Steve Jobs and the NeXT Big Thing." (I can recall this only because I am the book's author.) Mr. Galloway cites a more recent source to back up his "theft" claim, an article published in the New Yorker in 2011, but that article, in fact, is devoted to showing that the story is a myth. Five pages later, in the same context, he cites the article again.

When Mr. Galloway completes his survey of the Four Horseman, he throws in a chapter of career advice for young adults that is filled with bromides such as go to college, get to a city and promote your personal brand (or, as Mr. Galloway puts it, "Pimp Your Career"). He urges readers to exercise regularly and stay fit: "Walking into any conference room and feeling that . . . you could kill and eat the others gives you an edge and confidence (note: don't do this)." The connection between this tidbit of advice and big tech is not made clear.

Mr. Galloway occasionally offers offhand remarks about similarities among the companies he discusses, but his separate accounts of each bring out doubts that they should be thought of as a cohesive group. There are the two behemoths in advertising, Google and Facebook, which are in direct competition with each other; there is the luxury-goods company, Apple; and there is the everything store of Amazon. The categories compete only along some edges. Referring to the Four Horsemen provides the *frisson* of the biblical prophecy, but it would be better to speak—more accurately if not as apocalyptically—of the Two and the One and the One.

Mr. Stross is a professor of business at San José State University and the author of "A Practical Education: Why Liberal Arts Majors Make Great Employees."

POLITICS: BARTON SWAIM

Memoirs of an 'Obamabot'

THERE'S NOTHING quite so humorless as scholarly treatments of humor. Sigmund Freud's explanations of humor are engaging in their way, and Francis Hutcheson had a point when he argued that laughter arises mainly from the juxtaposition of incongruous ideas. But it's hard to talk about "humor" in the abstract without seeming to miss the point. **In "Humour as Politics" (Palgrave, 223 pages, $99.99)** Nicholas Holm, a lecturer in media studies at Massey University, New Zealand, attempts to elucidate the political implications of contemporary comedy, and his discussions are about as entertaining as you'd expect: Not at all.

> David Litt faces a problem: Political humor works best when it ridicules the powerful and influential.

His point is valid, though. "Like any other cultural object," he explains in the introduction, "humorous texts carry within them certain sets of embedded ideological assumptions that potentially play a role in the transmission and construction of socially shared systems of interpretation." That's an academic's way of saying that comedy often threatens social and political arrangements by upsetting settled ways of thinking. Early seasons of "The Simpsons," he shows, place ordinary people in a dull town within freakishly improbable circumstances and so create a kind of absurdist satire of American life. Mr. Holm similarly sets about theorizing how all sorts of "humorous texts" in popular culture—"Seinfeld," "The Office," "The Daily Show," "Veep," "Borat"—achieve comedic success by flouting expectations and turning tacit social conventions upside down.

One thing is clear from Mr. Holm's analysis: Political humor works best when it's subversive, or when it ridicules the powerful and influential. That's a challenge for David Litt, whose memoir **"Thanks, Obama: My Hopey, Changey White House Years" (Ecco, 310 pages, $27.99)** recounts the author's time as one of Barack Obama's speechwriters. I say it's a challenge because, although Mr. Litt has a terrific comedic touch—he wrote lots of Mr. Obama's wittiest lines—his admiration for his old boss is largely undiminished and he still has high regard for his former colleagues. It's tough to make your readers laugh when you feel all the characters in your story were basically decent, competent and basically admirable people.

GETTY IMAGES

TV STARS Fallon, Questlove and Obama 'Slow Jam the News.'

Instead of ridiculing his boss or his colleagues, he mostly ridicules himself—and that's where he scores some laughs. Mr. Litt was still in college when Barack Obama first ran for president. In an instant, he became an "Obamabot." After working on the 2008 campaign and then landing a wretched job for a public relations firm he calls Crisis Hut (not its real name, I think), he somehow was given a chance to write speeches for Mr. Obama's adviser, Valerie Jarrett. "I was twenty-four years old," he explains humbly. "Most of my proudest achievements in life still fell under the category of 'overcomplicated pranks.' "

Mr. Litt is at his best chronicling the ludicrous mayhem of campaign life (he worked on the 2012 campaign, too). He recalls a woman he met while canvassing for votes in Ohio who said flatly she wasn't going to vote. He tried to convince her of the election's importance, but to no avail. "In the movie version of my life, this was the moment when she raced to her polling place," he writes. But "in the my-life version of my life," she chased him off her porch.

Another scene has the author trying to take the advice of a campaign pollster who'd concluded that Mr. Obama's remark about the economy working "not from the top down but from the middle out and the bottom up" resonated with voters. Campaign workers were supposed to use this improbable line while canvassing. "Imagine going to a cocktail party full of strangers. Now imagine being told that, in every conversation, you're expected to say that Shake Shack owes its success less to savvy marketing than to its proprietary blend of meats. It's weird."

Mr. Litt writes insightfully about the craft of speechwriting. Politicians and CEOs, he observes—correctly in my experience—are always looking for a speechwriter who'll find their "voice." His response: "Martin Luther King had a voice. John F. Kennedy had a voice. With all due respect, you probably don't."

The author seems to realize that his admiration for Mr. Obama deprives his book of some of the satirical fun and narrative tension it might otherwise have, and he tries to solve the problem by recounting his disgust with the candidate after the first presidential debate of 2012, when Mr. Obama, clearly unprepared, was trounced by Mitt Romney. "My days in Obamaworld weren't finished," he writes. "But my days as an Obamabot were done." That's about all the displeasure with his boss he can muster, and to my mind it's not enough.

I wondered, too, why Mr. Litt felt it necessary in a memoir as funny as this one to put off half the audience by taking gratuitous shots at conservatives. Why say, for instance, that "under Ronald Reagan, conservative theory held that handouts for the rich were good for everyone"? The remark isn't funny and strikes an ungenerous note. Or perhaps I just think it's unfunny and ungenerous because I'm conservative and Mr. Litt isn't—a sad reminder that, in a contest between politics and humor, politics often wins.

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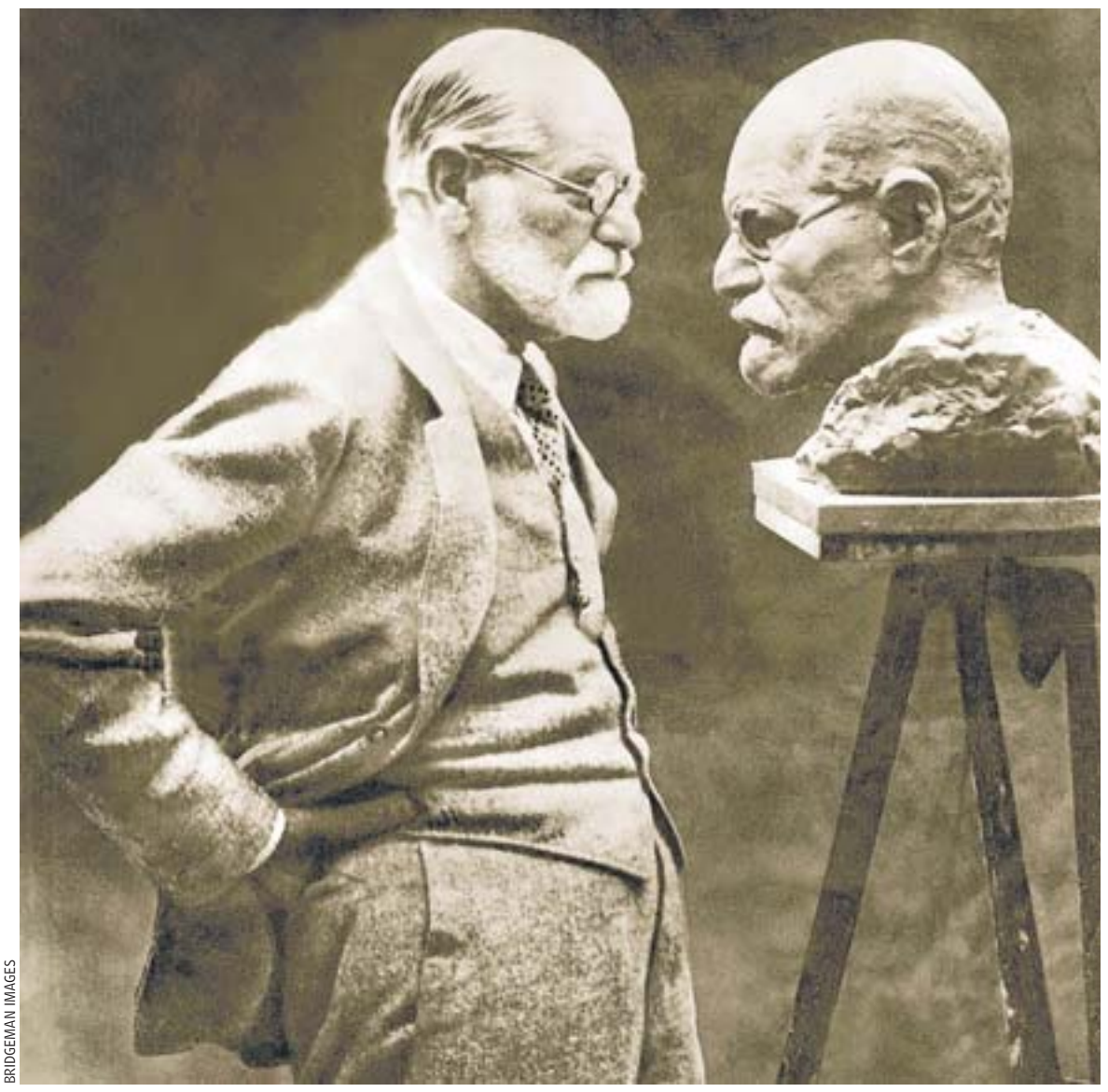
'However far human beings may reach with their knowledge . . . in the end they carry away nothing but their own biography.' —Friedrich Nietzsche

Why the Freud Wars Will Never End

Freud
By Frederick Crews
Metropolitan, 746 pages, $40

BY ADAM KIRSCH



BRIDGEMAN IMAGES

IN 1930, Sigmund Freud published "Civilization and Its Discontents," a short book in which he brought the insights of psychoanalysis to bear on the problems of modern Western culture. The core of Freud's argument, here and throughout his work, is that "the intention that man should be 'happy' is not included in the plan of 'Creation.' " There is, he writes, a permanent opposition between the pleasure principle—the infantile force in us that seeks the satisfaction of desires—and the conditions of our bodily and social existence, which make satisfaction difficult to achieve. This conflict is never resolved but is alleviated by the growth of the reality principle—a mature adaptation to the world as it is, which allows us to take satisfaction in avoiding suffering rather than experiencing full happiness.

Freud believed this process takes place in the life of every individual and is mirrored in the development of civilization, which he presents as an effort of sublimation—the "renunciation of instinct" in favor of higher values such as art, religion and ethics. But it is possible, Freud concludes, that this renunciation is too high a price to pay; civilization may turn out to be "a state of affairs which the individual will be unable to tolerate." And history would justify his pessimism. As Freud wrote, fascism was on the march in Europe, promising an orgiastic release of all the violent, irrational instincts civilization had worked so hard to repress.

If Freud's account of how human beings feel, suffer and grow, and his analysis of culture and ethics, still feel intuitively convincing, that is because we still inhabit the mental universe that he created. It is even possible to argue that the course of Western civilization since the 1960s has been an experiment in Freudian de-sublimation, in loosening bonds—especially sexual ones—that had become intolerably strict. As W.H. Auden put it in the elegy he composed after Freud's death in 1939, "to us he is no more a person / now but a whole climate of opinion."

Yet in the same poem, Auden also acknowledged that "often he was wrong and, at times, absurd": The strange thing about Freud is that the absurdity is often inextricable from the wisdom. Take, for instance, the passages in "Civilization and Its Discontents" in which he offers an explanation for how human beings came to master fire, the "quite extraordinary and unexampled achievement" that was the origin of civilization itself. "It is as though," Freud writes, "primal man had the habit, when he came in contact with fire, of satisfying an infantile desire connected with it, by putting it out with a stream of his urine." This instinct was rooted in sexual desire, since the "tongues of flame" were symbolic phalluses, so that urinating on them was "a homosexual competition." The first man to "damp down the fire of his own sexual excitation" and resist the impulse to urinate was the first to carry off the fire and use it for his own purposes. "This great cultural conquest," Freud concludes, "was thus the reward for his renunciation of instinct."

What are we to think when a sage comes up with such a bizarre theory? First, note that it is not really a theory at all, in the sense of a scientific hypothesis, because it can neither be verified nor falsified by any imaginable evidence. If anything, it is a myth, a just-so story about prehistory. More, it is a tendentious myth, one that fits too neatly into Freud's ideas about the link between renunciation and civilization and rests on assumptions about human psychology that are, to put it mildly, counterintuitive—above all, the belief that every human action and motive can be traced back to sexuality.

But if that same assumption lies at the root of Freudian psychoanalysis, does that mean that psychoanalysis, too, is a myth? Do Freudian concepts like the superego and the id, the death drive and the pleasure principle, the dream as a wish-fulfillment, rest on any firmer evidentiary basis than Freud's idea about urinating on fire? Was Freud, in short, a doctor and a scientist, as he claimed to be and as his patients and disciples believed, or was he a storyteller, an imaginative thinker, or—if you prefer—a fantasist?

This is the main issue at stake in the continuing series of scholarly debates known as the Freud wars, which have flared up again with the publication of Frederick Crews's quasi-biography, "Freud: The Making of an Illusion." It has been some three decades since critics began a sustained assault on the reputation of Freud, pointing out the many grave defects in his clinical practice, his professional ethics and his theoretical speculations. Freud bullied his patients into accepting his wild interpretations of their dreams and experiences. The patients he wrote about in his case studies—Dora, the Wolf Man, Little Hans—were not actually cured by his interventions. He treated the psychoanalytic movement more like a religious cult than a scientific endeavor, choosing favorites, expelling dissidents and assiduously burnishing his own reputation by rewriting history when it suited him.

The appearance of Mr. Crews's book, which focuses on the early part of Freud's career before he became world famous, has renewed all these charges in the press. Mr. Crews is trained as a literary critic, not a psychologist, yet in the course of a decades-long obsession with Freud, he has made himself an expert in everything related to his quarry, from the history of neurology to the side effects of cocaine. The Javert of psychoanalysis, Mr. Crews aims not just to debunk Freud, but to defame him, to banish him from serious consideration forever. The index entries under "Freud, Sigmund" give a sense of the book's tenor: "abandoned by patients; alcohol, recourse to; bribery on behalf of; impotence of; vindictiveness of" and more. Yet Mr. Crews's quest remains self-contradictory, for you can't destroy a thinker's legacy by attacking him; only oblivion can do that, and criticism is the opposite of forgetting. Reading this book, you can't help feeling that Freud must be important indeed to inspire such anger and warrant such effort.

Mr. Crews's full-spectrum attack has the unintended effect of undermining Mr. Crews's valid insights into the deep flaws of Freud's thinking. It would be enough to prove Freud was not a scientist, and that psychoanalysis is not a science—claims that are now widely accepted. But when Mr. Crews adds that he was a liar and thief, or speculates that he practiced incest with his sister and adultery with his sister-in-law, the reader starts to lose faith in his impartiality.

The Freud wars have always been as much about Freud as an individual as about his ideas. Indeed, Freud remains inseparable from his work in a way that already marks it as something other than science. The law of gravity doesn't stand or fall on the character of Isaac Newton; if you found evidence that Albert Einstein was a kleptomaniac, $E=mc^2$ would still hold true. But when critics of Freud denounce him as an incompetent doctor, a thief of other people's ideas or an adulterer, they mean to strike at the credibility of Freudian ideas as well. Freud is more like a philosopher or a prophet than a scientist; to accept his premises involves submission to his personal authority. He resembles Karl Marx more than, say, Charles Darwin, to name two figures who dominated the intellectual world of his youth.

It is precisely because Freud was a kind of prophet that he was so hostile to all forms of traditional religion, which he argued in "The Future of an Illusion" were relics of infantile fear and worship of the father. If there is one constant in Freud's intellectual life, it is his adamant opposition to religion, especially the Judaism that was his family's tradition. This is not surprising: Freud trained as a medical man in the second half of the 19th century, a time when science was replacing faith as the most powerful and authoritative form of knowledge. It was able to answer ancient mysteries, such as the origin of man, and to transform time and space, with inventions like the railroad and the telegraph. "No, our science is no illusion," Freud wrote. "But an illusion it would be to suppose that what science cannot give us we can get elsewhere," by which he meant from religion.

Ironically, what gave Freudianism such appeal was its fusion of religious yearnings with scientific ambitions. Psychoanalysis claimed to reduce human behavior to a system. In doing so, it provided answers to ethical and metaphysical questions that people had traditionally looked to religion to answer. How should we live? Why is there so much unhappiness in the world? Psychoanalysis promised a theory of human suffering and a remedy for it, all at the same time.

For generations, countless people spent countless hours—and dollars—pursuing Freudian analysis because of that promise. Mr. Crews, like other scholars before him, shows that from the beginning the talking cure was an illusion, if not an actual lie: Freud claimed results with his hysterics and neurotics that he did not achieve and made sweeping generalizations based on a handful of cases. His eagerness to leap to a marvelous conclusion meant that he could never frame the kind of step-by-step investigation that results in real scientific discovery.

> Freud's claims may seem unscientific or absurd, but we still inhabit the mental universe that he created.

Freud was, then, a false prophet—which is perhaps implicit in the very definition of a prophet. But like other exploded belief systems, psychoanalysis is so deeply embedded in our cultural self-understanding that it may be impossible to think our way entirely free of it. Unconscious motivation, sexual repression, "Freudian slips," dream analysis, the family romance—not all these ideas were original to Freud but all come down to us bearing his accent. He is one of those thinkers who cannot be ignored, only argued with and about—which suggests that the Freud wars may be with us to stay.

Mr. Kirsch is the author of "The People and the Books: 18 Classics of Jewish Literature."

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'Anyone who has the power to make you believe absurdities has the power to make you commit injustices.' —Voltaire

Command and Control

Ranger Games
By Ben Blum
Doubleday, 412 pages, $28.95

BY NANCY ROMMELMANN

GETTY IMAGES

GROUNDWORK Prospective Army Rangers undergoing training at Fort Benning, Ga.

AT 5:16 P.M. on Aug. 7, 2006, four young men wearing face masks and carrying AK-47 assault rifles run from a Bank of America branch in Tacoma, Wash. The branch is less than 10 miles from Joint Base Lewis-McChord, and the men have just carried out a "takeover robbery," commandeering the bank like an enemy target. Now they run toward a silver Audi driven by a 19-year-old wearing board shorts and flip-flops. The men pile in. Three of the five men are dropped at the movies; the other two head to the Army base. Less than 48 hours later, the driver is taken into custody by the FBI near his father's home outside of Denver. His name is Alex Blum, and he is the first cousin of "Ranger Games" author Ben Blum.

"The disaster of Alex's imprisonment exerted a tremendous tribal gravity," writes Mr. Blum. Why did Alex, a heretofore "squeaky-clean, patriotic, rule-respecting kid," rob a bank within months of achieving his dream of becoming an Army Ranger? What part did his inbred allegiance—to family, to country, to being a member of a team—play in his decision to drive the getaway car? Mr. Blum sifts through the reasons and excuses offered by family, lawyers, the press, the robbers and Alex himself. The result is saga and social science both, a riveting exploration of the codes of conduct by which men are meant to comport themselves, the lengths to which we go to forge identity, and how far the stories we tell can be stretched before they become prisons of our own making.

Alex and Mr. Blum's fathers are two of four brothers who decamped from the East Coast to Colorado in the 1970s, going from "ski bumming, low-level pot smoking" to successful careers in real estate. Blum men golf, climb and roast huge hanks of meat. They tell and retell the heroics of their late father, who landed on Normandy just after D-Day. These tales are part of what inspire Alex to join the military. He grows up a star hockey player with a "goofball charisma," a kid who works harder than anyone on the ice and drives his dad's ride-on lawn mower to high-school graduation.

Mr. Blum was the family outsider. A math prodigy, by age 13 he was taking classes at the University of Colorado. Studying for a Ph.D. in computer science at Berkeley at the time of his cousin's arrest, Mr. Blum becomes consumed with analyzing how what happened to Alex happened.

Alex's father, Norm, was convinced that his son was brainwashed during Ranger training. It's a theory that Alex, being held at SeaTac Federal Detention Center, ferociously rejected, insisting for months that the robbery was some sort of military exercise. Persuaded at last that the robbery was real, he wrote a 23,000-word essay detailing the training that Rangers undergo: "profound and accumulating sleep deprivation, getting smoked, getting tricked, getting insulted, getting threatened, weeping, puking, getting smoked for weeping and puking"; the days-long outdoor drills where recruits put Tabasco sauce in their eyes to stay awake; becoming so frozen that the only warmth they experienced was "when we would urinate on each other."

"If we weren't brainwashed the Rangers wouldn't exist," he wrote. "I was unable to think or question. I was a model Ranger."

After reading Alex's manuscript, Mr. Blum "began wondering if I might be of use to Alex and the family." Undergoing a concurrent crisis—he had ditched his Ph.D.—Mr. Blum didn't at the outset know that his usefulness would occupy the better part of a decade or that a disposition that renders him "utterly baffled by actual human beings, utterly confident in my ability to model them algorithmically," would allow him to distinguish fact from fiction when others could not.

Mr. Blum chronicles the cost of clinging to untenable truths. Norm's insistence on seeing Alex as a victim turned the uncle he has known as "a looming grin machine" into a broken man on the verge of bankruptcy. An American media complex that sees redemption as a commodity swept the Blum clan into an appearance on the "Dr. Phil" show. ("Here was this thing that took up years of our family's life," Mr. Blum's father says, "and it was just five minutes between deodorant commercials.") Living in his father's basement under house arrest, Alex responded by turning into a sullen, hard-drinking creep. He didn't want to be coddled. He wanted to be a hard-ass, his sense of identity still bound up in being a Ranger.

> Weeks from becoming an Army Ranger, the author's cousin took part in a clumsy bank robbery with fellow soldiers.

Years into writing the story, Mr. Blum started to suspect that Alex was hiding something.

The robber who drove back to base with Alex is named Specialist Luke Elliott Sommer, a 20-year-old combat veteran who brought into the barracks "a thrilling after-scent of Iraqi dust and blood." Sommer bonded with Alex over playing hockey. He watched heist movies with Alex and joked about how they could work a better plan. He had Alex drive him to Starbucks and the Bank of America. To impress Sommer with his "tactical acuity," Alex sketched on a napkin how a Ranger team might take down the bank. Alex did not realize that he was the figurative frog in slowly boiling water, being tenderized by Sommer's attentiveness and the "near-poetic facility with wild tales [that] had earned him the nickname 'B.S. Elliott.' "

After his arrest, Sommer for a time charmed the press, convincing them that robbing the bank was "a platform to publicize war crimes he had witnessed in Afghanistan and Iraq." Or maybe, as he told Alex, the money they stole was meant to fight the Hell's Angels. Or maybe, as Sommer wrote to Alex's father in an email, "You honestly believe that your son . . . never dreamed of being involved in this? He helped me plan it Norm."

Mr. Blum initially found Sommer's willingness to take responsibility for his part in the robbery "immensely refreshing." Sommer also wanted to talk about something they had in common—that he was pursuing an advanced degree in mathematics. The connection was uncanny, as was his apparent self-awareness.

"I am just *so convinced of my rightness*," he told Mr. Blum, "everybody goes along."

A voluble correspondent, Sommer portrayed himself as a leader. He didn't detail the promises and intimidations he used to corner four lonely young men into becoming bank robbers, details of which Mr. Blum fills in through intimate interviews with others. For someone constitutionally attuned to facts, Mr. Blum proves remarkably empathetic, offering heartbreaking portraits of some of the people whose lives Sommer helped to derail.

Mr. Blum reveals Sommer as a textbook psychopath whose lifelong delight is to manipulate the fate of others. As Alex told Sommer in a letter: "I dreamed of being a Ranger since I was 5 and you took it away." Mr. Blum uncovers the seeds of destruction that Sommer planted: for instance, the "puzzlingly amateurish" fact that the license plate of the getaway car was left uncovered. The vehicle was registered to Alex's father, who had found Sommer trustworthy enough, not least because "the hockey relationship's a deep bond," to lend him money. But Sommer never played competitive hockey.

Mr. Blum's enchantment with Sommer was broken "not because of his criminal record, but because of the way he did math." Overconfident, or perhaps having tired of with toying with Mr. Blum, Sommer claimed to have found a new way to solve "one of the most famous open questions in mathematics." The solution was instantly preposterous to Mr. Blum, who nevertheless allows Sommer to keep talking, "as if he thought he could talk his way out of the *laws of mathematics themselves*." If Mr. Blum begins as the odd piece in the family puzzle, his precise, exhaustive and sympathetic work proves both deeply salutary and in step with the logistician's mind.

As for Sommer, while he may have received the longest sentence—24 years—the psychopath finds opportunity wherever he finds the vulnerable. In prison, he currently leads a small church.

Ms. Rommelmann's latest book "To the Bridge," an investigation into a maternal filicide in Portland, Ore., will be published next year.

Murder by Numbers

The Man From the Train
By Bill James & Rachel McCarthy James
Scribner, 464 pages, $30

BY PETER DUFFY

BILL JAMES STUMBLED upon the idea for his latest book while studying a string of murders that occurred near railroad lines in the Midwest in 1911 and 1912. The most famous was the slaying of six members of the Moore family, along with two young houseguests, in Villisca, Iowa, which is still remembered today in the Hawkeye State. The eight victims were struck repeatedly in the head with the blunt side of an ax.

Mr. James, the famously idiosyncratic interpreter of baseball statistics, had a hunch that the Midwest killings were part of a much larger pattern and suspected that there were others in the series "that the contemporary authorities never linked to the same criminal." He recruited his daughter, Rachel McCarthy James, as a research assistant to help him scour the databases of small-town newspapers. Soon she became his co-author.

The result is a painstakingly factual account of dozens upon dozens of gruesome murders, the first committed in 1898 in Brookfield, Mass., and the last in 1922 in Hinterkaifeck, Germany. The victims all lived not far from railroad tracks, which left them vulnerable to a peripatetic serial killer who would hop off the train, invade a home—often at random—and use an ax to kill multiple members of the same family.

The relentless catalog of atrocities, which includes lynchings and executions of those wrongly accused of the crimes, goes on for more than 450 gory pages, which may be justified by historiological necessity. The two writers have identified, they tell us, "perhaps the most despicable criminal in American history."

Mr. James is a data guy, a believer in the explanatory power of raw numbers over gut instincts. Once a lonely voice howling in the mimeographed pages of his self-published "Bill James Baseball Abstract," he is now an honored member of the establishment, a senior adviser for baseball operations with the Boston Red Sox.

> Has baseball's statistics guru uncovered 'the most despicable criminal in American history'?

But he is also an obsessive student of true crime. In 2011, he published "Popular Crime: Reflections on the Celebration of Violence," offering his distinctive take on the most notorious cases in American history. Since this is Bill James, he came up with a numerical system to determine the guilt of the accused, with zero representing innocence and 100 pointing to guilt beyond a reasonable doubt. Bruno Richard Hauptmann, who was executed in the Lindbergh baby case, broke the scale with a 213. Lizzie Borden, the most prominent of American ax murderers, earned a 20.

In the new book, the Jameses give tick-tock accounts of each homicidal rampage—sending the reader across the Midwest, the Pacific Northwest and the South and even to eastern Canada—in an attempt to determine whether the guilty party was in fact The Man From the Train, who is not given a name until the big reveal in Chapter 40.

They theorize that he was a woodcutter employed seasonally in logging camps. He would find a home within walking distance of a rail line, pick up an ax on or near the property, and break in through a back window after midnight. He would attack the family while they slept, always using the blunt—never the sharp—edge of the ax. He would then linger, moving the dead bodies around and paying "special attention" to the corpses of prepubescent females in a way that would cause authorities to describe him as a "moral pervert." He would leave the ax behind after washing it in a bucket of water. Sometimes he would set the house on fire.

GETTY IMAGES

The authors "feel certain" that The Man From the Train committed 14 of the crimes, which accounts for 59 murders. They are a further 70% certain that he committed seven additional crimes (30 murders), 40% certain that he was responsible for eight crimes (27 murders) and 10% certain that he committed a final nine crimes (37 murders). The Jameses make a plausible case that they have identified the mass murderer, a German immigrant who may have returned home to commit one final atrocity. He was a short, stout laborer with greasy hair, described by an acquaintance as "cranky."

It is not easy to read about these murders—among the dead is a day-old infant—and the authors sometimes stray from good taste. Despite insisting that they will not describe The Man From the Train with a "cutesy nickname"—"Billy the Ax Man," for instance—the Jameses can't refrain from their own occasional cutesiness. Of a newly married couple who move in with a Mr. and Mrs. Coe of Centerville, Ohio, for instance, they write: "We might say they coe-habited with them; it's a very dark story, and we're desperate for relief." When the Pfanschmidt family is killed in rural Illinois, the authors write that "the Schmidt hit the Pfan."

Despite these occasional lapses in judgment, this is an impressive work, an open-eyed investigative inquiry wrapped within a cultural history of rural America at the turn of the 20th century. We learn about the shockingly amateurish level of police work in the days when unlicensed private detectives, often charlatans, would arrive in town and assume control of investigations. We are offered chilling examples of how African-Americans in the South were lynched for the flimsiest of reasons, e.g., that they were in the area where a crime was committed. In Texas, "the murders were immediately blamed not on 'Negroes,' but on 'Mexicans,' " the Jameses write of a 1908 case in Watauga.

In its peculiar way, the book winds up being a celebration of the forgotten corners of America, a paean to the poor folks who lived out by the railroad tracks. "If you read about a crime in a small town, you will encounter frequently the comment that these people lived in the kind of quiet place where nothing very interesting ever happened," the authors write. "This is a despicable thing to say. It is a form of bigotry directed at the past, and bigotry directed at people who live in small towns—and worse yet, it's ignorant."

Mr. Duffy is the author of "Double Agent" and "The Killing of Major Denis Mahon."

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'The bourgeois stands, a hungry cur, / a question mark, a question begged, / behind him crouches the old world— / a mongrel, tail between its legs.' —Alexander Blok

The Road to Red October

BY ANDREW STUTTAFORD

GETTY IMAGES

PANIC IN PETROGRAD Bolsheviks demonstrating against the provisional government flee from machine guns in July 1917. At that time, 'Lenin's group was not directly aiming at the seizure of power,' one observer wrote. But it was 'ready to seize it in favorable circumstances, which it was taking steps to create.'

'FEW APOCALYPTIC millenarians live to see the promised apocalypse, let alone the millennium," writes Yuri Slezkine in **"The House of Government" (Princeton, 1,104 pages, $39.95)**, a brilliant retelling of, mainly, the first two decades of the Soviet era in a sprawling saga centered around a famous and infamous Moscow apartment building created for the new elite. The Bolsheviks were a millenarian sect if ever there was one, as Mr. Slezkine, a professor at the University of California, Berkeley, demonstrates. And, even if the millennium proved elusive, they were able to set off an apocalypse in Petrograd, then Russia's capital, almost exactly a century ago.

That old-time millenarian ardor smolders away in **"October" (Verso, 369 pages, $26.95)**, China Miéville's history of what he calls the "ultimately inspiring" Russian Revolution: "This was Russia's revolution," he writes, "but it belonged and belongs to others, too. It could be ours. If its sentences are still unfinished, it is up to us to finish them." It is? After the hecatombs created in communism's name, such a call to arms is evidence of a faith untroubled when prophecy fails again and again.

Mr. Miéville is a respected Britain-based writer of science fiction but also a man of the far left, and "October" is deftly written but so skewed that the book risks tipping over into alternative history. "I am partisan," writes Mr. Miéville, a confession that comes as no surprise; but "I have striven to be fair," which does. Mr. Miéville's narrative is at times—how to put this—selective. On occasion, he's careless with facts, not least when it concerns the Bolsheviks' January 1918 suppression of the Constituent Assembly (Russia's last democratically elected "parliament" until the Yeltsin years): It is misleading to maintain that its membership was "chosen" before the Bolshevik coup.

That "October" is written from a sympathetic perspective is an unsettling reminder of the persistence of ideas—with roots long predating Marx—which can never safely be consigned (to appropriate Trotsky's words) to the dustbin of history. Nevertheless this book is worth reading for its emphasis on the bitter debates within Russia's revolutionary left over how to take advantage of the opportunity it had been given by the fall of the czar—and by the fragility of the regime that replaced him in early 1917.

When the year began, Nicholas II was clinging to his throne, Lenin was an exile in Zurich and the Bolsheviks were just one faction in a fissiparous revolutionary underground. Less than 12 months later, they were running the country—or enough of it to count. The czar was overthrown in a revolution in February (dates given are according to the Julian calendar then used in Russia). Food shortages, wider economic difficulties and general war weariness (World War I had entered its fourth year) had all reinforced the feeling shared by many Russians—even some among the ruling elite—that Romanov absolutism had had its day.

There was a wide agreement that the monarchy should go, but no consensus about what should come next. The new liberal "provisional government" had emerged out of a Duma committee during the crisis. Lacking much democratic legitimacy, it was well-intentioned, weak and well-named. A caretaker more naive than negligent, it threw open the door, but (to borrow a phrase from Engels), the hangman stood waiting outside. Dark forces poured through, including Lenin, who returned from Zurich in April, with assistance from Germany.

Russians, Lenin conceded, now enjoyed "a maximum of legally recognized rights," but he claimed this was a capitalist con. Bolshevism was required, whether the masses realized it or not. That, eventually, was what the second, October, revolution gave them.

The excellent **"Russia in Flames: War, Revolution, Civil War 1914-1921" (Oxford, 823 pages, $39.95)**, by Yale's Laura Engelstein, is a considerably more objective account than Mr. Miéville's. It covers not just the two revolutions and their prelude, but also the civil war that ensued—a civil war that the Bolsheviks, Ms. Englestein argues, did what they could to foment. Lenin calculated that a great sorting, a "process of clarification," as she terms it, would leave the Bolsheviks alone on top. The war turned out to be more terrible than even Lenin envisaged, but he was proved right in the end.

Lenin often was, but one interesting aspect of Ms. Engelstein's discussion of 1917 itself is the degree to which she depicts the Bolsheviks as storm-chasers, struggling to keep pace with events they could not yet control. The successive iterations of the provisional government, the best known of which was led by the charismatic if not particularly effective Alexander Kerensky, were actually caught up in the storm.

They failed to feed the cities. They could not satisfy the demand by workers and peasants (and the soldiers recruited from those classes) for a system—collectivist and profoundly antihierarchical—very different from the liberal order they had in mind. They could—and should—have ended Russia's unpopular, perilous participation in World War I, but didn't. Meanwhile, democratic principles and a justified fear of both ends of the political spectrum kept Kerensky from gambling on a more authoritarian turn until it was too late.

It was a while before the Bolsheviks could take the helm. April, June and July all saw eruptions of popular discontent, which Ms. Engelstein maintains were beyond "the capacity of any political leadership to contain or direct." The philosopher Fedor Stepun observed that Lenin's post-exile speeches were merely "sails to catch the crazed winds of the revolution." The Bolsheviks, writes Ms. Engelstein, were "on the margins of political life [but] . . . the margins were a good place to be." Amid mounting disorder, "those at the center of authority, tenuous as it was, were in the process of exhausting their political credit."

According to the Menshevik Nikolai Sukhanov (the somewhat more moderate Mensheviks and Lenin's Bolsheviks had split in 1903), "Lenin's group was not directly aiming at the seizure of power [in June 1917] but . . . was ready to seize it in favorable circumstances, which it was taking steps to create." Ms. Engelstein explains how the Bolsheviks built their base, patiently gathering support among the military and in factories. They then mobilized this "relatively disciplined mass" in a manner designed to increase disorder and topple the flailing provisional government while acting as a "force for order" poised to step in when the moment came. In October, it did.

Contrary to those who assert that the workers and peasants lacked an agenda of their own, Ms. Engelstein believes they genuinely wanted social revolution—though not a Bolshevik dictatorship. But only the Bolsheviks were able "to create the architecture needed to run the successor to the autocratic state and transform the excitement of liberty into a new kind of discipline and power." The result was totalitarian rule, in which the only "excitement" was the manipulated fervor of a cult on the march.

> Liberty seemed possible after the czar fell in February, but eight months later the Bolsheviks seized power.

"Crime and Punishment in the Russian Revolution: Mob Justice and Police in Petrograd" (Harvard, 351 pages, $29.95) is an innovative study that's about more than its title would suggest. Tsuyoshi Hasegawa, formerly a professor at the University of California, Santa Barbara, shows how the social breakdown that followed the February Revolution triggered a surge in crime that the provisional government could not reverse. It may be too much to argue, as Mr. Hasegawa does, that "the Bolsheviks rode a crime wave to power," but the chaos did make it easier for them to exploit the growing vacuum in authority. The provisional government faded from shadow to ghost, essentially finished off in late October by the capture of a few buildings, a coup at first barely noticed by many in an exhausted Petrograd. Russia's new Bolshevik rulers initially did not bother too much about crime, until devastating alcohol-fueled mayhem forced their hand, "inadvertently provoking," claims Mr. Hasegawa, "the establishment of a new kind of police state"—one, I suspect, that was already on the way.

Helen Rappaport's **"Caught in the Revolution" (St. Martin's, 430 pages, $27.99)** is an account of 1917 as witnessed by Petrograd's expatriate community, which was itself threatened by the lawlessness Mr. Hasegawa chronicles. A lively if sporadically florid book ("Petrograd was a brooding, beleaguered city that last desperate winter before the revolution broke"), Ms. Rappaport's account works well as an introduction to a complicated year, but is most valuable for its record of the impressions of those who lived through it. Many of these were relatively privileged ("the servants are beginning to get stuck up with this newborn freedom"), but their observations ("I see Russia going to hell, as a country never went before") have aged rather better than those of the enthusiasts who welcomed October's false dawn. Rhapsodizing over workers rallying at the Bolshevik headquarters, American journalist and fellow traveler Albert Rhys Williams wrote that they were "dynamos of energy; sleepless, tireless, nerveless miracles of men." Visiting the same place a few weeks later, a less easily impressed Frenchwoman saw "dead, doctrinaire eyes."

Despite its title, the worthwhile **"Revolution! Writings From Russia, 1917" (Pegasus, 364 pages, $27.95)** features surprisingly little from the revolutionary year itself—editor Pete Ayrton includes nothing, say, from Nikolai Sukhanov or from the diaries of the novelist Ivan Bunin, a harsh critic of Bolshevism. This is only partly compensated for by Leon Trotsky's vivid report of October 24, the "deciding night" of the Bolshevik coup—complete with the complaint, as revealing as it was dishonest, that "the Revolution is still too trusting, too generous, optimistic and light-hearted." The next morning Lenin announced that the provisional government was no more.

The inevitable extract from John Reed's "Ten Days That Shook the World" is a gung-ho depiction of the taking of the Winter Palace on the evening of the 25th. Somerset Maugham makes a rather less-expected appearance with a short story from "Ashenden," a volume of tales based on his experiences as a British spy. It's good enough, if not up to the standard set by three sentences from the book's preface: "In 1917 I went to Russia. I was sent to prevent the Bolshevik Revolution and to keep Russia in the war. The reader will know that my efforts did not meet with success."

Finally, **"1917: Stories and Poems From the Russian Revolution" (Pushkin Press, 236 pages, $14.95)** is an anthology of literary responses to Bunin's "damn year." Neatly chosen by Boris Dralyuk, with room for the familiar (such as Boris Pasternak) and those known less well (the sardonic Nadezhda Lokhvitskaya, who wrote as Teffi), the volume is reasonably well balanced between the October revolution's supporters and those appalled by it. Vladimir Mayakovsky catches the millenarian mood ("We'll cleanse all the cities . . . with a flood even greater than Noah's") while in "The Twelve" Alexander Blok opts for a warmer purge: "We'll . . . set the world on fire . . . give us Your blessing, Lord!"

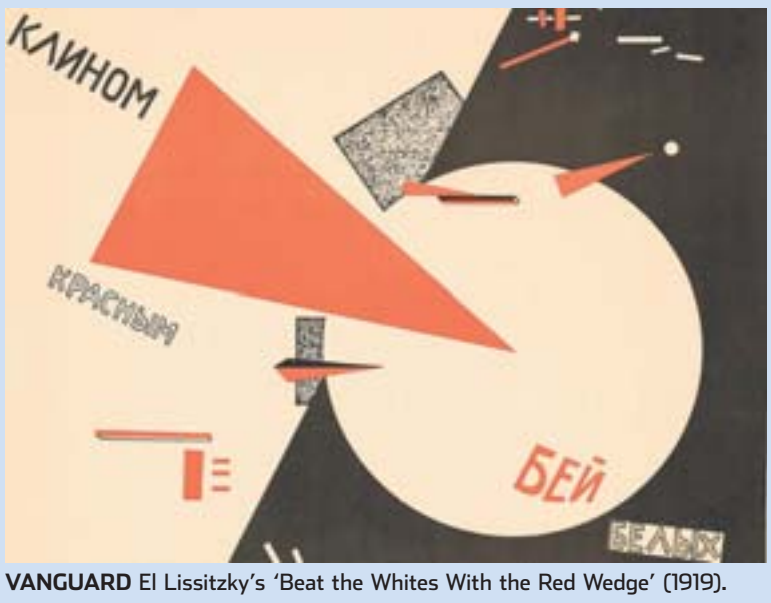
History made fools of the cheerleaders of revolution, but the words of those who opposed it still haunt. Anna Akhmatova resolves to stay with her "nation, suicidal" and does so, her great chronicling of Stalinist terror still to come. Marina Tsvetaeva writes of the wine flowing down "every gutter" and a "Tsar's statue—razed, black night in its place." Zinaida Gippius mourns the death of long longed-for liberty: "The Bride appeared. And then the soldiers / drove bayonets through both her eyes . . . The royal axe and noose were cleaner / than these apes' bloodied hands . . . Can't live like this! Can't live like this!" Both Gippius and Tsvetaeva went into exile. Tsvetaeva later returned to her homeland. She hanged herself in 1941.

Mr. Stuttaford, who writes frequently for the Journal, works in the international financial markets.

Proletarians, Painters and Propagandists | New books about Soviet art

THE POET Vladimir Kirillov vowed to 'burn up Raphael for our Tomorrow's sake' but didn't say what would come next. The Bolsheviks' was a supremely didactic revolution, intended to produce a new kind of man. Artists were ready to help out. Even before the revolution, painters such as Kazimir Malevich had taken abstraction to new extremes, pursuing what he called the 'zero of form'—a rejection of everything that had gone before and a timely anticipation, it might be thought, of the Bolshevik 'year zero' that lay just ahead.

'Revolution: Russian Art 1917-1932' (Royal Academy Publications, 320 pages, $65) is a beautifully illustrated account of art that followed upon, but was ultimately discarded by, the revolution. It closes with a 1932 exhibition commemorating the artists of the new order's first 15 years, a swan song for an avant-garde rapidly being eclipsed by the inspiring banality of Socialist Realism.



NE BOLTAI! COLLECTION

VANGUARD El Lissitzky's 'Beat the Whites With the Red Wedge' (1919).

While "Revolution" focuses on painting, the lavishly produced **'Revoliutsiia! Demonstratsiia! Soviet Art Put to the Test' (Art Institute of Chicago, 324 pages, $65)** takes a broader approach with regard to types of artistic expression, documenting theater productions, posters, periodicals and other ephemera as well as painting, photography and design. The works are often of remarkable quality, raising uncomfortable questions about how we are to regard great art that was the accomplice of totalitarianism.

The earlier part of **'Moscow Vanguard Art: 1922-1992' (Yale, 278 pages, $55)** highlights the debate between those who pushed art's frontiers forward toward Utopia and those who believed that the masses needed something more easily understood. Stalin, no Utopian, took the latter side, to the delight of artists such as Evgeny Katsman: After a meeting in 1933 to discuss this controversy with the Soviet leader, Katsman rhapsodized in his diary over Stalin's 'sweet face'—a vision that only a Socialist Realist could see.

—A.S.

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AUTUMN BOOKS

'It is our utopias that make the world tolerable to us: the cities and mansions that people dream of are those in which they finally live.' —Lewis Mumford

A Carolina Xanadu

The Last Castle
By Denise Kiernan
Touchstone, 388 pages, $28

BY STUART FERGUSON

GETTY IMAGES

CONSPICUOUS CONSTRUCTION The eastern facade of Biltmore House.

BILTMORE HOUSE is a stupendous sight, its towers and parapets rising above a river valley outside the town of Asheville, in the high altitudes of western North Carolina. Its 250 rooms include a Louis XV suite decorated with velvet and damask wall coverings and a library filled with 10,000 books. Just inside the building's front door is a cantilevered staircase that spirals around a 1,700-pound, triple-decker chandelier. In a second-floor hall hang two Sargent portraits. The dining room is vast, featuring a table that seats 64. The loggia at the rear of the house, which itself opens off a tapestry gallery, presents a breathtaking vista: acres of lawn and forest, with mountains in the distance and, nearby, grounds and gardens designed by Frederick Law Olmsted. As dwellings go, Biltmore House is not a bad place to hang one's hat.

As we learn in "The Last Castle," Denise Kiernan's affectionate portrait of Biltmore and its sometimes turbulent history, the man who brought this pile into being, and who claimed it as a part-time home, was George Washington Vanderbilt (1862-1914), the "poorest" of the Vanderbilts, having inherited in 1885 just a fraction ($5 million) of his father William Henry Vanderbilt's $200 million fortune.

Much of Ms. Kiernan's narrative, naturally, focuses on George Vanderbilt and his pursuit of an extravagant dream: to own a country estate worthy of Gilded Age royalty. But the book also shows how, after his death, his widow managed both to keep Biltmore going (if on a reduced scale) and to raise their intelligent if fun-loving daughter. Ms. Kiernan's research is prodigious. Among much else, she tells us who stayed at Biltmore as lucky house guests, what they ate, which phonograph records they played, and what mischief they got up to. In short, she brings the place to life. And she doesn't leave out the juicy bits from the family history: adultery, bankruptcy, suicide.

George Vanderbilt moved into his French-style chateau in 1895 and, by doing so, completed not only a mighty construction project—it took 1,000 men six years to build the house—but also a geographical status shift, putting Asheville, N.C., on the map. Yes, antebellum families from Georgia and South Carolina spent summers near the mountain town to escape the heat and sickness of their plantations. But the area only started to take off when postwar Yankees decided that Asheville was a winter resort. Vanderbilt and his mother came down from New York for their health in 1888 and George, who decided that he must have a house there, started buying up parcels of land.

He hired the architect Richard Morris Hunt—whose credits would include the Metropolitan Museum of Art in New York and "The Breakers" in Newport, R.I.—to design his house and Olmsted to lay out its gardens. Vanderbilt didn't mean to build the largest residence in the United States, Ms. Kiernan says. Hunt simply ran away with the project.

Even so, Vanderbilt was not thinking small: He had imagined something along the lines of an English country manor, with plenty of hunting, fishing and riding, not to mention acres of cropland and hundreds of retainers. He didn't achieve all that he desired. Almost as soon as the chateau was built, Vanderbilt realized that his dream was too expensive; many projects were left undone, and pockets of the surrounding wilderness started to be sold. Still, enough of the original grounds remain as part of Biltmore's grandeur as to suggest, even today, a demesne with a castle at its center.

As for the name: It was chosen and not, as the English prefer, inherited. Bildt is the city in the Netherlands from which the Vanderbilts hailed (or thought they did); "more" referred to the moor-like grounds on which the mansion is sited. The lack of a storied history to infuse the place with character may be one reason why Biltmore feels like a hotel more than a home. The absence of a titled pedigree would be remedied by George's daughter.

Cornelia, his only child, was born in 1900. It is amazing, in a way, that she existed at all. To judge by the testimony of friends and family members, George Vanderbilt, though shy, took a warm interest in other people. But he didn't seem to be even room-temperature interested when it came to romance.

> In pursuit of a prodigal dream—an estate worthy of Gilded Age royalty.

When George and Edith Stuyvesant Dresser became engaged in 1898—she was a direct descendant of the governor of New Amsterdam but without the funds one might assume from such a bloodline—society was stunned. George Vanderbilt was considered to be, at age 35, a confirmed bachelor. The local Asheville Citizen wrote that "for him to strike out for himself in the matrimonial field amazes his own family as well as his friends." As Ms. Kiernan puts it: "George's general absence from the dating scene . . . led most to believe that his interests did not lie at the foot of an altar."

In fact, Ms. Kiernan says, he didn't "strike out for himself" in search of a wife. His sisters netted her, engaging a traveling companion to bring George and Edith together during a trans-Atlantic crossing. Vanderbilt needed a chatelaine, and Edith needed financial security.

Edith was an orphan, and so her brother, Daniel LeRoy Dresser, gave her away at the wedding. He later "developed a craze for great riches," as the Chicago Tribune wrote, but in their pursuit twice went bankrupt. After the second reversal, Ms. Kiernan tells us, he blew his brains out in the library at his old fraternity at Columbia University. Edith Dresser's sister Natalie did rather better, marrying John Nicholas Brown, of the Rhode Island Browns, who was probably much richer than George Vanderbilt.

Still, Edith had done well for herself—she oversaw not only Biltmore but a Fifth Avenue mansion in New York and a summer "cottage" in Bar Harbor, Maine—and her attachment to George appears to have been steady and affectionate, if not roiled by passion.

George Vanderbilt died unexpectedly in 1914, of complications from an appendectomy. By then, at Biltmore, retrenchment was the order of the day. The widowed Mrs. Vanderbilt (who later married Sen. Peter Goelet Gerry, the great-grandson of James Madison's vice president) cut back on expenses, sold most of the estate's forests to the U.S. government, helped the locals by means of charity and kept watch over Cornelia, who was artistic and probably really didn't much like being a Vanderbilt. Ms. Kiernan makes it clear that Edith was a steadying influence during the years of her daughter's minority.

As for Cornelia, the "hillbilly heiress," as the papers had it, she eventually married the British diplomat John Francis Amherst Cecil, grandson of the Marquess of Exeter and a direct descendant of William Cecil, Elizabeth I's adviser. After two sons, the marriage soured—Cornelia Cecil was a free spirit—and the couple divorced. She set up a charity so that she could give anonymously to causes she believed in, such as research into mental illness. It was while dining out with Edward Adamson, an innovator in the field of art therapy, that Cornelia noticed their handsome waiter. "I want to marry him," she announced. Reader, she did: William Goodsir was 46; Cornelia, 72. They were very happy together.

Cornelia's younger son, William Cecil, now owns Biltmore (though his own son runs it). As it happens, I met him years ago. The forthright CEO received me in his office and proceeded to tell me how hard it was to make a go of Biltmore. At least that's what I think he said: His upper-crust drawl was so rich and unfamiliar that I was always two paragraphs behind him in comprehension.

As a callow youth, I thought: "I should have such problems." But it is true that running a place like Biltmore as a tourist destination is every bit as demanding as running it as a household must have been for Edith and her prodigal husband. Even Colonial Williamsburg (founded by the Rockefellers) is hurting these days. Biltmore currently hosts 1.4 million visitors a year—and continues to give a big boost to western North Carolina's economy.

Henry James, writing during a 1905 visit, said that Biltmore was a "colossal heartbreaking house . . . based on a fundamental ignorance of comfort and wondrous deludedness." No doubt it has always been a place easier to wonder at than reside in. "The Last Castle," with its engaging narrative and array of detail, allows us to pay a visit without discomfort and with all the pleasure of a stroll through one of American history's more stately pleasure domes.

Mr. Ferguson is director of research at the Cramer-Krasselt advertising agency in Chicago.

Gentlemen of the Resistance

A Bold and Dangerous Family
By Caroline Moorehead
Harper, 432 pages, $27.99

BY MARK POLIZZOTTI

SOME WOUNDS never heal, and among the most purulent is the legacy of World War II. Fascism, the dark hole at its center, offered our enlightened modern times a front-row view of the depths to which we could sink. No wonder we still yearn for tales of ordinary heroism, of David-like opposition to the Goliaths of despotism and mass delusion. Caroline Moorehead's "A Bold and Dangerous Family" purports to be such a narrative. The story of Amelia Rosselli and her sons Carlo and Nello, it recounts the antifascist activities of one Italian clan that refused to give in to the ambient fever.

Amelia Pincherle was the daughter of a prominent family of Sephardic Jews. Born in Venice in 1870, she was a woman of lively intelligence, who at the age of 22 married a feckless composer-hopeful named Joe Rosselli. The marriage dissolved after a decade, by which time Amelia had borne three sons—the eldest, Aldo, would die in World War I—moved with them to Florence and embarked on a successful career as a playwright. (Literature ran in the family: Amelia's nephew Alberto Moravia later became a world-renowned novelist.) Her relationship with her sons, documented in copious exchanges of letters, combined unforgiving discipline and devotion that bordered on amorous passion.

The public backdrop to this private family drama was the chaotic aftermath of World War I and the emergence of fascism: One strength of Ms. Moorehead's book is that it offers a neat capsule history of Italy in the first half of the century, particularly Mussolini's rise to power. She is especially good at conveying the atmosphere of Florence, where the fascist movement gained traction, and the blend of intimidation, inertia, fractured opposition and populist resentment that offered it such fertile ground. Along the way, she reminds us that Mussolini was at first dismissed by many pundits as a self-destructive "clown" and that even some of the century's more "progressive" minds, including Winston Churchill and George Bernard Shaw, publicly boosted the fascist program well into the 1930s. She also debunks some of the more persistent canards that have clung to Il Duce's legend, such as his supposed elimination of poverty and unemployment (he merely censored mention of them) or of the Mafia (they started operating in secret). As for the proverbial trains running on time, it depended where you were heading: Many citizens were not allowed to leave the country, and dissidents had little freedom of movement at all.

> The Rossellis published antifascist broadsides, funded insurgents—and ran afoul of Mussolini.

Carlo and Nello Rosselli were among those dissidents as of the mid-1920s, their conviction galvanized by the fascists' assassination in 1924 of the socialist deputy Giacomo Matteotti. Seconded by like-minded friends, and mentored by the celebrated historian Gaetano Salvemini, they debated politics, founded underground newspapers, wrote polemical articles. With Amelia's encouragement, they fancied themselves "Mazzini heroes," in reference to the 19th-century Italian nationalist—independent of the left but sharing its desire to bring Mussolini down.

CAROLINE MOOREHEAD

AGITATORS Nello and Carlo Rosselli.

Of the two, Carlo was by far the more active. He gave speeches, published broadsides and financed insurgent activities, such as dropping protest leaflets from airplanes. Arrested and sent to the penal island of Lipari, off the Sicilian coast, he made a daring escape to Paris. Nello, meanwhile, pursued a quieter path as an academic historian until his own, more muted, antifascism cost him his job and landed him in the same penal colony. The fact that both men had married and sired multiple children, whom their wives were left to raise alone while they were out swashbuckling, does not seem to have been an impediment.

Indeed, one problem with "A Bold and Dangerous Family" is that its heroes don't often seem as admirable or as capable as we might expect. Apart from their chronic obliviousness to the welfare of their nearest and dearest—Carlo never seems to have considered, for instance, that his escape from Lipari would entail the retaliatory arrest of his wife—there is their exasperating capacity to trust all the wrong people. Carlo in particular seems to have been guileless to a fault, letting one exposed informant go home on condition that he return the next day (he didn't) and entrusting another associate with the group's top-secret messaging system, which was then brought straight to police headquarters. Heedless to the last of their friends' warnings, in June 1937 the two brothers walked unsuspecting into a roadside ambush.

Another problem is in the narrative itself. Ms. Moorehead has a novelistic feel for setting and character, but she often stumbles on the biographer's pitfall of not being able to separate the relevant detail from the factoid. (Charles Kaiser's 2015 "The Cost of Courage," about a French family's resistance to the Occupation, shows how you can do much more in half the length.) There are also sloppy mistakes: Presenting Vienna in the 1890s, she mentions Emperor Franz Joseph "complaining that Mozart's 'Seraglio' had too many notes," when that infamous critique was leveled by Joseph II more than a century earlier.

Perhaps more than anything, what weakens this account is that it fails to make a convincing argument for the effectiveness of the Rossellis' "fight against fascism," as the subtitle puts it. Their example certainly helped inspire hope in dark times, and dissent against tyranny is laudable in and of itself. But despite the real atrocities they sought to combat, there is an oddly make-believe quality to the two brothers' resistance. Of Carlo's first stay in prison, Ms. Moorehead writes that he "remained determinedly cheerful" and "exuberant," keeping the other prisoners' spirits up by organizing pillow fights—rebellion as summer camp. More often than not, their response to increasingly violent coercion was to start yet another underground newspaper.

Where "A Bold and Dangerous Family" does hit home is in its inescapable parallels to our current situation. Ms. Moorehead never makes the point explicitly, and she doesn't have to. Descriptions of Mussolini's "glaring looks," or characterizations of him as "strutting and boastful," a rabble-rousing orator intolerant of opposition, with an asinine pout and a penchant for alternative facts, have an all-too-familiar ring to them. Reading these pages, I couldn't help wondering what histories our descendants will write 80 years from now, and what new wounds they will need to heal.

Mr. Polizzotti's new book, "Sympathy for the Traitor: A Translation Manifesto," will be published next spring.

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'A cheese may disappoint. It may be dull, it may be naive, it may be oversophisticated. Yet it remains cheese, milk's leap toward immortality.' —Clifton Fadiman

Blessed Are the Cheesemakers

Reinventing the Wheel
By Bronwen Percival & Francis Percival
California, 294 pages, $29.95

The Book of Cheese
By Liz Thorpe
Flatiron, 406 pages, $40

BY STEVEN JENKINS

ELLEN SILVERMAN

NUTTY BY NATURE A selection of Cheddars and related varieties from 'The Book of Cheese.'

A COUPLE OF new cheese books are out, and both deserve your attention, whether you consider yourself well versed or in need of an education. Liz Thorpe's "The Book of Cheese" is an "essential guide to discovering cheeses you'll love," an illustrated tour through 10 broad types of cheese, grouped by flavor. It's a very personal presentation of seemingly everything that Ms. Thorpe has learned in a two-decade career as a cheesemonger. Bronwen and Francis Percival's "Reinventing the Wheel" is a detailed account of the history and practice of cheesemaking, as well as the threat posed by "industrial monoculture." It shows where we ought to be as a cheese-loving society, as well as where we were before industrialization took over and, thank heaven, how a new generation of cheesemaking artisans have asserted themselves on a mission to make "real" cheese.

Not since Harold McGee's monumental "On Food and Cooking" (1984) and Sandor Katz's masterly "The Art of Fermentation" (2012) have I enjoyed and learned so much as I did from the Percivals' book. Bronwen Percival, the daughter of a central California dairying family and the cheese buyer at Neal's Yard Dairy in London, and her British husband, Francis, an accomplished wine and food writer, have written a marvelous book, dense with data yet never a slog. It's also curiously incidental about cheese. It covers breeds of cattle (fascinating), farming (harsh but glorious), and the nature of milk and microbes (again, fascinating), but only rather cursorily runs up against the occasional cheese. That may sound like ill-spirited criticism, but it's not what I intend. Throughout the authors do manage to sidle up to various noble or once-noble cheeses, via clear and surprising angles, such as the use of wooden tools like the curd-holding *gerles* used to make Salers in the Auvergne region of France and the nature of "good" bacteria, milk's natural flavor-inducing microbes, whose elimination by pasteurization encourages the proliferation of "bad" bacteria. The gerles, the Percivals note, "are used for years on end without ever seeing a cleaning chemical." In fact, French scientists found, the microbial ecosystem fostered in the wooden buckets by raw milk is so vigorous that it "actively resisted" contamination.

I reveled in the account of the Percivals sitting down with "Andre," the all-powerful cheese buyer for an unmentioned country's major supermarket chain. During a tasting and discussion of various Cheddars (that is, cheddar from the village of Cheddar—actually, Cheddar's district, Somerset, England) and cheddars (cheddar-style cheese from everywhere other than Somerset), we learn how a certain starter bacteria is shamelessly employed by several notable and talented cheesemakers in order to effect a swoony-sweet, caramel-like flavor that obscures the real Cheddar nuances, in the cheese equivalent to over-oaked Chardonnay wines. The three tasters finish with two blues: a massive-seller, the industrial superstar German Cambozola, and the primitive, atavistic Bleu de Termignon from a remote part of the French Savoie Alps. Obviously the former is a cheese that deserves scorn from cheese snobs such as the Percivals (and myself). But the Percivals are too honest to reflexively celebrate artisanal cheese: "In comparison the Bleu de Termignon is wild and feral and feels savagely out of control. It is not a cheese that is trying to be pleasant, preferring aggressive volume of flavor, but the ammoniated aromatics give it too much of the character of a latrine. . . . This is not the flagship that we want."

Their discussion of the raw milk or pasteurized conundrum should be required reading. Though rare to begin with, far more cases of infected cheese have been traced to cheeses made from pasteurized milk than from raw, not to mention the fact that raw-milk cheese has often been wrongfully blamed.

And then, huzzah, there's the point I myself have been trying to make for 30 years: "We wince when we observe pregnant women refusing (dry, aged, acidic) raw-milk Cheddar but tucking into (high-moisture, low-acid) pasteurized Gorgonzola." The latter is a much friendlier environment for pathogens. Here my beloved Savoyard Reblochon also receives its due. Made from raw Montbéliarde cow's milk, it has a deer's antler-velvet rind and a pudding-soft, bone-colored interior, and we learn why it has been regulated out of export existence for no good reason.

> Two indispensable guides to today's great cheeses and the new generation of artisans who create them.

The main point that the Percivals make is that real cheese is getting harder and harder to find, not just because so many cheesemakers have given up due to infuriating and wrong-headed overregulation but also because there are massive quantities of imitative industrial cheeses that are cheap, omnipresent and well-marketed. Not to mention: Have you looked at the prices of American artisanal cheeses lately? How many times have I encouraged American cheesemakers to charge a price for their cheeses that allows them to at least break even? Well, it would appear, they have taken my advice. I can think of no superlative American cheese that costs less than anything similar from Europe. And it's clear from the Percivals' book that American cheesemaking artisans are confronted by production costs that are far higher than those facing their European counterparts.

In the end, they write, "there is no value to be gained from cheese made on a small scale taking its aesthetic cues from the products of creeping industrialization: 'Farmhouse' needs to mean something, and to do that it needs to venerate a different—and potentially changing—range of flavors and textures. . . . If it is a story that we are buying, then it should be a story that we can taste. And if we value these environmental and farming decisions, these are the attributes that we need to value. This is the 'best' taste for now. It is the moral dimension of flavor." Truer words were never spoken.

"The Book of Cheese" is Liz Thorpe's manifesto. She opines that each cheese need not be immersed in a copper vat of noisome detail. Instead, cheese should be approached, and above all enjoyed, through a few key "gateways." This book is a fine guide to expanding your repertoire. It is a bit heavy to carry to the market with you, so you might want to take a shopping list instead. Or a shopping cart. Or a handtruck.

Throughout her career at Murray's Cheese in New York, Ms. Thorpe confesses, the organization of cheeses, the assignment to a defined style, class and recipe of each and every cheese have been a struggle. I don't disagree that typical classifications are deeply problematic. I myself have found that there are exceptions to almost every cheese rule. And that being said, organizing by country, milk types and style doesn't take into account one's personal preferences. Her gateways are specific: mozzarella, Brie, Havarti, Taleggio, Manchego, Cheddar, Swiss, Parmesan, blue and "misfits." For each one she suggests two or three dozen similar varieties, ranked by availability and flavor intensity. Cheddar, for example, leads to other "firm, chunky, and crumbly" specimens, such as Lincolnshire Poacher, an unpasteurized cow's-milk cheese with a "serious beefy quality."

Ms. Thorpe's book also features starburst wheels reflecting her own spectrum analyses of flavors and aromas, which I found indecipherable. But the book's pairings, informational sidebars, sections of "My Picks" and vertical tastings are effective, though I could do without the breezy hipster jargon: "That's when I first got down with mascarpone"; "Eat on." Ms. Thorpe is too good a writer to need stuff like this.

There are numerous cheeses in "The Book of Cheese" that I'd never heard of, many made in the U.S. I fear there are lots of cheese counters and experienced cheesemongers across America that simply will not have heard of them either. But we will be richer for having been alerted to them by Liz Thorpe, whose vast knowledge and experience and zeal are impressive.

Mr. Jenkins, formerly the master cheesemonger at Fairway Market in New York, is the author of "Cheese Primer."

Setting a Table for the World

The Taste of Empire
By Lizzie Collingham
Basic, 367 pages, $32

BY RACHEL LAUDAN

'OH, WHERE ARE you going to, all you Big Steamers?" asked Rudyard Kipling, chronicler of the British Empire, in 1911 in a poem designed to teach English schoolchildren their history. The answer came immediately. The merchant vessels were "going to fetch you your bread and your butter / Your beef, pork and mutton, eggs, apples and cheese!" The entwined histories of food and British imperialism so obvious to Kipling have been strangely overlooked in the decades of research since. In "The Taste of Empire," Lizzie Collingham puts that neglect to rights, showing in a tour de force of synthesis that food was one of the driving forces of empire and helped form the eating habits of the entire modern world.

> The British need to move food around the empire helped shape the eating habits of the modern age.

Ms. Collingham, the author of earlier histories of curry and of food in World War II, uses a series of meals as springboards for short chapters on their political, social and economic context and consequences, each one a little gem of condensation of reams of academic prose. A meal of flaky boiled salt cod washed down by beer served to naval seamen in 1545, for example, allows her to explain how Newfoundland fisheries laid the groundwork for the spice trade. The supper of balls of corn mush that a South Carolina family dipped in a stew of sorrel and watercress sauce in the 1730s leads into an analysis of rice planters' dependence on the technical know-how as well as the labor of enslaved workers brought from West Africa. The tea, or just hot water, sipped from cups, glasses or elegantly sculpted coconut shells by missionaries and locals at the conclusion of a feast on the Polynesian island of Raiatea in 1822 provides a starting point for an exposition of the part played by sugar, tea and other foodstuffs in creating consumer societies. The establishment of first plum pudding and then turkey curry as quintessentially Christmas dishes in 20th-century Britain points to the fact that national dishes in general reflect imperial and global histories, not local ingredients and techniques. These and 16 other carefully chosen vignettes, spread over the 450 years of empire and across all the inhabited continents, bring immediacy to what might otherwise be a sprawling tale.

BRIDGEMAN IMAGES

BULLY FOR BEEF A poster promoting foodstuffs imported from Britain's colonies.

In each episode Ms. Collingham offers readers considered judgments about the intentions of the actors and the social consequences. British demand for wheat did lead to famines in India, she avers. "Cheapskate" British colonists pushed the same meager industrial ration on the Kikuyu of East Africa and other indigenous peoples as on their own working class. The British were ruthless in imposing their trading system on China, but to say that they inflicted opium on the Chinese is hyperbole. The Africa that the Europeans encountered was not a backward place that they could readily control. If some indigenous populations, such as the Canadian First Nations, had their rations shamelessly manipulated, others, such as the New Zealand Maoris, were quite capable of resisting abject subjugation. Above all, the limited and imperfect information that merchants, diplomats and the military, as well as housewives and indentured laborers, had about farming, processing, markets and nutrition led to unintended consequences, such as the "hidden malnutrition that was to plague" Africa for centuries after the introduction of maize during the slave trade.

About an overall accounting of the British Empire's food record, Ms. Collingham is more reticent, perhaps rightly so given the huge span of time and space she covers. Readers, however, faced with swirling current debates about food and the identity politics that follow from imperialism, are likely to draw their own conclusions. Perhaps they will pick up on her brief hint in the final chapter that a dedication to the idea of transferrable, individual property rights produced a geographically and racially divided world. In the temperate areas, a largely white population remained socially unequal as plentiful, inexpensive industrial food kept the poor from revolution. In tropical areas, a population consisting predominantly of people of color supplied the temperate areas with tropical foodstuffs as ecosystems were destroyed and traditional diets abandoned.

It is possible, however, to see food and empire in the past couple of centuries in a more positive light than Ms. Collingham. The population of the English-speaking world increased 16-fold between 1790 and 1930, from 12 million to 200 million. Although high, this growth rate was not unique. The global population, admittedly speculative estimates suggest, doubled from about one billion to two billion between 1650 and 1810 and then doubled again by the outbreak of World War II.

Producing ever increasing amounts of food was a global challenge. The Dutch, the French, the Americans, the Russians, the Germans and the Japanese, like the British, all tried to acquire new lands to farm and new sources of imported food. Without the products of the grasslands and the tropics, without the intensification of farming that followed land ownership, without Kipling's merchant fleets and railroads, malnutrition and famines from food shortages would have been the order of the day. Instead, unsteadily and often inequitably and with some tragic failures, the food supply kept up. By the 20th century diets were becoming more varied and nutritious. The mechanization of agriculture and the industrialization of food processing freed an increasing proportion of the population from drudgery, bit by bit and again unsteadily, leading to today's more egalitarian societies. Whether, with population still rising, with food systems in flux, diets can continue to improve in tandem with increasing political access remains an open question.

The British Empire's days and its outsize influence on food politics, though, have been over for more than half a century. Ms. Collingham's great achievement is to take its food history out of the realm of cozy nostalgia and show it for the potent economic and political force it was.

Ms. Laudan is the author of "Cuisine and Empire: Cooking in World History."

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'Yesterday's gone on down the river and you can't get it back.' —Larry McMurtry

In the Ruins of Cattle Kingdom

Thalia: A Texas Trilogy
By Larry McMurtry
Liveright, 722 pages, $29.95

BY GREGORY CURTIS

LARRY MCMURTRY was only 25 when, in 1961, he published "Horseman, Pass By." In a stroke of luck impossible in today's Hollywood, this slender first novel by a then unknown writer was bought by a major director (Martin Ritt) and, renamed "Hud," was filmed with a major star (Paul Newman) in the title role. The result was a fine, enduring movie that won three Oscars.

But neither this sudden success nor the intoxicating excitement of Hollywood affected Mr. McMurtry much. From the start he was determined to produce a large body of work and was impatient with distractions. He stayed in Houston, where he had come to attend graduate school at Rice University, and disciplined himself to write five pages a day, a pace he has maintained all his working life. His second novel, "Leaving Cheyenne," appeared in 1963. Three years later, when "The Last Picture Show" was published, he was teaching at Rice, where I had the good fortune to be one of his students. He read the final pages of "Picture Show" to us in class shortly after he wrote them. That book too, thanks to Peter Bogdanovich and his wife at the time, Polly Platt, became an enduring movie.

These three novels are all set in Thalia, the name Mr. McMurtry gave to his fictionalized North Texas hometown of Archer City. Each is now over 50 years old, and Liveright has had the happy idea of collecting them in one hardcover volume called "Thalia: A Texas Trilogy." It's good to see them all together, though I wish Liveright had taken more care with the texts. Annoying typos abound.

These three early efforts are hardly a trilogy in the usual sense. While set in the same place and time, they do not interlock. In "Horseman" and "Picture Show," the principal characters attend the same tiny high school circa 1954. It seems impossible they've never met. Thalia itself remains the same locale across all three books—a small, isolated, empty place where the epic life of horsemen and cattle has mostly withered away. There were nine cattlemen in Mr. McMurtry's family, spread out across North Texas and the Panhandle. He was born in 1936, and so growing up witnessed the last years of the cowboy's world. These novels are three independent attempts to portray that world and what was left in the wake of its passing. Each one is better than the last—considerably better. Among the many pleasures in reading "Thalia" is observing Mr. McMurtry's gathering power as a novelist.

EVERETT COLLECTION

LONE STAR Paul Newman as Larry McMurtry's selfish anti-hero Hud Bannon.

"Horseman, Pass By" is narrated, lyrically, by Lonnie Bannon. He is just out of school and living in a ranch house with his grandfather Homer Bannon, his step-grandmother and her son, Hud, who is several years older than Lonnie. A black cook and housekeeper, Halmea, lives in a shack near the house. Homer Bannon personifies the nobility of the ranching tradition. He's a good man, but he foolishly buys some infected cattle that are mingled with his herd. When the infection is discovered, he must destroy the entire herd to prevent an epidemic. Hud, who is greedy and unprincipled, schemes to get the ranch away from Homer, not because he wants to be a cowboy but because he hopes to find oil on the land. Lonnie is a fine observer of Hud's and Homer's characters, and of the look and feel of the prairie from the porch of his grandfather's ranch house. But he is also so passive that you want to shake him—especially when he can't bring himself to intervene as he watches Hud rape Halmea. The movie did right to shift the focus from Lonnie to Hud. Hud is still despicable, but as portrayed by Newman he is more nuanced and interesting than the monster in the novel.

"Leaving Cheyenne" is an artistic step forward. It gives us characters who live as cowboys, and the reader feels more for them than for the stiff symbol of rectitude that was Homer Bannon. There are three narrators—Gideon Fry, the son of a longtime rancher; Johnny McCloud, a cowhand who is Gideon's best friend; and Molly Taylor, the woman they both love and who loves them. To enjoy this novel it's necessary to suspend disbelief: Can two men remain friends for 50 years while continuing to love the same woman as she openly goes back and forth between them? It seems more likely that each man would come to hate the other—and the woman, too. But checking skepticism brings an immense reward, as "Leaving Cheyenne" is a subtle and affecting novel.

There are three parts. The first, set in the early 1920s, is narrated by Gideon, a young man working on his father's small ranch. He and Johnny are in a rivalry over Molly and yet are close enough for Gid to give Johnny an expensive saddle as a present. The second part, set more than 20 years later, is Molly's. She has had a son by Gid and another by Johnny, and both are serving in World War II. Gid has made an unfortunate marriage and been forced by his wife to move off the ranch and into town. He has shrewdly bought land that neighbors his ranch, runs his ranches well, and is becoming rich. Johnny is happy working as a cowboy for Gid. The third section is Johnny's and brings us up to 1962. The three are now in their 60s and are adapting poorly to the new world. They are all three inept behind the wheel of a car.

> Larry McMurtry's first three novels are set in the same fictional Texas town, where the rancher's way of life is withering away.

Mr. McMurtry is completely in touch with these characters, their lives and their voices. He shows them working almost constantly, and he knows their work in detail. He knows the heft of a sack of feed. He knows what pipes and parts are needed to fix a windmill and what tools are needed to assemble them. And Gid and Johnny—competent, persevering and prevailing—are the kind of men who have continued to inspire Mr. McMurtry's best fiction. It's easy to see in Gid the outlines of Woodrow Call in "Lonesome Dove" and in Johnny those of Call's friend Gus McCrae.

Upon completing "Leaving Cheyenne" Mr. McMurtry was confident enough to abandon first-person narration and to write in third. He set "The Last Picture Show" in the world that was left after the ranching of myth and of hard work had died away. There are no cowboys here, except on the movie screen, no horses and no cattle, except one blind heifer who is rudely abused by a gang of teenagers. But what is here in abundance is Mr. McMurtry's understanding of the minds and feelings of his characters. He is seldom given credit for this, but I believe it is his greatest strength as a novelist. In his most powerful scenes—especially encounters between Ruth Popper, the wife of the Thalia football coach, and Sonny Crawford, the high school student at the center of the novel—the intensity builds not so much through events as through Mr. McMurtry's preternaturally precise rendering of what each character is experiencing. Thoughts and feelings culminate in actions or spoken words that then ripple outward, provoking new joys, fears, hesitancies, hopes, longings. When Sonny hurts Ruth by ignoring her, the reader feels her hurt, for Mr. McMurtry has conveyed her accumulating damaged feelings one at a time, each more deeply than the last.

Mr. McMurtry returned to Thalia 21 years later in "Texasville" (1987), and again in "Duane's Depressed" (1999), "When the Light Goes" (2007) and "Rhino Ranch" (2009). Of these, I much prefer "Duane's Depressed." Duane Moore is Sonny Crawford's great friend in "Picture Show." Now he's in his 60s and Mr. McMurtry shows him facing his age and the complications in his life with the psychological sureness that we can see developing, fascinatingly, across the 700 pages of "Thalia."

Mr. Curtis, a former editor of Texas Monthly magazine, is the author, most recently, of the nonfiction work "The Cave Painters."

MYSTERIES: TOM NOLAN

Memory Full

VARG VEUM, the down-on-his-luck private investigator in Norwegian author Gunnar Staalesen's long-running series, seems like a refugee from the past. At nearly 60, the aging sleuth borrows his professional pose from Humphrey Bogart and knows only the bare necessities about computers. In **"Wolves in the Dark" (Orenda, 305 pages, $14.95)**, the latest addition to Mr. Staalesen's saga, Veum is ill-prepared to defend himself against the unexpected police claim, backed by hard-drive evidence, that he has trafficked in child pornography.

Held without bail, the narrator-protagonist observes: "I was alone in a hotel room I hadn't booked, but someone had reserved for me anyway." Not to worry, his lawyer semi-reassures him: "If we stick to the truth, in principle nothing can go wrong." In the meantime, he instructs Veum to rack his alcohol-damaged memory for anyone who hates him enough to destroy him.

> An aging Norwegian detective is framed by digital evidence—but who wants to destroy him?

There's no shortage of suspects from the past few years, during which grief over the death of a loved one and "insane drinking binges" hindered Veum's detective work. In flashbacks, he recalls some less-than-stellar career performances, including his surveillance of a businessman's wife for infidelity. She ended up telling Veum it was her husband who was being unfaithful. Soon after, she killed herself, an act that the husband blamed on Veum. Then there was the nameless man who paid Veum to help deliver him from blackmailers, into whose decadent milieu the private eye descended and there suffered bodily harm. His anonymous client never contacted him again.

Though hinting at possible enemies out to do him harm, Veum's memories will not be enough to save him, he realizes. So when a dangerous chance for him to take control of his fate presents itself, he seizes it.

Mr. Staalesen's latest—ably translated by Don Bartlett—employs Chandleresque similes with a Nordic twist: He "took out a tissue and started to clean his glasses as if that would help him to see backwards in time." "Wolves in the Dark" may yield a few shocking coincidences too many to be entirely credible, but in this case the journey seems more important than its destination.

A Provocateur in Exile

The Disappearance of Émile Zola
By Michael Rosen
Pegasus, 302 pages, $27.95

BY ALLAN MASSIE

IN 1894, Capt. Alfred Dreyfus, an officer in the French War Ministry's bureau of statistics (a threadbare cover for military intelligence), was convicted of spying for Germany, expelled from the army and imprisoned on Devil's Island, in French Guiana. Dreyfus was innocent, a victim of anti-Semitism. The real spy was another officer in the department, but it became imperative for the Army Command and for leading figures in French politics and society to insist that Dreyfus, an Alsatian Jew, was the guilty man.

> After 'J'Accuse,' Zola was threatened with imprisonment. He left Paris for London instead.

There were two heroes among those who insisted on Dreyfus's innocence, apart from the stoical captain himself. The first was Col. Georges Picquart, an officer in military intelligence; his investigation exposed the real culprit, at great cost to himself. The other hero was Émile Zola, the great French novelist.

In May 1896, Zola had published an article in Le Figaro condemning anti-Semitism. Roughly 18 months later, as the Dreyfus Affair intensified, he published an inflammatory article headlined "J'Accuse" in the newspaper L'Aurore. It was addressed to the president of the republic, Félix Faure; it exposed the real spy, charged the army command with perversion of justice, named the senior officers responsible, and told Faure that the Dreyfus Affair would leave "an indelible stain on your presidency." Zola conceded that he was leaving himself open to the charge of libel, "a punishable offense."

This was brave, and it was rash. Zola was a popular novelist, but many thought him a scandalous and indecent one. Moreover, his private life was not respectable. He still lived with his wife, Alexandrine, but his mistress, Jeanne (formerly his wife's maid), lived nearby, with their two children, Denis and Jacques. Now he had challenged the state, and with some reluctance the state responded. He was charged with libel and sentenced to a fine and a year's imprisonment. To escape this punishment he went into exile in England.

BRIDGEMAN IMAGES

'I ACCUSE!' Last known portrait of Zola, 1902.

It is this English exile that is the focus of Michael Rosen's **"The Disappearance of Émile Zola."** Mr. Rosen is best-known as an English writer of highly regarded novels for children and adolescents; he is also a poet and journalist—and a Francophile. His coverage of the Dreyfus Affair itself is conscientious but scarcely impartial. There is no recognition of the earnestness of the anti-Dreyfusards, who believed that the defenders of Dreyfus would discredit the army and thereby weaken France. Nor does he acknowledge that the publication of "J'Accuse" further polarized opinion. One senator, August Scheurer-Kestner, who had been working for a review of Dreyfus's case, thought the article "a mistake . . . the time [when] stupidities began."

This bias doesn't diminish the interest of Mr. Rosen's book, which, given the bitter passions aroused by the Affair, is oddly charming. Zola had already visited London once, in 1893, as a guest of the Institute of Journalists, where "he was . . . greeted and saluted as an international hero." But now, five years later, he was a refugee, unable to speak English, arriving, as he later wrote, "with my nightshirt in a newspaper," and keeping a low profile. He stayed first in a London suburb and then for several months in the Queen's Hotel near the Crystal Palace south of the Thames. There was much to displease him: The food especially was detestable, for the English, he thought, didn't know how to cook either meat or vegetables. Still, he amused himself bicycling and taking photographs.

Apart from his anxiety about the progress of the Dreyfus Affair and the uncertainty of when it would be safe to return to France, Zola worried about his family. Alexandrine and Jeanne, with the children, were able to visit, though never at the same time. He wrote to both women regularly, and much of the second half of Mr. Rosen's book consists of his letters to Jeanne in particular. They show him to have been a fond and fussy father, if not always a wise one: He told Jeanne to tell Jacques, who was only 7, that his parents would love him more if he worked harder at school.

Eventually, Dreyfus returned from Devil's Island, and Zola was able to end his 11-month exile. The Affair wasn't quite ended. Dreyfus was again found guilty, in 1899, but "with extenuating circumstances," an absurd verdict, and Zola was displeased when Dreyfus accepted a pardon. Zola continued to divide his time between Alexandrine and Jeanne—he addressed both of them as "wife." He died in 1902, at age 62, of carbon-monoxide poisoning in his Paris apartment. A chimney was blocked.

The Dreyfus Affair and Zola's part in it retain their fascination. Mr. Rosen's chronicle addresses them from an interesting angle. The book reads easily and enjoyably and pays proper tribute to Zola's pertinacity and decency. One might add a grisly footnote. Late in Hitler's war, Mr. Rosen's great-uncle, he tells us, was on the same train to Auschwitz as Dreyfus's granddaughter.

Mr. Massie's most recent book is the novel "End Games in Bordeaux."

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'Errors, like straws, upon the surface flow; / He who would search for pearls, must dive below.' —John Dryden

FICTION CHRONICLE: SAM SACKS

Full Fathom Five

LATELY the literary novel has gotten stuck with a reputation as the killjoy roommate in the house of fiction. Romances are fun and unpretentious; mysteries have a sexy aura of intrigue and know how to tell a good story; fantasies are the resident eccentrics; young adult novels are those friends who will cry alongside you during cheesy movies. But when people find themselves alone in a room with literary fiction they get uncomfortable. They feel that the conversation is about to become dour and censorious. They feel a harangue coming on.

The reputation isn't totally warranted, of course, but it isn't totally unwarranted either. There's little doubt that the creative writing programs from which most literary novels emerge put more importance on the first half of the Horatian injunction to instruct and delight. Serious books tend to proclaim their seriousness by being, strenuously, *about* serious things, be it illness or child abuse or racial inequality or suburban dysfunction. In critical forums, novels get bonus points if they're topical and improving. Reviewers praise them by calling them "necessary reading" without saying what they're necessary for. For being considered a good person, one surmises.

Less common, and for that reason valuable, are novelists whose books avoid the gravitational pull of aboutness. These are the shape-shifters, the writers who are more interested in the effect of the disguise than the power of the message. In the U.S. this group includes Jonathan Lethem, Ann Patchett and the endlessly surprising Percival Everett. But the most celebrated is Jennifer Egan, who continues a string of wildly various and imaginative books with **"Manhattan Beach" (Scribner, 438 pages, $28)**, a young woman's coming-of-age tale joined with a New York gangster noir and joined again with a World War II nautical adventure.

GETTY IMAGES

Ms. Egan is no stranger to the unorthodox mash-up. "Look at Me" (2001), centering on a fashion model whose face is reconstructed after a car crash, begins as a satire of the predatory modeling industry but veers into an eerie fantasia about domestic terrorism. "The Keep" (2006) is a novel-within-a-novel set in a partially restored medieval castle that owes as much to Dungeons & Dragons as to Gothic mysteries. "A Visit From the Goon Squad" (2010) is a linked story collection that tracks the diverging fortunes of a music impresario and his friends and hangers-on. Possibly intended as an addendum to that book is the 2012 short story "Black Box," a futuristic spy thriller first published as a thread of tweets.

It's not that these books don't have ideas in them. "A Visit From the Goon Squad," which explores the damage wrought by time and aging, is the easiest to boil down to a thesis statement, which may be why it was her biggest success, winning the Pulitzer Prize. But mostly Ms. Egan deals less in banner-headline themes than occult affinities. She has a fascination with disappearances and doublings, with hidden identities and what a character in "Look at Me" calls "the relationship between interior and exterior"—subjects so evanescent that they raise more questions than they answer.

Such questions arise again in "Manhattan Beach," though the novel starts as a standard-issue crime story. Its triad of main characters consists of Eddie Kerrigan, a bagman for a penny-ante racketeer; his charismatic daughter Anna; and Dexter Styles, a dapper nightclub owner and a big cheese in a major crime syndicate. In a prologue set during the Depression, Eddie takes a job as one of Dexter's underlings. But when the book telescopes ahead to 1942 Eddie has vanished, leaving Anna to provide for her mother and disabled sister by working as a welder at Brooklyn's Naval Yard.

Most people think of Anna as a responsible daughter, yet she secretly longs for the danger and excitement she glimpses in Ellery Queen detective novels. "Now her own life seemed to have tipped into the world of those mysteries," Ms. Egan writes, laying on the cinematic flair. "The long November shadows leaned suggestively, and the sheen of streetlight on Naval Yard brick sent an ominous ripple through her belly. There was dynamism in this new foreboding, a stinging vitality, as if she'd wakened from drugged sleep." Anna seeks out the underworld in two ways—first by becoming the lone female diver in a civilian crew trained to repair damaged ships. And second, after meeting him at a nightclub, by giving Dexter Styles a false name and having an affair with him.

The plot moves along gradually intersecting lines. As Anna is drawn into Dexter's "shadow world," Dexter has an attack of conscience and tries to turn his crime organization into a legal enterprise, crossing some powerful people in the process. Then Eddie reappears, as if from the ether. He's now a third mate in the Merchant Marines whose voyages take him into the thick of the sea war.

These are a lot of stories to set in motion, and it takes "Manhattan Beach" a long time to get them running at full clip. The absence of any overriding vision tells in the novel's dawdling middle sections. In places Ms. Egan re-creates archetypal mobster myths, reveling in all the usual gangland hokum: gats in ankle holsters, slipped mickeys, cement shoes. But elsewhere she tries to give an accurate historical representation of the Naval Yard during World War II, leading to information overloads like the price and contents of a boxed lunch at the canteen or the constituent parts of a midcentury diving suit.

The prose is at loggerheads with itself in the same way. Damon Runyon-inspired slang ("these dames looked more than capable of packing a revolver") sits awkwardly with SAT vocab words like "invoke" and "assuage." In "The Keep," a character who has defined himself by his daring fashion choices reflects that "lately the styles had started to feel like disguises, distractions [he] could move around behind without being seen." The longer "Manhattan Beach" idles, the more you suspect that Ms. Egan is presenting you the costume changes instead of the actual show.

The protean novelist Jennifer Egan tries her hand at a popular potboiler.

Fortunately, the novel's exciting ending helps to compensate for its longueurs. It makes sense that Ms. Egan, with her attraction to the unfathomable, finds her groove when her story takes to the sea. Eddie's ship is torpedoed by a U-boat and the suspenseful pages dramatizing his trials on the open ocean are almost worth the book's price tag on their own.

Having finally proven her worth to her chauvinistic diving instructors, Anna comes into her own when she begins to spend much of her days under water. In one fine scene she's tasked with inspecting the jammed propellers of the battleship USS South Dakota. As she submerges she runs her hand along its hull. "The ship felt alert, alive. It exuded a hum that traveled through her fingers up her arm: the vibration of thousands of souls teeming within. Like a skyscraper turned on its side." These are the moments that Ms. Egan produces at her best, when she captures the wonder and strangeness of existence without demystifying it. The thrill of her novels is in the dive to places unknown, not in anything she brings back to the surface.

A Father, a Son and an Epic Journey

An Odyssey
By Daniel Mendelsohn
Knopf, 306 pages, $26.95

BY WILLARD SPIEGELMAN

DANIEL MENDELSOHN'S "An Odyssey" is, by turns, a family memoir, a brilliant piece of literary criticism, a pedagogue's diary and an addition to the recent genre of books that show how reading (here insert: Auden, Austen, Montaigne, Proust, George Eliot or, in this case, Homer) can change your life. Nonfiction, it is also a Bildungsroman, a narrative of education.

Most of all, it is a love story.

Like Homer, Mr. Mendelsohn—an accomplished classicist, cultural critic and translator—knows how to tell a tale circuitously. At his book's center are Mr. Mendelsohn's two loves. The first is the "Odyssey." In the spring 2011 term, Mr. Mendelsohn is offering it to a seminar of undergraduates at Bard College (what better place for reading our first "bard?"). The second is his father, Jay (always "Daddy"), who has devoted his professional life to science, technology and hard facts, and who at the age of 81 decides to refamiliarize himself with a world he more or less abandoned in high school.

The plot is easy: The father announces he wants to attend the son's class. Many sorts of education ensue, with surprising revelations. Different paths are followed, none directly. Lessons are learned. Homer's Odysseus, the "man of many turns," takes 10 years to come home to Ithaca from the Trojan War. With his gallant band of students, Mr. Mendelsohn makes his way sequentially through the text of the "Odyssey," but he also tells a larger, personal story—of his family—slant. At the conclusion of Homer's epic, Odysseus restores order in Ithaca; civic and domestic harmony prevail. Mr. Mendelsohn's book closes on notes of sadness and triumph. We sometimes experience happy endings, in life and art, with both smiles and tears.

Both odysseys focus on quests, recognitions, homecomings. Telemachus was a baby when his warrior father left home for Troy 20 years earlier. He has never known him. Mr. Mendelsohn has known his father all his life, or so he thinks. By the end of his story—which includes revelations from family and friends, and a post-semester Mediterranean cruise with his father, tracing Odysseus's path—he has given his readers and himself a more complicated picture of the man with whom he began. The book asks, at least implicitly, on every page: How can you really know anyone else?

The undergraduates, too, learn about life and literature. Maybe Mr. Mendelsohn recorded his classroom seminars (at one point he refers to a taped interview with a family friend) or took notes. Even if he just invented his students and their words, it hardly matters. He seems like the professor every college kid dreams about: learned, sympathetic, encouraging and challenging in equal measure.

His book provides a refresher course for people who remember Homer from school. (They will chuckle when they read, at the book's start, that Mendelsohn senior, like Odysseus, has constructed a special bed.) It also encourages novices to open the book for the first time. Along the way, Mr. Mendelsohn gives lessons in Greek culture and language, and he deftly incorporates his students' comments and responses into his reports from the field. Just when you think the students are uniformly obdurate or infantile, one of them comes up with a brilliant idea, and even the less cogent remarks have their uses.

A seminar on Homer's 'Odyssey' is audited by a very special student.

But the heart of the book is fathers and sons: sons looking for fathers, doubting them and then understanding them; fathers challenging, and also rooting for, their sons. This is no stereotypical Freudian-Oedipal model of battle and destruction. Affection exists at every turn. Mr. Mendelsohn proves the truth of clichés: "like father, like son"; the inadequacies of sons, the power of fathers; the second generation's repetitions of or improvements on the first; rebellion as imitation. He reels us in with a storyteller's strongest gifts: passion, clarity and a sense of timing. He knows when to drive a narrative forward and when to hold back. Digressions are not digressions.

Jay Mendelsohn makes for a surprising hero. He, not his son the professor-narrator, is the book's central character. A man of science with a strong sense of right and wrong, sensitive to an unfair universe always out to get the little guy, he is stubborn, sometimes brusque, ill-mannered and badly dressed. He has lived with "devotion to precision and logic" and a "loathing of anything irrational." He was a curious, bookish and, in spite of siblings, lonely child. He turned down the chance to go to Bronx Science and, later, West Point, for reasons revealed to his son only later. While working for Grumman, the defense contractor (where, Daniel learns, his field was "Uncertainty"), he could have earned a doctorate, but did not. He can be a know-it-all. In class he interrupts, to say that Odysseus is no ideal figure: "He's not a hero because he cries . . . because he cheats on his wife . . . because he gets help from the gods." The son is skeptical, even embarrassed, but patient.

Daniel knows only part of his father's story. What child ever sees a parent as well as the parent sees the child? A truth everywhere acknowledged in Mr. Mendelsohn's odyssey is that everyone has a story, just as every hero has a flaw, and that everyone needs stories to get through life. We all must confront the past to understand the present, and to get to the future.

The teacher wonders how his regular students are responding to the cranky, gruff auditor on the periphery. As it turns out, the kids love Jay. A series of post-semester letters reveals the truth: The youngsters found him "happy and humorous." He brightened the class. He was "honest, engaged, and thoughtful." Mr. Mendelsohn says he always thought of himself as a "pedagogical Odysseus," but in the end, "I'd turned out to be the Cyclops." Jay had "been applying himself in ways I hadn't dreamed of, and I hadn't seen a thing."

After the class, Daniel and Jay take their Homeric cruise. On shipboard, Jay radiates the same unexpected charm that had captivated the Bard students. Over after-dinner drinks, he sings selections from the golden age of the American songbook, delighting his fellow passengers. He also guides his fearful, claustrophobic son, gripped by "clammy terror," into what may have been the cave of the nymph Calypso. So the son, too, succeeds. Afterward, Jay praises him publicly: "You did good, Dan." And along the way, Jay admits that Homer's poem feels more real than the actual places. The man of fact and reason is giving in to the mysteries of poetry.

When, for banal reasons, the cruise ship is unable to reach Ithaca, Jay acknowledges that the journey is as important as the arrival, that the idea of homecoming is better than the fact. Like Homer, Mr. Mendelsohn makes us grateful for journeys, and the companions—especially our families—who accompany us along our individual and collective paths.

Mr. Spiegelman's books include the essay collections "Seven Pleasures" and "Senior Moments."

BRIDGEMAN IMAGES

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'The present is the future of the past.' —John Updike

Yesterday's World of Tomorrow

Clockwork Futures
By Brandy Schillace
Pegasus, 300 pages, $28.95

BY JAMES KAKALIOS

GETTY IMAGES

FLIGHT OF FANCY The visual culture of Steampunk, an aesthetic born of nostalgia for analog technologies and the bittersweet romance of 'progress,' is celebrated in **'Steampunk: The Art of Retro-Futurism' (Cypi Press, 189 pages, $39.95)**, edited by the staff of Dopress Books. From Uli Staiger's airships ferrying cities through the sky (above) to James Ng's motorized sedan chairs, the artworks showcased here ask, 'Could tech have turned out any other way?'

'STEAMPUNK'—A TERM coined in the 1980s, refers to a genre of science fiction, a style of costuming and a vision of the future dominated by the science of the 19th century. It conjures a world whose sky is filled with zeppelins and other machines jammed with a Rube Goldberg-like assembly of brass gearworks, a world populated with scientist-adventurers wearing long coats, top hats and racing goggles. Think of the 2009 "Sherlock Holmes" film starring Robert Downey Jr., 2011's "Hugo" directed by Martin Scorsese, or such classics of the 1950s and '60s as "The Time Machine," "20,000 Leagues Under the Sea" and the television series "The Wild Wild West."

What is it about this vision of retro-futurism that has such a hold on our imagination? In "Clockwork Futures: The Science of Steampunk and the Reinvention of the Modern World," Brandy Schillace, a senior research associate for the Dittrick Museum of Medical History in Cleveland, recounts the fascinating history of the real scientists and inventors who laid the foundations for our modern-day technology (such as Edison, Tesla and Volta), along with such fictional practitioners as Dr. Victor Frankenstein and Sherlock Holmes. In a way, the book stands as a companion to Richard Holmes's popular history "The Age of Wonder" (2008), a rich account of the scientists and poets of the 18th century. "Clockwork Futures" extends this narrative through the 19th century, where the Age of Enlightenment led to the Age of Engineering and Machinery.

One definition of Steampunk, as Ms. Schillace notes, is "a tension between past and future, anachronistic in its technology and magical in its whirring gears and golden machines." The genre aims to recapture the spirit of discovery from two centuries ago and invokes an age when "explorers and experimenters led risky, adventurous lives. They didn't want to stare into the void and despair—they wanted to hurl thunderbolts at it." They brought light to the world and transformed society at all levels.

Though the genre of steampunk celebrates steam-driven machinery, the history of the underlying science had to do with the discovery of electricity and magnetism. Ms. Schillace begins with the fictional Dr. Frankenstein, who harnesses lightning for the power to create life. It was known at the time of Mary Shelley's novel that man-made electricity (generated by frictional processes and stored in Leyden jars) could cause involuntary muscle movement. The nature of "animal electricity" fueled an intense scientific rivalry near the start of the 19th century, when Luigi Galvani demonstrated that dissected frog's legs could be induced to jump when connected to an electric charge. But was the muscle and nerve acting as a passive element in a circuit, or was there some vital fluid that retained its motive force in the dismembered frog?

> Steampunk celebrates a machine aesthetic, but the age's true wonders were advances in electricity.

This question drove the experiments of Alessandro Volta, whose careful studies demonstrated that the electric current was not coming from the frog itself, but from the metal electrodes attached to the ends of the nerves. To prove this, Volta endeavored to remove the frog leg from the circuit completely, and replaced it with a stack of alternating layers of metal and a weak acid. This device, termed a Voltaic pile, could generate a continuous electric current without frictional charging or any biological "vital fluid." In addressing the question raised in Shelley's "Frankenstein"—whether life was driven by electricity—Volta had invented the battery. Less than a decade later, Humphry Davy would use Volta's batteries to power an arc lamp, creating an intense, white and steady light that dazzled the British Royal Society.

"Clockwork Futures" is a bit slow at the start, but entertaining and illuminating once it picks up steam (sorry). Along the way it answers some questions that I never thought to ask. For example, the reliance on acid in batteries accounts for its ubiquity in laboratories and why vitriol (essentially sulfuric acid) became weaponized in both fiction and fact. While pulp melodramas would often dangle a hero above a bubbling cauldron of acid, Ms. Schillace profiles real-life serial killers H.H. Holmes and John George Haigh, who employed the corrosive liquid for corpse removal. Ms. Schillace reminds us that the steam age "was also an age of soot, ash and disaster." She provides a clear-eyed examination of the dangerous and inhumane working conditions of the time that motivated the work of Marx and Engels. "For all the brilliant leaps of imagination . . . the New Epoch set the stage for class contest" and planted the seeds of social strife.

A theme of "Clockwork Futures" is that "resistance to change is built into our very genes. But, then again, so is the desire for the new." In her clear and cogent accounts of Charles Babbage and Ada Lovelace's difference engine (the prototype of a programmable computer) and of the work of electronics pioneer Nikola Tesla, Ms. Schillace addresses why some innovations catch on immediately while others must wait, sometimes very long. She illustrates this through the U.S. naval vessel USS Wampanoag, commissioned in 1868 with a unique design and propelled by steam, though still possessing a mast and sail. The Wampanoag was "swift, steady, efficient and easy to steer," far superior to the other ships in the fleet. Yet the naval officers could not recommend that the Wampanoag be scrapped fast enough, as they did not know what to do with it, following the conclusion of the Civil War.

When an invention is ahead of its time, it is really us that it is ahead of. As Ms. Schillace emphasizes, the future cannot come until we are ready for it, as "we can't want a thing we haven't a need for; the smart phone could never have come before the internet."

Mr. Kakalios is the Taylor Distinguished Professor in Physics at the University of Minnesota and the author, most recently, of "The Physics of Everyday Things."

SCIENCE FICTION: TOM SHIPPEY

Writing the Future by Gaslight

H.G. WELLS'S 1897 "The War of the Worlds" must be the most influential sci-fi story ever written, provoking many adaptations, revisions and sequels, starting with the 1898 "Earth's revenge" story by Garrett P. Serviss, "Edison's Conquest of Mars." Yet great as it is, Wells's story is full of gaps. Why weren't the technologically advanced Martians prepared for Earth bacteria? Why did they only hit England? What was their long-term plan? Most of all, couldn't Earth have made a better fight of it?

Thinking novelistically rather than science-fictionally, why was it so short of characters? We have the narrator and his brother, his wife and cousin, the visionary but ineffective artilleryman—all nameless—and the two Elphinstone ladies rescued by the brother, one of them only a cipher. In his ambitious, far more developed sequel, **"The Massacre of Mankind" (Crown, 486 pages, $27)**, Stephen Baxter has set himself to "write into the gaps" and produce Wells for the 21st century.

In his story, it is 1920, two decades on from the first failed invasion, with Mars and Earth once again in perihelic opposition. World War I has taken place, but with Britain still recovering from the Martians and unable to join in, Kaiser Wilhelm has won. France is occupied, and Britain has become a militarized state.

War has moreover accelerated technological development, as it did in real life, so that this time Earth has Zeppelins and airplanes to fight with, and "landships," or tanks (which Wells predicted in 1903). Martian technology has been scavenged as well, for nuclear power-sources, aluminum smelters and heat-ray-resistant hull-metal.

But the Martians have also upgraded their efforts, coming this time immunized against bacteria, in thousands instead of tens, and aiming at all major population centers, most of all New York as well as London. In Mr. Baxter's story Wells's characters are back, but now have names and personalities. They include the narrator, Walter Jenkins, who is being treated in Berlin for shell shock; the artilleryman, Bert Cook, who has become a hero, literary lion and (eventually) Martian collaborator; and most of all Julie Elphinstone, Wells's slender lady with the revolver, now a war correspondent.

What is the Martians' plan? To establish perimeters, and within them to reshape Earth and humanity. Spread Martian vegetation, to suck oxygen out of the air. Start selective breeding of humans so they will become as docile as battery chickens, to be farmed for blood rather than hunted one at a time. Sci-fi authors have written often about the idea of "terraforming" Mars. Did we never think that two can play at that game?

> A sequel to H.G. Wells's 'War of the Worlds' and a collection of Victorian science-fiction stories.

Most of all, though, the novel is a shootout between the heat-rays and the fighting machines on the Martian side, and the 1920s-plus technology of Earth—Edisonian flux-bombs and the Kaiser's Gotha bombers. Mr. Baxter develops brilliantly the possibilities open to both sides. It's alien invasion juiced up by alternate history, with real people as well, as complexly unpredictable as Bert Cook, as feistily daring as Julie Elphinstone.

Nor is it just Earth and Mars. There are other planets in the solar system, and the Martians' problem of global cooling remains, for them, even after their defeat. From sci-fi's Valhalla, the shade of Wells must be applauding. Perhaps with just a touch of envy: Now, why didn't I think of that . . . ?

The 1890s may have been the time when sci-fi really took off. But were there no forerunners, no hints of what was just about to come? Michael Sims's anthology **"Frankenstein Dreams" (Bloomsbury, 387 pages, $22)** brings the issue into focus.

It contains 20 items. Ten are by familiar names—Edgar Allan Poe and Mary Shelley, Jules Verne and E. Nesbit—five of which are excerpts from novels, like Wells's "Moreau" and Robert Louis Stevenson's "Jekyll and Hyde." The remaining 10 are short stories published in magazines like the Strand and Atlantic Monthly, by authors now forgotten, or known only to a few specialist researchers.

GETTY IMAGES

STATE OF THE ART A Victorian-era water-pumping station in London.

One thing the collection shows clearly is that there was no shortage of sci-fi ideas back in the earlier 19th century. Some of them turned out to be nonstarters in fiction and reality both. We soon discovered that no improved telescopes would detect "Man-Bats on the Moon," as Richard Adams Locke proposed in a hoax published by the New York Sun in 1835. Nor are there giant jellyfish up in the stratosphere, creating the "Horror of the Heights" described by Arthur Conan Doyle some 50 years later.

Other writers, however, latched on to ideas capable of a great deal of development. The unknown Alice W. Fuller, possibly a pseudonym, was well ahead of Isaac Asimov in her android story "A Wife Manufactured to Order" (1895), and Edward Page Mitchell opened several avenues with "The Senator's Daughter" (1879)—a war between China and America, won by China, restrictions on interracial marriage, an American bride frozen until she reaches the required age-limit. The same author provides a back-in-time story, and Grant Allen's "Thames Valley Catastrophe" (1897) starts off the disaster genre with a tale of "fissure eruption," based on discoveries in American geology.

Ideas, though, are not enough. It's an old sci-fi adage that anyone could think up the automobile, but to make a story you have to foresee gridlocks as well. The idea has to be taken to a second or third stage, and this is what is usually missing here. Several of Mr. Sims's examples read like reports, not stories, and once the "Gosh, wow" effect has gone, there's little else. Mary E. Wilkins Freeman's "The Hall Bedroom" (1903) is a portal-story, with people disappearing into some other dimension. So what happens to them there, the reader asks. Fit out an expedition! Have something come back the other way! Ambrose Bierce's similar vignettes of mysterious disappearances have inspired famous sci-fi stories, but he himself got no further than the "curious facts" level.

One other thing that stands out is the "science-induced anxiety," in Mr. Sims's words, that seems to mark the era. Mr. Sims includes excerpts from a Thomas Hardy novel, which has nothing to do with sci-fi at all—except to reveal the shock created for a sheltered English lady as she starts to realize the vast scope of the universe, her view opened up by an ordinary telescope.

Similarly, far and away the best story in the collection is Rudyard Kipling's "Wireless" (published in Scribner's Magazine in 1902). An enthusiast in an English coastal town is trying to get his homemade radio to work, and picking up transmissions from warships in the Channel, garbled voices out of the air. His assistant, meanwhile, is serving in their shop next door, coughing in the bitter cold, and longing hopelessly after a young woman who calls in.

The shop is a pharmacy, the cough is fatal tuberculosis, the young woman's name is Fanny Brand, and what the dying man keeps coming out with, under the influence of the drug he's been given, are fragments of Keats's erotic poem "The Eve of St. Agnes." Somehow, he's "tuned" to Keats, dead of TB 80 years before. Spooky? No spookier than those voices coming out of the void, carried by "Hertzian waves." What else might we be able to "tune in" to?

We are much harder to shock these days. But it was the shock effect of thoughts like Kipling's that created the audience for sci-fi. And what with wormholes and quantum physics, the universe has gotten only a great deal spookier.

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'Never marry a man you wouldn't want to be divorced from.' —Nora Ephron

Twentieth-Century Woman

I'll Have What She's Having
By Erin Carlson
Hachette, 341 pages, $27

BY JEANINE BASINGER

PHOTOFEST

CROSSTALK Billy Crystal, Bruno Kirby, Carrie Fisher and Meg Ryan in 'When Harry Met Sally,' written by Nora Ephron and directed by Rob Reiner.

THE TITLE OF Erin Carlson's "I'll Have What She's Having: How Nora Ephron's Three Iconic Films Saved the Romantic Comedy" inspires a question. If Ephron saved the romantic comedy, where did she put it? Once a lively staple among Hollywood genres, the form is now sadly known as "romcom," an odious term that reveals how diminished such movies have become. In the old days, when censorship restricted the romantic couple (no sex, please!) writers created imaginative plots that sizzled with the delicious *frisson* of desire coming up against sexual impossibility. As a screenwriter Nora Ephron's accomplishment—a major 1990s innovation—was to reinstate the fun by finding clever reasons why a modern couple wouldn't immediately go to bed together. They were friends, not lovers (1989's "When Harry Met Sally," which she wrote but didn't direct). They had never met and lived on opposite sides of the country (1993's "Sleepless in Seattle"). They were corresponding anonymously through email, but turned out to be business enemies (1998's "You've Got Mail," a remake of an Ernst Lubitsch film in which James Stewart and Margaret Sullavan were feuding coworkers but secret pen pals).

To make the "then and now" point regarding sex, Ms. Carlson seized a famous line from "When Harry Met Sally" as a provocative title. (It's a safe bet everyone remembers the response to Meg Ryan's faked orgasm in a New York deli.) Ms. Carlson gives credit for the fake orgasm idea to director Rob Reiner and actress Dani Minnick; to Mr. Reiner's mother, the actress who spoke the line; to Billy Crystal, who actually wrote it; and to Ms. Ryan, whose acting inspired it. Ephron is rewarded only with giving it her approval.

As a writer, Ms. Carlson is a hunter-gatherer. The book was originally a 2015 Vanity Fair oral-history project, and she has amassed quotes from diligent, wide-ranging research and from her own personal interviews with Ms. Ryan, Ephron's sister Delia, Mr. Reiner and others. Tom Hanks provides insight into Ephron's style of work by saying, "I think Nora trusted Meg and me to get to where we needed to be by way of the shorthand . . . she developed with the two of us." Since Ephron surrounded herself with large groups of loyal and devoted friends, collecting comments from those who knew her is an appropriate way to find out about her and her work. The deepest insights in the book come from these sources, but Ms. Carlson tells a full, gossipy "behind the scenes" tale of Ephron's stylish and witty world of film.

The author writes like a hyped-up Hedda Hopper, describing Ephron in bloggish terms as "a proto-Taylor Swift" who "channeled heartbreak into pop art." (Ephron more likely thought of herself as a proto-Audrey Hepburn.) Ms. Carlson's breezy, readable prose is full of insider terms ("showmance," an on-set romance between two stars) and pitch-worthy descriptions (Harry and Sally are "Alvy Singer and Annie Hall . . . with brushes of Ingmar Bergman"). The author has flashes of humor worthy of her subject, nailing 2003's "Love Actually" as "your ex-boyfriend's favorite romcom." But she drifts into cultural punditry, mentioning social conservatism, the Cold War, feminism, the "pro-family" movement and the trauma of AIDS—all on the same page.

> Nora Ephron's films are like great dinner parties, filled with brilliant people and terrific conversation.

Ms. Carlson slings a few zingers. She describes the young Ephron as a woman who "cultivated a cutthroat, suffer-no-fools writing persona that skewered subjects." She mentions a "grudge" Delia held about her sister not helping after their father's death in 1992 and hints at false values learned as a Beverly Hills child of screenwriting parents. She came of age, Ms. Carlson writes, "in a town where looks—the right look—meant absolutely everything."

Nora Ephron was someone special. My personal experience with her was always delightful. She was fun and funny, a lady in the best sense of that term. She was also smart, talented and deviously clever. She made things work for herself in a movie-making world where it could be a challenge to be a woman and certainly a woman director. She outmaneuvered enemies, out-thought obstructionists and mastered the art of collaboration.

"I'll Have What She's Having" has one major problem: As a film historian, Ms. Carlson is just plain wrong. She claims that, except for Rosalind Russell in the 1940 version of "His Girl Friday" (in a role originally written for a man), "only male characters played by Cary Grant and Jimmy Stewart were written as rascally reporters." Forget James Cagney, Lee Tracy, Clark Gable and those guys. What happened to Bette Davis in "Front Page Woman"? Barbara Stanwyck in "Meet John Doe"? Jean Arthur in "Mr. Deeds Goes to Town"? And, for that matter, the entire nine-film Torchy Blane series? Ms. Carlson ranks Ephron as "an icon in the same big league as . . . romcom pioneers Woody Allen, Preston Sturges and Ernst Lubitsch." This is preposterous, and I can't help but think Ephron would think so, too.

Ephron deserves respect, but her movies are variations of the rom-com, not revolutions. She wasn't a director with a personal visual style; she was a writer with ideas, a sense of her own era and the ability to organize a movie shoot the way she would a successful dinner party: brilliant casting, attention to detail, great catering (she was a famous cook), perfect background music and the orchestration of terrific conversation. Anyone who thinks that demeans her should try doing it.

Two quotes Ms. Carlson provides shed serious light on Ephron. One is from the writer herself, a woman who kept her fatal illness secret and who, near the end of her life (on June 26, 2012), said her play "Lucky Guy" was about "somebody who has more luck than talent . . . and I know something about that." The other is from her son, writer Jacob Bernstein: "My mom was kind and she was generous. . . . She was also stern and unfailingly honest. . . . It is very powerful to be someone who's both loved and feared." These words combine to mark Ephron out as a 20th-century woman educated by 19th-century attitudes who defined herself on 21st-century terms. It would be great to read about that woman, who's more than the sum of three rom-coms.

Ms. Basinger is the author of "I Do and I Don't: A History of Marriage in the Movies."

CHILDREN'S BOOKS: MEGHAN COX GURDON

Pick Yourself Up, Dust Yourself Off

IT'S ALMOST a rule in children's books that a fictional orphanage must have a mellifluous name: Miss Peregrine's Home for Peculiar Children, for instance (in the 2011 novel by Ransom Riggs), the Buffalo Asylum for Young Ladies (in a 2016 Katherine Marsh book) and now Miss Carbunkle's Home for Wayward and Misbegotten Creatures. This last belongs to the gloomy cruciform residence that Mira Bartók invents in her debut fictional work for children, **"The Wonderling" (Candlewick, 450 pages, $21.99)**.

Its proprietress, Miss Carbunkle, is every bit as unpleasant as her surname suggests: With a towering orange wig and a heart withered from decades of jealousy, she enslaves the orphans in her charge, forcing them to work long hours manufacturing curious electromagnetic beetles.

Such a theatrical villain requires, of course, a resilient and virtuous hero, and in this beguiling tale of destiny fulfilled our champion is Arthur, a gentle, foxlike 11-year-old—with his fellow inmates, he is a hybrid creature, or "groundling"—who has one ear, no childhood memories, and a deep yearning for beauty and music. When his tiny friend Trinket devises a scheme for their escape from the orphanage, Arthur embarks on a quest through a wild wood and into the stygian corridors of a subterranean city to solve the mystery of his origins.

Arthur knows only that he was born on a street called Tintagel, which shares its name with the legendary site of King Arthur's castle, and not by accident: One of Ms. Bartók's writerly conceits is that all her nicest characters know and love the Arthurian stories. Some of them even sit at round tables.

Arthur takes refuge for a time with a gang of thieves and pickpockets, like a groundling Oliver Twist, and when he's pressed into committing burglary, he stumbles on a terrible plot: Miss Carbunkle has a get-rich-quick scheme involving the mechanical beetles that will expunge all lovely sounds and all memory of music from the world. "No more arias or waterfalls or waltzes, no mouse hornpipes and reels or music of snow," we read. "And certainly no lullabies."

> A traumatized egg, a neglected turtle, a three-legged cat—and a foxlike fellow with an ear for music.

How this destruction will happen is a little hazy—Miss Carbunkle is trying to raise capital in order to distribute the beetles free, at first, to generate demand—but the threat is sufficiently awful that Arthur resolves to return and thwart her designs. Small sepia-colored illustrations throughout add elegance to this dramatic adventure for children ages 8-13.

Like Arthur the Wonderling, born with just one ear, the feline lead of Andrea Wisnewski's picture book **"Trio" (Godine, 40 pages, $17.95)** has come into the world with a conspicuous difference from his litter mates. With three legs, rather than the customary four, "Trio didn't feel different. He could pounce. He could sneak. He could jump, whoops, well sort of!" In linocut illustrations daubed with watercolor, we see the gray, green-eyed kitten skidding backward after a failed leap.

Trio is undaunted, however. He keeps trying, and his athletic experimentation even extends to imitating the chickens that live in the garage he and his siblings call home. He gives himself dust baths, eats insects ("yuck!") and, after many false starts, manages to ensconce himself in a hen's nest. It is there, in the cozy warmth, that something happens—or perhaps we should say some*one* happens—to give Trio a fluffy companion with a conspicuous difference of her own in this amiable tale for 2- to 6-year-olds.

ROARING BROOK

The character of Trio is based on a real animal. So is the doughty hero of **"Alfie" (Abrams, 40 pages, $17.95)**, a tale of friendship that may give a pang to almost anyone who has ever lost interest in a pet turtle—which is to say, to almost anyone who has ever owned a pet turtle.

In Thyra Heder's lovely story with watercolor illustrations, we meet Nia, a little girl who gets to bring Alfie home on her birthday. "The lady at the store said he looked about six too," Nia tells us. "We were six, together."

At first, Nia includes Alfie in her games, makes him gifts and tells him jokes that he doesn't seem to get. "After a while, I kind of forgot about Alfie," she confesses. "He didn't do much." Then, on the morning of her seventh birthday, Nia discovers that Alfie's tank is empty. Two bleak, colorless pages convey the child's woe and emptiness.

But in truth this is Alfie's story, and in the pictures that follow we learn that he has an excellent reason for leaving—and, in his languid way, for returning. The real Alfie apparently still trundles around Ms. Heder's childhood home. In an author's note, she writes: "The lucky thing about turtles is their lifespan is long enough for you to fall back in love with them."

Dan Santat reveals the full and thrilling story of the most famous egg in literature in **"After the Fall" (Roaring Brook, 40 pages, $17.99)**, a picture book for children 4-8. In this telling, narrated by Humpty Dumpty himself, all the king's men have managed to put him back together after his great fall: We see him leaving "King's County Hospital" in a shirt and tie, bandaged and a little cracked.

Alas, the trauma has left Humpty afraid of heights. Now he sleeps on the floor rather than at the top of his bunk bed. He can't even bring himself to climb a ladder at the supermarket to reach the garish deliciousness high in the cereal aisle: In a hilarious and poignant illustration (see left), the boxes at the top have names such as "Free Toy" and "Sugar Frosted Sugar" and glow with color, whereas the boxes near our dejected friend are gray and dreary ("Sad Clown" and "Bland"). Humpty yearns to make his way to the top of his wall again: "I really missed the birds and being high above the city. But I could never do it . . . because I knew that accidents can happen." Mr. Santat gives full weight to the power of fear, which can daunt anyone who has been injured, before showing Humpty Dumpty's eventual triumph with an inventive ending that is nothing short of exhilarating.

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'No adultery is bloodless.' —Natalia Ginzburg

Beautiful Losers

The Chicago Cubs
By Rich Cohen
Farrar, Straus & Giroux, 273 pages, $26

BY WILL LEITCH

I'LL ADMIT: I was expecting Cubs fans would turn out to be jerks, and not just because I'm a Cardinals fan. After all, Red Sox Nation—the last baseball fanbase to have waited nearly 100 years between championships—swiftly became absurdly arrogant and demanding, waving World Series pennants in everyone else's faces. Let's be honest: Winning a World Series turned Red Sox fans into Yankee fans.

That didn't happen to Cubs fans after the team went all the way in 2016. They've been . . . pretty appreciative of the whole thing. Within minutes of their Game 7 victory in Cleveland last year, Cubs fans began writing names on the stadium wall at Waveland Ave: names of loved ones who died before they got to see their beloved Cubbies win it all. That my-god-it-finally-happened attitude hasn't changed much since. The Cubs had a somewhat disappointing 2017 regular season, but the wailing you'd have heard if the 2016 series turned out differently hasn't been there. After 108 years, Cubs fans finally made it to the mountaintop, and they've been happy to stay up there, enjoying the view.

Rich Cohen's affable "The Chicago Cubs: Story of a Curse" helps explain why Cubs fans are different from Red Sox fans. Cubs fans went through the pain every year just like Red Sox fans did—and for a lot longer, actually—but the pain wasn't the constant irritant it was for Red Sox fans, partly because the Cubs never got particularly close to winning a series. For Cubs fans, losing was a divine providence that everyone accepted, a sign that even if life has suffering, that doesn't mean it's not worth living.

Mr. Cohen documents Cubs fans clinging to talismans—the book opens with Cubs president Theo Epstein, before an playoff game, encouraging Mr. Cohen to grasp a Cubs hat for luck—and joking about the curse placed on the team by a disgruntled goat owner. We hear laments about near-misses—the Bartmans and the Leon Durhams—but rarely detect any anger. Mr. Cohen lays it all out in a breezy, just-sort-of-cruising-by insta-history of the franchise, starting with its previous championship in 1908.

Much of this is familiar, stories of Three Finger Brown and Grover Cleveland Alexander and the poor, doomed Eddie Waitkus, the real-life inspiration for Bernard Malamud's "The Natural." Mr. Cohen never goes into detail on these stories, so if you've heard them before, you won't find much new—though I'd never heard the one about how the Cubs were almost called the "Spuds." Still, his light and funny descriptions give a lot of pleasure. Even if the book doesn't cover new ground, you'll have a fine time letting Mr. Cohen drive you through well-known territory.

When he at last drifts toward the modern day and the Cubs' resurgence under Mr. Epstein, the author hits the key point: The Cubs weren't bad for all those years because they were cursed or doomed. The Cubs were bad because so many owners had the same attitude as Phil Wrigley, the owner from 1932 to 1977: Don't worry about trying too hard to field a good team, because as long as that stadium is gorgeous and that ivy is growing on the walls, fans will flock to Wrigley Field. The Cubs' charm became part of what was holding them back: The comfort of knowing they would be a part of your life win or lose was the primary reason the Cubs never won.

> Win or lose, the Cubs had always been beloved. And this became the main reason they never won.

Mr. Epstein, who broke through with the Red Sox, brought an East Coast impatience to Chicago and changed the team's trajectory with the simplest plan of all: Have a plan to win. By the time Mr. Cohen gets to Game 7, we have become his faithful, loyal and easy companions. That game needs little embellishment, but Mr. Cohen makes us feel its drama nonetheless. His happiness ends up being our happiness.

I'm not sure we really needed another book about the Cubs' championship—several authors beat Mr. Cohen to the punch—but this book is a pleasant reminder of what made last October so exciting even for those who've never set foot in Wrigley's Friendly Confines. You can give it to the Cubs fans in your life, though they may still be grinning and dancing around too much to find time to read it.

Mr. Leitch is a senior writer for Sports On Earth, a contributing editor at New York magazine and the founder of Deadspin.

GETTY IMAGES

FIVE BEST: A PERSONAL CHOICE

Anka Muhlstein
on adultery

MS. MUHLSTEIN is the author of 'The Pen and the Brush: How Passion for Art Shaped 19th-Century French Novels.'

A Handful of Dust
By Evelyn Waugh (1934)

1 THE IDEA FOR this novel came to Evelyn Waugh after a trip in the wilds of British Guiana, and eventually, as he describes it, it led him to "a study of other sorts of savages at home and the civilized man's helpless plight among them." The civilized man in "A Handful of Dust" is Tony Last, an English country gentleman who, above all, loves his Gothic house, Sunday sermons, and fox hunting. His wife, Brenda, on the other hand, has in her boredom taken a lover. Buoyed by her friends and the pleasure of discussing the subject over the phone, she finally asks for a divorce, and her helpless husband agrees. But when Brenda proves greedy, Tony decides to divorce her without settlement of any kind, and goes off to Brazil. She's then swiftly abandoned by her lover, reluctant to marry a woman who is "not provided for" and also by her friends. "It might occur [to them] to sock a girl a meal once in a way," she thinks wistfully. She does bounce back and marries Tony's best friend, while he ends up trapped by a madman in the jungle. "Hard cheese on Tony," conclude his pals. For Waugh, civil society is doomed in this glittering world soon to be shattered by war.

The Good Soldier
By Ford Madox Ford (1915)

2 THE REMARKABLE interplay between the characters here is so subtle that every reading of the novel uncovers a new layer of understanding. What happened? Will we ever know? Two wealthy couples, one American, one English, meet in a spa in Germany and enjoy what seems to be a perfect friendship. But happy times are wrecked by the death of Florence, the American wife. It's left to the surviving characters—Dowell, the widower, and the other couple, Leonora and Edward—to make sense of the endlessly complicated past. Dowell reluctantly confronts the fact that his wife had been having an affair with Edward for nine years. Adultery is tricky to maintain secretly for so long. Who was complicit? Who rebuffed whom? Is Edward "a raging stallion"? Is Dowell "no better than a eunuch"? The tangled themes of sex, money and honor deepen the confusion. "I don't know. . . . It is all a darkness," Dowell admits. In turn, Edward, incapable of surmounting what Ford calls the "abominable interests of sex," decides to put an end to his life. His parting words to Dowell are: "So long, old man, I must have a bit of rest, you know."

BEDFELLOWS From a 1480 book.

BRIDGEMAN IMAGES

The Golden Bowl
By Henry James (1904)

3 AMERIGO, A CHARMING Roman prince of slender means, and his former lover Charlotte, an impoverished young American woman, each attempt to solve their financial plights by getting married. Amerigo marries Charlotte's friend Maggie, while Charlotte marries Maggie's wealthy father. Prudently Amerigo and Charlotte keep their past affair secret—but can't resist resuming it after their respective weddings. Maggie, however, realizes the truth—that "they went about together . . . and I don't mean only before—I mean after." The tale has the feel of a devilish chess game. Maggie lets her husband know he is discovered but leaves her father and Charlotte in the dark. To protect her marriage, she arranges for them to go back to the States while she remains in London, sacrificing the intense relation she has with her father. The question remains: Who is managing whom? "Maggie," James writes, "had so shuffled away every link between consequence and cause, that the intention remained, like some famous poetic line in a dead language, subject to varieties of interpretation."

The Red and the Black
By Stendhal (1830)

4 THIS IS THE STORY of an improbable adultery committed by the very respectable Mme de Rênal, a provincial aristocrat, and the teenage tutor of her children, Julien Sorel, the son of a brutal peasant. The seduction is a dare that Julien sets for himself—such an unimaginable endeavor that to succeed would be proof of his heroic nature. Mme de Rênal, used to the indifferent ways of her husband, discovers pleasure in the arms of the inexperienced youth. Immediately, guilt follows. "Suddenly, a word frightened her: adulteress. . . . She had tasted, that evening, a brand-new happiness; now she found herself plunged, all of a sudden, into atrocious misery." The young man leaves and embarks on a brilliant career that will be cut short through the actions of Mme de Rênal's confessor. It isn't a jealous husband who provokes the drama but the church. Julien's wild ambition, his political leanings, threaten the order of post-Napoleonic society. His amazing worldly success has to be curtailed, and it will be, in the most harrowing way.

Like Death
By Guy de Maupassant (1889)

5 IN THIS short novel, Any de Guilleroy, the wife of a politician, asks Olivier Bertin to do her portrait. The inevitable happens during her sittings and leads to a long attachment. Very soon, Olivier is considered a member of the family, loved by the wife, appreciated by the busy husband and adopted by their daughter. There's the rub. Olivier falls in love with the girl. Her mother realizes it before anyone else, and she doesn't conceal her heartbreak. "It shouldn't end like this," she tells Olivier. But Olivier, aware that his love for the girl is hopeless, hurls himself in front of a carriage. As he lies dying, Any rushes to his side. For a last moment, they feel the force of old passion restored.

Best-Selling Books | Week Ended Sept. 24
With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
What Happened Hillary Rodham Clinton/Simon & Schuster	1	1
Killing England Bill O'Reilly & Martin Dugard/Henry Holt & Company	2	New
The TB12 Method Tom Brady/Simon & Schuster	3	New
Braving the Wilderness Brené Brown/Random House	4	2
The Paradigm Jonathan Cahn/Frontline	5	New
Principles: Life and Work Ray Dalio/Simon & Schuster	6	New
The Autobiography of Gucci Mane Gucci Mane with Neil Martinez-Belkin/Simon & Schuster	7	New
Unbelievable: My Front-Row Seat Katy Tur/Dey Street Books	8	3
The Subtle Art of Not Giving A F*ck Mark Manson/HarperOne	9	7
Anxious for Nothing Max Lucado/Thomas Nelson	10	4

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
To Be Where You Are Jan Karon/G.P. Putnam's Sons	1	New
Haunted J. Patterson & J. O. Born/Little, Brown and Company	2	New
A Column of Fire Ken Follett/Viking	3	1
The Cuban Affair: A Novel Nelson DeMille/Simon & Schuster	4	New
Wonder R. J. Palacio/Alfred A. Knopf Books For Young Readers	5	4
Dog Man: A Tale of Two Kitties Dav Pilkey/Graphix	6	5
The Girl Who Takes an Eye for an Eye David Lagercrantz/Knopf Publishing Group	7	2
A Legacy of Spies John le Carré/Viking	8	9
Enemy of the State Vince Flynn and Kyle Mills/Atria Books	9	7
The Romanov Ransom Clive Cussler/G.P. Putnam's Sons	10	6

Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Wal-Mart) and Web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Peter.Saenger@wsj.com.

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Killing England Bill O'Reilly & Martin Dugard/Henry Holt & Company, Inc.	1	New
What Happened Hillary Rodham Clinton/Simon & Schuster	2	1
Principles: Life and Work Ray Dalio/Simon & Schuster	3	New
Unbelievable: My Front-Row Seat Katy Tur/HarperCollins Publishers	4	2
Elon Musk Ashlee Vance/Ecco	5	–
The TB12 Method Tom Brady/Simon & Schuster	6	New
The Paradigm Jonathan Cahn/Frontline	7	New
Read My Pins Madeleine Albright/HarperCollins Publishers	8	–
7 Lessons from Heaven Mary C. Neal/The Crown Publishing Group	9	New
Real Food/Fake Food Larry Olmsted/Algonquin Books of Chapel Hill	10	—

Nonfiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
What Happened Hillary Rodham Clinton/Simon & Schuster	1	1
Killing England Bill O'Reilly & Martin Dugard/Henry Holt & Company	2	New
The TB12 Method Tom Brady/Simon & Schuster	3	New
Principles: Life and Work Ray Dalio/Simon & Schuster	4	New
Braving the Wilderness Brené Brown/Random House	5	2
The Paradigm Jonathan Cahn/Frontline	6	New
Unbelievable: My Front-Row Seat Katy Tur/Dey Street Books	7	3
Adultolescence Gabbie Hanna/Atria Books	8	New
7 Lessons from Heaven Mary C. Neal/Convergent Books	9	New
The Autobiography of Gucci Mane Gucci Mane with Neil Martinez-Belkin/Simon & Schuster	10	New

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Cuban Affair: A Novel Nelson DeMille/Simon & Schuster	1	New
Haunted J. Patterson & J. O. Born/Little, Brown and Company	2	New
Gone Tomorrow Lee Child/Random House Publishing Group	3	New
It Stephen King/Simon & Schuster	4	4
A Column of Fire Ken Follett/Penguin Publishing Group	5	1
Before We Were Yours Lisa Wingate/Random House Publishing Group	6	7
To Be Where You Are Jan Karon/Penguin Publishing Group	7	New
Dear Bridget, I Want You Penelope Ward &Vi Keeland /Penelope Ward	8	New
The Girl Who Takes an Eye for an Eye David Lagercrantz/Knopf Doubleday Publishing Group	9	3
Fool Me Once Catherine Bybee/Montlake Romance	10	New

Fiction Combined

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
The Cuban Affair: A Novel Nelson DeMille/Simon & Schuster	1	New
Haunted J. Patterson & J. O. Born/Little, Brown and Company	2	New
It Stephen King/Scribner Book Company	3	2
To Be Where You Are Jan Karon/G.P. Putnam's Sons	4	New
A Column of Fire Ken Follett/Viking	5	1
The Girl Who Takes an Eye for an Eye David Lagercrantz/Knopf Publishing Group	6	3
A Legacy of Spies John le Carré/Viking	7	10
Enemy of the State Vince Flynn & Kyle Mills /Atria Books	8	6
Wonder R. J. Palacio/Alfred A. Knopf Books For Young Readers	9	–
Dog Man: A Tale of Two Kitties Dav Pilkey/Scholastic Books	10	–

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Principles: Life and Work Ray Dalio/Simon & Schuster	1	New
Strengths Finder 2.0 Tom Rath/Gallup Press	2	2
Fantasyland Kurt Andersen/Random House	3	3
Finish: Give Yourself the Gift of Done Jon Acuff/Portfolio	4	1
Side Hustle Chris Guillebeau/Crown Business	5	New
Emotional Intelligence 2.0 Travis Bradberry & Jean Greaves/TalentSmart	6	5
The Five Dysfunctions of a Team Patrick M. Lencioni/Jossey-Bass	7	4
Total Money Makeover Dave Ramsey/Thomas Nelson	8	8
Together Is Better Simon Sinek/Portfolio	9	6
Extreme Ownership Jocko Willink & Leif Babin/St. Martin's Press	10	7

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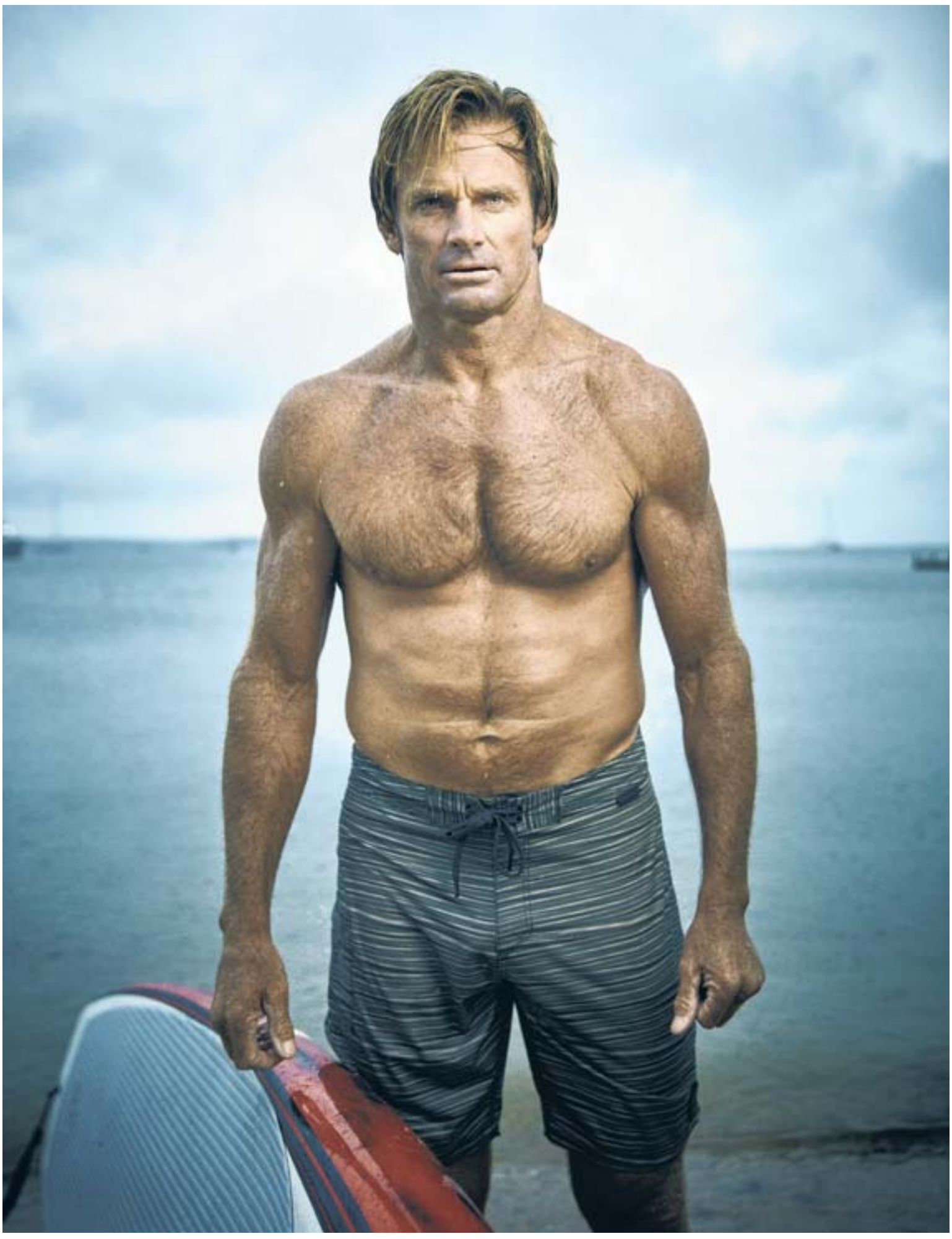


MATT FURMAN FOR THE WALL STREET JOURNAL

'I think I kind of became fear-tolerant.'

WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

Laird Hamilton

At 53, the extreme surfer is still making waves

LAIRD HAMILTON can't escape his fans. It's a warm summer day on Long Island in New York, and he has just finished conducting an awards ceremony for a stand-up paddleboard race with his wife, the professional volleyball player Gabrielle Reece. The 6-foot-2 surfer, with a mop of bright blond hair, is hard to miss. As he tries to make his way out of the tent, people keep stopping him to ask if they can take a picture with him.

He gets into the back seat of a friend's unlocked Jeep so that we can talk in peace. Just as he's shutting the door, a woman spots him and shouts, "Laird!" He waves.

Mr. Hamilton, 53, made his name as an extreme surfer, often taking on waves more than 80 feet high. He was one of the pioneers of tow-in surfing, in which surfers are pulled on a rope by jet ski or helicopter into the path of a huge wave that they couldn't otherwise reach. Now he is the subject of a documentary, "Take Every Wave," released Sept. 29 in theaters and on demand.

It looks like a glamorous life: The movie shows him tanned and buff, riding massive waves and doing underwater workouts, and features interviews with his equally tall and buff wife.

The film also goes into his difficult childhood. The son of a single mother, Mr. Hamilton spent a lot of time alone at the beach as a child in Hawaii. (His mother later married famed surfboard maker Bill Hamilton, whom Laird had met on the beach and brought home.) He says that other children often beat him up and picked on him, especially because he was one of the few white children at his school.

Mr. Hamilton acted up at school, at times throwing chairs out the window and writing obscenities on the chalkboard (and then eating the bar of soap his teacher told him to wash his mouth out with).

But he loved surfing. Ms. Reece says that Mr. Hamilton has told her, "Going to sleep and dreaming, I'd always wished I would wake up brown," so that he could be like the Hawaiians who created surfing.

By age 16, he had dropped out of school to work in construction and try modeling. A year later, a Men's Vogue photographer saw him on the beach and got him a modeling contract in Life Magazine with actress and model Brooke Shields.

Although he loved surfing, he shunned surf competitions. (He was able to get sponsorships for his daring big-wave feats.) He dabbled in acting, including work as Kevin Costner's body double in "Waterworld" (1995), but didn't want to confine himself to that either.

Mr. Hamilton considers himself a contrarian and likes to quote Henry David Thoreau's maxim: "Disobedience is the true foundation of liberty. The obedient must be slaves." Later in our conversation, talking about people's tendency to discourage new ideas, he quotes Ralph Waldo Emerson, who said, "Blame is safer than praise." I ask him if he reads a lot. "No, I don't read really that much," he says. "I listen. I think I just I retain stuff."

He was always most excited about trying new stunts in the water—another topic that makes him philosophical. "The ocean is so honest," he says earnestly. "There's no discrimination in the ocean, and there are no referees. It's just pure and reliable."

Mr. Hamilton and Ms. Reece split their time between Kauai, Hawaii, and Malibu, Calif. Two daughters, ages 9 and 13, live at home with them while a third, Mr. Hamilton's from a previous marriage, is finishing college. Mr. Hamilton and Ms. Reece run a three-day sports program and retreat called XPT together in places like Kauai and Montauk, N.Y. Preventing injury is high on their list of fitness priorities. Last year, on the same day and at the same hospital, she had knee-replacement surgery while he had his hip reconstructed because of excessive wear and tear.

Outside of athletics, Mr. Hamilton designs a line of clothing and has a line called Laird Superfood, which includes "performance mushroom blend powder" and dairy-free coffee creamers with coconut milk powder and sea algae.

Mr. Hamilton is working on some inventions, too, such as a GolfBoard, an electric scooter for riding around a course. He came up with the idea after a friend—84-year-old Don Wildman, founder of the company that became Bally Total Fitness—wanted to play golf with him and agreed to let Mr. Hamilton ride his electric scooter as they played. Mr. Hamilton found it to be so much fun that he started working on creating one that he could sell.

He still spends about five hours a day in the water and likes to experiment with new water sports, such as bodysurfing underwater, like a dolphin. He says people ask him whether he has a "fear defect." "I've been scared so much, so often at such a young age that I think I kind of became fear-tolerant," he says. Eventually, he adds, getting scared "made me feel really alive."

MOVING TARGETS: JOE QUEENAN

Coming Soon: Happy Endings for Every Tale

THIS WEEK, the Journal wrote about an Indian accountant who has built a vast media empire by producing kid-friendly videos that rework popular nursery rhymes.

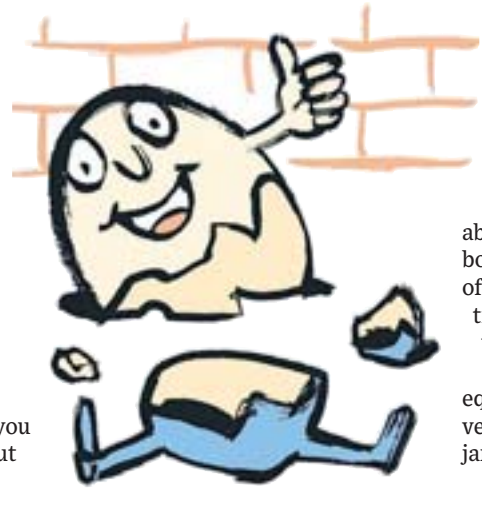
In one video, Jack and Jill get a pep talk about resilience and haul themselves right back up that hill to fetch a pail of water. In another, "Little Miss Muffet" becomes a heartwarming tale about female empowerment as the spunky heroine rebuffs the spider's attempt to steal her lunch: Sorry, buster. No curds, no whey. And Humpty Dumpty pays a visit to the doctor, heals and picks up as before—though, chastened by his experience, he stops perching on walls.

B.M. Krishnan, the accountant, has an army of artists and content-reconfiguration specialists churning out the upbeat videos, which have grabbed billions of views on YouTube. The obvious question: Is there any reason his approach should be limited to sprucing up downbeat and sometimes dystopian nursery rhymes? Why can't the same concept be applied to songs aimed at adults?

In other words, following Paul McCartney's advice, is there any reason we can't take a sad song and make it better? Sad songs, like nursery rhymes, often make no sense. Sad songs, Elton, really *don't* say so much. Why would anyone see a red door and want to paint it black? What do you mean, nothing compares 2 U? I can think of all kinds of things 2X as good as U.

Taking dour songs and transforming them into something joyous and life-affirming might be just the sort of pick-me-up that our troubled society needs. I see a good moon a-rising; I see fun times on the way. She's gone, but who cares, she was a man-eater anyway. True, you ain't nothin' but a hound dog, but there is absolutely nothing wrong with being a hound dog. Being a hound dog completes you. Anyway, I love you just the way you are.

In the new version, things turn out OK for Humpty Dumpty.



NISHANT CHOKSI

Suspecting that other cultural institutions would take notice of the upbeat-nursery-rhyme phenomenon, I did a quite extensive survey of my contacts in publishing, theater and Hollywood to see if a trend is developing. It is.

"Another Tale of Two Cities," to be released this fall, brings Dickens up-to-date by taking the rough edges off the villains of the French Revolution. Repentant at last, Madame Defarge is seen knitting adorable little booties for Jacobin newborns, while Robespierre, instead of sending aristocrats to the guillotine, merely sentences them to timeouts in the Naughty Corner.

Classics publishers have equally high hopes for a cheerier version of Homer, featuring a Trojan Horse filled with lollipops and forget-me-nots and toys—like a joyous, Mycenaean-era piñata. At the Metropolitan Opera, Violetta in "La Traviata" will figure out the source of her hacking cough, stop smoking and get a flu shot.

Hollywood is making the biggest changes: Being hanged, drawn and quartered will turn out to be nothing more than a bad dream for Braveheart after a questionable dish of haggis. And in the next installment of the popular John Wick series, high-priced hit man Keanu Reeves gets himself the cutest puppy ever, goes back on his meds and stops murdering everyone up and down the Eastern Seaboard.

Finally, fairy tales are getting a makeover: Rumpelstiltskin is now an avuncular old coot anyone would be glad to have for a landlord, and Maleficent from "Sleeping Beauty" turns out to be a misunderstood sweetheart.

Actually, I think somebody already tried that.

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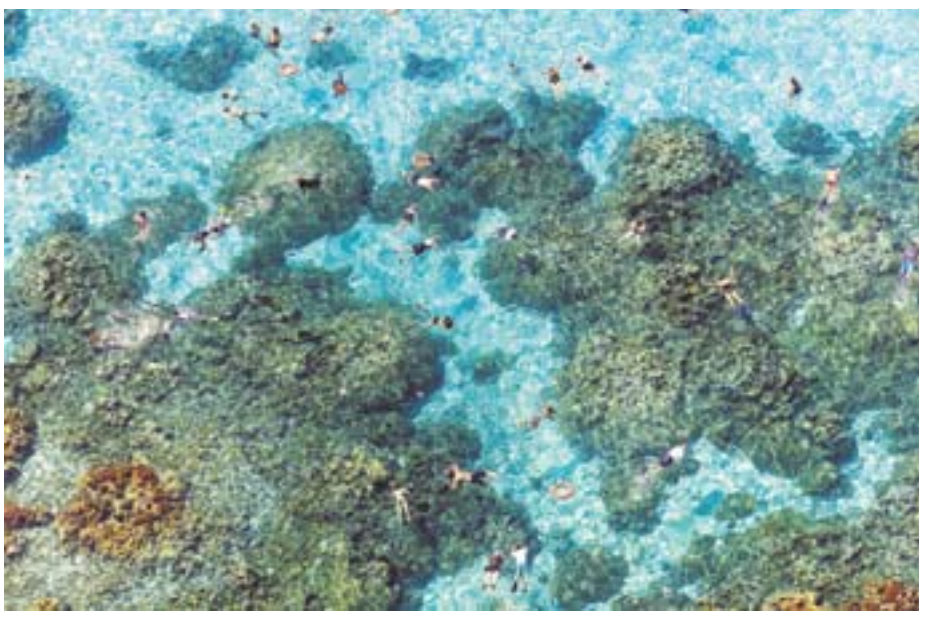
REVIEW

EXHIBIT

SKY HIGH

In his latest book, "Escape" (Abrams, $45), photographer Gray Malin turned his lens to places that "relax the mind and help us unwind," from parks to ski slopes to beaches. Over the course of a few years, he shot 22 destinations in 11 countries, often taking a birds-eye view while hanging out of a helicopter door. The process wasn't exactly a vacation. "It's sweat, tears, a lot of jet lag and a lot of agony," he says. "But we all could use a little bit of an escape." *—Alexandra Wolfe*

KENSINGTON PALACE GARDENS, LONDON. Mr. Malin found oases even in big cities. 'These shared spaces can transform even the busiest of cities into calm and tranquil places of escape,' he writes.



THE REEF, BORA BORA. Mr. Malin writes that he likes photographing islands because 'that physical break from a larger body of land provides an added mental break.'

PALM TREE BEACH, KAUAI. 'The lush green grass, white sand and crystal blue water is a perfect combination for a great photograph, or a day at the beach,' says Mr. Malin.

© 2017 GRAY MALIN

PLAYLIST: ALICE MCDERMOTT

Courage From 'Cats'

A Broadway song helps a young writer decide to skip law school

Alice McDermott, 64, is a novelist and winner of the American Book Award and National Book Award. A three-time Pulitzer Prize finalist, she is the author of eight novels, including her latest, "The Ninth Hour" (Farrar, Straus and Giroux). She spoke with Marc Myers.

I published my first novel in the spring of 1982. Though "A Bigamist's Daughter" received some nice, prominent reviews, it wasn't a big seller. My husband and I were still broke, living in the suburbs of New York. **"MEMORY"** from "Cats" helped me push forward as a novelist.

In the summer of '82, my parents rented a house in East Hampton, N.Y. The house allowed my husband, who was then a postdoctoral fellow at Albert Einstein College of Medicine, and me to enjoy a string of cheap weekends.

In the evenings, we went to the Huntting Inn and nursed a beer or two. "Cats" hadn't opened yet on Broadway, but the London production had, and Chris, the bar's piano player, sang "Memory" at least once every set.

I was pretty glum about my prospects of making a living as a novelist. Every time Chris got to the line, "I must think of a new life," I imagined that Chris and everyone else there was looking at me with pained sympathy.

In all fairness, the ballad was musically pleasant. It was still new then, before the song became associated with an actor in a cat costume: "I must wait for the sunrise / I must think of a new life / And I mustn't give in / when the dawn comes."

My parents didn't really understand the whole writing-literary-novels thing. I think they hoped I'd soon be ready for law school, teachers college or motherhood.

Over that summer, the lyric line haunted me so much that I wrote it in a notebook along with the pros and cons of going to law school. Deep down, I was determined to be a writer.

'And I mustn't give in.'

I kept working on my second novel, "That Night," which eventually was published in 1987. It sold well, and from then on, my career picked up.

I did go to see "Cats" with friends in the mid-1980s, but "Memory" didn't have the same emotional impact on me during the show. The theater wasn't as intimate as the Huntting Inn. Or maybe it was the lousy seats.

EVERETT COLLECTION

ELAINE PAIGE in 'Cats,' 1981.

ASK ARIELY: DAN ARIELY

Deflated Expectations

Dear Dan,

I'm a fan of craft beers, and when I hear about an exciting new one, I'll get a case or two and invite some fellow aficionados to share the experience. But as we crack open the new beer and sample it, I almost always find myself disappointed. Why does this happen so much? —Ben

Your latest beer may just not be that good, but I think something else is probably going on here: Your heightened expectations are working against you. Raised hopes can influence the way that we experience something, for good or ill, depending on the gap between expectation and reality.

Imagine, for example, that the new beer you just bought measures an objective eight on a beer connoisseur's 10-point scale. It's a good beer, but not an amazing one.

If you had been hoping that your new brew would be a nine, your expectations can "pull up" the way that you experience the beer, making it taste as if it really is a nine. Your heightened expectations would heighten your experience.

On the other hand, if you were expecting a 10 as you raised your glass, the gap between the beer's objective eight-point quality and your 10-point expectations will be too large to bridge—so large, in fact, that you'll be disappointed relative to your expectations and feel like you're drinking a mere seven.

All of this means that the trick to happiness (with beer as with much else in life) is to tame your expectations. Maybe try telling yourself that your latest brew is unlikely to be a 10, or remind yourself that the odds that your next beer will be spectacular are very low—and then be ready to enjoy it if that first quaff surpasses your less-than-great expectations.

MATT CHASE

Have a dilemma for Dan? Email AskAriely@wsj.com.

Dear Dan,

I've set myself a weekly budget of $500, which should cover groceries, lunch, coffee and nights out. I used to put everything on my credit card and try to keep track of my spending in my head, but I inevitably wound up spending more. To fight this credit-card temptation, I started taking out $500 in cash every Friday and spending only that. This strategy leaves me more aware of my outlays—but I'm still running out of cash by Thursday. What else can I do? —George

Your dedication is impressive. Having a budget for discretionary spending isn't easy, but it is the first important step toward better finances. It's also good that you're managing your weekly budget without credit cards, which are designed to make it hard for us to remember how much we've spent.

With that in mind, let me suggest two things. First, instead of using cash, switch to a prepaid debit card that you load with $500 a week. With cash, you tend to estimate how much is left just by looking at the piles of bills you have; the debit card can tell you after each transaction exactly how much is left in your weekly budget.

Second, start your budget week on Monday, not on Friday. With your current method, you're giving yourself the largest amount of money to start the most tempting part of the week—the weekend—which leaves you more likely to overspend. If you start your budget week on Monday, you'll be more likely to try to save some cash to have a fun weekend.

Dear Dan,

What is the most effective pickup line?—Janet

A good pickup line should show some interest but not too much, and it should put the burden of proof on the other person. I'd suggest trying, "You don't seem like my style, but you intrigue me."

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PLAY

NEWS QUIZ: Daniel Akst

From this week's Wall Street Journal

1. Former judge Roy Moore won the Republican nomination for a U.S. Senate seat from Alabama over a rival backed by President Donald Trump. Who was that?

- A. Luther Strange
- B. Richard Baffling
- C. Wendell Oddy
- D. Gwendolyn Eerie

2. Chester A. Arthur, the subject of a new biography, became president after his predecessor's assassination. Who was killed?

- A. William McKinley
- B. James Garfield
- C. John Garfield
- D. Benjamin Harrison

3. The SEC is investigating whether PepsiCo fired former general counsel Maura Smith for her handling of an internal probe into potential wrongdoing at a Russian firm it acquired. What's it called?

- A. Guccifer 2.0
- B. Dann-Bill-Wimm
- C. Wimm-Bill-Dann
- D. Winn-Dixie

4. OK, what's Sarahah?

- A. An invitation-only series of Sarah Silverman podcasts
- B. A program of exercises for older women who hope to conceive
- C. A face cream made from Sahara desert palm extract
- D. An anonymous Saudi messaging app, embraced by U.S. teens

5. Next year, Michelle Gass will become the new CEO of which major retailer?

- A. Brooks Brothers
- B. Kohl's
- C. Wanamaker's
- D. Macy's

6. Sonic, the fast-food chain, announced some bad news for customers. What was it?

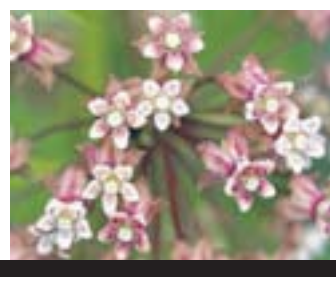
- A. The chain is going vegan.
- B. The bacon quintuple cheeseburger was banned by the FDA.
- C. Hackers stole credit-card data.
- D. Prices are going up.

7. Which anti-immigration party took 13% of the German vote, enough to gain a place in Parliament?

- A. Alternative for Germany
- B. Germany First
- C. Homeland for Germans
- D. Pirate Party Germany

8. Farmers in Vermont have discovered that milkweed, a hated nuisance, can be a cash crop—for what purpose?

- A. Producing dairy-free milk
- B. Increasing lactation in new mothers
- C. Insulating winter coats
- D. Ethanol



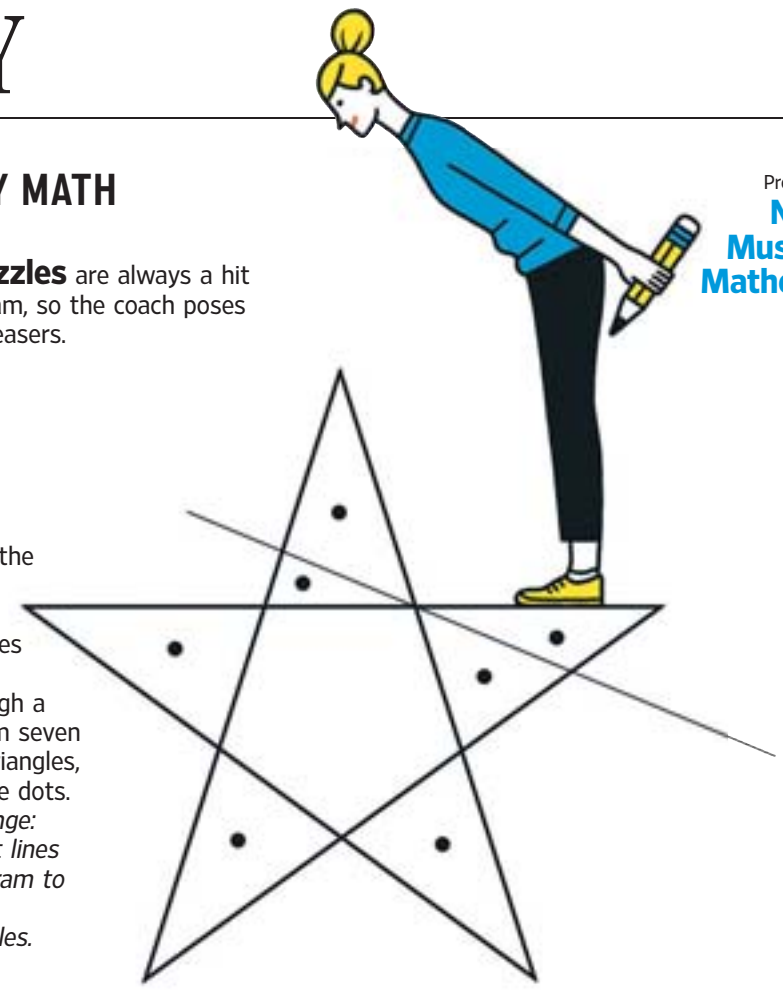
GETTY IMAGES (2)

To see answers, please turn to page C4.

VARSITY MATH

Provided by the **National Museum of Mathematics**

Geometry puzzles are always a hit with the math team, so the coach poses these triangular teasers.



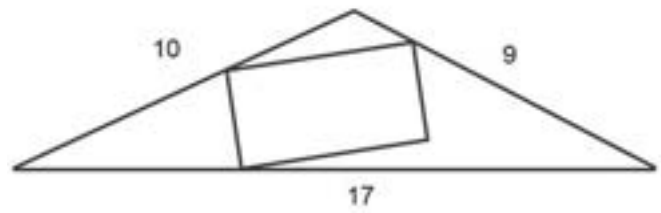
Ten From Two

The coach shows the figure at right to the team, which demonstrates how to draw a straight line through a pentagram to form seven non-overlapping triangles, as indicated by the dots. *The team's challenge: Draw two straight lines through a pentagram to produce 10 non-overlapping triangles.*

ILLUSTRATION BY LUCI GUTIÉRREZ

Triangular Boundary

The coach then shows the team the diagram at right and asks: *What is the maximum area of a rectangle contained entirely within a triangle with sides of 9, 10 and 17?*



Learn more about the National Museum of Mathematics (MoMath) at **momath.org**

SOLUTIONS TO LAST WEEK'S PUZZLES

Acrostic

(Jane) Austen, "Northanger Abbey"—"It is only a...book...in which the greatest powers of the mind are displayed, in which the most thorough knowledge of human nature, the happiest delineation of its varieties, the liveliest effusions of wit and humour, are conveyed to the world in the best-chosen language."

A. Authorship; B. Union Pacific; C. Shel Silverstein; D. "Twelfth Night"; E. Euripides; F. Neck of the woods; G. No-hoper; H. Off-white; I. Run into; J. Tinsmith; K. "Heaven Can Wait"; L. Arsenal; M. Nevil Shute; N. Get out of Dodge; O. "Eight Days a Week"; P. Rodomontade; Q. Antithesis; R. Bellows; S. Bethlehem; T. Earthier; U. "You Go to My Head"

Unnewsworthy

H	E	H	E	H	E	H	S		M	E	A	T	L	E
A	T	E	A	L	O	T			A	G	R	E	E	D
S	E	A	L	A	N	E			C	R	I	M	I	N
		D	O	T	O		W	O	E				A	B
M	A	S	T	E	R	C	O	N	T	R	O	L	S	
O	A	T	H		E	E	K			A	H	A		S
S	H	A	R	P	E	R			A	R	T	I	S	A
A	I	R	E	R		A	P	N	E	A		T	R	E
I	N	T	E	N	T		A	D	S		E	S	T	A
C	G	S		D	A	R	T	G	U	N	S		E	K
			A	L	C	O	H	O	L	I	C	D	R	I
C	L	A	P		O	S	E		T	E	A	R	I	N
H	O	H	U	M		A	T	M	S		P	I	E	
A	C	E		A	E	R	I	E		P	E	P	S	I
R	O	M	A	N	T	I	C	D	A	T	E	S		R
			C	H	O	O		I	V	S			S	O
B	E	A	T	O	N		A	C	A	D	E	M	I	C
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G	E	N	E	R	A	L	O	R	D	E	R	S		D
E	N	O	S		N	I	N	E	H	O	L	E		S
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I	S	A	T											
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A	J	A	K											
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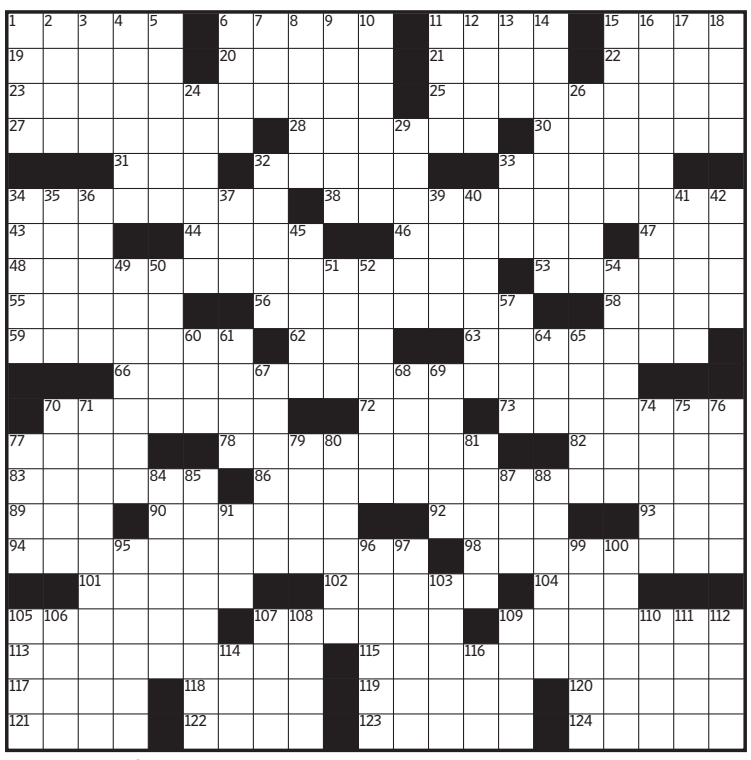
V	I	N	C	I										
S	T	E	N	C	I	L								
L	E	D	G	E	R	S								

Varsity Math

The **Simple Multiple** is 10010 and the value for **Small and Simple** is 10^{10}, or 10,000,000,000.

For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk



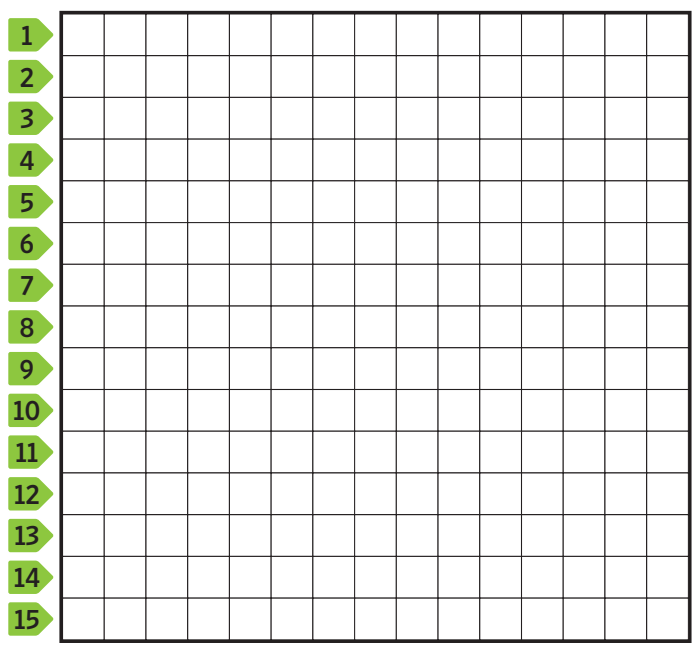
Pick-Me-Ups | *by Alan Arbesfeld*

Across

1 Burrito garnish
6 Attend without invitation
11 Holder of files
15 Bank
19 Letter on a tablet, e.g.
20 Pike's kin
21 Vanishing sea of Asia
22 "The ___ Gave My Heart To" (Aaliyah hit)
23 Students going for a degree in riot control?
25 Motto of indoor stadium advocates?
27 Agitated
28 Squelches
30 Show one's face
31 Pec pic
32 Home of a lion of Greek myth
33 Madcap
34 Portrayer of Hughes, Hoover and Gatsby
38 British-American coin?
43 World Cup cry
44 Popular player since 2001
46 County on the English Channel
47 Vicious on stage
48 Hodgepodge shared by Tandy and Chastain?
53 Pro athlete's no-no
55 Frequently
56 Second track on the "Beatles '65" album
58 Licentious sort
59 Entrepreneur's creation
62 Egg head?
63 Symbols of squalor
66 Tell-all about philandering physicists?
70 Respiratory airways
72 Rightmost numeral on some clocks
73 When they divide they multiply
77 Shakespearean actor Edmund
78 Throat-soothing quaff
82 Stan's sidekick
83 Plagues
86 Went on a waterslide?
89 Ticker tape letters?
90 Succeeded
92 Provo's northern neighbor
93 Course requirement
94 Steakhouse?
98 "The Odyssey," e.g.
101 Deli jarful
102 Bear
104 It may be between here and there
105 Thwart
107 Book page size
109 Caffeine-free soft drink
113 Admonition to a naughty granny?
115 "It's easy, pal, just keep track of the shell with the pea," perhaps?
117 It may be dominant
118 Prohibition fans
119 Forearm bones
120 Downtime, so to speak
121 Handle the bar
122 Spicy selfie
123 Long campaign
124 Hawk's descent

Down

1 Highway hauler
2 "Right on, brother!"
3 Chorus bit
4 Time out?
5 Pub fixture
6 Persian weapon
7 Colonial rule until 1947
8 By ___ (narrowly)
9 Pinch pennies
10 Wearer of a red A
11 Carpenter's groove
12 Bygone Monopoly token
13 "Casablanca" pianist
14 Rid of grime
15 Hardly peppy
16 Fence-straddler's problem
17 Kylo Ren's mother
18 Grandstand section
24 Like grams and liters
26 Resolves he will
29 Refused
32 Rapace of 2012's "Prometheus"
33 DDE defeated him twice
34 Senseis' workplaces
35 Beginning of a Tony Bennett classic
36 Pelota basket
37 Hoppy pub quaff
39 Eggy quaffs
40 Scuzzball
41 Drawback
42 Barely beat
45 Trade show presentations
49 Sunday deliveries
50 One ___ (long odds)
51 Pumice, once
52 Tire shop work
54 Take advance orders for
57 1972 Derby winner ___ Ridge
60 The Trojans of the NCAA
61 Science fiction author Frederik
64 Setting filler
65 Bit of geometry homework
67 Many flower girls
68 Pran who was the subject of "The Killing Fields"
69 Hoodwink, perhaps
70 Vacation destination
71 Familiar redhead since the 1910s
74 Popeye's nemesis
75 Singer-songwriter Mann
76 "I call 'em like I ___"
77 Was familiar with
79 Injure severely
80 Beat in a Nathan's contest
81 Bad thing to be up
84 Audrey Tautou title role
85 Concluding parts
87 With it
88 "8 Mile" rapper
91 Skid row woe
95 Having a lip
96 Clicking counter
97 Copenhagen attraction
99 Reports on
100 Study that frequently includes poli sci
103 "No man is an island, entire of itself" writer
105 Two steps above Cpl.
106 What you used to be
107 It features rock bands
108 Much-autographed medical item
109 Manuscript enclosure, for short
110 Tijuana tot
111 Edit menu choice
112 Cop's collar
114 Is for two people?
116 Shtick bit



Suggestion Boxes | *by Patrick Berry*

Each Row of the grid contains a series of answers placed end to end, clued in order. Answers to clues in the Boxes list must be packed into rectangular containers before entering. Letters in a given Box should be packed left-to-right and top-to-bottom, as shown in the SAMPLE. Box clues are ordered by length (shown in parentheses after each clue) but otherwise randomly, so you must use the Row answers to determine where each Box belongs. The 21 Boxes will almost fill the grid; the remaining letters will spell a suggestion seen on boxes.

S	A	M
P	L	E

S	A
M	P
L	E

Rows

1 ▶ Behind
▶ Sheepcote sound
▶ Suggestion
2 ▶ Castaway's home
▶ Baroque composer buried at Westminster Abbey
▶ Waters of music
3 ▶ Made a touchdown
▶ Eats by candlelight, say
▶ Perfectly acceptable
4 ▶ Profit (2 wds.)
▶ Ignite and launch, as pyrotechnics (2 wds.)
5 ▶ Wall Street pessimist
▶ Bowl beside a toilet
▶ ___ State (New York nickname)
6 ▶ Fashion designer Wang
▶ Duck:drake::goose:___
▶ Theodore Roosevelt's First Lady
7 ▶ Helen Mirren's title
▶ Undercard listing
▶ Street sign's spot
8 ▶ Oversee
▶ "The Seagull" author Chekhov
▶ "Fancy ___!"
9 ▶ Reached (2 wds.)
▶ Excite, as interest
▶ Villainous organization in the G.I. Joe universe
10 ▶ Candy maker who once worked for Hershey
▶ "___ la vie"
▶ Get-together to raise the spirits?
11 ▶ Military training group
▶ Sped along
▶ Muscle ___, Alabama
12 ▶ Thirty Years' War sword
▶ National park scenery
▶ Crock-Pot concoction
13 ▶ Cutting edge
▶ Surprising plot development
▶ Independently
14 ▶ Money lost in a fold?
▶ Small-minded
▶ Most resentful
15 ▶ Provide the food
▶ Key computer in a network
▶ Sahara rarity

Boxes

▶ Nervously excited (8)
▶ Amy Adams role of 2013 and 2016 (4,4)
▶ Like cast iron (8)
▶ Hold back (8)
▶ Strictly hush-hush (3-6)
▶ "Year of the Cat" singer (2,7)
▶ Wasn't conspicuous (7,2)
▶ Clam diggers frequent them (9)
▶ Plant that's a national symbol of Bangladesh (5,4)
▶ Nonhuman construction project (6,3)
▶ Decides it's too late to go home, say (5,4)
▶ Film that "The Usual Suspects" borrowed its title from (10)
▶ What hardworking urbanites may get tired of (3,3,4)
▶ Hefty offering? (7,3)
▶ To a thorough degree (6,3,3)
▶ Affliction also known as tinea pedis (8,4)
▶ Fourth of July picnic staple (4,2,3,3)
▶ Without any help (6-6)
▶ Retail establishment with no new stock? (7,5)
▶ 1993 film starring Clint Eastwood as a Secret Service agent (2,3,4,2,4)
▶ Red-haired actress who's a seven-time Tony nominee (10,6)

▶ **Get the solutions** to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at **WSJ.com/Puzzles.**

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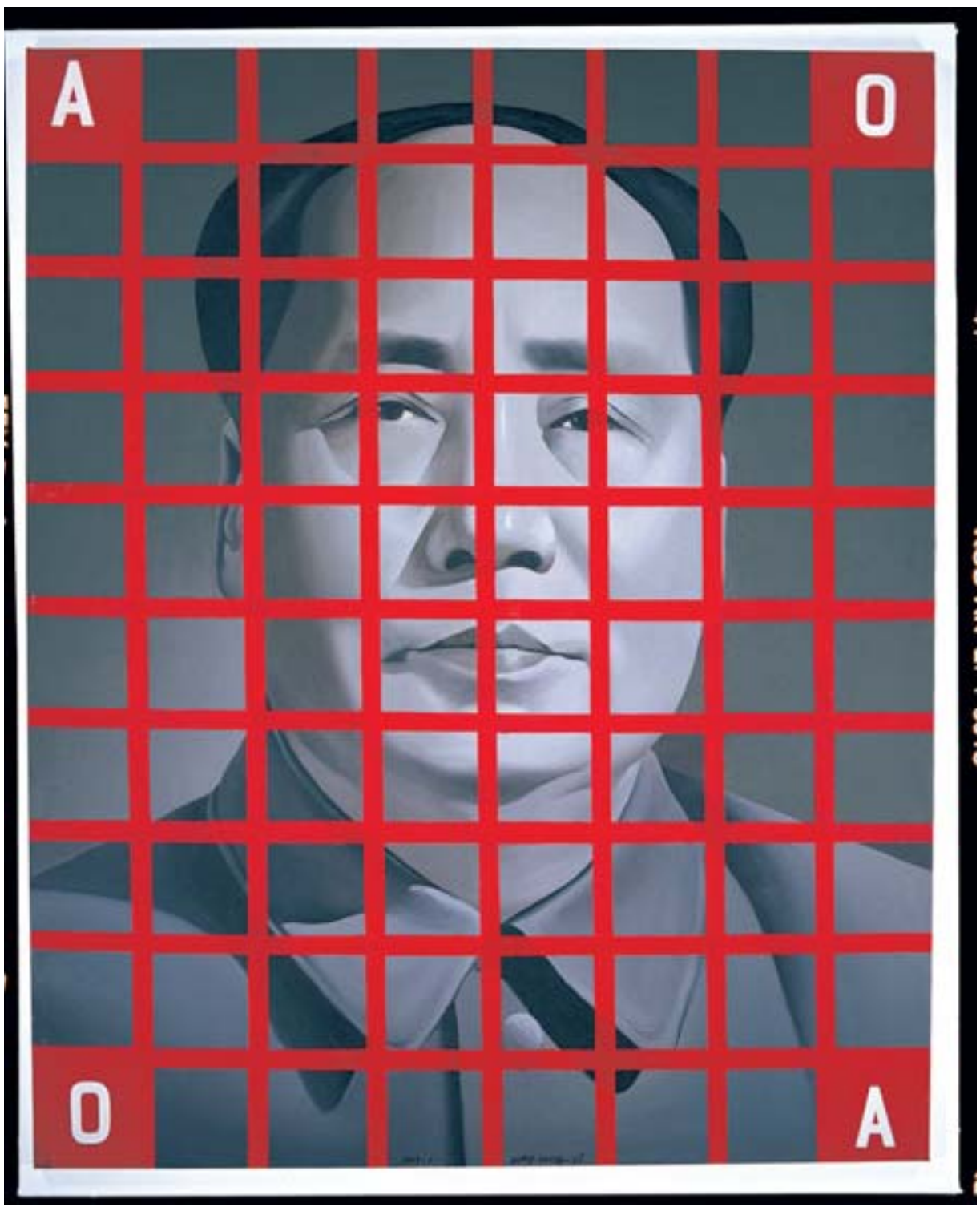

M+ SIGG COLLECTION, HONG KONG (2)

BREAKING DOWN A MYTH: Wang Guangyi's 'Mao Zedong: Red Grid No. 2,' 1988

ICONS

Chinese Art, In Your Face

From post-Tiananmen era, satire and provocations that stirred protests—in the U.S.

BY SUSAN DELSON

AN EXPANSE of blowtorched plastic resembling human organs. A well-known image from the 1989 crackdown in Beijing's Tiananmen Square, with the figures of two wounded students replaced, for no obvious reason, by emperor penguins. Men standing in their underwear amid the bloody carcasses of a butcher-shop workroom.

"Art and China After 1989: Theater of the World" is not a soothing show. And that, one might say, is the point.

Opening Oct. 6 at New York's Solomon R. Guggenheim Museum, the exhibition explores a side of contemporary Chinese art not often seen in U.S. museums—"rambunctious, gritty, messy stuff," as lead curator Alexandra Munroe describes it. Spanning from 1989 to 2008—in effect, from the Tiananmen crackdown on dissent to the Beijing Olympics—the work is undeniably provocative: Before the opening, several pieces involving animals raised such an outcry that the museum removed them. Even so, the show's nearly 150 works offer a bracingly fresh perspective on China during this era—and place Chinese artists not at the exotic fringes but at the center of the burgeoning global art circuit of the time.

AI WEIWEI satirized consumer culture with 'Han Dynasty Urn With Coca-Cola Logo,' 1993.

The exhibition's six segments spiral up the Guggenheim's rotunda ramps, beginning with what is literally a hole in the ground. Sunk into the floor of the rotunda, the video monitor in Wang Gongxin's just-completed "Sky of Beijing—Digging a Hole in New York" displays recorded footage of the sky over the Chinese capital. It's the counterpart to "Sky of Brooklyn—Digging a Hole in Beijing" (1995), an installation that Mr. Wang made more than two decades ago, after several years in the U.S. Both works are a playful riff on the idea of "digging a hole to China."

A large gallery off the first ramp was intended to display the caged environments of Huang Yong Ping's "Theater of the World" (1993)—the exhibition's signature work—and a companion piece. Mr. Huang's "Theater of the World" casts live leopard geckos, Italian wall lizards, hissing cockroaches, goliath beetles and other mutual predators in a Darwinian fight to the finish. The work was among those dropped from the show after protests by animal-rights groups and others, with much of the outrage centering on a video of pit bulls forcibly restrained from fighting each other.

To many critics, the brutal reality in the piece by Mr. Huang reflects the shattering disillusionment that followed the bloody Tiananmen crackdown of 1989 and the horror that "this very utopian, liberal push for new freedoms and new ideas could end in such an awful way," said co-curator Philip Tinari of the Ullens Center for Contemporary Art in Beijing. In the early 1990s, Mr. Huang, now 63, reflected on the work: "Is the 'Theater of the World' an insect zoo?" he wrote. "Or, rather, a modern representation of the ancient Chinese character 'gu'"—which suggests, among other things, chaos.

In post-Tiananmen China, some artists produced works that analyzed bureaucratic power structures or pointed up their absurdities. The New Measurement Group in Beijing, for instance, carried out a series of exercises done as mathematically defined, gridlike works on paper. Following the group's self-imposed rules, these works were supposedly designed to eliminate the individual from the art-making process. Other artists focused on the rapid urbanization and pervasive consumerism that followed Deng Xiaoping's economic liberalizations of 1992. Still other artists became expatriates.

At the Guggenheim, flashes of poetry and acerbic humor are on display throughout. "Sewing" (1997), a dreamlike installation by Lin Tianmiao—one of the few women artists active in China during these decades—features a foot-operated sewing machine, meticulously wrapped in undyed cotton thread, on which the video projection of a woman's hands endlessly feeds fabric toward a phantom needle. By contrast, Zheng Guogu's performance work "Visual Art, Add Oil! March Forward!" (1999/2005)—its title a sly wink at the slogans of Mao's era—involved coating toy tanks in a traditional egg-and-flour batter and deep-frying them as if they were shrimp. Eight are on view.

Even with the entire museum rotunda and two tower galleries at their disposal, the curators found that they could not fit everything in. Some artworks were simply too big. So Ms. Munroe, Mr. Tinari and the exhibition's third curator—Hou Hanru of Maxxi, the National Museum of 21st Century Arts, Rome—found smaller-scale alternatives. They chose, for example, Wu Shanzhuan's "Today No Water" (1986–96), which Ms. Munroe describes as "437 pages of sarcastic commentary on the state of Chinese bureaucracy."

The exhibition's final section is studded with work by art-world luminaries Cai Guo-Qiang and Ai Weiwei, who is also co-curator of the documentary film series accompanying the show. The closing section poses the question "Whose Utopia?" and includes a presentation of Mr. Ai's performance piece "Fairytale" (2007)—in which he brought 1,001 ordinary Chinese citizens to Kassel, Germany, as part of a big art exhibition. The exhibition will showcase a feature-length video, wallpaper portraits of participants and 32 pieces of luggage custom-made for the trip.

Although the Guggenheim exhibition stops at 2008—with the Olympics, the financial crisis and the dawn of social media—few of its artists have so much as paused for breath. Of the 71 in the exhibition, 67 are living, and about 40 of them, said Ms. Munroe, will be at the opening next week. "They're very current in the contemporary Chinese art world and internationally," she said. Despite the history they have lived through, or perhaps because of it, "these are very active artists."

MASTERPIECE: 'RÉPONS' ('RESPONSE') (1981), BY PIERRE BOULEZ

COMPOSING ORGANIZED DELIRIUM

BY STUART ISACOFF

IN THE EARLY '90S, the composer, conductor and modernist crusader Pierre Boulez, whose hallmark work, "Répons," will be performed at New York's Park Avenue Armory on Oct. 6 and 7, was giving a Carnegie Hall workshop for young conductors. At one point an apprehensive participant was leading the orchestra through the beginning of a contemporary piece—the kind of rhythmically complex, texturally intricate music that was Mr. Boulez's stock in trade—and though the student was giving it his all, it just wasn't working.

The young man's hands, arms and shoulders meticulously delineated the work's every musical detail, offering the players a perfect roadmap to follow, yet the sound of the orchestra was stiff and aimless. "You can't do that to the musicians," admonished Mr. Boulez, before explaining that by subdividing every difficult rhythm and micromanaging each element in the score, he had succeeded only in creating excessive tension in the performers. Then Mr. Boulez raised his own arm in a single sweeping gesture and the ensemble suddenly came to life, the music opening up like a blossoming flower.

Despite his reputation for mathematical precision and formal rigor, the French master was avowing the primacy of sonic beauty. It shouldn't have been a great surprise: Much of his original music traffics in such contrasts, reconciling the twin poles of strict organization and spontaneous play, or the impulse to spin logical structures with the visceral pleasure of basking in instrumental color.

No Boulez work demonstrates this philosophical friction more than "Répons" ("Response"), a 1981 composition (later revised) for six pitched-percussion soloists, an ensemble of strings and winds, and live electronics, lasting 45 minutes. As the title suggests, the piece is based on the idea of call and response, though the organizing principles are intricate; and their set formulations are complicated further as the sounds are digitally manipulated in real time. Some of the perceived "responses" occur between the acoustic tones and their electronic reflections.

The Ensemble Intercontemporain, a group founded by Mr. Boulez and now conducted by composer Matthias Pintscher, will be performing the work in what Mr. Pintscher describes as the ideal venue for it. The Armory's 55,000-square-foot Wade Thompson Drill Hall, with its 80-foot-high barrel-vaulted ceiling, brings to mind other sites historically associated with antiphonal works, like St. Mark's Cathedral in Venice, where Baroque composer Giovanni Gabrieli placed singers in opposing choir lofts across the church's expanse to take advantage of such special effects as sound delay and echo. Mr. Boulez also had a particular spatial configuration in mind when he composed "Répons": The ensemble is surrounded by the audience, which is in turn encircled by the soloists, as well as by speakers issuing streams of amplified sound waves that are projected throughout the hall.

Using physical space to hear anew.

The challenge of fashioning these elements into a cohesive whole was carried out through experimentation at IRCAM, the government-funded French laboratory, founded at Mr. Boulez's behest in 1977, dedicated to the development of interactions between musicians and technology. Like the piece's carefully calculated pitches and rhythms, the electronic enhancements of "Répons" are integral to the composition's structure.

There is an intense emotional force driving this music, explains Mr. Pintscher. "At the same time," he says, "there is a strong consciousness, even an obsession, about the construction. Some composers may use high-tech effects arbitrarily, as if adding nail polish, but in this case they are formed in a perfect synergy, varied as a result of the particular attacks of each player, depending on how that player feels in the moment. It makes the whole process human." Boulez's instrumental choices are also shaped with scientific precision, using a "scale of resonance" based on how long each can naturally sustain a tone after a note is struck.

At the Armory, "Répons" will be performed twice at each concert, with audience members encouraged to change seats at the intermission. That way, if someone is close to the glockenspiel at one sitting, he or she can choose to be near a piano at the next. The lighting will be changed as well.

How does the music sound? Boulez's writing is virtuosic and dazzling, at times, a maelstrom of "organized delirium," in the composer's phrase. When the six soloists enter, the effect is luminous and explosive. Bursts of energy alternate with penetrating silence; abrupt transitions lead from moments of calm to improvisatory-sounding flurries of fast notes, which then freeze into resonant clouds. These conflicts and contradictions form the aesthetic essence of the work.

"How do we know when to move on?" asks Mr. Pintscher, who must in fact tell the musicians when to start and stop. By way of answering, he offers an insight. "Search for that moment when the sound actually fades. Follow the decay of the resonance to its end, and it becomes extremely intimate. That is what the piece is about."

Mr. Isacoff's latest book is "When the World Stopped to Listen: Van Cliburn's Cold War Triumph and Its Aftermath" (Knopf).

CHRISTOPHER SERRA

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When the moon hits the sky like a big glass of wine, that's a pizza pairing **D6**

OFF DUTY

The superior subcompact? Dan Neil on the 2018 Toyota C-HR **D10**

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* * * * THE WALL STREET JOURNAL. Saturday/Sunday, Sept. 30 - Oct. 1, 2017 | D1

Get Down Tonight

This winter, the dowdy, downy puffer goes glam enough to take on the town. Practicality and warmth, meet chic

READY FOR ITS CLOSE-UP
Jacket, *$5,930*, Dress, *$1,200*, and Necklace, *$555, Miu Miu, 212-641-2980*; Earrings, *$60,000, Fred Leighton, 212-288-1872*; Blanket, *$8,000, pologeorgis.com*; Unattributed Chair, *$3,500, High Style Deco, 212-647-0035*. Fashion Editor: Rebecca Malinsky

ANDY RYAN FOR THE WALL STREET JOURNAL, HAIR BY BRITT WHITE, MAKEUP BY JOSEPH CARRILLO, MODEL: BRYNN BONNER/RED MODEL MANAGEMENT

BY ALEV AKTAR

THE HUMBLE DOWN coat has gone haute. Goosed by the demand for warmth and comfort from women unwilling to suffer for fashion, designers have reinvented the cold-weather staple with the same glamorous intent they use for a silky blouse or drop-dead evening gown. There's been a shift away from cloth and fur coats, as evidenced by the fall collections: These new femme-fatale puffers have been lavished with luxurious touches, from fluffy fur collars to arty prints, that make them as sophisticated as any Chanel jacket.

For years women have resigned themselves to wearing the drab commuter coat with its stodgy silhouette and unflattering channel stitching—a sort of insulated tube with arms. The move away from that generic puffer, universally prized for its lightweight warmth yet pitied for its deeply unsexy style, is welcome. "Puffer coats used to be all about function and less about fashion, but brands like Balenciaga, Vetements, Public School, and Moncler have changed that," said Tracy Margolies, chief merchant at Saks Fifth Avenue. "They are offering us versions that are more designed, well-tailored and novel when rendered in the colors and fabrics of the season."

Indeed, the pleasingly plump new puffers have shed that serial conformity and shapelessness that made anyone wearing one resemble a vertical sleeping bag. Many of the newest iterations are seamed to accentuate the body, providing a womanly shapeliness in place of utilitarian boxiness. These coats stand out in the crowd instead of blending into it.

Take Sacai's dressy parka, a texture-rich mashup of nubby wool and neat nylon trim—stylish for day but glam enough for a night out. "The idea was to hybridize a ski jacket and elegant tweed jacket into one that could be worn while you ski and also in the city," said Tokyo-based Sacai designer Chitose Abe in an email.

In a similar vein, Thom Browne's sunny yellow puffer vest features haberdashery details: double-breasted buttons and a natty notched collar with contrast trim. "I wanted to work in the same way I do when making a traditional tailored piece of clothing," said Mr. Browne, who also designs the Moncler Gamme Bleu premium down line for men.

Miu Miu founder Miuccia Prada, meanwhile, festooned her sporty ski coats with lavish fox-fur collars, a look other designers are echoing with both faux and

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MANORS, MANORS!
With great politesse, these British estates are letting tourists spend the night **D8**

HIGH-TECH TASTINESS
The secret to precision food preparation? Induction cooktops **D9**

FOREVER YOUR GRILL
This seductive Portuguese method will have you sizzling outside long into fall **D5**

DESIGN THAT WILL SIT WELL WITH YOU
Highlights from the London fair **D4**

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THE CHIC PUFFER COMETH

BOW DOWN Jacket, *$5,000, Chanel, 212-355-5050*; Dress, *$595, nililotan.com*; Earrings, *$80,000, Stephen Russell, 212-570-6900*

Continued from page D1

real pelts. "These updated styles with fur elements add novelty," said Mario Grauso, president of the tony Canadian department store chain Holt Renfrew. If you're willing to pay more for outerwear that isn't a cookie-cutter basic, you might relish such flourishes. Mr. Grauso said his customers also gravitate to unexpected color options and fabrics.

Want more than a cookie-cutter basic? You might relish such flourishes.

Affordably priced brands from Zara to Theory are playing with proportions and finishes to prettify their puffers. Designers of the new coats are also trying to make them more flattering to steer clear of any Stay Puft Marshmallow Man connotations. "Not looking bulky is definitely a consideration," according to Jac Cameron, co-founder and creative director of AYR, a New York-based line.

For AYR's hip-length polyfill puffer cut from a soft, yet sturdy Japanese navy satin, for example, Ms. Cameron added a funnel collar that "draws the eye up," to put less emphasis on the body. (It's an attractive option, too, for women prone to neck shivers.) A slimmer sleeve, she said, contributes to the overall impression of sleekness.

Of course, down coats were invented to satisfy necessity, not vanity. The fluffy plumage beneath a waterfowl's feathers boasts the best warmth-to-weight ratio of any fill, making it ideal for subzero climes.

One of the first known puffers was developed by Eddie Bauer in 1936, after he nearly died of hypothermia on a fishing trip. The intrepid manufacturer went on to outfit the first Americans to summit Mount Everest in 1963. (Eddie Bauer's original jacket can be seen in the unflashy flesh in "Expedition: Fashion from the Extreme," an exhibit at the Museum at FIT that runs through Jan. 6. Designer Demna Gvasalia's supersize cherry red down jacket from his 2016 Balenciaga debut is also on display.)

The puffer didn't leave the mountain for midtown until American designer Norma Kamali created her sleeping bag coat in 1973. Suddenly, stylishly swaddled women were out in force in full, padded coverage.

By the aughts, the winter workhorse had gone so mainstream it became mundane. Innovation arrived in the form of cropped, lightweight "down sweaters," packed with a less-is-more down known as "high-loft." Soon, Uniqlo's Ultra Light Down jackets—gorgeously hued and under $80—were roosting everywhere. Canada Goose's HyBridge Lite styles weigh under a pound; Patagonia's Micro Puff Hoody is an alternative to down with its PlumaFill synthetic insulation. "Lightweight down outerwear has evolved into an everyday item," says Lee Turlington, chief product officer at Canada Goose.

While this kind of puffer, no longer as stylish as it once seemed, may suffice for those in warm regions, longer ones are needed for chillier climes. For some 20 years, Jane Freiman Schanberg, a home-design blogger in New Paltz, N.Y., wore fur coats, but she hasn't retrieved them from storage since converting to puffers back in 2010. Patagonia's Fiona is "my favorite coat of all time," said Ms. Schanberg. Yet she is thrilled with the idea of glamorous puffers, since the "older ones made you look like the Michelin Man."

As for her furs? "Obsolete," she said. "Bury me in my fur coat. It's not good for anything else."

6 ALTERNATIVES TO THE SAD PUFFER

Satin Wrapper
"Hip-length puffers are trending slightly better than longer versions," said Saks Fifth Avenue's Tracy Margolies. Jil Sander Coat, *$4,190, Totokaelo New York, 206-623-3582*

Boss Tweed
Instead of the predictable parka silhouette, Sacai designer Chitose Abe adapted a blouson shape for her sophisticated wool tweed and alpaca puffer. Sacai Coat, *$3,120, Dover Street Market, 646-837-7750*

Navy Zeal
Sure, it's cropped but this polyfilled puffer provides insulation and warmth. "Pair it with a pencil skirt and knee-high boots," says AYR's Jac Cameron. Snowdrift Jacket, *$395, ayr.com*

Bohemian Toile
Belgian designer Dries Van Noten collaged arty prints—a landscape toile and bold geometrics—for this notched-collar puffer. Dries Van Noten Coat, *$2,450, bergdorfgoodman.com*

Little Pink Riding Hood
This sweet rosy puffer from Moncler, the Italian brand known for its down-filled jackets, will assuredly keep you toasty in any deep freeze. Nerium Jacket, *$1,810, Moncler, 646-350-3620*

Trimly Tailored
This dapper, double-breasted puffer vest comes from designer Thom Browne, who reinvented another tailored look—the tuxedo—as a puffer, complete with tails. Coat, *$4,200, Thom Browne, 212-633-1197*

ANDY RYAN FOR THE WALL STREET JOURNAL, HAIR BY BRITT WHITE, MAKEUP BY JOSEPH CARRILLO, MODEL: BRYNN BONNER/RED MODEL MANAGEMENT (MODEL); F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY JILL TELESNICKI (PUFFERS)

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Meek Clothes Shall Not Inherit the Earth

Don't be an enemy of the statement piece: Wear fall's attention-getting styles at any level of loudness you desire

BY JACOB GALLAGHER

SOME CLOTHES are like periods: neat punctuation marks that take an outfit no further than expected. Other clothes are exclamation points: amped-up touches that elevate your look into something more remarkable, less routine. This fall, menswear is full of the latter: high-impact pieces that telegraph that you're not an undistinguished part of the woodwork, that you're stylish enough to give them a shot. "It's about embracing the bold and saying 'Yep, I'm going big,'" said Mr. Porter's U.S. editor Dan Rookwood, who is involved in packaging the product assortment for the shopping site.

Big is what sells these days. So much shopping is done online and, as men scroll through pages of options, clothes that just timidly whisper "Psst, over here" are less likely to make guys stop and buy. That might explain why designer Jonathan Anderson saw fit to create a rainbow-hued shearling dreamcoat at Loewe,

It's easy to add personal panache in a small, medium or large way.

or Thom Browne to whip up cardigans colorblocked in red, white and blue. The antithesis of timid, Alessandro Michele at Gucci appliques hats, tops and jeans with motifs like bats, cats, bugs and wolves that make Ralph Lauren's polo pony seem like a meek flea.

Still, making an impact as you step through the door is one thing; repelling people with an eight-color hissing-cat sweater a la Gucci is quite another. "It's a delicate balance to do [a statement piece] in a way that doesn't scream," said New York stylist Julie Ragolia. Luckily, with so many eye-popping menswear styles to choose from, you can easily add personal panache in small, medium or large doses. "Everyone is homing in on what his 'signature' is," Ms. Ragolia added. "I don't know if it's about grabbing attention or more about having a strong identity."

One way to achieve balance: Stick to pieces that amplify classic menswear patterns, such as the large-scale herringbone of MP Massimo Piombo's topcoat (center right). Stella McCartney blew up a picnic plaid for a coat and Dries Van Noten adapted a Fair Isle pattern on a bell-shaped sweater.

Here, three levels of commitment: a low-risk scarf, a bolder topper and a sweater that you need to have considerable moxy to pull off.

TALKING POINTS From left: Gosha Rubchinskiy Scarf, *$100, Dover Street Market, 646-837-7750*; MP Massimo Piombo Coat, *$1,255, farfetch.com*; Sweater, *$2,270, Prada, 212-664-0010*

PING ZHU

LEVEL 1
A STANDOUT SCARF

Searching for a slice but not the whole pie? Forget about those trying-way-too-hard designer ensembles that mash up tie-dye swirls with Victorian embroidery. The real world—aka your friends and loved ones—wouldn't tolerate that kind of runway extravagance without mocking you. Instead, consider a statement you can make with impunity, like this two-in-one scarf from wry Russian skatewear label Gosha Rubchinskiy. One half is conservative wool tartan, the other is chartreuse green emblazoned with the sort of '90s soccer logo that is enjoying a nostalgia-fueled renaissance. Should your wild streak fade at any point in the day, wind the side with modest plaid on it discreetly over the acid-green logo'd one.

LEVEL 2
A SINGULAR COAT

With overcoats, the sedate look can look dated. Trade a stiff chesterfield for a louche, unlined topcoat such as this one from Milanese label MP Massimo Piombo. The "statement" here comes not only from the oversized herringbone pattern but from the drapey, commanding silhouette. It's a forceful look but not one that's so extreme you'll feel conspicuous in it. Initially, you'll probably want to wear a coat like this with solid-colored supporting pieces. With time, you might find that "the statement" isn't so tough to pull off: "Suddenly you're like 'Wait a minute, I can wear it with stripes and plaids or something colorful,'" said Ms. Ragolia, "where once upon a time you thought you'd only wear it with something dark."

LEVEL 3
A GO-FOR-IT SWEATER

Fearless dressers can go further. Still, when wearing a sweater as unfettered as this (a much bigger commitment than the Massimo coat), restrain yourself. "Just have one statement piece as the focal piece," explained Mr. Rookwood. This nicely noticeable crewneck from Prada has a can't-miss diamond quilted pattern on the front. "If you pair it with other stuff that's fighting for attention, the overall effect can really be difficult to look at because the eye doesn't know where to go," he said. Other great alternatives can be found this season from designers such as RRL, Dries Van Noten and Sacai. Frame such high-profile knits with black trousers and sturdy lace-up boots. Done, not overdone.

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DESIGN & DECORATING

Plank Goodness
One part wing chair, one part Donald Judd sculpture, Sue Skeen's settle bench in oak, ash or Douglas fir stylishly updates a classic old-English form with the addition of puzzle-like arms and rounded feet. Sue Skeen Plank Settle Bench by the New Craftsmen, *from $7,240, thenewcraftsmen.com*

Frond Ambition
Inspired by the branching patterns of ferns and palms, Irish designer Ciara O'Neill crafted a pendant light of textured book cloth and corrugated polypropylene—strong, heat-resistent and fully recyclable—that has a distinctly Scandinavian mien. Frond Pendant Light, *from $380, Ciara O'Neill, 44-77-5609-2568*

Coffee Mates
Whether you drip or filter, this heavyweight coffee mill in solid copper or brass will let you hand-prep your coffee beans in style. Cyprus-born, Britain-based designer Michael Anastassiades streamlined the nearly foot-tall totemic form by developing it with an internal ratio cylinder, not a handle; the fourth-generation workshop of Carl Auböck in Vienna produced it to exacting standards. Coffee Grinder, *about $2,000, sigmarlondon.com*

The Top 10 Brit List

The standout pieces from the 2017 London Design Festival

BY SARAH MEDFORD

THE BRITISH capital provided an uncharacteristically sunny backdrop for last week's 15th annual London Design Festival, the citywide event highlighting handsome innovations and fresh-to-market ideas. Stealing the foreground this year was an unusually strong cast of global creators who infiltrated the U.K. talent show in myriad, unmissable ways. Shanghai-based Stellar Works dyed its bentwood chairs with indigo; Almira Sadar put Slovenian crochet needles to work on extra-nubbly baskets and throws; and Provençal Cecile Daladier scarred the surfaces of her flower pots with dried herbs—harvested just outside her studio door—to create ghostly, otherworldly works of art. In all, the offerings felt more like joyous passion projects than commercial endeavors. Here, our nods for best in show.

Salt Right
South African designer Christopher Jenner's sculptural salt cellar has a softly curving crystal bowl and a pukka-wood top that opens with the pull of a finger to reveal a spade-shaped silver spoon—and plenty of room for the white stuff. Christopher Jenner Salt Cellar by E&Co Ltd, *$600, Elkington & Co., 44-114-286-0504*

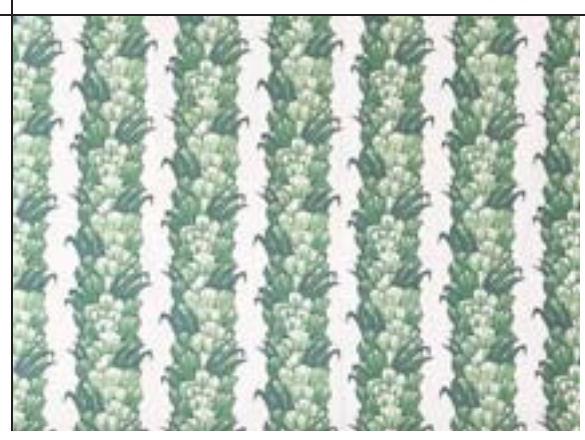
Tile for the Camera
This playful, Instagrammable take on traditional geometric cement tile is scored on its aquamarine surface with a classic cube pattern, then hand-glazed to black out random facets of the design—resulting in a crazy-quilt effect. Creatively position the squares to bring it out. Huguet Mallorca Rialto Cement Tile from Remedios Collection, *about $160 per square yard, info@huguetmallorca.com*

Napper's Delight
Checking the boxes for both "stylish" and "comfortable," Space Copenhagen's roomy oak lounge chair has an airy, not bulky, presence thanks to its spindle back and slender, patinated-brass arm rails. The well-positioned neck cushion makes it a sleeper hit, too. Space Copenhagen Gleda Chair, *$4,169, benchmarkfurniture.com*

Sweeping Statement
British woodworker Geoffrey Fisher makes manly-looking brushes from coppiced English ash (trees that are cut back to encourage forest growth). Hand-carved and fetchingly bristled in polyester, the brushes whisk away dust, pet hair and other small annoyances. Hand Brush, *$45, Geoffrey Fisher, 888-266-1737*

Turned Corners
Aluminum sheet metal, simply folded, results in a work table with the grace and logic of a paper airplane. Indian designer Ajay Shah fiddled for three years before hitting on this form, which is now produced in a Mumbai workshop in five colors. Ajay Shah The Table That Almost Wasn't by Rubberband, *about $2,235, rubberbandproducts.com*

Squishful Thinking
For a line of stoneware plates and cups, composites of randomly mixed colored clays are molded under pressure to turn out squiggly patterned, one-of-a-kind tableware. Splatware Plate by Granby Workshop and Assemble, *about $43, kickstarter.com*



Trunk Show
In this linen fabric, pale stripes alternate with greenery that evokes the trimmed trunks of palm trees. Ideal for floor-length curtains, covering a blousy sofa or upholstering the walls of a bedroom you might laze about in on a languid Sunday afternoon. Palmetto Linen, *about $233 per yard, Tissus d'Helene Ltd.,* 44-20-7352-9977

EVOLUTION

CARRY ON DRINKING

A staple of midcentury American entertaining, the glass caddy gets a makeover worthy of contemporary cocktail culture

THEN One byproduct of the post-WWII exodus from cities: Style-cramping apartments yielded to comparatively sprawling ranch homes, giving more people freedom to entertain guests. "The American housewife, who had been a wife, mom and housekeeper, now had the additional responsibility of hostess," said New York-based event designer Bronson van Wyck. "Why should she risk embarrassment and stack a bunch of drinks on a teetering tray when she could cruise around the room with a secure and chic cocktail caddy?" The saucy servers added a layer of theater to the drinking ritual and frequently outshone the spirits. Frosted glasses and 22-karat gold motifs conveyed status; more-casual glassware involved Blendo, a dip-dye technique whose pigment faded near the vessels' rims, which were finished in gold. Midcentury Drink Caddy, *$36, chairish.com*

NOW While the caddies of the past could be gaudy, today's superior cocktail ingredients and small-batch craftsmanship warrant glassware that lets you see the drink clearly, and an inconspicuous caddy to hold it in place. The Rare Whiskey Presenter Set fittingly fetishizes and protects your tipple. "The base is made from seven cross pieces of solid brass," says Christopher Gentner, a Chicago-based metal smith who designed the aged-brass caddy with his partner, glass designer Felicia Ferrone. "This was a technical element so when you lift it up, the bars support the glasses and make it nearly impossible to knock [a drink] over." The four scotch glasses subtly taper at top, allowing imbibers to focus on the aroma first and the flavor second. Rare Whiskey Presenter Set, *$460, shophorne.com*

—Miranda Agee

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Portugal's Way With Fire

This vibrant grilling tradition perfectly bridges the transition from summer to fall

BY MATTHEW KRONSBERG

BRUSH WITH GREATNESS Basting with piri-piri hot sauce, whiskey, brandy and butter gives this chicken crisp skin and robust flavor.

KATE SEARS FOR THE WALL STREET JOURNAL, FOOD STYLING BY JAMIE KIMM, PROP STYLING BY NIDIA CUEVA

WHEN CHEF George Mendes was five, he had his first food epiphany, on a trip from his Connecticut home to his parents' native Portugal. He and his mother attended a festival on one of the feast days that dot the summer calendar. "I remember open grills of chickens and sausages and bifanas," he said, referring to the pork-cutlet sandwiches as ubiquitous in Portugal as burgers are in the U.S.

"My mom lost me," said Mr. Mendes. "Apparently, I got a hold of a plate of sardines, took off and sat on a tree stump off on the side, eating them. The combination of the charred skin, lemon and oily fish was kind of an awakening for me."

Portuguese grilling has that effect on people. It had that effect on me (at a considerably more advanced age) on a recent trip to Portugal; it fires up diners at Lupulo, Mr. Mendes's Manhattan restaurant inspired by the *cervejarias* (breweries) of Lisbon; and it can do the same in a backyard most anywhere.

"We're not like the Argentinians that cook big pieces of red meat all the time," said José Avillez, Portugal's best known chef, whose 10 restaurants include four in the emporium-like Bairro do Avillez. "We're more in the chicken business and the seafood business, in terms of cooking with fire." Radically simple and given to bold, hearty dishes, this style of grilling is particularly well suited to this time of year, when a chill is creeping into the air but you're not nearly ready to give up on the grill.

▶ Find a recipe for grilled bifana sandwiches at **WSJ.com/food.**

When I visited the Portuguese city of Matosinhos, just north of Porto, the town's portside restaurants were thronged with families from around the region, drawn in by displays of the local catch on ice, waiting to be cooked on curbside grills.

I saw no special equipment being used, no equivalent to Argentina's parrillas. And no flavor-defining wood like hickory or post oak smoldering away; seemingly every grill in Portugal had a sack of Cuban lump charcoal beneath it.

It was grilling more or less as you know it, but somehow better. On a side street, the smell of smoke led me to peek into a hollowed out, roofless rowhouse. Inside the ruin, two cooks worked at rusted iron grills tending silvery fresh sardines flecked with coarse salt, whole sole, dorade and cuttlefish the size of small footballs. A silver-haired man in a pink polo shirt would walk in periodically and issue orders, then collect plates of cooked fish, which he carried across the street to patrons of Restaurante Teresa.

After a few minutes of watching the cooks work, I followed him, took a table in the restaurant and ordered an imperial of Sagres beer, codfish salad and a plate of sardines. Plump, rich and well charred, the sardines needed only a generous squeeze of lemon and a drizzle of olive oil.

Satisfying as this was, it was not my only lunch that day. On the drive back to Lisbon from Matosinhos, I turned off the highway toward the coast and the city of Aveiro. At O Telheiro, a rustic restaurant just across from the city's glass-walled fish market, I found a seat on one of the heavy wood stools at the bar. It was the end of service and the restaurant was almost empty. The chef, Licinio Simões, was at the grill. I sat at the bar and ordered the octopus.

When Mr. Simões brought it to me, he stuck around to talk for a few minutes, about the 15 years he spent cooking in the U.S., starting with a stint in Newark, N.J., whose Ironbound district is one of this country's most venerable Portuguese neighborhoods. He asked if I wanted to stay while he made a between-shifts meal for the staff—his take on what is perhaps Portugal's most famous grilled dish, piri piri chicken.

The dish gets its name from the small, red and fiery piri piri peppers that go into the basting sauce. Mr. Simões's version bolsters a hot sauce base with garlic, white wine, brandy and whiskey, all emulsified with a generous amount of butter.

"It's too spicy to go on our menu here," he said as he handed me a chicken thigh, hot off the grill. "I hope it's ok for you." It was more than ok. I wanted to go find a tree stump and be by myself for a while.

Piri Piri Chicken

Piri piri sauce can be found at many supermarkets or online at zingermans.com. Find directions for how to spatchcock a chicken at wsj.com/food.

TOTAL TIME 1½ hours SERVES 4-6

1 stick unsalted butter
1 tablespoon finely minced garlic
2 teaspoons of chicken base, such as Better Than Boullion
½ cup of piri piri sauce
1 cup white wine
1 tablespoon brandy
1 tablespoon whiskey
4 Cornish game hens or 2 small chickens, spatchcocked
Coarse sea salt

1. In a small saucepan over medium heat, melt butter. Add garlic and sauté 1 minute. Stir in chicken base and piri piri, increase heat to medium-high and bring to a boil. Add wine, brandy and whiskey and simmer to cook off alcohol, 3-4 minutes.

2. Pour sauce into a large bowl and whisk vigorously until sauce is at room temperature and butter is emulsified, about 10 minutes.

3. Light a grill. 10 minutes before grilling, sprinkle poultry on both sides with coarse sea salt. Place birds on grill, skin-side down, and brush with sauce. Cover grill and cook 5 minutes, then flip birds and baste again. Cover grill and cook, basting every 5 minutes, for 15 minutes. Flip chickens, baste again and cook, uncovered, 5 minutes. Flip chickens skin-side up and baste again. Continue cooking, uncovered, until a meat thermometer inserted into thickest part of breast reads 160 degrees, 5 minutes. For Cornish hens, total cooking time should be about 25 minutes; for chickens, 30-35 minutes. Finish by flipping skin-side down and cooking to crisp skin, 2 minutes.

—Adapted from Licinio Simões of O Telheiro, Aveiro, Portugal

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ON WINE LETTIE TEAGUE

The Best Pizza Wine? Not the One You Think

FOR ALL THE YEARS I've spent consuming pizza and wine, I've rarely pondered what combination works best. A pizza wine was whatever bottle I happened to have on hand. And yet with so many serious pizza joints popping up around the country in recent years, I wondered if pizza and wine pairing warranted a second look.

Of course "pizza" can mean many things: white or red, Sicilian- or Chicago-style, not to mention all the possible toppings. How could the same wine that goes with a mushroom pizza pair with, say, a clam pie? Yet when I talked to food and wine professionals as well as passionate pizza amateurs, only one said he chose his wine according to type of pie. The thinking more often factored in season and mood, or the price of the pizza. (The cheaper the pizza, the cheaper the wine.) And the choice was invariably red.

Glenn Vogt, managing partner and owner of RiverMarket Bar and Kitchen, a restaurant with its own wood-fired pizza oven in Tarrytown, N.Y., bases his choice on geography. "I've always fallen back on the idea that you drink wines of place," he said. Since pizza originated in Naples, Italy, Mr. Vogt often opts to drink a (red) wine from the same region (Campania). That means "a great Aglianico," though he's also a fan of Chianti with pizza. Then again, he also drinks white Burgundy with pizza, but not because of a particular pairing philosophy. "I just love white Burgundy," he said.

Kyle Kelly, wine director of Al Forno in Providence, R.I., famed for its pizza, is also a fan of Chianti as a pairing, but chooses the "straightforward, traditional" kind, not a Chianti with any additional Cabernet or Syrah. For Marc Malnati, proprietor of famed Chicago deep-dish chain Lou Malnati's Pizzeria, the wine of choice is Cabernet Sauvignon, especially Caymus Vineyards Cabernet. Isn't that a rather rich wine? I asked. "I think the sweetness can offset the acidity of the tomatoes," Mr. Malnati replied.

Some wine professionals admitted they don't drink wine with pizza at all. "Since I work in wine, I drink beer with pizza. It's a relaxation thing," said Sara Sparks, sales manager of Astor Wines & Spirits in New York. Ms. Sparks added that choosing beer is often an act of self-defense. "A lot of pizza places have bad wine lists," she said. When Mario Carlino, proprietor of Divina Ristorante in Caldwell, N.J., owned a pizzeria for 10 years, he drank beer with his pizza. But recently he switched to wine because beer is "too filling." Now he favors a "crispy white" from Italy with pizza.

SARAH FERONE; F. MARTIN RAMIN/THE WALL STREET JOURNAL (BOTTLES)

> Surprisingly, the white wines were a success, almost regardless of grape or origin, or even type of pizza.

When I put together a group of possible pizza wines to taste, I included an equal number of whites and reds. For reasons both budgetary and cultural, I focused specifically on Italian wines, though I also included a sparkling rosé from France because I happened to have it on hand, as well as a Tempranillo and a Malbec, at the behest of a wine store salesman who insisted they were "perfect pizza wines."

I found friends willing to eat lots of pizzas and taste multiple wines over the course of a week. We had mushroom and pepperoni, sausage and Sicilian, white and red pies—a different mix each night—but each time we had a pizza margarita on hand as the "control pie."

The Tempranillo and the Malbec the salesman noted as prime pizza partners were among the first wines we tasted. Although everyone loved the rich and concentrated 2014 Pesquera Ribera del Duero Tinto ($33), we agreed it was too complex, "too interesting" for pizza. The 2015 La Posta Pizzella Malbec ($15) from Mendoza, Argentina, was too jammy and sweet, notwithstanding the serendipity of the Pizzella name.

Though produced by two of my favorite Chianti producers, the two Chiantis were a surprisingly poor match. The 2015 Fattoria di Fèlsina Berardenga Chianti Classico ($17) and the 2015 Castello di Volpaia Chianti Classico ($17) turned out to be too high in acidity and lacking in fruit to withstand the acidity of the tomato sauce. The 2014 Arnaldo-Caprai Montefalco Rosso, a Sangiovese-Sagrantino-Merlot blend from Umbria, proved a much better match because it was more juicy and bright, and at $20 a bottle also fit my pizza price model.

The two Dolcettos we tried were largely forgettable—a bit too simple and light—though a few other Piedmont wines worked quite well. The 2015 Vietti Tre Vigne Barbera d'Alba ($17) was quite flexible and pairable thanks to a lively acidity and bright berry fruit. An earthy 2015 Produttori di Barbaresco Langhe Nebbiolo ($17) proved a perfect match to the mushroom pizza, though it was pretty flat with the Sicilian and the pepperoni. Like the Tempranillo, it was much better by itself, as was a Barbaresco from the same winery, the 2013 Produttori del Barbaresco Barbaresco ($33) that I'd splurged on to see if a more complex wine might be an even better fit with the pizza. It was not, but it was quite delicious, with soft tannins and opulent aromas of dark fruit and earth.

Pizza was no friend to our Italian red sparkling, the snappy and dry 2015 Zanasi Lambrusco "La Grasparossa" ($13); it pretty much killed the fruit in the wine and made it taste tinny. But the Lucien Albrecht Crémant d'Alsace, a rosé sparkling wine from France, proved a surprise winner. It had fruit but also acidity and beerlike bubbles, though the cultural purists discounted it because it came from France.

Also surprisingly, the white wines were a success, almost regardless of grape or origin or even type of pizza. "This Gavi can go in all kinds of directions," my friend Jane said of the 2016 Il Poggio di Gavi ($16), full bodied but marked by a firm minerality. Aromatic, luscious but well balanced, the 2016 Terredora di Paolo Falanghina ($16) from Campania proved Mr. Vogt's point regarding wines from the region where pizza was born. And the 2016 Tenuta delle Terre Nere Etna Bianco ($22), a field blend from Sicily, had a pleasing minerality that was a brisk counterpart to all the cheese.

Based on our findings, might pizzeria owners be compelled to rewrite their wine lists to include more Gavis, Falanghinas or even Pinot Grigios? Probably not. Diners seem to be as set in their ways when it comes to what they drink with pizza as they are on matters such as thin crust vs. thick. As my friend Rich said, "I drink red wine with pizza because I like red wine." Should he wish to expand his options, he can consult the list below.

▶ Email Lettie at **wine@wsj.com.**

OENOFILE // WINES THAT MAKE EXCELLENT PIE PAIRINGS

2016 Tenuta delle Terre Nere Etna Bianco $22
An old-vine field blend of various Sicilian white grapes made by Etna maestro Marco de Grazia, the Etna Bianco is a perfect bianco pizza partner—though it does pretty well by a pizza rosso as well.

2016 Il Poggio di Gavi $16
This vibrant white from the Cortese grape is made in the Rovereto zone of the Piedmont. Round, medium-bodied, it seems to gain in richness with pizza. Particularly good with a mushroom-sausage pie.

2014 Arnaldo-Caprai Montefalco $20
The bright and juicy character of this lively red Sangiovese-dominant blend from superstar Umbrian producer Arnaldo-Caprai makes it ideal for just about any type of pie, especially a classic pizza margarita.

2015 Produttori di Barbaresco Langhe Nebbiolo $17
Aromas of red fruit and earth and a soft, approachable character plus lively acidity make this basic Nebbiolo from the famed Barbaresco cooperative in Piedmont a dynamic pizza match.

2016 Mastroberardino Lacryma Christi del Vesuvio Bianco $16
For those who think the wine should match the food's place of origin, this earthy, medium-bodied white with a mineral edge from a venerable Campania producer fits the bill.

SLOW FOOD FAST: SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

Roast Lamb With Farro Salad and Eggplant

The Chef
Julia Sullivan

Her Restaurant
Henrietta Red in Nashville, Tenn.

What She's Known For
Cooking that's at once modern and cozy. A way with shellfish, from raw to roasted. Fresh, bright dishes suffused with the flavor of wood fire.

WHEN CHEF Julia Sullivan moved home to Nashville after eight years in New York City, the local food scene was booming. "There were lots of new restaurants in warehouses with exposed bricks and beams and poured cement," she said. "We wanted something different." Six months ago, she and her business partner, Allie Poindexter, opened Henrietta Red in a bright, white space with a wood-burning oven, cozy banquettes and a marble bar.

This recipe, Ms. Sullivan's final Slow Food Fast contribution, shows her light touch and propensity to please. A medium-rare rack of lamb is cut into easy-eating chops. An herby farro-cucumber salad anchors the plate. And roasted eggplant dolloped with spiced yogurt makes a luscious, smoky side. The dish is refreshing but also hearty enough to satisfy Southern appetites. "We are in Nashville," Ms. Sullivan said. "This is our answer to steak and potatoes." —*Kitty Greenwald*

TOTAL TIME: 40 minutes SERVES: 4

1 rack of lamb (about 3 pounds) with 12-15 chops
Kosher salt and freshly ground black pepper
4 garlic cloves, minced
Zest and juice of 2 lemons
3 tablespoons Dijon mustard
1 tablespoon red-wine vinegar
½ tablespoon light brown sugar
2 medium eggplants, cut into 1-inch dice
3 tablespoons extra-virgin olive oil
1 cup labneh or whole Greek yogurt
2 teaspoons cumin seeds, toasted and ground
3 cups cooked farro
3 cups sliced cucumbers
¼ cup mint leaves, roughly torn
¼ cup dill, roughly chopped

1. Preheat oven to 450 degrees. Season lamb liberally with salt and pepper. In a small bowl, whisk half the garlic together with lemon zest, mustard, vinegar and brown sugar until sugar dissolves. Coat lamb with marinade and shake off excess. Place lamb in a roasting pan and roast on oven's center rack until medium-rare, or a meat thermometer inserted at thickest point reads 125 degrees, 25 minutes. Let meat rest at least 10 minutes before carving.
2. Meanwhile, toss eggplant with salt and 2 tablespoons olive oil. Spread eggplant out on a medium roasting tray and add a splash of water to wet pan's base. Bake eggplant until brown and completely soft, about 20 minutes.
3. In a medium bowl whisk yogurt together with 1 tablespoon olive oil, cumin and remaining garlic. Season with salt. Toss farro, cucumber, mint, dill and lemon juice together in a large bowl. Season with salt.
4. Slice rack of lamb into chops. Divide farro among 4 plates or spread over a platter. Arrange chops over farro. Serve eggplant alongside lamb with a dollop of yogurt on top.

KATE SEARS FOR THE WALL STREET JOURNAL, FOOD STYLING BY JAMIE KIMM, PROP STYLING BY NIDIA CUEVA

TASTE MAKERS Handfuls of mint and dill freshen the farro-cucumber salad, and a generous dash of cumin warms up the garlicky yogurt sauce.

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ADVENTURE & TRAVEL

DAY TRIPPER

Where the Wind Blows You

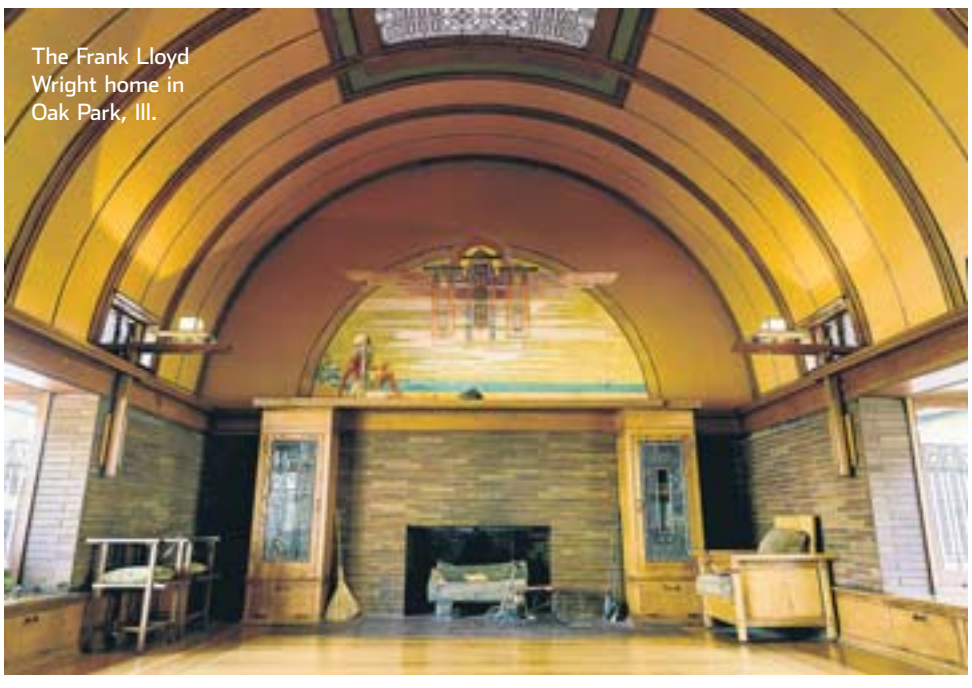
Make Chicago your base for day trips to a Midwest hinterland of natural wonders, regional cultures and historic resort towns

Saugatuck Dunes State Park, a 2½ drive from Chicago.

LUCY HEWETT FOR THE WALL STREET JOURNAL; ILLUSTRATIONS BY JOÃO FAZENDA

Saugatuck, Mich.
A welcoming beach town on the shore of Lake Michigan
A two-hour, 15-minute drive from Chicago

Best for Chowhounds, hikers, beachcombers and arts patrons
Claim to fame This mid-19th century lumber town straddling the Kalamazoo River boomed after the 1871 Great Chicago Fire. As industry declined in the early 20th century, artists from the Chicago Art Institute colonized beaches and waterfront houses, and by midcentury Saugatuck and its sister town of Douglas had become a pioneering Midwest LGBTQ- and biker-friendly resort destination. Families and couples come for weekly concerts by local bands in Wicks Park and the slew of fine arts galleries and restaurants.
Don't miss You can climb (or just admire) 200-foot-tall sand dunes after a strenuous hike through Saugatuck Dunes State Park, a 10-minute drive from town. People who'd rather not get sand in their shoes can take a 40-minute tour aboard open, elongated dune buggies *(saugatuckduneride.com)*. Or take an 1838 chain ferry across the Kalamazoo River and walk three blocks to the base of Mount Baldhead, then climb 282 wooden steps up the slope for views of Saugatuck and Lake Michigan. A mile hike from the lookout through forest and down to fragile grasses takes you to Oval Beach, an all-seasons Lake Michigan gem. On a cloudy day, treasure hunt at the Saugatuck Antique Pavilion, where recent finds included rare Pyrex sets and a vintage condom dispenser *(saugatuckantiquepavilion.com)*.
Don't bother Skip Kilwin's Ice Cream, which has branches in Chicago, and get your sugar fix at the 104-year-old Saugatuck Drug Store, where a time-capsule soda fountain offers root beer floats and 24 flavors of soft serve *(201 Butler St.)*.
Lunch break The Southerner, overlooking the river and open for breakfast, lunch and dinner, serves fried chicken with honey butter, shrimp and grits, and more dishes inspired by the cuisine of Appalachian folks who migrated north in the 1950s seeking jobs in Michigan's auto industry *880 Holland St.; thesouthernermi.com)*.
Overnighting Redone in 2016, Hotel Saugatuck, in a converted 19th-century lumber mill, offers 18 spiffy rooms *(from $239 a night, thehotelsaugatuck.com)*.



The Frank Lloyd Wright home in Oak Park, Ill.

Oak Park, Ill.
A 115-year-old village and Chicago satellite best known for its architectural patrimony
A 25-minute train ride on the CTA Green Line from downtown Chicago

Best for Non-drivers, Frank Lloyd Wright and Ernest Hemingway pilgrims and curators of small-town novelty items
Claim to Fame Oak Park's eclectic buildings include the childhood residence, now a museum, of Ernest Hemingway *(200 N. Oak Park Ave., ehfop.org)*, and the residence and studio of Frank Lloyd Wright, who lived here from 1899 to 1909 and built or renovated 25 local structures reflecting the evolution of the Prairie School style. Also here is the newly opened Oak Park River Forest Museum, which has more Hemingway memorabilia, housed in a rehabbed 1898 firehouse *(129 Lake St., oprfhistory.org)*.
Don't miss Frank Lloyd Wright Trust offers guided Oak Park tours of varying length. Most visitors opt for the guided home and studio visit plus self-guided audio walk past other Wright-designed homes. Leave time for Wright's Unity Temple of 1905-1908, reopened in June after an extensive restoration, which you can tour with a docent or contemplate while attending a Sunday morning Unitarian service.
Don't bother Pleasant Home, a mansion designed by Wright contemporary George Maher has a lovely, Instagrammable garden that's free to the public, but the home's interior can easily be bypassed.
Lunch stop In warm weather, grab a spot on the patio at Maya Del Sol, where locals gather for good margaritas and fish tacos *(144 South Oak Park Ave., mayadelsol.com*
Souvenirs Shop for hard-to-find French soaps, hand cream and kitchen textiles at Careful Peach *(1024 North Blvd., carefulpeach.com)* and for the kind of gag gifts that tweens especially appreciate at Pumpkin Moon *(1028 North Blvd., pumpkinmoon.net)*.
Overnighting The elegantly old-fashioned Carleton of Oak Park opened in 1928 *(from $172 a night, carletonhotel.com)*

Shipshewana, Ind.
A tiny Amish and Mennonite market town
A two-hour drive from Chicago

Best for Cultural anthropologists and donut lovers seeking a rural change of scene
Claim to Fame Shipshewana, pop. 700, remains an important market town for Amish and Mennonite farmers. With a thriving tour-bus zone of quilt shops, bakeries, guided carriage rides and all-you-can-eat Dutch-German buffets, Shipshewana can seem like a theme park. But the rows of horse buggies hitched at the local bulk foods store, as well as the weekly cattle, horse and art auctions at the 1922 Shipshewana Trading Place, showcase the authentic local culture. Watch out for teenage Amish speed demons driving open pony carts.
Don't miss First, fuel up with coffee and cinnamon-caramel donuts at Rise'n Roll Bakery in nearby Middlebury *(1065 N 1150 W., risenroll.com)*. Then head to Shipshewana's Menno-Hof museum of Amish and Mennonite culture. Docents elucidate, at length, the Anabaptist journey from persecution to prosperity. Interactive exhibits inside the community-raised barn include a replica of a European torture chamber and a tornado simulator *(510 S. Van Buren St., mennohof.org)*.
Don't bother The Wednesday flea market, touted as "the largest in the Midwest," largely trades in knockoffs and junky kitchenware. Avoid visiting on Sundays; most places are closed.
Lunch stop The 5/20 Country Kitchen serves hulking roast-beef sandwiches, but you're really there for the peanut-butter pie *(7995 W. US Highway 20)*
Overnighting The four quilt-decorated guest rooms at Bright Morning Star b&b overlook family farms *(from $110 a night, brightmorningstarbb.com)*.

A horse-drawn carriage just outside Shipshewana.

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Leisure Class

A few of the grand estates on England's Norfolk coast are field-testing new ways to lure visitors, from glamping sites to amply inviting restaurants

MANOR REBORN The 18th-century Holkham Estate now encompasses two cafes, a gift shop and several accommodations including a gastropub with rooms.

ANDY SEWELL FOR THE WALL STREET JOURNAL; MAP ILLUSTRATION BY JASON LEE

BY KATE MAXWELL

IT was early on a summer morning in the walled garden at Wiveton Hall, a Jacobean estate on a marshy stretch of the north Norfolk coast, and Desmond MacCarthy was worrying about his salad leaves. Already nudging 90 degrees, the mercury was breaking English records, and Mr. MacCarthy, Wiveton's owner, feared that his leaves, destined for the estate cafe, would wilt.

You can bet the 17th-century merchant who built Wiveton Hall, a Dutch-gabled manor home whose flint-stone coat sparkles in the sunlight, didn't concern himself with such fripperies as vegetable husbandry. But up and down England, the custodians of ancient houses, the agricultural estates of which were either sold off centuries ago, or whose output no longer covers their staggering maintenance costs, are being forced to come up with creative ways to keep the tiles on the roof. Wiveton Hall's crayon-colored cafe—which serves slender asparagus with fried eggs on sourdough for breakfast; succulent crab-and-mayonnaise sandwiches at lunch, and is invariably full to its turquoise rafters—is one.

A perpetual headache for their highborn owners, this financial struggle is a boon for travelers, who are being given ever more access to sprawling stately piles—of which there is an abundance on Norfolk's so-called Royal Coast, a three-hour drive northeast of London. Desmond MacCarthy's program of "agricultural diversification," as the practice is known, is extensive. As well as the cafe, there are pick-your-own strawberries and accommodation in chocolate-box cottages and a field of fully furnished bell-tents. My family and I glamped for two nights, roasting marshmallows over our fire pit, while a barn owl glided overhead and a hedgehog thumped through the undergrowth.

Mr. MacCarthy's latest initiative is a maize maze, which his son, Edmund, had been tasked with scything. In Wiveton Hall's West Wing, which offers accommodations in four of its bedrooms, Desmond and I tiptoed around the ground floor, previously a ballroom, hoping not to wake the guests above. For Mr. MacCarthy, letting out portions of his home is a necessary evil. "In a few years there'll probably be nine families here [at Wiveton Hall]," he said, mournfully. "It'll be like Dr. Zhivago." For now, Mr. MacCarthy's new status as a reality TV star is helping to keep the wolves from the door. Last year, he, along with assorted staff and his 102-year-old mother, Chloe, who still lives on the estate, became the subject of the BBC's "Normal for Norfolk" series about the family's efforts to maintain Wiveton Hall.

A few miles up the coast, Holkham Hall is a stately home on another scale, and it, too, is in the midst of a diversification drive. An 18th-century Palladian estate, Holkham encompasses 25,000 acres of land, 100 times that of Wiveton Hall, but tourism overtook farming in the revenue stakes long ago. I half-expected a giraffe or elephant to emerge from the sweeping, savannah-like parkland (instead, herds of fallow deer roamed). Elsewhere are swaths of woodland, grand fountains, soaring statues and ornamental lakes. Built by the 1st Earl of Leicester in the mid-18th century, Holkham Hall continues to be home to the Leicester family and is open three days a week between April and October; visitors can tour the grounds daily. You can peer inside the original, soaring kitchen, where copper pots gleam on the shelves; marvel at the collection of manuscripts that predate the Magna Carta and poke around the Long Library, where the current Earl of Leicester, Thomas Coke, likes to work on his laptop opposite a lion mosaic dating from the 2nd century B.C., a souvenir from an ancestor's European tour.

> We tiptoed around the ballroom, careful not to wake the guests above.

Since my last visit to the honey-stone Holkham estate, over a decade ago, a number of follies and cottages have been turned into elegant accommodation for visitors. We stayed in the Ancient House, its many ornate chimneys rising from a crenulate roof. Its Beach Café has been given a Scandi-style makeover, while a Field-to-Fork exhibit exploring the 18th-century innovations in livestock breeding and agricultural pioneered by the 1st Earl of Leicester opened this year. Stable blocks have been reimagined as co-working spaces as well as a studio for London jeweler Monica Vinader; her gold pendants hang in the gift shop.

ESTATE OF PLAY Clockwise from top left: Norfolk's Gunton Arms pub, on an 18th-century deer park; Desmond MacCarthy, a gentleman farmer-cum-innkeeper; Wells-next-the-Sea, part of the Holkham estate.

All these efforts combine to appeal to the increasingly sophisticated visitors who "want an experience that's a bit more than an egg-and-cress sandwich made by the farmer's wife," said David Horton-Fawkes, Holkham's estate manager. Still, Holkham's greatest asset remains its coastal nature reserve, a 4-mile, white-sand beach backed by dunes and pine forest planted by the 3rd Earl of Leicester in the 19th century. The beach spans such a width that you can feel, at low-tide, as if you're crossing the desert, and stroll for an hour before reaching the water's edge.

On a sunny Friday evening, locals and their Labradors and Londoners like my family and me crammed the picnic tables outside Holkham's pub-with-rooms, the handsome, brick-and-flint Victoria Inn. The cooks source the menu almost entirely from the estate: top scorers were the Holkham beef burgers and the chargrilled bacon I ate at breakfast the next morning. There's stiff competition for food in these parts. A 15-minute drive away, in Burnham Market, a collection of ivy-clad Georgian cottages surrounding a village green, we bought potted shrimp and dressed crab from a fishmonger whose accent could pass for an earl's, and picnicked beside the ice-cream-colored huts of Wells-next-the-Sea, another wide, sandy beach on the Holkham estate.

I don't think the Queen lies awake at night worrying whether the gardener has remembered to water the vegetables at her Norfolk estate, Sandringham. Still she, too, throws open its grand doors to visitors between April and November, before traveling there herself for the Christmas holidays. I had expected the ground-floor rooms to which visitors are admitted to be lobotomized of personal details; instead, Sandringham offers an oddly intimate look at royal life (we were assured that, except for the carpets, the rooms are unchanged when the Queen stays). In the sitting room, we spotted a needlepoint cushion, given to the Duke of Edinburgh, that read "Good shots never grow up, they just pick up less birds." A large jigsaw puzzle lay half-finished on a side-table. The Queen, we were told, is an enthusiastic puzzler, and encourages the staff to participate, but woe betide anyone who gets a piece wrong.

An Englishman's home is his castle—so goes the adage. At Sandringham, it's the other way around: Gilt and crystal chandeliers notwithstanding, this royal retreat feels like a home. But if I were the Queen, I'd break with protocol, flip the calendar and decree that summers and autumns, rather than winters, be spent at Sandringham. Swallows careening over the marshes; beaches flecked with pastel huts and crab shacks; the evening light gilding everything and everyone—it's not hard to see why Desmond MacCarthy, the Earl of Leicester and the other titled homeowners of north Norfolk cling so keenly to their money-pit piles.

WING MAN One of the four guest rooms in Wiveton Hall's West Wing.

THE LOWDOWN // STATELY HOME-HOPPING ON ENGLAND'S NORTH NORFOLK COAST

Getting There There are no direct trains, so rent a car. You'll need one to explore north Norfolk. It will take you around three hours to drive from Heathrow—take the M25, A11 and A1065.

Staying There Wiveton Hall's West Wing sleeps nine people and is available to rent by the week; its three cottages accommodate between four and six *(from about $685, wivetonhall.co.uk)*. A short walk from the cafe, six bell-tents have stoves and double beds with crisp white sheets, and share an immaculate shower block *(about $185 per night, two-night minimum, ambersbelltents.co.uk)*. The 20 rooms at Holkhom's Victoria Inn sport an elegant country look *(from about $240, holkham.co.uk)*. Each of Holkham's four historic lodges, deep within the estate, sleeps two *(from $120, minimum two nights, barefootretreats.co.uk)*. Just opened near Burnham Market, the 12-room White House on Sussex Farm has a bold interior with mainly British fabrics and wallpapers. Rooms are available on a B&B basis, or you can rent the whole house *(from about $140, stayatthewhitehouse.co.uk)*.

Touring There If you haven't had your fill after Wiveton Hall, Holkham Hall and Sandringham, consider three more stately historic homes to visit in north Norfolk. For starters, Houghton Hall, another Palladian home, was built for Britain's first prime minister, Sir Robert Walpole. Dating back to the 17th-century, Felbrigg Hall encompasses a stunning walled garden and 520 acres of parkland to explore. And redbrick Blickling Hall lies on the ruins of Anne Boleyn's birthplace; her headless ghost is said to appear on each anniversary of her beheading (May 19).

▶ For restaurant recommendations in north Norfolk, see **wsj.com/travel**

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GEAR & GADGETS

MIKE LEMANSKI

Hot or Not? Ask These Cooktops

Bye-bye 'Medium High.' A new breed of smart burners can heat a pan to a precise temperature

BY WILSON ROTHMAN

I **WAS ONLY** about halfway through the jam session when the adrenaline kicked in. The molten strawberries were bubbling like cartoon lava, sometimes spattering my frantically revolving arm with a brief sting. I looked down at my phone...four and a half minutes to go. Four and a half minutes?! At 310 degrees?! Stirring constantly?!

An eternity later, my phone dinged, and the app, whose recipe I was using, said I could stop. I survived unscarred and, for my troubles, wound up with a jar of perfect strawberry jam.

I've made jam before, plenty of times, but there was always guesswork: Recipes tell you to cook over low heat, turn your burner up to high heat, etc., but how do they know what stovetop I have? Does it make a difference that I have gas instead of electric? If not, why not?

This time, my instructions were calibrated to ingredients, time—and exact temperature—because I was using an induction cooktop with an app that knows how hot the pan is.

Induction burners, which heat pans using an electromagnetic field, have been around a long time. I've kept one next to my gas range for years, mostly for rapidly boiling water or reducing wine or stock. But some new models—the Hestan Cue, FirstBuild's Paragon and the Control Freak from Breville's PolyScience division—recently got smart. Though differing in approaches, each provides accuracy that lets you confidently sear steak, melt chocolate, fry eggplant or achieve perfect brown butter sauce whether you're using their recipes or your own.

As an experienced home cook, I am used to winging it and having my food turn out OK. But I've found that these smarter cooktops allow me more freedom and control. They stoke my creativity and teach me new things. They help novices become self-assured and enthusiasts level up.

The Hestan Cue takes an active approach to culinary education. Its test kitchen is run by Philip Tessier, previously the executive sous chef at French Laundry, Thomas Keller's Napa Valley restaurant, and currently the head coach of the U.S. team that just won gold in the World Cup of cooking, Bocuse d'Or.

Like a pro coach, he appears on video in the Hestan Cue app to guide you step by step through the recipes he created for the cooker. Tapping "Next" tells the burner to adjust its temperature as needed. Along the way, you pick up skills, from dicing onions to deveining shrimp.

Induction requires pans to contain a certain amount of steel or iron. I found that nearly all pans from brands like All-Clad, Le Creuset and Lodge are induction-friendly. The Hestan Cue comes with a pan you must use for its recipes, but the burner can be used with other pans when it's not in smart mode.

> I've made jam before, but there was always guesswork. No more.

The Paragon comes with two easy-to-use thermometers, a mat on which pans sit (to measure pan temperature) and a probe to put in water or oil, or to stick inside a piece of meat (to gauge internal temperature). The versatility allows for perfecting your own beloved recipes, from fondue to Belgian frites.

Temperature control also makes it easier to bring little sous chefs into your kitchen. A few weekends ago, my 9-year-old daughter not only mixed the batter but cooked 12 golden, crispy-on-the-outside, fluffy-on-the-inside pancakes without my help. I would never have left her unattended at the gas burner. She got confidence and I was amazed.

If you know your stovetop and cook favorites over and over, you don't need an app or LCD display giving you thermal readings, or telling you when to flip your protein. But do ask yourself why, in an age of smartphones and talking speakers, are we still dealing with vague recipe instructions like "medium high"?

BRAINY ASSISTANTS // THREE INDUCTION COOKERS TO CONSIDER—WHETHER YOU'RE A NOVICE OR A KNOW-IT-ALL

FOR BEGINNERS

FirstBuild Paragon

Built by GE Appliances' start-up-minded FirstBuild team, the Paragon burner has a silicone mat to measure pan temperature. It also has a probe, to use instead of the mat, to ensure exact internal temperature. Its app offers basic time/temperature recipes for common foods like steak, vegetables and pancakes, but you can cook whatever you want.

Pros Because of the mat, you can use any induction-friendly pan in your kitchen. The probe lets you maintain water at a certain temperature, so you can do sous-vide cooking at low temperatures.

Cons Unfortunately you have to choose between using the mat and the probe. The cooktop's relatively low power means it takes longer to boil water, and the maximum temperature for precision control is 375 degrees. *$300, firstbuild.com*

FOR ENTHUSIASTS

Hestan Cue

Precision comes from an included frying pan with an integrated thermometer. The app walks you through many recipes, from crispy-skin salmon to savory crepes. Without the app and special pan, you can still set a power level, with 10 increments from low to high.

Pros The in-app, video-enhanced recipes make this a great asset. Compact yet powerful, the burner also works without the bells and whistles. Hestan is teaming up with ChefSteps to incorporate the Joule sous-vide cooker for two-step recipes—first bringing a steak to the perfect temperature, then searing it on the Cue.

Cons To use any of the step-by-step recipes, you need to use the included pan—which isn't big enough for two rib-eyes or eight strips of bacon. (You also can't use the pan elsewhere.) Hestan says it will launch a larger chef's pot in October. *$500, hestancue.com*

FOR PROFESSIONALS

Breville/PolyScience Control Freak

The commercial-grade Control Freak has a thermometer in its cooking surface, and can generate heat up to 482 degrees. It's a bigger, heavier piece of equipment, and all the controls appear on its own color LCD display screen, rather than in an app.

Pros This heavy-duty workhorse is fast and powerful. When cooking at high heat, it's great to be able to set pan temperature and also track the internal temperature of your food with the included probe. Controlling everything through the screen means less chance of your phone being spattered with grease.

Cons Because it's a professional tool, there's not a lot of hand-holding. You won't find recipes, let alone step-by-step videos. And if that high price tag is a concern, Breville says it will introduce a consumer version in 2018. *$1,800, polyscienceculinary.com*

MY TECH ESSENTIALS

MATT LEVATICH

The CEO of Harley-Davidson on his therapeutic lawn tractor, preferred ear gear and favorite teleprompter app

My **corkscrew** is a hand-me-down from my great-grandfather. After World War II, my father and his family emigrated from Slovakia to Germany to the United States. Either my father or my grandfather, I'm not sure which, brought this corkscrew as part of the family objects they could keep. A corkscrew is an awesome tool because it's a simple machine. Mine has sentimental value.

About a year ago, I took up bicycle riding because my right knee protested wildly about running and playing hockey. I ride a **Trek Emonda S 6 bike.** It's a well-made machine. I just enjoy the ride. It's my other two-wheeled existence.

Sennheiser audio equipment, in my opinion, has the best sound quality and reproduction, which is what I want when I listen to music. I want to hear it all. My **Sennheiser PXC-550** headphones are Bluetooth enabled with a bit of noise canceling.

I recently bought a **Garmin Edge 520** bike computer. I pair it with a heart rate monitor that I wear and a speed sensor and cadence sensors on the bike. The computer tells me how my heart is doing, how fast I'm going, and my pedal rate per minute. It also gives me a sense of how I compare against myself day-to-day and within the world of cyclists. It helps me get more out of my ride.

I'm very protective of my ears when I ride motorcycles. I invested in a pair of **Racing Electronics Custom Racing Earmolds**. They have a snug fit and cancel a lot of harsh noise, but you can still hear fire engines and cars.

I give a lot of speeches and I have this cool teleprompter app on my iPad called **PromptSmart**. It's listening to my voice and scrolling as I talk. If it falls behind I can swipe it to get to where I need to be. If I go off-script and ramble, it stops and waits for me to get back to my script. I love it.

I cut my grass and clear my driveway of snow with a **John Deere X729 tractor** (similar model shown). It's a four-wheel steering chassis, so when I'm cutting the grass I can easily get around the trees. I also have a snow blower for it. Being in the yard is a therapeutic activity. I don't have to hire a landscaper *or* a therapist! *—Edited from an interview by Chris Kornelis*

MATT LEVATICH (CORKSCREW)

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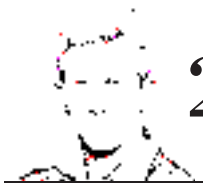
RUMBLE SEAT DAN NEIL



2018 Toyota C-HR: Time to Think Little Picture

DRESSED TO THE NINES The petite 2018 Toyota C-HR XLE Premium is an aggressively designed giant among cute-utes in the subcompact showdown.

TOYOTA

WHEN IT COMES to crossovers, one pill makes you larger and the other makes you small.

This short pants is the new Toyota C-HR, which qualifies as a subcompact crossover. Its overall length is about a foot less than its famous sibling, the RAV4, and it's a half-foot lower at the roof, on very nearly the same wheelbase (103.9 inches). The C-HR's primary target is Honda's best-selling H-RV, which is an absolute stone-cold value, as the Toyota people know well.

Toyota says that "C-HR" stands for Coupe High-Rider, which henceforth will be my porn name.

Based on the company's universal small-car guts (the Toyota New Global Architecture) and assembled in Arifiye, Turkey, the CH-R joins a Hobbit knife-fight already in progress, among wee trucklets Mazda CX-3, Honda HR-V, Nissan Juke, Chevy Trax, Kia Sportage and Subaru XV Crosstrek. So much adorable blood on the floor.

The C-HR is not the fastest, most useful or strongest in this swelling fleet. To call it peppy is to damn it with fair praise. The C-HR's particular charm is charm itself—the tartness, the cheek, the amplitude of attitude flickering across its small surface.

You want to see a car vanish before your eyes? Park a Trax next to a C-HR. Poof goes the Chevy.

According to Toyota, the C-HR's design inspiration was the phrase "distinctive diamond." Uh-huh. "The iconic gemstone evokes universal notions of luxury, attractiveness, sophistication, and strength." Talk to me, Harry Winston.

In any event, Toyota went to ridiculous lengths (and costs, I bet) to wring this subtly faceted shape out of a mass-production environment. Observe the fineness of the body-panel stampings, the barely-there light lines that chase themselves across the fuselage. This styling requires all the body panels, each with deep curving drafts and finicky lines, to be in perfect registration, even the gas-cap hatch.

It's sometimes said that good design costs nothing. Yeah, no. Look at those bulging two-piece taillight assemblies. How much does a railcar of those cost, I wonder? What's notable to me is that the C-HR's elaborate tooling didn't push up the retail price in the U.S. The C-HR starts at $22,500 in XLE trim or $24,350 in well-furnished XLE Premium. This is hell of a lot of car-craft for that price. Perhaps that's why they are built in Turkey.

There are other costs. The extra-fast roofline constricts rearward visibility, so a backup camera with LCD display in the rearview mirror is standard equipment. Cargo capacity is unsurprisingly dinky: 19 cubic feet behind the second row-seats.

> What's notable is that the C-HR's elaborate tooling didn't push up the car's U.S. retail price.

The roofline also collides with the upsweeping beltline at the top of the rear doors, where the door handles are cleverly concealed. All in all it's a dramatic way to obliterate rear-side visibility. Meanwhile, looking out from the rear seats is like peeking out a storm drain. This is just another way this car lives on Rue Sans Famille.

If the C-HR has limited sightlines, it's bristling with other faculties. Toyota's Safety Sense P package includes a pre-collision system with pedestrian detection, forward collision warning and automatic emergency braking; rear backup camera; lane-departure alert and lane-keeping assistance; automatic high beams; and all-speed dynamic radar cruise control. Toyota claims the C-HR is the only minnow in the pond to the latter system.

Under the exhibitionist body work resides a mild-mannered Toyota widget: a naturally aspirated 2.0-liter four with supersmart valve-ware (144 hp and 139 pound feet) winding up a CVT transmission and front-wheel drive. With 0-60 mph acceleration of around 9 seconds, the C-HR has no problem keeping up with city traffic, as long as that city isn't Los Angeles.

The C-HR blithely plagiarizes the Nissan Juke (2011), whose pioneering weirdness and indifference to utility helped spawn all these small fry in the first place. But whereas the feisty Juke rewards driver engagement, the C-HR is fairly withholding. The e-assisted, speed-variable steering is serviceable but numb as a well-digger's bum. The independent suspension is firm rather than taut, favoring ride quality over sporty handling. The 18-inch alloy wheels brandished at the four corners are there mostly for reasons of awesomeness.

And it remains a mystery to me how to love a car with a continuously variable transmission. Toyota says their system has evolved to increase responsiveness and reduce noise and engine droning. Yes, but. The fuel-saving algorithms built into the engine control would very much prefer my acceleration curves were shallower. The logic not-so-subtly intervenes to soften throttle response, which only tends to draw out the now-quieter drone. Oy.

The ruby-red test car, in XLE Premium trim, was shrewdly appointed for the demographic: a 7-inch touch screen hosts audio functions including wireless music streaming from devices to appeal to connected millennials. Lots of ports and plugs. Projector-beam headlamps blaze from the squinty front light assemblies. These have Auto on/off. Dual-zone climate control, remote-keyless entry, the aforementioned 18-inch wheels round out the niceties.

Alas, if you want the snappy white roof like the one on our ruby-red tester—it kind of perfects the design, graphically—you will have to scratch up another $500 for the "R-Code" package. Money well robbed, in my view.

Part of this job is judging the vox pop, and the polling on the C-HR has been wildly positive. All kinds of people and a wide range of ages. And I'm standing there, like, really? It doesn't look like it's having an allergic reaction to you?

I'm, yes, allowing for cognitive and behavioral biases—the shock of the new; people's general unwillingness to walk up and say, "Hey feller, wanted to tell you, that is one stupid-looking car! Have a nice night."

Still, the C-HR kept ringing up second looks. Interesting.

When is less more? When it's adorable.

2018 TOYOTA C-HR XLE PREMIUM

Base price $24, 350
Price as tested $26,794
Powertrain Front-transverse mounted, naturally aspirated 2.0-liter DOHC inline four with variable-valve timing; continuously variable transmission with simulated six-speed sequential-shift mode; front-wheel drive.
Power/torque 144 hp at 6,100 rpm/139 lb-ft at 3,900 rpm
Length/height/width/wheelbase 171.2/61.6/70.7/103.9 inches
Curb weight 3,300 pounds
EPA fuel economy 27/31/29 mpg, city/highway/combined
Cargo capacity 19 cubic feet (behind 2nd row)

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